

TNT Hearing / ISD 110 School Board Work Session

Monday, December 9, 2024 7:00 PM

Waconia Public Schools - District Office - Conf Rm A, 512 Industrial Blvd.,
Waconia, MN 55387

1. Truth In Taxation Presentation

Presenter: Pam
Carman, Director of
Finance and
Operations



Waconia Public Schools, ISD 110

Public Hearing for
Taxes Payable in 2025

DECEMBER 9, 2024

PRESENTED BY:

PAM CARMAN
DIRECTOR OF FINANCE AND OPERATIONS

Agenda

- Review of Meeting Requirements
- Presentation of current school year budget
- Presentation of proposed tax levy
- Public comment

Minnesota State Law Requirements

A Public Meeting...

- Between November 25th & December 30th
- At 6:00 PM or later
- May be part of regularly scheduled meeting
- Must allow for public comments
- May adopt final levy at same meeting

...and Presentation of:

- Fiscal Year 2025 budget
- Pay 2025 Proposed Tax Levy

Minnesota School Funding

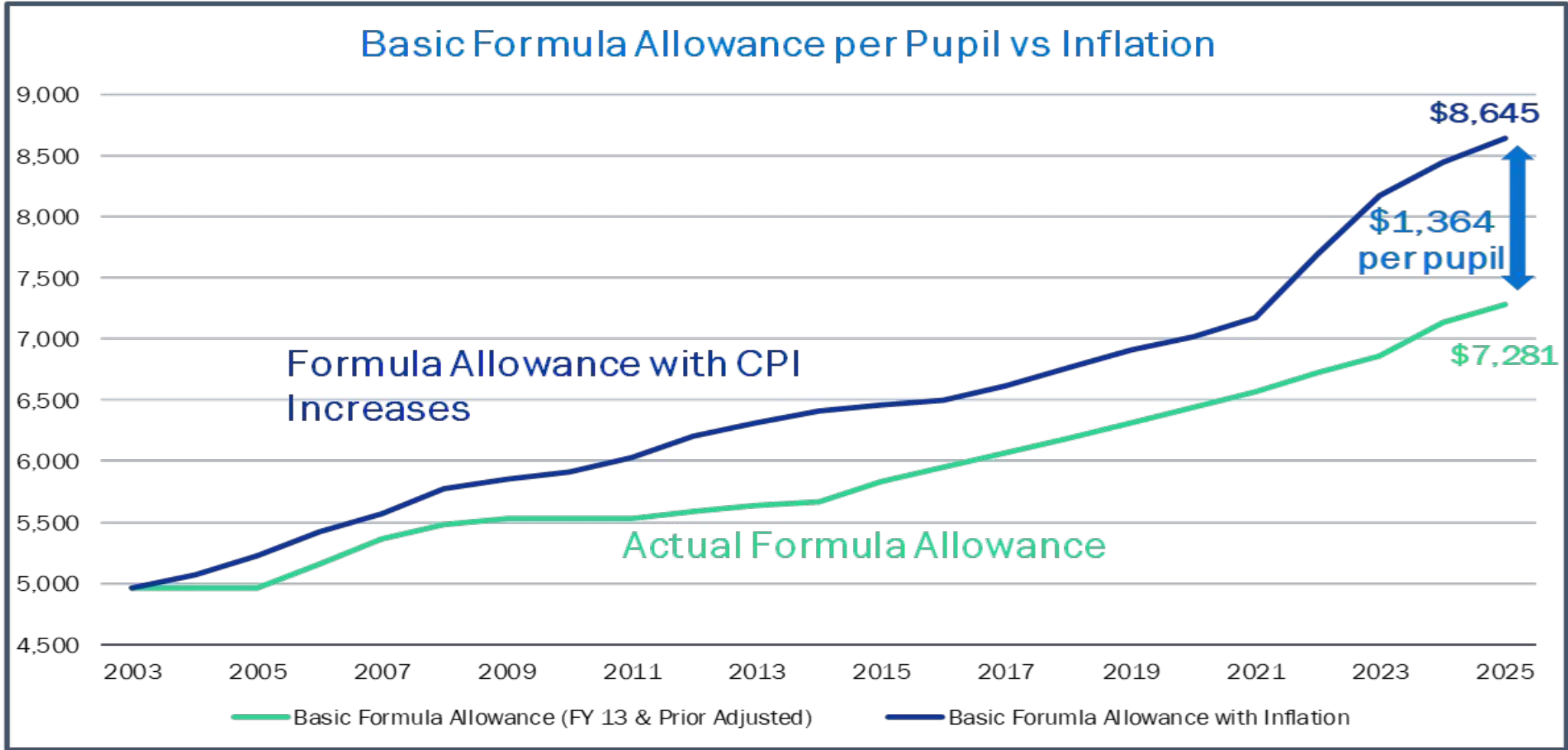
Public schools districts are funded by the federal government, state government, local fees and local taxpayers through property taxes with the state of Minnesota being the largest source of funding.



Basic General Education Formula Lags Inflation

- Since 2002-03, state General Education Revenue formula has not kept pace with inflation
- For Fiscal Year 2023-24, an increase of 4.00% or \$275 over previous year was approved
- For Fiscal Year 2024-25, an increase of 2.00% or \$143 over previous year was approved

Per-pupil allowance for Fiscal Year 2024-25 of \$7,281 would need to increase by another \$1,364 (18.7%) to have kept pace with inflation since 2002-03, resulting in an allowance of \$8,645



¹ Inflation is based on consumer price index

² Basic formula allowance includes changes made by legislature in 2023 and is adjusted for FY 2014 and earlier due to pupil weight changes

³ FY 2024-25 are based on estimated inflation forecasts updated in June 2024 by the State of Minnesota

Change in Tax Levy does not Determine Change in Budget

1

Tax levy is based on many state-determined formulas plus voter approved referendums

2

Some increases in tax levies are revenue neutral, offset by reductions in state aid

3

Expenditure budget is limited by state-set revenue formulas, voter-approved levies, and fund balance

4

An increase in school taxes does not always correlate to an equal increase in budget

School District Levy Cycle Differs from City/County Levy Cycle

City/County:

- Budget Year same as calendar year
- 2024 taxes provide revenue for 2024 calendar year budget

Schools:

- Budget year begins July 1st and coincides with school year.
- 2024 taxes provide revenue for 2024-25 school fiscal year.
- Budget will be adopted in June 2024

FY 2025 Budget



Budget Information

Because approval of school district budget lags certification of tax levy by six months, state requires only current year budget information be presented at this hearing.

Fiscal Year 2025-26 budget will be adopted by School Board in June 2024.

Our school district is required to use a “Fund Accounting” system, thus we account for our revenues and expenditures using six separate funds:

- General Fund*
- Food Service Fund
- Community Service Fund*
- Building Construction Fund
- Debt Service Fund*
- Internal Service
- Other Post-Employment Benefits (OPEB)

**Funds have a tax levy component*

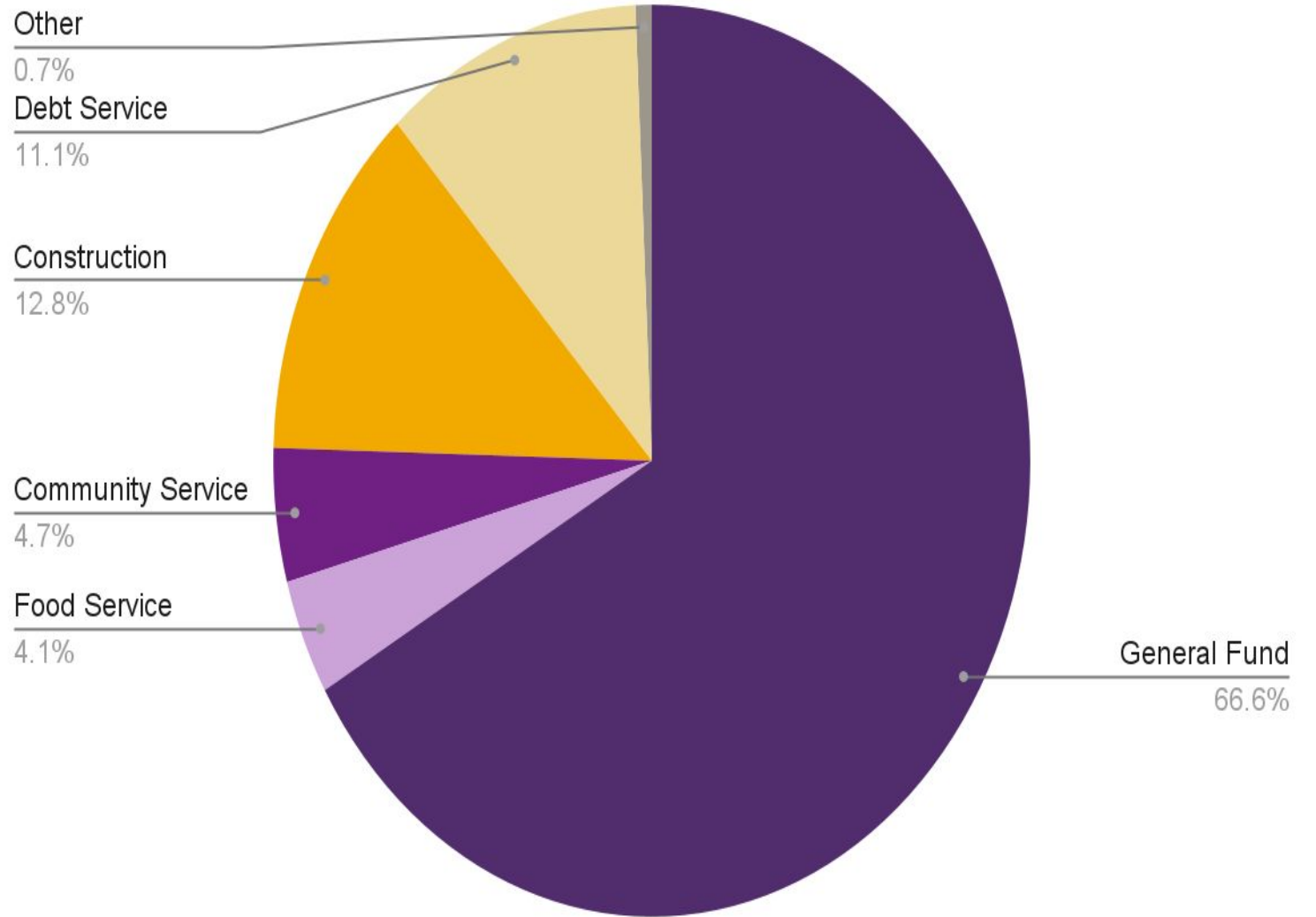


FY 2025 Budget Summary

Fund	Revenue	Expense	Surplus / (Deficit)
General Fund	\$56,432,606	\$54,076,273	\$2,356,333
Food Service Fund	\$3,457,575	\$3,597,627	(\$122,052)
Community Service Fund	\$4,015,267	\$3,787,078	\$228,189
Building Construction Fund	\$10,839,500	\$15,239,314	(\$4,399,814)
Debt Service Fund	\$9,376,864	\$9,328,000	\$48,864
Internal Service Fund	\$475,000	\$485,000	(\$10,000)
OPEB	\$100,000	\$300,000	(\$200,000)
Total	\$84,719,812	\$86,818,292	(\$2,098,480)

Revenue - All Funds -

2024-25 Budget
\$84,719,812



Expenditures - All Funds -

2024-25 Budget
\$86,818,292

Points scored

Other

0.9%

Debt Service

10.7%

Construction

17.6%

Community Service

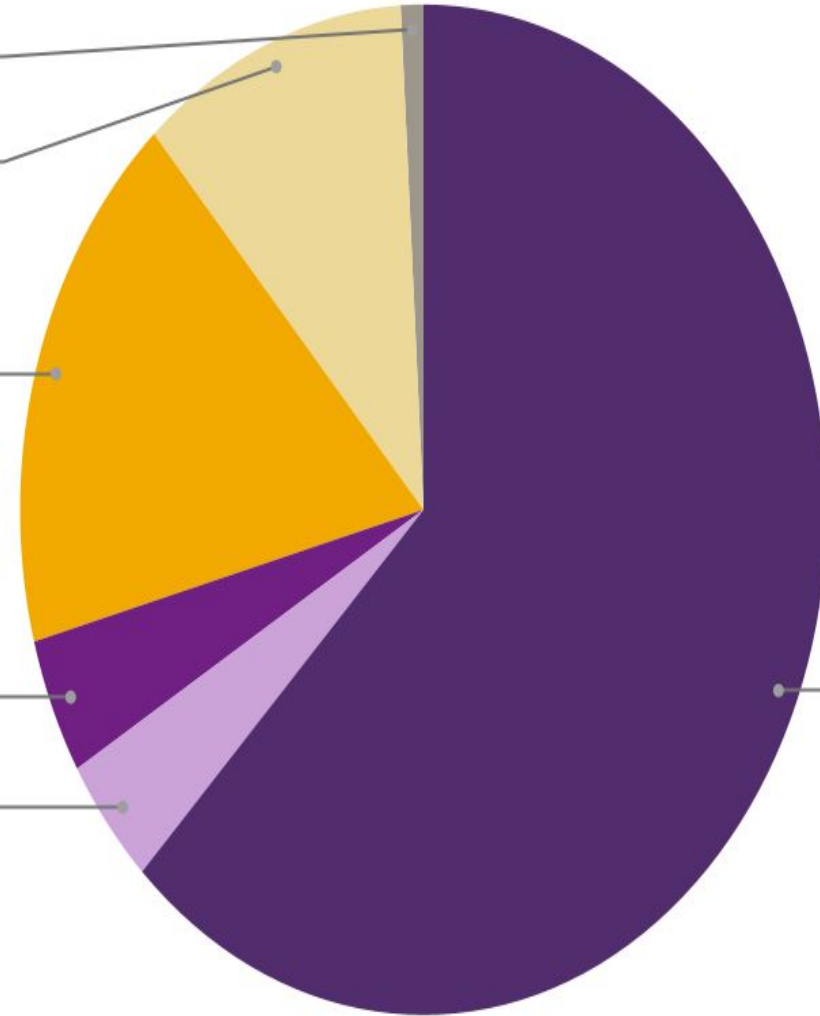
4.4%

Food Service

4.1%

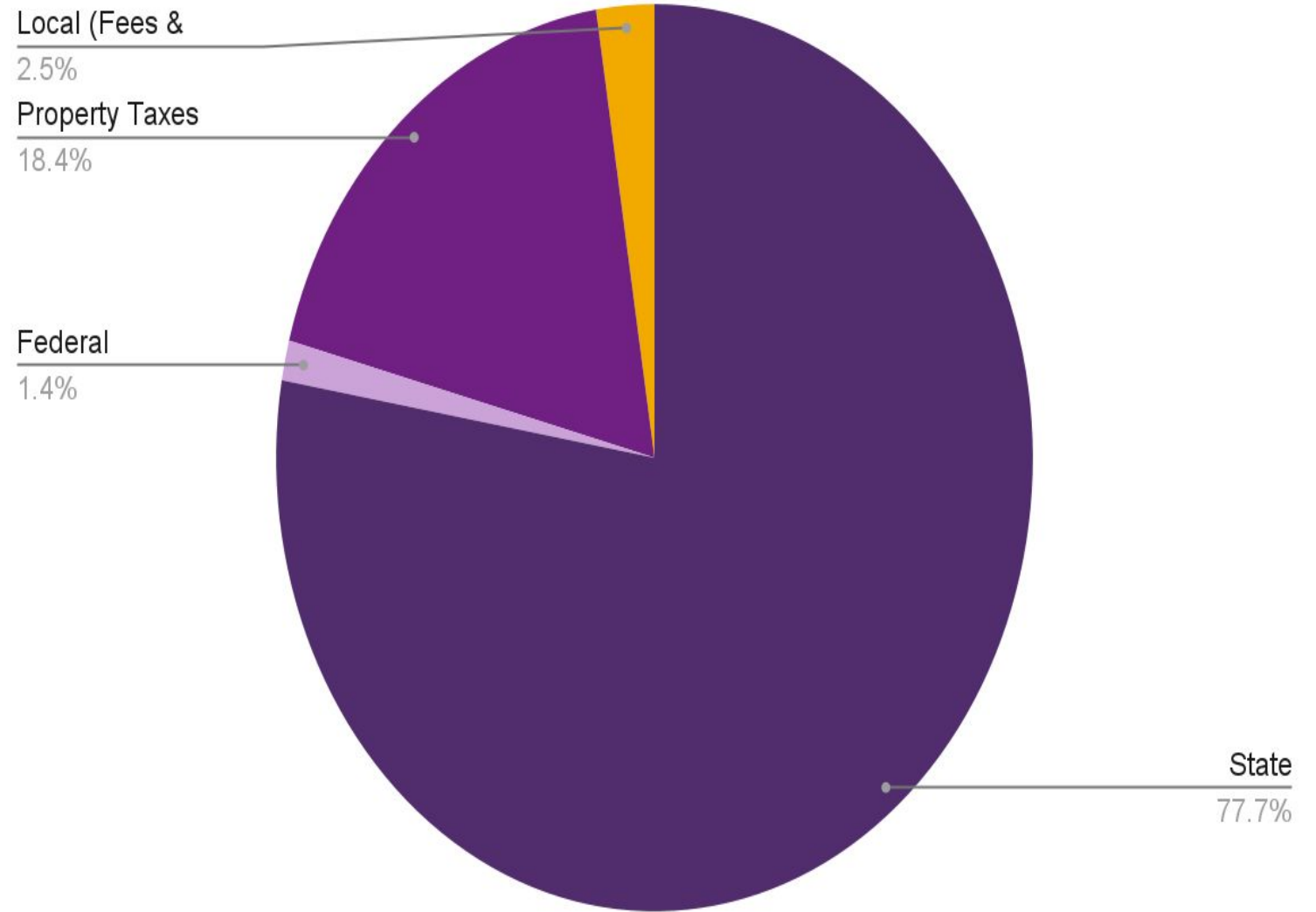
General

62.3%



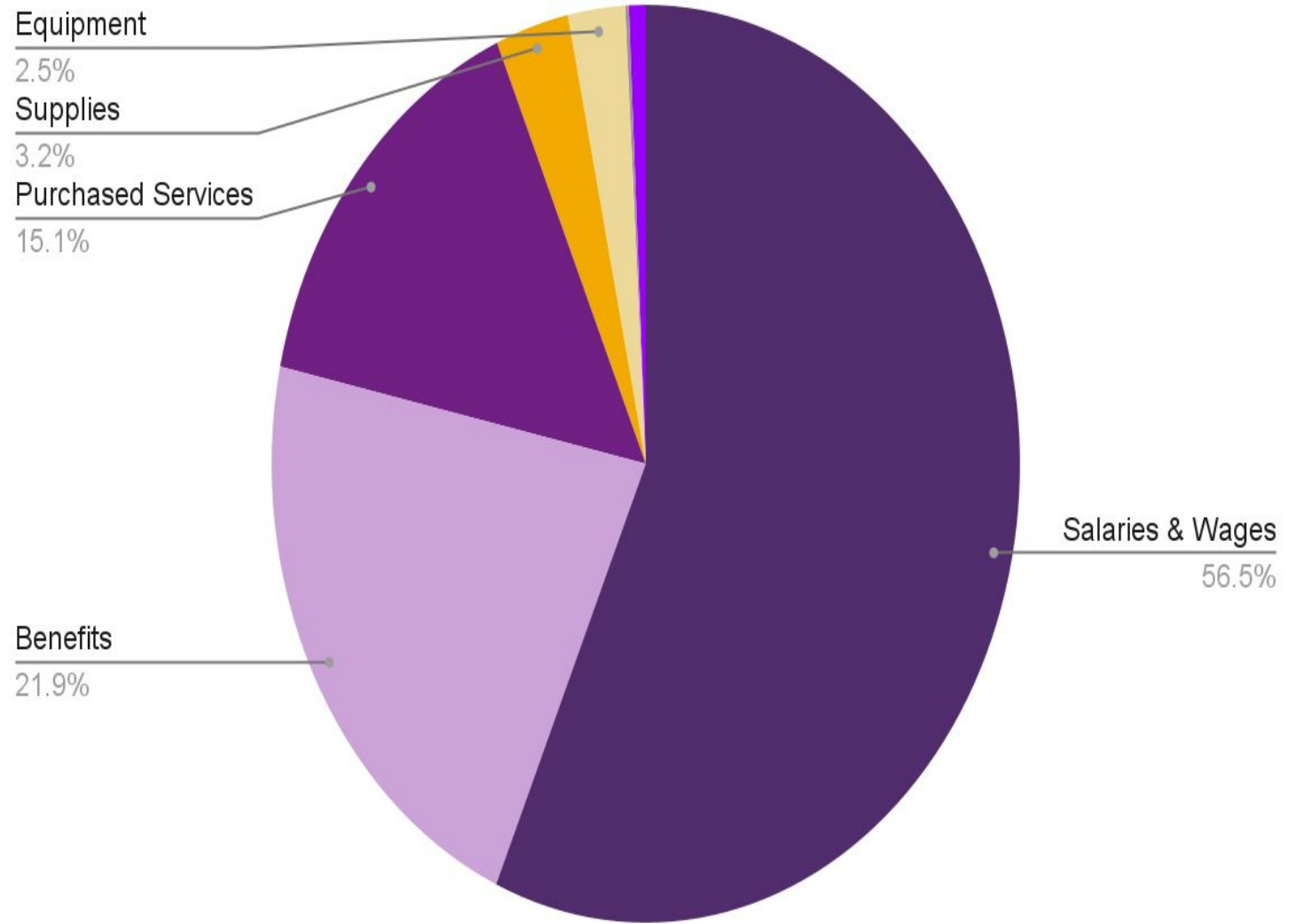
General Fund Revenue

2024-25 Budget
\$56,432,606



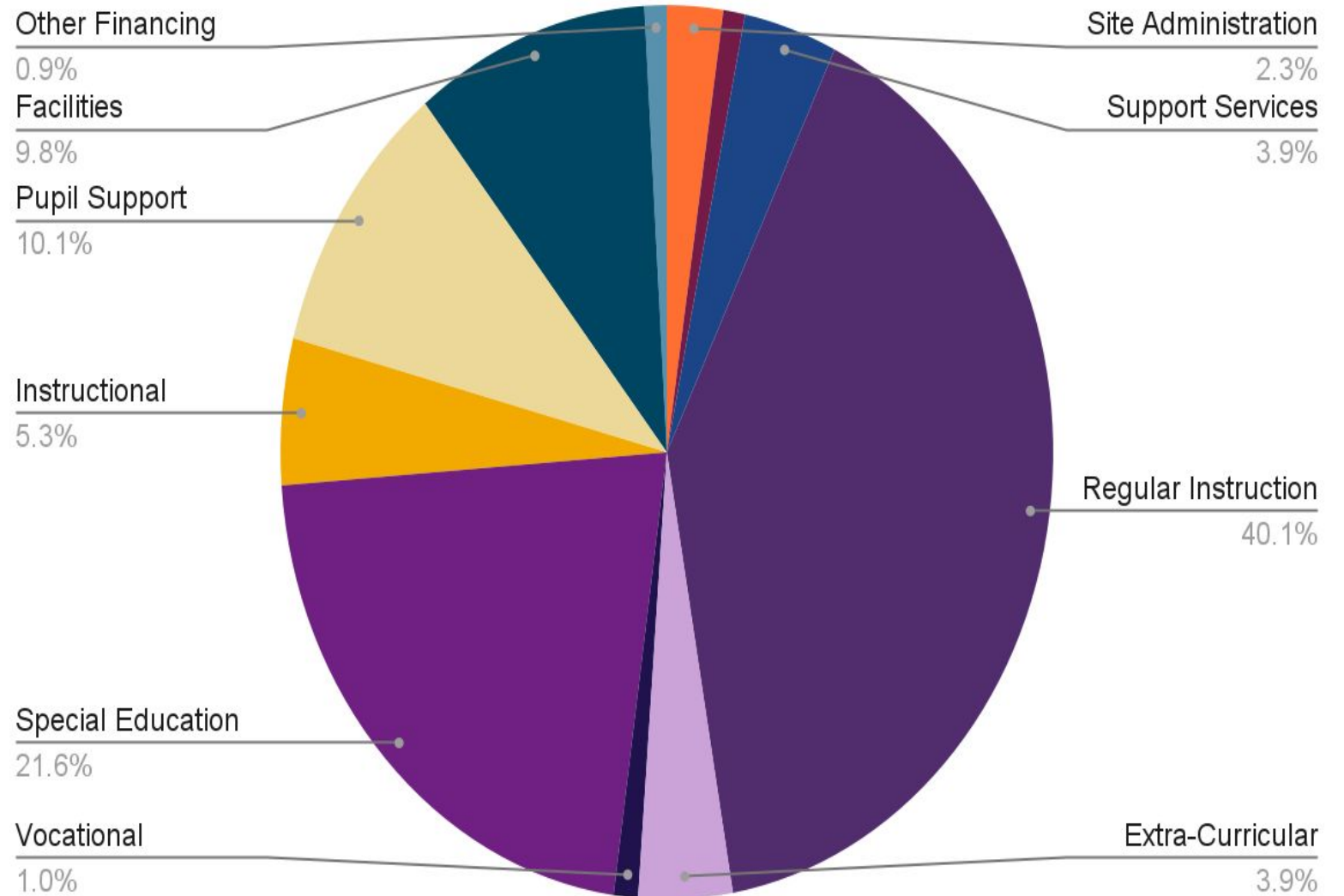
General Fund Expenditures - by Object -

2024-25 Budget
\$54,076,073



General Fund Expenditures - by Program -

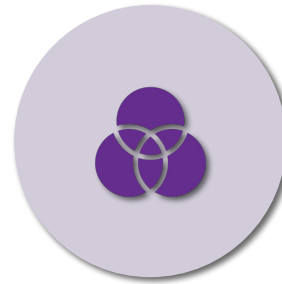
2024-25 Budget
\$54,076,073



Payable 2025 Property Tax Levy



Determination of levy



Compare 2024 to 2025 levies



Reasons for changes in tax levy



Impact on taxpayers

Property Tax Background

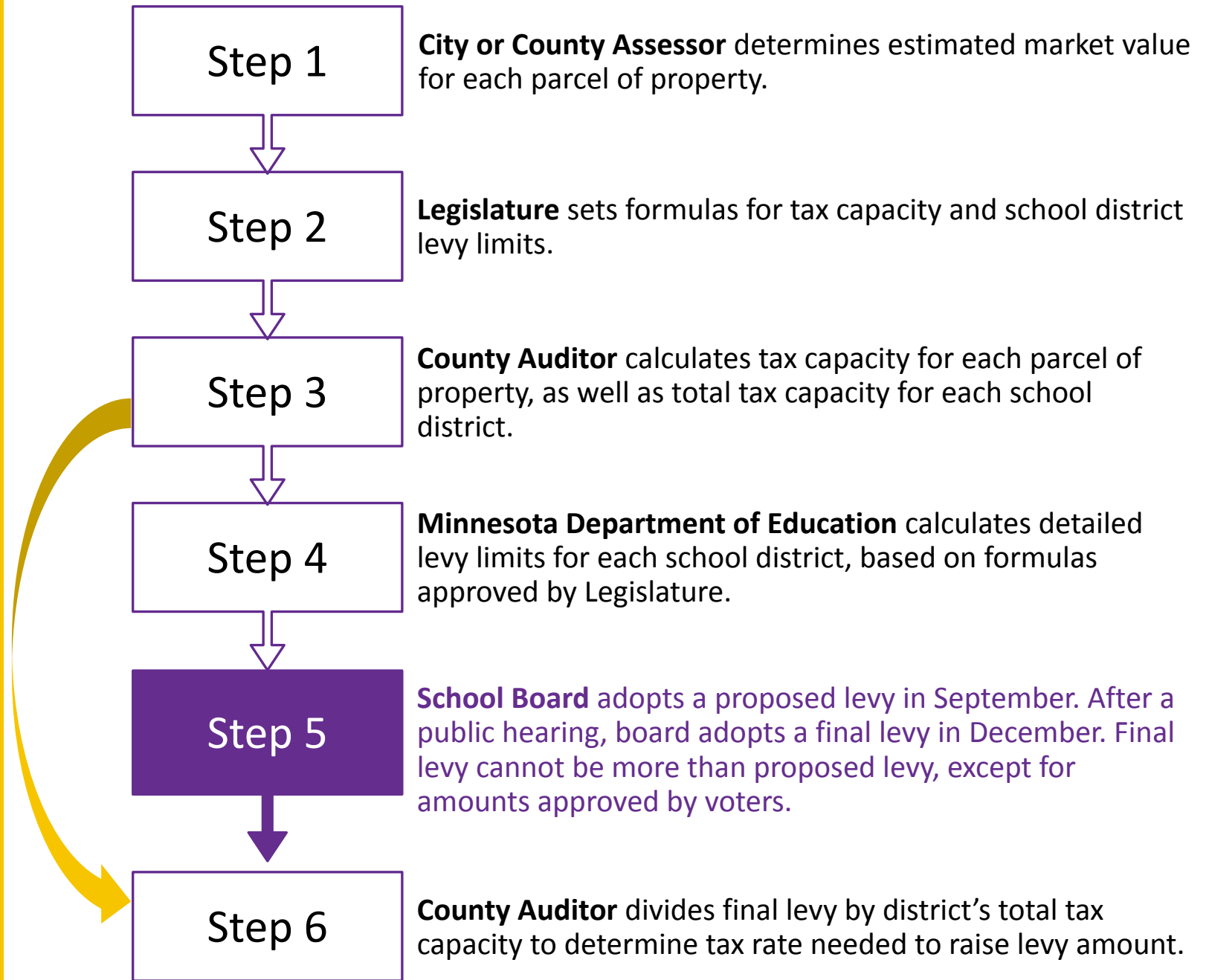
- Every owner of taxable property pays property taxes to various “taxing jurisdictions” (county, city/township, school district, special districts) in which property is located
- Each taxing jurisdiction sets own tax levy, often based on limits in state law
- County sends bills, collects taxes from property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

School District Property Taxes

- Each school district may levy taxes in over 40 different categories
- Maximum levy amounts (calculated by MDE) for each category are set by:
 - State law
 - Voter approval
- Property Tax Process
 - Key steps in process are summarized on next slide
 - Any of these steps may affect taxes on a parcel of property, but district has control over only 1 of 6 steps

School District Property Tax Process

Note: For certain levy categories, tax rates & levy amounts are based on referendum market value, rather than tax capacity.



Approval of District's Tax Levy in 2025 (Payable 2026)





Overview of District's Proposed Tax Levy

- Proposed Payable 2025 tax levy is an increase from 2024 of \$515,488 or 2.67%
- Changes by levy category and reasons for major increases & decreases in levy are included on following slides

Comparison of Actual Tax Levy Payable in 2024 to Proposed Levy Payable in 2025				
Fund Levy Category	Actual Levy Payable in 2024	Proposed Levy Payable in 2025	\$ Change	% Change
General				
Voter Approved Operating Referendum	4,800,163	5,050,891	250,728	5.22%
Local Optional Revenue (LOR)	3,090,372	3,200,911	110,539	3.58%
Equity	510,070	533,580	23,510	4.61%
Operating Capital	427,620	478,227	50,607	11.83%
Long-Term Facilities Maintenance	607,660	750,949	143,289	23.58%
Building/Land Lease	646,759	650,396	3,637	0.56%
Other	372,590	380,122	7,532	2.02%
Prior Year Adjustment	(255,704)	(152,941)	102,763	-40.19%
Total General Fund	10,199,531	10,892,135	692,605	6.79%
Community Service				
Basic Community Education	171,832	168,095	(3,737)	-2.17%
Early Childhood Family Education	91,768	101,890	10,122	11.03%
School-Age Child Care	36,000	-	(36,000)	-100.00%
Other	6,629	6,847	218	3.29%
Prior Year Adjustments	(7,869)	(10,840)	(2,971)	37.76%
Total Community Service	298,360	265,992	(32,368)	-10.85%
Debt Service				
Voter Approved	7,818,412	7,221,487	(596,925)	-7.63%
Other	433,125	469,560	36,435	8.41%
Long-Term Facilities Maintenance	1,085,307	1,576,950	491,643	45.30%
Reduction of Debt Excess	(520,223)	(607,972)	(87,749)	16.87%
Prior Year Adjustments	613	12,461	11,848	1932.77%
Total Debt Service	8,817,234	8,672,485	(144,749)	-1.64%
Total Levy, All Funds	19,315,126	19,830,614	515,488	2.67%
Subtotal by Truth in Taxation Categories				
Voter Approved	12,130,841	11,771,633	(359,208)	-2.96%
Other	7,184,285	8,058,980	874,695	12.18%
Total	19,315,126	19,830,614	515,488	2.67%

Factors Impacting Individual Taxpayers' School Taxes

Many factors can cause a tax bill for an individual property to increase or decrease from year to year

- Changes in value of individual property
- Changes in total value of all property within District
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs & costs, voter-approved referendums & other factors

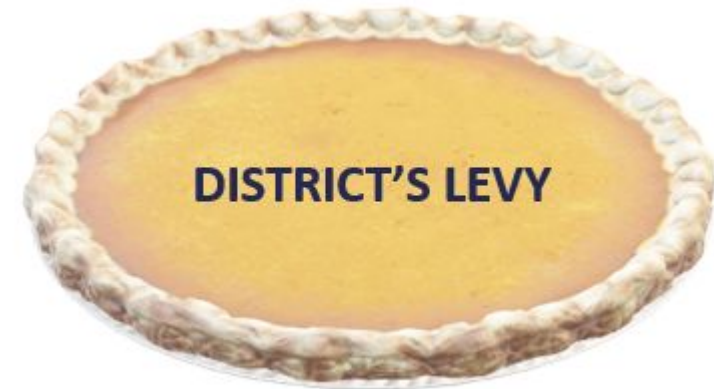
Dividing the Property Tax Pie

Property Values do not rise uniformly across all properties.
The burden of the levy shifts from taxpayers with lower increases to those with higher increases.

Higher Market Value Increase = Bigger Slice



Lower Market Value Increase = Smaller Slice



Each Property Owner pays a portion of the pie

Impact of Property Valuations

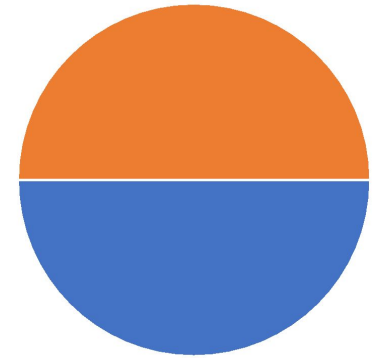
Two properties in the district

- Both houses are valued at \$100,000

Total levy of \$500

- Each property will pay \$250 of levy

\$100,000



\$100,000



Impact of Property Valuations

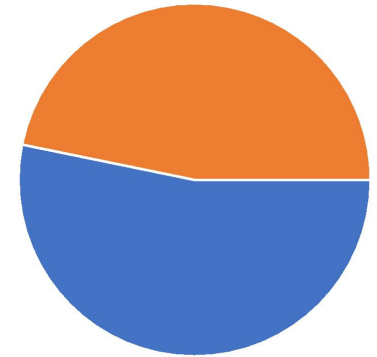
Two properties in the district

- Orange house value increases by 10%
- Blue house value increases by 25%

Total levy of \$500

- School District will still generate the same amount of levy even though values increased
- Orange house pays less
- Blue house pays more

\$110,000



\$125,000



Types of Property	Pay 2024 Value	Pay 2025 Est. Value	Pay 2024	Pay 2025	\$ Change	% Change
Residential Homestead (Value Increase 2%)	\$196,100	\$200,000	\$797	\$775	(\$22)	-2.75%
	294,100	300,000	1,239	1,214	(26)	-2.09%
	392,200	400,000	1,683	1,652	(31)	-1.81%
	441,200	450,000	1,898	1,871	(27)	-1.40%
	490,200	500,000	2,109	2,090	(18)	-0.86%
	588,200	600,000	2,583	2,567	(15)	-0.59%
	784,300	800,000	3,542	3,514	(28)	-0.79%
Commercial / Industrial** (Value Increase 2%)	\$98,000	\$100,000	\$417	\$414	(\$3)	-0.61%
	245,100	250,000	1,117	1,108	(9)	-0.80%
	490,200	500,000	2,350	2,323	(27)	-1.14%
	980,400	1,000,000	4,816	4,753	(63)	-1.30%
Agricultural Homestead (Value Increase 5%)	\$3,800	\$4,000	\$2.00	\$1.99	(\$0.01)	-0.61%
	4,800	5,000	2.53	2.49	(0.04)	-1.65%
	5,700	6,000	3.01	2.99	(0.02)	-0.61%
	6,700	7,000	3.53	3.48	(0.05)	-1.35%
Agricultural Non-Homestead (Value Increase 5%)	\$3,800	\$4,000	\$4.01	\$3.98	(\$0.02)	-0.61%
	4,800	5,000	5.06	4.98	(0.08)	-1.65%
	5,700	6,000	6.01	5.97	(0.04)	-0.61%
	6,700	7,000	7.06	6.97	(0.10)	-1.35%

*Actual taxes may be lower in certain taxing districts due to Disparity Reduction Aid.

**Commercial Industrial taxes will have small variations from one taxing City/township to the next due to differences in the Twin Cities Metropolitan Area Fiscal Disparities Program

Types of Property	Pay 2024 Value	Pay 2025 Est. Value	Pay 2024	Pay 2025	\$ Change	% Change
Residential Homestead	\$196,100	\$196,100	\$797	\$758	(\$39)	-4.91%
	294,100	294,100	1,239	1,188	(52)	-4.19%
	392,200	392,200	1,683	1,618	(65)	-3.86%
	441,200	441,200	1,898	1,833	(65)	-3.43%
	490,200	490,200	2,109	2,047	(61)	-2.90%
	588,200	588,200	2,583	2,512	(71)	-2.75%
	784,300	784,300	3,542	3,440	(102)	-2.89%

Property Value Increase
2%

Types of Property	Pay 2024 Value	Pay 2025 Est. Value	Pay 2024	Pay 2025	\$ Change	% Change
Residential Homestead	\$196,100	\$200,000	\$797	\$775	(\$22)	-2.75%
	294,100	300,000	1,239	1,214	(26)	-2.09%
	392,200	400,000	1,683	1,652	(31)	-1.81%
	441,200	450,000	1,898	1,871	(27)	-1.40%
	490,200	500,000	2,109	2,090	(18)	-0.86%
	588,200	600,000	2,583	2,567	(15)	-0.59%
	784,300	800,000	3,542	3,514	(28)	-0.79%

Property Value Increase
4%

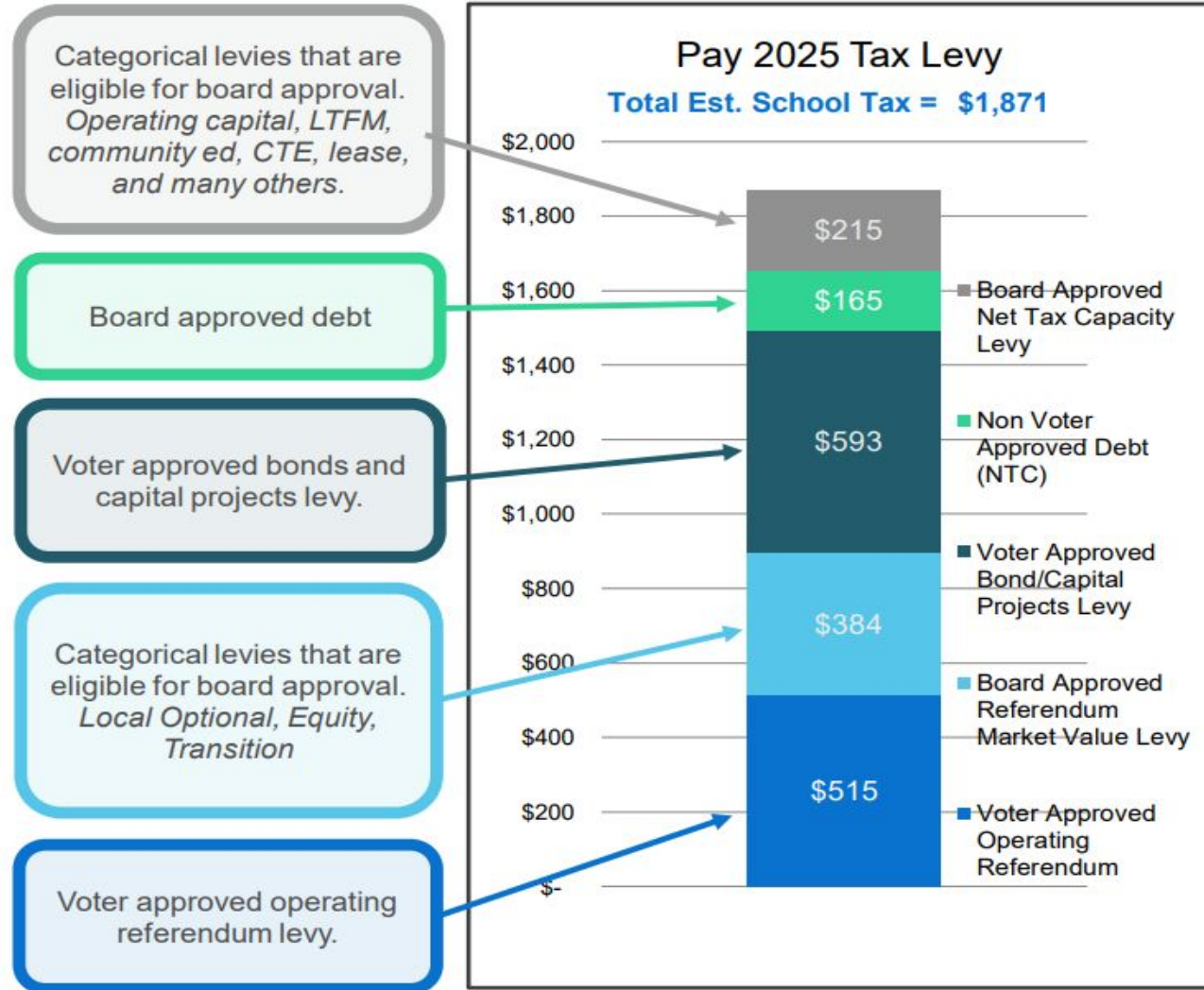
Types of Property	Pay 2024 Value	Pay 2025 Est. Value	Pay 2024	Pay 2025	\$ Change	% Change
Residential Homestead	\$196,100	\$203,944	\$797	\$792	(\$5)	-0.61%
	294,100	305,864	1,239	1,239	(0)	-0.03%
	392,200	407,888	1,683	1,686	4	0.23%
	441,200	458,848	1,898	1,910	12	0.64%
	490,200	509,808	2,109	2,138	30	1.41%
	588,200	611,728	2,583	2,623	40	1.56%
	784,300	815,672	3,542	3,589	46	1.30%

*Actual taxes may be lower in certain taxing districts due to Disparity Reduction Aid.

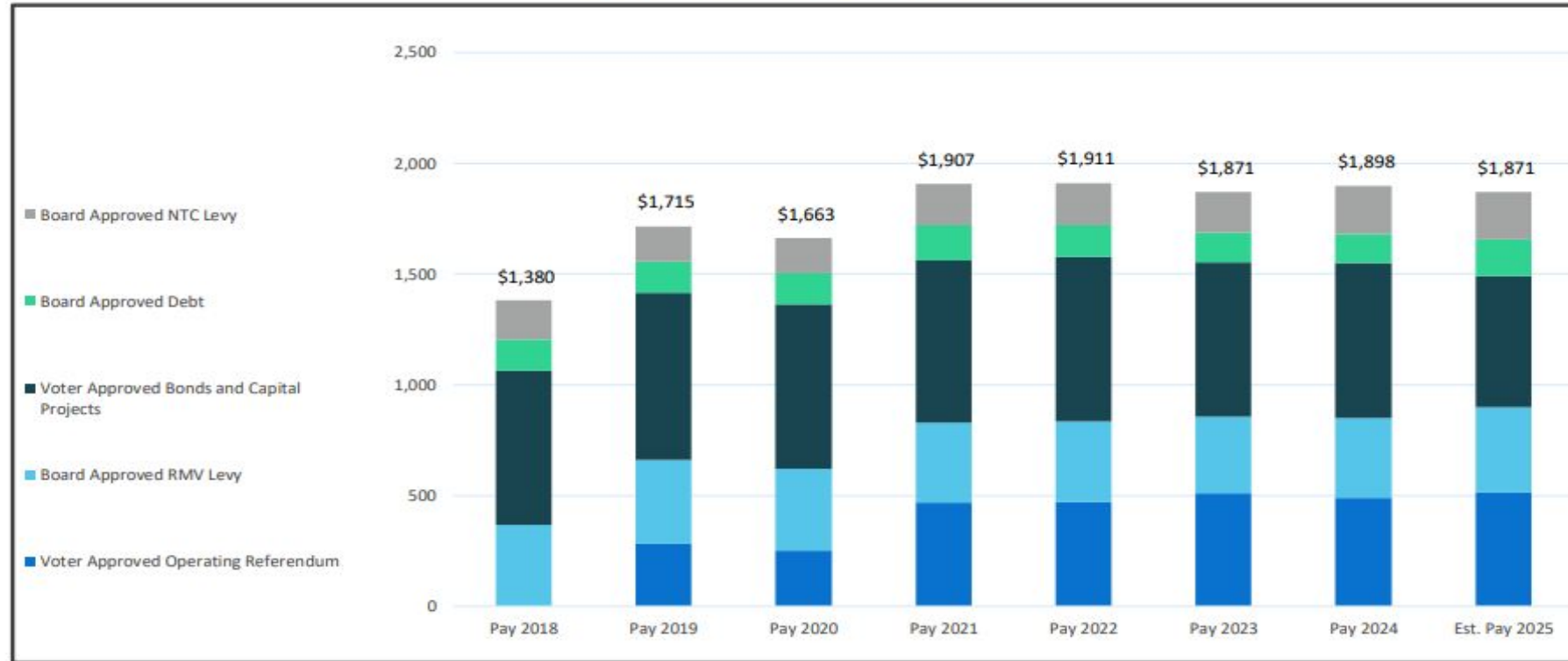
Waconia Public School District

Estimated Pay 2025 Total School Taxes for Residential Homestead

Home Value = \$450,000



Waconia Public School District Residential Homestead School Tax Trend

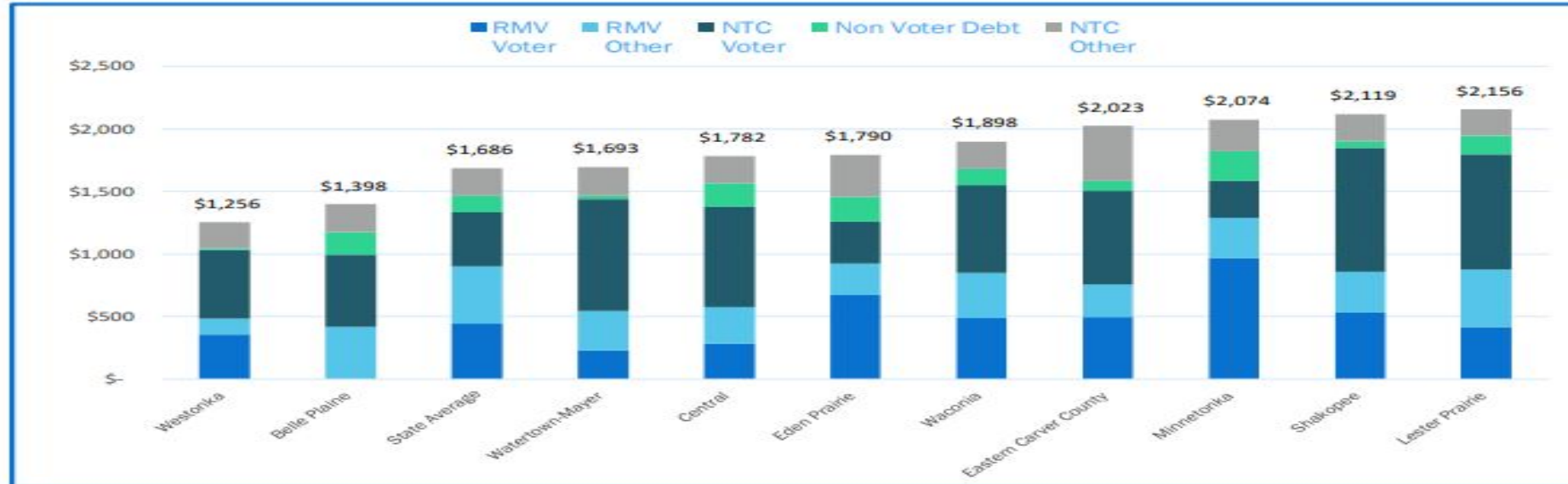


	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022	Pay 2023	Pay 2024	Est. Pay 2025
Home Value*	311,200	320,500	330,100	340,000	350,200	420,200	441,200	450,000
Voter Approved Operating Referendum	0	281	252	468	472	511	490	515
Board Approved RMV Levy	369	380	370	360	362	345	361	384
Voter Approved Bonds and Capital Projects	694	755	740	734	743	696	698	593
Board Approved Debt	142	141	141	159	145	136	133	165
Board Approved NTC Levy	175	159	160	186	189	183	216	215
Total School Taxes	\$ 1,380	\$ 1,715	\$ 1,663	\$ 1,907	\$ 1,911	\$ 1,871	\$ 1,898	\$ 1,871

*The chart assumes a 3% annual increase in the home value for taxes payable from 2018 to 2022. A 20% increase in value is assumed for taxes payable in 2023, a 5% increase in 2024 and a 2% increase in 2025.

Waconia Public School District

Pay 2024 Tax Levies for Residential Homestead



#	District Name	Home Value	RMV Voter	RMV Other	NTC Voter	Non Voter Debt	NTC Other	Total Levy
277	Westonka	441,200 \$	358 \$	128 \$	548 \$	13 \$	209 \$	\$ 1,256
716	Belle Plaine	441,200 \$	- \$	417 \$	579 \$	180 \$	221 \$	\$ 1,398
	State Average	441,200 \$	443 \$	461 \$	427 \$	133 \$	222 \$	\$ 1,686
111	Watertown-Mayer	441,200 \$	234 \$	313 \$	892 \$	28 \$	226 \$	\$ 1,693
108	Central	441,200 \$	286 \$	291 \$	800 \$	190 \$	215 \$	\$ 1,782
272	Eden Prairie	441,200 \$	674 \$	248 \$	336 \$	201 \$	331 \$	\$ 1,790
110	Waconia	441,200 \$	490 \$	361 \$	698 \$	133 \$	216 \$	\$ 1,898
112	Eastern Carver County	441,200 \$	495 \$	263 \$	747 \$	77 \$	441 \$	\$ 2,023
276	Minnetonka	441,200 \$	967 \$	321 \$	298 \$	236 \$	252 \$	\$ 2,074
720	Shakopee	441,200 \$	531 \$	327 \$	992 \$	50 \$	219 \$	\$ 2,119
424	Lester Prairie	441,200 \$	419 \$	459 \$	920 \$	149 \$	209 \$	\$ 2,156
	Group Average		\$ 445	\$ 326	\$ 658	\$ 126	\$ 251	\$ 1,807

Data sourced from Minnesota Department of Education Pay 2024 School Tax Report.

Next Steps



Board accepts
public comments
on proposed levy

Board certifies
2024 property
tax levy -
December 16



PUBLIC COMMENTS

2. **2023-24 Audit Report**

Presenter: Craig
Popenhagen, CLA



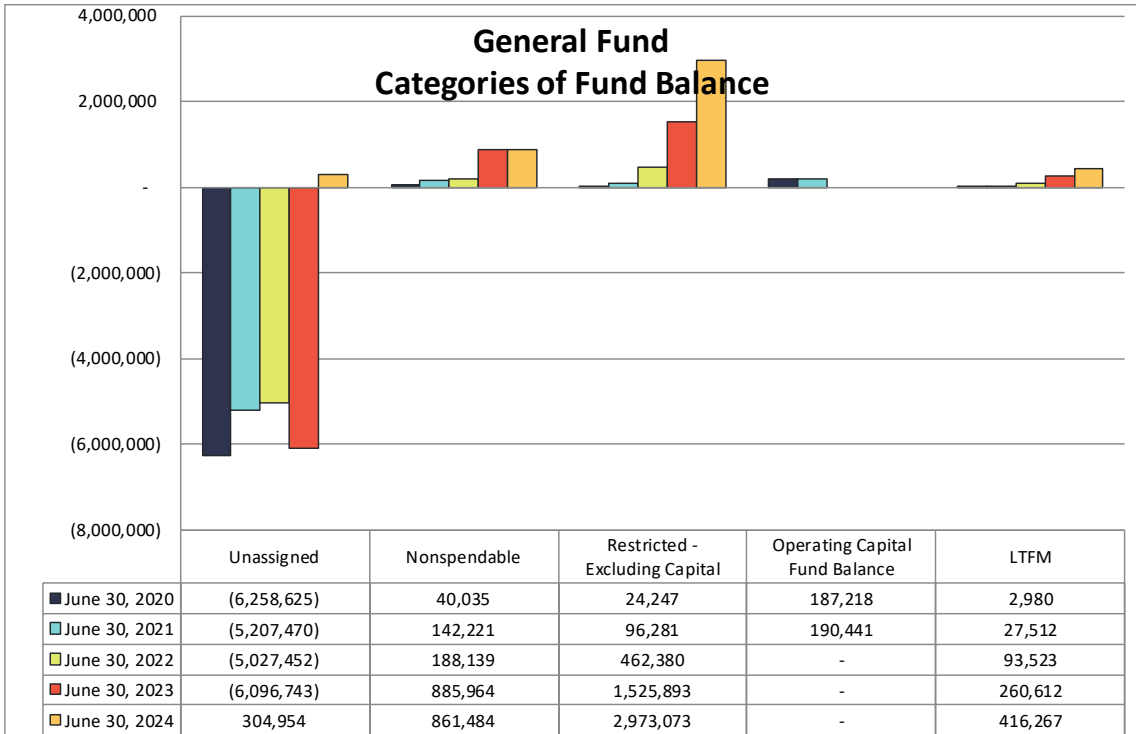
We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

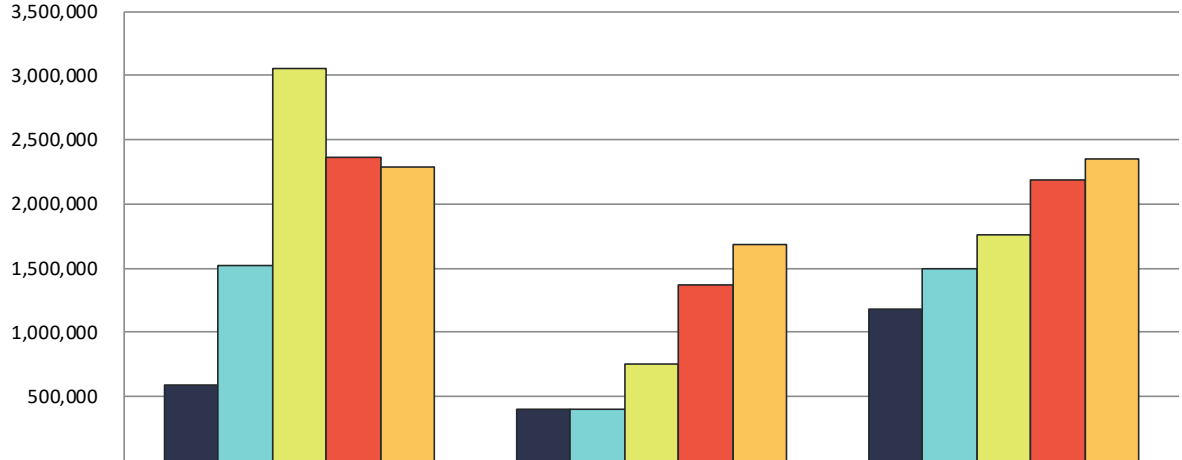
Waconia Public Schools

Executive Audit Summary (EAS)

June 30, 2024



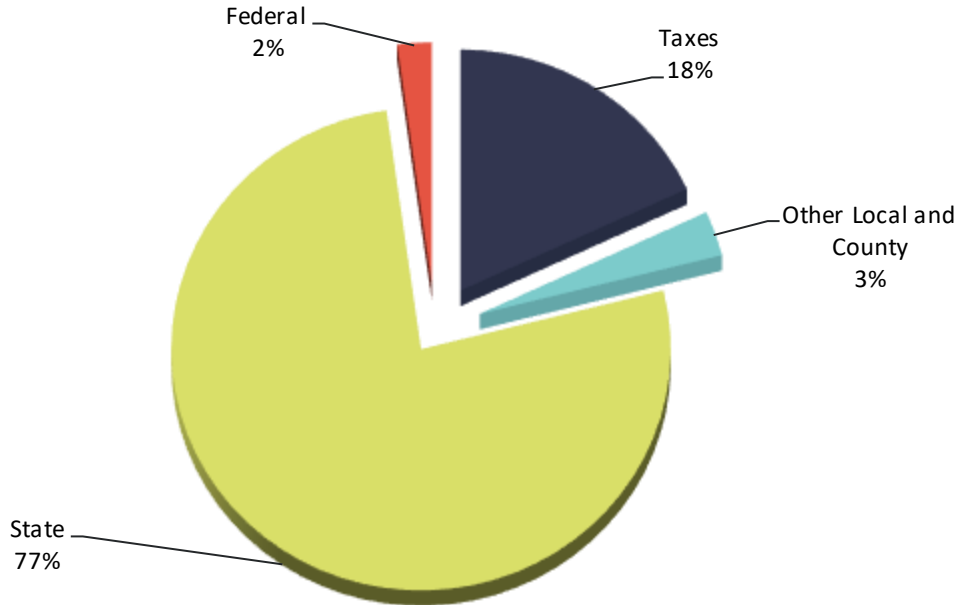
Food Service, Community Service & Debt Service Funds Categories of Fund Balance



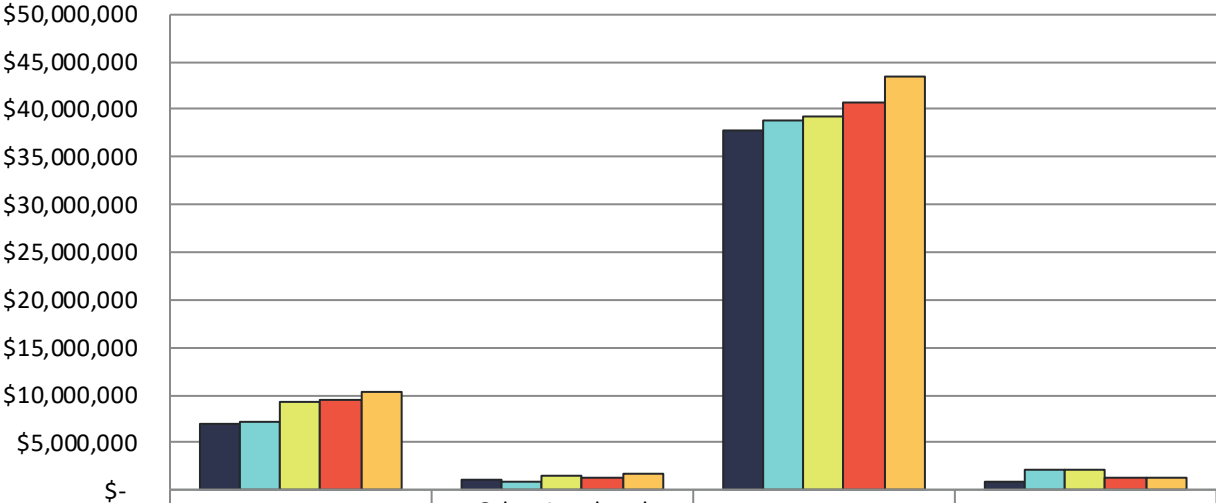
	Food Service Fund Balance	Community Service Fund Balance	Debt Service Fund Balance
■ June 30, 2020	585,056	394,771	1,182,968
■ June 30, 2021	1,520,911	395,718	1,492,365
■ June 30, 2022	3,052,448	751,421	1,763,688
■ June 30, 2023	2,367,367	1,363,554	2,190,875
■ June 30, 2024	2,283,631	1,682,199	2,351,255



Sources of Revenues for General Fund Year Ended June 30, 2024



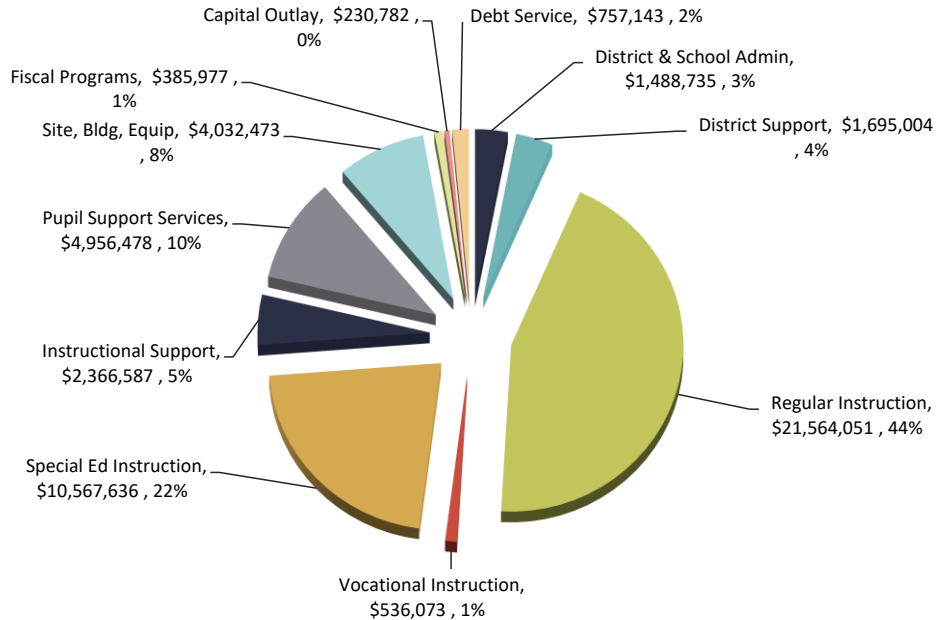
Comparative General Fund Revenues



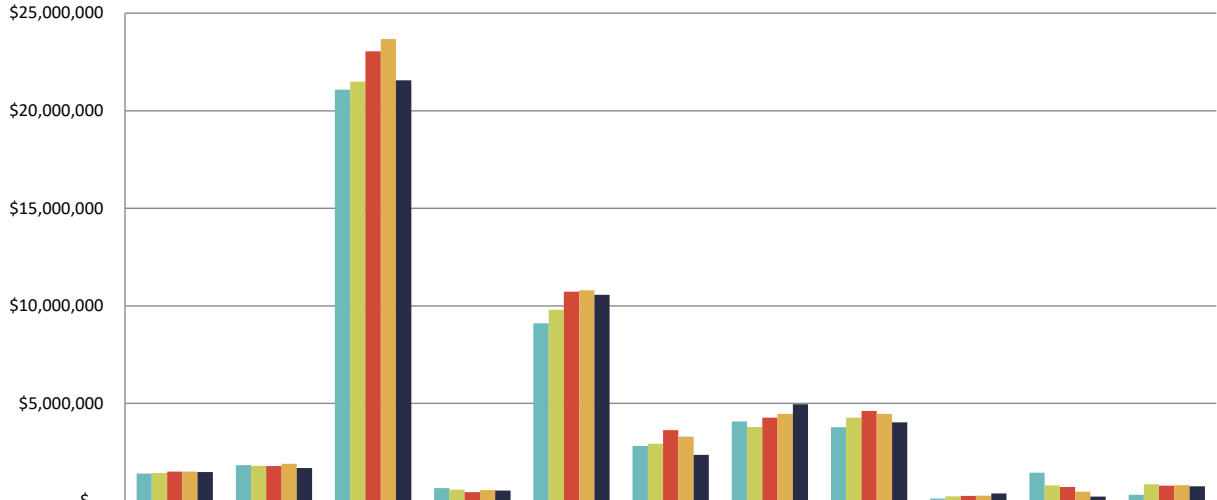
	Taxes	Other Local and County	State	Federal
6/30/2020	\$6,872,050	\$1,068,659	\$37,757,831	\$865,974
6/30/2021	\$7,225,981	\$916,026	\$38,867,353	\$2,073,894
6/30/2022	\$9,241,888	\$1,541,416	\$39,356,445	\$2,040,899
6/30/2023	\$9,562,770	\$1,381,797	\$40,808,105	\$1,312,610
6/30/2024	\$10,257,821	\$1,702,471	\$43,525,336	\$1,255,095



Breakdown of Expenditures by Program for General Fund Year Ended June 30, 2024



Comparative Expenditures by Program for General Fund

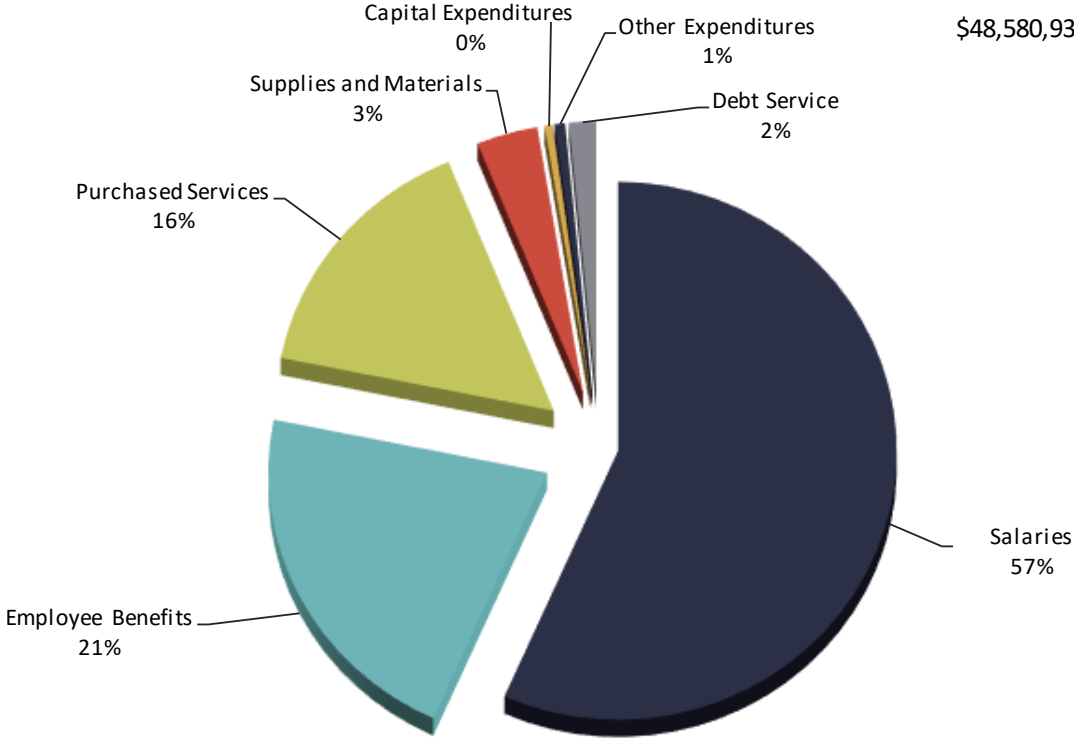


	District & School Admin	District Support	Regular Instruction	Vocational Instruction	Special Ed Instruction	Instructional Support	Pupil Support Services	Site, Bldg, Equip	Fiscal Programs	Capital Outlay	Debt Service
6/30/2020	\$1,401,45	\$1,839,19	\$21,084,2	\$668,291	\$9,102,76	\$2,823,71	\$4,084,11	\$3,778,25	\$128,183	\$1,454,89	\$325,579
6/30/2021	\$1,441,54	\$1,811,37	\$21,488,5	\$584,008	\$9,801,40	\$2,940,47	\$3,795,86	\$4,273,44	\$243,338	\$797,907	\$856,487
6/30/2022	\$1,512,44	\$1,795,67	\$23,040,4	\$457,852	\$10,734,5	\$3,634,27	\$4,273,13	\$4,619,35	\$263,547	\$721,024	\$788,226
6/30/2023	\$1,504,84	\$1,912,42	\$23,670,1	\$564,802	\$10,795,2	\$3,305,89	\$4,467,96	\$4,464,56	\$272,239	\$484,635	\$817,755
6/30/2024	\$1,488,73	\$1,695,00	\$21,564,0	\$536,073	\$10,567,6	\$2,366,58	\$4,956,47	\$4,032,47	\$385,977	\$230,782	\$757,143

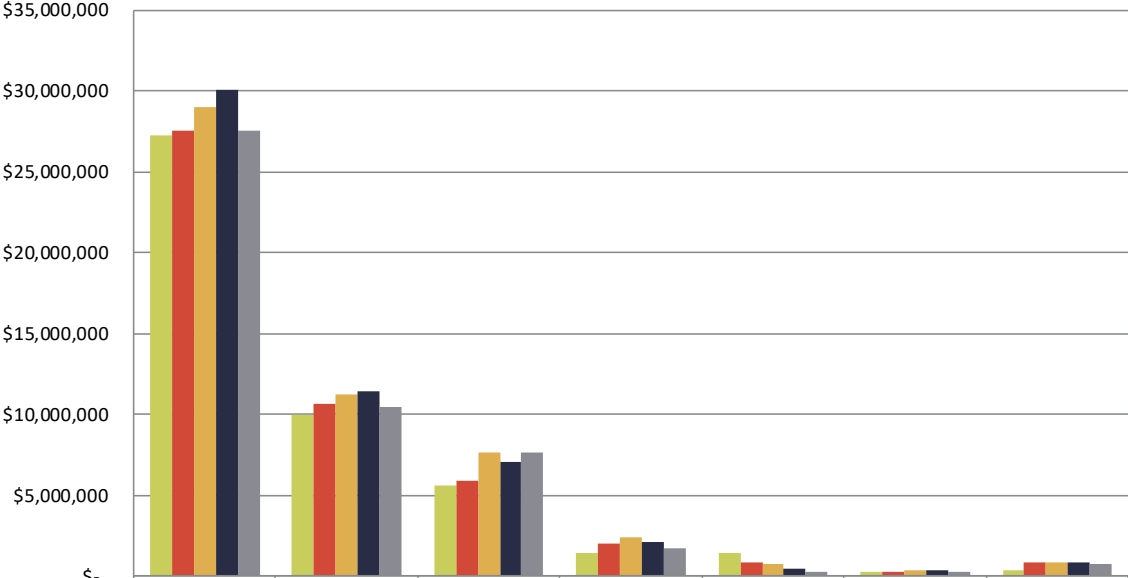


Breakdown of Expenditures by Type for General Fund Year Ended June 30, 2024

\$48,580,939



Comparative Expenditures by Function for General Fund



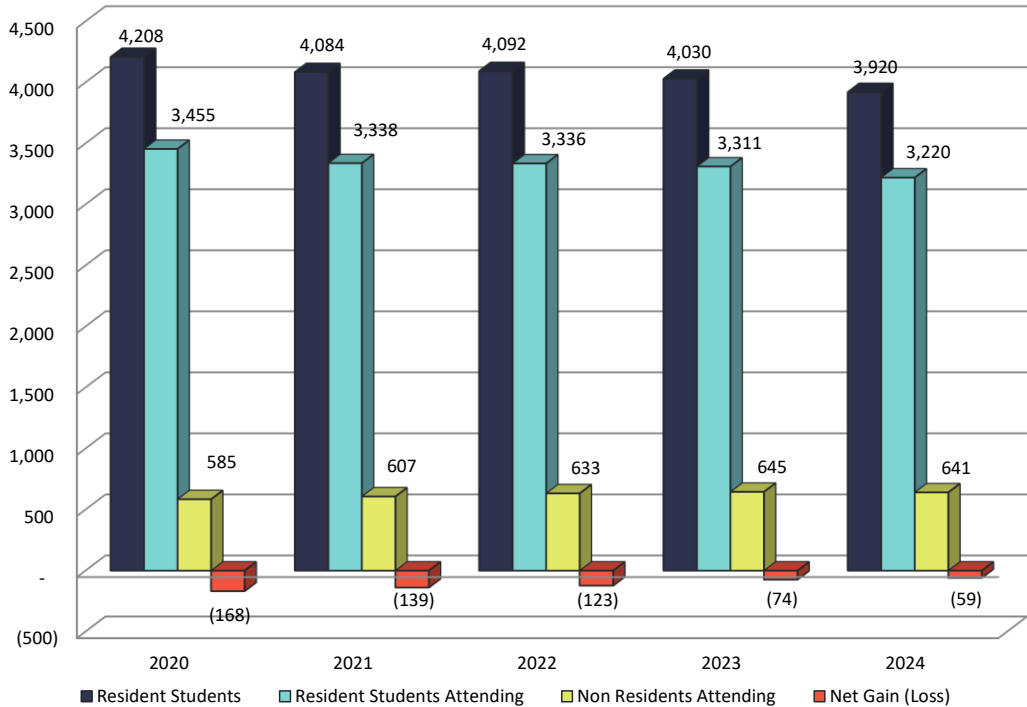
	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Expenditures	Other Expenditures	Debt Service
6/30/2020	\$27,266,944	\$9,943,493	\$5,595,702	\$1,376,270	\$1,454,893	\$290,086	\$325,579
6/30/2021	\$27,577,386	\$10,680,704	\$5,875,415	\$1,976,683	\$797,907	\$269,864	\$856,487
6/30/2022	\$28,991,219	\$11,190,355	\$7,579,977	\$2,375,075	\$721,024	\$352,643	\$788,226
6/30/2023	\$30,105,406	\$11,428,694	\$7,021,226	\$2,109,431	\$484,635	\$293,366	\$817,755
6/30/2024	\$27,539,450	\$10,431,334	\$7,607,662	\$1,724,993	\$230,782	\$289,575	\$757,143



Average Daily Memberships

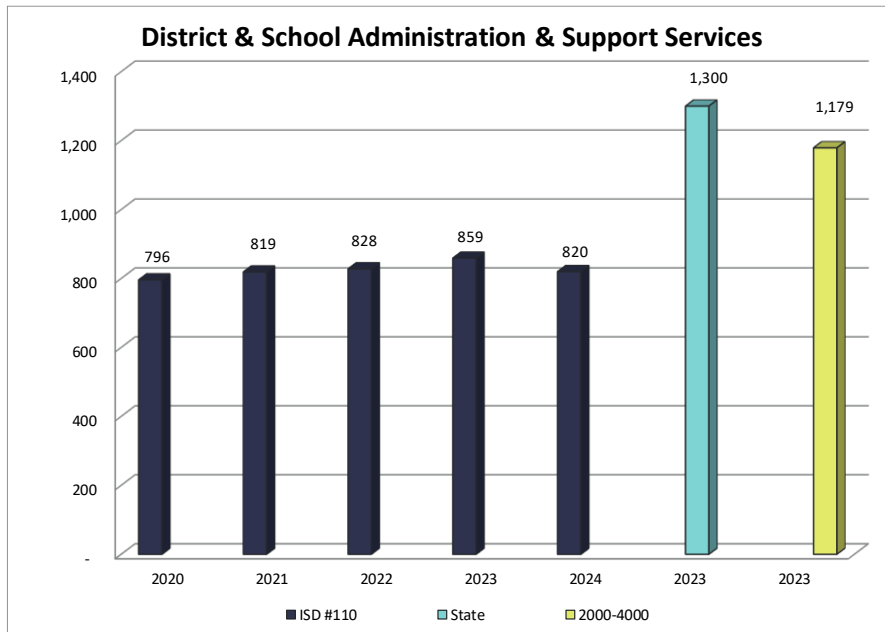


Open Enrollment



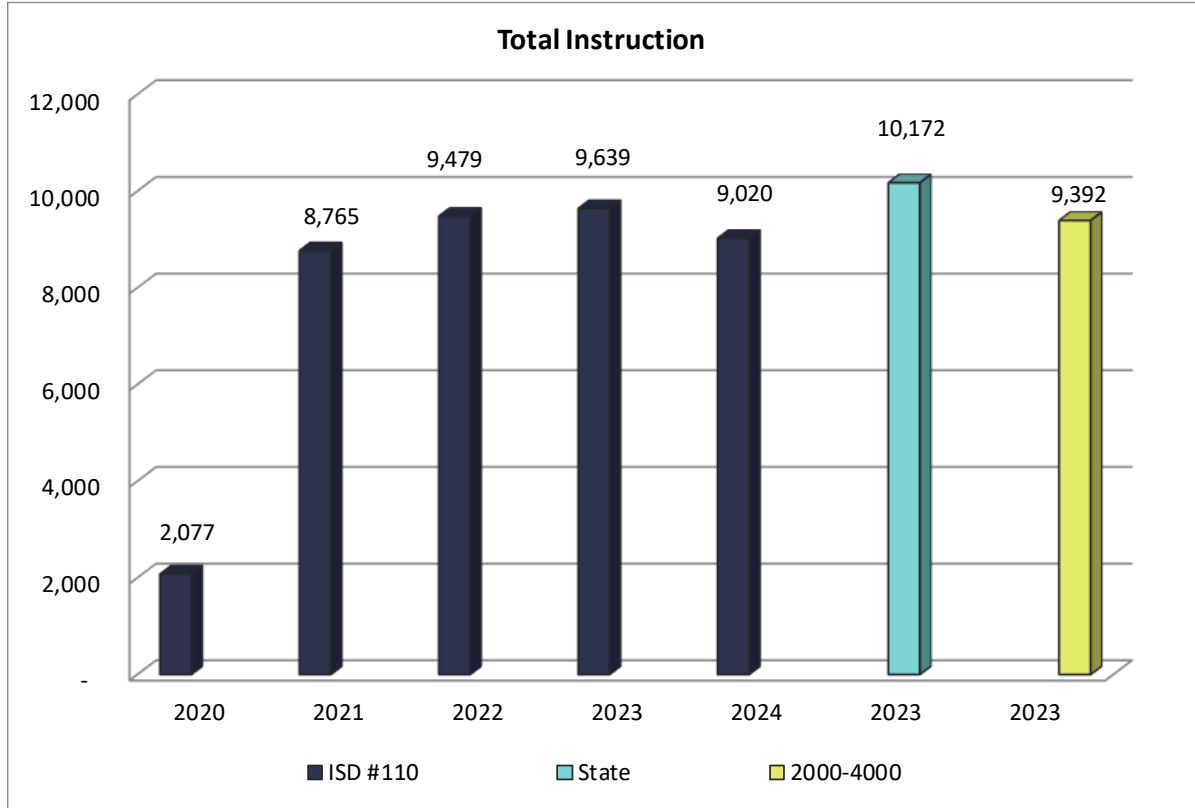
District & School Administration & Support Services

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).



Total Instruction Per ADM

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



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

CliftonLarsonAllen LLP

Craig Popenhagen, CPA

Principal

507-280-2327

Craig.popenhagen@CLAconnect.com



[CLAconnect.com](https://www.CLAconnect.com)



CPAs | CONSULTANTS | WEALTH ADVISORS

©2024 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



The information herein has been provided by CliftonLarsonAllen LLP for general information purposes only. The presentation and related materials, if any, do not implicate any client, advisory, fiduciary, or professional relationship between you and CliftonLarsonAllen LLP and neither CliftonLarsonAllen LLP nor any other person or entity is, in connection with the presentation and/or materials, engaged in rendering auditing, accounting, tax, legal, medical, investment, advisory, consulting, or any other professional service or advice. Neither the presentation nor the materials, if any, should be considered a substitute for your independent investigation and your sound technical business judgment. You or your entity, if applicable, should consult with a professional advisor familiar with your particular factual situation for advice or service concerning any specific matters.

CliftonLarsonAllen LLP is not licensed to practice law, nor does it practice law. The presentation and materials, if any, are for general guidance purposes and not a substitute for compliance obligations. The presentation and/or materials may not be applicable to, or suitable for, your specific circumstances or needs, and may require consultation with counsel, consultants, or advisors if any action is to be contemplated. You should contact your CliftonLarsonAllen LLP or other professional prior to taking any action based upon the information in the presentation or materials provided. CliftonLarsonAllen LLP assumes no obligation to inform you of any changes in laws or other factors that could affect the information contained herein.

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

EXECUTIVE AUDIT SUMMARY (EAS)

YEAR ENDED JUNE 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)



CliftonLarsonAllen LLP
CLAconnect.com

November 20, 2024

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

Craig Popenhagen, CPA
Principal

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

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, 2024**

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, 2024.

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

Internal Control Over Financial Reporting – Two significant deficiencies in internal control were identified. One significant deficiency related to a lack of controls over tracking and reconciling deferred revenue and accounts receivable within the Community Education department. The other related to lack of board approval over quotes in Nutrition Services.

Compliance Findings – No compliance findings reported.

Single Audit Opinion – Major program tested:

Child Nutrition Cluster

There were no single audit findings reported.

Minnesota Legal Compliance – There were no legal compliance findings reported.



FORMAL REQUIRED COMMUNICATIONS

Board of Education
Waconia Public Schools
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 Independent School District No. 110 (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated November 20, 2024. 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 in our engagement agreement dated April 5, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

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 2024.

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. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

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.

Significant unusual transactions

We identified no significant unusual transactions.

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 has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

- It was noted during current year inventory testing that the count of inventory items on hand compared to listing differed. It is projected that current year assets in the Food Service Fund are overstated by \$10,898 and current year change in fund balance is overstated by \$10,898.
- It was noted during current year testing of subscription-based information technology arrangements (SBITAs) that the assets of the governmental activities opinion unit appear to be understated by \$116,741 causing net position and the change in net position to be understated by \$116,741 for Governmental Activities.
- It was noted during current year testing that applicable SBITA agreements were recorded as prepaids instead of being expensed in the current year causing assets of the governmental activities and general fund opinion units to be overstated by \$96,252 and net position/fund balance and the change in net position/fund balance to be overstated by \$96,252.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this this communication, a disagreement with management is a disagreement on 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 20, 2024.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of 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.

Required supplementary information

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.

Supplementary information in relation to the financial statements as a whole

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 20, 2024.

With respect to the individual fund financial statements and schedules and the Uniform Financial Accounting and Reporting Standards Compliance Table (collectively, 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 20, 2024.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the introductory section. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. 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 your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

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 20, 2024

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 12 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 17 and 18 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
FUND TRENDS**

General Fund

Year Ended June 30,	2024	2023	2022	2021	2020
Total Revenues	\$ 56,740,723	\$ 53,065,282	\$ 52,180,648	\$ 49,083,254	\$ 46,564,514
Total Expenditures	48,580,939	52,260,513	51,840,519	48,034,446	46,690,714
Other Financing Sources	(179,732)	54,367	379,310	204,292	531,003
Net Change in Fund Balance	7,980,052	859,136	719,439	1,253,100	404,803
Fund Balance - Beginning	(3,424,274)	(4,283,410)	(4,751,045)	(6,004,145)	(6,408,948)
Fund Balance - Restated	-	-	(5,002,849)	-	-
Nonspendable Fund Balance	861,484	885,964	188,139	142,221	40,035
Restricted Fund Balance	3,389,340	1,786,505	555,903	314,204	214,445
Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	304,954	(6,096,743)	(5,027,452)	(5,207,470)	(6,258,625)
Fund Balance - Ending June 30	\$ 4,555,778	\$ (3,424,274)	\$ (4,283,410)	\$ (4,751,045)	\$ (6,004,145)

Food Service Fund

Year Ended June 30,	2024	2023	2022	2021	2020
Total Revenues	\$ 3,388,847	\$ 2,728,664	\$ 4,704,731	\$ 3,131,242	\$ 2,128,106
Total Expenditures	3,472,583	3,413,745	3,173,194	2,195,387	2,318,325
Other Financing Sources	-	-	-	-	-
Net Change in Fund Balance	(83,736)	(685,081)	1,531,537	935,855	(190,219)
Fund Balance - Beginning	2,367,367	3,052,448	1,520,911	585,056	775,275
Nonspendable Fund Balance	104,800	94,725	46,440	57,392	53,708
Restricted Fund Balance	2,178,831	2,272,642	3,006,008	1,463,519	531,348
Fund Balance - Ending June 30	\$ 2,283,631	\$ 2,367,367	\$ 3,052,448	\$ 1,520,911	\$ 585,056

Community Service Fund

Year Ended June 30,	2024	2023	2022	2021	2020
Total Revenues	\$ 4,129,852	\$ 3,696,570	\$ 3,393,831	\$ 2,695,691	\$ 2,671,872
Total Expenditures	3,902,577	3,151,217	3,101,048	2,801,369	2,942,511
Other Financing Sources	91,370	66,780	62,920	106,625	62,578
Net Change in Fund Balance	318,645	612,133	355,703	947	(208,061)
Fund Balance - Beginning	1,363,554	751,421	395,718	394,771	602,832
Nonspendable Fund Balance	34,408	63,565	5,497	2,203	500
Restricted Fund Balance	1,647,791	1,299,989	745,924	393,515	394,271
Fund Balance - Ending June 30	\$ 1,682,199	\$ 1,363,554	\$ 751,421	\$ 395,718	\$ 394,771

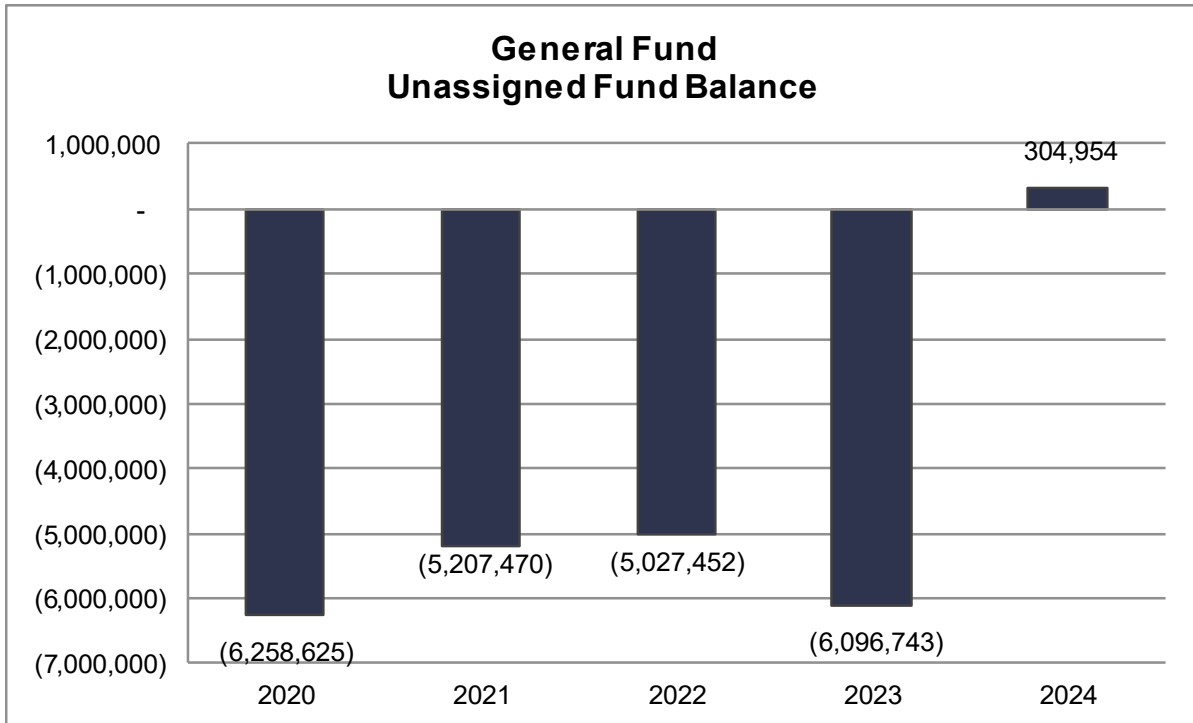
**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**

Capital Projects Fund

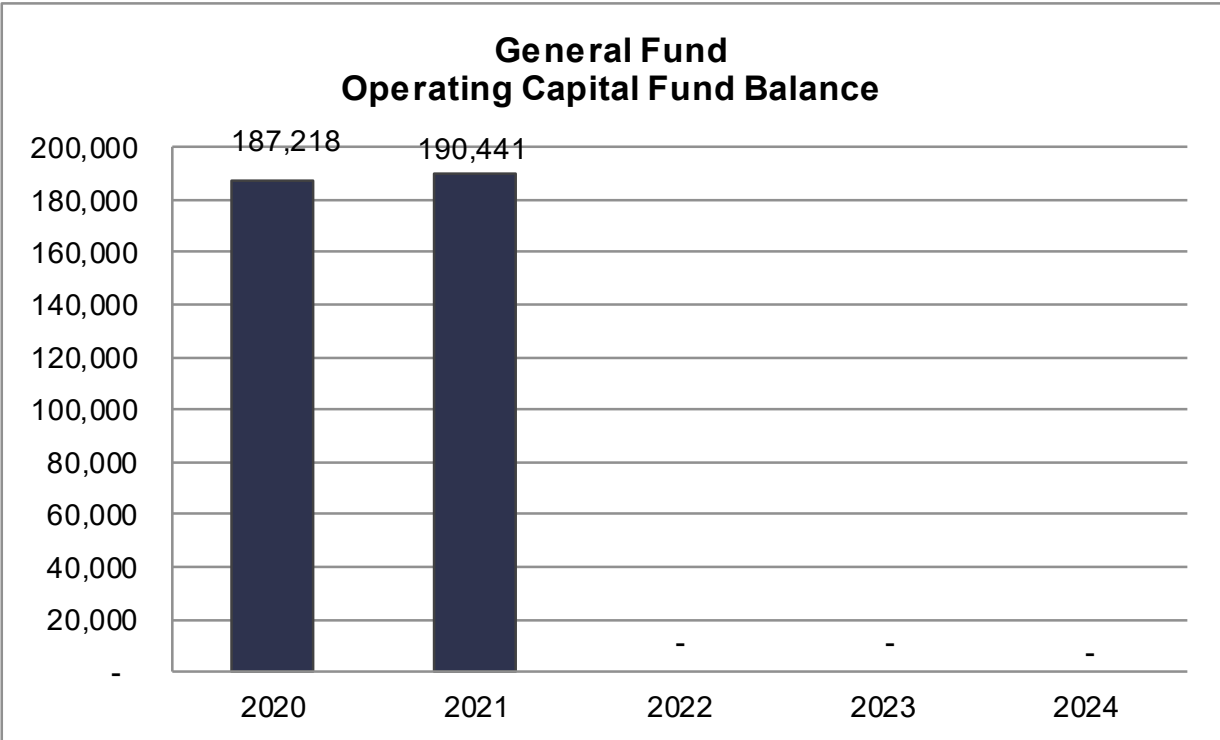
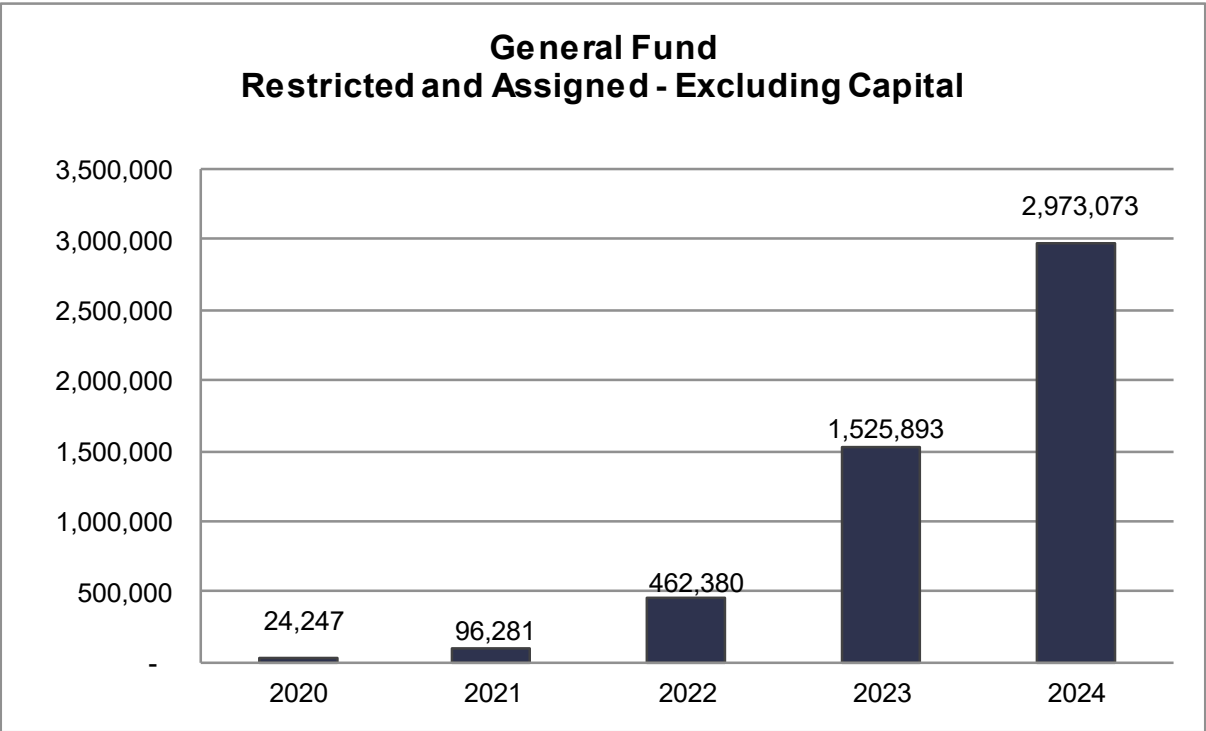
Year Ended June 30,	2024	2023	2022	2021	2020
Total Revenues	\$ 77,556	\$ -	\$ -	\$ 24,032	\$ 189,100
Total Expenditures	2,061,110	-	-	-	1,109,171
Other Financing Sources	6,080,547	-	-	-	-
Net Change in Fund Balance	4,096,993	-	-	24,032	(920,071)
Fund Balance - Beginning	-	-	-	(24,032)	896,039
Restricted Fund Balance - Ending June 30	\$ 4,096,993	\$ -	\$ -	\$ -	\$ (24,032)

Debt Service

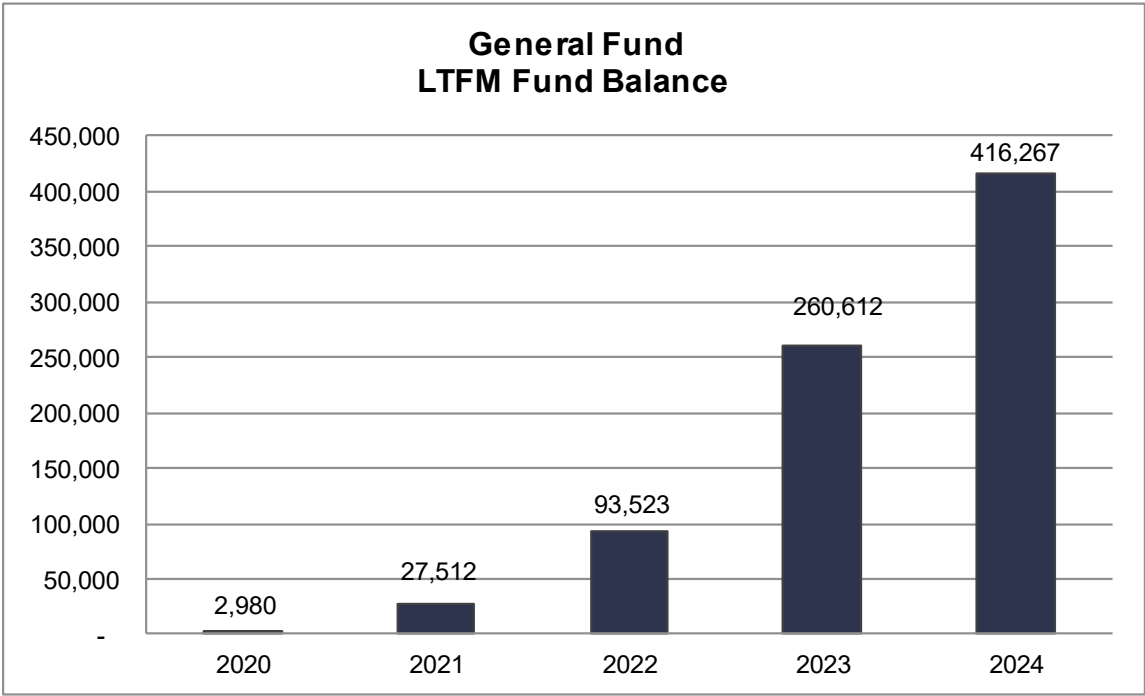
Year Ended June 30,	2024	2023	2022	2021	2020
Total Revenues	\$ 9,557,211	\$ 9,841,168	\$ 9,634,653	\$ 9,390,446	\$ 8,968,177
Total Expenditures	9,396,831	9,413,981	9,363,330	9,154,757	9,261,475
Other Financing Sources	-	-	-	-	-
Net Change in Fund Balance	160,380	427,187	271,323	235,689	(293,298)
Fund Balance - Beginning	2,190,875	1,763,688	1,492,365	1,256,676	1,549,974
Restricted Fund Balance - Ending June 30	\$ 2,351,255	\$ 2,190,875	\$ 1,763,688	\$ 1,492,365	\$ 1,256,676



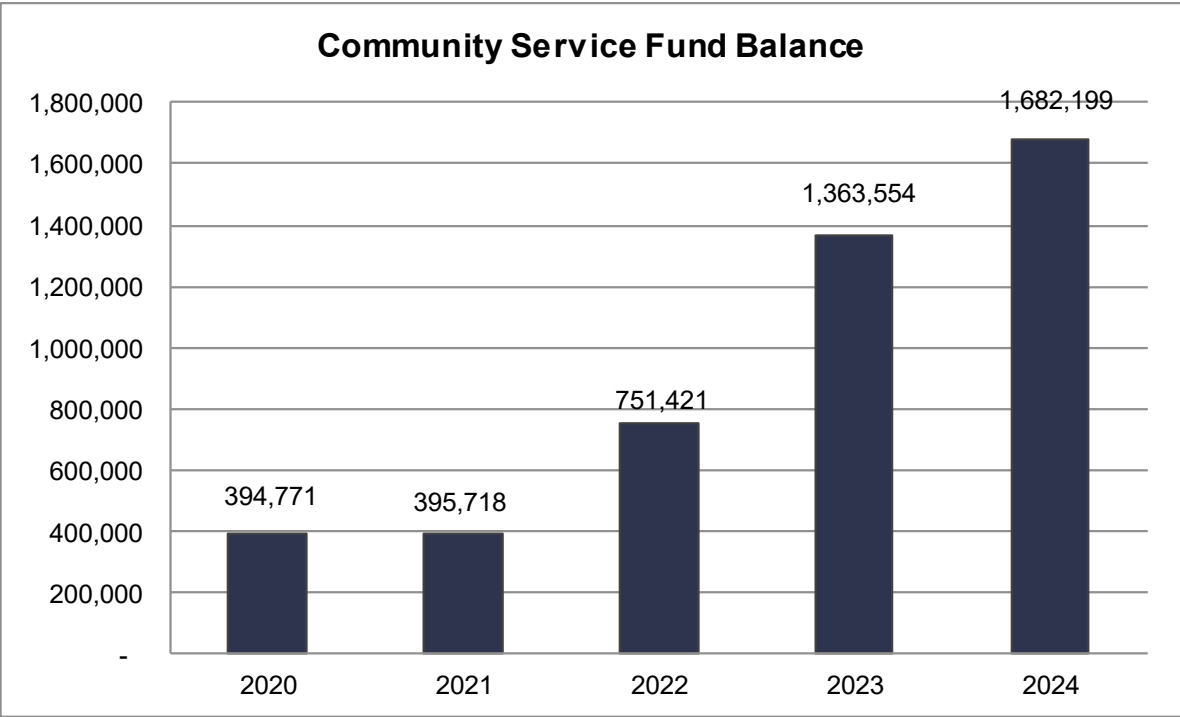
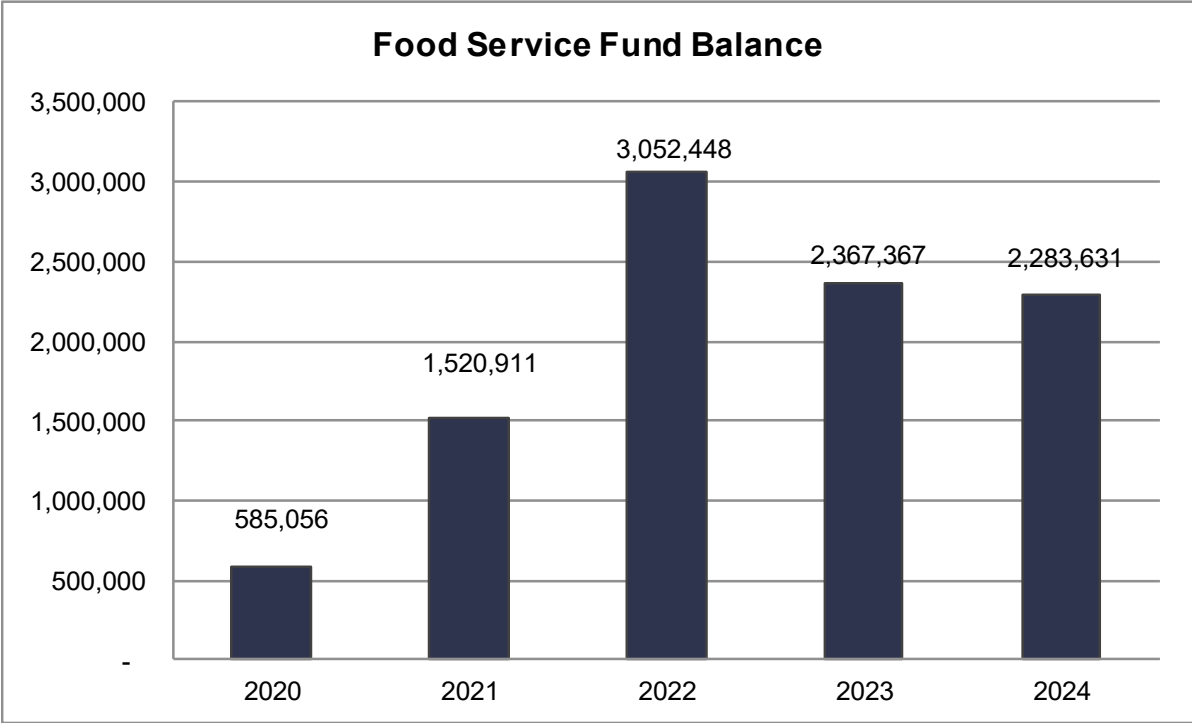
**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**



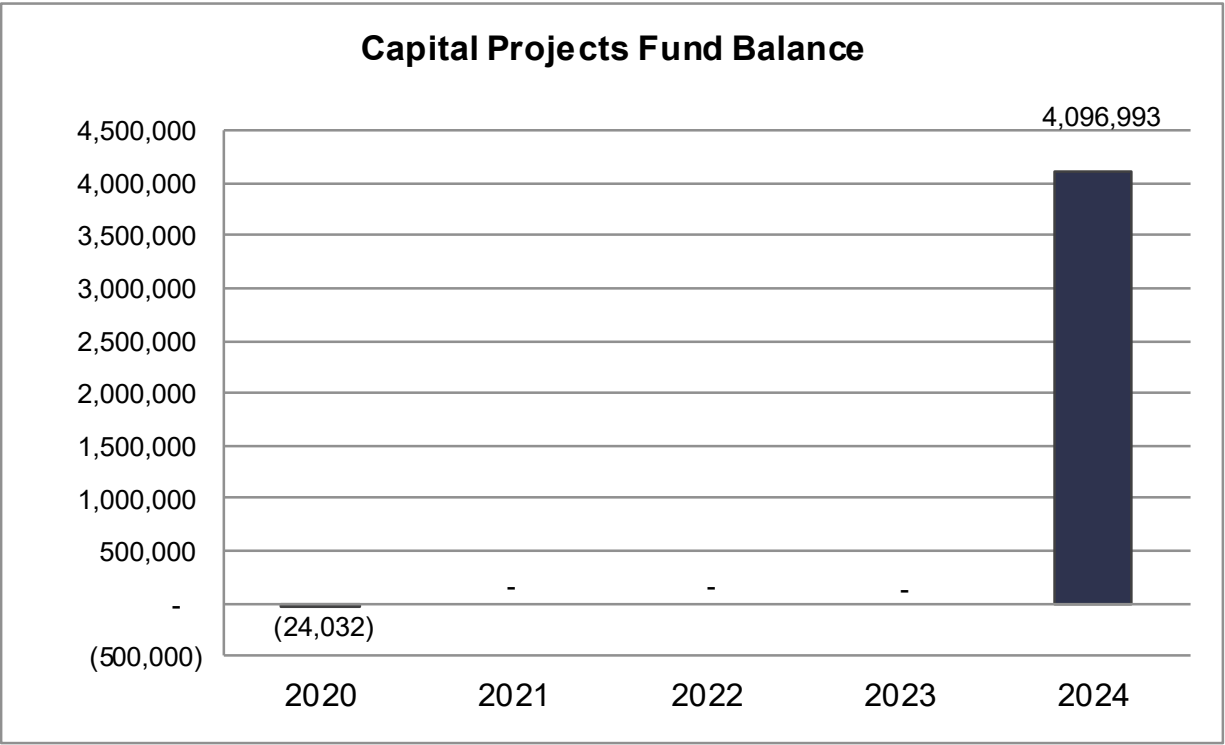
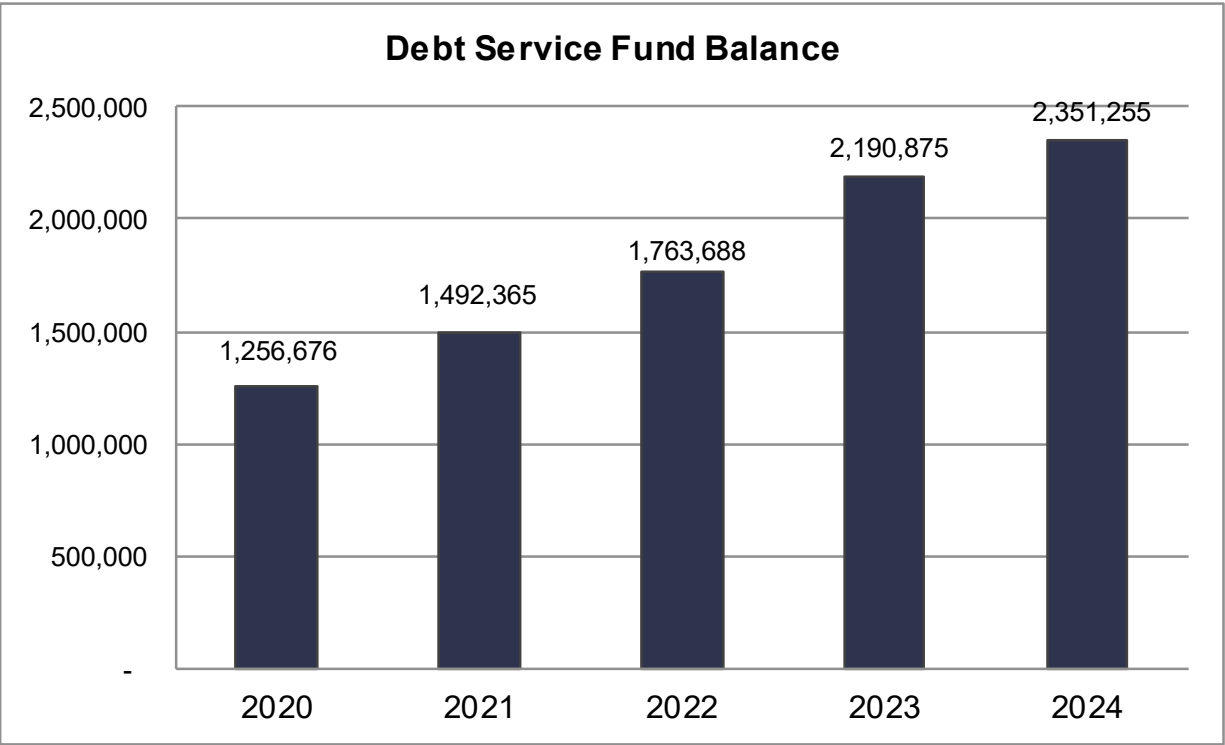
**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**



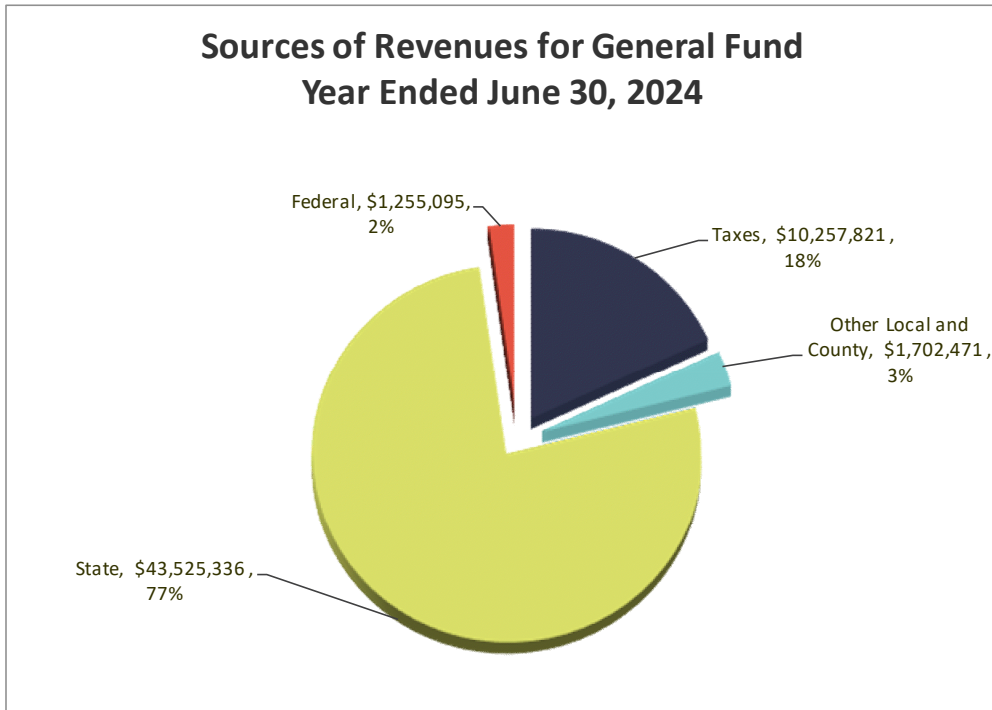
**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**



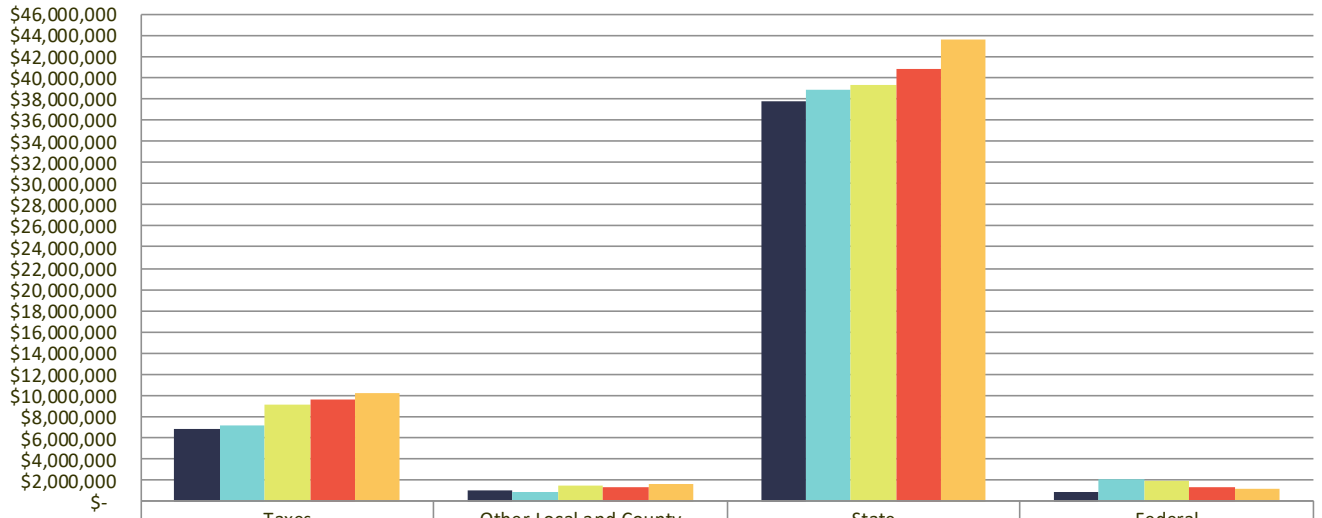
**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**



**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**



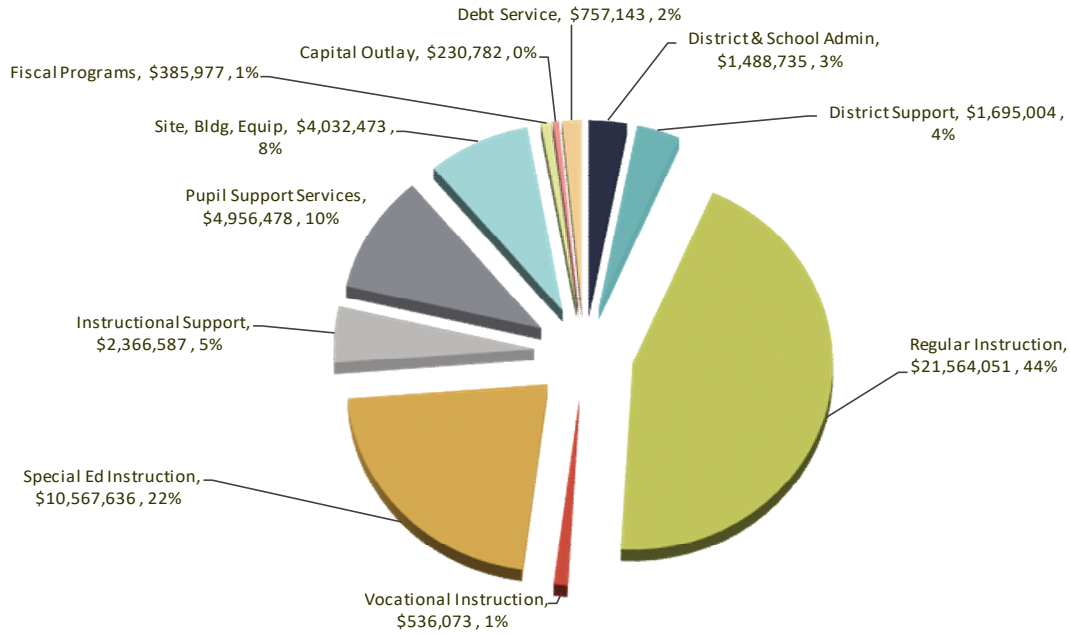
Comparative General Fund Revenues



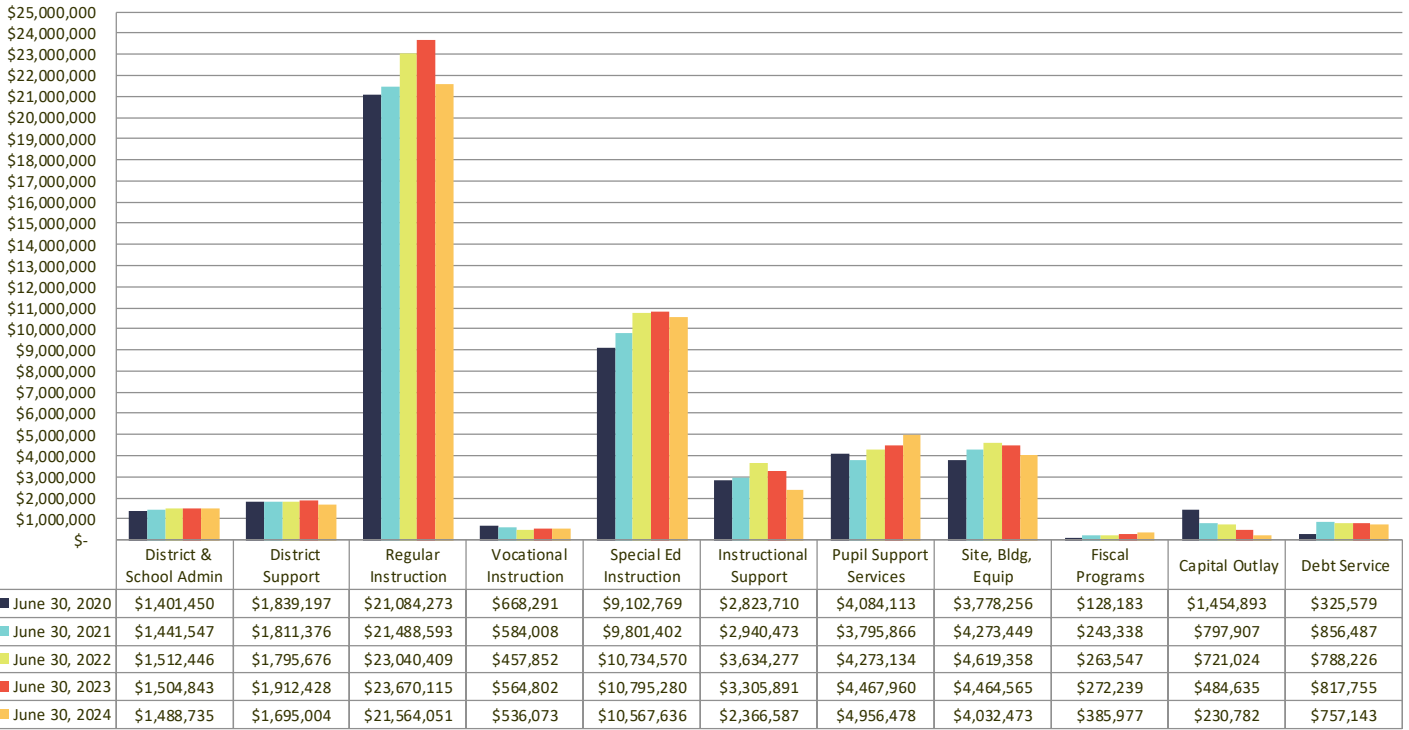
	Taxes	Other Local and County	State	Federal
■ June 30, 2020	\$6,872,050	\$1,068,659	\$37,757,831	\$865,974
■ June 30, 2021	\$7,225,981	\$916,026	\$38,867,353	\$2,073,894
■ June 30, 2022	\$9,241,888	\$1,541,416	\$39,356,445	\$2,040,899
■ June 30, 2023	\$9,562,770	\$1,381,797	\$40,808,105	\$1,312,610
■ June 30, 2024	\$10,257,821	\$1,702,471	\$43,525,336	\$1,255,095

**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**

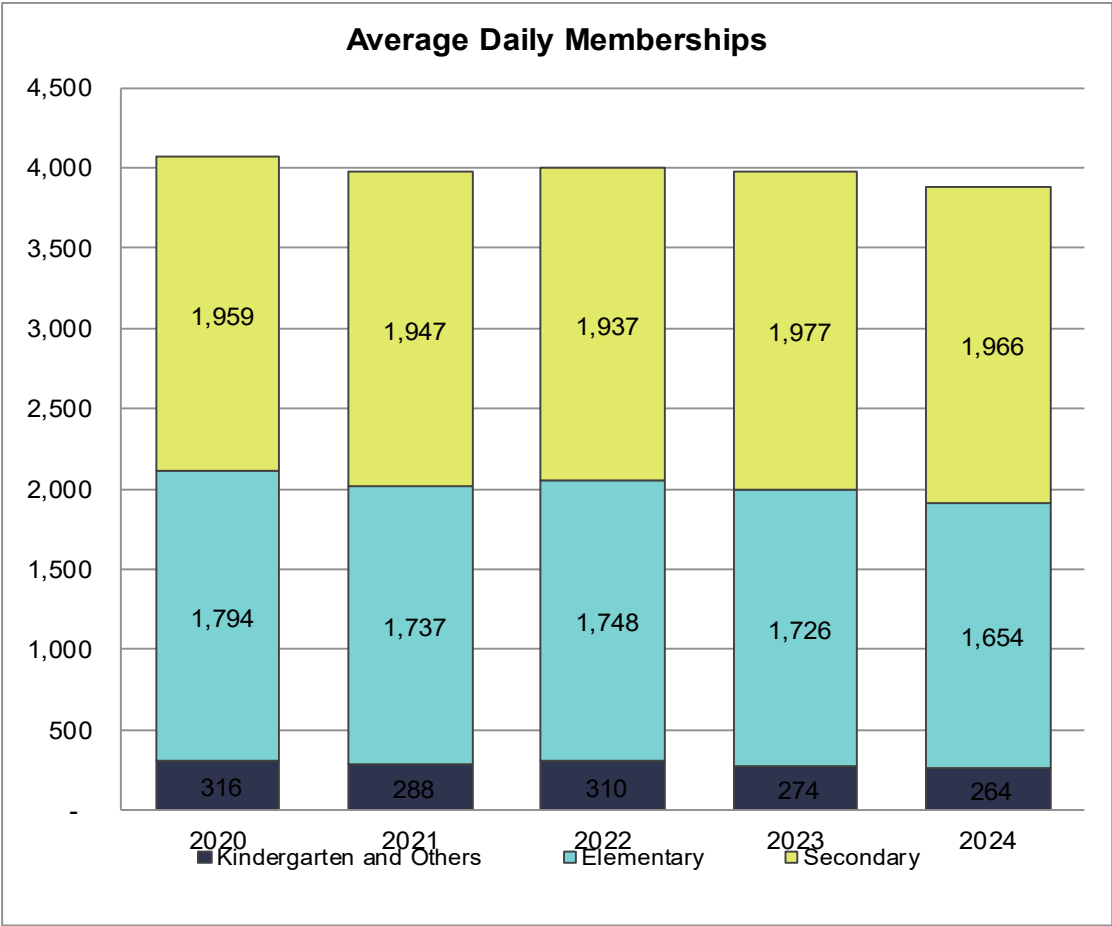
**Breakdown of Expenditures by Program for General Fund
Year Ended June 30, 2024**



Comparative Expenditures by Program for General Fund

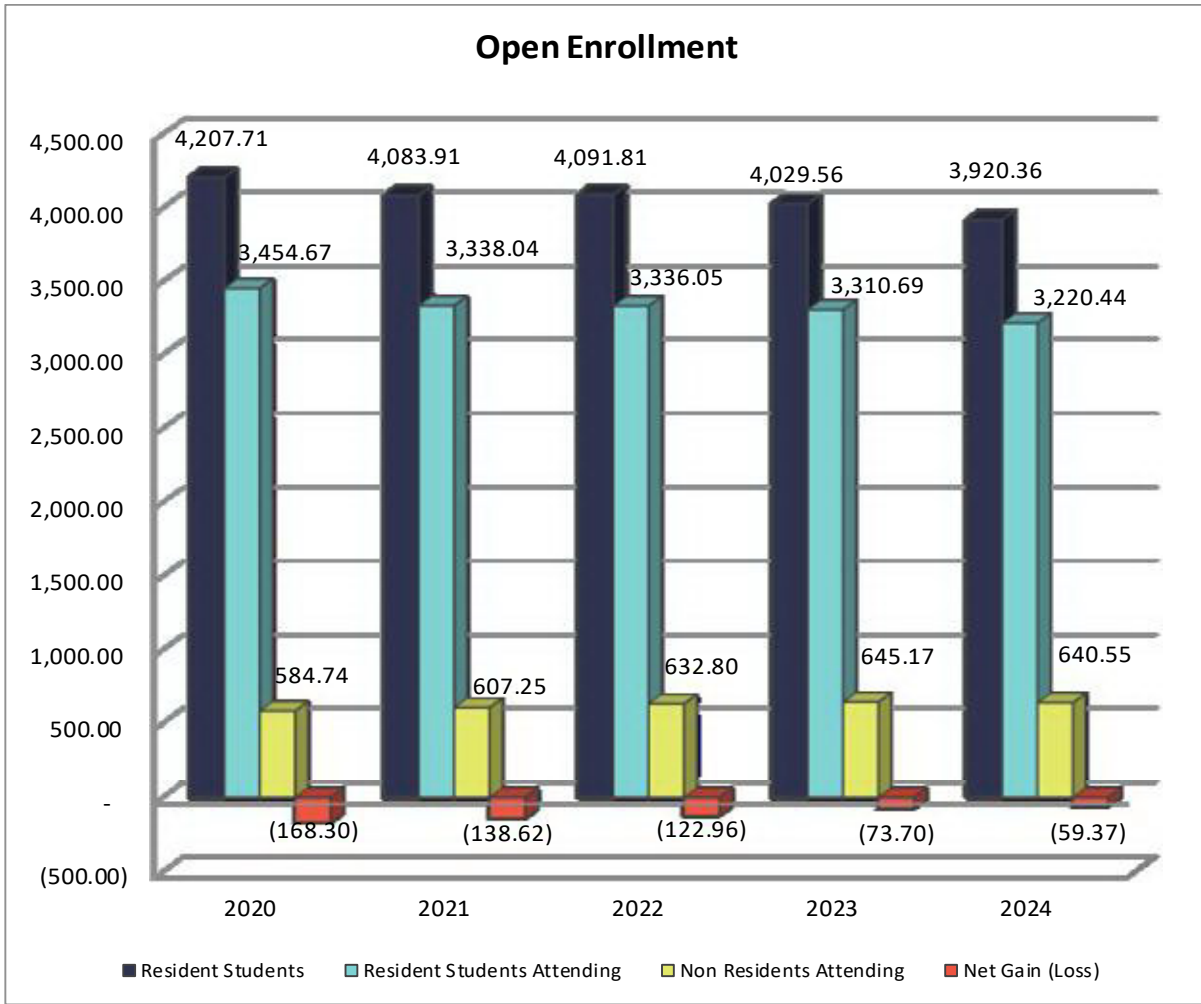


**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**



Average Daily Membership (ADM)	2020	2021	2022	2023	2024
Kindergarten and Others	316	288	310	274	264
Elementary	1,794	1,737	1,748	1,726	1,654
Secondary	1,959	1,947	1,937	1,977	1,966
Total ADM	4,069	3,972	3,995	3,977	3,884

**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**

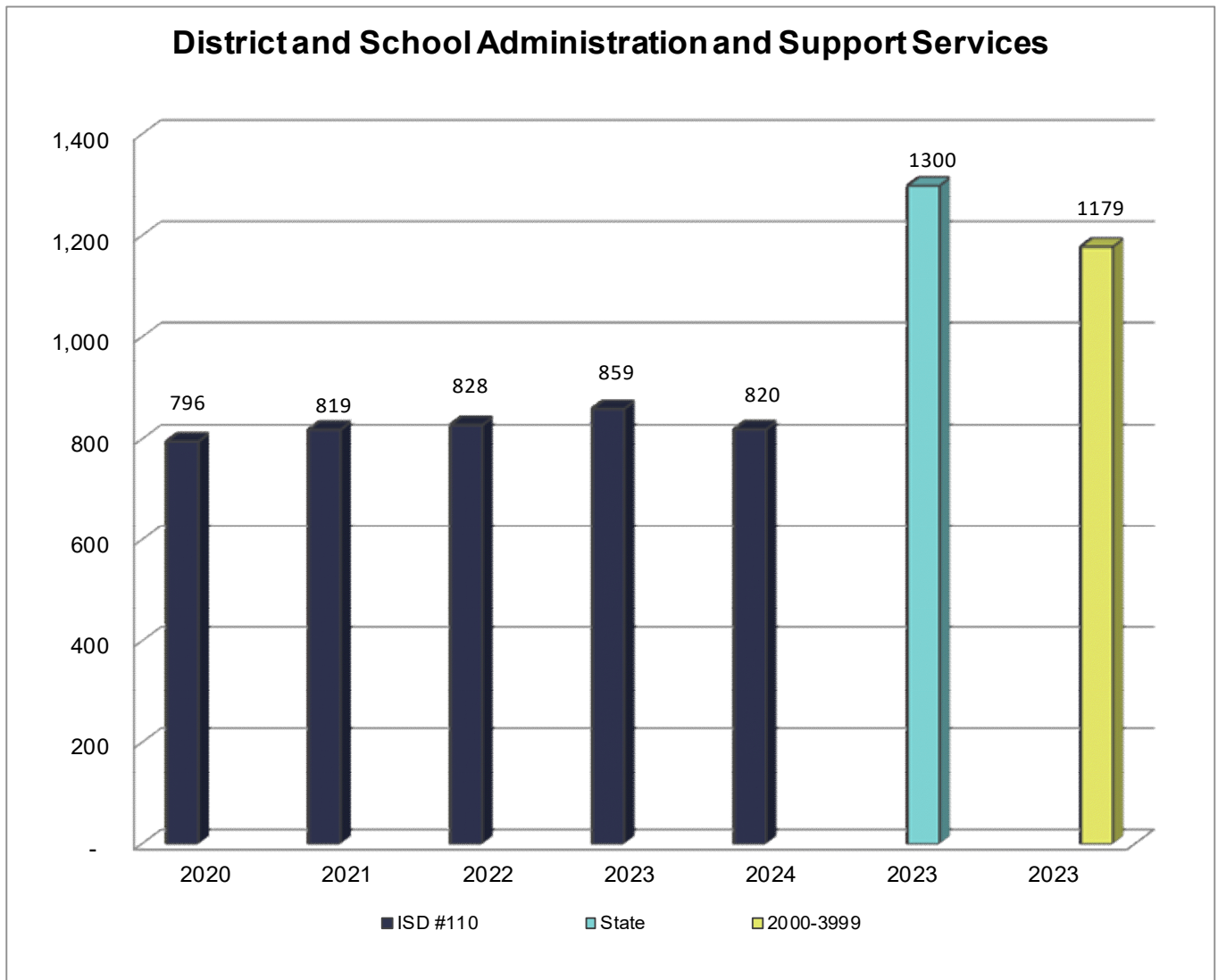


	2020	2021	2022	2023	2024
Resident Students	4,207.71	4,083.91	4,091.81	4,029.56	3,920.36
Resident Students Attending	3,454.67	3,338.04	3,336.05	3,310.69	3,220.44
Non Residents Attending	584.74	607.25	632.80	645.17	640.55
Net Gain (Loss)	(168.30)	(138.62)	(122.96)	(73.70)	(59.37)

**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**

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).



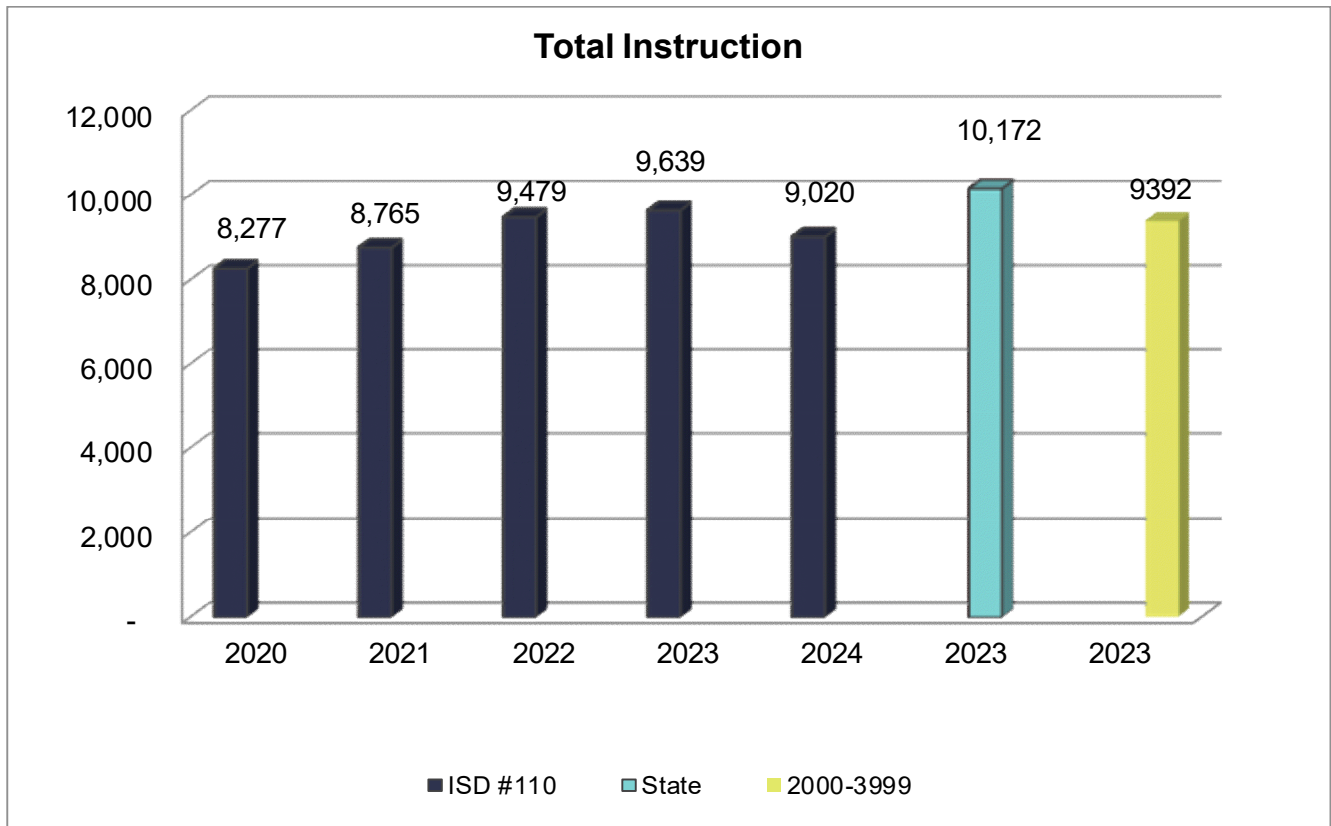
**INDEPENDENT SCHOOL DISTRICT NO. 110
FUND TRENDS (CONTINUED)**

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.





CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



WACONIA PUBLIC SCHOOLS

Independent School District #110

For the Fiscal Year Ended June 30, 2024

512 Industrial Boulevard

Waconia, MN 55387

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2024

PREPARED BY

BUSINESS OFFICE STAFF

WACONIA, MINNESOTA

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INTRODUCTORY SECTION	
SCHOOL BOARD AND ADMINISTRATION	1
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	2
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	18
STATEMENT OF ACTIVITIES	19
BALANCE SHEET – GOVERNMENTAL FUNDS	20
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	22
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS	23
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	25
STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND	27
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND	28
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUND	29
STATEMENT OF FIDUCIARY NET POSITION	30
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	31
NOTES TO BASIC FINANCIAL STATEMENTS	32
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	73
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – FOOD SERVICE FUND	74
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – COMMUNITY SERVICE FUND	75
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS	76
SCHEDULE OF MONEY WEIGHTED RATE OF RETURN ON PLAN ASSETS	78

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	79
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS	81
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	83
SUPPLEMENTARY INFORMATION	
GENERAL FUND	
BALANCE SHEET	92
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	93
FOOD SERVICE SPECIAL REVENUE FUND	
BALANCE SHEET	96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	97
COMMUNITY SERVICE SPECIAL REVENUE FUND	
BALANCE SHEET	98
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	99
DEBT SERVICE FUND	
BALANCE SHEET	100
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	101
CAPITAL PROJECTS FUND	
BALANCE SHEET	102
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	103
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE	104

INTRODUCTORY SECTION

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2024**

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Dana Geller	12/31/24	Chairperson
Luke DeBoer	12/31/24	Vice-Chairperson/ Clerk
Alycia Myers	10/31/24	Treasurer
Melanie Hagen	12/31/26	Director
Kimberly Kelzer-Breeden	12/31/26	Director
Jesse Bergstrom	12/31/26	Director
Kelly Amott	12/31/26	Director

ADMINISTRATION

Brian Gersich	Superintendent
Pamela Carman	Director of Finance and Operations
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
Waconia Public Schools
Independent School District No. 110
Waconia, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 110 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – General Fund, Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – Food Service Fund, Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – Community Service Fund, 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 the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 individual fund financial statements and schedules and the Uniform Financial Accounting and Reporting Standards Compliance Table 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund financial statements and schedules and the Uniform Financial Accounting and Reporting Standards Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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


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

Report on Summarized Comparative Information

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 8, 2023. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent in all material respects with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 20, 2024

REQUIRED SUPPLEMENTARY INFORMATION

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

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, 2024. Please read it in conjunction with the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- Total General Fund revenues were \$56,740,723 as compared to \$48,760,671 of expenditures and other financing uses which caused fund balance to increase by \$7,980,052.
- Net position increased by \$13,076,510 due to changes in the liability related to pensions, an overall decrease in expenditures.

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, 2024**

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, 2024**

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 \$6,644,291 on June 30, 2024. This was an increase of 66.3% from the prior year (see Table A-1). Net pension liability decreased by approximately \$1,366,000 and OPEB liability increased by approximately \$278,000 all related to changes in the assumptions.

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

	Governmental Activities		Percentage Change
	2024	2023	
Assets			
Current and Other Assets	\$ 40,663,988	\$ 27,454,134	48.1 %
Capital Assets	122,351,097	124,952,387	(2.1)
Total Assets	<u>163,015,085</u>	<u>152,406,521</u>	7.0
Deferred Outflows of Resources	8,894,005	12,358,333	(28.0)
Liabilities			
Current Liabilities	15,114,062	14,511,848	4.1
Long-Term Liabilities	139,710,893	141,982,327	(1.6)
Total Liabilities	<u>154,824,955</u>	<u>156,494,175</u>	(1.1)
Deferred Inflows of Resources	<u>23,728,426</u>	<u>27,991,480</u>	(15.2)
Net Position			
Net Investment in Capital Assets	13,700,964	19,686,829	(30.4)
Restricted	16,529,363	6,295,222	162.6
Unrestricted	(36,874,618)	(45,702,852)	(19.3)
Total Net Position	<u>\$ (6,644,291)</u>	<u>\$ (19,720,801)</u>	66.3

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position

The District's total revenues were \$74,032,618 for the year ended June 30, 2024. Property taxes and state formula aid accounted for \$51,714,781 of total revenue for the year (see Figure A-1). Another \$16,384,633 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
	2024	2023	
Revenues			
Program Revenues:			
Charges for Services	\$ 4,856,029	\$ 5,775,026	(15.9)%
Operating Grants and Contributions	15,817,807	12,286,354	28.7
Capital Grants and Contributions	566,826	618,504	(8.4)
General Revenues:			
Property Taxes	19,118,954	18,796,724	1.7
Unrestricted State Aid	32,595,827	31,240,117	4.3
Investment Earnings	646,779	291,428	121.9
Other	430,396	128,757	234.3
Total Revenues	<u>74,032,618</u>	<u>69,136,910</u>	7.1
Expenses			
Administration	1,517,303	1,242,947	22.1
District Support Services	1,832,239	2,063,656	(11.2)
Regular Instruction	24,701,678	23,281,034	6.1
Vocational Education Instruction	508,477	489,941	3.8
Special Education Instruction	10,300,665	9,507,273	8.3
Instructional Support Services	2,163,792	3,140,401	(31.1)
Pupil Support Services	4,630,979	4,303,148	7.6
Sites and Buildings	4,672,023	5,203,843	(10.2)
Fiscal and Other Fixed Cost Programs	387,957	286,089	35.6
Food Service	3,477,543	3,082,491	12.8
Community Service	3,891,157	3,104,624	25.3
Interest and Fiscal Charges on Long-Term Liabilities	2,872,295	2,978,597	(3.6)
Total Expenses	<u>60,956,108</u>	<u>58,684,044</u>	3.9
Change in Net Position	13,076,510	10,452,866	
Beginning Net Position	(19,720,801)	(30,173,667)	
Ending Net Position	<u>\$ (6,644,291)</u>	<u>\$ (19,720,801)</u>	

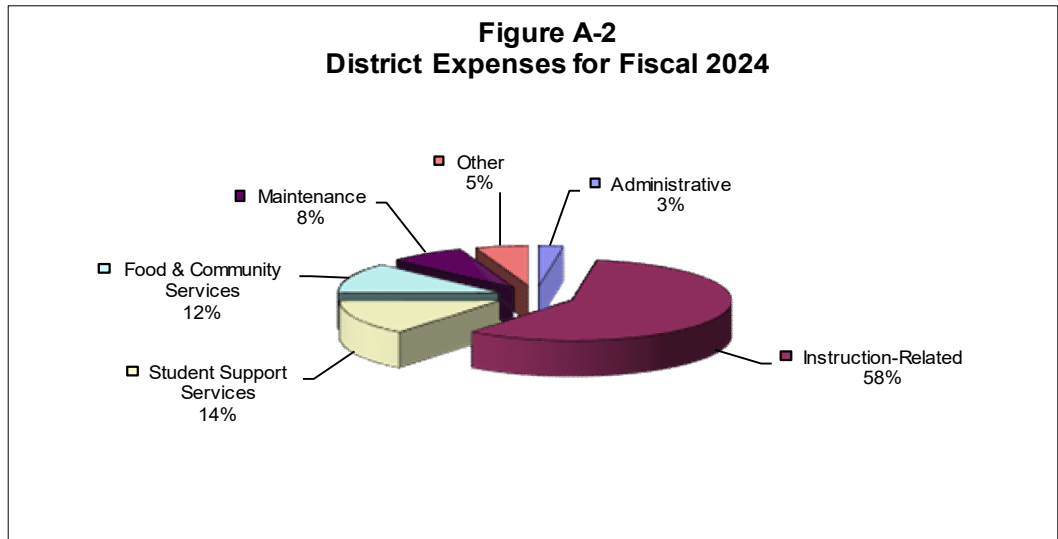
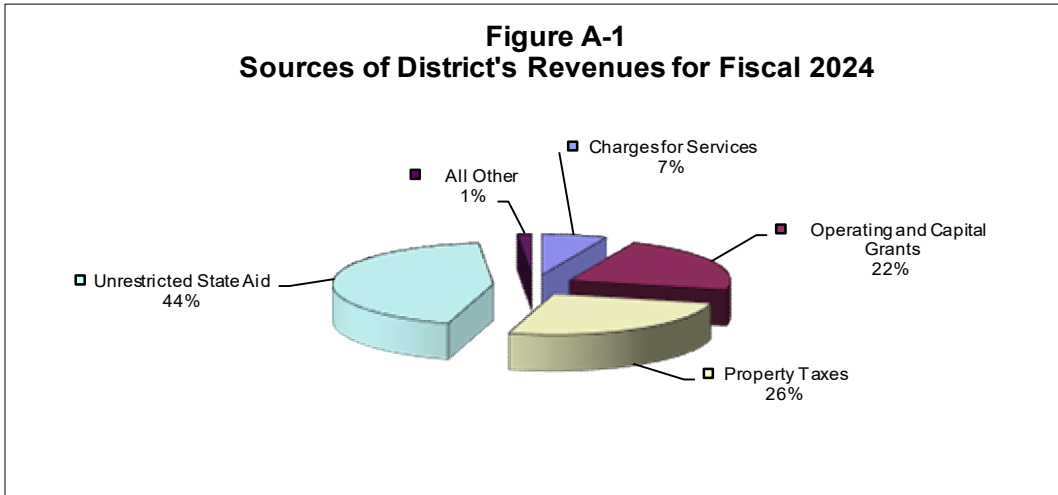
The total cost of all programs and services including interest and fiscal charges was \$60,956,108. Total revenues exceeded expenses by \$13,076,510. Charges for services increased due to an increase in community education activities. The decrease in expenses is due to moderate spending offset with an increase in spending of additional federal grants received.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

The total cost of all governmental activities this year was \$60,956,108.

- Some of the cost was paid by the users of the District's programs \$4,856,029.
- The federal and state governments subsidized certain programs with grants and contributions (\$16,384,633).
- Most of the District's costs, however, were paid for by the District taxpayers and the taxpayers of our state.
- The portion of governmental activities was paid for with \$19,118,954 in property taxes, \$32,595,827 of state aid and \$1,077,175 investment earnings and other general revenues.



**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

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
	2024	2023		2024	2023	
Administration	\$ 1,517,303	\$ 1,242,947	22.1 %	\$ 1,538,914	\$ 1,231,672	24.9 %
District Support Services	1,832,239	2,063,656	(11.2)	1,831,311	2,062,564	(11.2)
Regular Instruction	24,701,678	23,281,034	6.1	21,774,789	20,340,701	7.1
Vocational Education Instruction	508,477	489,941	3.8	500,311	475,109	5.3
Special Education Instruction	10,300,665	9,507,273	8.3	(641,092)	254,345	(352.1)
Instructional Support Services	2,163,792	3,140,401	(31.1)	2,104,036	2,841,242	(25.9)
Pupil Support Services	4,630,979	4,303,148	7.6	4,483,400	4,513,248	(0.7)
Sites and Buildings	4,672,023	5,203,843	(10.2)	4,115,568	4,716,540	(12.7)
Fiscal and Other Fixed Cost Programs	387,957	286,089	35.6	387,957	286,089	35.6
Food Service	3,477,543	3,082,491	12.8	194,265	448,637	(56.7)
Community Service	3,891,157	3,104,624	25.3	553,692	(144,584)	(483.0)
Interest and Fiscal Charges on Long-Term Liabilities	2,872,295	2,978,597	(3.6)	2,872,295	2,978,597	(3.6)
Total	<u>\$ 60,956,108</u>	<u>\$ 58,684,044</u>	3.9	<u>\$ 39,715,446</u>	<u>\$ 40,004,160</u>	(0.7)

The total cost of all governmental activities for the year ended June 30, 2024 was \$60,956,108.

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 \$14,969,856, which is \$12,472,334 more than last year's ending fund balance of \$2,497,522. The increase relates to the increase in state sources and earnings on investments while also decreasing overall expenditures.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

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.

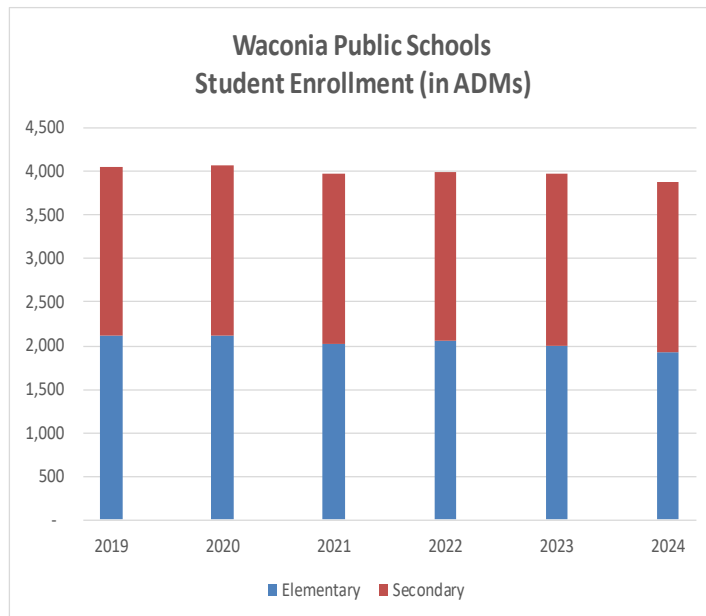
Approximately 97% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model 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 decreased slightly through school year 2023-2024.

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

	2019	2020	2021	2022	2023	2024
Elementary	2,113	2,111	2,025	2,058	2,000	1,918
Secondary	1,938	1,959	1,947	1,937	1,977	1,966
Total Students for Aid	4,051	4,070	3,972	3,995	3,977	3,884
Percent Change	0.30%	0.47%	-2.41%	0.58%	-0.45%	-2.34%



**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

GENERAL FUND (CONTINUED)

Over the last six years, the District has experienced a decrease in average daily membership of 167 students or 4.12%. The average daily membership decreased during school year 2023-2024 and it is anticipated that the average daily membership will increase in 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, 2024	June 30, 2023	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 10,257,821	\$ 9,562,770	\$ 695,051	7.3 %
Earnings on Investments	112,866	-	112,866	100.0
Other	1,589,605	1,381,797	207,808	15.0
State Sources	43,525,336	40,808,105	2,717,231	6.7
Federal Sources	1,255,095	1,312,610	(57,515)	(4.4)
Total General Fund Revenue	<u>\$ 56,740,723</u>	<u>\$ 53,065,282</u>	<u>\$ 3,675,441</u>	6.9

Total General Fund Revenue increased by \$3,675,441 or 6.9% 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. Despite a recent increase in the cross-subsidy, Special Education funding continues to fall short of covering rising program costs, creating ongoing challenges for the District's budget. District officials continue to actively engage with legislative leaders to advocate for further adjustments to Special Education funding laws to address these deficiencies and better support students' needs.

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, 2024	June 30, 2023		
Salaries	\$ 27,539,450	\$ 30,105,406	\$ (2,565,956)	(8.5)%
Employee Benefits	10,431,334	11,428,694	(997,360)	(8.7)
Purchased Services	7,607,662	7,018,806	588,856	8.4
Supplies and Materials	1,724,993	2,109,431	(384,438)	(18.2)
Capital Expenditures	230,782	483,279	(252,497)	(52.2)
Other Expenditures	1,046,718	1,114,897	(68,179)	(6.1)
Total Expenditures	<u>\$ 48,580,939</u>	<u>\$ 52,260,513</u>	<u>\$ (3,679,574)</u>	(7.0)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

GENERAL FUND (CONTINUED)

Total General Fund expenditures decreased by \$3,679,574 or 7.0% from the previous year. Most of this decrease was due to a decrease in salaries and employee benefits.

The unassigned fund balance for the General Fund was \$304,954 as of June 30, 2024. According to Minnesota Statutes, Section 123B.81, subdivision 2, the District is required to report a year-end unreserved General Fund balance exceeding more than 2.50% of its unreserved/undesignated operating expenditures. Fiscal year 2024 is the first year out of Statutory Operating Debt (SOD) with a percentage of 2.57%. The District has come out of SOD this year primarily due to budget cuts and watching overall spending.

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 \$265,876 more than expected primarily due to an increase in property taxes and other revenue. In addition, investment earnings were more than expected.

The actual expenditures were \$3,281,837 less than budgeted primarily due to a decrease in salaries and employee benefits.

District staff works with the school board, along with representatives from the State of Minnesota in developing a long-term plan to correct its fund balance deficiency. That plan is updated and presented to the board for its approval by January 31st annually.

DEBT SERVICE FUNDS

The Debt Service Fund revenues exceeded expenditures by \$160,380 in FY2024. The remaining fund balance of \$2,351,255 at June 30, 2024 is available for meeting future debt service obligations.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

OTHER MAJOR FUNDS

Expenditures exceeded revenue in Food Service Fund by \$83,736 and in the Community Education Fund revenues and other financing sources exceeded expenditures by \$318,645.

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 2024, the District had invested over \$201 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**

	2024	2023	Percentage Change
Land	\$ 5,524,742	\$ 5,524,742	-
Construction in Progress	1,981,900	-	100.0
Right-to-Use Asset	218,987	218,987	-
Land Improvements	6,034,879	6,034,879	-
Buildings and Improvements	176,251,626	176,251,626	-
Equipment	10,538,734	9,896,526	6.5
Less: Accumulated Depreciation/Amortization	(78,199,771)	(72,974,373)	7.2
Total	<u>\$ 122,351,097</u>	<u>\$ 124,952,387</u>	(2.1)

Facilities – Next Five Years

The District's facilities, with an average age of 27 years, are essential to providing high-quality education in safe and functional environments. While the oldest buildings, Bayview Elementary and Southview Elementary, average 48 and 43 years respectively, the newest facilities, Laketown Elementary and the Learning Center, average just 8 and 7 years. To address ongoing maintenance and modernization needs, the District partnered with SiteLogiq to develop a 10-year Long-Term Facilities Maintenance (LTFM) Plan, which prioritizes infrastructure upgrades, deferred maintenance, energy efficiency, and safety enhancements. The District's long-range facilities plan identifies a need for more significant investments beginning around 2028 to address key priorities. The plan includes key investments ensuring the District remains well-positioned to support growth and evolving educational needs while aligning projects with strategic goals and community expectations. As we continue to manage our future budgets, it is critical to keep these priorities at the forefront to maintain and enhance our facilities effectively.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities

At year-end, the District had approximately \$104,311,000 in long-term debt, a decrease of 1% from last year – as shown in Note 6 to financial statements. This is due to payments on long-term debt.

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

	2024	2023	Percentage Change
General Obligation Bonds	\$ 98,010,000	\$ 98,090,000	(0.1)%
Net Bond Premium and Discount	1,383,843	1,720,802	(19.6)
Certificates of Participation Payable	2,370,000	2,510,000	(5.6)
Finance Purchase Agreement	2,456,472	2,820,872	(12.9)
Lease Liability	91,068	140,680	(35.3)
Total	<u>\$ 104,311,383</u>	<u>\$ 105,282,354</u>	(0.9)
Long-Term Liabilities:			
Due within One Year	\$ 6,856,796	\$ 6,644,011	
Due in More than One Year	97,454,587	98,638,343	
Total	<u>\$ 104,311,383</u>	<u>\$ 105,282,354</u>	

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District has successfully exited Statutory Operating Debt, demonstrating progress in its fiscal management. However, it continues to face challenges associated with rising labor and transportation costs, along with overall operational expenses. The majority of District employee contracts have been settled through 2026-27, providing greater predictability in known contract costs. Many initial settlements were structured to provide minimal, off-schedule increases in the first two years, allowing for an immediate increase in the District's general fund balance. However, the contracts include higher cost increases in the final two years, creating a need for careful long-term planning. This structure underscores the importance of strategic decision-making now to ensure sufficient resources to meet these higher commitments in future years and reflects the collective effort to balance current needs with future obligations.

The rising costs of Special Education services continue to place pressure on the District's budget. While the state has recently increased funding to help reduce the cross-subsidy gap, the adjustments only partially offset the financial demands of providing these essential services. The District remains committed to meeting the diverse needs of its students, but the current funding model requires ongoing monitoring and creative solutions to ensure financial stability without compromising the quality of education and support provided to students with special needs.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)

Declining enrollment presents an additional challenge for the District, necessitating careful planning to align limited resources with increasing demands in instructional services, daily maintenance and operations, transportation services, food service programming, and community education programming. The general education formula allowance has not kept pace with inflation, and the District receives less categorical funding compared to neighboring districts. As a result, the District relies heavily on local dollars to sustain its programming and maintain its longstanding commitment to providing high-quality education.

Despite these challenges, the District remains dedicated to academic excellence and educational opportunity for all students while upholding its financial responsibility. Continued strategic planning and efforts to optimize funding streams will be essential in navigating these pressures and advancing the District's goals.

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)**

	Governmental Activities	
	2024	2023
ASSETS		
Cash and Investments	\$ 24,796,767	\$ 12,089,381
Receivables:		
Property Taxes	10,243,288	10,165,678
Due From Other Governments	4,334,452	3,733,484
Other	252,132	141,137
Prepaid Items	961,463	982,591
Inventories	75,886	61,663
Due from Irrevocable OPEB Trust	-	280,200
Capital Assets:		
Land and Construction in Progress	7,506,642	5,524,742
Other Capital Assets, Net of Depreciation/Amortization	114,844,455	119,427,645
Total Assets	163,015,085	152,406,521
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	8,766,881	12,104,446
OPEB Related	120,004	237,091
Loss on Refunding	7,120	16,796
Total Deferred Outflows of Resources	8,894,005	12,358,333
LIABILITIES		
Salaries Payable	5,075,366	4,992,087
Accounts and Contracts Payable	1,030,108	441,169
Accrued Interest	1,427,270	1,470,885
Due to Other Governmental Units	201,747	153,613
Unearned Revenue:		
Local Sources	251,334	496,963
Long-Term Liabilities:		
Net Pension Liability	36,342,573	37,708,313
Net OPEB Liability	5,913,733	5,635,671
Portion Due Within One Year	7,128,237	6,957,131
Portion Due in More Than One Year	97,454,587	98,638,343
Total Liabilities	154,824,955	156,494,175
DEFERRED INFLOWS OF RESOURCES		
OPEB Related	1,040,430	1,070,688
Pension Related	3,869,935	8,243,087
Property Taxes Levied for Subsequent Year	18,818,061	18,677,705
Total Deferred Inflows of Resources	23,728,426	27,991,480
NET POSITION		
Net Investment in Capital Assets	13,700,964	19,686,829
Restricted for:		
State-Mandated Restrictions	3,350,843	1,786,505
Food Service	2,283,631	2,367,367
Community Service	1,684,204	1,365,331
Debt Service	988,519	776,019
Capital Projects - Building Construction	8,222,166	-
Unrestricted	(36,874,618)	(45,702,852)
Total Net Position	\$ (6,644,291)	\$ (19,720,801)

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

Functions	2024				2023	2023
	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position	Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating	Capital	Total	Total
			Grants and Contributions	Grants and Contributions		
Governmental Activities						
Administration	\$ 1,517,303	\$ -	\$ (21,611)	\$ -	\$ (1,538,914)	\$ (1,231,672)
District Support Services	1,832,239	-	-	928	(1,831,311)	(2,062,564)
Regular Instruction	24,701,678	955,457	1,780,545	190,887	(21,774,789)	(20,340,701)
Vocational Education Instruction	508,477	-	8,166	-	(500,311)	(475,109)
Special Education Instruction	10,300,665	279,584	10,662,173	-	641,092	(254,345)
Instructional Support Services	2,163,792	-	-	59,756	(2,104,036)	(2,841,242)
Pupil Support Services	4,630,979	-	147,579	-	(4,483,400)	(4,513,248)
Sites and Buildings	4,672,023	241,200	-	315,255	(4,115,568)	(4,716,540)
Fiscal and Other Fixed Cost Programs	387,957	-	-	-	(387,957)	(286,089)
Food Service	3,477,543	456,501	2,826,777	-	(194,265)	(448,637)
Community Service	3,891,157	2,923,287	414,178	-	(553,692)	144,584
Interest and Fiscal Charges on Long-Term Liabilities	2,872,295	-	-	-	(2,872,295)	(2,978,597)
Total Governmental Activities	\$ 60,956,108	\$ 4,856,029	\$ 15,817,807	\$ 566,826	(39,715,446)	(40,004,160)
GENERAL REVENUES						
Property Taxes Levied for:						
General Purposes					10,269,725	9,581,076
Community Service					267,442	294,572
Debt Service					8,581,787	8,921,076
State Aid Not Restricted to Specific Purposes					32,595,827	31,240,117
Earnings on Investments					646,779	291,428
Miscellaneous					430,396	128,757
Total General Revenues					<u>52,791,956</u>	<u>50,457,026</u>
CHANGE IN NET POSITION					13,076,510	10,452,866
Net Position - Beginning of Year					(19,720,801)	(30,173,667)
NET POSITION - END OF YEAR					<u>\$ (6,644,291)</u>	<u>\$ (19,720,801)</u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)**

ASSETS	Major		
	General	Food Service	Community Service
Cash and Investments	\$ 9,549,853	\$ 2,301,222	\$ 2,050,384
Receivables:			
Current Property Taxes	5,264,179	-	154,461
Delinquent Property Taxes	63,913	-	2,005
Due from Other Minnesota School Districts	1,888	-	-
Due from Minnesota Department of Education	4,034,203	36,653	62,830
Due from Federal through Minnesota Department of Education	57,231	-	-
Due from Other Governmental Units	65,493	-	2,000
Other Receivables	83,460	-	168,672
Due from Other Funds	-	-	-
Prepaid Items	861,484	28,914	34,408
Inventory	-	75,886	-
Total Assets	<u>\$ 19,981,704</u>	<u>\$ 2,442,675</u>	<u>\$ 2,474,760</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, RESOURCES, AND FUND BALANCES			
LIABILITIES			
Salaries Payable	\$ 4,821,374	\$ 85,966	\$ 168,026
Accounts and Contracts Payable	636,743	14,720	130,876
Due to Other Governmental Units	198,390	3,166	191
Unearned Revenue	3,039	55,192	193,103
Total Liabilities	<u>5,659,546</u>	<u>159,044</u>	<u>492,196</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	9,702,467	-	298,360
Unavailable Revenue - Delinquent Property Taxes	63,913	-	2,005
Total Deferred Inflows of Resources	<u>9,766,380</u>	<u>-</u>	<u>300,365</u>
FUND BALANCES			
Nonspendable	861,484	104,800	34,408
Restricted for:			
Student Activities	449,064	-	-
Literacy Incentive Aid	205,311	-	-
Learning and Development	1,254,488	-	-
Gifted and Talented	88,444	-	-
Basic Skills Programs	31,413	-	-
School Library Aid	70,764	-	-
Student Support Personnel	52,448	-	-
Safe Schools	227,365	-	-
Community Education Programs	-	-	1,288,135
Early Childhood and Family Educations Programs	-	-	180,303
School Readiness	-	-	159,386
Long-Term Facilities Maintenance	416,267	-	-
Medical Assistance	593,776	-	-
Other Purposes	-	2,178,831	19,967
Unassigned	304,954	-	-
Total Fund Balances	<u>4,555,778</u>	<u>2,283,631</u>	<u>1,682,199</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,981,704</u>	<u>\$ 2,442,675</u>	<u>\$ 2,474,760</u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)**

Funds		Total Governmental	
Capital Projects	Debt Service	Funds	
		2024	2023
\$ 4,281,033	\$ 6,403,014	\$ 24,585,506	\$ 11,971,662
-	4,694,196	10,112,836	10,055,863
-	64,534	130,452	109,815
-	-	1,888	3,716
-	73,279	4,206,965	3,552,429
-	-	57,231	66,439
-	-	67,493	110,900
36,657	-	288,789	141,137
-	-	-	280,200
-	-	924,806	982,591
-	-	75,886	61,663
<u>\$ 4,317,690</u>	<u>\$ 11,235,023</u>	<u>\$ 40,451,852</u>	<u>\$ 27,336,415</u>
\$ -	\$ -	\$ 5,075,366	\$ 4,992,087
220,697	2,000	1,005,036	412,061
-	-	201,747	150,262
-	-	251,334	496,963
<u>220,697</u>	<u>2,000</u>	<u>6,533,483</u>	<u>6,051,373</u>
-	8,817,234	18,818,061	18,677,705
-	64,534	130,452	109,815
-	8,881,768	18,948,513	18,787,520
-	-	1,000,692	1,044,254
-	-	449,064	343,063
-	-	205,311	-
-	-	1,254,488	650,566
-	-	88,444	44,742
-	-	31,413	-
-	-	70,764	-
-	-	52,448	-
-	-	227,365	139,499
-	-	1,288,135	1,056,684
-	-	180,303	108,906
-	-	159,386	143,425
4,019,436	-	4,435,703	260,612
-	-	593,776	348,023
77,557	2,351,255	4,627,610	4,463,517
-	-	304,954	(6,105,769)
<u>4,096,993</u>	<u>2,351,255</u>	<u>14,969,856</u>	<u>2,497,522</u>
<u>\$ 4,317,690</u>	<u>\$ 11,235,023</u>	<u>\$ 40,451,852</u>	<u>\$ 27,336,415</u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)**

	2024	2023
Total Fund Balance for Governmental Funds	\$ 14,969,856	\$ 2,497,522
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	1,981,900	-
Right-to-Use Asset, Net of Accumulated Amortization	63,195	126,391
Land Improvements, Net of Accumulated Depreciation	1,922,105	2,081,393
Buildings and Improvements, Net of Accumulated Depreciation	111,136,380	115,903,908
Equipment, Net of Accumulated Depreciation	1,722,775	1,315,953
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.	130,452	109,815
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(1,427,270)	(1,470,885)
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	(5,913,733)	(5,635,671)
Deferred Inflows of Resources - OPEB Related	(1,040,430)	(1,070,688)
Deferred Outflows of Resources - OPEB Related	120,004	237,091
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	(36,342,573)	(37,708,313)
Deferred Inflows of Resources - Pension Related	(3,869,935)	(8,243,087)
Deferred Outflows of Resources - Pension Related	8,766,881	12,104,446
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:	187,064	85,260
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	(98,010,000)	(98,090,000)
Unamortized Premiums	(1,383,843)	(1,720,802)
Certificates of Participation Payable	(2,370,000)	(2,510,000)
Unamortized Deferred Loss on Refunding	7,120	16,796
Finance Purchase Agreements	(2,456,472)	(2,820,872)
Lease Liability	(91,068)	(140,680)
Compensated Absences Payable	(271,441)	(313,120)
Total Net Position of Governmental Activities	\$ (6,644,291)	\$ (19,720,801)

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	Major		
	General	Food Service	Community Service
REVENUES			
Local Sources:			
Property Taxes	\$ 10,257,821	\$ -	\$ 267,214
Earnings (Loss) on Investments	112,866	103,990	95,105
Other	1,589,605	458,080	3,249,955
State Sources	43,525,336	1,898,686	517,578
Federal Sources	1,255,095	928,091	-
Total Revenues	<u>56,740,723</u>	<u>3,388,847</u>	<u>4,129,852</u>
EXPENDITURES			
Current:			
Administration	1,488,735	-	-
District Support Services	1,695,004	-	-
Regular Instruction	21,564,051	-	-
Vocational Education Instruction	536,073	-	-
Special Education Instruction	10,567,636	-	-
Instructional Support Services	2,366,587	-	-
Pupil Support Services	4,956,478	-	-
Sites and Buildings	4,032,473	-	-
Fiscal and Other Fixed Cost Programs	385,977	-	-
Food Service	-	3,180,212	-
Community Service	-	-	3,889,840
Capital Outlay	230,782	289,671	2,008
Debt Service:			
Principal	544,387	2,053	7,572
Interest and Fiscal Charges	212,756	647	3,157
Total Expenditures	<u>48,580,939</u>	<u>3,472,583</u>	<u>3,902,577</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,159,784	(83,736)	227,275
OTHER FINANCING SOURCES (USES)			
Insurance Recovery Proceeds	-	-	-
Issuance of Lease	-	-	-
Lease Purchase Agreement Proceeds	-	-	-
Bond Premium	-	-	-
Transfers In	-	-	91,370
Transfers Out	(179,732)	-	-
Total Other Financing Sources (Uses)	<u>(179,732)</u>	<u>-</u>	<u>91,370</u>
NET CHANGE IN FUND BALANCE	7,980,052	(83,736)	318,645
Fund Balance - Beginning of Year	<u>(3,424,274)</u>	<u>2,367,367</u>	<u>1,363,554</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,555,778</u>	<u>\$ 2,283,631</u>	<u>\$ 1,682,199</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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

Funds		Total Governmental	
Capital Projects	Debt Service	Funds	
		2024	2023
\$ -	\$ 8,573,282	\$ 19,098,317	\$ 18,764,560
77,556	251,145	640,662	286,292
-	-	5,297,640	5,906,411
-	732,784	46,674,384	42,164,731
-	-	2,183,186	2,209,690
<u>77,556</u>	<u>9,557,211</u>	<u>73,894,189</u>	<u>69,331,684</u>
-	-	1,488,735	1,504,843
-	-	1,695,004	1,912,428
-	-	21,564,051	23,670,115
-	-	536,073	564,802
-	-	10,567,636	10,795,280
-	-	2,366,587	3,305,891
-	-	4,956,478	4,467,960
-	-	4,032,473	4,464,565
-	-	385,977	272,239
-	-	3,180,212	2,944,141
-	-	3,889,840	3,135,452
2,061,110	-	2,583,571	958,518
-	6,090,000	6,644,012	6,427,466
-	3,306,831	3,523,391	3,815,756
<u>2,061,110</u>	<u>9,396,831</u>	<u>67,414,040</u>	<u>68,239,456</u>
(1,983,554)	160,380	6,480,149	1,092,228
-	-	-	19,760
-	-	-	101,387
6,010,000	-	6,010,000	-
70,547	-	70,547	-
-	-	91,370	66,780
-	-	(179,732)	(66,780)
<u>6,080,547</u>	<u>-</u>	<u>5,992,185</u>	<u>121,147</u>
4,096,993	160,380	12,472,334	1,213,375
<u>-</u>	<u>2,190,875</u>	<u>2,497,522</u>	<u>1,284,147</u>
<u>\$ 4,096,993</u>	<u>\$ 2,351,255</u>	<u>\$ 14,969,856</u>	<u>\$ 2,497,522</u>

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
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	2024	2023
Net Change in Fund Balance-Total Governmental Funds	\$ 12,472,334	\$ 1,213,375

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/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays in the current period.

Capital Outlays	2,624,108	579,592
Depreciation/Amortization Expense	(5,225,398)	(5,205,092)

Some capital asset additions are financed through finance purchase agreements. In governmental funds, a finance purchase arrangement is considered a source of financing, but in the statement of net position, the obligation is reported as a liability. Repayment of the principal is an expenditure in the governmental funds, but repayment reduces the obligation in the statement of net position.

Principal Payments - Finance Purchase Agreements	364,400	359,258
--------------------------------------------------	---------	---------

The governmental funds report debt proceeds as financing sources, while repayment of debt 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 debt and related items is as follows:

General Obligation Bond Proceeds	(6,010,000)	-
Bond Premium	(70,547)	-
Repayment of Bond Principal	6,090,000	5,880,000
Repayment of Certificate of Participation	140,000	140,000
Issuance of Lease	-	(101,387)
Repayment of Lease Liability Principal	49,612	48,208
Change in Accrued Interest Expense	43,615	105,254
Amortization of Bond Premium	407,506	508,679
Amortization of Loss on Refunding	(9,676)	(13,235)

**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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	2024	2023
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.	\$ 20,637	\$ 32,164
Payment of OPEB benefits are recognized as expenditures at the fund level while the change in the Net OPEB obligation and the related deferred inflows and outflows of resources is recognized in the statement of activities.	(364,891)	(403,080)
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.	2,401,327	7,441,924
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).	41,679	(10,593)
Internal service funds are used by the District to charge the costs of employee dental benefits to individual funds. The change in net position of the internal service funds is reported with governmental activities.	101,804	(122,201)
Change in Net Position of Governmental Activities	\$ 13,076,510	\$ 10,452,866

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)**

	Governmental Activities - Internal Service Funds	
	2024	2023
ASSETS		
Current Assets:		
Cash and Investments	\$ 211,261	\$ 117,719
Due From Other MN School Districts	875	-
Total Assets	212,136	117,719
LIABILITIES		
Current Liabilities:		
Accounts Payable	25,072	29,108
Due to Other School Districts	-	3,351
Total Liabilities	25,072	32,459
NET POSITION		
Unrestricted	\$ 187,064	\$ 85,260

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	Governmental Activities - Internal Service Funds	
	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Charges for Services	\$ 455,902	\$ 457,960
OPERATING EXPENSES		
Dental Insurance Claim Payments	<u>448,577</u>	<u>585,297</u>
OPERATING INCOME (LOSS)	7,325	(127,337)
NONOPERATING INCOME		
Earnings on Investments	<u>6,117</u>	<u>5,136</u>
Total Nonoperating Income	<u>6,117</u>	<u>5,136</u>
INCOME (LOSS) BEFORE TRANSFERS	13,442	(122,201)
TRANSFERS IN	<u>88,362</u>	<u>-</u>
CHANGE IN NET POSITION	101,804	(122,201)
Total Net Position - Beginning of Year	<u>85,260</u>	<u>207,461</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 187,064</u></u>	<u><u>\$ 85,260</u></u>

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Interfund Services Provided	\$ 455,902	\$ 457,960
Payments for Medical Fees and Insurance Claims	(456,839)	(573,853)
Net Cash Used by Operating Activities	(937)	(115,893)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	6,117	5,136
CASH FLOWS FROM NONCAPITAL FINANCING	88,362	-
Transfers In		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	93,542	(110,757)
Cash and Cash Equivalents - Beginning of Year	117,719	228,476
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 211,261	\$ 117,719
Displayed on Combining Statement of Net Position as:		
Cash and Investments	\$ 211,261	\$ 117,719
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 7,325	\$ (127,337)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:		
Increase (Decrease) in Due From Other School Districts	(875)	-
Increase (Decrease) in Accounts Payable	(4,036)	8,093
Increase (Decrease) in Due to Other School Districts	(3,351)	3,351
Total Adjustments	(8,262)	11,444
Net Cash Used by Operating Activities	\$ (937)	\$ (115,893)

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	Scholarship Custodial Fund	Irrevocable OPEB Trust
ASSETS		
Cash	\$ 26,948	\$ (288,422)
Investments:		
MN Trust Investment Shares Portfolio	-	535,122
Government and Municipal Securities	-	515,990
Nonnegotiable Certificate of Deposits	-	288,422
Interest Receivable	-	2,184
Total Assets	26,948	1,053,296
 LIABILITIES		
Accounts Payable	-	215
 NET POSITION		
Restricted for Scholarships	26,948	-
Restricted for OPEB Benefits	-	1,053,081
 Total Net Position	\$ 26,948	\$ 1,053,081

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024**

	Scholarship Custodial Fund	Irrevocable OPEB Trust
ADDITIONS		
Employer Contributions	\$ -	\$ 43,807
Gifts and Donations	11,250	-
Investment Income:		
Net Increase in Fair Value of Investments	-	89,787
Interest and Dividends	-	19,033
Less Investment Expense	-	(250)
Net Investment Income	-	108,570
 Total Additions	 11,250	 152,377
DEDUCTIONS		
OPEB Health Insurance Payments	-	343,807
Administrative Expenses	-	2,360
Scholarships Awarded	4,500	-
Total Deductions	4,500	346,167
 CHANGE IN NET POSITION	 6,750	 (193,790)
 Net Position - Beginning of Year	 20,198	 1,246,871
 NET POSITION - END OF YEAR	 \$ 26,948	 \$ 1,053,081

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, 2024**

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 (the 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 separate 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 funds 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 funds.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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: scholarship custodial fund 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 activities 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, 2024**

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, 2024**

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 Fund

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

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term 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 a custodial capacity, 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, 2024**

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 and municipal securities, money markets, 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.

G. Accounts Receivable

Represents amounts receivable from MDE and other governments 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, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food and other supplies on hand at year end, 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 2023 Pay 2024 levy, normally revenue for the 2024-2025 fiscal year, are also advance recognized at June 30, 2024, 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, 2024**

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, 2024, 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.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows of Resources

In addition to assets, the statement of net 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.

The District has three types of items. The first type, *pension related*, is related to differences in actual and projected earnings on plain investments, changes in assumptions, differences in expected and actual economic experience, changes in proportionate share and contributions subsequent to the measurement date. The second type, *other postemployment benefit related*, is related to contributions subsequent to the measurement date. The third type is the loss on a bond refunding transaction that will be recognized over the life of the refunding bonds.

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 straight-line method, which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

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, 2024, a liability for vacation pay totaling \$250,965 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, 2024, a liability for this sick leave bank of \$12,016 is recorded in the Statement of Net Position.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Accrued Employee Benefits (Continued)

1. Compensated Absences (Continued)

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 \$8,460 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 amortized cost.

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.

The District has four types of items. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflows of resources occurs because governmental fund revenues are not recognized until available (collected no later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. The third type, *pension related*, is related to changes in assumptions, differences in actual and projected earnings on plan investments, differences in expected and actual economic experience and changes in proportionate share. The fourth type, *other postemployment benefit related*, is related to changes in assumptions and differences in expected and actual economic experience.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

PERA has a special funding situation created by direct aid contributions made by the state of Minnesota for the merger of the Minneapolis Employees Retirement Fund into GERF in fiscal year 2006.

Q. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments 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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Balance (Continued)

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.

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, consists of capital assets, net of accumulated depreciation/amortization, 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

A. Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following fund at June 30, 2024.

	Budget	Expenditures	Excess
Special Revenue Funds:			
Community Service Fund	\$ 3,309,668	\$ 3,902,577	\$ 592,909

All related expenditures were approved by the District's Board and funded by existing fund balance.

B. Transfers in/Transfers Out

	Transfer In:		Total
	Community Service Fund	Internal Service Fund	
General Fund	\$ 91,370	\$ 88,362	\$ 179,732

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024 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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- 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
- 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.

At June 30, 2024 the District's investment balances were as follows:

	Amount
MN Trust Investment Shares Portfolio	\$ 14,759,926
MN Trust Term Series	3,000,000
Money Market	292,412
Mutual Funds	512,000
Total	\$ 18,564,338

MN Trust is an external investment pool (Pool). The Pool is regulated by Minnesota statutes and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The MN Trust Investment Series and Term Series is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The Pool elects to measure its investments at amortized cost in accordance with accounting statements issued by the Governmental Accounting Standards Board. The MN Trust Term Series withdrawals requires a seven-day notice of redemption and would likely carry a penalty. The MN Trust Investment Series withdrawals may only be made on the third Wednesday of each month upon advance written notice, with no penalties assessed.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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. The District's investment policy states the District shall manage investments in a manner to attain market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements. The District's investment policy also includes structuring the investment portfolio so that funds are available to meet immediate payment requirements. 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 District's investments by maturity:

Type	Total	6 Months or Less	7 to 12 Months	13 to 36 Months	More than 36 Months
MN Trust Investment Shares Portfolio	\$ 14,759,926	\$ 14,759,926	\$ -	\$ -	\$ -
MN Trust Term Series	3,000,000	-	3,000,000	-	-
Money Market	292,412	292,412	-	-	-
Mutual Funds	512,000	512,000	-	-	-
Total	<u>\$ 18,564,338</u>	<u>\$ 15,564,338</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

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.

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:

Type	Credit Quality Rating	Amount
MN Trust Investment Shares Portfolio	Not Rated	\$ 14,759,926
MN Trust Term Series	Not Rated	3,000,000
Money Market	AAA	292,412
Mutual Funds	Not Rated	512,000
Total		<u>\$ 18,564,338</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Investments Held with Broker (Continued)

Concentration of OPEB Trust Credit Risk

The following is a list of investments under the OPEB Trust which individually comprise more than 5% of the OPEB Trust's fiduciary net position:

Type	Amount	Percentage
Goldman Sachs Gov MM	\$ 288,422	27 %
Bank of the Valley	246,700	23 %
Vanguard TOT BD	254,120	24 %
Vanguard TSM IDX ETF	257,880	24 %
Total	<u>\$ 1,047,122</u>	

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

Total Deposits	\$ 7,310,489
Total Investments	18,564,338
Total	<u>\$ 25,874,827</u>
Statement of Net Position:	
Cash and Investments	\$ 24,796,767
Statement of Fiduciary Net Position:	
Trust Fund Cash and Investments	1,078,060
Total	<u>\$ 25,874,827</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.

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurement (Continued)

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 of the District measured at fair value on a recurring basis are summarized below:

Type	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ -	\$ 512,000	\$ -	\$ 512,000
Investments Measured at Amortized Cost				18,052,338
Total Investments				\$ 18,564,338

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,524,742	\$ -	\$ -	\$ 5,524,742
Construction in Progress	-	1,981,900	-	1,981,900
Total Capital Assets, Not Being Depreciated	5,524,742	1,981,900	-	7,506,642
Capital Assets, Being Depreciated:				
Land Improvements	6,034,879	-	-	6,034,879
Buildings and Improvements	176,251,626	-	-	176,251,626
Equipment	9,896,526	642,208	-	10,538,734
Total Capital Assets, Being Depreciated	192,183,031	642,208	-	192,825,239
Accumulated Depreciation for:				
Land Improvements	(3,953,486)	(159,288)	-	(4,112,774)
Buildings and Improvements	(60,347,718)	(4,767,528)	-	(65,115,246)
Equipment	(8,580,573)	(235,386)	-	(8,815,959)
Total Accumulated Depreciation	(72,881,777)	(5,162,202)	-	(78,043,979)
Total Capital Assets, Being Depreciated, Net	119,301,254	(4,519,994)	-	114,781,260
Right-to-Use Assets:				
Equipment	218,987	-	-	218,987
Less Accumulated Amortization for:				
Equipment	(92,596)	(63,196)	-	(155,792)
Total Right-to-Use Assets, Net	126,391	(63,196)	-	63,195
Governmental Activities Capital Assets, Net	<u>\$ 124,952,387</u>	<u>\$ (2,601,290)</u>	<u>\$ -</u>	<u>\$ 122,351,097</u>

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

Governmental Activities:	
Administrative Services	\$ 145,846
District Support Services	75,594
Regular Instruction	4,500,912
Vocational Instruction	2,069
Community Education	9,319
Instructional Support	60,072
Food Service	73,384
Sites, Buildings, and Equipment	358,202
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 5,225,398</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 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
1/13/2015	3.00% - 5.00%	\$ 17,555,000	2/1/2026	\$ 3,470,000	\$ 5,745,000
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	1,200,000	1,200,000
9/29/2016	3.00% - 5.00%	5,405,000	2/1/2028	845,000	1,975,000
9/14/2017	2.00% - 3.00%	5,040,000	2/1/2033	325,000	3,250,000
9/14/2017	2.00% - 4.00%	7,290,000	2/1/2033	470,000	4,830,000
3/14/2024	4.00%	6,010,000	2/1/2044	-	6,010,000
Total General Obligation Bonds				6,310,000	98,010,000
Bond Premium - Net				-	1,383,843
Certificates of Participation				145,000	2,370,000
Lease Liabilities				51,068	91,068
Finance Purchase Agreement				350,728	2,456,472
Compensated Absences Payable				271,441	271,441
Total				<u>\$ 7,128,237</u>	<u>\$ 104,582,824</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

1. General Obligation Refunding Bonds

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.

2. General Obligation Bonds

On March 14, 2024, the District issued \$6,010,000 of General Obligation Facilities Maintenance & Tax Abatement Bonds, Series 2024A to provide funds for various long-term facilities maintenance projects, parking lot reconstruction projects, and to pay certain costs associated with the issuance of the Bonds. The bonds carry an interest rate of 4.0% and will mature in 2044.

3. Finance Purchase Agreements

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

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

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

On April 15, 2019, the District entered into a \$160,699 finance purchase agreement for copier equipment. Payments on the lease are due annually and commenced April 2019.

On May 15, 2020, the District entered into a \$844,931 finance purchase agreement for LED lighting. Payments on the agreement are due annually and commenced July 2020.

On July 15, 2020, the District entered into a \$44,665 finance purchase agreement for Drivers Ed Vehicle. Payments on the agreement are due annually and commenced July 2020.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

4. Lease Liability

On July 7, 2021, the District entered into a \$117,600 lease liability agreement for Apple products and services. Payments on the agreement are due annually and commenced July 2021 with an interest rate of 1.59%.

On July 15, 2022, the District entered into a \$101,387 lease liability agreement for Apple products and services. Payments on the agreement are due annually and commenced July 2022 with an interest rate of 4.75%.

B. Minimum Debt Payments

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

<u>Year Ending June 30,</u>	<u>General Obligation Bonds Payable</u>		<u>Finance Purchase Agreement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 6,310,000	\$ 3,264,192	\$ 350,728	\$ 92,223
2026	5,650,000	3,047,206	273,637	78,974
2027	5,795,000	2,858,606	282,644	69,278
2028	5,935,000	2,696,356	292,699	59,250
2029	5,810,000	2,521,306	984,764	152,525
2030 - 2034	30,720,000	9,885,831	272,000	17,262
2035 - 2039	32,560,000	4,653,456	-	-
2040 - 2044	5,230,000	644,000	-	-
Total	<u>\$ 98,010,000</u>	<u>\$ 29,570,953</u>	<u>\$ 2,456,472</u>	<u>\$ 469,512</u>

<u>Year Ending June 30,</u>	<u>Certificates of Participation Payable</u>		<u>Lease Liability</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 145,000	\$ 88,963	\$ 51,068	\$ 3,316
2026	155,000	83,163	40,000	1,852
2027	160,000	76,963	-	-
2028	165,000	71,763	-	-
2029	170,000	66,400	-	-
2030 - 2034	930,000	251,380	-	-
2035 - 2039	645,000	65,500	-	-
Total	<u>\$ 2,370,000</u>	<u>\$ 704,132</u>	<u>\$ 91,068</u>	<u>\$ 5,168</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

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.

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, 2023	Net Additions	Retirements	June 30, 2024
Bonds Payable	\$ 98,090,000	\$ 6,010,000	\$ 6,090,000	\$ 98,010,000
Bond Premium	1,720,802	70,547	407,506	1,383,843
Certificates of Participation Payable	2,510,000	-	140,000	2,370,000
Finance Purchase Agreement	2,820,872	-	364,400	2,456,472
Lease Liability	140,680	-	49,612	91,068
Compensated Absences Payable	313,120	370,890	412,569	271,441
Total	<u>\$ 105,595,474</u>	<u>\$ 6,451,437</u>	<u>\$ 7,464,087</u>	<u>\$ 104,582,824</u>

NOTE 6 RESTRICTED 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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 RESTRICTED FUND BALANCE (CONTINUED)

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.

Restricted and assigned fund balances at June 30, 2024 are as follows:

A. Restricted for Student Activities

Represents available resources to be used for extracurricular activity funds raised by students.

B. Restricted for Literacy Incentive Aid

Represents the resources available to support implementation of evidence-based reading instruction.

C. Restricted for Learning and Development

Represents available resources dedicated exclusively for staff development in accordance with state statute.

D. Restricted for Gifted and Talented

Represents available resources from general education aid revenue for gifted and talented program.

E. Restricted for Basic Skills

Represents resources available for the basic skills uses.

F. Restricted School Library Aid

Represents the resources available for the school library aid uses.

G. Restricted Student Support Personnel

Represents the resources available to be used for student support personnel that are in addition to current staff levels.

H. Restricted for Safe Schools

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

I. Restricted for Community Education Programs

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

J. 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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 RESTRICTED FUND BALANCE (CONTINUED)

K. 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.

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

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

M. Restricted for Medical Assistance

Represents resources available to be used for medical assistance expenditures.

N. 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	\$ 2,178,831
Restricted for Community Service	19,967
Restricted for Capital Projects	77,557
Restricted for Debt Service	2,351,255
Total Other Restricted	\$ 4,627,610

NOTE 7 PENSION PLANS

A. Plan Description

1. General Employees Retirement Plan

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

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

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 Defined Contribution Plan (DCP) administered by the state of Minnesota.

B. Benefits Provided

1. General Employees Plan Benefits

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

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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.

Tier I Benefits

Tier I	Step Rate Formula	Percentage
Basic	First 10 Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First 10 Years of Service are up to July 1, 2006	1.2% per Year
	First 10 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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9% per year for coordinated members and 2.7% per year 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.

Tier II Benefits

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

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

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

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 2024 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, 2024, were \$569,555. The District's contributions were equal to the required contributions as set by state statute.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

C. Contributions (Continued)

2. TRA Contributions

Per *Minnesota Statutes*, Chapter 354 rates for the fiscal year 2024 for coordinated were 7.75% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2024 were \$1,898,486. 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, 2024, the District reported a liability of \$5,703,726 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The State of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$157,214, for a total net pension liability of \$5,860,940 associated with the District. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.1020% at the end of the measurement period and 0.1086% for the beginning of the period.

For the year ended June 30, 2024, the District recognized pension expense of \$709,847 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$706 as expense (and grant revenue) for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Plan Pension Costs (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 187,313	\$ 39,292
Changes in Actuarial Assumptions	923,353	1,563,343
Net Difference Between Projected and Actual		
Earnings	-	213,300
Changes in Proportion	-	338,989
District Contributions Subsequent to the Measurement Date	569,555	-
Total	<u>\$ 1,680,221</u>	<u>\$ 2,154,924</u>

The \$569,555 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	Pension Expenses Amount
2025	\$ 14,403
2026	(968,422)
2027	33,494
2028	(123,733)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs

At June 30, 2024 the District reported a liability of \$30,638,847 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.3711% at the end of the measurement period and 0.3635% 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:

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	\$ 30,638,847
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	2,146,208
Total	\$ 32,785,055

For the year ended June 30, 2024, the District recognized pension expense of (\$654,606). It also recognized (\$212,162) as an increase to pension expense and grant revenue for the support provided by direct aid.

At June 30, 2024, 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	\$ 303,736	\$ 446,174
Changes in Actuarial Assumptions	3,569,258	-
Net Difference Between Projected and Actual Investment Earnings	-	113,641
Changes in Proportion	1,315,180	1,155,196
District Contributions Subsequent to the Measurement Date	1,898,486	-
Total	\$ 7,086,660	\$ 1,715,011

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

The \$1,898,486 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and 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>
2025	\$ 272,494
2026	(294,719)
2027	3,536,768
2028	(88,526)
2029	47,146

3. Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the District's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated.

	<u>General Employees Fund</u>	<u>Teachers Retirement Fund</u>	<u>Total</u>
Net Pension Liability	\$ 5,703,726	\$ 30,638,847	\$ 36,342,573
Deferred Outflows of Resources	1,680,221	7,086,660	8,766,881
Deferred Inflows of Resources	2,154,924	1,715,011	3,869,935
Pension Expense	710,553	(866,768)	(156,215)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

E. Long-Term Expected Return on Investment

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Totals	<u>100.0 %</u>	

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0% for PERA and TRA. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

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

TRA pre-retirement mortality rates were based on the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale. Postretirement 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.

Inflation is assumed to be 2.5% for TRA. Benefit increases after retirement are assumed to be 1.0% for January 2019 through January 2023 then increasing by 0.10% each year up to 1.5% annually.

Salary growth assumptions for TRA range in annual increments from 2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

The following changes for PERA occurred in 2023:

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 6.50% to 7.00%.

Changes in Plan Provisions

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

The following changes for TRA occurred in 2023:

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.

G. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2024 was 7.00% and 2023 was 6.50%. 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 position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 PENSION PLANS (CONTINUED)

H. 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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
General Employees Plan Discount Rate	6.00%	7.00%	8.00%
District's Proportionate Share of the PERA Net Pension Liability	\$ 10,090,349	\$ 5,703,726	\$ 2,095,561
Teachers Retirement Fund Discount Rate	6.00%	7.00%	8.00%
District's Proportionate share of the TRA Net Pension Liability	\$ 48,866,708	\$ 30,638,847	\$ 15,717,124

I. 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.

NOTE 8 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 518 active participants and 45 retired participants along with 19 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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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. 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 2024, 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, 2024 were as follows:

Total OPEB Liability	\$	6,966,814
Plan Fiduciary Net Position		1,053,081
District's Net OPEB Liability		<u><u>\$ 5,913,733</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		15.12%

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.

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

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

Inflation	2.50%
Salary Increases	Service Graded Table
Investment Rate of Return	5.20%
Health Care Trend Rates	6.50% Grading to 5.00% Over 6 Years and Then to 4.00% Over the Next 48 Years
Dental Trend Rates	4.00%

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

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with other economic assumptions.

For the year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expenditures, was 8.50%. The money-weighted rate of return expresses investment performance, net of investment expenditures, adjusted for the changing amounts actually invested.

The municipal bond rate assumption was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the Measurement Date.

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%).

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

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:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic Equity	25.00 %	6.00 %
Fixed Income	70.00	5.00
Cash and Equivalents	5.00	4.00

The discount rate used to measure the total OPEB liability was 4.10%. 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:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The post-employment subsidies for Secretaries/Clerical employees, Confidential employees, and Custodians are no longer expected to increase with trend.
- The discount rate was changed from 3.90% to 4.10%.
- The annual money-weighted rate of return of OPEB plan investments, net of OPEB plan expenditures, was changed from 4.20% to 8.50%.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 6,882,542	\$ 1,246,871	\$ 5,635,671
Changes for the Year:			-
Service Cost	433,190	-	433,190
Interest	278,673	-	278,673
Assumption Changes	3,570	-	3,570
Differences Between Expected and Actual Experience	(287,354)	41,623	(328,977)
Contributions - Employer	-	43,807	(43,807)
Net Investment income	-	64,837	(64,837)
Benefit Payments	(343,807)	(343,807)	-
Administrative Expense	-	(250)	250
Net Changes	<u>84,272</u>	<u>(193,790)</u>	<u>278,062</u>
Balances at June 30, 2024	<u>\$ 6,966,814</u>	<u>\$ 1,053,081</u>	<u>\$ 5,913,733</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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Net OPEB Liability	\$ 6,394,480	\$ 5,913,733	\$ 5,452,321

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (Medical 5.50% decreased to 4.00%, Dental 3.00%) or 1-percentage-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	\$ 5,115,883	\$ 5,913,733	\$ 6,860,011

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability (Continued)

For the year ended June 30, 2024, the District recognized OPEB expense of \$408,698. At June 30, 2024, 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	\$ 21,479	\$ 401,701
Change of Assumptions	65,187	638,729
Difference Between Projected and Actual Investment Earnings	33,338	-
Total	<u>\$ 120,004</u>	<u>\$ 1,040,430</u>

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

Year Ending June 30,	Future Recognition
2025	\$ (240,035)
2026	(257,847)
2027	(174,976)
2028	(194,705)
2029	(52,863)
Total	<u>\$ (920,426)</u>

NOTE 9 FLEXIBLE BENEFIT PLAN

The District has a flexible benefit plan which is classified as a “cafeteria plan” under Section 125 of the IRC. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the plan for health care and dependent care benefits.

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 FLEXIBLE BENEFIT PLAN (CONTINUED)

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 10 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 11 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.

NOTE 12 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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 DENTAL SELF-INSURANCE PLAN (CONTINUED)

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, 2024. 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 \$211,261 in cash and investments at June 30, 2024 for payment of claims.

Changes in the balance of claim liabilities during fiscal years 2024 and 2023 were as follows:

	2024	2023
Beginning of Fiscal Year Liability - Beginning of Year	\$ 32,459	\$ 21,015
Current Year Claims, Changes in Estimates and Other Charges	448,577	585,297
Current Year Claims Paid, Including an Estimate of Claims Incurred but Not Reported (IBNR)	(456,839)	(573,853)
End of Fiscal Year Liability - End of Year	\$ 24,197	\$ 32,459

NOTE 13 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.

REQUIRED SUPPLEMENTARY INFORMATION

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 10,135,132	\$ 10,127,969	\$ 10,257,821	\$ 129,852
Earnings (Loss) on Investments	25,000	25,000	112,866	87,866
Other	1,522,347	1,409,959	1,589,605	179,646
State Sources	43,795,018	43,734,427	43,525,336	(209,091)
Federal Sources	378,471	1,177,492	1,255,095	77,603
Total Revenues	<u>55,855,968</u>	<u>56,474,847</u>	<u>56,740,723</u>	<u>265,876</u>
EXPENDITURES				
Current:				
Administration	1,870,437	1,785,166	1,488,735	(296,431)
District Support Services	2,077,487	2,029,222	1,695,004	(334,218)
Elementary and Secondary Regular Instruction	21,941,858	21,717,478	21,564,051	(153,427)
Vocational Education Instruction	490,366	493,251	536,073	42,822
Special Education Instruction	11,315,489	11,041,133	10,567,636	(473,497)
Instructional Support Services	3,078,880	2,831,183	2,366,587	(464,596)
Pupil Support Services	4,517,494	5,553,100	4,956,478	(596,622)
Sites and Buildings	4,433,938	4,421,777	4,032,473	(389,304)
Fiscal and Other Fixed Cost Programs	509,850	496,000	385,977	(110,023)
Capital Outlay	460,949	652,573	230,782	(421,791)
Debt Service:				
Principal	592,893	592,893	544,387	(48,506)
Interest and Fiscal Charges	276,000	249,000	212,756	(36,244)
Total Expenditures	<u>51,565,641</u>	<u>51,862,776</u>	<u>48,580,939</u>	<u>(3,281,837)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,290,327	4,612,071	8,159,784	3,547,713
OTHER FINANCING SOURCES				
Transfers Out	<u>(63,000)</u>	<u>(67,000)</u>	<u>(179,732)</u>	<u>(112,732)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,227,327</u>	<u>\$ 4,545,071</u>	7,980,052	<u>\$ 3,434,981</u>
FUND BALANCE				
Beginning of Year			<u>(3,424,274)</u>	
End of Year			<u>\$ 4,555,778</u>	

See accompanying Notes to Required Supplementary Information.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Earnings on Investments	\$ 6,800	\$ 93,000	\$ 103,990	\$ 10,990
Other - Primarily Meal Sales	431,000	1,724,176	458,080	(1,266,096)
State Sources	58,500	285,900	1,898,686	1,612,786
Federal Sources	4,223,000	882,975	928,091	45,116
Total Revenues	<u>4,719,300</u>	<u>2,986,051</u>	<u>3,388,847</u>	<u>402,796</u>
EXPENDITURES				
Current:				
Food Service	3,182,532	2,986,593	3,180,212	193,619
Capital Outlay	217,330	538,000	289,671	(248,329)
Debt Service:				
Principal	-	-	2,053	2,053
Interest and Fiscal Charges	-	-	647	647
Total Expenditures	<u>3,399,862</u>	<u>3,524,593</u>	<u>3,472,583</u>	<u>(52,010)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,319,438</u>	<u>\$ (538,542)</u>	(83,736)	<u>\$ 454,806</u>
FUND BALANCE				
Beginning of Year			<u>2,367,367</u>	
End of Year			<u>\$ 2,283,631</u>	

See accompanying Notes to Required Supplementary Information.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 311,816	\$ 270,106	\$ 267,214	\$ (2,892)
Earnings on Investments	2,000	53,000	95,105	42,105
Other - Primarily Tuition and Fees	2,906,841	2,938,470	3,249,955	311,485
State Sources	447,202	480,741	517,578	36,837
Total Revenues	<u>3,667,859</u>	<u>3,742,317</u>	<u>4,129,852</u>	<u>387,535</u>
EXPENDITURES				
Current:				
Community Service	3,364,752	3,291,068	3,889,840	598,772
Capital Outlay	8,000	7,080	2,008	(5,072)
Debt Service:				
Principal	8,900	10,388	7,572	(2,816)
Interest and Fiscal Charges	1,400	1,132	3,157	2,025
Total Expenditures	<u>3,383,052</u>	<u>3,309,668</u>	<u>3,902,577</u>	<u>592,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	284,807	432,649	227,275	(205,374)
OTHER FINANCING SOURCES				
Transfer In	<u>63,000</u>	<u>67,000</u>	<u>91,370</u>	<u>24,370</u>
NET CHANGE IN FUND BALANCE	<u>\$ 347,807</u>	<u>\$ 499,649</u>	318,645	<u>\$ (181,004)</u>
FUND BALANCE				
Beginning of Year			<u>1,363,554</u>	
End of Year			<u>\$ 1,682,199</u>	

See accompanying Notes to 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, 2024**

	2024	2023	2022	2021	2020
Total OPEB Liability:					
Service Cost	\$ 433,190	\$ 474,745	\$ 468,016	\$ 608,276	\$ 565,542
Interest	278,673	259,843	155,433	169,696	216,868
Assumption Changes	3,570	(38,983)	(972,179)	116,822	(193,743)
Plan Changes	-	-	-	-	272,742
Differences Between Expected and Actual Experience	(287,354)	-	37,592	-	(567,850)
Benefit Payments	(343,807)	(349,317)	(363,345)	(291,176)	(231,614)
Net Change in Total OPEB Liability	<u>84,272</u>	<u>346,288</u>	<u>(674,483)</u>	<u>603,618</u>	<u>61,945</u>
Total OPEB Liability - Beginning	<u>6,882,542</u>	<u>6,536,254</u>	<u>7,210,737</u>	<u>6,607,119</u>	<u>6,545,174</u>
Total OPEB Liability - Ending (a)	6,966,814	6,882,542	6,536,254	7,210,737	6,607,119
Plan Fiduciary Net Position:					
Contributions - Employer	43,807	73,317	133,345	41,176	42,594
Net Investment Income	64,837	76,039	73,445	39,751	37,490
Differences Between Expected and Actual Experience	41,623	(15,212)	(129,603)	(28,354)	-
Benefit Payments	(343,807)	(349,317)	(363,345)	(291,176)	(231,614)
Administrative Expenses	(250)	(250)	(250)	(250)	(251)
Net Change in Plan Fiduciary Net Position	<u>(193,790)</u>	<u>(215,423)</u>	<u>(286,408)</u>	<u>(238,853)</u>	<u>(151,781)</u>
Plan Fiduciary Net Position - Beginning	<u>1,246,871</u>	<u>1,462,294</u>	<u>1,748,702</u>	<u>1,987,555</u>	<u>2,139,336</u>
Plan Fiduciary Net Position - Ending (b)	<u>1,053,081</u>	<u>1,246,871</u>	<u>1,462,294</u>	<u>1,748,702</u>	<u>1,987,555</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 5,913,733</u>	<u>\$ 5,635,671</u>	<u>\$ 5,073,960</u>	<u>\$ 5,462,035</u>	<u>\$ 4,619,564</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.12%	18.12%	22.37%	24.25%	30.08%
Covered Employee Payroll	\$ 29,227,748	\$ 29,858,010	\$ 28,988,359	\$ 29,150,902	\$ 28,301,847
District's Net OPEB Liability as a Percentage of Covered Employee Payroll	20.23%	18.87%	17.50%	18.74%	16.32%

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.

See accompanying Notes to 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 (CONTINUED)
YEAR ENDED JUNE 30, 2024**

<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 531,265	\$ 499,655	\$ 413,072
210,296	188,177	173,853
85,058	(115,287)	-
-	-	-
-	118,049	-
<u>(243,601)</u>	<u>(216,893)</u>	<u>(234,747)</u>
583,018	473,701	352,178
<u>5,962,156</u>	<u>5,488,455</u>	<u>5,136,277</u>
6,545,174	5,962,156	5,488,455
-	66,893	84,747
46,783	48,262	43,719
(2,744)	-	-
<u>(243,601)</u>	<u>(216,893)</u>	<u>(234,747)</u>
<u>(250)</u>	<u>-</u>	<u>-</u>
(199,812)	(101,738)	(106,281)
<u>2,339,148</u>	<u>2,440,886</u>	<u>2,547,167</u>
<u>2,139,336</u>	<u>2,339,148</u>	<u>2,440,886</u>
<u>\$ 4,405,838</u>	<u>\$ 3,623,008</u>	<u>\$ 3,047,569</u>
32.69%	39.23%	44.47%
\$ 27,608,850	\$ 26,804,709	\$ 22,691,454
15.96%	13.52%	13.43%

See accompanying Notes to Required Supplementary Information.

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

<u>Year</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2024	8.50%
2023	4.20%
2022	-3.20%
2021	0.60%
2020	1.80%
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, 2023</u>	Measurement Date <u>June 30, 2022</u>	Measurement Date <u>June 30, 2021</u>
<u>PERA</u>			
District's Proportion of the Net Pension Liability	0.1020%	0.1086%	0.1096%
District's Proportionate Share of the Net Pension Liability	\$ 5,703,726	\$ 8,601,156	\$ 4,680,411
State's Proportionate Share of the Net Pension Liability Associated with District	<u>157,214</u>	<u>252,197</u>	<u>142,997</u>
Total District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 5,860,940</u>	<u>\$ 8,853,353</u>	<u>\$ 4,823,408</u>
District's Covered Payroll	\$ 8,100,947	\$ 8,136,080	\$ 7,894,920
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	70.41%	105.72%	59.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.10%	76.70%	87.00%
<u>TRA</u>			
District's Proportion of the Net Pension Liability	0.3711%	0.3635%	0.3529%
District's Proportionate Share of the Net Pension Liability	\$ 30,638,847	\$ 29,107,157	\$ 15,443,959
State's Proportionate Share of the Net Pension Liability Associated with District	<u>2,146,208</u>	<u>2,158,554</u>	<u>1,302,522</u>
Total District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 32,785,055</u>	<u>\$ 31,265,711</u>	<u>\$ 16,746,481</u>
District's Covered Payroll	\$ 23,777,450	\$ 22,663,885	\$ 20,812,927
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	128.86%	128.43%	74.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.42%	76.17%	86.63%

See accompanying Notes to Required Supplementary Information.

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

Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
0.1104%	0.1117%	0.1117%	0.1085%	0.1014%	0.0987%	0.1038%
\$ 6,618,985	\$ 6,175,643	\$ 6,196,658	\$ 6,926,568	\$ 8,233,177	\$ 5,115,146	\$ 4,876,004
<u>204,098</u>	<u>191,992</u>	<u>203,325</u>	<u>87,118</u>	<u>107,503</u>	<u>-</u>	<u>-</u>
<u>\$ 6,823,083</u>	<u>\$ 6,367,635</u>	<u>\$ 6,399,983</u>	<u>\$ 7,013,686</u>	<u>\$ 8,340,680</u>	<u>\$ 5,115,146</u>	<u>\$ 4,876,004</u>
\$ 7,894,467	\$ 7,911,760	\$ 7,576,040	\$ 7,031,866	\$ 6,288,093	\$ 5,810,167	\$ 5,449,166
83.84%	78.06%	81.79%	98.50%	130.93%	88.04%	89.48%
79.06%	80.20%	79.53%	75.90%	68.91%	78.20%	78.70%
0.3661%	0.3792%	0.3751%	0.3578%	0.3408%	0.3228%	0.3445%
\$ 27,047,959	\$ 24,170,288	\$ 23,556,918	\$ 71,423,370	\$ 81,288,931	\$ 19,968,372	\$ 15,874,310
<u>2,266,697</u>	<u>2,138,997</u>	<u>2,213,237</u>	<u>6,904,490</u>	<u>8,159,126</u>	<u>2,449,348</u>	<u>1,116,630</u>
<u>\$ 29,314,656</u>	<u>\$ 26,309,285</u>	<u>\$ 25,770,155</u>	<u>\$ 78,327,860</u>	<u>\$ 89,448,057</u>	<u>\$ 22,417,720</u>	<u>\$ 16,990,940</u>
\$ 21,359,861	\$ 21,699,857	\$ 20,716,507	\$ 21,137,307	\$ 17,834,400	\$ 16,526,173	\$ 15,726,289
126.63%	111.38%	113.71%	337.90%	455.80%	120.83%	100.94%
75.48%	78.07%	78.07%	51.57%	44.88%	76.80%	81.50%

See accompanying Notes to Required Supplementary Information.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>PERA</u>				
Contractually Required Contribution	\$ 569,555	\$ 607,571	\$ 610,206	\$ 592,119
Contributions in Relation to the Contractually Required Contribution	<u>(569,555)</u>	<u>(607,571)</u>	<u>(610,206)</u>	<u>(592,119)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 7,594,067	\$ 8,100,947	\$ 8,136,080	\$ 7,894,920
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%
<u>TRA</u>				
Contractually Required Contribution	\$ 1,898,486	\$ 2,032,972	\$ 1,890,168	\$ 1,692,091
Contributions in Relation to the Contractually Required Contribution	<u>(1,898,486)</u>	<u>(2,032,972)</u>	<u>(1,890,168)</u>	<u>(1,692,091)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 21,696,983	\$ 23,777,450	\$ 22,663,885	\$ 20,812,927
Contributions as a Percentage of Covered Payroll	8.75%	8.55%	8.34%	8.13%

See accompanying Notes to Required Supplementary Information.

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

2020	2019	2018	2017	2016	2015
\$ 592,085	\$ 593,382	\$ 568,203	\$ 527,390	\$ 471,607	\$ 429,356
(592,085)	(593,382)	(568,203)	(527,390)	(471,607)	(429,356)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,894,467	\$ 7,911,760	\$ 7,576,040	\$ 7,031,866	\$ 6,288,093	\$ 5,810,167
7.50%	7.50%	7.50%	7.50%	7.50%	7.39%
\$ 1,691,701	\$ 1,673,059	\$ 1,553,738	\$ 1,585,298	\$ 1,337,580	\$ 1,239,458
(1,691,701)	(1,673,059)	(1,553,738)	(1,585,298)	(1,337,580)	(1,239,458)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,359,861	\$ 21,699,857	\$ 20,716,507	\$ 21,137,307	\$ 17,834,400	\$ 16,526,173
7.92%	7.71%	7.50%	7.50%	7.50%	7.50%

See accompanying Notes to Required Supplementary Information.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

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:

2023

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 6.50% to 7.00%.

Changes in Plan Provisions

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

2022

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

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

2020 (Continued)

Changes in Actuarial Assumptions (Continued)

- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

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

2018 (Continued)

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.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5 % per year thereafter.

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

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

2015

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% 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 increase 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.

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

2023

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.

2022

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.

2021

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.50% to 7.00%

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

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

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

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

2018 (Continued)

Changes in Plan Provisions (Continued)

- 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.

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

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

2016 (Continued)

Changes in Actuarial Assumptions (Continued)

- The postretirement 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.

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 postretirement 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 REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

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

2024

- The discount rate was changed from 3.90% to 4.10%.
- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The post-employment subsidies for Secretaries/Clerical employees, Confidential employees, and Custodians are no longer expected to increase with trend.
- The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expenditures, was changed from 4.20% to 8.50%.

2023

- The discount rate was changed from 3.80% to 3.90%.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.

2022

- The discount rate was changed from 2.10% to 3.80%.
- The expected long-term rate of return was changed from 2.00% to 4.20%.
- The inflation rate was changed from 2.00% to 2.50%.

2021

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

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%.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 3 COMPLIANCE - BUDGET

The budget and the actual amounts are both prepared on the modified accrual basis of accounting in accordance with GAAP.

In the following funds, expenditures exceeded the appropriations during the year ended June 30, 2024:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Community Service Fund	\$ 3,309,668	\$ 3,902,577	\$ 592,909

The overages above were considered by District management to be the result of necessary expenditures critical to operations.

SUPPLEMENTARY INFORMATION

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
GENERAL FUND
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)**

	2024	2023
ASSETS		
Cash and Investments	\$ 9,549,853	\$ 1,502,632
Receivables:		
Current Taxes	5,264,179	5,175,983
Delinquent Taxes	63,913	52,009
Accounts Receivable	83,460	31,772
Due from Other Funds	-	280,200
Due from Other Minnesota School Districts	1,888	3,716
Due from Minnesota Department of Education	4,034,203	3,420,140
Due from Federal through the Minnesota Department of Education	57,231	59,564
Due from Other Governmental Units	65,493	110,900
Prepaid Items	861,484	885,964
Total Assets	\$ 19,981,704	\$ 11,522,880
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Salaries Payable	\$ 4,821,374	\$ 4,822,086
Accounts and Contracts Payable	636,743	305,734
Due to Other Minnesota School Districts	177,107	114,633
Due to Other Governmental Units	21,283	20,749
Unearned Revenue	3,039	91,414
Total Liabilities	5,659,546	5,354,616
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	9,702,467	9,540,529
Unavailable Revenue - Delinquent Property Taxes	63,913	52,009
Total Deferred Inflows of Resources	9,766,380	9,592,538
FUND BALANCE		
Nonspendable	861,484	885,964
Restricted for:		
Student Activities	449,064	343,063
Literacy Incentive Aid	205,311	-
Learning and Development	1,254,488	650,566
Gifted and Talented	88,444	44,742
Basic Skills Programs	31,413	-
School Library Aid	70,764	-
Student Support Personnel	52,448	-
Safe Schools	227,365	139,499
Long-Term Facilities Maintenance	416,267	260,612
Medical Assistance	593,776	348,023
Unassigned	304,954	(6,096,743)
Total Fund Balance	4,555,778	(3,424,274)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 19,981,704	\$ 11,522,880

**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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	2024		Over (Under) Final Budget	2023	
	Final Budget	Actual Amounts		Actual Amounts	
REVENUES					
Local Sources:					
Property Taxes	\$ 10,127,969	\$ 10,257,821	\$ 129,852	\$ 9,562,770	
Earnings on Investments	25,000	112,866	87,866	-	
Other	1,409,959	1,589,605	179,646	1,381,797	
State Sources	43,734,427	43,525,336	(209,091)	40,808,105	
Federal Sources	1,177,492	1,255,095	77,603	1,312,610	
Total Revenues	56,474,847	56,740,723	265,876	53,065,282	
EXPENDITURES					
Current:					
Administration:					
Salaries	1,028,560	947,424	(81,136)	995,988	
Employee Benefits	631,051	379,874	(251,177)	370,315	
Purchased Services	53,063	82,842	29,779	71,955	
Supplies and Materials	34,502	37,538	3,036	31,900	
Other Expenditures	37,990	41,057	3,067	34,685	
Total Administration	1,785,166	1,488,735	(296,431)	1,504,843	
District Support Services:					
Salaries	1,140,155	1,012,441	(127,714)	1,147,074	
Employee Benefits	564,186	376,223	(187,963)	426,660	
Purchased Services	243,751	254,099	10,348	252,226	
Supplies and Materials	69,690	48,001	(21,689)	77,653	
Capital Expenditures	1,500	-	(1,500)	-	
Other Expenditures	11,440	4,240	(7,200)	8,815	
Total District Support Services	2,030,722	1,695,004	(335,718)	1,912,428	
Elementary and Secondary					
Regular Instruction:					
Salaries	14,966,742	14,660,721	(306,021)	16,045,431	
Employee Benefits	4,872,850	5,082,537	209,687	5,544,235	
Purchased Services	1,139,128	1,199,768	60,640	1,149,982	
Supplies and Materials	613,376	498,834	(114,542)	797,176	
Capital Expenditures	110,574	58,042	(52,532)	75,400	
Other Expenditures	125,382	122,191	(3,191)	133,291	
Total Elementary and Secondary Regular Instruction	21,828,052	21,622,093	(205,959)	23,745,515	

**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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	2024		Over (Under) Final Budget	2023	
	Final Budget	Actual Amounts		Actual Amounts	
EXPENDITURES (Continued)					
Current (Continued):					
Vocational Education Instruction:					
Salaries	\$ 288,813	\$ 282,931	\$ (5,882)	\$ 308,772	
Employee Benefits	85,894	97,981	12,087	107,972	
Purchased Services	87,796	124,963	37,167	119,068	
Supplies and Materials	30,728	30,177	(551)	28,990	
Other Expenditures	20	21	1	-	
Total Vocational Education Instruction	493,251	536,073	42,822	564,802	
Special Education Instruction:					
Salaries	7,354,388	7,109,988	(244,400)	7,227,229	
Employee Benefits	3,288,496	3,105,789	(182,707)	3,228,535	
Purchased Services	238,324	244,646	6,322	263,670	
Supplies and Materials	153,225	97,916	(55,309)	62,604	
Capital Expenditures	1,300	-	(1,300)	922	
Other Expenditures	6,700	9,297	2,597	13,242	
Total Special Education Instruction	11,042,433	10,567,636	(474,797)	10,796,202	
Instructional Support Services:					
Salaries	1,472,159	1,319,933	(152,226)	1,987,813	
Employee Benefits	770,797	499,752	(271,045)	817,188	
Purchased Services	309,310	187,079	(122,231)	238,617	
Supplies and Materials	277,147	359,054	81,907	259,706	
Capital Expenditures	105,000	51,037	(53,963)	221,070	
Other Expenditures	1,770	769	(1,001)	2,567	
Total Instructional Support Services	2,936,183	2,417,624	(518,559)	3,526,961	
Pupil Support Services:					
Salaries	982,340	853,920	(128,420)	909,963	
Employee Benefits	351,918	375,559	23,641	352,641	
Purchased Services	4,172,065	3,684,350	(487,715)	3,128,709	
Supplies and Materials	42,685	37,136	(5,549)	71,828	
Capital Expenditures	3,500	1,959	(1,541)	1,555	
Other Expenditures	4,092	5,513	1,421	4,819	
Total Pupil Support Services	5,556,600	4,958,437	(598,163)	4,469,515	

**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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	2024		Over (Under) Final Budget	2023	
	Final Budget	Actual Amounts		Actual Amounts	Actual Amounts
EXPENDITURES (Continued)					
Current (Continued):					
Sites and Buildings:					
Salaries	\$ 1,433,830	\$ 1,352,092	\$ (81,738)	\$ 1,483,136	
Employee Benefits	816,060	513,619	(302,441)	581,148	
Purchased Services	1,393,931	1,443,938	50,007	1,520,984	
Supplies and Materials	676,239	616,337	(59,902)	779,574	
Capital Expenditures	430,699	119,744	(310,955)	185,688	
Other Expenditures	101,717	106,487	4,770	99,723	
Total Sites and Buildings	<u>4,852,476</u>	<u>4,152,217</u>	<u>(700,259)</u>	<u>4,650,253</u>	
Fiscal and Other Fixed Cost Programs:					
Employee Benefits	106,000	-	(106,000)	-	
Purchased Services	390,000	385,977	(4,023)	272,239	
Total Fiscal and Other Fixed Costs Programs	<u>496,000</u>	<u>385,977</u>	<u>(110,023)</u>	<u>272,239</u>	
Debt Service:					
Principal	592,893	544,387	(48,506)	539,314	
Interest and Fiscal Charges	249,000	212,756	(36,244)	278,441	
Total Debt Service	<u>841,893</u>	<u>757,143</u>	<u>(84,750)</u>	<u>817,755</u>	
Total Expenditures	<u>51,862,776</u>	<u>48,580,939</u>	<u>(3,281,837)</u>	<u>52,260,513</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,612,071	8,159,784	3,547,713	804,769	
OTHER FINANCING SOURCES (USES)					
Insurance Recovery Proceeds	-	-	-	19,760	
Loan Redemption	-	-	-	101,387	
Transfers Out	(67,000)	(179,732)	(112,732)	(66,780)	
Total Other Financing Sources	<u>(67,000)</u>	<u>(179,732)</u>	<u>(112,732)</u>	<u>54,367</u>	
NET CHANGE IN FUND BALANCE	<u>\$ 4,545,071</u>	7,980,052	<u>\$ 3,434,981</u>	859,136	
FUND BALANCE					
Beginning of Year		<u>(3,424,274)</u>		<u>(4,283,410)</u>	
End of Year		<u>\$ 4,555,778</u>		<u>\$ (3,424,274)</u>	

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)**

	2024	2023
ASSETS		
Cash and Investments	\$ 2,301,222	\$ 2,430,349
Receivables:		
Accounts Receivable	-	1,675
Due from Minnesota Department of Education	36,653	-
Inventory	75,886	61,663
Prepaid Items	28,914	33,062
Total Assets	\$ 2,442,675	\$ 2,526,749
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Salaries Payable	\$ 85,966	\$ 80,224
Accounts and Contracts Payable	14,720	12,747
Due to Other Governmental Unit	3,166	9,329
Unearned Revenue	55,192	57,082
Total Liabilities	159,044	159,382
FUND BALANCE		
Nonspendable	104,800	94,725
Restricted for Food Service	2,178,831	2,272,642
Total Fund Balance	2,283,631	2,367,367
Total Liabilities and Fund Balance	\$ 2,442,675	\$ 2,526,749

**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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	2024		Over (Under)	2023
	Final Budget	Actual Amounts	Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Earnings on Investments	\$ 93,000	\$ 103,990	\$ 10,990	\$ 92,742
Other - Primarily Meal Sales	1,724,176	458,080	(1,266,096)	1,646,617
State Sources	285,900	1,898,686	1,612,786	99,100
Federal Sources	882,975	928,091	45,116	890,205
Total Revenues	2,986,051	3,388,847	402,796	2,728,664
EXPENDITURES				
Current:				
Salaries	954,881	1,151,587	196,706	940,770
Employee Benefits	496,377	480,427	(15,950)	494,682
Purchased Services	225,445	223,630	(1,815)	259,881
Supplies and Materials	1,308,800	1,322,136	13,336	1,247,704
Other Expenditures	1,090	2,432	1,342	1,104
Capital Outlay	538,000	289,671	(248,329)	467,804
Debt Service:				
Principal	-	2,053	2,053	1,417
Interest and Fiscal Charges	-	647	647	383
Total Expenditures	3,524,593	3,472,583	(52,010)	3,413,745
NET CHANGE IN FUND BALANCE	\$ (538,542)	(83,736)	\$ 454,806	(685,081)
FUND BALANCE				
Beginning of Year		2,367,367		3,052,448
End of Year		\$ 2,283,631		\$ 2,367,367

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)**

ASSETS	2024	2023
Cash and Investments	\$ 2,050,384	\$ 1,796,453
Receivables:		
Current Taxes	154,461	139,883
Delinquent Taxes	2,005	1,777
Accounts Receivable	168,672	107,690
Due from Minnesota Department of Education	62,830	53,010
Due from Federal Government through the Minnesota Department of Education	-	6,875
Due from Other Governmental Units	2,000	-
Prepaid Items	34,408	63,565
Total Assets	\$ 2,474,760	\$ 2,169,253
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Salaries Payable	\$ 168,026	\$ 89,777
Accounts and Contracts Payable	130,876	91,580
Due to Other Governmental Units	191	5,551
Unearned Revenue	193,103	348,467
Total Liabilities	492,196	535,375
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	298,360	268,547
Unavailable Revenue - Delinquent Taxes	2,005	1,777
Total Deferred Inflows of Resources	300,365	270,324
FUND BALANCE		
Nonspendable	34,408	63,565
Restricted for Community Education Programs	1,288,135	1,056,684
Restricted for Early Childhood and Family Education Programs	180,303	108,906
Restricted for School Readiness	159,386	143,425
Restricted for Community Service	19,967	-
Unassigned	-	(9,026)
Total Fund Balance	1,682,199	1,363,554
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 2,474,760	\$ 2,169,253

**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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	2024		Over (Under)	2023
	Final Budget	Actual Amounts	Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 270,106	\$ 267,214	\$ (2,892)	\$ 294,116
Earnings on Investments	53,000	95,105	42,105	52,917
Other - Primarily Tuition and Fees	2,938,470	3,249,955	311,485	2,877,997
State Sources	480,741	517,578	36,837	464,665
Federal Sources	-	-	-	6,875
Total Revenues	3,742,317	4,129,852	387,535	3,696,570
EXPENDITURES				
Current:				
Salaries	1,739,515	2,000,262	260,747	1,705,070
Employee Benefits	541,355	622,202	80,847	534,337
Purchased Services	781,920	1,004,086	222,166	682,903
Supplies and Materials	221,670	255,295	33,625	206,533
Other Expenditures	6,608	7,995	1,387	6,609
Capital Outlay	7,080	2,008	(5,072)	6,079
Debt Service:				
Principal	10,388	7,572	(2,816)	6,735
Interest and Fiscal Charges	1,132	3,157	2,025	2,951
Total Expenditures	3,309,668	3,902,577	592,909	3,151,217
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	432,649	227,275	(205,374)	545,353
OTHER FINANCING SOURCES				
Transfer in	67,000	91,370	24,370	66,780
NET CHANGE IN FUND BALANCE	\$ 499,649	318,645	\$ (181,004)	612,133
FUND BALANCE				
Beginning of Year		1,363,554		751,421
End of Year		\$ 1,682,199		\$ 1,363,554

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)**

	2024	2023
ASSETS		
Cash and Investments	\$ 6,403,014	\$ 6,242,228
Receivables:		
Current Taxes	4,694,196	4,739,997
Delinquent Taxes	64,534	56,029
Due from Minnesota Department of Education	73,279	79,279
Total Assets	\$ 11,235,023	\$ 11,117,533
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts and Contracts Payable	\$ 2,000	\$ 2,000
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	8,817,234	8,868,629
Unavailable Revenue - Delinquent Taxes	64,534	56,029
Total Deferred Inflows of Resources	8,881,768	8,924,658
FUND BALANCE		
Restricted for Debt Service	2,351,255	2,190,875
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 11,235,023	\$ 11,117,533

**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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	2024		Over	2023
	Final Budgeted Amounts	Actual Amounts	(Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Tax	\$ 8,699,080	\$ 8,573,282	\$ (125,798)	\$ 8,907,674
Earnings on Investments	141,000	251,145	110,145	140,633
State Sources	732,783	732,784	1	792,861
Total Revenues	9,572,863	9,557,211	(15,652)	9,841,168
EXPENDITURES				
Debt Service:				
Bond Principal	5,880,000	6,090,000	210,000	5,880,000
Bond Interest	3,632,869	3,306,831	(326,038)	3,533,981
Total Expenditures	9,512,869	9,396,831	(116,038)	9,413,981
NET CHANGE IN FUND BALANCE	\$ 59,994	160,380	\$ 100,386	427,187
Fund Balance - Beginning of Year		2,190,875		1,763,688
FUND BALANCE - END OF YEAR		\$ 2,351,255		\$ 2,190,875

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)**

	2024	2023
ASSETS		
Cash and Investments	\$ 4,281,033	\$ -
Other Receivables:		
Accounts and Interest Receivable	36,657	-
Total Assets	\$ 4,317,690	\$ -
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts and Contracts Payable	\$ 220,697	\$ -
FUND BALANCE		
Restricted for Other	77,557	-
Restricted for Long-Term Facilities Maintenance	4,019,436	-
Total Fund Balance	4,096,993	-
Total Fund Liabilities and Fund Balance	\$ 4,317,690	\$ -

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)**

	2024		Over (Under) Final Budget	2023
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
REVENUES				
Local Sources:				
Earnings on Investments	\$ -	\$ 77,556	\$ 77,556	\$ -
EXPENDITURES				
Capital Outlay	850,000	2,061,110	1,211,110	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(850,000)	(1,983,554)	(1,133,554)	-
OTHER FINANCING SOURCES				
Lease Purchase Agreement Proceeds	6,200,000	6,010,000	(190,000)	-
Bond Premium	-	70,547	70,547	-
Total Other Financing Sources	6,200,000	6,080,547	(119,453)	-
NET CHANGE IN FUND BALANCE	<u>\$ 5,350,000</u>	4,096,993	<u>\$ (1,253,007)</u>	-
FUND BALANCE				
Beginning of Year		-		-
End of Year		<u>\$ 4,096,993</u>		<u>\$ -</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
JUNE 30, 2024**

	Audit	UFARS	Difference		Audit	UFARS	Difference
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenues	\$ 56,740,723	\$ 56,740,722	\$ 1	Total Revenues	\$ 77,556	\$ 77,557	\$ (1)
Total Expenditures	\$ 48,580,939	\$ 48,580,939	\$ -	Total Expenditures	\$ 2,061,110	\$ 2,061,110	\$ -
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable	\$ 861,484	\$ 861,484	\$ -	460 Nonspendable	\$ -	\$ -	\$ -
<i>Restricted:</i>				<i>Restricted:</i>			
401 Student Activities	\$ 449,064	\$ 449,064	\$ -	407 Capital Projects Levy	\$ -	\$ -	\$ -
403 Staff Development	\$ -	\$ -	\$ -	409 Alternative Fac. Program	\$ -	\$ -	\$ -
405 Deferred Maintenance	\$ -	\$ -	\$ -	413 Project Funded by COP	\$ -	\$ -	\$ -
406 Health & Safety	\$ -	\$ -	\$ -	467 LTFM	\$ 4,019,436	\$ 4,019,436	\$ -
412 Literacy Incentive Aid	\$ 205,311	\$ 205,311	\$ -	464 Other Purposes	\$ 77,557	\$ 77,557	\$ -
414 Operating Debt	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
416 Levy Reduction	\$ -	\$ -	\$ -	463 Unassigned	\$ -	\$ -	\$ -
423 Certain Teacher Programs	\$ -	\$ -	\$ -				
424 Operating Capital	\$ -	\$ -	\$ -	07 DEBT SERVICE			
426 \$25 Taconite	\$ -	\$ -	\$ -	Total Revenues	\$ 9,557,211	\$ 9,557,211	\$ -
427 Disabled Accessibility	\$ -	\$ -	\$ -	Total Expenditures	\$ 9,396,831	\$ 9,396,831	\$ -
428 Learning & Development	\$ 1,254,488	\$ 1,254,488	\$ -	<i>Restricted/Reserved:</i>			
434 Area Learning Center	\$ -	\$ -	\$ -	425 Bond Refundings	\$ -	\$ -	\$ -
435 Contracted Alt. Programs	\$ -	\$ -	\$ -	451 QZAB Payments	\$ -	\$ -	\$ -
436 St. Approved Alt. Prog.	\$ -	\$ -	\$ -	464 Other Purposes	\$ 2,351,255	\$ 2,351,255	\$ -
438 Gifted & Talented	\$ 88,444	\$ 88,444	\$ -	<i>Unassigned:</i>			
441 Basic Skills	\$ 31,413	\$ 31,413	\$ -	463 Unassigned	\$ -	\$ -	\$ -
443 School Library Aid	\$ 70,764	\$ 70,764	\$ -				
446 First Grade Preparedness	\$ -	\$ -	\$ -	08 TRUST			
449 Safe Schools Levy	\$ 227,365	\$ 227,365	\$ -	Total Revenues	\$ 11,250	\$ 11,250	\$ -
450 Pre-Kindergarten	\$ -	\$ -	\$ -	Total Expenditures	\$ 4,500	\$ 4,500	\$ -
451 QZAB Payments	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -	402 Scholarships	\$ 26,948	\$ 26,948	\$ -
453 Unfunded Sev & Retirement Levy	\$ -	\$ -	\$ -				
464 Other Purposes	\$ -	\$ -	\$ -	09 AGENCY			
467 LTFM	\$ 416,267	\$ 416,267	\$ -	<i>Unassigned: Should Always Be -0-</i>			
671 Student Support Personnel	\$ 52,448	\$ 52,448	\$ -	422 Unassigned	\$ -	\$ -	\$ -
472 Medical Assistance	\$ 593,776	\$ 593,776	\$ -				
<i>Committed:</i>				20 INTERNAL SERVICE			
418 Committed for Severance	\$ -	\$ -	\$ -	Total Revenues	\$ 462,019	\$ 462,019	\$ -
461 Committed	\$ -	\$ -	\$ -	Total Expenditures	\$ 448,577	\$ 448,577	\$ -
<i>Assigned:</i>				<i>Unassigned:</i>			
462 Assigned	\$ -	\$ -	\$ -	422 Unassigned	\$ 187,064	\$ 187,064	\$ -
<i>Unassigned:</i>							
422 Unassigned	\$ 304,954	\$ 304,953	\$ 1	25 OPEB REVOCABLE TRUST			
				Total Revenues	\$ -	\$ -	\$ -
02 FOOD SERVICE				Total Expenditures	\$ -	\$ -	\$ -
Total Revenues	\$ 3,388,847	\$ 3,388,847	\$ -	<i>Unassigned:</i>			
Total Expenditures	\$ 3,472,583	\$ 3,472,583	\$ -	422 Unassigned	\$ -	\$ -	\$ -
<i>Nonspendable:</i>							
460 Nonspendable	\$ 104,800	\$ 104,800	\$ -	45 OPEB IRREVOCABLE TRUST			
<i>Restricted:</i>				Total Revenues	\$ 152,627	\$ 152,627	\$ -
452 OPEB Liability Not In Trust	\$ -	\$ -	\$ -	Total Expenditures	\$ 346,417	\$ 346,417	\$ -
464 Other Purposes	\$ 2,178,831	\$ 2,178,831	\$ -	<i>Unassigned:</i>			
<i>Unassigned:</i>				422 Unassigned	\$ 1,053,081	\$ 1,053,081	\$ -
463 Unassigned	\$ -	\$ -	\$ -				
				47 OPEB DEBT SERVICE			
04 COMMUNITY SERVICE				Total Revenues	\$ -	\$ -	\$ -
Total Revenues	\$ 4,129,852	\$ 4,129,852	\$ -	Total Expenditures	\$ -	\$ -	\$ -
Total Expenditures	\$ 3,902,577	\$ 3,902,578	\$ (1)	<i>Restricted:</i>			
<i>Nonspendable:</i>				464 Other Purposes	\$ -	\$ -	\$ -
460 Nonspendable	\$ 34,408	\$ 34,408	\$ -	<i>Unassigned:</i>			
<i>Restricted:</i>				463 Unassigned	\$ -	\$ -	\$ -
426 \$25 Taconite	\$ -	\$ -	\$ -				
431 Community Education	\$ 1,288,135	\$ 1,288,135	\$ -				
432 E. C. F. E.	\$ 180,303	\$ 180,303	\$ -				
444 School Readiness	\$ 159,386	\$ 159,386	\$ -				
447 Adult Basic Education	\$ -	\$ -	\$ -				
452 OPEB Liability Not In Trust	\$ -	\$ -	\$ -				
464 Other Purposes	\$ 19,967	\$ 19,967	\$ -				
<i>Unassigned:</i>							
463 Unassigned	\$ -	\$ -	\$ -				

3. **K-5 ELA Curriculum Review**

Presenter: Erika
Nesvig, Director of
Education Services



K-5 ELA Curriculum

Department of Educational Services
December 9, 2024

Policy 606:

Textbooks and Instructional Materials

Section IV.

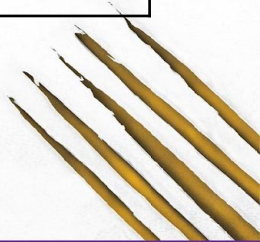
A.The superintendent [or designee] shall be responsible for keeping the school board informed of progress on the part of staff and others involved in the textbook and other instructional materials review and selection process.

B.The superintendent [or designee] shall present a recommendation to the school board on the selection of textbooks and other instructional materials after completion of the review process as outlined in this policy.



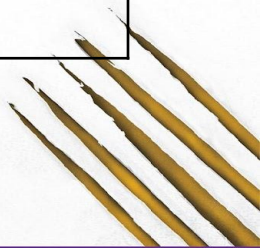
MDE Academic Standards Implementation

Area	Academic Standards Alignment	Implementation Year
Science	MN State Academic Standards	2024-2025 + MCA IV
English Language Arts	MN State Academic Standards	2025-2026 + MCA IV
Social Studies	MN State Academic Standards	2026-2027
Math	MN State Academic Standards	2027-2028 + MCA IV



MDE Implementation

MDE Implementations	Implementation Needed	Implementation Year
READ Act Assessments	Universal Screening K-3 Dyslexia Screening 4-12	2025-2026
READ Act Curriculum	Evidence Based Curriculum	2025-2026
Personal Finance	Course must be in place for the 2024-2025 9th graders	2025-2026
Ethnic Studies Course	Must be offered	2026-2027



DISTRICT 110 CURRICULUM REVIEW CYCLE

Updated May 2024

	2022-2023*	2023-2024*	2024-2025*	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Year 1	6-8 Science K-12 PE/Health - Music-Art	9-12 Science	K-12 ELA	K-12 Social	K-12 Math	World Language Counselor SEL	CTE Tech/Media	K-12 Phy Ed/Health	K-5 Science
Year 2	K-5 Science	6-8 Science K-12 PE/Health - Music-Art	9-12 Science	K-12 ELA	K-12 Social	K-12 Math	World Language Counselor SEL	CTE Tech/Media	K-12 Phy Ed/Health
Year 3	6-8 Math	K-5 Science	6-8 Science K-12 PE/Health - Music-Art	9-12 Science	K-12 ELA	K-12 Social	K-12 Math	World Language Counselor SEL	CTE Tech/Media
Year 4	CTE Tech/Media	6-8 Math	K-5 Science	6-8 Science K-12 PE/Health - Music-Art	9-12 Science	K-12 ELA	K-12 Social	K-12 Math	World Language Counselor SEL
Year 5	World Language	CTE Tech/Media	6-8 Math	K-5 Science	6-8 Science K-12 PE/Health - Music-Art	9-12 Science	K-12 ELA	K-12 Social	K-12 Math
Year 6	K-12 Math	World Language	CTE Tech/Media	6-8 Math	K-5 Science	6-8 Science K-12 PE/Health - Music-Art	9-12 Science	K-12 ELA	K-12 Social
Year 7	K-12 Social	K-12 Math	World Language	CTE Tech/Media		K-5 Science	6-8 Science K-12 PE/Health - Music-Art	9-12 Science	K-12 ELA
Year 8	K-12 ELA	K-12 Social	K-12 Math	World Language	CTE Tech/Media		K-5 Science	6-8 Science K-12 Music-Art	9-12 Science
Year 9		K-12 ELA	K-12 Social	K-12 Math	World Language	CTE Tech/Media		K-5 Science	6-8 Science K-12 Music-Art

* Revised implementation schedule due to COVID-10 Pandemic

KEY:

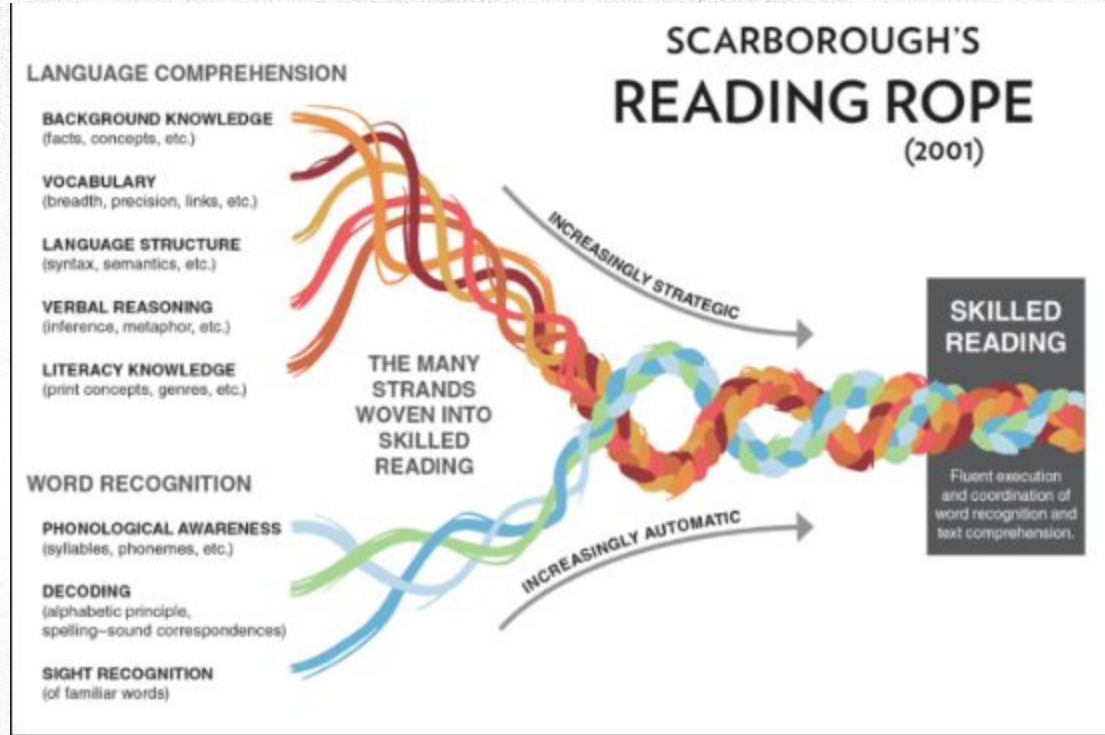
Year 1 - Preparation

Year 3 - Pacing check and assessment development

Year 2 - Implementation and fiscal purchasing year

Year 6 - Mid cycle check-in

Science of Reading



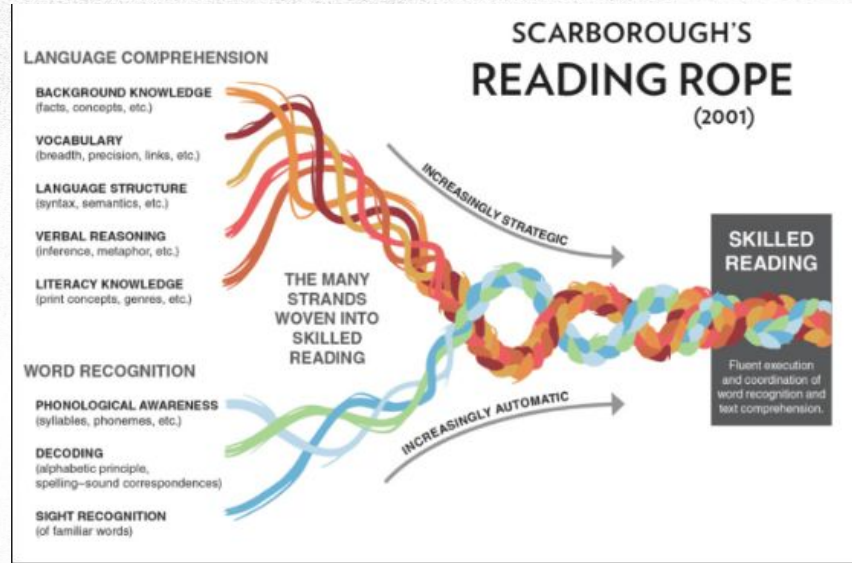
Key Pieces to a K-5 ELA Curriculum

Foundational

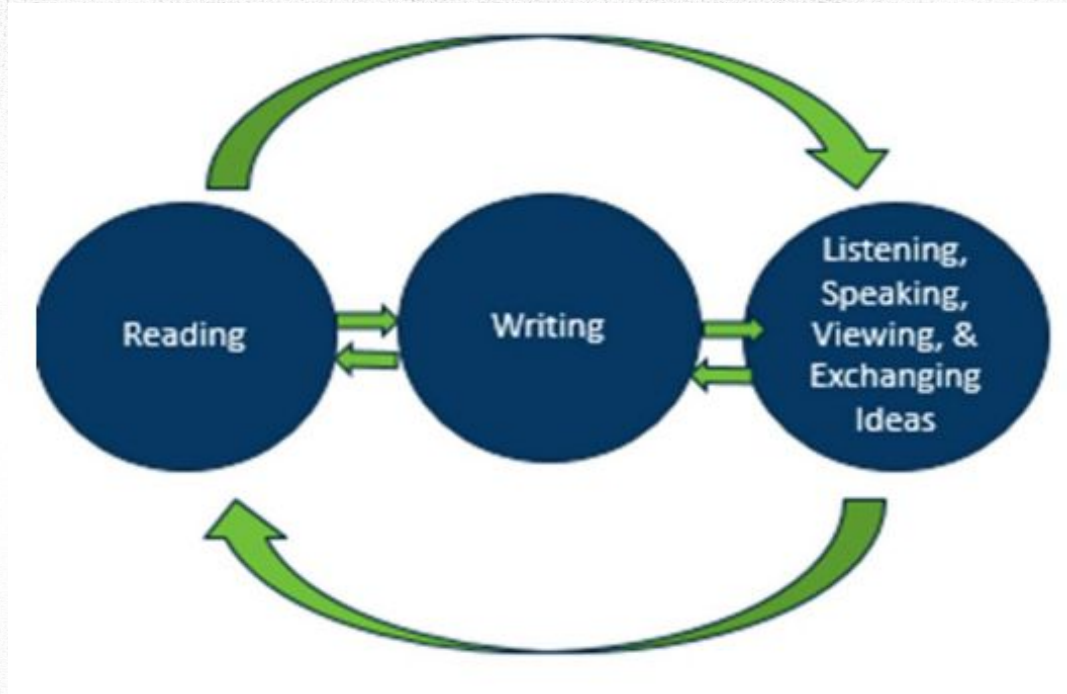
- Phonemic Awareness
- Phonics/Morphology
- Fluency

Knowledge Base

- Vocabulary
- Comprehension
- Writing



MN ELA Standards



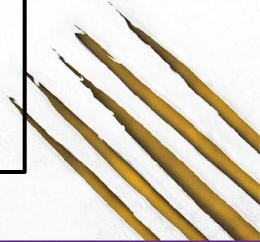
MDE Approved Curriculums

Required Elements per READ Act:

- “Evidence-based or focused on structured literacy” to ensure student mastery of phonemic awareness, phonics, vocabulary development, reading fluency, reading comprehension and writing.
- Culturally and linguistically responsive
- Reflects diverse populations

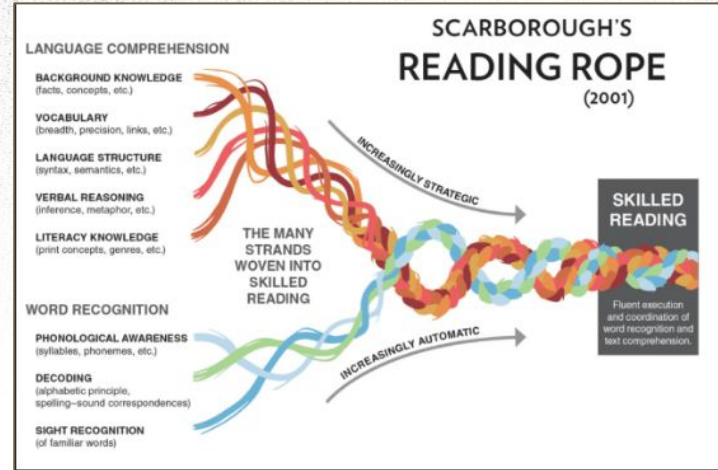
Categories

- Highly aligned
- Partially aligned
- Minimally aligned
- Not aligned



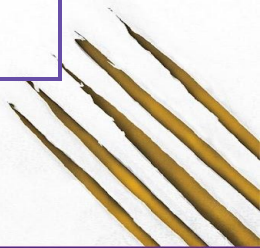
MDE Approved Curriculums

- Comprehensive Curriculum
- Foundational Curriculum
- Knowledge Building Curriculum



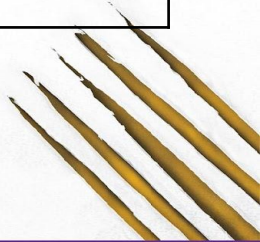
K-5 ELA Review

Spring 2023	<ul style="list-style-type: none">○ Begin review process but then paused to wait for MDE approved curriculums.
2023-2024 School Year	<ul style="list-style-type: none">○ Reviewed all highly aligned curriculums from MDE.
Fall 2024	<ul style="list-style-type: none">○ Chose 2 curriculums to review further.<ul style="list-style-type: none">○ Presentation from curriculum representatives○ Lesson piloting○ Q and A with other districts currently using curriculums.



Members of the ELA Committee

Bayview	Laketown	Southview	DES
Ann Swanson Deb Burg Jamie Sheldon Angie Pozega Megan Donkena Tatum Johnson Jenni Miller Monica Sherman Angie Lovinger	Keith Baune Stacy Gustafson Emilee Ditsch Amanda Stejskal Brittany Johnson Niki Eisenmann Devin McNeill Kasja Williamson Andrea Turnquist	Khuzana DeVaan Heather Huskey Karla Hormann Margo Skjefte Josh Sell Melia Archambault Jill Kruse Kristie Dustin Shannon Kolhei LeAnn Millender	Erika Nesvig Lindsay Seim



Rubric used to Evaluate Resources



Curriculum Review of WIT & WISDOM MN conducted in partnership between the Minnesota Department of Education (MDE) and The Center for Applied Research and Educational Improvement (CAREI) at the University of Minnesota-Twin Cities under the guidelines of the Minnesota Reading to Ensure Academic Development (READ) Act (January 2024). This spreadsheet is designed to be read in conjunction with the curriculum review report, accessible at <https://z.umn.edu/READ-Wit-report>.

Grade	Descriptor	Look-Fors & Examples	K Score	1st Score	2nd Score	3rd Score	4th Score	5th Score
ORGANIZATION & CONTENT								
K-5	C1. Comprehension instruction is topic centered with a goal of building critical understandings orally and in writing	A) Texts utilized in a lesson or unit center around a core topic, idea, or essential question	1	1	1	1	1	1
		B) Strategy instruction (e.g., use of questioning, graphic organizers, text clues) is brief and embedded within the context of topics	1	1	1	1	1	1
K-5	C2. The program ensures that all students engage with high-quality grade level texts	A) Texts represent appropriate complexity (e.g., rigorous lexile levels)	1	1	1	1	1	1
		B) Texts represent multiple genres (e.g., poetry, opinion, narrative, essays)	1	1	1	1	1	1
		C) Whole-group lessons ensure access to rigorous grade level texts (e.g., teacher reads aloud)	1	1	1	1	1	1
		D) Small-group lessons and independent practice ensures access to rigorous grade-level texts (e.g., reading, listening)	1	1	1	1	1	1
K-5	C3. All components of comprehension instruction are explicitly addressed	A) Vocabulary	1	1	1	1	1	1
		B) Sentence comprehension	0	0	0	1	1	1
		C) Text structure	1	1	1	1	1	1
		D) Background knowledge	1	1	1	1	1	1



Rubric used to Evaluate Resources

ELA Curriculum Rubric

Curriculum Being Rated: _____

2 - Meets 1 - Partially Meets 0 - Does Not Meet NA - Not Applicable

Key Parts of Curriculum	
(K-2) Explicit instruction of phonemic awareness, phonics and spelling.	
(K-2) Has decodable texts that are controlled, make sense and are engaging.	
Explicit word study and vocabulary lessons.	
(K-5) Explicit instruction on reading strategies.	
Lessons include opportunities for small group differentiation.	
The writing process (planning, revising, editing) is explicitly taught and practiced.	
Assessments include screening, diagnostic and progress monitoring to inform instruction.	
Teacher Accessibility	
Lessons are laid out clearly and easy to follow.	
Learning objectives are clear and in student language.	
The content allows for flexibility in instruction.	
The lesson plans provide support for newer teachers.	



Summary of Review

Curriculums Reviewed

- Wit and Wisdom
- Amplify CKLA - Comprehensive Curriculum in the Partially Aligned Category

The curriculum review team unanimously agreed to recommend:

- **Knowledge Based Curriculum: Wit and Wisdom**
 - **Foundational Curriculum**
 - **Foundations (K-3)**
 - **Geodes (K-3)**



Summary of Review

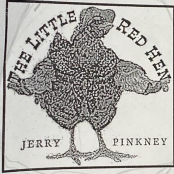
Wit and Wisdom

- Aligns with the MN State Standards
- Authentic sources - novels, books, poetry and art
- Reading strategies explicitly taught
- High level comprehension questions that guide inquiry and deep exploration of topics
- Vocabulary explicitly taught and used throughout unit
- Sentence frames and graphic organizers provide scaffolding
- Students engage in writing everyday
- Writing skills, grammar and sentence structure explicitly taught
- Consistent writing process taught K-5
- Common strategies and protocols used K-5

Things to consider

- Fitting all pieces into daily schedule
- Foundations curriculum lacks phonemic awareness, Kindergarten and 1st will need to continue to supplement.





Review details from each of these favorite stories.

★ What was your favorite animal?

hen

Assignment 16A: Focusing Question Task 3

Write two sentences on the lines at the bottom of the page describing a character from the text. One sentence describes the character. The second sentence describes what the character does in the text to show this trait. Create an illustration in the large space provided to support your writing.

Large empty rectangular box for drawing an illustration.

Character

- Pick one character from *The Three Little Pigs*. Write one sentence describing that character. Write a second sentence telling what that character does in the story to fit that character trait.



The Lazy pig
is not a liar.

Reading Sheet

ational
xt



Handout 2B: Exemplar Essay

Directions: Read the following

Introduction
 Have you ever really thought about what you want to see you put your heart into? Literally and figuratively when we speak, the word "heart" refers to the human heart, that organ that pumps blood. When the word is used figuratively, it refers to our emotions, feelings, and lives and your own.

Support Point 1
 Sometimes, the word heart is used literally. It is infinitely better to transplant a heart than to die, it is much better to donate your heart than using the word heart literally to refer to beating hearts to save another person's life.

Support Point 2
 At other times, heart is used figuratively. "I gave you all your heart," he wasn't talking about his heart. He has a choice of taking his heart with him to the classroom on the first day of school or with very little effort invested. If you put your heart into something very silly, like a person who goes somewhere or doing something without emotional involvement, with our whole heart.

Conclusion
 In conclusion, the word heart can be used both literally as in Confucius' quotation. It is up to the speaker's intended meaning.

Greek
 Latin

The word heart is an interesting word because it can be used literally & figuratively.

Context	evidence	Source	Explanation
Christiaan Barnard Heart doctor	It's better to donate a heart rather than bury a healthy one.	Handout 1A	Literally - he's talking about moving a heart from one body to another
Confucious Chinese philosopher	Bring your kindness everywhere you go. Whatever you do, give it your all.	Handout 1A	Figurative - Our literal heart goes where ever we go.

Teaching & Learning Advisory Council

Primary Function:

The Teaching and Learning Advisory Council (TLAC) is the formal advisory group for District 110 whose purpose is to review and advise on K-12 curriculum prior to presentation to the Board of Education.

School Board Representative:

- Melanie Hagen



Recommendation

On December 2nd, members of the Teaching and Learning Advisory Council unanimously approved the recommendation of Wit and Wisdom.

We are in support of . . .

- Wit and Wisdom

Considerations to share with the BOE:

- As much as possible support teachers with early learning of the new curriculum, any time and implementation support (coaching, training, understanding of fidelity) that can be preloaded would ease the transition for teachers.
- A strength of this curriculum is that writing is connected to the reading.
- Teachers were energized by this program and see some integration into Science and Social Studies.
- When thinking about schedule - make sure students still have adequate recess, lunch, specials etc.



Assurances

- The K-5 reading curriculum was collaboratively reviewed and revised by grade level representatives and the Department of Educational Services.
- The curriculum is aligned to the MN ELA Standards and on the Highly Aligned list.
- The purchase of updated instructional resources falls within the allocated budget.





Questions?

4. **Proposed 2026-2027 Academic Calendar**

Presenter: Dr. Enid
Schonewise, Director
of Human Resources



Waconia Public Schools ISD110

Highlights of the Proposed 2026-2027 Academic Calendar

August/September

- First day of school for ECFE is September 2
- The Friday before Labor Day will be a no school day.
- First 2-hour Early Release (5th Wednesday of September)

October/November

- On the Wednesday before MEA, there will be K-12 Conferences and/or Teacher Staff Development Day. All teachers will report.
- Second 2-hour Early Release (4th Wednesday of October)
- Full week off for students near the end of November.

Teachers that week:

- Report on Monday for a K-12 Staff Development Day
- Tuesday have a Teacher Work Day
- Wednesday have a Comp Day earned from evening conferences
- Thursday and Friday are No School Days for Students and Teachers

December

- Winter break December 23rd through January 3rd

January

- K-12 Development Day held on the first day after winter break. No school for students.
- Third 2-hour Early Release (4th Wednesday)

February

- On the first Friday, there will be K-12 Conferences and/or Teacher Staff Development Day. All teachers will report.
- On the third Monday, Teacher Comp Day earned from evening conferences
- Fourth 2-hour Early Release (4th Wednesday)

March

- Trimester 2 ends March 4; No School and Teacher Work Day on Friday, March 5
- Spring break week follows the end of Trimester 2

May/June

- Fifth 2-hour Early Release (1st Wednesday)
- Graduation will be on the Friday of Memorial Day weekend
- Last student day is June 4; last teacher day is June 7.

Trimester 1: 55 days

Trimester 2: 57 days

Trimester 3: 59 days

2026-2027 Proposed Academic Calendar - earlier spring break - updated 12-5-24

June 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19 Juneteenth	20
21	22	23	24	25	26	27
28	29	30				

July 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18 New Teacher Workshop	19 New Teacher Workshop	20 New Teacher Workshop	21	22
23	24 Teacher Workshop	25 Teacher Workshop	26 Teacher Workshop	27 Teacher Workshop	28	29
30	31 First Day of School Grades 1-12					

September 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2 First Day of School - Kindergarten First Day of School - ECFE	3	4 No School E-12	5
6	7 Labor Day No School E-12	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30 2-HR Early Release (E-12)			

2026-2027 Proposed Academic Calendar - earlier spring break - updated 12-5-24

October 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	8	9	10
11	12	13 K-5 Conferences Evening	14 No School E-12 K-5 Conferences -Daytime WMS/WHS Staff Development	15 No School E-12 MEA Break	16 No School E-12 MEA Break	17
18	19	20	21	22	23	24
25	26	27	28 2-HR Early Release	29	30	31

2026-2027 Proposed Academic Calendar - earlier spring break - updated 12-5-24

November 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20 End of Trimester 1	21
22	23 No School E-12 Teacher/Staff Development	24 No School E-12 Teacher Work Day	25 No School E-12 Teacher Comp Day for Conferences	26 Thanksgiving No School E-12	27 No School E-12	28
29	30					

2026-2027 Proposed Academic Calendar - earlier spring break - updated 12-5-24

December 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23 No School E-12	24 No School E-12	25 No School E-12	26
27	28 No School E-12	29 No School E-12	30 No School E-12	31 No School E-12		

2026-2027 Proposed Academic Calendar - earlier spring break - updated 12-5-24

January 2027

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 No School E-12	2
3	4 No School E-12 Teacher / Staff Development	5	6	7	8	9
10	11	12	13	14	15	16
17	18 Martin Luther King Day No School E-12	19	20	21	22	23
24	25	26	27 2-HR Early Release	28	29	30
31						

2026-2027 Proposed Academic Calendar - earlier spring break - updated 12-5-24

February 2027

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4 K-5 Conferences Evening	5 No School E-12 K-5 Conferences - Daytime WMS/WHS Staff Development	6
7	8	9	10	11	12	13
14	15 No School E-12 Teacher Comp Day for Conferences	16	17	18	19	20
21	22	23	24 2-HR Early Release	25	26	27
28						

2026-2027 Proposed Academic Calendar - earlier spring break - updated 12-5-24

March 2027

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4 End of Trimester 2	5 No School E-12 Teacher Work Day	6
7	8 No School E-12 Spring Break	9 No School E-12 Spring Break	10 No School E-12 Spring Break	11 No School E-12 Spring Break	12 No School E-12 Spring Break	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April 2027

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

2026-2027 Proposed Academic Calendar - earlier spring break - updated 12-5-24

May 2027

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5 2-HR Early Release	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28 Graduation Day	29
30	31 Memorial Day No School					

2026-2027 Proposed Academic Calendar - earlier spring break - updated 12-5-24

June 2027

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4 Last Student Day	5
6	7 Last Teacher Day	8	9	10	11	12
13	14	15	16	17	18	19 Juneteenth
20	21	22	23	24	25	26
27	28	29	30			

5. **Nutritional Services Collective Bargaining Agreement 2024-2025, 2025-2026, 2026-2027**

Presenter: Dr. Enid Schonewise, Director of Human Resources

Nutritional Services School Board Recommendation

We are pleased to recommend the following tentatively agreed upon contract changes for the 2024-2025, 2025-2026, and 2026-2027 school years.

Below is a detailed summary of information related to pay rate increases and insurance benefits for each of these school years.

No Contract Changes for 2023-2024

There are no contract changes for 2023-2024 because the Nutritional Services employment group did not join the MSEA union until the 2024-2025 school year.

Language Clean Up for 2024-2027:

The Nutritional Services Employees are now formally represented by the Minnesota School Employees Association (MSEA). This change in representation has resulted in a substantially revised work agreement to align with the new status. We appreciate the efforts of all involved in navigating this transition and ensuring a collaborative approach throughout the process.

Contract Changes for 2024-2025

- Step advancement
- 4% off-schedule, one-time payment after step advancement
- 10% increase to District's insurance premium contribution

Contract Changes for 2025-2026

- Step advancement
- 4% on schedule wage increase
- 10% increase to District's insurance premium contribution

Contract Changes for 2026-2027

- Step advancement
- 4% on schedule wage increase
- 10% increase to District's insurance premium contribution

We value the dedication and contributions of our Nutritional Services employees to Waconia Public Schools and we hope these updates reflect our commitment to them.

6. **Principal's Tentative Agreement 2024-2027**

Presenter: Dr. Enid
Schonewise, Director
of Human Resources

Principals School Board Recommendation

We are pleased to recommend the following tentatively agreed upon contract changes for the 2023-2024, 2024-2025, 2025-2026, and the 2025-2026 school years.

Below is a detailed summary of information related to pay rate increases and insurance benefits for each of these school years.

Contract Changes for 2023-2024

- 2% off-schedule one-time payment based on salary matrix
- No steps

Contract Changes for 2024-2025

- 2% off-schedule two-time payment based on salary matrix (first half on December 15, 2024, second half on May 15, 2025)
- One step for eligible employees
- 10% increase to District's insurance premium contribution
- \$100 increase to 403(b) match

Contract Changes for 2025-2026

- One step for eligible employees
- 3% on schedule wage increase
- 10% increase to District's insurance premium contribution

Contract Changes for 2026-2027

- One step for eligible employees
- 3% on schedule wage increase
- 10% increase to District's insurance premium contribution
- \$100 increase to 403(b) match

We value the dedication and contributions of our Principals to Waconia Public Schools and we hope these updates reflect our commitment to them.

7. **School Board Handbook Review**

ISD 110 BOARD MEMBER HANDBOOK

An Informational Guide for Waconia Public Schools
Board of Education Members



TABLE OF CONTENTS

BOARD MEMBERSHIP	2
Current Board Members	2
Executive Staff	2
GOVERNANCE PLEDGE OF EXCELLENCE	3
MISSION, CORE VALUES, AND THEORY OF ACTION	4
BECOMING A SCHOOL BOARD MEMBER	4
LEGAL DUTIES OF THE SCHOOL BOARD	5
SCHOOL BOARD MEMBER CODE OF ETHICS	6
Expectations of School Board Members	6
Conflicts of Interest	7
GOVERNANCE AND MANAGEMENT	7
Authority by Level	7
Macro-Management, Not Micro-Management	8
Acting as a Body	9
Relationship Between the Superintendent and the School Board	10
Following the Proper Chain of Command	10
Engaging Legal Counsel	11
BALANCING THE ROLE AS A BOARD MEMBER AND PARENT/COMMUNITY MEMBER	11
Board Member/Parent Role	11
Board Member/Community Member Role	12
Procedures for Visiting Schools	12
Typical Scenarios you will Encounter	13
MEDIA RELATIONS AND PUBLIC STATEMENTS	15
MANAGEMENT OF SELF-GOVERNANCE ISSUES	15
ELECTION AND ROLES OF BOARD OFFICERS	16
Election of Officers	16
Roles of Board Officers	16
WACONIA SCHOOL BOARD – STUDENT REPRESENTATIVES	17
Selection Process	17
Rights & Responsibilities	18
SCHOOL BOARD MEETINGS	19
General Meeting Cadence	19
Board Committees, Advisory Councils, Task Force & Liaison Roles	19

Agendas	20
Public Engagement	22
Board Discussion/Ending Debates	22
OPEN MEETING LAW & SCHOOL BOARD COMMUNICATIONS	23
General Requirements	23
Board Discussion Beyond the Board Room	24
Electronic Communications	24
SCHOOL BOARD TRAINING & GOALS	25
Training	26
School Board Goals	27
APPENDICES	27
Bibliography	27
Chain of Command Organization Chart	28
Resources	28

BOARD MEMBERSHIP

Current Board Members

~~2023 – 2024~~ 2025 - 2026

~~Dana Geller, Chair~~

~~Luke DeBoer, Vice-Chair/Clerk~~

~~Alycia Myers, Treasurer~~

Kelly Amott

Jesse Bergstrom

Melanie Hagen

Kim Kelzer-Breeden

Amanda Wilson

Ryan Rosin

Heather Arnita

Executive Staff

Brian Gersich, *Superintendent*

Jessica Kilian, *Executive Assistant to the Superintendent*

~~Ra-Chhoth~~ Pam Carman, *Director of Finance & Operations & Acting Board Treasurer*

Source: <https://isd110.org/about-us/school-board>

GOVERNANCE PLEDGE OF EXCELLENCE

1. *Waconia School Board establishes a clear vision for the district.* It sets district vision, goals, and policies, and annually measures the success of the district, superintendent, and student achievement against them.
2. *Waconia School Board adopts a fiscally sound district budget and standards focused on what is best for all students.* It regularly monitors the fiscal health of the district and holds high standards for student achievement, environment, and engagement within the district that will ensure success for all students.
3. *Waconia School Board communicates transparently to all stakeholders and advocates at appropriate levels for Waconia Public Schools.* Through public meetings, written reports, and legislative engagement, it keeps stakeholders informed of the district's progress, successes, and challenges.
4. *Waconia School Board members will work in partnership with each other and adhere to the members' Code of Ethics and all applicable laws.* Members will contribute constructively to board work, collaborate well with others, and be respectful and supportive of the other board members and the Superintendent.

Sources: ISD 110 School Board Code of Ethics

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

ISD 110 Strategic *Roadmap Plan*


<https://isd110.org/about-us/isd-110-strategic-plan>

ISD 110 Policy 208 – *Development, Adoption, and Implementation of Policies*

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

MISSION, CORE VALUES, AND THEORY OF ACTION 110 STRATEGIC PLAN


WACONIA PUBLIC SCHOOLS
2024-2028 Strategic Plan



WACONIA
PUBLIC SCHOOLS ISD 110

OUR MISSION

ISD 110 maximizes opportunities for all students to **explore their passions and create their success** by committing to a community that includes academic rigor, social growth, and emotional wellbeing.




OUR VISION

ISD 110 commits to:


- Inspiring students to explore a variety of pathways including academic offerings and extracurricular activities that will allow them to recognize who they are and who they will become.
- Fostering a community with a collective sense of belonging and wellbeing.
- Establishing efficient systems and structures as part of a world-class school district that will create opportunities for staff to engage in innovative teaching and students to experience academic success.

OUR STRATEGIC DIRECTIONS




Student Outcomes

- Evaluation of elementary student performance on MCAs.
- Assessment of middle school student performance on MCAs.
- Evaluation of high school student readiness for post-high school success.



Student & Staff Experience

- Foster a physically and emotionally safe environment within the school.
- Promote recognition and responsiveness to cultural commonalities and differences, ensuring all individuals feel welcomed, respected, and heard.
- Provide access to inclusive academic, leadership, service, and social opportunities for all community members.



Systems & Structures

- Effective management of financial resources to support the school's mission and goals.
- Proactive planning for and maintenance of facilities to ensure a conducive learning environment.
- Monitoring and promotion of student enrollment to sustain and enhance the school community.

OUR CORE VALUES

Respect
We honor and listen to all voices to ensure everyone feels valued.

Collaboration
We achieve our common goals through trust, teamwork, and partnership.

Inclusiveness
We welcome all and seek multiple perspectives to create one connected community.

Empathy
We listen and act with genuine care.

Resilience
We empower one another and persevere with courage, determination, and optimism.

Source: <https://isd110.org/about-us/isd-110-strategic-plan>

BECOMING A SCHOOL BOARD MEMBER

Waconia Public Schools Board of Education is governed by seven Board Directors, who are elected at-large and represent all citizens within its boundaries. The Waconia Superintendent of Schools also serves as a non-voting ex-officio member of the Waconia School Board. Elections are held in November of even-numbered years, in a repeating process with seats up for election on an alternating basis (four seats one year, the other three seats two years later), to avoid the possibility that all seven seats could vacate at the same time.

To run for a School Board seat in Minnesota you must be:

- At least 21 years old
- An eligible voter
- A school district resident for at least 30 days prior to election or appointment
- Not convicted of a felony

Board members are elected to a four-year term which begins on January 1 of the year following the November election, and ends on December 31 four years later. A member who is appointed to fill the unfinished term of a Board member departing early will need to run for re-election depending on when during that term they were appointed. There is no limit on the number of terms, consecutive or nonconsecutive, that a Board member can serve. Vacancies are filled according to Minnesota law, and a newly appointed Board member must wait 30 days after the Board approves the appointment before officially taking their seat on the Board.

Before or shortly after taking a seat on the ISD 110 School Board, you should attend a new School Board member orientation session, where you can meet key staff members and receive information to help you get started, as well as allow you a chance to ask questions. You will also be assigned a Board mentor – a veteran ISD 110 School Board member who can informally assist you in learning the ropes of being a School Board member. You will also be required to attend formal training for new School Board members that is offered by the Minnesota School Boards Association (MSBA) <http://www.mnmsba.org/>.

Sources: Minnesota School Boards Association

https://search.mnmsba.org/doc/resource/7d857798-c1e7-4791-9463-d08590c021ee?_gl=1%2a1j7gezn%2a_ga%2aODk3MTAxMTc4LjE2ODQ1MjM5NjU.%2a_ga_9D5P8ZQSWB%2aMTczMDk5Mzc0Mi4xNDluMS4xNzMwOTkzNzYyLjAuMC4w

Minnesota Revisor of Statutes

<https://www.revisor.mn.gov/statutes/2015/cite/123B.095>

LEGAL DUTIES OF THE SCHOOL BOARD

The care, management, and control of the schools is vested by statutory and constitutional authority in the school board as outlined in **Policy 201**.

Source: ISD 110 Policy 201 – Legal Status of the School Board

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

Legal Obligations of a School Board Member

1. Comply with all federal, state, and local laws relating to School Board work.
2. Comply with all ISD 110 policies as adopted by the School Board and administration.
3. Abide by all rules and regulations promulgated by the Minnesota Department of Education and other state and federal agencies with jurisdiction over school districts.

4. Recognize that school district business may be legally transacted only in an open meeting of the School Board. *Source: Minnesota Revisor of Statutes – Open Meeting Law* <https://www.revisor.mn.gov/statutes/cite/13D>
5. Avoid conflicts of interest and refrain from using your School Board position for personal or financial gain.
6. Take no private action that would compromise the School Board or administration.
7. Guard and keep the confidentiality of information that is protected under applicable laws.

SCHOOL BOARD MEMBER CODE OF ETHICS

The purpose of **Policy 209** is to assist the individual school board member in understanding his or her role as part of a school board and in recognizing the contribution that each member must make to develop an effective and responsible school board. The board is responsible for reviewing this annually. An opportunity will be provided at a regular board meeting or work session to collectively review it as a reminder of our call to be committed in our role on a regular basis.

Source: ISD 110 Policy 209 – Code of Ethics

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

Expectations of School Board Members

Meeting Participation

1. Attend School Board and assigned committee meetings
2. Limit remote attendance
3. Come prepared to discuss agenda items
4. Listen to the opinions and perspectives of others
5. Resolve conflicts in a respectful and constructive manner
6. Ask pertinent questions
7. Ensure district policies are followed

Voting Practices

8. Vote your conscience after informed discussion
9. Vote either using “Aye” or “Nay” without additional comments
10. Abstain only when a conflict of interest exists (see statutory definition below)

Board Relations

11. Support the decision of the Board, even if you did not vote for it
12. Recognize the integrity of your Board colleagues and predecessors and appreciate their work.
13. Assume positive intent
14. Seek other board members out for advice and consultant while abiding by open meeting law (OML)

Engagement

15. Be motivated by a desire to provide the best possible education for students
16. Know and adhere to ISD 110 Board policies and governance processes
17. Continually seek resources and training to improve as a School Board member
18. Act as an advocate for ISD 110 and public schools to the community, legislature, and regulatory agencies
19. Be willing to serve as a mentor to new Board colleagues

Conflicts of Interest

Minnesota law states that with certain exceptions, “a public officer who is authorized to take part in any manner in making any sale, lease, or contract in official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially therefrom.” A statutory interest cannot be cured by abstaining from voting or participation. Any contract that is made while such a conflict exists should be void and the public official involved can be charged with a gross misdemeanor.

Source: <https://www.revisor.mn.gov/statutes/cite/471.87>.

Exceptions include:

1. Contracts that do not require bids
2. Board-approved limited employment of a School Board member that does not exceed \$8000 in a fiscal year. The Board members’ employment must be specifically approved by a unanimous vote of the full Board at a meeting where all Board members are present. If approval is not obtained, new employment shall be disallowed and any current employment is immediately terminated.
3. A School Board members’ spouse may be employed by the School Board, or the School Board may contract with a class of district employees, such as teachers or custodians, where the spouse of the School Board member is a member of the class of employees contracting with the School Board and the employee spouse receives no special monetary or other benefit that is substantially different from the benefits that other members of the class receive under that contract.
4. A Board member who has a common law conflict of interest may not work behind the scenes to achieve the result without voting – for example to influence the outcome of an employee contract or the hiring or firing of a spouse – and then abstain from voting on the decision. In the case of a common law conflict of interest, the conflicted Board member must not vote or participate in discussions regarding that employee or contract.

Source: Mick Waldspurger, [Squires, Waldspurger, and Mace P.A. Rupp, Anderson, Squires, & Waldsburger, P.A.](#), *Effective Governance: Understanding the Rights, Responsibilities, and Risks of Being a School Board Member*, 4 June 2020

GOVERNANCE AND MANAGEMENT

While there is some degree of overlap in roles and responsibilities, it is more important to understand the difference between the groups, especially in terms of

authority.

Authority by Level

The Board has the Authority of Governance - No one else has it.

The Board has five primary governance responsibilities:

- 1. District governance and policy
- 2. Operational performance oversight and organizational direction
- 3. Board governance policy
- 4. Superintendent relations
- 5. Public engagement, community relations, and advocacy for public education

The Administration has the Authority of Management - No one else has it.

Administrators have six primary responsibilities:

- 1. Resource management: financial, human, and physical/environmental
- 2. Instructional leadership at the principal level
- 3. Performance management and professional development
- 4. Continuous improvement
- 5. Procedures and practices aligned with district policies
- 6. Staff, parent, and community relations

Staff, students, parents, and the public have the Authority of Consultation - No one else has it.

They have four primary responsibilities:

- 1. Voice of self and collective interest.
- 2. Assessing risks and merits of various options as part of decision making processes and/or the daily operations of the school district
- 3. Responsibly resist or oppose change.
- 4. Provide input and feedback to management and governance.

Sources: Dennis Cheesebrow, *Teamworks International*
 ISD 110 Policy 208 – *Development, Adoption, and Implementation of Policies*
<https://isd110.org/about-us/school-board/district-policies/200-school-board>

Macro-Management, Not Micro-Management

The Superintendent is the district’s chief executive officer who works for the School Board and is the person who translates policy into action. Consistent with the goals set by the School Board, the Superintendent and staff make the day-to-day decisions that affect the operation of the school district, deployment of resources, assignment of staff, and documentation of results.

Board	Superintendent & District Administration
Sets Mission, Vision, and Framework	Implement and support changes by making recommendations
Sets Policies	Implements processes and procedures to adhere to

	district policies
Sets Budget	Oversees spending and ensures proper management and control
Approves Hiring and Creation/Elimination of Positions	Actively select, assign, and recommend positions for board approval
Set Employment Policy	Supervising and evaluating personnel through policy. Enforcement of work rules and disciplining personnel per contract requirements.
Evaluation of School District and Superintendent Performance	Provides information on the efficiency of the district and recommends opportunities for improvement.
Contract Negotiations	Provide financial information and labor negotiation best practices, assist the board in matters and procedures of the negotiation process.

Sources: Mick Waldspurger, ~~Squires, Waldspurger, and Mace P.A. Rupp, Anderson, Squires, & Waldsburger, P.A.~~, *Effective Governance: Understanding the Rights, Responsibilities, and Risks of Being a School Board Member*, 4 June 2020

ISD 110 Policy 208 – Development, Adoption, and Implementation of Policies
<https://isd110.org/about-us/school-board/district-policies/200-school-board>

Acting as a Body

The Board Must Act as a Body and Not Through Individual Members

The School Board acts as a perpetual body which is responsible for fulfilling the school district’s duties under the law and for lawfully exercising its powers.

- 1. Individual Board members have a limited role.** The most important role of an individual Board member is to prepare for and participate fully at Board meetings so that the Board, as a body, can fulfill its statutory duties.
- 2. Individual Board members have no authority to act on their own.** Unless the Board has delegated authority to an individual Board member, the individual Board member has no power to give orders, to supervise or evaluate an employee, to investigate a complaint, to formulate policies, or to take any other action for or on behalf of the Board.
- 3. After the vote is over, the School Board and Superintendent must act with one voice.** Board members are entitled to have their own view and are encouraged to share it publicly when debating a motion. Discussion about an issue that reflects diversity of viewpoints usually results in a better decision. But remember to debate the issue, not the person, and avoid demeaning or angry

comments. Once debate has ended and the vote has been taken, the body has spoken and no Board member nor the Superintendent should act to undermine implementation of the Board's vote. For example, it is inappropriate to publicly campaign against an action that has already been voted on by the Board. Even if you still privately disagree with the Board's decision after the vote, it is best to follow the old saying - "if you can't say anything nice, don't say anything at all."

Relationship Between the Superintendent and the School Board

One Employee: Based on the policy-making governance role of school boards in Minnesota, it is often said that the School Board really has only one employee because the Superintendent is the only employee who the Board directly hires and who reports directly to the Board. The Board thus has the right to hold that one employee – the Superintendent – accountable for events that occur in the district.

The School Board shall collaboratively set annual goals for the Superintendent. The School Board, led by the Board Chair, should perform a mid-year evaluation to assess progress towards achievement and adjust goals where necessary. The School Board will perform a final evaluation and provide a summative evaluation of the Superintendent's annual performance based on those goals each year. Exceptions may be made in the final year of a contract.

Timely and complete information: The Superintendent must provide timely and accurate information to the Board, within the limitations established by the *Minnesota Government Data Practices Act (MGDPA)* <https://www.revisor.mn.gov/statutes/cite/13>, and must be open to requests for management and other informational reports. With the exception of the School Board Chair, the Superintendent must provide all Board members with equal access to his/her time and should provide the same information to all Board members, including those who may have a different viewpoint. In return, Board members are expected to thoroughly review the information they receive.

Source: Mick Waldspurgen, ~~Squires, Waldspurgen, and Mace P.A. Rupp, Anderson, Squires, & Waldsburger, P.A.~~, *Effective Governance: Understanding the Rights, Responsibilities, and Risks of Being a School Board Member*, 4 June 2020

Following the Proper Chain of Command

Superintendent's Role in the Chain of Command

In order for the chain of command to work effectively, the Superintendent must welcome and encourage all School Board members to respectfully communicate complaints and concerns. Additionally, the Superintendent must provide general updates to the Board about issues and actions that have been taken, while being mindful of limitations imposed by the MGDPA.

Board Member Role in the Chain of Command

Responding to citizen complaints:

1. Document the complaint and provide the documentation to the Superintendent.

2. Direct the citizen member to the Superintendent or building principal (depending on the nature of the complaint), provide the appropriate contact information, and inform the citizen that you will be informing the superintendent of the complaint.
3. Explain that the school district, depending on the nature of the complaint, may have a complaint form, and that the Superintendent or building principal may ask the citizen to complete the form.

Responding to anonymous complaints:

1. The same basic process should be followed as with other complaints.
2. The district's obligation to investigate depends on the nature of the anonymous complaint and whether the information provided is sufficient to allow an investigation.
3. The district can investigate only reasonable leads and should not participate in a fishing expedition.

Responding to citizen concerns

1. Inform the Superintendent of all concerns.
2. If the concern is in regard to the Superintendent, inform the School Board Chair.

What NOT to do:

1. Do not investigate yourself.
2. Do not promise a particular outcome or course of action.
3. Do not promise confidentiality.
4. Do not pick sides.
5. Do not act outside the process or act as *the* decision-maker.
6. Do not offer to personally address the concern.
7. Do not go directly to employees below the Superintendent or members of the Superintendent's cabinet.

Engaging Legal Counsel

As a general rule, only the ISD 110 Board Chair or Superintendent should directly contact ISD 110's legal counsel. If you have a legal question or concern as a Board member, inform the Board Chair or Superintendent, and if necessary they will communicate the question to legal counsel.

Source: Mick Waldspurger, ~~Squires, Waldspurger, and Mace P.A. Rupp, Anderson, Squires, & Waldsburger, P.A.~~, *Effective Governance: Understanding the Rights, Responsibilities, and Risks of Being a School Board Member*, 4 June 2020

~~ISD Policy 216—Anonymous Communications~~

~~<https://isd110.org/about-us/school-board/district-policies/200-school-board>~~

BALANCING THE ROLE AS A BOARD MEMBER AND PARENT/COMMUNITY MEMBER

Board Member/Parent Role

Keep in mind that you do not relinquish your parental rights when you become a School Board member. You are always a parent first and a School Board member second. But at the same time keep in mind that no matter how many times you say you are “speaking as a parent, not a Board member,” it is difficult for some staff to separate your role on the School Board from your role as a parent, and some staff may be intimidated by your role as a Board member. To minimize this concern, some Board members opt to have their spouse, the child’s other parent/guardian, or another family member take the lead in speaking to their children’s teachers in certain situations.

However you handle interactions with staff as a parent, make sure that you do not use your position as a School Board member to secure special treatment for your child – your child should be treated the same as other students and subject to the same rules and requirements. If there are issues you wish to discuss with a teacher, you should follow the normal procedures for contacting your child’s teacher.

Board Member/Community Member Role

The best way to respond to complaints from parents in school, community, and social situations is to be a good listener, which allows you to ask questions to understand the situation better. Be careful, however, that the parent does not interpret your questions or comments as an indication of agreement or future board action. Once parents have shared their complaints with you, provide guidance on how to get their concerns addressed through the proper channels, as discussed above. If the concern is about safety or legality, follow district procedures and notify the Superintendent. If the concern raises governance or controversial political questions, contact the Superintendent and the Board Chair.

Most of the complaints you will hear from parents are administrative in nature and not policy issues and as such they do not belong on the Board’s table. It is not your responsibility, nor do you have the authority, to solve each parents’ problem. Do listen to them, but then make sure they know to contact the appropriate school staff member. You owe the Superintendent and staff the opportunity to respond and to support them if they are properly following Board policy. A parent may follow up with you if the complaint is not resolved, but becoming directly involved can compromise your impartiality and in some cases expose you and the district to legal liability.

You will at times find yourself dealing with controversial, complex issues and the Board’s final decisions may be unpopular. When a community member questions a Board decision, explain the thought process that went into the decision and why the Board arrived at the conclusion it did, even if you personally disagreed. Be sure to answer honestly and without emotion and refer them to the Superintendent or Board Chair if you feel they require more explanation than you can provide.

Source: New York State School Boards Association, *New School Board Member Handbook: A Guide to Surviving Your First Year*. 2017

Procedures for Visiting Schools

All School Board members are encouraged to be informed about our schools and visits to buildings are a good way to be part of that process. Some board members have more opportunities to be the buildings in their roles as parents, volunteers, and community members. Board members must take care to separate their parent/volunteer roles from their roles as Board members.

To assure that all Board members have a chance to tour all of our buildings, periodic visits to the schools will be scheduled. Full Board building visits may be scheduled at mutually agreed upon times. Such visits are subject to the Open Meeting Law and are scheduled by the Superintendent's Executive Assistant.

If individual Board members wish to visit one or more of our schools outside of these established times, they should first inform the Superintendent of their desire to visit, and the Superintendent will work with the school Principal(s) to schedule a school visit for the Board members. When visiting any school, Board members must remember that they do not serve in an administrative role and should not attempt to direct, criticize, discipline, or disrupt the work of staff members.

Typical Scenarios you will Encounter

Situation	Sound Governance Practice
------------------	----------------------------------

<p>What do I do if I get a phone call or am stopped in person with concerns from:</p> <ul style="list-style-type: none"> a. staff member b. student c. parent 	<p>Check name, status, and phone number for contact Always seek to identify the situation or interest, but generally, do not agree or commit to personally resolve</p> <ul style="list-style-type: none"> a. Redirect staff to supervisor, and notify superintendent's office <u>Caution:</u> do not get involved in employment / contractual issues b. Redirect student to principal and notify superintendent's office <u>Caution:</u> if a concern about safety is raised, follow district procedures c. Redirect parent to teacher / principal / administrator as appropriate and notify superintendent's office <u>Caution:</u> Do not attempt to deal with issues of groups, only the individual parent <p><u>Overall:</u></p> <ul style="list-style-type: none"> ● Do not agree to confidentiality, or commit to limit your options of notification ● Be available for contact in the future if redirecting does not address concern ● Be alert to "patterns" of like concerns, and if present, notify the superintendent's office ● If concern raises governance and/or political edge questions, contact Board Chair in addition to superintendent's office
<p>What do I do if I get an email with concerns from:</p> <ul style="list-style-type: none"> a. staff member b. student c. parent 	<p>Following the same guidance from above, in addition:</p> <ul style="list-style-type: none"> ● Send author an email of acknowledgement and that their concern has been forwarded to the superintendent's office ● An email does not require engagement or seeking to understand issue ● Do not cc or bc to any individual or group, nor "reply to all" ● Be alert to "patterns" of like concerns, and if present, notify the superintendent's office ● If concern raises governance and/or political edge questions, contact the board chair in addition to the superintendent's office

<p>As a board member, what do I do if I have a concern or complaint?</p>	<ul style="list-style-type: none"> ● Contact the board chair and / or the superintendent directly, preferably in person, or by phone ● Don't engage in serial meetings with other board members ● Be clear as to what your concern is as a board member, parent, etc., and be clear as to <ul style="list-style-type: none"> ○ your experience ○ what you think ○ what you feel ○ what you want ● Identify what in the concern is governance work, and what is management work ● Seek to increase your understanding, with an assumption of trust and competence for employees ● Don't represent other's or group's interest as your own ● Don't raise an issue as a surprise in work sessions or business meetings. Allow the board chair and superintendent time to research and prepare for a board discussion, if warranted
<p>What if I disagree with a report or presentation to the board?</p>	<ul style="list-style-type: none"> ● Submit questions and concerns to Office of Superintendent as the board protocol describes ● Reflect on what is driving your concern or disagreement ● If disagreement is in the details, request a meeting with Superintendent to discuss ● Do not surprise administrators or the board in work sessions and business meetings ● Praise publicly, confront privately

Source: Dennis Cheesebrow, *Teamworks International*

MEDIA RELATIONS AND PUBLIC STATEMENTS

ISD 110 is committed to partnering with the community, families, students, and employees, and will coordinate and share regular and ongoing communications through a variety of means – including e-newsletters, videos, website, social media, e-mail, printed materials, and face-to-face communications. At the direction of the Superintendent, the Director of Communications will manage communications with all audiences and oversee interactions with media at all levels to preserve, manage, and promote the image and brand of ISD 110. Decisions are guided by the ISD 110 Strategic [Roadmap Plan](#), Communications Plan, and Brand Guidelines.

Statements made by individual ISD 110 School Board members are not meant to represent the entire Board. Board members should take care to make sure that when they speak both publicly and privately in regard to any district issue that they clarify that they are presenting their own personal opinion as one Board member of seven. Occasionally the Board Chair, as part of the duties of the Chair, will speak or issue a

public statement on behalf of the full Board; however, such statements by the Chair should be clearly designated as such and issued whenever possible in consultation with the Superintendent and/or the ISD 110 Director of Communications.

Source: ISD Policy 105 – School District Public Relations and School Communications

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

MANAGEMENT OF SELF-GOVERNANCE ISSUES

When Board members are disrespectful to one another, disregard protocols, violate the Code of Ethics, repeatedly fail to fulfill their Board duties, or inappropriately push agendas which are different from or actively oppose the consensus of the full Board, those infraction(s) must be pointed out promptly by Board colleagues and the offending Board member(s) should be reminded of the proper role of a board member.

If violations continue, the Board Chair, with assistance as needed from the Vice-Chair, should intervene and discuss the improper behavior with the offending Board member(s) and make plans to correct it. A written record of the intervention should be made and kept by the Board Chair. If violations continue after the intervention, the Board Chair should enlist the full Board in discussion to consider formal public reprimand or censure.

If formal full Board condemnation does not correct the member's inappropriate behavior, then the Board Chair should consult the district's legal counsel to consider additional options, including formal disavowal of conduct and/or removal from the Board. If at any time a Board member's actions or statements put themselves or the district in legal peril, the Board Chair should consult with the district's legal counsel. If the Board Chair is the member engaging in improper conduct, the Vice-Chair should intervene as appropriate, with assistance as needed from another elected Board officer, the full Board, and/or the district's legal counsel.

ELECTION AND ROLES OF BOARD OFFICERS

Election of Officers

The Chair, Vice-Chair/Clerk, and Treasurer of the ISD 110 School Board are elected annually at the Organizational Meeting, which is held on the first Monday of January, or as soon thereafter practicable, each year. The elected officers hold their offices for one year until their successors are elected.

Roles of Board Officers

There are three official officers of the ISD 110 Board of Education: Chair, Vice-Chair/Clerk, and Treasurer. The Board may designate the duties of the offices of Clerk and Treasurer to individuals within the executive staff of the Superintendent's office. At ISD 110, the Treasurer role is usually designated to the Director of Finance and Operations, and the role of the Clerk is usually designated to the Superintendent's Executive Assistant. It is important to note that despite the election of officers, all Board members maintain equal rights, voices, and votes when it comes to making Board

decisions. In addition, minutes of all Board meetings and work sessions must be taken by a temporary substitute Board designee in the absence of the Clerk.

Role of the Chair – The Chair presides at all meetings of the School Board, countersigns all orders upon the Treasurer for claims allowed by the School Board, and represents the school district in all actions and performs all usually incumbent upon such an officer.

Role of the Vice-Chair/Clerk –The Vice-Chair shall perform the duties of the Chair in the event of the Chair’s temporary absence. The Vice-Chair may also perform other duties and tasks as assigned by the School Board.

Role of the Clerk – In ISD 110 School Board usually designates the Superintendent’s Executive Assistant to perform the duties and tasks of the School Board Clerk.

1. The Clerk or designee shall keep and maintain permanent records of the School Board, including records of the minutes of School Board meetings, updates to the School Board Handbook, and other required records of the School Board. All votes taken at meetings required to be open to the public pursuant to the Minnesota Open Meeting Law shall be recorded in a journal kept for that purpose. Public records maintained by the school district shall be available for inspection by members of the public during the regular business hours of the school district. Minutes of meetings shall be available for inspection at the administrative offices of the school district after they have been prepared. Minutes of a School Board meeting shall be approved or modified by the School Board at a subsequent meeting, which action shall be reflected in the official proceedings of that subsequent meeting.
2. Within three days after an election, the Clerk or designee shall notify the persons elected.
3. The Clerk or designee shall perform such duties as required by the Minnesota Election Law or other applicable laws relating to the conduct of elections.

Role of the Treasurer – With the exception of serving as Chair of the Finance & Facilities Committee, the ISD 110 School Board usually designates the ISD 110 Director of Finance and Operations as the Acting Treasurer to perform the duties of the School Board Treasurer.

1. The Treasurer or designee shall deposit the funds of the school district in the official depository.
2. The Treasurer or designee shall make all reports required by Minnesota state law, file any reports which may be called for by the School Board, and perform all duties the Treasurer usually performs.
3. In the event there are insufficient funds on hand to pay valid orders presented to the Treasurer or designee, the Treasurer or designee shall receive, endorse, and process orders in accordance with Minnesota state law.

Source: ISD 110 Policy 202 – School Board Officers

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

WACONIA SCHOOL BOARD – STUDENT REPRESENTATIVES

The school board values the voices of students and wishes to both encourage student involvement and promote a communications link between the school board and the students of the district by authorizing student representatives to serve on the school board as non voting members. The school board believes that the views, insights, and suggestions of a student representative on the school board can be an advantage to the school board in its decision-making role regarding educational policies and programs.

Selection Process

1. In the fall and application process will bring forth applications from both 11th and 12th grade students in good student standing.
2. The applications will be prepared and distributed with the support of the Waconia High School leadership and a deadline will be established before the completion of the first month of school.
3. Interviews will be conducted by two designated board members along with the Superintendent no later than 2 weeks following the established deadline.
4. Interviews will be conducted before or after school and will be scheduled for no more than 15 minutes per interview.
5. All candidates will be given the opportunity to answer the same pre-selected questions.
6. Two student representatives will be selected after all interviews are complete.
7. Candidates demonstrating strengths in the following categories will be considered first:
 - Passion and proven interest in the fields of government, public relations, and political science
 - Well-rounded perspective and ability to engage multiple student groups
 - Willingness to share ideas and advocate for others
 - Strong sense of purpose and desire to learn and grow
 - Ability to speak in public with pose and professionalism
8. The superintendent will extend offers to two (2) students the day following selection. Letters will be extended to all applicants on behalf of the board within 1-2 days following the selection notifying them of the results.
9. Board members will be given an orientation with the Superintendent, Board Chair, and Clerk prior to their first meeting.
10. The first official meeting will be the October Regular School Board Meeting.

Rights & Responsibilities

1. The student representative on the school board will attend all regular school board meetings while school is in session. Work sessions are optional but highly encouraged while school is in session. (Approximately 1-2 meetings a month). Committee meetings are not required but representatives are welcome

- to join under consultation with the Superintendent.
2. The student representative will not be permitted to attend closed meetings.
 3. The student representative will have a designated spot to sit at the school board table for regular meetings.
 4. The student representative will be bound by all rules, policies, and regulations that bind the school board.
 5. The student representative will present a student representative report at each meeting and may offer comments to the school board regarding items on the agenda that affect students.
 6. The student representative will not have the right to make or second motions nor vote on business matters before the board.
 7. The student representative will report to the student body regarding matters discussed at school board meetings that are relative to student outcomes.
 8. The student representative shall receive all other materials distributed to the school board in the board packets or at the school board meeting. All information received must be handled in an appropriate manner as a student representative on the school board.
 9. The student representative will not be furnished board materials such as, but not limited to:
 - Sensitive personnel matters
 - Legal action strategy
 - Negotiations strategy
 - Individual student discipline
 - Other confidential matters
 10. The student representative shall dress and act appropriately while serving on the school board in a manner consistent with other school board members and the school board Code of Ethics.
 11. The student representative on the school board shall work to represent opinions of the student body and not solely the representative's own opinions.
 12. The student representative on the school board shall consult with the superintendent of schools in carrying out the responsibilities associated with serving as student representative on the school board.

SCHOOL BOARD MEETINGS

An orderly School Board meeting allows the School Board members to participate in discussion and decision of school district issues. Rules of order allow School Board members the opportunity to review school-related topics, discuss school business items, and bring matters to conclusion in a timely and consistent manner. Specific actions are outlined in Policy 203 and the board is responsible for reviewing the policy on a regular basis to ensure continuity and adaptability for effective and efficient meetings.

Source: ISD 110 Policy 203 – Operation of School Board – Governing Rules

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

General Meeting Cadence

Meeting dates and times are set at the organizational meeting in January and by board decision are subject to change. Generally, the School Boards meet in **work sessions** at

7:00 PM on the 2nd Monday of each month, the location for which rotates throughout ISD 110 buildings. It meets in **regular business meeting sessions** on the 4th Monday of each month, in the Waconia City Council Chambers.

Special meetings may also be called at various times throughout the year to discuss or conduct urgent business. In certain cases where in-person Board meetings are not possible, online meetings may be held as pursuant to open meeting law.

Board Committees, Advisory Councils, Task Force & Liaison Roles

Committees

As outlined in Policy 213, committees are an essential duty of active board members. Committee roles are necessary for engagement in key areas of board work. Typically they meet monthly, and are usually attended only by those Board members that are assigned to them in a given year. Although Board members may indicate a preference in regard to their committee assignments, final annual committee assignments are made at the discretion of the Board Chair.

Board Committees are made up of only Board members and certain administrators who engage in relevant research and pre-discussion of certain aspects of Board business and topics of concern in order to make full Board consideration of those issues more efficient.

Advisory Councils

Certain School Board members are also assigned by the Board Chair to school district Advisory Council positions, such as:

- ISD 110 Advisory Council (ISD110AC)
- Special Education Advisory Council (SEAC)
- Teaching & Learning Advisory Council (TLAC)
- Community Education Advisory Council
- Technology Advisory Council
- Chemical Abuse Community Advisory Council

These Board advisory bodies meet at varying times throughout the year, depending on the group and its work and purpose. They consist of administrators, staff, students, parents, and/or community members who serve as sources of internal and external input for the purpose of advising and making recommendations to the School Board in regard to school district policy and issues.

Task Forces

In addition, certain Board members may be assigned by the full Board or the Board Chair to serve on special temporary **task forces** to research or accomplish a uniquely specialized task on behalf of the Board. These task forces may be composed of just Board members, or any combination of Board members, administrators, staff, parents, students, and community members, depending on the task to be accomplished.

Liaison Roles

Finally, certain Board members are assigned by the Board Chair to act as ISD 110 School Board Liaisons to various external organizations with whom ISD 110 has a business, governmental, and/or advocacy relationship. These organizations may include:

- The City Councils serving the cities of Waconia, Minnetrista, New Germany, St. Bonifacius, and Victoria
- Southwest Intermediate School District 288
- HEROES Coalition
- Schools ~~for Equity in Education (SEE)~~ Advocating for Fair Funding (SAFF)
- District 110 Foundation
- Minnesota School Boards Association (MSBA)
- Carver County Leaders
- Minnesota State High School League (MSHSL)
- Elementary and Middle School Parent-Teacher Organizations (PTOs)
- Booster organizations

Agendas

While all School Board members may provide input and request to add an item to any agenda, School Board meeting and work session individual agendas are primarily determined by the ISD 110 School Board Calendar of business and are developed and tentatively finalized by the Board Chair and Superintendent, whenever possible, at least 5 days prior to scheduled meetings so that all Board members have the chance to review and request additions or subtractions from them.

In the case of a special meeting, the final meeting agenda, according to Minnesota law, must be posted for the public at least 72 hours prior to a scheduled meeting, along with the date, time, and location of the meeting.

Copies of agendas and materials relating to agenda items (other than items related to a closed session) that are not protected by MDGPA must also be available for public view during the meeting. In the case of online meetings, all Board members must be able to be both seen and heard whenever possible, and agenda items for a special meeting must be made available to the public for online viewing.

If a Board member wishes to add an item to a future agenda, the Board member is encouraged to contact the Board Chair and/or Superintendent to make a request for consideration. If a Board member wishes to add an agenda item to the meeting agenda at the beginning of that actual meeting, they must make a motion to add the item, must obtain a second to that motion, and achieve a majority vote of the full Board for the item to be added to the agenda.

Conversely, a Board member may also make a motion to remove items from the agenda. If a second motion is obtained and a majority vote achieved, the item may be removed from the agenda.

Motions may also be made by Board members at various points during the meeting to table agenda items for later discussion. This is usually done if it is determined that meeting time is running short and more discussion is required, and/or that more information is needed before determinative discussion can be completed and a full informed vote can be taken by the Board.

If further information is needed, the item can be tabled and referred to administration and/or a Board Committee or Advisory Council for additional consideration and further recommendation to the full Board in a future meeting.

Members of the public who wish to place an item on the agenda must make a request to the School Board Chair or Superintendent in a timely manner. The person making the request is encouraged to state their name, address, purpose of the item, action desired, and pertinent background information.

The Chair and Superintendent shall determine whether to place the matter on the tentative agenda. The ISD 110 School Board also allows public comment during its regular business meetings each month.

Minutes of all publicly posted School Board meetings and work sessions of the whole Board should be taken and recorded by the Board Clerk or other designee in the absence of the Clerk.

Sources: ISD 110 Policies 203.5, 203.6, and 204 - School Board Meeting Agendas, Consent Agendas, and Minutes

ISD Policy 213 School Board Committees

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

Public Engagement

All speakers at ISD 110 School Board hearings and meetings must be recognized by the Chair and given the floor before speaking – this includes Board Members, Superintendent, guest presenters, and members of the public who are addressing the Board at its hearings and meetings.

The Chair should allow only one speaker at a time and reserves the right to limit the amount of time for each speaker, as well as to limit the amount of time allowed to debate a particular issue or agenda item.

At public hearings, which are held specifically to seek public input in regard to a particular issue, the purpose of the meeting is for members of the public to address the School Board. An example of a legally required annual public hearing that the school district must hold is the Truth in Taxation hearing held in December of each year. A public hearing is a chance for members of the public to engage in dialogue with the School Board on a specific issue.

By contrast, regular School Board meetings, work sessions, or committee meetings are defined as meetings of the School Board to conduct the business of the school district in public view. They are business meetings taking place in public, not public meetings. It is thus a privilege, not a right, to address the School Board during its business, committee, and work session meetings. That said, the ISD 110 School Board sets aside the first ten minutes of its regular monthly business meetings for public comment, and can at its discretion allow limited public comment at other times.

In all cases, however, anyone present at any School Board hearings and meetings are expected to conduct themselves in a respectful, constructive manner and keep to the issue at hand whenever possible. Personal attacks by anyone addressing the School Board are unacceptable and will not be tolerated. The Chair should call inappropriate statements and personal attacks out of order, and the speaker's privilege to speak may be revoked, and if they persist with inappropriate behavior they may be asked to leave.

Board Discussion/Ending Debates

In addition, any Board member may make a motion to end debate on an issue by making a motion to "move the previous question" (also referred to as "calling the question"). This motion to "move the previous question" must be recognized by the Chair and seconded by another Board member. It must then receive a two-thirds vote of all Board members present in order to pass and for debate on the issue to end.

In addition, any School Board member or the Superintendent (an ex-officio member of the School Board) can raise a point of order or point of information at any time during any meeting if they feel that an incorrect or inappropriate statement or action has been made by anyone, including another School Board member. All Board members should keep in mind and adhere to the ISD 110 School Board Code of Ethics, and if a Board member continues to speak or act inappropriately they can be subject to censure, disavowal of their conduct, or removal from the School Board.

The Chair will rule on the point of order or point of information according to *Robert's Rules of Order* and established policy, protocols, and Minnesota state law, including the Minnesota Government Data Practices Act ("MGDPA") and the Open Meeting Law ("OML"), which prohibit certain information from being discussed or released during a public meeting. If comments or discussion would violate the law, the Chair should declare the comments out of order and end or redirect the discussion.

Sources: ISD 110 Policy 206 - Public Participation in School Board Meetings/Complaints about Persons at School Board Meetings, and Data Privacy Considerations

ISD Policy 207 - Public Hearings

ISD 110 Policy 209 – Code of Ethics

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

Mick Waldspurgen, ~~Squires, Waldspurgen, and Mace P.A. Rupp, Anderson, Squires, &~~

~~Waldsburger, P.A.~~, *Effective Governance: Understanding the Rights, Responsibilities, and Risks of Being a School Board Member*, 4 June 2020

Minnesota Government Data Practices Act (MGDPA)
<https://www.revisor.mn.gov/statutes/cite/13>

Robert's Rules of Order. <https://robertsrules.org/motions.html>

OPEN MEETING LAW & SCHOOL BOARD COMMUNICATIONS

One of the most difficult but important aspects of serving as a School Board member is to understand and abide by the complex rules embodied within the Minnesota Open Meeting Law <https://www.revisor.mn.gov/statutes/cite/13D>. The law itself has been clarified by several court decisions, but nevertheless there remain several gray areas, and so it is best if school boards and their individual members err on the side of caution at all times.

General Requirements

Put simply, the Open Meeting Law requires that School Boards and other government decision-making bodies conduct the business of doing the public's work within the public view. There are exceptions when a meeting can be closed, but they are few. The only times when a School Board may close a meeting are:

- When strategizing during employee contract negotiations
- When discussing individual student or employee information that is not classified as public
- When discussing the potential sale or purchase of property by the district • When discussing legal action being taken by or against the school district and information is subject to attorney-client privilege
- When engaging in Board-related governance training.

Open Meeting Law does not just apply to verbal discussions, it also applies to electronic communications, such as e-mail, text messages, conference calls, chat rooms, and social media posts.

Board Discussion Beyond the Board Room

You can certainly socialize and even be friends with your School Board colleagues. But you must be careful that you do not discuss any School Board matters if you have a quorum (which for ISD 110 is four or more Board members) of your Board participating in the discussion. And even if you do not have a quorum present, you must make certain that those present do not then leave that discussion and strike up the same conversation with other Board members not initially present. That is called a "serial" meeting of Board members, which can also violate the Open Meeting Law. It is also for this reason that ISD 110 Board Committees do not have more than three Board members assigned to them – to avoid the presence of a quorum and to keep the

committee itself within the appropriate role of researching and recommending discussion/action to the full Board, without the quorum-required authority to make decisions or take action itself as a committee.

Electronic Communications

In regard to electronic communications, School Board members may use email, text messages, social media messaging, or other sources to communicate with each other, but these methods cannot be used to discuss Board business, to influence votes on issues, or to avoid Open Meeting requirements. You should be particularly careful to avoid sequential email, texts, social media, or group chat conversations that end up or could end up including a quorum or more of the full Board. Communications like these which preclude the community from hearing Board debate on school district issues are problematic, and also open up all of these means of communication, even those otherwise deemed to be private means, to public data requests.

When sending an email, if you feel you must send it to three or more other Board members, send it instead to the Superintendent, who can then distribute the information on your behalf to those who may need it, or present it instead at a Board or committee meeting.

In addition, if you receive an email to all Board members from anyone, DO NOT send a reply using the “Reply All” function. If you must reply, send your reply only to the initial sender. Most intra-board communication within the full board is usually in regard to scheduling and the distribution of general information – but there should not be discussion of the information distributed outside of full Board or committee meetings.

When the full Board receives an email from a member of the public, ISD 110 School Board’s protocol is to allow the Superintendent and/or Board Chair sufficient time to reply where appropriate on behalf of the full Board. If you receive an email as an individual Board member from a member of the public about a district issue, you should reply that you appreciate the inquiry and that you are forwarding it to and/or consulting with the Superintendent in regard to it. Most inquiries received by the Board are managerial in nature or involve a district issue that the Superintendent has more experience with addressing, and so Board members should refer inquiries to the Superintendent whenever possible.

Your School Board email is generally public. As a result, anything you send or receive is subject to public view (with nonpublic data under the MGDPA redaction). Do not use your private email, social media accounts, and personal devices for School Board communication. If you do, those accounts and devices can also become subject to a public data request. If you have questions about Open Meeting Law requirements and scenarios, ask the Board Chair or Superintendent for advice, and if further clarification is necessary, they can consult with ISD 110’s legal counsel.

Sources: ISD 110 Policy 205 – Open Meetings and Closed Meetings

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

Mick Waldspurger, ~~Squires, Waldspurger, and Mace P.A. Rupp, Anderson, Squires, & Waldsburger, P.A.~~, *Effective Governance: Understanding the Rights, Responsibilities, and Risks of Being a School Board Member*, 4 June 2020

New York State School Boards Association, *New School Board Member Handbook: A Guide to Surviving Your First Year*. 2017

Minnesota Open Meeting Law <https://www.revisor.mn.gov/statutes/cite/13D>

MSBA Closed Meeting Law Summary
<http://www.mnmsba.org/Portals/0/MSBA-ClosedMeetingChart-8-13-2019.pdf>

Minnesota Government Data Practices Act (MGDPA)
<https://www.revisor.mn.gov/statutes/cite/13>

SCHOOL BOARD TRAINING

Training

New School Board members are required to attend Phase I (School Board Basics) & Phase II (School Board Finance & Management) as soon as possible after being elected to the School Board. Training is provided through the Minnesota School Boards Association (MSBA). School Board officers are strongly encouraged to attend MSBA Board Officer Training sessions. MSBA also offers various networking, training, and legislative advocacy opportunities throughout the year that Board members are encouraged to attend.

Schools ~~for Equity in Education (SEE)~~ [Advocating for Fair Funding \(SAFF\)](#), a statewide advocacy organization specializing in resource fairness in which ISD 110 School Board retains a membership, also offers several informational and advocacy opportunities throughout the year, particularly prior to and during each session of the Minnesota State Legislature.

In addition, the ISD 110 School Board occasionally contracts with outside consultants in order to improve its own knowledge, professionalism, efficiency & effectiveness, cultural competency, and collegial relationships.

Board member training is critical to building a shared focus and cultural competency strong enough to maintain members' commitment to leading long-term improvement efforts. Although internal Board training is focused on the Board member's role within the context of school improvement, participation in external Board member networking opportunities allows Board members to learn from the successes and experiences of other school boards, and helps to gain a broader understanding of public education issues.

Sources: Minnesota School Boards Association (MSBA) <http://www.mnmsba.org/> MS 127A.19 <https://www.revisor.mn.gov/statutes/cite/127A.19>

Schools for Equity in Education (SEE) <http://www.schoolsforequity.org/>

Dennis Cheesebrow, *Teamworks International*

Mick Waldspurger, ~~Squires, Waldspurger, and Mace P.A. Rupp, Anderson, Squires, & Waldsburger, P.A.~~, *Effective Governance: Understanding the Rights, Responsibilities, and Risks of Being a School Board Member*, 4 June 2020

Iowa Association of School Boards Member Handbook
https://www.ia-sb.org/docs/default-source/iasb-general/books-pubs/2023-24_bmh-onlineversion.pdf?sfvrsn=f364099d_1

Minnesota Department of Education (MDE) <https://education.mn.gov/MDE/index.html>

Minnesota Office of the Revisor of Statutes <https://www.revisor.mn.gov/>

ISD 110 District Policies <https://isd110.org/about-us/district-policies>

APPENDICES

Bibliography

Cheesebrow, Dennis. *Teamworks International*. Iowa Association of School Boards. *School Board Member Handbook*.

https://www.ia-sb.org/docs/default-source/iasb-general/books-pubs/2023-24_bmh-onlineversion.pdf?sfvrsn=f364099d_1

Minnesota Department of Education (MDE). <https://education.mn.gov/MDE/index.html>
Minnesota Office of the Revisor of Statutes <https://www.revisor.mn.gov/>

Minnesota School Boards Association (MSBA) <http://www.mnmsba.org/>

National Education Association (NEA). <https://www.nea.org/>

New York State School Boards Association. *New School Board Member Handbook: A Guide to Surviving Your First Year*, 2017.

Robert's Rules of Order. <https://robertsrules.org/>

Schools ~~for Equity in Education (SEE)~~. ~~<http://www.schoolsforequity.org/>~~ *Advocating for*

[Fair Funding \(SAFF\) https://saffmn.org/about/](https://saffmn.org/about/)

Waconia School Board Code of Ethics

<https://isd110.org/about-us/school-board/district-policies/200-school-board>

Waconia School Board Membership and Officers

<https://isd110.org/about-us/school-board>

~~Waconia Public Schools Mission, Vision, Core Values, and Theory of Action~~

~~<https://www.waconiacommunityed.org/sites/default/files/files/content/mission-vision-core-values-theory-action.pdf>~~

Waconia School Board Policies

<https://isd110.org/about-us/district-policies>

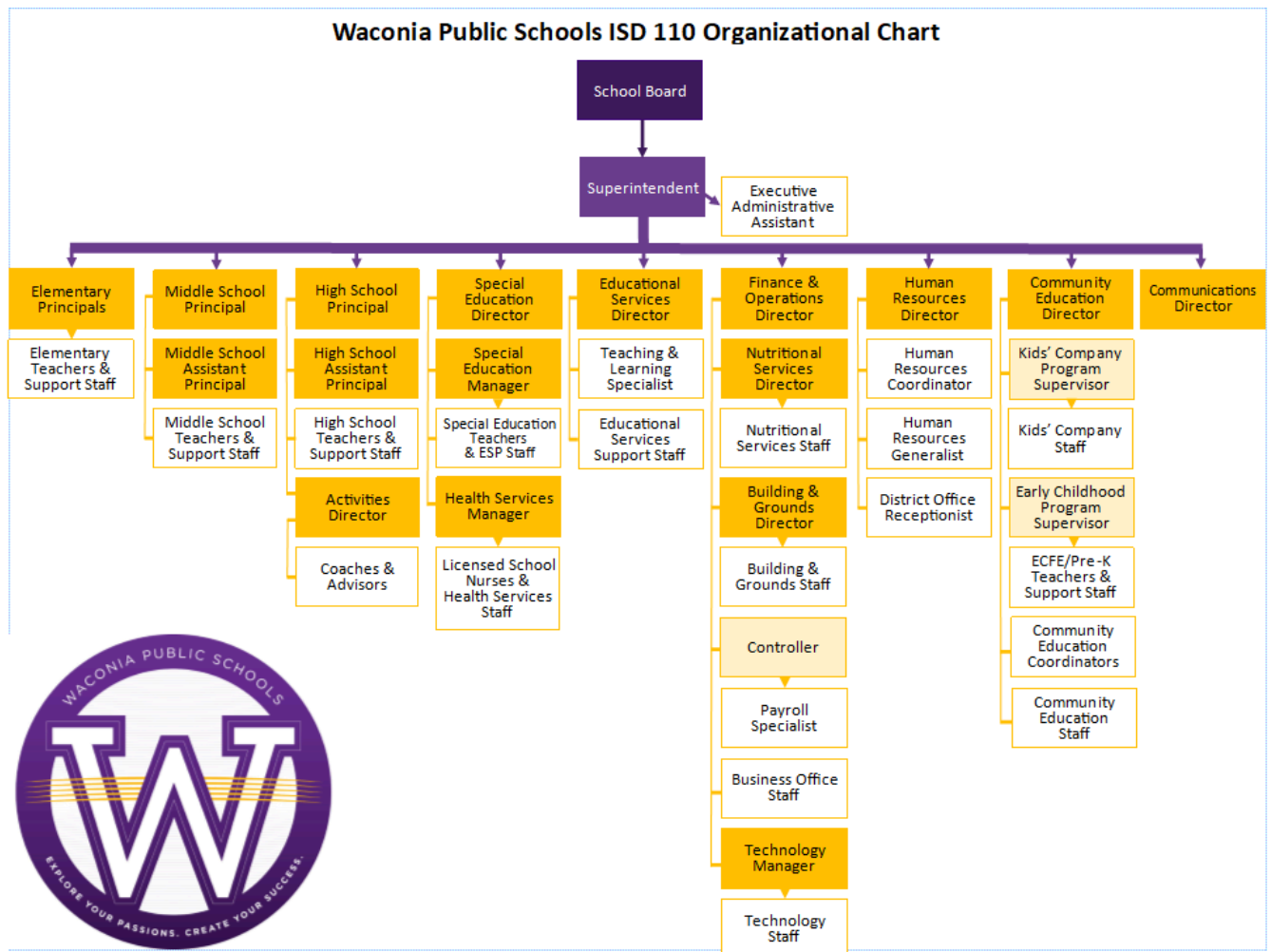
ISD 110 Strategic Plan

<https://isd110.org/sites/default/files/files/content/finalstrategicplan.pdf>

~~Waconia Public Schools Strategic Roadmap~~

~~<https://isd110.org/about-us/isd-110-strategic-roadmap>~~

Waldspurgen, Mick, of ~~Squires, Waldspurgen, and Mace P.A. Rupp, Anderson, Squires, & Waldspurgen, P.A.~~. *Effective Governance: Understanding the Rights, Responsibilities, and Risks of Being a School Board Member*, 4 June 2020.



November 2023

Resources

Education and Other Organizations

- Minnesota Department of Education (MDE). <https://education.mn.gov/MDE/index.html>
- Minnesota School Boards Association (MSBA) <http://www.mnmsba.org/>
- Robert's Rules of Order. <https://robertsrules.org/>; <https://robertsrules.org/motions.html>
- **Schools for Equity in Education (SEE)**. <http://www.schoolsforequity.org/>
- **Schools Advocating for Fair Funding (SAFF)** <https://saffmn.org/about/>

Private Training Materials

- Cheesebrow, Dennis. *Teamworks International*.
- Waldspurger, Mick, of **Squires, Waldspurger, and Mace P.A. Rupp, Anderson, Squires, & Waldsburger, P.A.** *Effective Governance: Understanding the Rights, Responsibilities, and Risks of Being a School Board Member*, 4 June 2020.

Internal Resources

- [Board Calendar](#) [Yearly Agenda Plan](#)
- [ISD 110 Strategic Roadmap Plan](#)

- ~~Board Finance Google Folder~~
- ~~Long Term Planning Model~~
- ~~Board Goals Statement~~

8. Thank You for Service to the School Board

- Luke DeBoer 2021-2024

9. Enter Closed Meeting RE: Superintendent's Evaluation

The school board may close a meeting to evaluate the performance of an individual who is subject to its authority. MN Open Meeting Law Chapter 13D.05 Subd. 3(a)

The school board will move to conference room C.