



**CENTENNIAL**

SCHOOL DISTRICT 12

CONNECTING. ACHIEVING. PREPARING.

Independent School District No. 12  
Centennial Schools  
Circle Pines, Minnesota

**Annual Comprehensive  
Financial Report  
for the Fiscal Year  
Ended June 30, 2024,  
and  
Independent Auditor's Report**



INDEPENDENT SCHOOL DISTRICT NO. 12  
CENTENNIAL SCHOOLS  
CIRCLE PINES, MINNESOTA

Financial Statements and  
Supplementary Information

Year Ended  
June 30, 2024

Prepared by  
Business Office

Patrick Chaffey – Executive Director of Business Services

Lee Lor – Controller

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INDEPENDENT SCHOOL DISTRICT NO. 12

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INTRODUCTORY SECTION



November 1, 2024

To the School Board, Citizens, and Employees of Centennial School District:

## **INTRODUCTION**

The Annual Comprehensive Financial Report (ACFR) for Independent School District No. 12, Centennial Schools (the District) is hereby submitted for the fiscal year ended June 30, 2024. The District's management assumes full responsibility for the completeness and accuracy of the information contained in this report. The report was prepared in accordance with accounting principles generally accepted in the United States of America. An independent firm of certified public accountants audits this report.

The ACFR is presented in three sections: introductory, financial, and statistical.

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

Malloy, Montague, Karnowski, Radosevich & Co., P.A., Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's basic financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

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

## **REPORTING ENTITY**

The financial reporting entity includes all funds of the District (primary government). Component units are legally separate entities for which the District is financially accountable. There are no organizations considered to be component units of the District.

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

The first recorded school held in the area that is now the District was in 1854, when classes were held in the F.X. LaValle home.

This grew into Centerville District 5. In 1880, District 48 was organized near Golden Lake. There were several districts in the area that over time, were consolidated into these two, which in turn were consolidated into District 240.

When the state of Minnesota organized the numbering of school districts in 1957, it became District 12. The community desired a name for the District that would represent all five of the communities served. Being that it was 1958, the centennial year for Minnesota, it was decided to honor that celebration and adopt the name Centennial for the school district.

The District connects these five communities of Blaine, Centerville, Circle Pines, Lexington, and Lino Lakes through nine exceptional schools that served approximately 6,478 students in 2023–2024. There are no charter schools within the District. The District’s track record of success includes a high school graduation rate of 90 percent, significantly higher than the state average and one of the highest in Minnesota.

The District currently owns 9 buildings, including 1 high school, 1 middle school, 5 elementary schools, an ice arena, and a grounds building. District buildings range in age from 4 to 67 years old.

The District offers engaging learning opportunities, emotional support, and social development to each of our students to help them prepare for whatever is next and beyond. Our students consistently perform at the highest levels in all academics, athletics, and activities. Every year, district students score significantly higher than state-wide averages on math and reading assessments.

## **FINANCIAL INFORMATION**

The District’s ACFR is prepared pursuant to School Board policy and Minnesota Statutes § 123B.77, Subd. 2 and 3. The audited ACFR is required to be filed with the Minnesota Department of Education (MDE) and the State Auditor by December 31 of the subsequent fiscal year.

In 1976, Minnesota law established the requirement for the Uniform Financial Accounting and Reporting Standards for Minnesota school districts (M.S.123B.77). The MDE implements and provides regulatory oversight of these standards.

## **LOCAL ECONOMIC CONDITION AND OUTLOOK**

The District’s population has grown from 31,982 in 2010 to about 36,526 in 2023, a 14.2 percent increase. In that same time period, the District’s enrollment has declined from 6,699 students in 2010 to 6,470 in 2023, a 3.4 percent decrease. Future enrollment projections show a small stable growth trend for the District. The Metropolitan Council forecasts that Anoka County and the Twin Cities Metropolitan region will continue to see growth in population, households, and employment through 2030.

According to the Minnesota Department of Employment and Economic Development, the unemployment rate for Anoka County continues to be lower than the national rate. In June 2024, the unemployment rate for Anoka County was 4.0 percent, as compared to 3.8 percent for the state of Minnesota, and 4.3 percent for the United States.

The various communities that comprise the District are nearly fully-developed. The District is seeing development in some pockets of its boundaries. The market values of property within the District have continued to increase over the past 10 years.

The District currently holds an AAA/AA- bond rating. This rating is a sign of a strong local economy, and a strong local financial standing. The District has a stable labor market and above average income levels.

The District's economic indicators continue to be ahead of state and national averages. As stated on the previous page, the District continues to see population growth, which has contributed to increases in property values for the past 10 plus years, and subsequent increases are anticipated.

## **INTERNAL CONTROLS AND BUDGETARY MANAGEMENT**

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

The goal of the District's budget is to provide a fiscally sound educational program for students aligned with our Strategic Roadmap. The annual budget is a compilation of all the services to provide an educational program for the school year. Each year the School Board must adopt the annual budget before the start of that fiscal year. The District's budget development consists of four phases: Planning, Decision, Adoption, and Evaluation.

The budget process includes estimates of revenues and expenditures based upon agreed assumptions. The staff allocation formulas are determined based on need and available resources to accomplish the District's goals.

All financial transactions of the District are accounted for in specific funds. The accounting system provides for a complete, self-balancing set of accounts for each fund of the District. The system provides budgetary control for activities of all governmental funds, thereby ensuring legal compliance. The system also provides budgetary control at the sub-function level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. The District's legal level of budgetary control is at the fund level, which is the level at which management may modify the budget within the fund without the approval of the governing body. Changes to increase or reduce total appropriations of an individual fund require the approval of the School Board.

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

The District has adopted a comprehensive set of financial policies and procedures that have ensured the financial stability of the District, as well as provided guidance for current and future financial decisions. The fund balance policy guides the District in terms of managing sufficient levels of fund balance to mitigate current and future risks.

## LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

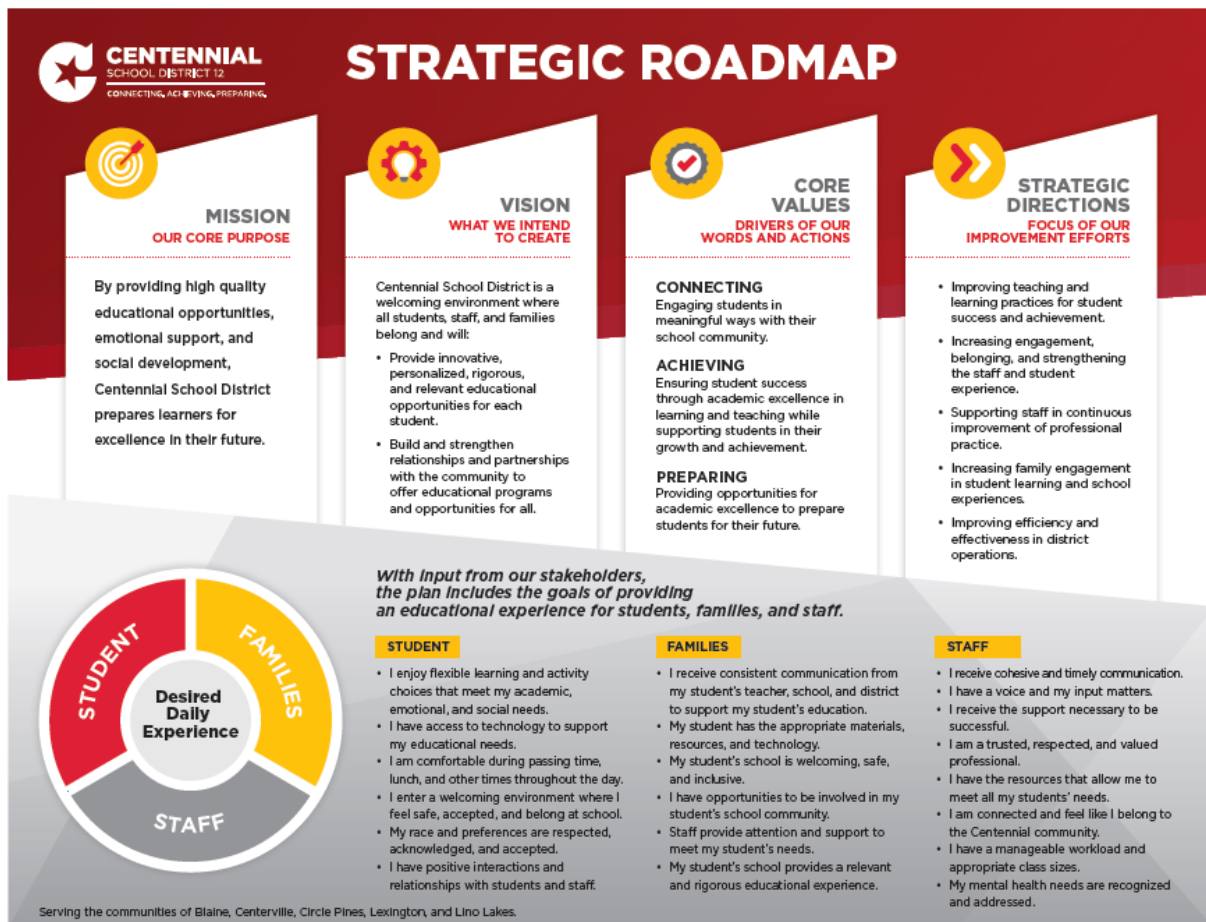
With the exception of voter-approved operating referendum, the District is dependent on the state of Minnesota for its revenue authority. Recent experience demonstrates that legislated revenue has not been sufficient to meet instructional program needs and increased costs due to inflation. The District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

In the most recent legislative session, increases in the general education basic formula allowance were \$275, or 4.00 percent, per pupil to the basic general education funding formula for fiscal year 2024, and an additional \$143, or 2.00 percent, per pupil to the formula for fiscal year 2025.

The District currently receives \$952.53 per pupil through the two separate voter-approved operating referendums. This total operating referendum authority provides \$6.8 million per year. The first operating referendum expires at the end of fiscal year 2026 and the second expires at the end of fiscal year 2030. The School Board has authority available to extend each of these for an additional 10 years. These operating referendums bring much needed revenue to continue current programming and to improve student learning.

## STRATEGIC ROADMAP

Through engagement of students, families, staff, and community representatives, a mission and vision of the District has been created through the strategic planning process. The roadmap also includes the goals of providing an educational experience for students, families, and staff, as well as the District's strategic directions.



## **CERTIFICATE OF EXCELLENCE**

This report has been prepared following guidelines provided by the Association of School Business Officials (ASBO) International for its Certificate of Excellence in Financial Reporting. The District intends to submit this ACFR for consideration. The District expects to earn the recognition that accompanies the standards of accuracy and thoroughness of the Certificate of Excellence Program.

## **ACKNOWLEDGEMENTS**

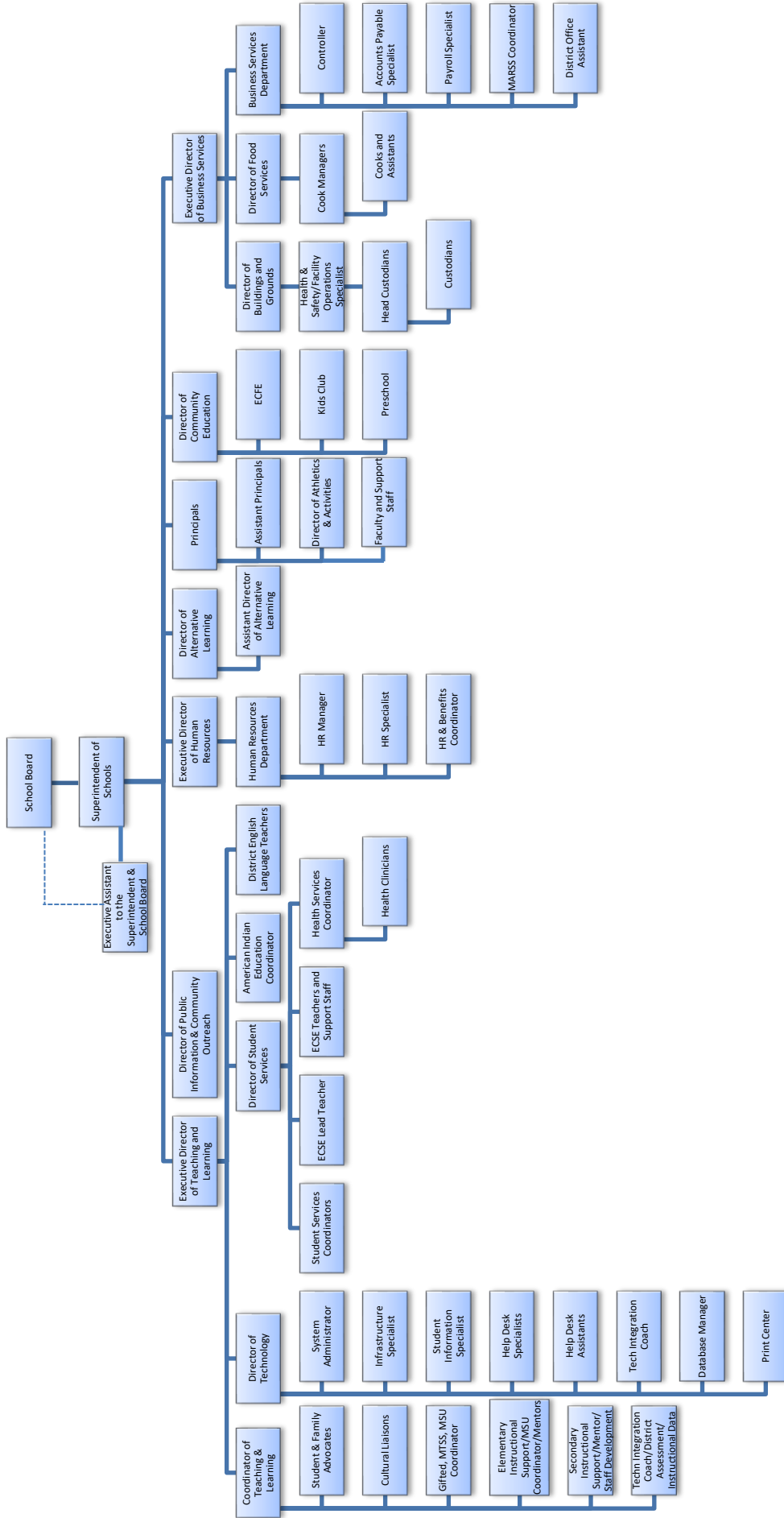
The preparation of an ACFR requires a significant amount of work on the part of several departments. Appreciation is extended for the efforts of all, providing their time and expertise to this process.

Sincerely,

A handwritten signature in black ink, appearing to read 'P Chaffey', written over a horizontal line.

Patrick Chaffey  
Executive Director of Business Services

# Centennial ISD 12 Organizational Chart 2023-24 School Year





INDEPENDENT SCHOOL DISTRICT NO. 12

School Board and Administration  
Year Ended June 30, 2024

**SCHOOL BOARD**

	<u>Board Position</u>
Tom Knisely	School Board Chair
Sue Linser	School Board Vice Chair
Craig Johnson	School Board Clerk
Gloria Murphy	School Board Treasurer
Chris Bettinger	School Board Director
Jessica Schwinn	School Board Director

**ADMINISTRATION**

Jeff Holmberg	Superintendent
Patrick Chaffey	Executive Director of Business Services
Mark Grossklaus	Executive Director of Teaching and Learning
Krista Bergert	Director of Public Information and Community Outreach
Tim Burton	Director of Building and Grounds
Michael Christensen	Director of Technology
Nicholas Christensen	Director of Alternative Learning
Tara Malinski	Director of Food Services
Daniel Melde	Executive Director of Human Resources
Matthew St. Martin	Director of Athletics and Activities
Corrine Sendle	Director of Community Education
Kathy Zwonitzer	Director of Student Services

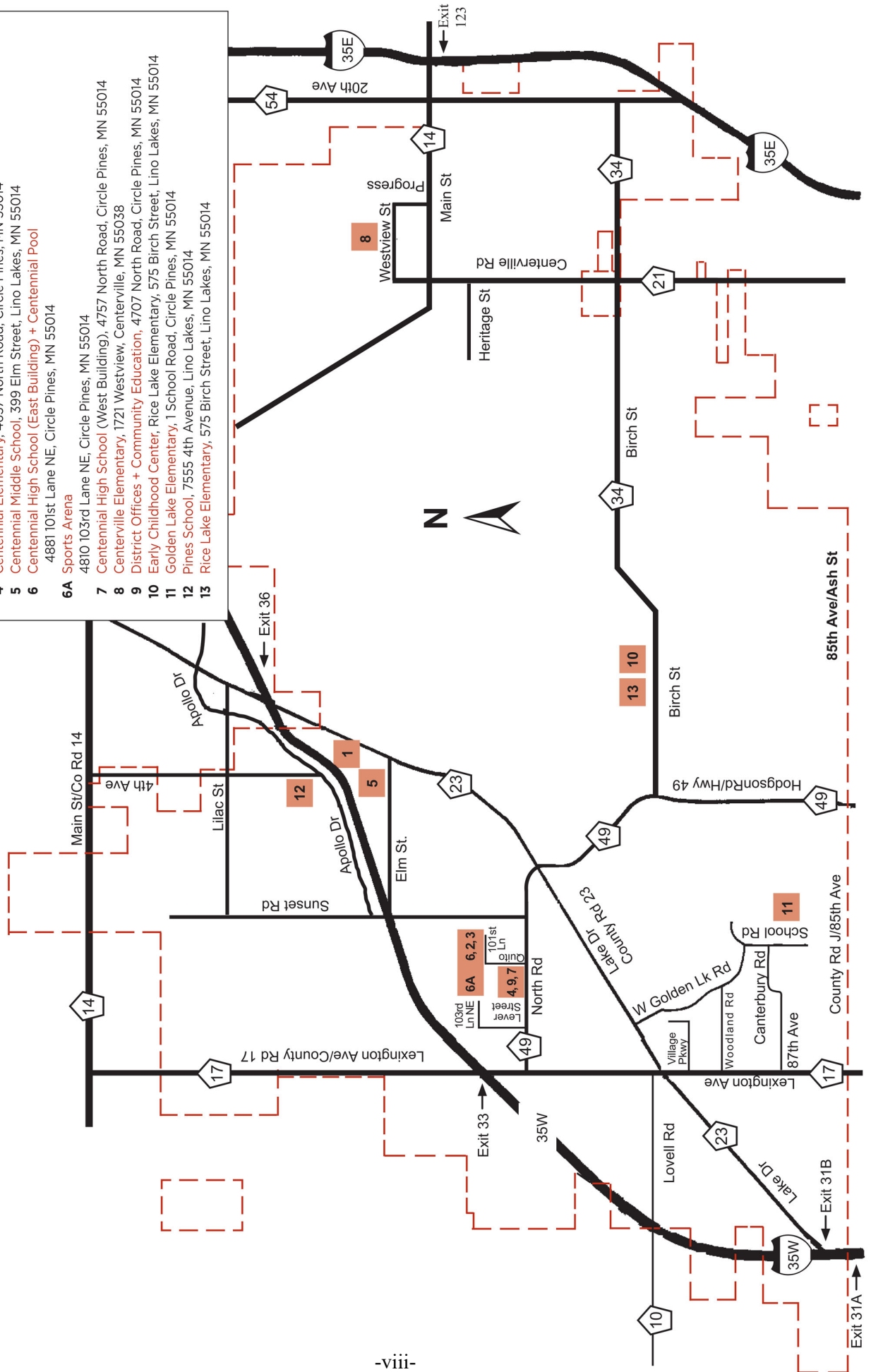
District Offices	Independent School District No. 12 4707 North Road Circle Pines, MN 55014-1898 Phone: (763) 792-6000 Fax: (763) 392-6943
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# CENTENNIAL SCHOOL DISTRICT

## LEGEND

----- District boundary

- 1 Blue Heron Elementary, 405 Elm Street, Lino Lakes, MN 55014
- 2 Centennial Adult Basic Education, 4881 101st Lane NE, Circle Pines, MN 55014
- 3 Centennial Area Learning Center, Journey, 4881 101st Lane NE, Circle Pines, MN 55014
- 4 Centennial Elementary, 4657 North Road, Circle Pines, MN 55014
- 5 Centennial Middle School, 399 Elm Street, Lino Lakes, MN 55014
- 6 Centennial High School (East Building) + Centennial Pool  
4881 101st Lane NE, Circle Pines, MN 55014
- 6A Sports Arena  
4810 103rd Lane NE, Circle Pines, MN 55014
- 7 Centennial High School (West Building), 4757 North Road, Circle Pines, MN 55014
- 8 Centerville Elementary, 1721 Westview, Centerville, MN 55038
- 9 District Offices + Community Education, 4707 North Road, Circle Pines, MN 55014
- 10 Early Childhood Center, Rice Lake Elementary, 575 Birch Street, Lino Lakes, MN 55014
- 11 Golden Lake Elementary, 1 School Road, Circle Pines, MN 55014
- 12 Pines School, 7555 4th Avenue, Lino Lakes, MN 55014
- 13 Rice Lake Elementary, 575 Birch Street, Lino Lakes, MN 55014



FINANCIAL SECTION





**PRINCIPALS**

Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA/CMA  
Jaclyn M. Huegel, CPA  
Kalen T. Karnowski, CPA

**INDEPENDENT AUDITOR'S REPORT**

To the School Board and Management of  
Independent School District No. 12  
Circle Pines, 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. 12 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

**BASIS FOR OPINIONS**

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

**EMPHASIS OF MATTER**

***Change in Accounting Principle***

As described in Note 1 of the notes to basic financial statements, in fiscal 2024, the District adopted new accounting guidance in capitalizing purchases of groups of similar assets in the current year. Our opinion is not modified with respect to this matter.

(continued)

## **RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

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

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

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

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

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

(continued)

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

## **SUPPLEMENTARY INFORMATION**

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

## **OTHER INFORMATION**

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

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

## **PRIOR YEAR COMPARATIVE INFORMATION**

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 6, 2023. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

**OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Malloy, Montague, Karnowski, Radosevich & Co., P.A.*

Minneapolis, Minnesota  
November 1, 2024



## INDEPENDENT SCHOOL DISTRICT NO. 12

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

This section of Independent School District No. 12's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the other components of the District's ACFR.

#### **FINANCIAL HIGHLIGHTS**

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$65,038,622 (net position). The District's total net position increased by \$24,869,484, compared to the prior year.
- Government-wide revenues totaled \$129,547,441 and were \$23,718,366 more than expenses of \$105,829,075.
- The District adopted new accounting guidance for capital assets in the current year, which increased beginning net position by \$1,151,118. This change is further described in Note 1 of the notes to basic financial statements.
- The General Fund's total fund balance (under the governmental fund presentation) increased by \$9,039,911 over the prior year, compared to a decrease of \$2,406,327 planned in the budget.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual financial statements consists of the following parts:

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

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

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

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

## FUND FINANCIAL STATEMENTS

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

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

The District maintains the following types of funds:

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

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

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current and other assets	\$ 170,512,994	\$ 156,653,547
Capital assets, net of depreciation/amortization	<u>128,227,205</u>	<u>126,420,589</u>
<b>Total assets</b>	<b><u>\$ 298,740,199</u></b>	<b><u>\$ 283,074,136</u></b>
<b>Deferred outflows of resources</b>		
Pension plan deferments	\$ 13,031,100	\$ 18,904,713
OPEB plan deferments	<u>784,189</u>	<u>1,239,959</u>
<b>Total deferred outflows of resources</b>	<b><u>\$ 13,815,289</u></b>	<b><u>\$ 20,144,672</u></b>
<b>Liabilities</b>		
Current and other liabilities	\$ 12,503,119	\$ 10,788,386
Long-term liabilities, including due within one year	<u>197,966,042</u>	<u>208,413,230</u>
<b>Total liabilities</b>	<b><u>\$ 210,469,161</u></b>	<b><u>\$ 219,201,616</u></b>
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	\$ 27,515,360	\$ 26,389,059
Pension plan deferments	6,053,541	12,784,030
OPEB plan deferments	<u>3,478,804</u>	<u>4,674,965</u>
<b>Total deferred inflows of resources</b>	<b><u>\$ 37,047,705</u></b>	<b><u>\$ 43,848,054</u></b>
<b>Net position</b>		
Net investment in capital assets	\$ 53,344,343	\$ 45,451,762
Restricted	18,974,350	19,443,630
Unrestricted	<u>(7,280,071)</u>	<u>(24,726,254)</u>
<b>Total net position</b>	<b><u>\$ 65,038,622</u></b>	<b><u>\$ 40,169,138</u></b>

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

The District's increase in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, depreciated/amortized, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The decrease in net position restricted for long-term facilities maintenance was the primary reason for the reduction in this portion of net position. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position. Positive operations in the General Fund and in self-insured activities also contributed to the increase in unrestricted net position.

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

	2024	2023
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 6,951,921	\$ 7,873,550
Operating grants and contributions	28,387,114	19,714,147
General revenues		
Property taxes	27,065,603	25,842,521
General grants and aids	60,218,744	58,039,436
Other	6,924,059	5,015,807
Total revenues	129,547,441	116,485,461
<b>Expenses</b>		
Administration	3,205,314	2,436,265
District support services	2,072,239	2,013,186
Elementary and secondary regular instruction	36,549,907	27,996,467
Vocational education instruction	769,120	685,680
Special education instruction	21,360,614	15,688,515
Community education services	7,404	-
Instructional support services	3,999,572	3,584,691
Pupil support services	8,735,615	8,060,107
Sites and buildings	8,823,446	9,026,155
Fiscal and other fixed cost programs	476,828	376,058
Food service	4,430,672	3,839,148
Community service	6,450,081	4,955,327
Depreciation/amortization not included in other functions	5,101,979	5,095,416
Interest and fiscal charges on debt	3,846,284	3,915,107
Total expenses	105,829,075	87,672,122
Change in net position	23,718,366	28,813,339
Net position – beginning, as previously stated	40,169,138	11,355,799
Change in accounting principle	1,151,118	-
Net position – beginning, as restated	41,320,256	11,355,799
Net position – ending	\$ 65,038,622	\$ 40,169,138

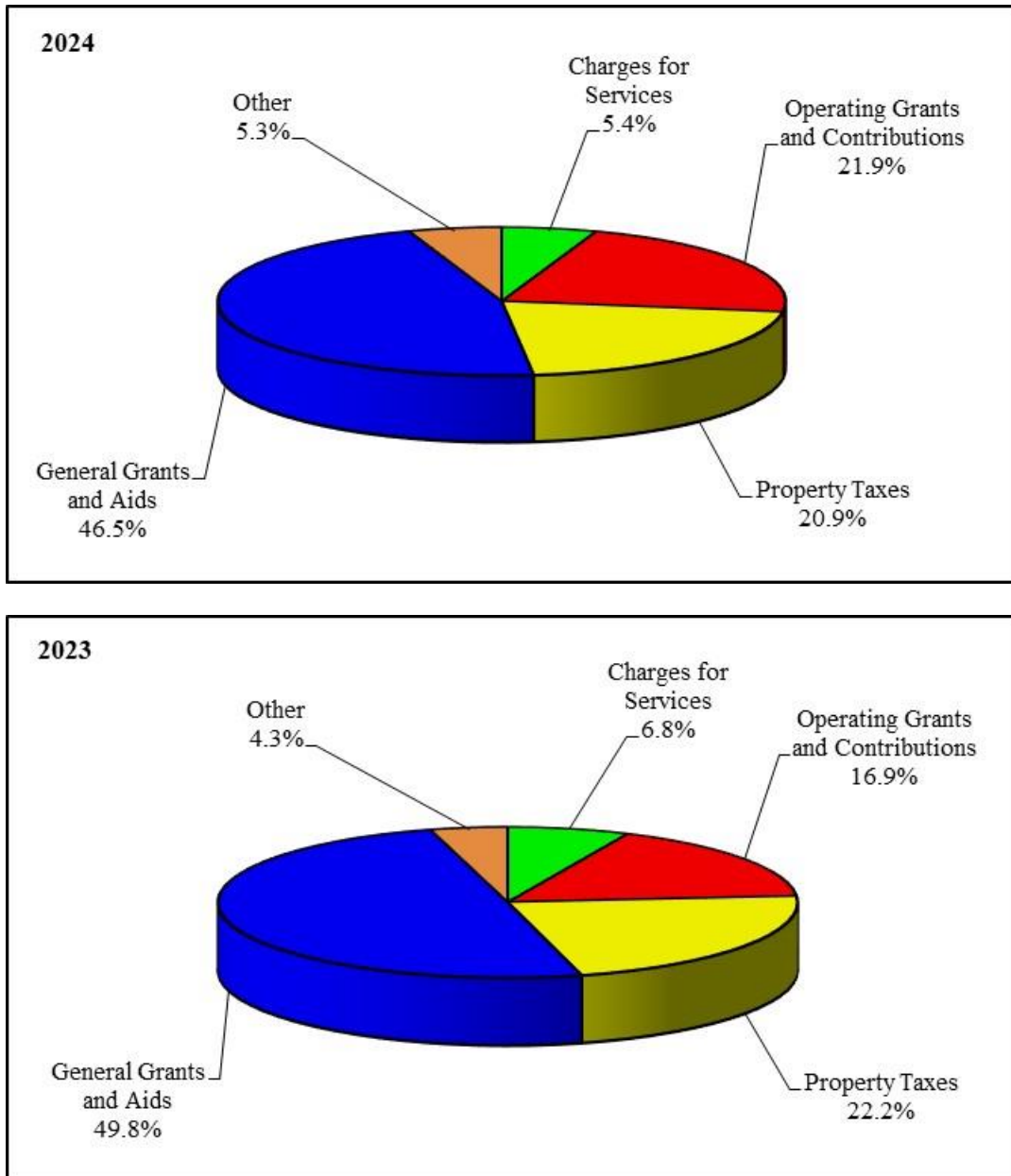
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Revenues increased by \$13,061,980, in the current year. The District recognized more special education funding and more state funding for child nutrition, contributing to the increase in operating grants and contributions. The increase in the approved levy contributed to the change in property taxes. Additional funding for the basic general education formula allowance and basic skills increased general grants and aids. Other revenues were up largely in investment earnings with improved returns on cash and investments held by the District.

Expenses were up, due primarily to changes in state-wide pension plans, additional spending for facilities maintenance, and natural inflationary increases. Spending for contracted services to provide support for unfilled positions also caused spending to exceed prior year levels.

Figure A shows further analysis of these revenue sources:

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

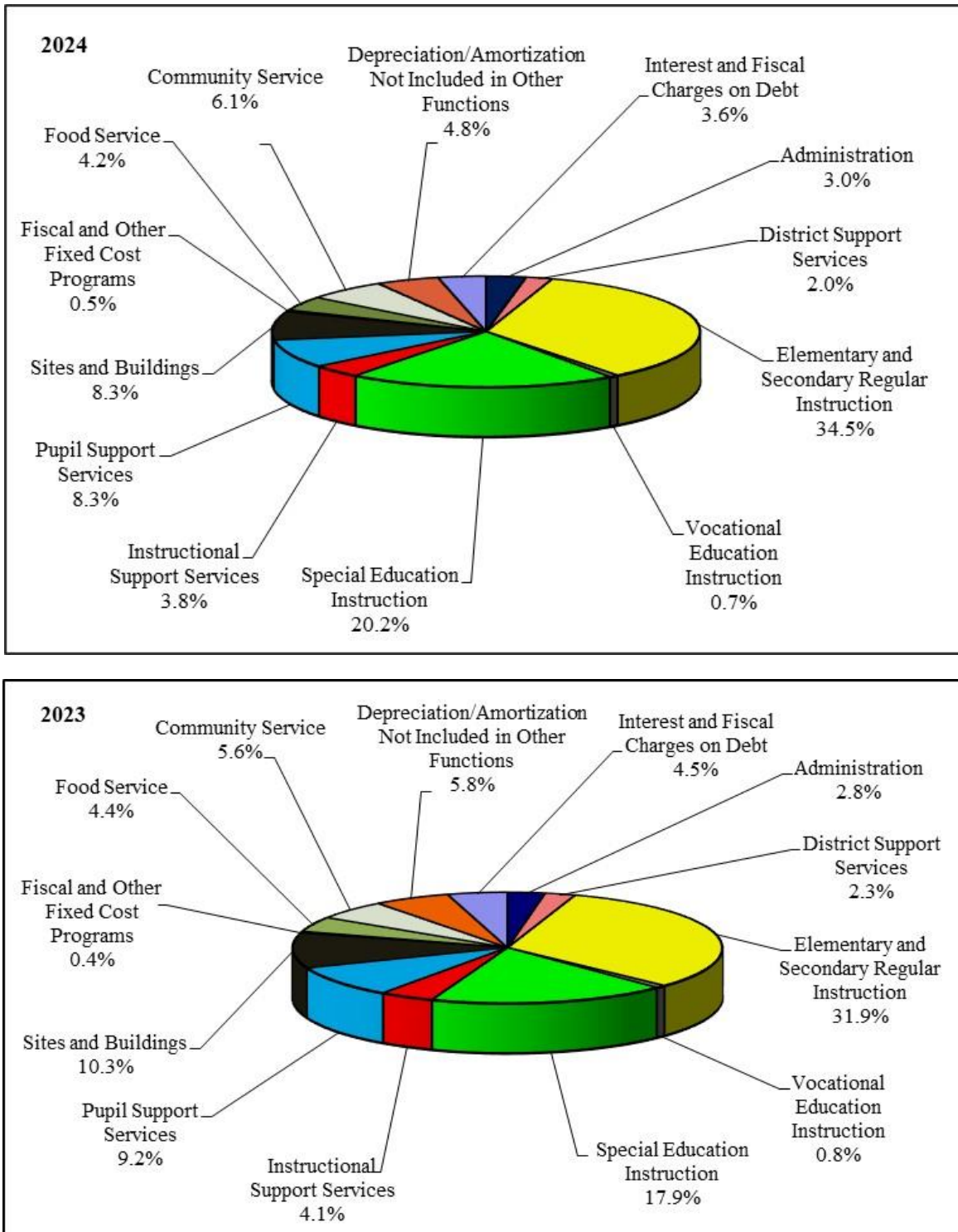


The largest share of the District’s revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

**Figure B – Expenses for Fiscal Years 2024 and 2023**



The District’s expenses are predominately related to educating students. Programs (or functions), such as elementary and secondary regular instruction, vocational education instruction, special education instruction, and instructional support services, are directly related to classroom instruction, while the rest of the programs support instruction and other necessary costs to operate the District. The shift in expenses between programs compared to prior year was largely due to changes in the TRA state-wide pension plan obligations.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Major funds			
General	\$ 59,770,438	\$ 50,730,527	\$ 9,039,911
Capital Projects – Building Construction	–	–	–
Debt Service	58,188,151	58,384,541	(196,390)
Nonmajor funds			
Food Service Special Revenue	3,086,688	2,501,194	585,494
Community Service Special Revenue	<u>3,177,257</u>	<u>3,099,613</u>	<u>77,644</u>
Total governmental funds	<u>\$ 124,222,534</u>	<u>\$ 114,715,875</u>	<u>\$ 9,506,659</u>

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

At June 30, 2024, the District's governmental funds reported combined fund balances of \$124,222,534, an increase of \$9,506,659 in comparison with the prior year. Approximately 19.2 percent of this amount (\$23,793,871) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is: 1) not in spendable form (\$346,366), 2) restricted for specific purposes (\$75,705,115), or 3) assigned for particular purposes (\$24,377,182).

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

## ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenue	<u>\$ 95,164,576</u>	<u>\$ 101,340,804</u>	<u>\$ 6,176,228</u>	<u>6.5%</u>
Expenditures and other financing uses	<u>\$ 94,911,319</u>	<u>\$ 103,747,131</u>	<u>\$ 8,835,812</u>	<u>9.3%</u>

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

Table 5 summarizes the operating results of the General Fund:

	<u>2023 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	\$ 106,558,250	\$ 5,217,446	5.1%	\$ 11,028,389	11.5%
Expenditures and other financing uses	<u>97,518,339</u>	<u>(6,228,792)</u>	(6.0%)	<u>9,622,208</u>	10.9%
Net change in fund balances	<u>\$ 9,039,911</u>	<u>\$ 11,446,238</u>		<u>\$ 1,406,181</u>	

The fund balance of the General Fund increased \$9,039,911, compared to a decrease of \$2,406,327 approved in the final budget.

Several sources contributed to the favorable revenue variance over the amended projection. Every major source exceeded amounts planned in the budget. The favorable variance in revenues was largely due to conservative budgeting, investment earning increases, and changes in special education funding. The increase in total revenue and other financing sources was spread across most major sources as presented in the General Fund Schedule of Revenue, Expenditures, and Changes in Fund Balances. Federal funding reported a slight reduction in the current year, with the expiration of certain pandemic-related grant funding. Legislative improvements for general education and special education entitlements, additional basic skills funding, new categorical grant funding, and more program participation contributed to the increase over the prior year.



Total General Fund expenditures for 2024 were under budget as presented in Table 5. Salaries and employee benefits were less than projected, due to open positions and conservative budgeting practices. Timing delays for capital improvements and facilities maintenance resulted in actual spending coming in less than anticipated in the budget. Spending was up, largely as anticipated for inflationary increases and contractually approved salary and benefit improvements. Growth in spending for capital improvements and deferred maintenance also contributed to the increase over the prior year spending levels.

## **COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS**

### **Capital Projects – Building Construction Fund**

The Capital Projects – Building Construction Fund ended the year with a fund balance of \$0. Expenditures were incurred for long-term facilities maintenance projects that had been levied for and transferred from the General Fund.

### **Debt Service Fund**

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. Debt Service Fund expenditures exceeded revenues by \$196,390 in the current year. The year-end fund balance of \$58,188,151 as of June 30, 2024 is restricted for bond refunding payments and future debt service.

### **Other Governmental Funds**

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by \$585,494, compared to a planned fund balance decrease of \$939,450. Revenues were over budget with more participation than projected and conservative budgeting. Expenditures were less than projected with less capital spending incurred than anticipated in the budget. Expenditures were also under budget, due to conservative budgeting for the cost of supplies and materials to provide meals to students of the District.

The Community Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by \$77,644, compared to a planned fund balance decrease of \$505,269. The variance to budget was primarily due to increased program participation and conservative budgeting of program costs. Additional program participation was a driving factor for revenues exceeding projected amounts, which more than covered the spending in excess of budget to support associated program costs with elevated activity.

### **Internal Service Funds**

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

Operating revenues for the internal service funds for fiscal 2024 totaled \$12,669,077. This is an increase from the fiscal year 2023 operating revenue level of \$11,456,847. Nonoperating revenues for investment earnings totaled \$384,259, which is an increase from the fiscal year 2023 investment earnings of \$256,634. Operating expenses totaled \$11,648,158, which represents a decrease from fiscal year 2023 operating expenditures of \$12,052,303, due to a decrease in health claims and fees.

The net position balance for all internal service funds as of June 30, 2024 was \$6,056,185, which represents an increase of \$1,405,178 over the prior year.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

Table 6 shows the District’s capital assets, together with changes from the previous year. The table also shows the total depreciation/amortization expense for fiscal years ended June 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Land	\$ 4,547,289	\$ 4,547,289	\$ –
Construction in progress	3,063,054	662,390	2,400,664
Land improvements	10,981,911	9,918,799	1,063,112
Buildings	198,077,309	197,138,083	939,226
Furniture and equipment	17,092,330	13,397,421	3,694,909
Furniture and equipment – leased	511,791	511,791	–
Technology subscriptions	251,365	251,365	–
Less accumulated depreciation/amortization	<u>(106,297,844)</u>	<u>(100,006,549)</u>	<u>(6,291,295)</u>
<b>Total</b>	<u><u>\$ 128,227,205</u></u>	<u><u>\$ 126,420,589</u></u>	<u><u>\$ 1,806,616</u></u>
Depreciation/amortization expense	<u><u>\$ 5,898,886</u></u>	<u><u>\$ 5,442,690</u></u>	<u><u>\$ 456,196</u></u>

By the end of 2024, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2024, including the activity of the Capital Projects – Building Construction Fund discussed on the previous page. Capital spending in the General Fund for facilities maintenance also increased capital assets in the current year.

The implementation of new authoritative literature for purchases of groups of assets, as previously discussed, increased furniture and equipment in the current year.

The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year.

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

## Long-Term Liabilities

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>
General obligation bonds payable	\$ 136,390,000	\$ 144,610,000	\$ (8,220,000)
Certificates of participation payable	10,235,000	10,985,000	(750,000)
Unamortized premium/discount	(7,540,643)	(8,916,067)	1,375,424
Lease liability	211,537	313,639	(102,102)
Subscription liability	126,968	206,255	(79,287)
Compensated absences payable	672,428	511,461	160,967
Severance benefits payable	1,470,769	1,514,165	(43,396)
Net pension liability	<u>56,399,983</u>	<u>59,188,777</u>	<u>(2,788,794)</u>
<b>Total</b>	<b><u>\$ 197,966,042</u></b>	<b><u>\$ 208,413,230</u></b>	<b><u>\$ (10,447,188)</u></b>

The decreases in general obligation bonds payable, certificates of participation payable, lease liability, and subscription liability in the table above, are due to the planned repayment schedules reflecting principal payments occurring during fiscal year 2024. An additional year of amortization increased interest expense on the government-wide financial statements and reduced the outstanding unamortized premium/discount balance, as reflected in the above table.

The difference in the net pension liability reflects the change in the District's proportionate share of the state-wide pension obligations for the PERA and the TRA.

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

District's market value	\$ 5,437,928,943
Limit rate	<u>15.0%</u>
Legal debt limit	<u><u>\$ 815,689,341</u></u>

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

## **FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

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

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

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Services Office, Independent School District No. 12, 4707 North Road, Circle Pines, Minnesota 55014-1898.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 12

Statement of Net Position  
as of June 30, 2024

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

	Governmental Activities	
	2024	2023
<b>Assets</b>		
Cash and temporary investments	\$ 83,639,219	\$ 72,526,097
Receivables		
Current taxes	17,456,718	16,298,470
Delinquent taxes	363,332	270,004
Accounts and interest	1,389,620	742,404
Due from other governmental units	10,176,284	8,710,802
Due from post-employment benefits trust	713,827	1,021,287
Inventory	105,476	87,812
Prepaid items	349,193	308,516
Net OPEB asset	913,621	935,247
Restricted assets – temporarily restricted		
Cash and investments for debt service	55,061,129	55,406,174
Interest receivable for debt service	344,575	346,734
Capital assets		
Not depreciated/amortized	7,610,343	5,209,679
Depreciated/amortized, net of accumulated depreciation/amortization	120,616,862	121,210,910
Total capital assets, net of accumulated depreciation/amortization	<u>128,227,205</u>	<u>126,420,589</u>
Total assets	298,740,199	283,074,136
Deferred outflows of resources		
Pension plan deferments	13,031,100	18,904,713
OPEB plan deferments	784,189	1,239,959
Total deferred outflows of resources	<u>13,815,289</u>	<u>20,144,672</u>
Total assets and deferred outflows of resources	<u>\$ 312,555,488</u>	<u>\$ 303,218,808</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 5,191,909	\$ 4,466,686
Accounts and contracts payable	5,014,691	4,002,361
Accrued interest payable	992,561	1,045,564
Due to other governmental units	442,438	463,760
Claims incurred, but not reported	672,000	672,000
Unearned revenue	189,520	138,015
Long-term liabilities		
Due within one year	72,972,873	10,007,191
Due in more than one year	124,993,169	198,406,039
Total long-term liabilities	<u>197,966,042</u>	<u>208,413,230</u>
Total liabilities	210,469,161	219,201,616
Deferred inflows of resources		
Property taxes levied for subsequent year	27,515,360	26,389,059
Pension plan deferments	6,053,541	12,784,030
OPEB plan deferments	3,478,804	4,674,965
Total deferred inflows of resources	<u>37,047,705</u>	<u>43,848,054</u>
<b>Net position</b>		
Net investment in capital assets	53,344,343	45,451,762
Restricted for		
Capital asset acquisition and facilities maintenance	9,923,131	11,668,152
Debt service	1,341,068	1,079,650
Food service	3,086,688	2,501,194
Community service	3,184,769	3,105,332
Other purposes (state and other funding restrictions)	1,438,694	1,089,302
Unrestricted	(7,280,071)	(24,726,254)
Total net position	<u>65,038,622</u>	<u>40,169,138</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 312,555,488</u>	<u>\$ 303,218,808</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Statement of Activities  
 Year Ended June 30, 2024  
 (With Partial Comparative Information for the Year Ended June 30, 2023)

Functions/Programs	2024			2023	
	Expenses	Program Revenues		Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position	Revenue and Changes in Net Position
			Governmental Activities	Governmental Activities	
Governmental activities					
Administration	\$ 3,205,314	\$ -	\$ -	\$ (3,205,314)	\$ (2,436,265)
District support services	2,072,239	32,493	-	(2,039,746)	(1,979,866)
Elementary and secondary regular instruction	36,549,907	1,161,318	725,552	(34,663,037)	(26,372,275)
Vocational education instruction	769,120	-	47,146	(721,974)	(662,325)
Special education instruction	21,360,614	113,140	21,964,915	717,441	886,810
Community education services	7,404	-	-	(7,404)	-
Instructional support services	3,999,572	-	346,920	(3,652,652)	(3,555,945)
Pupil support services	8,735,615	-	-	(8,735,615)	(8,060,107)
Sites and buildings	8,823,446	-	-	(8,823,446)	(9,026,155)
Fiscal and other fixed cost programs	476,828	-	-	(476,828)	(376,058)
Food service	4,430,672	566,945	4,595,459	731,732	256,584
Community service	6,450,081	5,078,025	707,122	(664,934)	251,700
Depreciation/amortization not included in other functions	5,101,979	-	-	(5,101,979)	(5,095,416)
Interest and fiscal charges on debt	3,846,284	-	-	(3,846,284)	(3,915,107)
Total governmental activities	<u>\$ 105,829,075</u>	<u>\$ 6,951,921</u>	<u>\$ 28,387,114</u>	(70,490,040)	(60,084,425)
General revenue					
Taxes					
Property taxes levied for general purposes				17,346,571	15,913,573
Property taxes levied for community service				653,735	654,960
Property taxes levied for debt service				9,065,297	9,273,988
General grants and aids				60,218,744	58,039,436
Other general revenues				1,931,763	1,634,535
Investment earnings				4,992,296	3,381,272
Total general revenue				<u>94,208,406</u>	<u>88,897,764</u>
Change in net position				23,718,366	28,813,339
Net position – beginning, as previously reported				40,169,138	11,355,799
Change in accounting principle				1,151,118	-
Net position – beginning, as restated				<u>41,320,256</u>	<u>11,355,799</u>
Net position – ending				<u>\$ 65,038,622</u>	<u>\$ 40,169,138</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Balance Sheet  
Governmental Funds  
as of June 30, 2024

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Cash and temporary investments	\$ 63,478,027	\$ 1,185,750	\$ 6,294,794
Cash and investments held by trustee	–	–	55,061,129
Receivables			
Current taxes	11,139,085	–	5,865,666
Delinquent taxes	224,915	–	129,202
Accounts and interest	307,877	–	344,575
Due from other governmental units	9,896,427	–	474
Due from other funds	713,827	–	–
Inventory	–	–	–
Prepaid items	237,560	–	–
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 85,997,718</u>	<u>\$ 1,185,750</u>	<u>\$ 67,695,840</u>
<b>Liabilities</b>			
Salaries and compensated absences payable	\$ 4,912,120	\$ –	\$ –
Accounts and contracts payable	3,217,415	1,185,750	2,400
Due to other governmental units	442,438	–	–
Unearned revenue	82,271	–	–
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	8,654,244	1,185,750	2,400
<b>Deferred inflows of resources</b>			
Unavailable revenue – delinquent taxes	181,746	–	105,478
Property taxes levied for subsequent year	17,391,290	–	9,399,811
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total deferred inflows of resources	17,573,036	–	9,505,289
<b>Fund balances</b>			
Nonspendable	237,560	–	–
Restricted	11,361,825	–	58,188,151
Assigned	24,377,182	–	–
Unassigned	23,793,871	–	–
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	59,770,438	–	58,188,151
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 85,997,718</u>	<u>\$ 1,185,750</u>	<u>\$ 67,695,840</u>



Nonmajor Funds	Total Governmental Funds	
	2024	2023
\$ 6,799,104	\$ 77,757,675	\$ 67,378,987
–	55,061,129	55,406,174
451,967	17,456,718	16,298,470
9,215	363,332	270,004
–	652,452	708,087
279,383	10,176,284	8,710,802
–	713,827	1,021,287
105,476	105,476	87,812
3,330	240,890	210,060
<u>\$ 7,648,475</u>	<u>\$ 162,527,783</u>	<u>\$ 150,091,683</u>
\$ 279,789	\$ 5,191,909	\$ 4,466,686
265,721	4,671,286	3,698,751
–	442,438	463,760
107,249	189,520	138,015
<u>652,759</u>	<u>10,495,153</u>	<u>8,767,212</u>
7,512	294,736	219,537
724,259	27,515,360	26,389,059
<u>731,771</u>	<u>27,810,096</u>	<u>26,608,596</u>
108,806	346,366	297,872
6,155,139	75,705,115	76,654,990
–	24,377,182	16,250,531
–	23,793,871	21,512,482
<u>6,263,945</u>	<u>124,222,534</u>	<u>114,715,875</u>
<u>\$ 7,648,475</u>	<u>\$ 162,527,783</u>	<u>\$ 150,091,683</u>

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INDEPENDENT SCHOOL DISTRICT NO. 12

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of June 30, 2024  
(With Partial Comparative Information as of June 30, 2023)

	<u>2024</u>	<u>2023</u>
Total fund balances – governmental funds	\$ 124,222,534	\$ 114,715,875
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	234,525,049	226,427,138
Accumulated depreciation/amortization	(106,297,844)	(100,006,549)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
	6,056,185	4,651,007
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
General obligation bonds payable	(136,390,000)	(144,610,000)
Certificates of participation payable	(10,235,000)	(10,985,000)
Unamortized premium/discount	7,540,643	8,916,067
Lease liability	(211,537)	(313,639)
Subscription liability	(126,968)	(206,255)
Compensated absences payable	(672,428)	(511,461)
Severance benefits payable	(1,470,769)	(1,514,165)
Net pension liability	(56,399,983)	(59,188,777)
The net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in governmental funds.		
	913,621	935,247
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.		
	(992,561)	(1,045,564)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	13,031,100	18,904,713
Deferred outflows of resources – OPEB plan deferments	784,189	1,239,959
Deferred inflows of resources – pension plan deferments	(6,053,541)	(12,784,030)
Deferred inflows of resources – OPEB plan deferments	(3,478,804)	(4,674,965)
Deferred inflows of resources – unavailable revenue – delinquent taxes	294,736	219,537
Total net position – governmental activities	<u>\$ 65,038,622</u>	<u>\$ 40,169,138</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2024  
 (With Partial Comparative Information for the Year Ended June 30, 2023)

	<u>General Fund</u>	<u>Capital Projects – Building Construction Fund</u>	<u>Debt Service Fund</u>
<b>Revenue</b>			
Local sources			
Property taxes	\$ 17,297,970	\$ –	\$ 9,040,492
Investment earnings	2,943,319	–	1,226,248
Other	3,238,714	–	–
State sources	79,595,239	–	4,743
Federal sources	3,483,008	–	–
Total revenue	<u>106,558,250</u>	<u>–</u>	<u>10,271,483</u>
<b>Expenditures</b>			
Current			
Administration	3,368,024	–	–
District support services	1,985,897	–	–
Elementary and secondary regular instruction	40,353,612	–	–
Vocational education instruction	839,388	–	–
Special education instruction	22,510,029	–	–
Community education services	7,404	–	–
Instructional support services	4,496,662	–	–
Pupil support services	8,800,761	–	–
Sites and buildings	10,657,355	–	–
Fiscal and other fixed cost programs	476,828	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	2,815,000	–
Debt service			
Principal	931,389	–	8,220,000
Interest and fiscal charges	275,990	–	2,247,873
Total expenditures	<u>94,703,339</u>	<u>2,815,000</u>	<u>10,467,873</u>
Excess (deficiency) of revenue over expenditures	11,854,911	(2,815,000)	(196,390)
<b>Other financing sources (uses)</b>			
Sale of capital assets	–	–	–
Debt issued	–	–	–
Payment on refunded debt	–	–	–
Transfers in	–	2,815,000	–
Transfers out	(2,815,000)	–	–
Total other financing sources (uses)	<u>(2,815,000)</u>	<u>2,815,000</u>	<u>–</u>
Net change in fund balances	9,039,911	–	(196,390)
<b>Fund balances</b>			
Beginning of year	<u>50,730,527</u>	<u>–</u>	<u>58,384,541</u>
End of year	<u>\$ 59,770,438</u>	<u>\$ –</u>	<u>\$ 58,188,151</u>

Nonmajor Funds	Total Governmental Funds	
	2024	2023
\$ 651,942	\$ 26,990,404	\$ 25,811,040
438,470	4,608,037	3,124,638
5,644,970	8,883,684	9,479,339
3,282,943	82,882,925	71,849,571
2,019,638	5,502,646	5,626,771
<u>12,037,963</u>	<u>128,867,696</u>	<u>115,891,359</u>
–	3,368,024	3,236,606
–	1,985,897	1,877,960
–	40,353,612	37,929,995
–	839,388	930,245
–	22,510,029	19,902,421
–	7,404	–
–	4,496,662	4,136,234
–	8,800,761	8,341,691
–	10,657,355	9,994,372
–	476,828	376,058
4,409,973	4,409,973	3,626,906
6,528,128	6,528,128	5,124,668
436,724	3,251,724	856,241
–	9,151,389	8,959,843
–	2,523,863	2,672,589
<u>11,374,825</u>	<u>119,361,037</u>	<u>107,965,829</u>
663,138	9,506,659	7,925,530
–	–	28,746
–	–	251,365
–	–	(2,320,000)
–	2,815,000	–
–	(2,815,000)	–
<u>–</u>	<u>–</u>	<u>(2,039,889)</u>
663,138	9,506,659	5,885,641
<u>5,600,807</u>	<u>114,715,875</u>	<u>108,830,234</u>
<u>\$ 6,263,945</u>	<u>\$ 124,222,534</u>	<u>\$ 114,715,875</u>

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INDEPENDENT SCHOOL DISTRICT NO. 12

Reconciliation of the Statement of  
Revenue, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2024

(With Partial Comparative Information for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
Total net change in fund balances – governmental funds	\$ 9,506,659	\$ 5,885,641
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation/amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlay	6,580,424	2,336,133
Depreciation/amortization expense	(5,898,886)	(5,422,690)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
	(26,040)	–
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	1,405,178	(338,822)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
	–	(251,365)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	8,220,000	10,405,000
Certificates of participation payable	750,000	730,000
Lease liability	102,102	99,733
Subscription liability	79,287	45,110
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	53,003	37,468
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.		
	(1,375,424)	(1,279,986)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Compensated absences payable	(160,967)	(511,461)
Severance benefits payable	43,396	(710,496)
Net pension liability	2,788,794	(25,815,708)
Net OPEB asset	(21,626)	1,544,966
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(5,873,613)	(4,415,095)
Deferred outflows of resources – OPEB plan deferments	(455,770)	(305,836)
Deferred inflows of resources – pension plan deferments	6,730,489	47,310,629
Deferred inflows of resources – OPEB plan deferments	1,196,161	(561,363)
Deferred inflows of resources – unavailable revenue – delinquent taxes	75,199	31,481
Change in net position – governmental activities	<u>\$ 23,718,366</u>	<u>\$ 28,813,339</u>

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INDEPENDENT SCHOOL DISTRICT NO. 12

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

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
<b>Revenue</b>				
Local sources				
Property taxes	\$ 17,148,297	\$ 17,148,297	\$ 17,297,970	\$ 149,673
Investment earnings	–	1,144,000	2,943,319	1,799,319
Other	2,375,330	2,421,144	3,238,714	817,570
State sources	73,267,989	77,453,900	79,595,239	2,141,339
Federal sources	2,372,960	3,173,463	3,483,008	309,545
Total revenue	<u>95,164,576</u>	<u>101,340,804</u>	<u>106,558,250</u>	<u>5,217,446</u>
<b>Expenditures</b>				
Current				
Administration	3,421,804	3,468,019	3,368,024	(99,995)
District support services	2,082,816	2,412,204	1,985,897	(426,307)
Elementary and secondary regular instruction	40,391,096	42,273,573	40,353,612	(1,919,961)
Vocational education instruction	928,298	933,022	839,388	(93,634)
Special education instruction	20,076,702	22,831,993	22,510,029	(321,964)
Community education services	–	–	7,404	7,404
Instructional support services	4,168,386	4,612,027	4,496,662	(115,365)
Pupil support services	7,946,147	8,851,035	8,800,761	(50,274)
Sites and buildings	14,259,539	13,978,727	10,657,355	(3,321,372)
Fiscal and other fixed cost programs	512,500	512,500	476,828	(35,672)
Debt service				
Principal	850,000	850,000	931,389	81,389
Interest and fiscal charges	274,031	274,031	275,990	1,959
Total expenditures	<u>94,911,319</u>	<u>100,997,131</u>	<u>94,703,339</u>	<u>(6,293,792)</u>
Excess of revenue over expenditures	253,257	343,673	11,854,911	11,511,238
<b>Other financing sources (uses)</b>				
Transfers out	–	(2,750,000)	(2,815,000)	(65,000)
Net change in fund balances	<u>\$ 253,257</u>	<u>\$ (2,406,327)</u>	<u>9,039,911</u>	<u>\$ 11,446,238</u>
<b>Fund balances</b>				
Beginning of year			<u>50,730,527</u>	
End of year			<u>\$ 59,770,438</u>	

INDEPENDENT SCHOOL DISTRICT NO. 12

Statement of Net Position

Proprietary Funds

Internal Service Funds

as of June 30, 2024

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

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and temporary investments	\$ 5,881,544	\$ 5,147,110
Receivables		
Accounts and interest	1,081,743	381,051
Prepaid items	108,303	98,456
Total current assets	<u>7,071,590</u>	<u>5,626,617</u>
Liabilities		
Current liabilities		
Accounts payable	343,405	303,610
Claims incurred, but not reported	672,000	672,000
Total current liabilities	<u>1,015,405</u>	<u>975,610</u>
Net position		
Unrestricted	<u>\$ 6,056,185</u>	<u>\$ 4,651,007</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	<u>2024</u>	<u>2023</u>
Operating revenue		
Charges for services	\$ 12,669,077	\$ 11,456,847
Operating expenses		
Health claims and fees	11,068,419	11,509,006
Dental claims and fees	579,739	543,297
Total operating expenses	<u>11,648,158</u>	<u>12,052,303</u>
Operating income (loss)	1,020,919	(595,456)
Nonoperating revenue		
Investment earnings	<u>384,259</u>	<u>256,634</u>
Change in net position	1,405,178	(338,822)
Net position		
Beginning of year	<u>4,651,007</u>	<u>4,989,829</u>
End of year	<u>\$ 6,056,185</u>	<u>\$ 4,651,007</u>

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INDEPENDENT SCHOOL DISTRICT NO. 12

Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2024

(With Partial Comparative Information for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 11,968,385	\$ 11,357,512
Health claims and fees payments	(11,071,005)	(11,393,852)
Dental claims and fees payments	(547,205)	(537,297)
Net cash flows from operating activities	<u>350,175</u>	<u>(573,637)</u>
Cash flows from investing activities		
Interest received on investments	<u>384,259</u>	<u>256,634</u>
Net change in cash and cash equivalents	734,434	(317,003)
Cash and temporary investments		
Beginning of year	<u>5,147,110</u>	<u>5,464,113</u>
End of year	<u>\$ 5,881,544</u>	<u>\$ 5,147,110</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ 1,020,919	\$ (595,456)
Adjustment to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts and interest receivable	(700,692)	(99,335)
Prepaid items	(9,847)	(98,456)
Accounts payable	39,795	303,610
Claims incurred, but not reported	<u>—</u>	<u>(84,000)</u>
Net cash flows from operating activities	<u>\$ 350,175</u>	<u>\$ (573,637)</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Statement of Fiduciary Net Position  
 Post-Employment Benefits Trust Fund  
 as of June 30, 2024

Assets	
Cash and investments held by trustee	
Investments at fair value	
U.S. treasury securities	\$ 1,521,484
Mortgage-backed securities	165,285
U.S. agency securities	1,418,063
Corporate obligations	1,562,020
Equities	1,855,046
Real estate investment trusts	42,118
Mutual funds	3,016,012
Mutual funds – real assets	<u>511,030</u>
Total assets	10,091,058
Liabilities	
Due to other funds	<u>713,827</u>
Net position	
Restricted for OPEB	<u><u>\$ 9,377,231</u></u>

Statement of Changes in Fiduciary Net Position  
 Post-Employment Benefits Trust Fund  
 Year Ended June 30, 2024

Additions	
Investment earnings	\$ 797,282
Deductions	
Benefit payments	713,827
Administrative expenses	<u>101,680</u>
Total deductions	<u>815,507</u>
Change in net position	(18,225)
Net position	
Beginning of year	<u>9,395,456</u>
End of year	<u><u>\$ 9,377,231</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Notes to Basic Financial Statements  
June 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

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

**B. Reporting Entity**

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

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

**C. Government-Wide Financial Statement Presentation**

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

For capital assets that can be specifically identified with or allocated to functional areas, depreciation and amortization expense is included as a direct expense in the functional areas that utilize the related capital assets. For capital assets that essentially serve all functional areas, depreciation and amortization expense is reported as “depreciation/amortization not included in other functions.” Interest is considered an indirect expense and is reported separately on the Statement of Activities.

### D. Fund Financial Statement Presentation

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

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

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

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

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



## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fiduciary funds are presented in the fiduciary fund financial statements by type. The District's only fiduciary fund is the Post-Employment Benefits Trust Fund. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide financial statements.

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

### **Description of Funds**

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

#### **Major Governmental Funds**

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

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

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation debt principal, interest, and related costs. The regular debt service account is used for all general obligation debt service except for the financial activities of the other post-employment benefits (OPEB) debt service account. The OPEB debt service account is used for the taxable OPEB bond issues.

#### **Nonmajor Governmental Funds**

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

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

#### **Proprietary Funds**

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

#### **Fiduciary Fund**

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

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **E. Budgetary Information**

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

Actual expenditures exceeded final budgeted appropriations for fiscal 2024 by \$739,743 in the Community Service Special Revenue Fund, and by \$65,000 in the Capital Projects – Building Construction Fund. These variances were funded by revenues in excess of budget and available fund balance.

### **F. Restricted Assets**

Restricted assets are cash and cash equivalents and the related interest receivable whose use is limited by legal requirements, such as a bond indenture. Restricted assets are reported only in the government-wide financial statements. In the fund financial statements these assets have been reported as “cash and investments held by trustee” and within “accounts and interest receivable.”

### **G. Cash and Temporary Investments**

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the Debt Service Fund, an escrow account is established for future debt service related to the issuance of refunding bonds. In the Post-Employment Benefits Trust Fund, this represents assets contributed to an irrevocable trust established to finance the District’s liability for post-employment insurance benefits. Interest earned on these investments is allocated directly to the escrow accounts.

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

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

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### H. Receivables

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

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

Due from the MDE and others	\$ 9,688,865
Due from other Minnesota school districts	472,507
Due from Anoka County and others	<u>14,912</u>
Total	<u>\$ 10,176,284</u>

### I. Inventories

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

### J. Prepaid Items

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

### K. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$421,973 of the property tax levy collectible in 2024 as revenue to the District in fiscal year 2023–2024. The remaining portion of the taxes collectible in 2024 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **L. Subscription-Based Information Technology Arrangements (SBITAs)**

A SBITA is a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District has entered into certain SBITAs for education, evaluation tracking, and other purposes. Capital assets associated with SBITAs are presented separately from other capital assets in Note 3 and are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. When applicable, a subscription liability is reported in Note 4 to include the terms and related disclosures associated with any subscription liability.

### **M. Capital Assets**

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Leased capital assets are recorded based on the measurement of payments applicable to the lease term. SBITA capital assets are recorded based on the measurement of any subscription liability plus the payments due to a SBITA vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard. The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is considered significant in the aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

### **N. Long-Term Obligations**

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

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

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **O. Compensated Absences**

Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued when earned in the government-wide financial statements. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end, due to employee termination or similar circumstances.

### **P. Severance Payable**

The District provides lump sum severance benefits to eligible employees in accordance with provisions of certain collectively bargained contracts. Eligibility for these benefits is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. Severance benefits for any individual cannot exceed one year's salary.

Members of certain employee groups may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan established under Internal Revenue Code (IRC) Section 403(b). The amount of any severance benefits due to an individual is reduced by the total matching contributions made by the District to such a plan over the course of that individual's employment.

The amount of severance that is based on convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance or retirement pay is accrued in the governmental fund financial statements only when it matures, due to employee termination or separation of service.

### **Q. State-Wide Pension Plans**

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

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

### **R. Other Post-Employment Benefits (OPEB) Plan**

For purposes of measuring the net OPEB liability (asset), deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### S. Deferred Outflows/Inflows of Resources

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

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

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

Unavailable revenue from property taxes arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available.

### T. Net Position

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

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### U. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the District’s superintendent of schools and executive director of business services are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

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

### V. Risk Management and Self-Insurance

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

	<u>Balance – Beginning of Year</u>	<u>Charges and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance – End of Year</u>
2023	\$ 4,000	\$ 543,297	\$ (537,297)	\$ 10,000
2024	\$ 10,000	\$ 579,739	\$ (579,739)	\$ 10,000

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

	<u>Balance – Beginning of Year</u>	<u>Charges and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance – End of Year</u>
2023	\$ 752,000	\$ 11,509,006	\$ (11,599,006)	\$ 662,000
2024	\$ 662,000	\$ 11,068,419	\$ (11,068,419)	\$ 662,000

### W. Use of Estimates

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

### X. Prior Period Comparative Financial Information/Reclassification

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



## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Y. Change in Accounting Principle

During the year ended June 30, 2024, the District implemented new accounting guidance for capitalizing purchases of groups of similar assets. This recent change in authoritative literature, which provides new guidance on accounting and financial reporting for capital assets, requires a government to capitalize groups of similar assets purchased at or near the same time, that are individually below the District's capitalization threshold, if the aggregate cost is significant. In prior periods, the District only capitalized assets whose individual cost exceeded the capitalization policy threshold. Certain amounts necessary to fully restate prior fiscal years financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new guidance resulted in the District reporting certain groups of similar capital assets acquired in previous years and accumulated depreciation thereon, increasing beginning net position by \$1,151,118 in the government-wide financial statements in the current year. See Note 3 for additional details on this change in the current year.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Components of Cash and Investments

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

Petty cash	\$	7,750
Investments		<u>148,783,656</u>
Total	\$	<u><u>148,791,406</u></u>

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

Statement of Net Position		
Cash and temporary investments	\$	83,639,219
Restricted assets – temporarily restricted		
Cash and investments for debt service		55,061,129
Statement of Fiduciary Net Position		
Cash and investments held by trustee –		
Post-Employment Benefits Trust Fund		<u>10,091,058</u>
Total	\$	<u><u>148,791,406</u></u>

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### B. Deposits

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

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

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

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

At year-end, due to the District’s utilization of sweep accounts, the carrying amount and bank balance of the District’s deposits was \$0. At year-end, all deposits were fully covered by federal deposit insurance, surety bonds, or collateral held by the District’s agent in the District’s name.

### C. Investments

The District had the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements	Interest Rate Risk – Maturity Duration in Years				Total
	Rating	Agency		Less Than 1	1 to 5	6 to 10	Over 10	
U.S. treasury securities	N/A	N/A	Level 1	\$ 103,644	\$ 458,010	\$ 552,049	\$ 407,781	\$ 1,521,484
Mortgage backed securities	AAA	S&P	Level 1	\$ –	\$ 98,289	\$ –	\$ 66,996	165,285
U.S. agency securities	AA	S&P	Level 1	\$ –	\$ –	\$ 136,648	\$ 1,281,415	1,418,063
Corporate obligations	AA	S&P	Level 1	\$ –	\$ –	\$ 85,313	\$ 120,073	205,386
Corporate obligations	A	S&P	Level 1	\$ –	\$ 221,528	\$ 254,717	\$ 72,642	548,887
Corporate obligations	A	Moody’s	Level 1	\$ –	\$ 82,182	\$ –	\$ –	82,182
Corporate obligations	BBB	S&P	Level 1	\$ 142,670	\$ 156,717	\$ 217,287	\$ 135,404	652,078
Corporate obligations	Baa	Moody’s	Level 1	\$ –	\$ –	\$ 73,487	\$ –	73,487
Equities	N/R	N/A	Level 1					1,855,046
Guaranteed investment contract	N/R	N/A	N/A	\$ 55,061,129	\$ –	\$ –	\$ –	55,061,129
Investment pools/mutual funds								
Minnesota School District Liquid Asset Fund – Term Series	AAA	Fitch	Amortized Cost	\$ 21,000,000	\$ –	\$ –	\$ –	21,000,000
Minnesota School District Liquid Asset Fund	AAA	S&P	Amortized Cost					62,577,384
MNTrust Investment								
Shares Portfolio	AAA	S&P	Amortized Cost					51,484
Real estate investment trusts	N/R	N/A	Level 1					42,118
Mutual funds	AAA	S&P	Level 1					2,601
Mutual funds	N/R	N/A	Level 1					3,016,012
Mutual funds – real assets	N/R	N/A	Level 2					511,030
Total investments								<u>\$ 148,783,656</u>

N/A – Not Applicable

N/R – Not Rated

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The Minnesota School District Liquid Asset Fund (MSDLAF) and the MNTrust Investment Shares Portfolio are regulated by Minnesota Statutes and are external investment pools, which are not registered with the Securities and Exchange Commission. The District's investments in the MSDLAF and the MNTrust Investment Shares Portfolio are measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For the MSDLAF, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the Liquid Class; the redemption notice period is 14 days for the MAX Class with the exception of direct investments of funds distributed by the state of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24-hour hold on all requests for redemptions. MSDLAF term investments have a maturity of 60 days to one year and early withdrawal may result in substantial early redemption penalties. For the MNTrust investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required.

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

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

**Concentration Risk** – This is the risk associated with investing a significant portion of the District's investments (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District's investment policies do not address concentration risk. At June 30, 2024, the District's investments include a guaranteed investment contract with Mass Mutual at 37.0 percent of the total portfolio that was issued as part of a refunding bond transaction.

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

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

## NOTE 3 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized						
Land	\$ 4,547,289	\$ –	\$ –	\$ –	\$ –	\$ 4,547,289
Construction in progress	662,390	–	3,817,067	–	(1,416,403)	3,063,054
Total capital assets, not depreciated/amortized	5,209,679	–	3,817,067	–	(1,416,403)	7,610,343
Capital assets, depreciated/amortized						
Land improvements	9,918,799	–	69,000	–	994,112	10,981,911
Buildings	197,138,083	–	516,935	–	422,291	198,077,309
Furniture and equipment	13,397,421	1,551,487	2,177,422	(34,000)	–	17,092,330
Furniture and equipment – leased	511,791	–	–	–	–	511,791
Technology subscriptions	251,365	–	–	–	–	251,365
Total capital assets, depreciated/amortized	221,217,459	1,551,487	2,763,357	(34,000)	1,416,403	226,914,706
Less accumulated depreciation/amortization for						
Land improvements	(4,561,241)	–	(375,303)	–	–	(4,936,544)
Buildings	(87,478,181)	–	(4,450,884)	–	–	(91,929,065)
Furniture and equipment	(7,690,525)	(400,369)	(898,455)	7,960	–	(8,981,389)
Furniture and equipment – leased	(204,716)	–	(102,358)	–	–	(307,074)
Technology subscriptions	(71,886)	–	(71,886)	–	–	(143,772)
Total accumulated depreciation/amortization	(100,006,549)	(400,369)	(5,898,886)	7,960	–	(106,297,844)
Net capital assets, depreciated/amortization	121,210,910	1,151,118	(3,135,529)	(26,040)	1,416,403	120,616,862
Total capital assets, net	<u>\$ 126,420,589</u>	<u>\$ 1,151,118</u>	<u>\$ 681,538</u>	<u>\$ (26,040)</u>	<u>\$ –</u>	<u>\$ 128,227,205</u>

\* The change in accounting principle was required by new guidance in financial reporting on group purchases of assets implemented in the current year.

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

Administration	\$ 4,952
District support services	62,156
Elementary and secondary regular instruction	476,511
Vocational education instruction	307
Instructional support services	210,986
Pupil support services	36,481
Community service	5,514
Depreciation/amortization not included in other functions	<u>5,101,979</u>
Total depreciation/amortization expense	<u>\$ 5,898,886</u>

## NOTE 4 – LONG-TERM LIABILITIES

### A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2014A Capital Facilities Bonds	12/15/2014	2.000–4.000%	\$ 2,880,000	02/01/2025	\$ 385,000
2015A School Building Bonds	02/26/2015	1.050–4.010%	\$ 73,385,000	02/01/2035	52,075,000
2016B Taxable OPEB Refunding Bonds	05/26/2016	1.500–3.050%	\$ 11,250,000	02/01/2030	8,580,000
2019A School Building Bonds	02/07/2019	3.375–5.000%	\$ 20,955,000	02/01/2039	17,070,000
2022A Taxable Refunding Bonds	02/09/2022	1.005–2.923%	\$ 58,660,000	02/01/2039	58,280,000
Total general obligation bonds payable					<u>\$ 136,390,000</u>

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

With the exception of the 2015A School Building Bonds, all general obligation bonds are serial bonds, which require semi-annual payments of principal and/or interest from the date the bonds were issued. The Series 2015A School Building Bonds are capital appreciation bonds, which are issued at a discount and accrete to their face value at maturity. Interest expense is recognized through the annual amortization of the discount. All debt service payments are reported as principal payments on the governmental fund financial statements.

In February 2022, the District issued \$58,660,000 of General Obligation Taxable Refunding Bonds, Series 2022A. The proceeds of the refunding bonds were used to call the remaining bond proceeds of the 2014B Tax Abatement Bonds. In future years, the remaining refunding bond proceeds will be used to call the 2015A School Building Bonds and the 2019A School Building Bonds on their respective call dates. This refunding will reduce the District's total future debt service payments by \$3,265,704 and will result in a present value savings of \$2,662,121.

### B. Certificates of Participation Payable

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2016A Certificates of Participation	02/16/2016	2.000–3.000%	\$ 4,520,000	02/01/2031	\$ 2,315,000
2016C Certificates of Participation	05/26/2016	2.000–3.500%	\$ 1,200,000	02/01/2031	650,000
2020A Certificates of Participation	10/22/2020	2.000–3.000%	\$ 8,300,000	02/01/2040	7,270,000
Total certificates of participation					<u>\$ 10,235,000</u>

These certificates of participation were issued to finance improvements at the District's school buildings. The certificates of participation are paid by the General Fund. The debt is secured by the original property purchased and includes terms that upon default all payments may become due and payable. The debtor also may repossess the property and seek full recovery of any losses upon default.

**NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)**

**C. Lease Liability**

The District has obtained the use of certain copier equipment through a lease financing agreement. The total amount of underlying lease assets by major class and the related accumulated amortization is presented in Note 3 to the basic financial statements. Annual principal and interest on this agreement will be paid from the General Fund. The agreement is secured by the original property. The lessor also may repossess the property and seek full recovery of the losses upon default. The District currently has the following lease liability obligation outstanding:

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
AIS copier lease	07/01/2021	2.350%	\$ 511,791	06/01/2026	<u>\$ 211,537</u>

**D. Subscription Liability**

The District had entered into two agreements to finance the use of software, which call for annual principal and interest payments through June 2026. These agreements are paid by the General Fund. The total amount of the underlying technology subscriptions assets and the related accumulated amortization is presented in Note 3 to the basic financial statements.

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
FastBridge subscription	07/01/2022	4.26%	\$ 108,537	06/30/2025	\$ 37,619
eduCLIMBER subscription	03/01/2023	4.26%	\$ 142,828	06/30/2026	<u>89,349</u>
					<u>\$ 126,968</u>

**E. Other Long-Term Liabilities**

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

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

Pension Plans	Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	\$ 9,405,556	\$ 3,072,459	\$ 3,604,481	\$ 1,198,596
State-wide, multiple-employer – TRA	<u>46,994,427</u>	<u>9,958,641</u>	<u>2,449,060</u>	<u>120,570</u>
Total	<u>\$ 56,399,983</u>	<u>\$ 13,031,100</u>	<u>\$ 6,053,541</u>	<u>\$ 1,319,166</u>

## NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

### F. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds payable, certificates of participation payable, lease liability, and subscription liability are as follows:

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable		Lease Liability		Subscription Liability	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 71,250,000	\$ 2,136,291	\$ 770,000	\$ 245,856	\$ 104,527	\$ 3,850	\$ 79,778	\$ 5,409
2026	7,490,000	1,410,592	790,000	225,131	107,010	1,367	47,190	2,010
2027	7,285,000	1,281,337	815,000	202,331	–	–	–	–
2028	7,425,000	1,146,205	835,000	177,431	–	–	–	–
2029	7,565,000	998,030	860,000	156,081	–	–	–	–
2030–2034	29,030,000	2,827,381	3,165,000	482,981	–	–	–	–
2035–2039	6,345,000	384,786	2,475,000	206,281	–	–	–	–
2040	–	–	525,000	11,156	–	–	–	–
	<u>\$136,390,000</u>	<u>\$ 10,184,622</u>	<u>\$ 10,235,000</u>	<u>\$ 1,707,248</u>	<u>\$ 211,537</u>	<u>\$ 5,217</u>	<u>\$ 126,968</u>	<u>\$ 7,419</u>

### G. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Retirements	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 144,610,000	\$ –	\$ 8,220,000	\$ 136,390,000	\$ 71,250,000
Certificates of participation payable	10,985,000	–	750,000	10,235,000	770,000
Unamortized premium/discount	(8,916,067)	–	(1,375,424)	(7,540,643)	–
Lease liability	313,639	–	102,102	211,537	104,527
Subscription liability	206,255	–	79,287	126,968	79,778
Compensated absences payable	511,461	670,570	509,603	672,428	672,428
Severance benefits payable	1,514,165	367,636	411,032	1,470,769	96,140
Net pension liability	59,188,777	8,866,670	11,655,464	56,399,983	–
	<u>\$ 208,413,230</u>	<u>\$ 9,904,876</u>	<u>\$ 20,352,064</u>	<u>\$ 197,966,042</u>	<u>\$ 72,972,873</u>

## NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. When applicable, certain restrictions, which have an accumulated deficit balance at June 30 are included in unassigned fund balance in the District’s financial statements in accordance with accounting principles generally accepted in the United States of America. A description of these deficit balance restrictions is included below, when applicable, since the District has specific authority to future resources for such deficits. At year-end, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable				
Inventory	\$ –	\$ –	\$ 105,476	\$ 105,476
Prepaid items	237,560	–	3,330	240,890
Total nonspendable	<u>237,560</u>	<u>–</u>	<u>108,806</u>	<u>346,366</u>
Restricted for				
Student activities	123,945	–	–	123,945
Literacy incentive aid	320,690	–	–	320,690
American Indian education aid	926	–	–	926
Operating capital	5,386,302	–	–	5,386,302
Safe schools levy	270,305	–	–	270,305
Long-term facilities maintenance	4,536,829	–	–	4,536,829
Medical Assistance	722,828	–	–	722,828
Bond refundings	–	55,405,704	–	55,405,704
Debt service	–	2,782,447	–	2,782,447
Food service	–	–	2,981,212	2,981,212
Community education programs	–	–	2,134,518	2,134,518
Early childhood family education programs	–	–	674,584	674,584
School readiness	–	–	323,226	323,226
Community service	–	–	41,599	41,599
Total restricted	<u>11,361,825</u>	<u>58,188,151</u>	<u>6,155,139</u>	<u>75,705,115</u>
Assigned for				
Subsequent year’s budget	1,468,476	–	–	1,468,476
Learner activities	238,776	–	–	238,776
Alternative compensation	560,165	–	–	560,165
District projects	6,309,187	–	–	6,309,187
Budget carryover	845,405	–	–	845,405
Class size reduction	3,475,092	–	–	3,475,092
Technology	3,850,476	–	–	3,850,476
Special education	1,043,491	–	–	1,043,491
Severance benefits payable	2,143,197	–	–	2,143,197
Concessions	21,210	–	–	21,210
Sponsorships and advertising	95,803	–	–	95,803
Compensated absences	4,325,904	–	–	4,325,904
Total assigned	<u>24,377,182</u>	<u>–</u>	<u>–</u>	<u>24,377,182</u>
Unassigned	<u>23,793,871</u>	<u>–</u>	<u>–</u>	<u>23,793,871</u>
Total	<u>\$ 59,770,438</u>	<u>\$ 58,188,151</u>	<u>\$ 6,263,945</u>	<u>\$ 124,222,534</u>



## **NOTE 5 – FUND BALANCES (CONTINUED)**

**Minimum Fund Balance Policy** – The School Board has formally adopted a fund balance policy regarding maintaining a minimum fund balance for the General Fund. The policy states that the District will strive to maintain a minimum unassigned fund balance of 8.33 percent of the annual budget. At June 30, 2024, the unassigned fund balance of the General Fund was 24.4 percent of fiscal 2024 actual expenditures and transfers out.

## **NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

### **A. Plan Descriptions**

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

#### **1. General Employees Retirement Fund (GERF)**

The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

Certain full-time and part-time employees of the District other than teachers are covered by the GERF. GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

#### **2. Teachers Retirement Association (TRA)**

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

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

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

### **B. Benefits Provided**

The PERA and the TRA provide retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature.

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

#### **1. GERF Benefits**

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

#### **2. TRA Benefits**

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

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

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

### Tier I Benefits

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

With these provisions:

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

### Tier II Benefits

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

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

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

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

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

**C. Contributions**

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

**1. GERF Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2024, were \$1,126,390. The District’s contributions were equal to the required contributions as set by state statutes.

**2. TRA Contributions**

Minnesota Statutes, Chapter 354 sets the rates for employer and employee contributions. Rates for each fiscal year were:

	Year Ended June 30,					
	2022		2023		2024	
	Employee	Employer	Employee	Employer	Employee	Employer
<b>Basic Plan</b>	11.00 %	12.34 %	11.00 %	12.55 %	11.25 %	12.75 %
<b>Coordinated Plan</b>	7.50 %	8.34 %	7.50 %	8.55 %	7.75 %	8.75 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2024, were \$3,368,252. The District’s contributions were equal to the required contributions for each year as set by state statutes.

The following is a reconciliation of employer contributions in the TRA’s fiscal year 2023 Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position to the employer contributions used in the Schedule of Employer and Nonemployer Pension Allocations:

	<i>in thousands</i>
Employer contributions reported in the TRA’s Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	\$ 508,764
Add employer contributions not related to future contribution efforts	(87)
Deduct the TRA’s contributions not included in allocation	(643)
Total employer contributions	508,034
Total nonemployer contributions	35,587
Total contributions reported in the Schedule of Employer and Nonemployer Allocations	<u>\$ 543,621</u>

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

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

**D. Pension Costs**

**1. GERF Pension Costs**

At June 30, 2024, the District reported a liability of \$9,405,556 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 \$259,373. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.1682 percent at the end of the measurement period and 0.1768 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 9,405,556
State’s proportionate share of the net pension liability associated with the District	<u>259,373</u>
Total	<u><u>\$ 9,664,929</u></u>

For the year ended June 30, 2024, the District recognized pension expense of \$1,197,430 for its proportionate share of the GERF’s pension expense. The District also recognized an additional \$1,166 as pension expense and grant revenue for its proportionate share of the state of Minnesota’s pension expense for the annual \$16 million contribution.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 312,674	\$ 67,104
Changes in actuarial assumptions	1,577,879	2,577,983
Net collective difference between projected and actual investment earnings on pension plan investments	–	261,194
Changes in proportion	55,516	698,200
District’s contributions to the GERF subsequent to the measurement date	<u>1,126,390</u>	<u>–</u>
Total	<u><u>\$ 3,072,459</u></u>	<u><u>\$ 3,604,481</u></u>

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

The \$1,126,390 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ (17,626)
2026	\$ (1,547,662)
2027	\$ 110,915
2028	\$ (204,039)

**2. TRA Pension Costs**

At June 30, 2024, the District reported a liability of \$46,994,427 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District’s proportionate share was 0.5692 percent at the end of the measurement period and 0.5643 percent for the beginning of the period.

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

District’s proportionate share of the net pension liability	\$ 46,994,427
State’s proportionate share of the net pension liability associated with the District	<u>3,292,047</u>
Total	<u><u>\$ 50,286,474</u></u>

For the year ended June 30, 2024, the District recognized negative pension expense of \$342,976. It also recognized \$463,546 as an increase to pension expense for the support provided by direct aid.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 477,632	\$ 694,462
Changes in actuarial assumptions	5,699,616	–
Net collective difference between projected and actual investment earnings on pension plan investments	–	719,575
Changes in proportion	413,141	1,035,023
District’s contributions to the TRA subsequent to the measurement date	<u>3,368,252</u>	<u>–</u>
Total	<u>\$ 9,958,641</u>	<u>\$ 2,449,060</u>

A total of \$3,368,252 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ 102,792
2026	\$ (488,582)
2027	\$ 5,264,843
2028	\$ (717,106)
2029	\$ (20,618)

**E. Long-Term Expected Return on Investment**

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

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

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

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

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25%	2.50%
Wage growth rate		2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	3.00%	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	7.00%	7.00%

**1. GERF**

The long-term rate of return on pension plan investments used in the determination of the total liability is 7.00 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.00 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

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

**2. TRA**

Salary increases were based on a service-related table.

Mortality Assumptions Used in Valuation of Total Pension Liability	
Pre-retirement	RP-2014 White Collar Employee Table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 Scale.
Post-retirement	RP-2014 White Collar Annuitant Table, male and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 Scale.
Post-disability	RP-2014 Disabled Retiree Mortality Table, without adjustment.

Cost of living benefit increases after retirement for retirees are assumed to be 1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually.

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



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

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

### **1. GERF**

#### **CHANGES IN PLAN PROVISIONS**

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

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2. TRA**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

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

## **G. Discount Rate**

### **1. GERF**

The discount rate used to measure the total pension liability in 2023 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### **2. TRA**

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

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

### H. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the GERF net pension liability	\$ 16,639,183	\$ 9,405,556	\$ 3,455,622
TRA discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the TRA net pension liability	\$ 74,952,654	\$ 46,994,427	\$ 24,107,214

### I. Pension Plan Fiduciary Net Position

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

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

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

### A. Plan Description

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

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

### B. Benefits Provided

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

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

### C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District’s contributions in the current year totaled \$713,827 as required on a pay-as-you-go basis to finance current year benefits as described in the previous section. The District has established the Post-Employment Benefits Trust Fund to finance these obligations.

### D. Membership

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

Retirees and beneficiaries receiving benefits	36
Active plan members	<u>811</u>
Total members	<u><u>847</u></u>

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

**E. Net OPEB Liability (Asset) of the District**

The District’s net OPEB liability (asset) was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to roll forward the total OPEB liability to the measurement date. The components of the net OPEB liability (asset) of the District at year-end were as follows:

Total OPEB liability	\$ 8,463,610
Plan fiduciary net position	<u>(9,377,231)</u>
District’s net OPEB liability (asset)	<u>\$ (913,621)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>110.79%</u>

**F. Actuarial Method and Assumptions**

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

Discount rate	5.10%
Expected long-term investment return	6.00%
20-year municipal bond yield	4.10%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.00% grading to 5.00% over 5 years, and then to 4.00% over the next 48 years

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed income	46.00 %	3.90 %
Domestic equity	36.00 %	7.94 %
International equity	12.00 %	7.34 %
Real estate	<u>6.00 %</u>	8.10 %
Total portfolio	<u>100.00 %</u>	6.00 %

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

### G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 8.50 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### H. Discount Rate

The discount rate used to measure the total OPEB liability was 5.10 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy have also been considered. The District discount rate used in the prior measurement date was 5.00 percent.

### I. Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Beginning balance	\$ 8,460,209	\$ 9,395,456	\$ (935,247)
Changes for the year			
Service cost	328,998	–	328,998
Interest	421,832	–	421,832
Assumption changes	(33,602)	–	(33,602)
Projected investment earnings	–	563,727	(563,727)
Differences between expected and actual experience	–	233,555	(233,555)
Benefit payments	(713,827)	(713,827)	–
Administrative expenses	–	(101,680)	101,680
Total net changes	<u>3,401</u>	<u>(18,225)</u>	<u>21,626</u>
Ending balance	<u>\$ 8,463,610</u>	<u>\$ 9,377,231</u>	<u>\$ (913,621)</u>

Changes in actuarial assumptions since the prior measurement date include the following:

- The expected long-term rate of return was changed from 6.10 percent to 6.00 percent.
- The discount rate was changed from 5.00 percent to 5.10 percent.

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

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	4.10%	5.10%	6.10%
Net OPEB liability (asset)	\$ (519,461)	\$ (913,621)	\$ (1,303,184)

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

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
OPEB medical trend rate	5.00% grading to 4.00% , then 3.00%	6.00% grading to 5.00%, then 4.00%	7.00% grading to 6.00%, then 5.00%
Net OPEB liability (asset)	\$ (1,668,597)	\$ (913,621)	\$ (64,251)

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

For the current year ended, the District recognized negative OPEB expense of \$718,765. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 452,818	\$ 1,237,500
Changes in actuarial assumptions	121,263	2,241,304
Net collective difference between projected and actual investment earnings on OPEB plan investments	<u>210,108</u>	<u>–</u>
Total	<u>\$ 784,189</u>	<u>\$ 3,478,804</u>

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

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

Year Ending June 30,	OPEB Expense Amount
2025	\$ (1,027,413)
2026	\$ (702,184)
2027	\$ (339,885)
2028	\$ (360,351)
2029	\$ (259,986)
Thereafter	\$ (4,796)

**NOTE 8 – FLEXIBLE BENEFIT PLAN**

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

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

The Plan is administered by an independent contract administrator for child care and medical expense reimbursements. The flexible benefit plan is included in the financial statements within the District's General Fund.

All property of the Plan 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 healthcare and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

## **NOTE 9 – INTERFUND BALANCES AND TRANSACTIONS**

### **A. Interfund Receivables and Payables**

At year-end, the General Fund reported a balance of \$713,827 due from the Post-Employment Benefits Trust Fund, representing the amount due from the trust for allowable OPEB expenditures.

### **B. Interfund Transfers**

The District transferred \$2,815,000 to the Capital Projects – Building Construction Fund from the General Fund to finance long-term facilities maintenance projects.

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

## **NOTE 10 – COMMITMENTS AND CONTINGENCIES**

### **A. Construction Contracts**

At June 30, 2024, the District had commitments totaling \$3,063,054 under various construction contracts for which work was not yet completed.

### **B. 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 funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

### **C. Legal Claims**

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



REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 12

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2024

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.2024%	\$ 9,507,738	\$ -	\$ 9,507,738	\$ 10,611,491	89.60%	78.70%
06/30/2016	06/30/2015	0.2006%	\$ 10,396,133	\$ -	\$ 10,396,133	\$ 11,593,173	89.67%	78.20%
06/30/2017	06/30/2016	0.2015%	\$ 16,360,801	\$ 213,645	\$ 16,574,446	\$ 12,632,427	129.51%	68.90%
06/30/2018	06/30/2017	0.1864%	\$ 11,899,654	\$ 149,640	\$ 12,049,294	\$ 12,010,668	99.08%	75.90%
06/30/2019	06/30/2018	0.1877%	\$ 10,412,828	\$ 341,635	\$ 10,754,463	\$ 12,618,394	82.52%	79.50%
06/30/2020	06/30/2019	0.1838%	\$ 10,161,891	\$ 315,820	\$ 10,477,711	\$ 13,001,278	78.16%	80.20%
06/30/2021	06/30/2020	0.1867%	\$ 11,193,519	\$ 345,066	\$ 11,538,585	\$ 13,312,198	84.08%	79.10%
06/30/2022	06/30/2021	0.1742%	\$ 7,439,121	\$ 227,150	\$ 7,666,271	\$ 12,545,719	59.30%	87.00%
06/30/2023	06/30/2022	0.1768%	\$ 14,002,618	\$ 410,553	\$ 14,413,171	\$ 13,245,095	105.72%	76.70%
06/30/2024	06/30/2023	0.1682%	\$ 9,405,556	\$ 259,373	\$ 9,664,929	\$ 13,377,786	70.31%	83.10%

Public Employees Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2024

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 869,488	\$ 869,488	\$ -	\$ 11,593,173	7.50%
06/30/2016	\$ 947,432	\$ 947,432	\$ -	\$ 12,632,427	7.50%
06/30/2017	\$ 900,642	\$ 900,642	\$ -	\$ 12,010,668	7.50%
06/30/2018	\$ 946,410	\$ 946,410	\$ -	\$ 12,618,394	7.50%
06/30/2019	\$ 975,225	\$ 975,225	\$ -	\$ 13,001,278	7.50%
06/30/2020	\$ 998,417	\$ 998,417	\$ -	\$ 13,312,198	7.50%
06/30/2021	\$ 940,506	\$ 940,506	\$ -	\$ 12,545,719	7.50%
06/30/2022	\$ 993,029	\$ 993,029	\$ -	\$ 13,245,095	7.50%
06/30/2023	\$ 1,003,385	\$ 1,003,385	\$ -	\$ 13,377,786	7.50%
06/30/2024	\$ 1,126,390	\$ 1,126,390	\$ -	\$ 15,018,517	7.50%

INDEPENDENT SCHOOL DISTRICT NO. 12

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability  
 Year Ended June 30, 2024

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.6402%	\$ 29,499,955	\$ 2,075,170	\$ 31,575,125	\$ 29,224,786	100.94%	81.50%
06/30/2016	06/30/2015	0.6139%	\$ 37,975,786	\$ 4,658,088	\$ 42,633,874	\$ 31,472,905	120.66%	76.80%
06/30/2017	06/30/2016	0.6907%	\$164,748,429	\$ 16,535,829	\$181,284,258	\$ 35,929,587	458.53%	44.88%
06/30/2018	06/30/2017	0.5438%	\$108,552,344	\$ 10,493,980	\$119,046,324	\$ 29,274,943	370.80%	51.57%
06/30/2019	06/30/2018	0.6098%	\$ 38,301,148	\$ 3,598,550	\$ 41,899,698	\$ 33,693,440	113.68%	78.07%
06/30/2020	06/30/2019	0.5898%	\$ 37,593,976	\$ 3,326,977	\$ 40,920,953	\$ 33,487,311	112.26%	78.21%
06/30/2021	06/30/2020	0.5909%	\$ 43,656,484	\$ 3,658,430	\$ 47,314,914	\$ 34,337,666	127.14%	75.48%
06/30/2022	06/30/2021	0.5926%	\$ 25,933,948	\$ 2,187,309	\$ 28,121,257	\$ 35,456,241	73.14%	86.63%
06/30/2023	06/30/2022	0.5643%	\$ 45,186,159	\$ 3,350,689	\$ 48,536,848	\$ 34,879,548	129.55%	76.17%
06/30/2024	06/30/2023	0.5692%	\$ 46,994,427	\$ 3,292,047	\$ 50,286,474	\$ 36,194,081	129.84%	76.42%

Teachers Retirement Association Pension Benefits Plan  
 Schedule of District Contributions  
 Year Ended June 30, 2024

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 2,360,458	\$ 2,360,458	\$ -	\$ 31,472,905	7.50%
06/30/2016	\$ 2,694,719	\$ 2,694,719	\$ -	\$ 35,929,587	7.50%
06/30/2017	\$ 2,196,141	\$ 2,196,141	\$ -	\$ 29,274,943	7.50%
06/30/2018	\$ 2,526,625	\$ 2,526,625	\$ -	\$ 33,693,440	7.50%
06/30/2019	\$ 2,581,926	\$ 2,581,926	\$ -	\$ 33,487,311	7.71%
06/30/2020	\$ 2,719,482	\$ 2,719,482	\$ -	\$ 34,337,666	7.92%
06/30/2021	\$ 2,882,684	\$ 2,882,684	\$ -	\$ 35,456,241	8.13%
06/30/2022	\$ 2,909,077	\$ 2,909,077	\$ -	\$ 34,879,548	8.34%
06/30/2023	\$ 3,093,803	\$ 3,093,803	\$ -	\$ 36,194,081	8.55%
06/30/2024	\$ 3,368,252	\$ 3,368,252	\$ -	\$ 38,503,642	8.75%

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	District Fiscal Year-End Date			
	2017	2018	2019	2020
Total OPEB liability				
Service cost	\$ 621,966	\$ 607,690	\$ 475,502	\$ 547,306
Interest	621,006	643,634	690,406	437,598
Assumption changes	-	(285,979)	(3,073,593)	323,378
Differences between expected and actual experience	-	-	(2,665,547)	-
Benefit payments	(705,560)	(647,485)	(1,038,162)	(497,027)
Net change in total OPEB liability	537,412	317,860	(5,611,394)	811,255
Total OPEB liability – beginning of year	14,873,769	15,411,181	15,729,041	10,117,647
Total OPEB liability – end of year	15,411,181	15,729,041	10,117,647	10,928,902
Plan fiduciary net position				
Contributions	297,212	217,523	-	-
Projected investment earnings	713,401	740,415	651,228	579,546
Differences between expected and actual experience	-	-	13,194	(99,386)
Benefit payments	(705,560)	(647,485)	(1,038,162)	(497,027)
Administrative expenses	(88,519)	(103,777)	(110,163)	(109,482)
Net change in plan fiduciary net position	216,534	206,676	(483,903)	(126,349)
Plan fiduciary net position – beginning	11,205,837	11,422,371	11,629,047	11,145,144
Plan fiduciary net position – ending	11,422,371	11,629,047	11,145,144	11,018,795
Net OPEB liability (asset)	\$ 3,988,810	\$ 4,099,994	\$ (1,027,497)	\$ (89,893)
Plan fiduciary net position as a percentage of the total OPEB liability	74.12%	73.93%	110.16%	100.82%
Covered-employee payroll	\$41,070,427	\$42,302,540	\$41,070,343	\$42,302,453
Net OPEB liability (asset) as a percentage of covered-employee payroll	9.71%	9.69%	(2.50%)	(0.21%)

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

2021	2022	2023	2024
\$ 575,927	\$ 511,882	\$ 324,663	\$ 328,998
391,922	377,439	453,578	421,832
(1,140,825)	(375,579)	(986,253)	(33,602)
1,056,578	–	(799,565)	–
(619,456)	(1,217,717)	(1,021,287)	(713,827)
264,146	(703,975)	(2,028,864)	3,401
10,928,902	11,193,048	10,489,073	8,460,209
11,193,048	10,489,073	8,460,209	8,463,610
–	–	–	–
561,959	688,587	602,642	563,727
1,447,390	(1,775,384)	39,544	233,555
(619,456)	(1,217,717)	(1,021,287)	(713,827)
(112,484)	(112,336)	(104,797)	(101,680)
1,277,409	(2,416,850)	(483,898)	(18,225)
11,018,795	12,296,204	9,879,354	9,395,456
12,296,204	9,879,354	9,395,456	9,377,231
\$ (1,103,156)	\$ 609,719	\$ (935,247)	\$ (913,621)
109.86%	94.19%	111.05%	110.79%
\$45,404,716	\$46,766,858	\$45,782,807	\$47,156,291
(2.43%)	1.30%	(2.04%)	(1.94%)

INDEPENDENT SCHOOL DISTRICT NO. 12

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

<u>District Fiscal Year-End Date</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	6.40 %
2018	6.50 %
2019	5.70 %
2020	4.30 %
2021	18.20 %
2022	(8.80) %
2023	6.50 %
2024	8.50 %

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

INDEPENDENT SCHOOL DISTRICT NO. 12

Notes to Required Supplementary Information  
June 30, 2024

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2023 CHANGES IN PLAN PROVISIONS**

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

**2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2020 CHANGES IN PLAN PROVISIONS**

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

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

## **PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

### **2020 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)**

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

### **2019 CHANGES IN PLAN PROVISIONS**

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

### **2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2018 CHANGES IN PLAN PROVISIONS**

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year, with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio, to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

### **2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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



## **PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

### **2017 CHANGES IN PLAN PROVISIONS**

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

### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2015 CHANGES IN PLAN PROVISIONS**

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

### **2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

## **TEACHERS RETIREMENT ASSOCIATION (TRA)**

### **2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2018 CHANGES IN PLAN PROVISIONS**

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

### **2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.

## **TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)**

### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)**

- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

### **2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2015 CHANGES IN PLAN PROVISIONS**

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

### **2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

## **OTHER POST-EMPLOYMENT BENEFITS PLAN**

### **2024 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The expected long-term rate of return was changed from 6.10 percent to 6.00 percent.
- The discount rate was changed from 5.00 percent to 5.10 percent.

### **2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The expected long-term rate of return was changed from 5.60 percent to 6.10 percent.
- The discount rate was changed from 4.40 percent to 5.00 percent.
- The healthcare trend rates, mortality tables, salary increase rates for nonteachers, retiree plan participation percentage for future retirees who will be eligible to receive a subsidy, and withdrawal rates were updated.

### **2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The expected long-term rate of return was changed from 5.10 percent to 5.60 percent.
- The discount rate was changed from 3.40 percent to 4.40 percent.

### **2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The expected long-term investment return was changed from 5.20 percent to 5.10 percent.
- The discount rate was changed from 3.50 percent to 3.40 percent.
- The healthcare trend rates, mortality tables, salary increase rates, retiree plan participation percentage for future retirees who will be eligible to receive a subsidy, and the percentage of future married retirees electing spouse coverage were updated.

## **OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)**

### **2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The expected long-term investment return was changed from 5.60 percent to 5.20 percent.
- The discount rate was changed from 4.20 percent to 3.50 percent.

### **2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The expected long-term investment return was changed from 5.80 percent to 5.60 percent.
- The discount rate was changed from 4.40 percent to 4.20 percent.
- The healthcare trend rates, including the trend of lump sums payable to the Health Reimbursement Account, and the mortality tables were updated.

### **2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The expected long-term investment return was changed from 6.00 percent to 5.80 percent.
- The discount rate was changed from 4.10 percent to 4.40 percent.

### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.00 percent to 4.10 percent.
- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire under the Rule of 90 were also updated.

SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	Special Revenue Funds		
	Food Service	Community Service	Total
<b>Assets</b>			
Cash and temporary investments	\$ 3,047,088	\$ 3,752,016	\$ 6,799,104
Receivables			
Current taxes	–	451,967	451,967
Delinquent taxes	–	9,215	9,215
Due from other governmental units	90,206	189,177	279,383
Inventory	105,476	–	105,476
Prepaid items	–	3,330	3,330
	<u>–</u>	<u>3,330</u>	<u>3,330</u>
Total assets	<u>\$ 3,242,770</u>	<u>\$ 4,405,705</u>	<u>\$ 7,648,475</u>
<b>Liabilities</b>			
Salaries and compensated absences payable	\$ 4,128	\$ 275,661	\$ 279,789
Accounts and contracts payable	78,160	187,561	265,721
Unearned revenue	73,794	33,455	107,249
Total liabilities	<u>156,082</u>	<u>496,677</u>	<u>652,759</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue – delinquent taxes	–	7,512	7,512
Property taxes levied for subsequent year	–	724,259	724,259
Total deferred inflows of resources	<u>–</u>	<u>731,771</u>	<u>731,771</u>
<b>Fund balances</b>			
Nonspendable	105,476	3,330	108,806
Restricted	2,981,212	3,173,927	6,155,139
Total fund balances	<u>3,086,688</u>	<u>3,177,257</u>	<u>6,263,945</u>
	<u>–</u>	<u>–</u>	<u>–</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,242,770</u>	<u>\$ 4,405,705</u>	<u>\$ 7,648,475</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	\$ -	\$ 651,942	\$ 651,942
Investment earnings	188,558	249,912	438,470
Other	566,945	5,078,025	5,644,970
State sources	2,575,821	707,122	3,282,943
Federal sources	2,019,638	-	2,019,638
Total revenue	<u>5,350,962</u>	<u>6,687,001</u>	<u>12,037,963</u>
Expenditures			
Current			
Food service	4,409,973	-	4,409,973
Community service	-	6,528,128	6,528,128
Capital outlay	355,495	81,229	436,724
Total expenditures	<u>4,765,468</u>	<u>6,609,357</u>	<u>11,374,825</u>
Net change in fund balances	585,494	77,644	663,138
Fund balances			
Beginning of year	<u>2,501,194</u>	<u>3,099,613</u>	<u>5,600,807</u>
End of year	<u>\$ 3,086,688</u>	<u>\$ 3,177,257</u>	<u>\$ 6,263,945</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and temporary investments	\$ 63,478,027	\$ 55,117,738
Receivables		
Current taxes	11,139,085	10,367,442
Delinquent taxes	224,915	164,053
Accounts and interest	307,877	308,311
Due from other governmental units	9,896,427	8,523,587
Due from other funds	713,827	1,021,287
Prepaid items	<u>237,560</u>	<u>210,060</u>
Total assets	<u><u>\$ 85,997,718</u></u>	<u><u>\$ 75,712,478</u></u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 4,912,120	\$ 4,259,150
Accounts and contracts payable	3,217,415	3,447,047
Due to other governmental units	442,438	463,760
Unearned revenue	<u>82,271</u>	<u>63,002</u>
Total liabilities	8,654,244	8,232,959
<b>Deferred inflows of resources</b>		
Unavailable revenue – delinquent taxes	181,746	133,145
Property taxes levied for subsequent year	<u>17,391,290</u>	<u>16,615,847</u>
Total deferred inflows of resources	17,573,036	16,748,992
<b>Fund balances</b>		
Nonspendable for prepaid items	237,560	210,060
Restricted for student activities	123,945	130,990
Restricted for literacy incentive aid	320,690	–
Restricted for American Indian education aid	926	–
Restricted for operating capital	5,386,302	4,333,699
Restricted for safe schools levy	270,305	262,880
Restricted for long-term facilities maintenance	4,536,829	7,334,453
Restricted for Medical Assistance	722,828	695,432
Assigned for subsequent year’s budget	1,468,476	–
Assigned for learner activities	238,776	281,562
Assigned for alternative compensation	560,165	635,698
Assigned for district projects	6,309,187	4,843,823
Assigned for budget carryover	845,405	823,309
Assigned for class size reduction	3,475,092	2,658,947
Assigned for technology	3,850,476	3,850,476
Assigned for special education	1,043,491	1,043,491
Assigned for severance benefits payable	2,143,197	2,025,626
Assigned for concessions	21,210	20,367
Assigned for sponsorships and advertising	95,803	67,232
Assigned for compensated absences	4,325,904	–
Unassigned – disabled accessibility restricted account deficit	–	(140,000)
Unassigned	<u>23,793,871</u>	<u>21,652,482</u>
Total fund balances	59,770,438	50,730,527
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 85,997,718</u></u>	<u><u>\$ 75,712,478</u></u>



INDEPENDENT SCHOOL DISTRICT NO. 12

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

	2024		Over (Under)	2023
	Budget	Actual	Budget	Actual
<b>Revenue</b>				
Local sources				
Property taxes	\$ 17,148,297	\$ 17,297,970	\$ 149,673	\$ 15,893,303
Investment earnings	1,144,000	2,943,319	1,799,319	1,715,934
Other	2,421,144	3,238,714	817,570	2,929,792
State sources	77,453,900	79,595,239	2,141,339	71,216,554
Federal sources	3,173,463	3,483,008	309,545	3,494,167
Total revenue	101,340,804	106,558,250	5,217,446	95,249,750
<b>Expenditures</b>				
Current				
Administration				
Salaries	2,299,118	2,317,448	18,330	2,219,606
Employee benefits	946,744	907,596	(39,148)	881,581
Purchased services	70,853	60,376	(10,477)	42,941
Supplies and materials	72,214	19,089	(53,125)	24,892
Capital expenditures	1,820	—	(1,820)	—
Other expenditures	77,270	63,515	(13,755)	67,586
Total administration	3,468,019	3,368,024	(99,995)	3,236,606
District support services				
Salaries	1,124,880	1,001,878	(123,002)	943,759
Employee benefits	499,785	440,843	(58,942)	449,275
Purchased services	554,235	468,075	(86,160)	413,498
Supplies and materials	116,120	43,099	(73,021)	48,863
Capital expenditures	94,088	13,300	(80,788)	6,650
Other expenditures	23,096	18,702	(4,394)	15,915
Total district support services	2,412,204	1,985,897	(426,307)	1,877,960
Elementary and secondary regular instruction				
Salaries	26,486,738	25,490,017	(996,721)	23,903,744
Employee benefits	11,401,452	10,093,328	(1,308,124)	9,737,930
Purchased services	1,965,500	1,958,848	(6,652)	1,734,614
Supplies and materials	1,973,231	2,331,753	358,522	1,984,060
Capital expenditures	255,352	292,505	37,153	388,977
Other expenditures	191,300	187,161	(4,139)	180,670
Total elementary and secondary regular instruction	42,273,573	40,353,612	(1,919,961)	37,929,995

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	491,058	452,619	(38,439)	506,046
Employee benefits	189,882	168,680	(21,202)	192,368
Purchased services	173,860	121,164	(52,696)	161,222
Supplies and materials	76,222	72,204	(4,018)	67,460
Capital expenditures	–	21,451	21,451	–
Other expenditures	2,000	3,270	1,270	3,149
Total vocational education instruction	933,022	839,388	(93,634)	930,245
Special education instruction				
Salaries	14,707,576	14,097,859	(609,717)	12,466,677
Employee benefits	5,747,397	5,265,599	(481,798)	4,676,820
Purchased services	2,203,520	2,941,017	737,497	2,530,782
Supplies and materials	103,500	137,956	34,456	160,027
Other expenditures	70,000	67,598	(2,402)	68,115
Total special education instruction	22,831,993	22,510,029	(321,964)	19,902,421
Community education services				
Supplies and materials	–	7,404	7,404	–
Instructional support services				
Salaries	2,321,788	2,513,477	191,689	2,182,391
Employee benefits	822,595	862,044	39,449	743,275
Purchased services	299,782	186,505	(113,277)	156,358
Supplies and materials	1,106,562	925,262	(181,300)	959,135
Capital expenditures	50,000	–	(50,000)	84,935
Other expenditures	11,300	9,374	(1,926)	10,140
Total instructional support services	4,612,027	4,496,662	(115,365)	4,136,234
Pupil support services				
Salaries	1,239,666	1,372,099	132,433	1,067,418
Employee benefits	470,426	491,101	20,675	358,530
Purchased services	6,923,973	6,868,737	(55,236)	6,629,009
Supplies and materials	211,156	62,734	(148,422)	280,393
Other expenditures	5,814	6,090	276	6,341
Total pupil support services	8,851,035	8,800,761	(50,274)	8,341,691

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	2024		Over (Under)	2023
	Budget	Actual	Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	3,118,113	3,093,344	(24,769)	2,944,153
Employee benefits	1,485,093	1,409,902	(75,191)	1,357,873
Purchased services	3,431,143	2,652,542	(778,601)	2,916,963
Supplies and materials	528,186	593,557	65,371	654,934
Capital expenditures	5,385,318	2,866,829	(2,518,489)	2,090,650
Other expenditures	30,874	41,181	10,307	29,799
Total sites and buildings	<u>13,978,727</u>	<u>10,657,355</u>	<u>(3,321,372)</u>	<u>9,994,372</u>
Fiscal and other fixed cost programs				
Purchased services	512,500	476,828	(35,672)	376,058
Debt service				
Principal	850,000	931,389	81,389	874,843
Interest and fiscal charges	274,031	275,990	1,959	295,706
Total debt service	<u>1,124,031</u>	<u>1,207,379</u>	<u>83,348</u>	<u>1,170,549</u>
Total expenditures	<u>100,997,131</u>	<u>94,703,339</u>	<u>(6,293,792)</u>	<u>87,896,131</u>
Excess of revenue over expenditures	343,673	11,854,911	11,511,238	7,353,619
Other financing sources (uses)				
Sale of capital assets	—	—	—	28,746
Debt issued	—	—	—	251,365
Transfers out	<u>(2,750,000)</u>	<u>(2,815,000)</u>	<u>(65,000)</u>	<u>—</u>
Total other financing sources (uses)	<u>(2,750,000)</u>	<u>(2,815,000)</u>	<u>(65,000)</u>	<u>280,111</u>
Net change in fund balances	<u>\$ (2,406,327)</u>	9,039,911	<u>\$ 11,446,238</u>	7,633,730
Fund balances				
Beginning of year		<u>50,730,527</u>		<u>43,096,797</u>
End of year		<u>\$ 59,770,438</u>		<u>\$ 50,730,527</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Food Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and temporary investments	\$ 3,047,088	\$ 2,583,188
Receivables		
Accounts and interest	-	53,042
Due from other governmental units	90,206	-
Inventory	<u>105,476</u>	<u>87,812</u>
Total assets	<u>\$ 3,242,770</u>	<u>\$ 2,724,042</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 4,128	\$ 4,022
Accounts and contracts payable	78,160	143,813
Unearned revenue	<u>73,794</u>	<u>75,013</u>
Total liabilities	156,082	222,848
<b>Fund balances</b>		
Nonspendable for inventory	105,476	87,812
Restricted for food service	<u>2,981,212</u>	<u>2,413,382</u>
Total fund balances	<u>3,086,688</u>	<u>2,501,194</u>
Total liabilities and fund balances	<u>\$ 3,242,770</u>	<u>\$ 2,724,042</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 81,000	\$ 188,558	\$ 107,558	\$ 121,202
Other – primarily meal sales	465,534	566,945	101,411	2,001,176
State sources	2,395,400	2,575,821	180,421	161,059
Federal sources	1,943,500	2,019,638	76,138	1,933,497
Total revenue	<u>4,885,434</u>	<u>5,350,962</u>	<u>465,528</u>	<u>4,216,934</u>
Expenditures				
Current				
Salaries	1,287,926	1,371,891	83,965	1,162,083
Employee benefits	577,458	495,928	(81,530)	443,184
Purchased services	229,400	217,342	(12,058)	236,894
Supplies and materials	3,217,100	2,314,608	(902,492)	1,772,554
Other expenditures	13,000	10,204	(2,796)	12,191
Capital outlay	500,000	355,495	(144,505)	471,838
Total expenditures	<u>5,824,884</u>	<u>4,765,468</u>	<u>(1,059,416)</u>	<u>4,098,744</u>
Net change in fund balances	<u>\$ (939,450)</u>	585,494	<u>\$ 1,524,944</u>	118,190
Fund balances				
Beginning of year		<u>2,501,194</u>		<u>2,383,004</u>
End of year		<u>\$ 3,086,688</u>		<u>\$ 2,501,194</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Community Service Special Revenue Fund  
 Comparative Balance Sheet  
 as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and temporary investments	\$ 3,752,016	\$ 3,479,354
Receivables		
Current taxes	451,967	398,910
Delinquent taxes	9,215	7,015
Due from other governmental units	189,177	185,974
Prepaid items	<u>3,330</u>	<u>–</u>
Total assets	<u>\$ 4,405,705</u>	<u>\$ 4,071,253</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 275,661	\$ 203,514
Accounts and contracts payable	187,561	105,091
Unearned revenue	<u>33,455</u>	<u>–</u>
Total liabilities	496,677	308,605
<b>Deferred inflows of resources</b>		
Unavailable revenue – delinquent taxes	7,512	5,719
Property taxes levied for subsequent year	<u>724,259</u>	<u>657,316</u>
Total deferred inflows of resources	731,771	663,035
<b>Fund balances</b>		
Nonspendable for prepaid items	3,330	–
Restricted for community education programs	2,134,518	2,168,878
Restricted for early childhood family education programs	674,584	675,605
Restricted for school readiness	323,226	214,686
Restricted for community service	<u>41,599</u>	<u>40,444</u>
Total fund balances	<u>3,177,257</u>	<u>3,099,613</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,405,705</u>	<u>\$ 4,071,253</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 657,439	\$ 651,942	\$ (5,497)	\$ 654,259
Investment earnings	98,000	249,912	151,912	147,659
Other – primarily tuition and fees	4,116,000	5,078,025	962,025	4,548,371
State sources	492,906	707,122	214,216	459,549
Federal sources	–	–	–	199,107
Total revenue	<u>5,364,345</u>	<u>6,687,001</u>	<u>1,322,656</u>	<u>6,008,945</u>
Expenditures				
Current				
Salaries	3,703,654	4,053,293	349,639	3,105,262
Employee benefits	1,077,550	1,130,704	53,154	811,578
Purchased services	812,372	1,163,199	350,827	1,023,698
Supplies and materials	164,161	175,387	11,226	182,052
Other expenditures	2,626	5,545	2,919	2,078
Capital outlay	109,251	81,229	(28,022)	3,652
Total expenditures	<u>5,869,614</u>	<u>6,609,357</u>	<u>739,743</u>	<u>5,128,320</u>
Net change in fund balances	<u>\$ (505,269)</u>	77,644	<u>\$ 582,913</u>	880,625
Fund balances				
Beginning of year		<u>3,099,613</u>		<u>2,218,988</u>
End of year		<u>\$ 3,177,257</u>		<u>\$ 3,099,613</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	<u>\$ 1,185,750</u>	<u>\$ –</u>
Liabilities		
Accounts and contracts payable	\$ 1,185,750	\$ –
Fund balances		
Restricted for long-term facilities maintenance	<u>–</u>	<u>–</u>
Total liabilities and fund balances	<u>\$ 1,185,750</u>	<u>\$ –</u>



INDEPENDENT SCHOOL DISTRICT NO. 12

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

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ -	\$ -	\$ -	\$ 4,890
Expenditures				
Capital outlay				
Capital expenditures	2,750,000	2,815,000	65,000	380,751
Excess (deficiency) of revenue over expenditures	(2,750,000)	(2,815,000)	(65,000)	(375,861)
Other financing sources				
Transfers in	2,750,000	2,815,000	65,000	-
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	(375,861)
Fund balances				
Beginning of year		<u>-</u>		<u>375,861</u>
End of year		<u>\$ -</u>		<u>\$ -</u>

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INDEPENDENT SCHOOL DISTRICT NO. 12

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

	Regular	OPEB	Totals	
	Debt Service Account	Debt Service Account	2024	2023
<b>Assets</b>				
Cash and temporary investments	\$ 5,403,432	\$ 891,362	\$ 6,294,794	\$ 6,198,707
Cash and investments held by trustee	55,061,129	–	55,061,129	55,406,174
<b>Receivables</b>				
Current taxes	4,836,349	1,029,317	5,865,666	5,532,118
Delinquent taxes	114,561	14,641	129,202	98,936
Accounts and interest	344,575	–	344,575	346,734
Due from other governmental units	464	10	474	1,241
<b>Total assets</b>	<b>\$ 65,760,510</b>	<b>\$ 1,935,330</b>	<b>\$ 67,695,840</b>	<b>\$ 67,583,910</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 2,400	\$ –	\$ 2,400	\$ 2,800
<b>Deferred inflows of resources</b>				
Unavailable revenue – delinquent taxes	94,419	11,059	105,478	80,673
Property taxes levied for subsequent year	7,750,299	1,649,512	9,399,811	9,115,896
<b>Total deferred inflows of resources</b>	<b>7,844,718</b>	<b>1,660,571</b>	<b>9,505,289</b>	<b>9,196,569</b>
<b>Fund balances</b>				
Restricted for bond refundings	55,405,704	–	55,405,704	55,752,908
Restricted for debt service	2,507,688	274,759	2,782,447	2,631,633
<b>Total fund balances</b>	<b>57,913,392</b>	<b>274,759</b>	<b>58,188,151</b>	<b>58,384,541</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 65,760,510</b>	<b>\$ 1,935,330</b>	<b>\$ 67,695,840</b>	<b>\$ 67,583,910</b>

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	2024			Total
	Budget	Regular Debt Service Account	OPEB Debt Service Account	
<b>Revenue</b>				
Local sources				
Property taxes	\$ 9,115,751	\$ 7,390,438	\$ 1,650,054	\$ 9,040,492
Investment earnings	191,000	1,177,257	48,991	1,226,248
State sources	-	4,640	103	4,743
Total revenue	<u>9,306,751</u>	<u>8,572,335</u>	<u>1,699,148</u>	<u>10,271,483</u>
<b>Expenditures</b>				
Debt service				
Principal	8,220,000	6,910,000	1,310,000	8,220,000
Interest	2,243,323	1,974,340	268,983	2,243,323
Fiscal charges and other	18,000	4,550	-	4,550
Total expenditures	<u>10,481,323</u>	<u>8,888,890</u>	<u>1,578,983</u>	<u>10,467,873</u>
Excess (deficiency) of revenue over expenditures	(1,174,572)	(316,555)	120,165	(196,390)
<b>Other financing sources (uses)</b>				
Payment on refunded debt	-	-	-	-
Net change in fund balance	<u>\$ (1,174,572)</u>	(316,555)	120,165	(196,390)
<b>Fund balances</b>				
Beginning of year		<u>58,229,947</u>	<u>154,594</u>	<u>58,384,541</u>
End of year		<u>\$ 57,913,392</u>	<u>\$ 274,759</u>	<u>\$ 58,188,151</u>

	<u>2023</u>
<u>Over (Under) Budget</u>	<u>Actual</u>
\$ (75,259)	\$ 9,263,478
1,035,248	1,134,953
4,743	12,409
964,732	10,410,840
-	8,085,000
-	2,368,133
(13,450)	8,750
(13,450)	10,461,883
978,182	(51,043)
-	(2,320,000)
\$ 978,182	(2,371,043)
	60,755,584
	\$ 58,384,541

INDEPENDENT SCHOOL DISTRICT NO. 12

Internal Service Funds  
 Combining Statement of Net Position  
 as of June 30, 2024  
 (With Comparative Totals as of June 30, 2023)

	Medical	Dental	Totals	
	Self-Insurance	Self-Insurance	2024	2023
<b>Assets</b>				
<b>Current assets</b>				
Cash and temporary investments	\$ 5,648,964	\$ 232,580	\$ 5,881,544	\$ 5,147,110
Receivables				
Accounts and interest	1,081,743	–	1,081,743	381,051
Prepaid items	108,303	–	108,303	98,456
Total current assets	<u>6,839,010</u>	<u>232,580</u>	<u>7,071,590</u>	<u>5,626,617</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	310,871	32,534	343,405	303,610
Claims incurred, but not reported	662,000	10,000	672,000	672,000
Total current liabilities	<u>972,871</u>	<u>42,534</u>	<u>1,015,405</u>	<u>975,610</u>
<b>Net position</b>				
Unrestricted	<u>\$ 5,866,139</u>	<u>\$ 190,046</u>	<u>\$ 6,056,185</u>	<u>\$ 4,651,007</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Internal Service Funds  
 Combining Statement of Revenues, Expenses, and Changes in Net Position  
 Year Ended June 30, 2024  
 (With Comparative Totals for the Year Ended June 30, 2023)

	Medical	Dental	Totals	
	Self-Insurance	Self-Insurance	2024	2023
Operating revenue				
Charges for services	\$ 12,176,052	\$ 493,025	\$ 12,669,077	\$ 11,456,847
Operating expenses				
Health claims and fees	11,068,419	–	11,068,419	11,509,006
Dental claims and fees	–	579,739	579,739	543,297
Total operating expenses	<u>11,068,419</u>	<u>579,739</u>	<u>11,648,158</u>	<u>12,052,303</u>
Operating income (loss)	1,107,633	(86,714)	1,020,919	(595,456)
Nonoperating revenue				
Investment earnings	<u>369,446</u>	<u>14,813</u>	<u>384,259</u>	<u>256,634</u>
Change in net position	1,477,079	(71,901)	1,405,178	(338,822)
Net position				
Beginning of year	<u>4,389,060</u>	<u>261,947</u>	<u>4,651,007</u>	<u>4,989,829</u>
End of year	<u>\$ 5,866,139</u>	<u>\$ 190,046</u>	<u>\$ 6,056,185</u>	<u>\$ 4,651,007</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Internal Service Funds  
 Combining Statement of Cash Flows  
 Year Ended June 30, 2024  
 (With Comparative Totals for the Year Ended June 30, 2023)

	Medical	Dental	Totals	
	Self-Insurance	Self-Insurance	2024	2023
Cash flows from operating activities				
Received from assessments made to other funds	\$ 11,475,360	\$ 493,025	\$ 11,968,385	\$ 11,357,512
Health claims and fees payments	(11,071,005)	–	(11,071,005)	(11,393,852)
Dental claims and fees payments	–	(547,205)	(547,205)	(537,297)
Net cash flows from operating activities	<u>404,355</u>	<u>(54,180)</u>	<u>350,175</u>	<u>(573,637)</u>
Cash flows from investing activities				
Interest received on investments	<u>369,446</u>	<u>14,813</u>	<u>384,259</u>	<u>256,634</u>
Net change in cash and cash equivalents	773,801	(39,367)	734,434	(317,003)
Cash and temporary investments				
Beginning of year	<u>4,875,163</u>	<u>271,947</u>	<u>5,147,110</u>	<u>5,464,113</u>
End of year	<u>\$ 5,648,964</u>	<u>\$ 232,580</u>	<u>\$ 5,881,544</u>	<u>\$ 5,147,110</u>
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ 1,107,633	\$ (86,714)	\$ 1,020,919	\$ (595,456)
Adjustment to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Accounts and interest receivable	(700,692)	–	(700,692)	(99,335)
Prepaid items	(9,847)	–	(9,847)	(98,456)
Accounts payable	7,261	32,534	39,795	303,610
Claims incurred, but not reported	–	–	–	(84,000)
Net cash flows from operating activities	<u>\$ 404,355</u>	<u>\$ (54,180)</u>	<u>\$ 350,175</u>	<u>\$ (573,637)</u>



STATISTICAL SECTION

(UNAUDITED)



## STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 12's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Indicators**

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

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

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 27,366,979	\$ 31,815,679	\$ 29,790,809	\$ 32,315,862
Restricted	3,472,472	3,145,795	3,416,948	2,314,291
Unrestricted	<u>(47,663,240)</u>	<u>(49,298,618)</u>	<u>(73,406,107)</u>	<u>(87,704,585)</u>
 Total governmental activities net position	 <u>\$ (16,823,789)</u>	 <u>\$ (14,337,144)</u>	 <u>\$ (40,198,350)</u>	 <u>\$ (53,074,432)</u>

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by \$45,370,483.

Note 2: In fiscal 2017, the District reported a prior period adjustment and a change in accounting principle as required with the new standards, that decreased net position by a combined total of \$4,765,356.

Note 3: The District implemented GASB Statement No. 84 in fiscal 2020. The District reported a change in accounting principle as a result of implementing this standard that increased unrestricted net position by \$155,195.

Note 4: In fiscal 2024, the District reported a change in accounting principle for a change in reporting certain groups of similar capital assets acquired in prior years, that increased net position by \$1,151,118.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 31,559,639	\$ 34,579,960	\$ 38,539,157	\$ 41,830,688	\$ 45,451,762	\$ 53,344,343
5,731,631	7,879,104	11,422,521	16,203,497	19,443,630	18,974,350
<u>(69,305,037)</u>	<u>(65,427,871)</u>	<u>(59,773,249)</u>	<u>(46,678,386)</u>	<u>(24,726,254)</u>	<u>(7,280,071)</u>
<u>\$ (32,013,767)</u>	<u>\$ (22,968,807)</u>	<u>\$ (9,811,571)</u>	<u>\$ 11,355,799</u>	<u>\$ 40,169,138</u>	<u>\$ 65,038,622</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Expenses				
Administration	\$ 3,053,108	\$ 3,215,420	\$ 4,339,111	\$ 3,896,144
District support services	3,544,069	3,516,007	4,067,576	3,545,262
Elementary and secondary				
regular instruction	31,705,124	33,215,546	50,028,053	43,262,744
Vocational education instruction	692,861	795,229	967,130	1,060,852
Special education instruction	15,792,250	17,552,161	23,909,549	22,406,193
Community education services	-	-	-	-
Instructional support services	2,425,659	2,380,984	2,944,421	2,772,236
Pupil support services	6,501,927	6,508,758	7,124,878	7,391,101
Sites and buildings	7,035,863	5,687,353	7,450,111	7,083,908
Fiscal and other fixed cost programs	228,124	380,958	230,873	242,979
Food service	3,076,840	3,180,165	3,346,776	3,299,840
Community service	3,102,767	3,521,728	4,464,764	4,627,273
Depreciation/amortization not included in other functions	3,213,380	3,648,481	3,252,183	4,013,919
Interest and fiscal charges	3,399,739	3,250,044	3,647,286	3,034,689
Total governmental activities expenses	<u>83,771,711</u>	<u>86,852,834</u>	<u>115,772,711</u>	<u>106,637,140</u>
Program revenues				
Charges for services				
Food service	2,074,044	2,128,781	2,105,578	2,148,231
Community service	2,369,344	2,851,554	3,272,585	3,679,252
All other	1,365,540	1,399,036	832,317	917,966
Operating grants and contributions	15,103,012	15,433,397	16,397,531	16,840,789
Total governmental activities program revenues	<u>20,911,940</u>	<u>21,812,768</u>	<u>22,608,011</u>	<u>23,586,238</u>
Net (expense) revenue	(62,859,771)	(65,040,066)	(93,164,700)	(83,050,902)
General revenues and other changes in net position				
Taxes				
Property taxes levied for general purposes	9,941,223	9,063,480	9,779,104	9,544,281
Property taxes levied for community service	412,014	437,730	422,331	577,848
Property taxes levied for debt service	6,572,105	7,125,699	6,906,169	5,863,331
General grants and aids	47,753,060	49,450,433	52,565,301	51,971,877
Other general revenues	1,288,735	1,240,016	1,993,612	1,802,277
Investment earnings (charges)	(90,369)	209,353	402,333	415,206
Total general revenues and other changes in net position	<u>65,876,768</u>	<u>67,526,711</u>	<u>72,068,850</u>	<u>70,174,820</u>
Change in net position	<u>\$ 3,016,997</u>	<u>\$ 2,486,645</u>	<u>\$ (21,095,850)</u>	<u>\$ (12,876,082)</u>

2019	2020	2021	2022	2023	2024
\$ 2,320,139	\$ 3,475,205	\$ 3,990,923	\$ 2,740,270	\$ 2,436,265	\$ 3,205,314
3,307,931	3,521,744	1,507,029	1,551,255	2,013,186	2,072,239
21,428,949	36,828,963	37,464,548	32,421,316	27,996,467	36,549,907
688,735	1,022,428	1,163,439	1,010,157	685,680	769,120
14,612,480	20,782,804	19,273,374	17,530,375	15,688,515	21,360,614
—	—	—	—	—	7,404
1,761,107	2,368,975	5,315,340	4,255,983	3,584,691	3,999,572
7,142,282	6,827,030	6,709,885	7,672,042	8,060,107	8,735,615
7,619,549	7,874,536	6,424,138	7,039,527	9,026,155	8,823,446
261,422	273,901	298,296	315,490	376,058	476,828
3,195,028	3,394,870	3,196,521	3,848,612	3,839,148	4,430,672
4,284,247	4,792,378	4,256,675	4,535,684	4,955,327	6,450,081
4,295,107	4,215,358	4,278,316	4,976,798	5,095,416	5,101,979
3,472,948	3,088,339	3,247,971	4,054,810	3,915,107	3,846,284
74,389,924	98,466,531	97,126,455	91,952,319	87,672,122	105,829,075
2,115,819	1,472,473	81,571	433,718	2,001,176	566,945
4,050,256	3,337,414	2,641,716	4,021,311	4,548,371	5,078,025
1,019,614	871,953	1,126,686	1,313,927	1,324,003	1,306,951
17,240,617	20,401,762	22,525,651	23,884,474	19,714,147	28,387,114
24,426,306	26,083,602	26,375,624	29,653,430	27,587,697	35,339,035
(49,963,618)	(72,382,929)	(70,750,831)	(62,298,889)	(60,084,425)	(70,490,040)
10,358,532	14,891,308	15,453,444	16,161,962	15,913,573	17,346,571
591,731	632,181	644,134	677,591	654,960	653,735
7,043,980	8,886,179	9,660,530	9,314,943	9,273,988	9,065,297
50,334,809	54,064,056	56,682,845	54,735,615	58,039,436	60,218,744
2,007,541	1,676,626	1,447,331	2,111,847	1,634,535	1,931,763
687,690	1,122,344	19,783	464,301	3,381,272	4,992,296
71,024,283	81,272,694	83,908,067	83,466,259	88,897,764	94,208,406
<u>\$ 21,060,665</u>	<u>\$ 8,889,765</u>	<u>\$ 13,157,236</u>	<u>\$ 21,167,370</u>	<u>\$ 28,813,339</u>	<u>\$ 23,718,366</u>

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INDEPENDENT SCHOOL DISTRICT NO. 12

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

Fiscal Year	Property Tax			Total
	General Purposes	Community Service	Debt Service	
2015	\$ 9,941,223	\$ 412,014	\$ 6,572,105	\$ 16,925,342
2016	9,063,480	437,730	7,125,699	16,626,909
2017	9,779,104	422,331	6,906,169	17,107,604
2018	9,544,281	577,848	5,863,331	15,985,460
2019	10,358,532	591,731	7,043,980	17,994,243
2020	14,891,308	632,181	8,886,179	24,409,668
2021	15,453,444	644,134	9,660,530	25,758,108
2022	16,161,962	677,591	9,314,943	26,154,496
2023	15,913,573	654,960	9,273,988	25,842,521
2024	17,346,571	653,735	9,065,297	27,065,603

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 24,447	\$ 34,475	\$ 234,292	\$ 294,991
Restricted	1,131,527	891,663	1,063,202	591,305
Assigned	2,135,555	2,574,129	1,508,210	1,973,009
Unassigned	<u>6,789,251</u>	<u>5,289,452</u>	<u>7,813,366</u>	<u>7,613,743</u>
Total General Fund	<u>\$ 10,080,780</u>	<u>\$ 8,789,719</u>	<u>\$ 10,619,070</u>	<u>\$ 10,473,048</u>
All other governmental funds				
Nonspendable	\$ 21,890	\$ 26,621	\$ 28,770	\$ 24,218
Restricted	<u>55,721,540</u>	<u>48,461,719</u>	<u>19,654,128</u>	<u>13,465,515</u>
Total all other governmental funds	<u>\$ 55,743,430</u>	<u>\$ 48,488,340</u>	<u>\$ 19,682,898</u>	<u>\$ 13,489,733</u>
Total all governmental funds	<u>\$ 65,824,210</u>	<u>\$ 57,278,059</u>	<u>\$ 30,301,968</u>	<u>\$ 23,962,781</u>

2019	2020	2021	2022	2023	2024
\$ 56,825	\$ –	\$ –	\$ 195,045	\$ 210,060	\$ 237,560
2,880,293	4,867,611	7,553,960	10,513,772	12,757,454	11,361,825
3,263,875	6,331,521	10,701,985	13,668,375	16,250,531	24,377,182
8,078,652	11,640,833	14,642,908	18,719,605	21,512,482	23,793,871
<u>\$ 14,279,645</u>	<u>\$ 22,839,965</u>	<u>\$ 32,898,853</u>	<u>\$ 43,096,797</u>	<u>\$ 50,730,527</u>	<u>\$ 59,770,438</u>
\$ 221,033	\$ 207,671	\$ 81,397	\$ 81,837	\$ 87,812	\$ 108,806
22,350,397	8,236,082	11,685,394	65,651,600	63,897,536	64,343,290
<u>\$ 22,571,430</u>	<u>\$ 8,443,753</u>	<u>\$ 11,766,791</u>	<u>\$ 65,733,437</u>	<u>\$ 63,985,348</u>	<u>\$ 64,452,096</u>
<u>\$ 36,851,075</u>	<u>\$ 31,283,718</u>	<u>\$ 44,665,644</u>	<u>\$ 108,830,234</u>	<u>\$ 114,715,875</u>	<u>\$ 124,222,534</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	Fiscal Year			
	2015	2016	2017	2018
<b>Revenues</b>				
Local sources				
Property taxes	\$ 16,996,564	\$ 16,667,441	\$ 17,125,640	\$ 16,016,605
Investment earnings (charges)	(90,767)	202,532	368,246	357,372
Other	7,097,663	7,619,387	8,204,092	8,547,726
State sources	59,954,343	62,100,592	64,195,087	65,870,639
Federal sources	2,811,204	2,783,238	2,677,799	2,960,008
Total revenues	<u>86,769,007</u>	<u>89,373,190</u>	<u>92,570,864</u>	<u>93,752,350</u>
<b>Expenditures</b>				
Current				
Administration	3,083,550	3,122,090	3,185,216	3,154,461
District support services	3,530,458	3,419,808	3,485,707	3,354,201
Elementary and secondary regular instruction	32,181,914	33,331,179	33,087,025	33,830,500
Vocational education instruction	700,065	796,185	716,280	900,039
Special education instruction	16,025,969	17,618,586	17,638,685	18,566,036
Community education services	-	-	-	-
Instructional support services	2,454,988	2,472,550	2,266,139	2,369,486
Pupil support services	6,499,278	6,483,853	6,572,344	7,061,856
Sites and buildings	8,374,178	8,212,068	7,623,124	9,403,919
Fiscal and other fixed cost programs	228,124	380,958	230,873	242,979
Food service	3,040,444	3,116,820	3,200,436	3,276,741
Community service	3,047,664	3,452,920	3,874,747	4,279,060
Capital outlay	2,916,354	24,393,477	28,926,448	5,978,532
Debt service				
Principal	6,360,061	6,026,054	6,607,763	5,999,713
Interest and fiscal charges	3,064,917	2,218,581	2,415,199	1,674,014
Total expenditures	<u>91,507,964</u>	<u>115,045,129</u>	<u>119,829,986</u>	<u>100,091,537</u>
Excess (deficiency) of revenue over expenditures	(4,738,957)	(25,671,939)	(27,259,122)	(6,339,187)
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	-	-	-
Debt issued	80,462,192	5,720,000	-	-
Refunding debt issued	-	11,250,000	17,245,000	-
Premium/(discount) on debt issued	(23,049,139)	155,788	643,031	-
Payment on refunded debt	-	-	(17,605,000)	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>57,413,053</u>	<u>17,125,788</u>	<u>283,031</u>	<u>-</u>
Net change in fund balances	<u>\$ 52,674,096</u>	<u>\$ (8,546,151)</u>	<u>\$ (26,976,091)</u>	<u>\$ (6,339,187)</u>
Debt service as a percentage of noncapital expenditures	<u>10.8%</u>	<u>9.5%</u>	<u>10.0%</u>	<u>8.4%</u>

2019	2020	2021	2022	2023	2024
\$ 18,009,127	\$ 24,321,932	\$ 25,763,393	\$ 26,156,063	\$ 25,811,040	\$ 26,990,404
563,053	1,017,181	12,189	453,586	3,124,638	4,608,037
9,204,769	7,358,466	5,259,780	7,880,803	9,479,339	8,883,684
67,456,237	70,846,536	70,936,017	70,930,434	71,849,571	82,882,925
2,819,496	3,601,530	8,165,997	7,967,700	5,626,771	5,502,646
98,052,682	107,145,645	110,137,376	113,388,586	115,891,359	128,867,696
3,204,342	3,308,145	3,349,613	3,271,112	3,236,606	3,368,024
3,481,885	3,497,703	1,825,898	1,803,824	1,877,960	1,985,897
33,427,036	34,652,944	36,065,970	35,594,751	37,929,995	40,353,612
885,396	978,194	1,164,073	1,077,797	930,245	839,388
19,645,117	19,875,431	19,465,247	18,749,003	19,902,421	22,510,029
–	–	–	–	–	7,404
2,278,271	2,274,251	4,501,438	4,449,124	4,136,234	4,496,662
7,495,765	6,794,222	6,637,397	7,759,595	8,341,691	8,800,761
7,333,568	8,816,363	8,543,301	8,688,738	9,994,372	10,657,355
261,422	273,901	298,296	315,490	376,058	476,828
3,211,897	3,488,733	3,197,782	3,970,768	3,626,906	4,409,973
4,673,100	4,718,514	4,274,571	4,742,874	5,124,668	6,528,128
3,270,205	15,060,230	6,083,846	6,911,727	856,241	3,251,724
6,039,319	7,369,526	8,091,166	8,716,302	8,959,843	9,151,389
1,898,110	1,760,040	1,828,196	2,344,682	2,672,589	2,523,863
97,105,433	112,868,197	105,326,794	108,395,787	107,965,829	119,361,037
947,249	(5,722,552)	4,810,582	4,992,799	7,925,530	9,506,659
11,573	–	37,524	–	28,746	–
20,955,000	–	8,300,000	511,791	251,365	–
–	–	–	58,660,000	–	–
1,564,472	–	233,820	–	–	–
(10,590,000)	–	–	–	(2,320,000)	–
–	150,000	440,000	–	–	2,815,000
–	(150,000)	(440,000)	–	–	(2,815,000)
11,941,045	–	8,571,344	59,171,791	(2,039,889)	–
\$ 12,888,294	\$ (5,722,552)	\$ 13,381,926	\$ 64,164,590	\$ 5,885,641	\$ 9,506,659
8.4%	9.4%	10.2%	11.1%	11.0%	10.4%

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INDEPENDENT SCHOOL DISTRICT NO. 12

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

Fiscal Year	Property Tax				Total
	General Fund	Community Service Special Revenue Fund	Debt Service Fund		
2015	\$ 9,969,995	\$ 413,780	\$ 6,612,789	\$	16,996,564
2016	9,085,764	438,684	7,142,993		16,667,441
2017	9,786,917	422,854	6,915,869		17,125,640
2018	9,557,276	578,063	5,881,266		16,016,605
2019	10,368,101	592,173	7,048,853		18,009,127
2020	14,835,105	630,055	8,856,772		24,321,932
2021	15,458,107	644,381	9,660,905		25,763,393
2022	16,160,853	677,623	9,317,587		26,156,063
2023	15,893,303	654,259	9,263,478		25,811,040
2024	17,297,970	651,942	9,040,492		26,990,404

INDEPENDENT SCHOOL DISTRICT NO. 12

Tax Capacities and Market Values  
Last Ten Fiscal Years

For Taxes Collectible	Tax Capacity Valuation				
	Agricultural	Nonagricultural	Fiscal Disparities		Tax Increment
			Contribution	Distribution	
2015	N/A	N/A	N/A	N/A	N/A
2016	\$ 135,139	\$ 28,577,371	\$ (2,424,903)	\$ 4,556,713	\$ (302,028)
2017	159,401	31,105,060	(2,562,669)	4,806,595	(335,582)
2018	144,868	34,061,013	(2,980,281)	5,102,111	(465,445)
2019	115,945	36,687,605	(3,161,771)	5,491,628	(597,179)
2020	148,707	40,042,562	(3,320,489)	5,827,254	(587,717)
2021	147,530	43,575,062	(3,606,657)	6,176,115	(812,618)
2022	146,936	45,305,084	(4,084,725)	6,500,782	(814,659)
2023	111,513	55,090,026	(4,088,920)	6,022,650	(1,036,295)
2024	122,244	62,581,449	(4,685,662)	6,122,370	(1,913,156)

N/A – Not Available

Source: State of Minnesota School Tax Report



<u>Total Taxable</u>	<u>Total Direct Tax Rate</u>	<u>Taxable Market Value</u>	<u>Tax Capacity as a Percentage of Market Value</u>
\$ 29,814,881	36.562 %	\$ 2,625,259,600	1.14 %
30,542,292	36.426	2,686,977,500	1.14
33,172,805	29.097	2,880,559,100	1.15
35,862,266	34.970	3,136,397,900	1.14
38,536,228	35.984	3,360,382,600	1.15
42,110,317	34.059	3,653,032,759	1.15
45,479,432	31.572	3,921,509,724	1.16
47,053,418	31.074	4,098,165,558	1.15
56,098,974	25.188	4,958,397,300	1.13
62,227,245	23.564	5,437,928,943	1.14

INDEPENDENT SCHOOL DISTRICT NO. 12

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

Governmental Unit	Levy Year/Collection Year			
	2014/2015	2015/2016	2016/2017	2017/2018
ISD No. 12, Centennial				
Net tax capacity based tax rate	36.5620%	36.4260%	29.0970%	34.9700%
Market value based tax rate	0.16627%	0.18997%	0.17495%	0.15137%
Overlapping governments				
Anoka County With Library	38.1230%	38.8940%	36.8410%	35.3340%
City of Blaine	35.4950%	35.5780%	34.9460%	35.9890%
City of Centerville	66.4520%	71.0230%	69.6540%	64.1380%
City of Circle Pines	56.6380%	59.7200%	59.4840%	55.9930%
City of Lexington	67.4650%	68.0670%	63.6650%	68.6960%
City of Lino Lakes	43.7700%	46.0190%	45.1400%	42.8260%
Metropolitan Council	0.9330%	0.9580%	0.8660%	0.8410%
Metropolitan Mosquito Control District	0.4850%	0.5010%	0.4670%	0.4530%
Metro Transit District	1.4290%	1.5220%	1.4160%	1.3620%
Blaine HRA	0.3310%	0.3250%	1.0380%	0.8540%
Rice Creek Watershed	1.9130%	2.0690%	1.8270%	1.7780%
Anoka County RR Authority	0.9410%	0.8510%	0.8020%	0.7380%
Anoka County HRA	1.4380%	1.6160%	1.5360%	1.5080%

Source: Anoka County

2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
35.9840%	34.0590%	31.5720%	31.0740%	25.1880%	23.5640%
0.28318%	0.25716%	0.24786%	0.23695%	0.21941%	0.21595%
34.4730%	33.0780%	31.0860%	29.2540%	24.1760%	25.6290%
35.9520%	35.8420%	35.1300%	35.1130%	31.8000%	33.3190%
57.4830%	52.9600%	51.0600%	51.4300%	41.2780%	40.1160%
56.4340%	52.7370%	50.0280%	50.2550%	44.0350%	42.8050%
54.9200%	56.7560%	44.7040%	53.4100%	42.2840%	38.8320%
41.8170%	39.8700%	40.1090%	40.1540%	34.9740%	36.0980%
0.6270%	0.5960%	0.6450%	0.6510%	0.5550%	0.6430%
0.4150%	0.3980%	0.3870%	0.3720%	0.3200%	0.3260%
1.3880%	1.3600%	1.2480%	1.1750%	1.0090%	0.9380%
0.8560%	0.9610%	0.7060%	0.7630%	0.8800%	0.7610%
1.7500%	1.7950%	1.7570%	1.7150%	1.4880%	1.5050%
0.6850%	0.4940%	0.4810%	0.3510%	0.3060%	0.0000%
1.5040%	1.5130%	1.5730%	1.5050%	1.3260%	1.5740%

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INDEPENDENT SCHOOL DISTRICT NO. 12

Principal Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Type of Property	2024			2015		
		Tax Capacity	Rank	Percent of Total Tax Capacity	Tax Capacity	Rank	Percent of Total Tax Capacity
Walmart Real Estate Business Trust	Commercial	\$ 691,026	1	1.11 %	\$ -		N/A %
Blaine Partners LLC	Commercial	520,764	2	0.84	-		N/A
BMIRF Central LLC	Commercial	508,952	3	0.82	-		N/A
Infinite Campus	Commercial	458,647	4	0.74	-		N/A
Stag Industrial Holdings LLC	Commercial	458,360	5	0.74	-		N/A
AX Lino Lakes LP	Commercial	448,942	6	0.72	-		N/A
EWR Blaine FF LLC	Commercial	441,249	7	0.71	-		N/A
Biynah MN WI LLC	Commercial	354,886	8	0.57	-		N/A
Minnegasco, Inc.	Commercial	330,160	9	0.53	-		N/A
Target Corporation	Commercial	256,848	10	0.41	221,536	5	0.74
Connexus Energy	Commercial	-	-	-	344,302	1	1.15
Mills Properties, Inc.	Commercial	-	-	-	281,420	2	0.94
CenterPoint Energy	Commercial	-	-	-	267,078	3	0.90
SBH Blaine, Inc.	Commercial	-	-	-	225,188	4	0.76
Xcel Energy	Commercial	-	-	-	181,380	6	0.61
Lino Lakes Realty LLC	Commercial	-	-	-	170,200	7	0.57
Moline Concrete Products	Commercial	-	-	-	104,649	8	0.35
Taylor Corporation	Commercial	-	-	-	94,992	9	0.32
Lino Lakes Business Center LLC	Commercial	-	-	-	55,528	10	0.19
Total		<u>\$ 4,469,834</u>		<u>7.19 %</u>	<u>\$ 1,946,273</u>		<u>6.53 %</u>

Source: 2023 ACFR for City of Lino Lakes, Minnesota and City of Blaine, Minnesota

INDEPENDENT SCHOOL DISTRICT NO. 12

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

For Taxes Collectible	Original Levy			First Year Levy Recognized		Collections
	Local Spread	Fiscal Disparities	Total Spread	Amount	Percentage of Levy	Received in Subsequent Years
	2015	N/A	N/A	\$ 16,510,406	\$ 16,409,795	99.4 %
2016	\$ 14,631,278	\$ 2,449,688	17,080,966	17,009,598	99.6	71,368
2017	13,327,095	2,695,009	16,022,104	15,967,720	99.7	54,384
2018	15,616,576	2,391,001	18,007,577	17,923,872	99.5	67,736
2019	21,472,697	2,768,001	24,240,698	24,088,616	99.4	129,582
2020	21,813,773	3,774,952	25,588,725	25,372,657	99.2	168,859
2021	22,148,374	3,702,766	25,851,140	25,712,406	99.5	90,224
2022	22,397,647	3,660,069	26,057,716	25,923,822	99.5	56,374
2023	23,590,836	3,313,663	26,904,499	26,752,875	99.4	–
2024	25,065,144	2,872,189	27,937,333	10,480,615	37.5	–

N/A – Not Available

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

Source: State of Minnesota School Tax Report

Uncollected Taxes Receivable as of June 30, 2024

Total to Date		Delinquent		Current	
Amount	Percentage of Levy	Amount	Percent	Amount	Percent
\$ 16,510,406	100.0 %	\$ -	- %	\$ -	- %
17,080,966	100.0	-	-	-	-
16,022,104	100.0	-	-	-	-
17,991,608	99.9	15,969	0.1	-	-
24,218,198	99.9	22,500	0.1	-	-
25,541,516	99.8	47,209	0.2	-	-
25,802,630	99.8	48,510	0.2	-	-
25,980,196	99.7	77,520	0.3	-	-
26,752,875	99.4	151,624	0.6	-	-
10,480,615	37.5	-	-	<u>17,456,718</u>	62.5
		<u>\$ 363,332</u>		<u>\$ 17,456,718</u>	

INDEPENDENT SCHOOL DISTRICT NO. 12

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Certificates of Participation	Premium (Discount) on Bonds	Leases, SBITAs, and Other	Total Primary Government		
2015	\$119,625,000	\$ 1,170,000	\$ (22,227,439)	\$ 751,424	\$ 99,318,985	0.63 %	\$ 2,937
2016	125,470,000	6,510,000	(20,948,634)	510,370	111,541,736	0.69	3,298
2017	119,405,000	5,860,000	(18,905,328)	257,607	106,617,279	0.62	3,153
2018	114,245,000	5,125,000	(17,513,361)	152,894	102,009,533	0.56	2,892
2019	118,955,000	4,785,000	(14,484,824)	108,575	109,363,751	0.59	3,101
2020	111,970,000	4,435,000	(13,128,957)	74,049	103,350,092	0.52	2,972
2021	104,270,000	12,380,000	(11,542,930)	37,883	105,144,953	0.48	2,977
2022	155,015,000	11,715,000	(10,196,053)	413,372	156,947,319	0.70	4,341
2023	144,610,000	10,985,000	(8,916,067)	519,894	147,198,827	N/A	4,030
2024	136,390,000	10,235,000	(7,540,643)	338,505	139,422,862	N/A	3,817

N/A – Not Available

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

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



INDEPENDENT SCHOOL DISTRICT NO. 12

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

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Market Value	Percentage of Net Debt to Market Value	Estimated Population	Net Bonded Debt per Capita
2015	\$ 97,397,561	\$ 2,208,600	\$ 95,188,961	\$ 2,625,259,600	3.63 %	33,819	\$ 2,815
2016	104,521,366	13,054,174	91,467,192	2,686,977,500	3.40	33,819	2,705
2017	100,499,672	12,535,888	87,963,784	2,880,559,100	3.05	33,819	2,601
2018	96,731,639	11,905,227	84,826,412	3,136,397,900	2.70	35,271	2,405
2019	104,470,176	1,506,413	102,963,763	3,360,382,600	3.06	35,271	2,919
2020	98,841,043	1,868,931	96,972,112	3,653,032,759	2.65	34,775	2,789
2021	92,727,070	2,295,658	90,431,412	3,921,509,724	2.31	35,321	2,560
2022	144,818,947	60,755,584	84,063,363	4,098,165,558	2.05	36,156	2,325
2023	135,693,933	58,384,541	77,309,392	4,958,397,300	1.56	36,526	2,117
2024	128,849,357	58,188,151	70,661,206	5,437,928,943	1.30	36,526	1,935

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

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INDEPENDENT SCHOOL DISTRICT NO. 12

Direct and Overlapping Debt  
as of June 30, 2024

Governmental Unit	Gross Bonded Debt	Percent Allocable to ISD No. 12	Portion Allocable to ISD No. 12
Independent School District No. 12	\$ 128,849,357	100.00%	\$ 128,849,357
Overlapping debt			
Anoka County	\$ 34,695,000	0.9070%	314,684
City of Blaine	\$ 102,319,318	4.9110%	5,024,902
City of Centerville	\$ 1,566,042	4.0800%	63,895
City of Circle Pines	\$ 19,125,000	5.6140%	1,073,678
City of Lexington	\$ 1,641,277	3.7810%	62,057
City of Lino Lakes	\$ 17,185,475	3.2920%	565,746
Metropolitan Council	\$ 1,694,829,000	0.0800%	<u>1,355,863</u>
Total overlapping debt			<u>8,460,825</u>
Total direct and overlapping debt			<u><u>\$ 137,310,182</u></u>

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

Source: Anoka County

INDEPENDENT SCHOOL DISTRICT NO. 12

Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Debt limit	\$ 393,788,940	\$ 403,046,625	\$ 432,083,865	\$ 470,459,685
Total net debt applicable to the limit	<u>117,416,400</u>	<u>112,415,826</u>	<u>106,869,112</u>	<u>102,339,773</u>
Legal debt margin	<u>\$ 276,372,540</u>	<u>\$ 290,630,799</u>	<u>\$ 325,214,753</u>	<u>\$ 368,119,912</u>
Total net debt applicable to the limit as a percentage of debt limit	29.82%	27.89%	24.73%	21.75%

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

Source: District finance department

2019	2020	2021	2022	2023	2024
\$ 504,057,390	\$ 547,954,914	\$ 588,226,459	\$ 614,724,834	\$ 743,759,595	\$ 815,689,341
117,448,587	110,101,069	101,974,342	94,259,416	86,225,459	78,201,849
<u>\$ 386,608,803</u>	<u>\$ 437,853,845</u>	<u>\$ 486,252,117</u>	<u>\$ 520,465,418</u>	<u>\$ 657,534,136</u>	<u>\$ 737,487,492</u>
23.30%	20.09%	17.34%	15.33%	11.59%	9.59%

Legal Debt Margin Calculation for Fiscal Year 2024

Market value	\$ 5,437,928,943
Debt limit (15% of market value)	815,689,341
Debt applicable to limit	
General obligation bonds	136,390,000
Less amount set aside for repayment of general obligation debt	<u>58,188,151</u>
Total net debt applicable to the limit	<u>78,201,849</u>
Legal debt margin	<u>\$ 737,487,492</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	Anoka County			Total ISD No. 12 Population (2)	School Enrollment (3)	Anoka County Unemployment Rate (3)
	Population (1)	Personal Income (1)	Per Capita Personal Income (1)			
2015	339,534	\$ 15,678,200,000	\$ 46,176	33,819	6,393.57	3.9 %
2016	345,957	16,225,834,000	46,901	33,819	6,388.46	3.9
2017	345,957	17,107,249,000	49,449	33,819	6,498.94	3.6
2018	352,674	18,135,923,000	51,424	35,271	6,560.17	3.0
2019	353,813	18,649,149,000	52,709	35,271	6,575.93	3.4
2020	356,921	20,045,489,000	56,162	34,775	6,654.31	9.6
2021	363,887	21,799,730,000	59,908	35,321	6,488.36	4.3
2022	367,018	22,268,689,000	60,675	36,156	6,483.19	2.7
2023	368,684	N/A	N/A	36,526	6,470.37	3.3
2024	N/A	N/A	N/A	36,526	6,478.37	4.0

N/A – Not Available

Sources:

- (1) Anoka County, Minnesota 2023 ACFR
- (2) Annual school district census and U.S. Census
- (3) ISD No. 12 and the Bureau of Economic Analysis

INDEPENDENT SCHOOL DISTRICT NO. 12

Principal Employers  
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percent of Employment	Employees	Rank	Percent of Employment
Independent School District No. 12	964	1	22.99 %	–	–	– %
Infinite Campus	600	2	14.31	355	4	10.22
State of Minnesota Corrections	479	3	11.42	450	2	12.95
Cub Foods (4 locations)	466	4	11.11	360	3	10.36
Aveda Corporation	348	5	8.30	650	1	18.71
Target Corporation	344	6	8.20	350	5	10.07
Home Depot (2 locations)	305	7	7.27	220	10	6.33
City of Blaine	241	8	5.75	–	–	–
Moline Concrete	240	9	5.72	–	–	–
Carly Foundry, Inc.	207	10	4.94	340	6	9.78
Bermo, Inc.	–	–	–	270	7	7.77
National Sports Center	–	–	–	250	8	7.19
PTC Technology	–	–	–	230	9	6.62
Total	<u>4,194</u>		<u>100.00 %</u>	<u>3,475</u>		<u>100.00 %</u>

Note: The percentage represents the percentage of the top 10 listed.

Source: 2023 ACFR for City of Lino Lakes, Minnesota and City of Blaine, Minnesota

INDEPENDENT SCHOOL DISTRICT NO. 12

Employees by Classification  
Last Ten Fiscal Years

Employees (1)	Fiscal Year			
	2015 (2)	2016 (2)	2017 (2)	2018
District directors/superintendent	N/A	N/A	N/A	14
Principals	N/A	N/A	N/A	12
Teachers, nurses, and counselors (3)	N/A	N/A	N/A	428
Coordinators, supervisors, specialists, and technical support	N/A	N/A	N/A	39
Administrative assistants (3)	N/A	N/A	N/A	35
Paraprofessionals (3)	N/A	N/A	N/A	256
Food service (3)	N/A	N/A	N/A	53
Custodians (3)	N/A	N/A	N/A	46
Community education leads and assistants	N/A	N/A	N/A	67
Total	-	-	-	950

N/A – Not Available

- (1) This schedule is a headcount based on contract group; if an employee has multiple contract groups, they are reflected multiple times. Full-time and part-time employees count the same.
- (2) Data not available due to software conversion.
- (3) Headcount based on seniority list.

Source: District Business and Human Resource Office



2019	2020	2021	2022	2023	2024
14	13	13	12	12	13
12	12	12	12	12	12
431	449	454	445	442	443
44	37	36	37	43	45
34	34	33	34	33	33
252	260	224	217	222	226
53	55	44	48	46	57
46	46	48	47	48	49
72	78	59	60	79	86
<u>958</u>	<u>984</u>	<u>923</u>	<u>912</u>	<u>937</u>	<u>964</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Operating Indicators by Function

Standardized Testing Rates  
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
<b>Standardized tests</b>				
<b>MCA Reading (1)</b>				
Grade 3	N/A %	69 %	72 %	70 %
Grade 4	N/A	68	63	67
Grade 5	N/A	77	80	75
Grade 6	N/A	67	63	71
Grade 7	N/A	67	68	63
Grade 8	N/A	60	63	67
Grade 10	N/A	63	68	61
<b>MCA Math (1)</b>				
Grade 3	N/A	84	82	80
Grade 4	N/A	84	82	84
Grade 5	N/A	81	78	73
Grade 6	N/A	68	65	69
Grade 7	N/A	68	66	66
Grade 8	N/A	69	70	77
Grade 11	N/A	64	59	59
<b>ACT</b>				
Average composite score	23.8	22.9	23.1	22.1

N/A – Not Available

- (1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment (MCA) test.
- (2) Due to the COVID-19 pandemic, no 2020 summarized assessment data for MCA tests is available and the ACT test was postponed to Fall 2020.

Source: District testing and technology and Minnesota Department of Education

2019	2020 (2)	2021	2022	2023	2024
75 %	– %	64 %	63 %	60 %	57 %
68	–	68	59	61	61
82	–	75	74	72	75
65	–	62	67	65	66
65	–	61	52	57	59
61	–	49	52	57	57
62	–	54	67	70	63
84	–	72	78	77	73
78	–	78	75	73	73
77	–	64	71	65	68
67	–	44	57	59	52
60	–	49	50	54	58
72	–	50	60	56	60
58	–	54	50	44	53
23.6	23.2	23.9	23.5	22.9	N/A

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INDEPENDENT SCHOOL DISTRICT NO. 12

School Facilities  
as of June 30, 2024

<u>Facility</u>	<u>Use</u>	<u>Constructed</u>	<u>Years of Addition</u>	<u>Grades</u>	<u>Square Footage</u>
Blue Heron Elementary	School	2002		K-5	100,730
Centennial Elementary	School	1964	1985, 1987, 1997	K-5	93,408
Centerville Elementary	School	1959	1966, 1969, 1990, 2002, 2022	K-5	97,630
Golden Lake Elementary	School	1970		K-5	70,574
Rice Lake Elementary	School	1992	2017	K-5	113,473
Centennial Middle	School	1997		6-8	264,500
Centennial High	School	1957	1958, 1959, 1960, 1964, 1965 1966, 1970, 1971, 1992, 1993 1997, 2002, 2020	9-12	465,941
Centennial Arena	School	1992	2020	N/A	52,375
Grounds Building	Storage	2020		N/A	9,950

Source: Minnesota Department of Education – Average Building Age Report

INDEPENDENT SCHOOL DISTRICT NO. 12

Food Service  
School Lunch Program Data  
Last Ten Fiscal Years

Meals	Number of Meals Served			
	2015	2016	2017	2018
Lunches served				
Full price lunch	491,987	484,600	446,160	424,549
Reduced-price lunch	39,481	38,901	37,279	38,154
Free lunch	122,854	123,971	118,472	109,231
Adult lunch	12,704	11,957	11,168	11,444
<b>Total</b>	<b>667,026</b>	<b>659,429</b>	<b>613,079</b>	<b>583,378</b>
Breakfasts served				
Full price breakfast	55,885	63,301	67,517	71,465
Reduced- price breakfast	6,506	9,224	8,708	11,258
Free breakfast	34,527	37,580	37,550	36,386
Adult breakfast	267	203	260	216
<b>Total</b>	<b>97,185</b>	<b>110,308</b>	<b>114,035</b>	<b>119,325</b>
Percentage of students eligible for free lunch	14%	14%	14%	13%
Percentage of students eligible for reduced-price lunch	5%	4%	4%	4%

- (1) Due to the ongoing COVID-19 pandemic and shifts in learning models throughout the year, the program operated under the USDA Summer Food Service Program for the end of fiscal year 2020 and all of fiscal years 2021 and 2022, under which all student meals were provided for free.
- (2) Under the Minnesota Free School Meals bill in fiscal year 2024, all meals were free, with costs being covered by the state.

Source: Minnesota Department of Education – Cyber-Linked Interactive Child Nutrition System (CLiCS) and the District’s Food Service Department

2019	2020 (1)	2021 (1)	2022 (1)	2023	2024 (2)
406,398	285,218	–	–	397,237	535,524
39,170	30,818	–	–	48,314	42,017
102,146	124,748	574,910	647,327	149,693	179,083
10,859	6,977	–	1,905	10,476	9,573
<u>558,573</u>	<u>447,761</u>	<u>574,910</u>	<u>649,232</u>	<u>605,720</u>	<u>766,197</u>
69,916	49,665	–	–	88,489	201,165
10,034	7,321	–	–	14,652	18,246
32,848	79,525	525,343	349,394	47,044	77,154
183	128	–	–	1,891	3,466
<u>112,981</u>	<u>136,639</u>	<u>525,343</u>	<u>349,394</u>	<u>152,076</u>	<u>300,031</u>
13%	12%	11%	10%	12%	20%
4%	5%	5%	3%	3%	6%

INDEPENDENT SCHOOL DISTRICT NO. 12

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

	Fiscal Year			
	2015	2016	2017	2018
Administration	\$ 482	\$ 489	\$ 490	\$ 481
District support services	552	535	536	511
Elementary and secondary regular instruction	5,033	5,217	5,091	5,157
Vocational education instruction	109	125	110	137
Special education instruction	2,507	2,758	2,714	2,830
Community education and services	-	-	-	-
Instructional support services	384	387	349	361
Pupil support services	1,017	1,015	1,011	1,076
Sites and buildings	1,310	1,285	1,173	1,433
Fiscal and other fixed cost programs	36	60	36	37
Food service	476	488	492	499
Community service	477	540	596	652
Capital outlay	456	3,818	4,451	911
Debt service	<u>1,474</u>	<u>1,291</u>	<u>1,388</u>	<u>1,170</u>
Total expenditures	<u>\$ 14,312</u>	<u>\$ 18,008</u>	<u>\$ 18,438</u>	<u>\$ 15,257</u>
Average daily membership	<u>6,394</u>	<u>6,388</u>	<u>6,499</u>	<u>6,560</u>

Note: Includes all governmental fund expenditures.

Source: District Business Office and Minnesota Department of Education – District ADM Report



	2019	2020	2021	2022	2023	2024
\$	487	\$ 497	\$ 516	\$ 505	\$ 500	\$ 520
	529	526	281	278	290	307
	5,083	5,208	5,559	5,490	5,862	6,229
	135	147	179	166	144	130
	2,987	2,987	3,000	2,892	3,076	3,475
	–	–	–	–	–	1
	346	342	694	686	639	694
	1,140	1,021	1,023	1,197	1,289	1,358
	1,115	1,325	1,317	1,340	1,545	1,645
	40	41	46	49	58	74
	488	524	493	612	561	681
	711	709	659	732	792	1,008
	497	2,263	938	1,066	132	502
	1,207	1,372	1,529	1,706	1,798	1,802
\$	<u>14,767</u>	<u>\$ 16,962</u>	<u>\$ 16,233</u>	<u>\$ 16,720</u>	<u>\$ 16,686</u>	<u>\$ 18,425</u>
	<u>6,576</u>	<u>6,654</u>	<u>6,488</u>	<u>6,483</u>	<u>6,470</u>	<u>6,478</u>

INDEPENDENT SCHOOL DISTRICT NO. 12

Student Enrollment  
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					Total Pupil Units
	Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2015	43.64	477.28	2,832.85	3,039.80	6,393.57	7,001.54
2016	48.02	434.06	2,871.49	3,034.89	6,388.46	6,995.41
2017	43.31	458.48	2,884.30	3,112.85	6,498.94	7,121.51
2018	55.66	460.21	2,959.73	3,084.57	6,560.17	7,177.08
2019	56.05	467.43	2,979.66	3,072.79	6,575.93	7,190.45
2020	65.78	497.26	2,993.68	3,097.59	6,654.31	7,273.83
2021	58.87	420.36	2,934.89	3,074.24	6,488.36	7,103.21
2022	70.61	484.06	2,901.47	3,027.05	6,483.19	7,088.59
2023	67.22	460.49	3,000.26	2,942.40	6,470.37	7,058.86
2024	72.98	440.64	3,002.19	2,962.56	6,478.37	7,070.90

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

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

	Pre-Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1-6	Secondary 7-12+
Fiscal 2015 through 2024	1.000	0.550	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system