ANNUAL COMPREHENSIVE FINANCIAL REPORT

WHITE BEAR LAKE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 624
WHITE BEAR LAKE, MINNESOTA
FOR THE YEAR ENDED JUNE 30, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2022

INDEPENDENT SCHOOL DISTRICT NO. 624
WHITE BEAR LAKE, MINNESOTA

4855 Bloom Avenue
White Bear Lake, MN 55110

Prepared by:
Business Office

Assistant Superintendent for Finance and Operations
Tim Wald

Director of Finance
Andi Johnson, CPA

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INDEPENDENT SCHOOL DISTRICT NO. 624

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INTRODUCTORY SECTION

White Bear Lake Area Public Schools
Independent School District 624

FINANCE DEPARTMENT

4855 BLOOM AVE
WHITE BEAR LAKE, MN 55110
(651) 407-7518 FAX (651) 407-7521

January 16, 2023

To the Board of Education, Citizens, and Employees of Independent School District No. 624:

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 624, White Bear Lake, Minnesota (the District) for the fiscal year ended June 30, 2022, is submitted herewith. The audit report was completed on January 16, 2023, and the report was subsequently issued. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial status have been incorporated within this report.

The ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials, and the Certificates of Achievement for Excellence in Financial Reporting. The financial section includes the management's discussion and analysis (MD&A), basic financial statements, required supplementary information, and combining and individual fund statements and schedules presented as supplementary information, as well as the independent auditor's report on the financial statements. The statistical section includes a number of tables of unaudited data depicting the financial history of the District for the past 10 years, demographics, and other miscellaneous information.

The District is required to undergo an annual Single Audit as required by the U.S. Office of Management and Budget's Uniform Guidance. Information related to this Single Audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and independent auditor's reports on internal controls and compliance with applicable laws and regulations, are included in a separate 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 MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

The Reporting Entity and Its Services

In January 1857, James F. Murray and other White Bear Lake settlers decided to establish their own school district. Upon approval from the county for this new district, Murray donated property along Bald Eagle Lake for a new school. At a cost of $100, and with the help of community labor, the first schoolhouse in White Bear Lake was opened in 1857, a year before Minnesota became the 32nd state in the Union.

The District, which is located about 15 miles northeast of St. Paul, Minnesota, the state capital, was officially formed in its current structure through legislative action in 1957. The governing body consists of a seven-member Board of Education elected from within the District's boundaries. The District serves about 8,287 students in pre-kindergarten through Grade 12. Geographically, the District's boundaries include portions of Anoka, Ramsey, and Washington counties, and serves all or part of the following municipalities: Birchwood, Gem Lake, Hugo, Lino Lakes, Little Canada, North Oaks, Vadnais Heights, White Bear Lake, and White Bear Township.

The District provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through Grade 12. This includes regular and enriched academic education and special education for exceptional children. Nutrition services and transportation are provided as support programs. The District's community education program includes early childhood and extended day programs, along with a myriad of classes for lifelong learning experiences for children and adults.

During 2021–2022, the District operated 22 buildings. A list of school facilities as of June 30, 2022 is included in the statistical section of this report.

Based on legislative authority, the Board of Education:

a. has the corporate power to sue and be sued in all courts;
b. has the power to levy and collect taxes and to issue bonds;
c. can contract for appointed administrators, teachers, and other personnel as well as for goods and services;
d. holds title to all district property; and
e. appoints the treasurer who serves as legal custodian of all of the District's funds.

The mission of the White Bear Lake Area School District, the community at the forefront of educational excellence, honoring our legacy and courageously building the future, is to ensure each student realizes their unique talents and abilities, and makes meaningful contributions with local and global impact through a vital system distinguished by:

- Students who design and create their own future
- A culture that respects diverse people and ideas
- Safe, nurturing and inspiring experiences
- Exceptional staff and families committed to student success
- Abundant and engaged community partners

The District has adopted the following equity commitment: to nurture the whole student, we disrupt systemic inequities by recognizing, honoring, and embracing all cultures with humility and respect. The District has adopted a 4-way equity decision making protocol:

1. How does this help to provide opportunities to students who have been marginalized within the system in the past?
2. How does this help to ensure equitable access for all?

3. How does this help to eliminate barriers based on race/ethnicity, gender, disability, age, or other protected groups?
4. How does this ensure that the same rigorous standards for academic performance exist for all students?

The District enjoys the atmosphere of a close-knit community and the learning opportunities of a major metropolitan center. The District is proud of its reputation for excellence in every part of a student's career and of its teacher training. In comparison with other school districts in the state, the District ranks high in its educational programs and scholastic abilities of its graduates. Because of the foresight of its early settlers, the District has one of the finest educational systems in the state.

Economic Conditions

The various communities that comprise the District participate in the deep and diverse Twin Cities metropolitan area economy and enjoy strong market value growth [Source: Standard & Poor's (S&P)]. The communities are all committed to careful planning and thoughtful community renewal, range from partially to nearly fully developed, and are diverse and independent. After declining for several years as a result of the Great Recession, the market value of property within the District has increased over the past several years, to an estimated current value of $9.3 billion. The U.S. Census Bureau estimated that as of 2020, the District had approximately 65,782 residents. Like many districts across the nation, the COVID-19 pandemic has caused a drop in enrollment in the District over the last two years. Considering the strength of the local economy and continued housing development throughout the District, enrollment is anticipated to recover over the next decade.

Current Financial Conditions

The District will continue to closely monitor its General Fund reserve. As of June 30, 2022, the District's unassigned fund balance was $9.9 million. Adequate fund balances are critical during difficult financial times. For example, in order to mitigate its cash flow problems in recent years, the state of Minnesota twice postponed aid payments to school districts. While the vast majority of Minnesota school districts resorted to borrowing funds to ensure an appropriate level of liquidity, the District's fund balance was sufficient so that it did not need to borrow funds to meet its financial obligations and avoided the costs associated with borrowing.

In December 2021, S&P's Rating Services assigned a rating of AA- in association with the issuance of its 2021B General Obligation Alternative Facilities Refunding Bonds. The District's credit rating reflects S&P's opinion that the District's economy should continue to support conditions going forward, supporting stable finances and a stable overall credit profile. While the COVID-19 pandemic has drastically changed the way that the District operates, the District is positioned to navigate the negative effect of COVID-19 on district enrollment and finances.

Financial Future of the District

District residents have supported the District as evidenced by recent elections that have resulted in increased resources for the District.

In November 2019, White Bear Lake Area Public Schools voters approved a $326 million building bond request to address building needs across the district by a 57–43 percent margin. The bond funding will be used to address projected enrollment growth throughout the District; provide safe, secure and healthy learning environments for all students through investments in our aging facilities and infrastructure; increase opportunities for students by creating a single unified Grades 9–12 high school; and create flexibly-designed learning spaces to support student-centered instruction. As a result of the building additions, as well as the construction of a new elementary school to accommodate projected enrollment growth in the north side of the District, the average building age of district facilities will decrease over the next few years.

In November 2022, a capital projects referendum renewal passed by a 60-40 margin and will be in effect for 10 years, beginning in taxes payable 2024, and will provide revenue through the 2033–2034 school year. In November 2017, an operating levy renewal passed by an 80–20 percent margin. This operating levy will be in place through the 2027–2028 school year. These successful elections have brought increased financial stability to the District and will allow for continued efforts to improve and expand program offerings, maintain class sizes, and to make necessary capital investments, such as in the areas of musical instruments, technology, science labs, and curricular materials.

Minnesota's 2013–2021 legislative sessions brought welcome resources to school districts across the state. The long-term prospects for education funding at the state level remain a concern, as K–12 funding increases have typically been around 1.0–2.0 percent annually, which is outpaced by the rate of inflation.

The District has a Finance Committee that reviews pertinent finance-related topics and serves in an advisory capacity to the District's administrative team. The committee is comprised of two Board of Education members, the Superintendent, the Director of Finance, the Accounting Coordinator, and the Assistant Superintendent for Finance and Operations, who serves as the District's Chief Financial Officer.

Financial Reporting Awards

For the 22nd consecutive year, the District has received both the Government Finance Officers Association of the United States and Canada and the Association of School Business Officials International awards for excellence in financial reporting. The Board of Education is proud to have received these awards, which provide evidence to the community, financial institutions, and the general public that the District is committed to sound financial reporting.

Internal Accounting

Minnesota Statutes § 123B.77, which became law in 1976, requires all school districts within the state to comply with the Uniform Financial Accounting and Reporting Standards.

Management of the District is responsible for establishing and maintaining an internal control structure 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. Internal controls are 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.

Single Audit – As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

Budgeting Controls – In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Projected financial plans are adopted for capital expenditures.

The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Each June, the Board of Education adopts an annual budget for the following fiscal year for all governmental funds, except the Capital Projects – Building Construction Fund. This fund relies on bond issue project budgets for budgetary controls. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end.

Budgetary control is maintained at line item levels and built up into program and/or cost centers before being combined to form totals by fund. All actual activity compared to budget is reported to the District's management on a regular basis. This report compares each line item account balance to the annual budget with accumulation to the cost center, fund, and total district levels. For example, the District maintains an encumbered accounting system as one technique in accomplishing budgetary control. Encumbered amounts lapse at year-end.

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.

Independent Audit – Minnesota Statutes and the District's adopted policy require an annual audit of the books of accounts, financial records, and transactions of all funds of the District. The audit is done by independent certified public accountants selected by the District's Board of Education. This requirement has been complied with and the accountant's report has been included in this report.

Closing Statement – It is the goal of this ACFR to provide the District's management, outside investors, and interested local citizens with a meaningful financial presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2022.

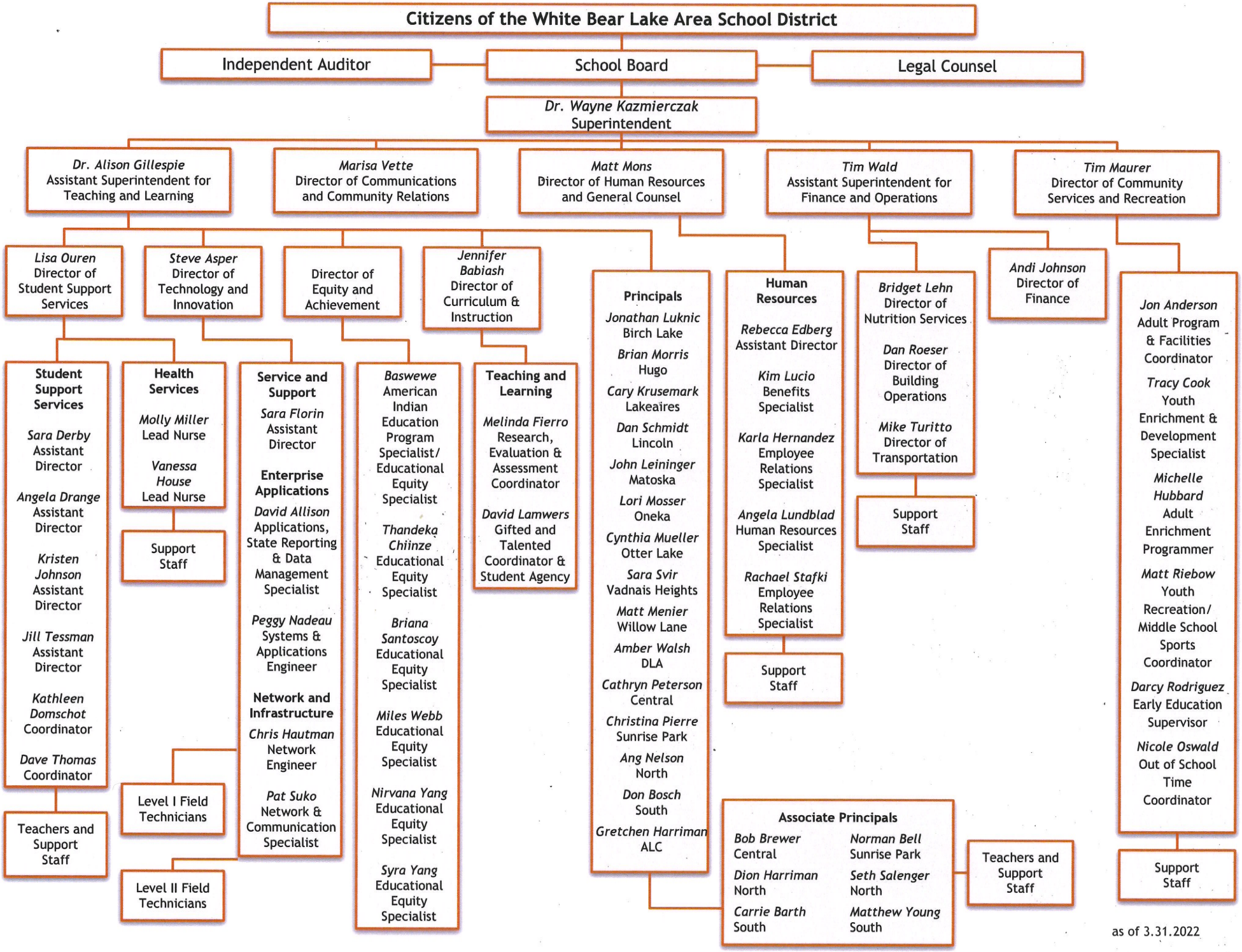
The preparation of this report on a timely basis could not be accomplished without the efforts of Rachel Douglas, our Controller; Andi Johnson, our Director of Finance; and the dedicated members of the Finance Office who assisted in the closing of the District's financial records and the preparation of this report.

We would like to extend our appreciation to the members of the District's Finance Committee and the Board of Education for their commitment of time and support in planning and conducting the financial matters of the District in a responsible and progressive manner.

Respectfully submitted,

Wayne A. Kazmierczak, Ph.D.
Superintendent of Schools

Timothy Wald
Assistant Superintendent for Finance and Operations



as of 3.31.2022

INDEPENDENT SCHOOL DISTRICT NO. 624

Principal Officials
as of June 30, 2022

BOARD OF EDUCATION

	Term Expires	Position
Jessica Ellison	December 31, 2026	Chairperson
Scott Arcand	December 31, 2024	Vice Chairperson
Deborah Beloyed	December 31, 2026	Treasurer
Angela Thompson	December 31, 2024	Clerk
Kathleen Daniels	December 31, 2026	Member
Margaret Newmaster	December 31, 2024	Member
Christina Streiff Oji	December 31, 2026	Member

ADMINISTRATION OFFICIALS

Wayne Kazmierczak, Ph.D.	Superintendent of Schools
Tim Wald	Assistant Superintendent for Finance and Operations
Alison Gillespie, Ph.D.	Assistant Superintendent for Teaching and Learning
Marisa Vette	Director of Communications and Community Relations
Timothy Maurer	Director of Community Services and Recreation
Matthew Mons	Director of Human Resources and General Counsel
Lisa Ouren	Director of Student Support Services
Steve Asper	Director of Technology and Innovation
Jennifer Babiash	Director of Curriculum and Instruction
Andi Johnson	Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

White Bear Lake Area Schools
Independent School District #624
Minnesota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Independent School District No. 624

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE
IN FINANCIAL REPORTING

William A. Sutter
President

David J. Lewis
Executive Director

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FINANCIAL SECTION

MMKR
CERTIFIED PUBLIC ACCOUNTANTS

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 Board of Education and Management of
Independent School District No. 624
White Bear Lake, Minnesota

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. 624 (the District) as of and for the year ended June 30, 2022, 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, 2022, 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 to the basic financial statements, in fiscal 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

(continued)

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
5353 Wayzata Boulevard • Suite 410 • Minneapolis, MN 55416 • Phone: 952-545-0424 • Fax: 952-545-0569 • www.mmkr.com

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 GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Prior Year Comparative Information

We have previously audited the District's 2021 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 15, 2021. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2021 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 January 16, 2023 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
January 16, 2023

This section of Independent School District No. 624's (the District) Annual Comprehensive Financial Report (ACFR) presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the other components of the District's ACFR. The MD&A is a narrative overview and analysis presented as required supplementary information.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources were less than its liabilities and deferred inflows of resources at June 30, 2022 by $41,699,497 (net position deficit). The District's total net position increased by $14,704,369 during the fiscal year ended June 30, 2022. Part of this increase relates to positive operating results in the internal service fund, Debt Service Fund, and nonmajor funds. 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 unrestricted net position in the current year. The District's net investment in capital assets increased $11,774,901 in 2022. This change in net position relates to the relationship between the rate at which the District is adding additional capital assets, the rate capital assets are being 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 General Fund's total fund balance (under the governmental fund presentation) decreased $2,648,441 from the prior year, compared to a decrease of $2,528,727 planned in the budget.

- As described in Note 1 of the notes to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. As described in Note 1 of the basic financial statements, this standard changed the way lease transactions are reported by the District, but did not result in a restatement of net position in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor's Report;
- MD&A;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Supplemental information, which includes 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 they have changed. Net position—the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position 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, transportation, administration, food service, 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 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 combining and individual fund statements and schedules.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District may establish other funds to control and manage money for particular purposes.

The District maintains the following kinds of funds:

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

Proprietary Funds – The District maintains one type of proprietary fund. The internal service funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for the financing of self-funded dental benefits and the self-funded health insurance plan. 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 the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1
Summary Statement of Net Position
as of June 30, 2022 and 2021

	2022	2021
Assets		
Current and other assets	$ 335,408,070	$ 340,339,404
Capital assets, net of depreciation/amortization	240,699,562	110,890,706
Total assets	$ 576,107,632	$ 451,230,110
Deferred outflows of resources		
Pension plan deferments	$ 33,917,669	$ 38,832,538
OPEB plan deferments	3,333,217	674,652
Total deferred outflows of resources	$ 37,250,886	$ 39,507,190
Liabilities		
Current and other liabilities	$ 48,671,190	$ 18,275,350
Long-term liabilities, including due within one year	456,978,592	407,412,379
Total liabilities	$ 505,649,782	$ 425,687,729
Deferred inflows of resources		
Lease revenue for subsequent years	$ 4,304,368	$ –
Property taxes levied for subsequent year	55,445,279	55,108,851
Pension plan deferments	84,828,404	60,593,313
Deferred charges on refunding	–	242,845
OPEB plan deferments	4,830,182	5,508,428
Total deferred inflows of resources	$ 149,408,233	$ 121,453,437
Net position		
Net investment in capital assets	$ 27,685,397	$ 15,910,496
Restricted	20,465,027	20,803,510
Unrestricted	(89,849,921)	(93,117,872)
Total net position	$ (41,699,497)	$ (56,403,866)

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/amortization estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. The other major factor in determining net position as compared to fund balances is the liability for severance benefits, OPEB, and pensions. This impacts the restricted and unrestricted portion of net position.

The improvements in the operating results of the internal service fund and the change in the District's share of the PERA and TRA pension plans contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position. The recent issuance of facilities maintenance and school building bonds, along with the resulting capital spending resulted in a significant change in capital assets, net of depreciation/amortization, accounts and contract payable, and net investment in capital assets.

The rate at which the District is adding additional capital assets, the rate capital assets are being depreciated/amortized, and how this compares to the rate at which the District is repaying the debt issued to purchase or construct those assets is having a positive impact on net investment in capital assets. The implementation of the new accounting standard on leases impacted the amount reported as lease revenue for subsequent years.

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

Table 2
Summary Statement of Activities
for the Years Ended June 30, 2022 and 2021

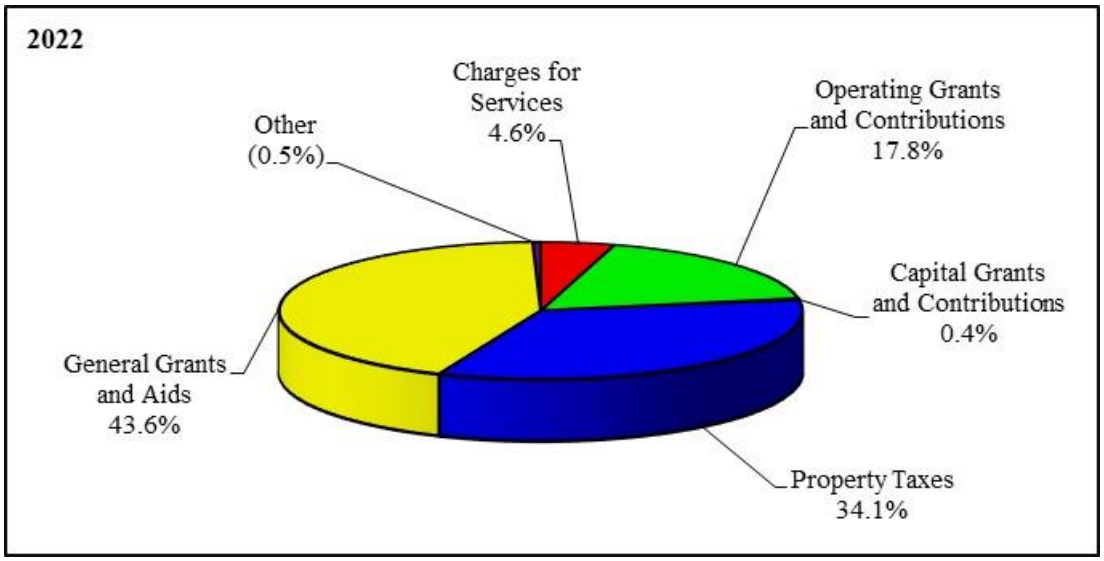
	2022	2021
Revenues		
Program revenues		
Charges for services	$ 7,680,036	$ 5,649,777
Operating grants and contributions	29,734,127	28,132,055
Capital grants and contributions	705,483	185,354
General revenues		
Property taxes	56,998,699	55,746,309
General grants and aids	72,754,487	72,606,053
Other	(812,128)	2,964,788
Total revenues	167,060,704	165,284,336
Expenses		
Administration	4,688,375	4,919,742
District support services	2,481,138	2,237,564
Elementary and secondary regular instruction	52,924,261	58,447,015
Vocational education instruction	1,201,920	1,178,880
Special education instruction	25,983,741	27,336,918
Community education	182,603	–
Instructional support services	10,506,017	9,300,831
Pupil support services	14,912,442	12,777,966
Sites and buildings	15,851,701	9,870,490
Fiscal and other fixed cost programs	466,359	489,542
Food service	4,927,006	4,536,347
Community service	7,113,877	6,480,611
Depreciation/amortization not allocated to other functions	2,720,457	2,676,851
Interest and fiscal charges	8,396,438	8,226,489
Total expenses	152,356,335	148,479,246
Change in net position	14,704,369	16,805,090
Net position – beginning of year	(56,403,866)	(73,208,956)
Net position – end of year	$ (41,699,497)	$ (56,403,866)

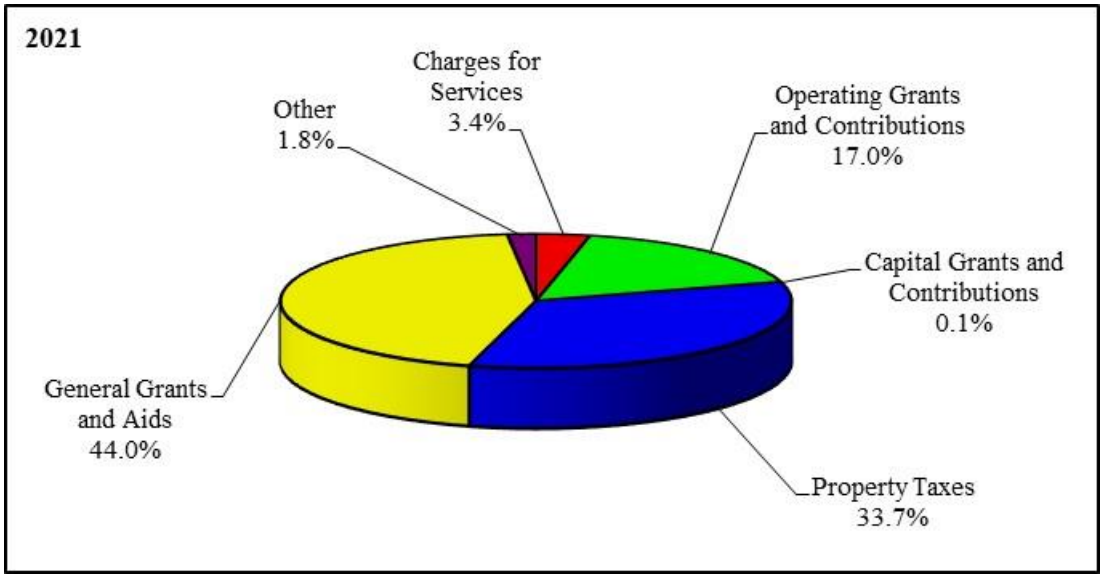
This format is presented on an accrual basis of accounting and it includes all of the governmental activities of the District. This statement includes depreciation/amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

The increase in charges for services and operating grants and contributions in the current year is the result of less activity restrictions and more pandemic-related stimulus grants in the current year. Other general revenues decreased related to investment earnings (losses) from building bond proceeds. The decreases in expenses within elementary and secondary regular instruction reflect the change in the PERA and the TRA multiple-employer defined benefit pension plans mentioned earlier. Pupil support services expenses increased in grant spending and purchased services for transportation costs, due to driver shortages. Sites and buildings expenses increased in purchased services, due to an increase in utility costs and long-term facilities maintenance projects.

Figures A and B show further analysis of these revenue sources and expense functions:

Figure A – Sources of Revenues for Fiscal Years 2022 and 2021

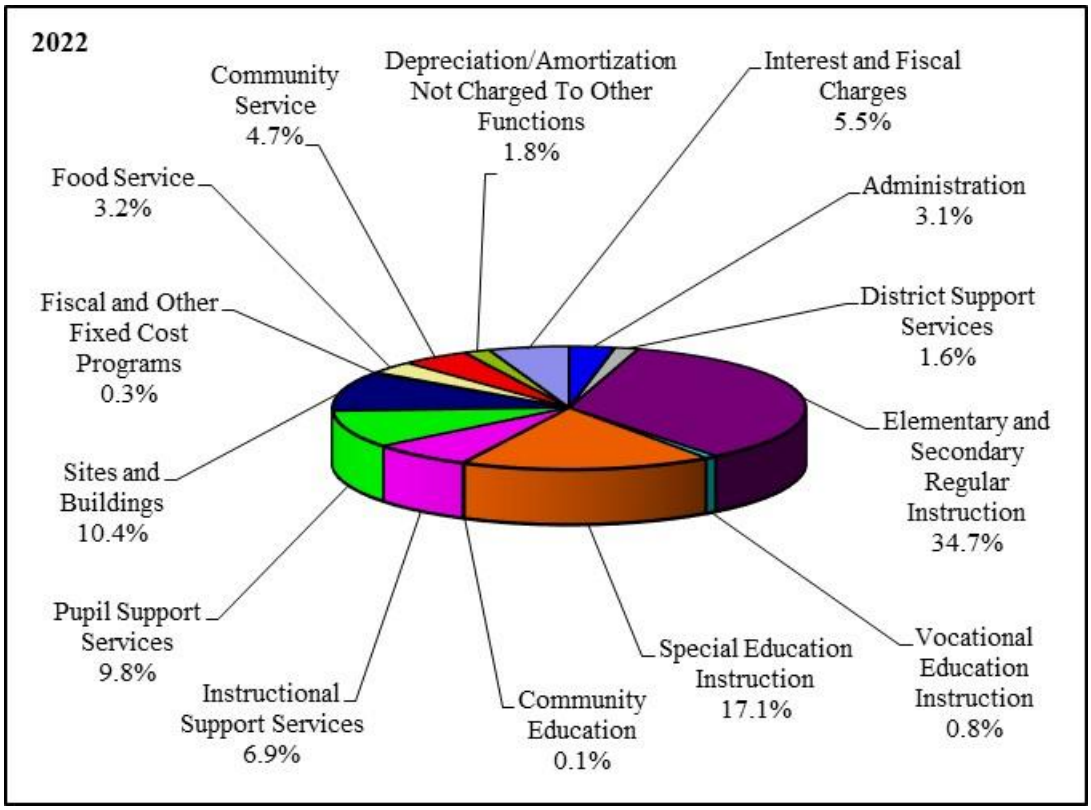


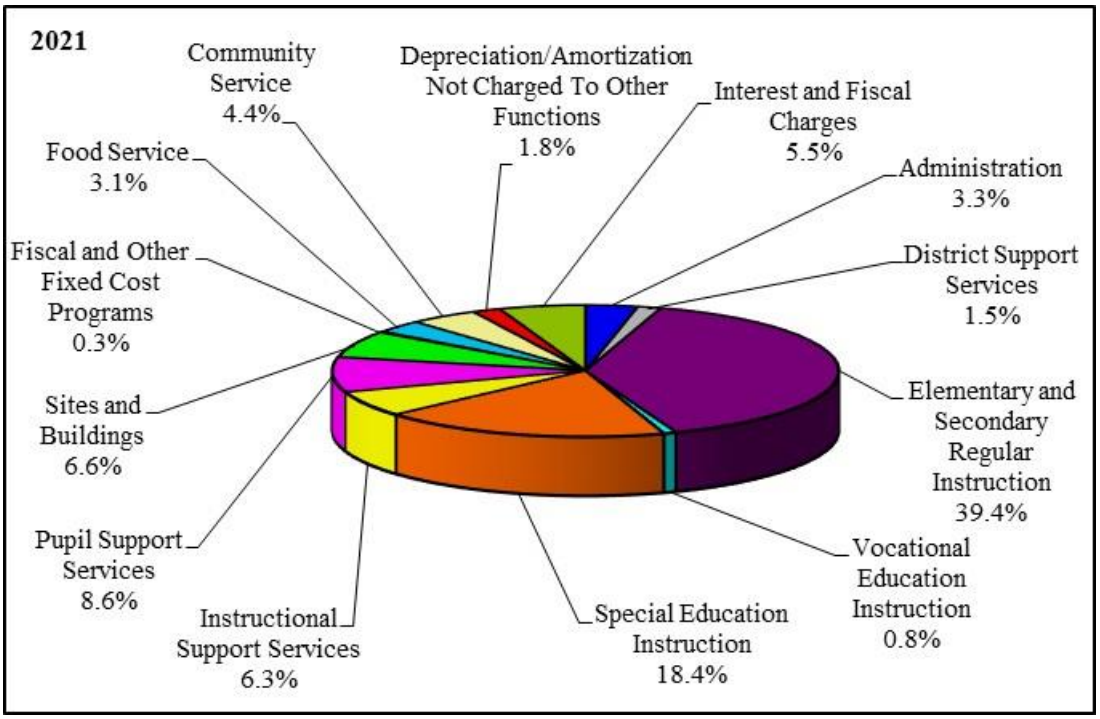


The largest share of the District's revenue is received from the state, including the aid formula and most of the operating grants.

Property taxes are the next largest source of funding. The level of funding property tax sources provide is not only dependent on taxpayers of the District 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 – Expenses for Fiscal Years 2022 and 2021





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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3
Governmental Fund Balances
as of June 30, 2022 and 2021

	2022	2021	Change
Major funds			
General	$ 14,156,063	$ 16,804,504	$ (2,648,441)
Capital Projects – Building Construction	189,563,404	224,512,987	(34,949,583)
Debt Service	4,975,001	3,712,552	1,262,449
Nonmajor funds			
Food Service Special Revenue	3,095,049	1,405,150	1,689,899
Community Service Special Revenue	667,408	795,176	(127,768)
Total governmental funds	$ 212,456,925	$ 247,230,369	$ (34,773,444)

The significant decrease in fund balance in the Capital Projects – Building Construction Fund is related to spending of bond proceeds issued in prior years.

Analysis of the General Fund

Table 4 summarizes the amendments to the General Fund budget:

Table 4
General Fund
Budget

	Original Budget	Final Budget	Change	Percent Change
Revenue and other financing sources	$ 125,532,670	$ 128,537,453	$ 3,004,783	2.4 %
Expenditures and other financing uses	$ 124,847,591	$ 131,066,180	$ 6,218,589	5.0 %

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to previously as the original budget. During the year, the District might amend that budget for known changes in circumstances, such as enrollment levels, legislative funding, and employee contract settlements.

Table 5 summarizes the operating results of the General Fund:

Table 5
General Fund
Operating Results

	2022 Actual	Over (Under) Final Budget Amount	Over (Under) Final Budget Percent	Over (Under) Prior Year Amount	Over (Under) Prior Year Percent
Revenues and other financing sources	$ 130,632,242	$ 2,094,789	1.6%	$ 5,346,725	4.3%
Expenditures and other financing uses	133,280,683	$ 2,214,503	1.7%	$ 9,016,264	7.3%
Net change in fund balances	$ (2,648,441)				

Other revenues were over budget by $1,044,907, due to COVID-19 pandemic-related restrictions easing and the District collecting more fees and charges with the return to the in-person learning model. Federal sources were also over budget by $936,157, primarily due to an increase in pandemic-related stimulus grants.

Property tax revenue increased $2,857,673, due to an increase in the long-term facilities maintenance tax levy. State aid increased $1,337,357, mainly in general education aid. Revenue increases included $680,910 of federal aid related to stimulus-related grants and aids, due to the COVID-19 pandemic.

Purchased services were over budget by $7,247,854. Special education purchased service costs exceeded projections by $972,091, due to unanticipated tuition billing costs. Pupil support services purchased services were over budget by $1,504,553 related to higher than expected transportation costs as previously discussed. Sites and buildings purchased services were over budget by $5,075,754. Budgeted long-term facilities maintenance (LTFM) costs totaling $3,602,000 were budgeted as capital expenditures but recorded as purchased services. The remaining expenditures were higher than budget for utilities and pass-through levy costs. Capital expenditures were $5,992,332 under budgeted amounts. LTFM costs budgeted here and coded elsewhere, makes up a significant portion of this amount. The remaining amount is mostly related to underspending of the capital projects levy dollars by $1,317,000.

Expenditures increased $9,016,264 from the prior year. Purchased services increased $6,336,586 as pupil support services and sites and buildings costs increased totaling $1,357,834 and $4,105,719, respectively. These increases were related to transportation spending and LTFM costs as previously discussed. Salaries increased $2,816,646 related to contractual increases in the current year.

Analysis of Other Major Governmental Funds

The Capital Projects – Building Construction Fund accounts for the costs of capital projects related to long-term facilities maintenance bonds and voter-approved general obligation school building bonds. In 2019, White Bear Lake Area School District voters approved a $326 million building bond request to address building needs across the District. The bond funding will be used to address projected enrollment growth throughout the District; provide safe, secure, and healthy learning environments for all students through investments in our aging facilities and infrastructure; increase opportunities for students by creating a single unified Grades 9–12 high school; and create flexibly-designed learning spaces to support student-centered instruction. In 2022, the District issued 2022A School Building Bonds for $63,000,000 as part of the referendum mentioned above. The District also issued 2021A Facilities Maintenance Bonds for $27,865,000 in the current year.

Total Debt Service Fund revenue reflects the full levy for repayment of bonds, less a mandated reduction in the levy to reduce fund balance. Expenditures reflect the debt repayment schedule. During the year, the District issued refunding bonds of $8,280,000 in an effort to lower overall interest payments in the future.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with revenues and other financing sources greater than expenditures, increasing fund balance by $1,689,899, compared to a planned fund balance increase of $158,220. Increased participation, due to COVID-19 pandemic-related restrictions easing and additional federal COVID-19 related grants and aids, significantly contributed to the favorable variance in the current year.

The Community Service Special Revenue Fund had a budgeted increase of $232,349, but ended the year with expenditures exceeding revenues by $127,768. Expenditures exceeded budgeted amounts by $388,880, mostly in purchased services for the school age care program, preschool program costs, and transportation.

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 insurance and self-insured dental insurance. The net position balance for all internal service funds as of June 30, 2022, was a balance of $4,696,253, which represents a $344,172 increase from operations.

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, 2022 and 2021:

Table 6
Capital Assets

	2022	2021	Change
Land	$ 5,391,474	$ 4,843,452	$ 548,022
Land improvements	3,896,224	3,896,224	–
Buildings	138,481,850	127,561,274	10,920,576
Buildings – leased	963,444	–	963,444
Equipment	8,547,493	7,766,824	780,669
Pupil transportation vehicles	5,563,869	5,494,114	69,755
Construction in progress	157,338,575	37,614,073	119,724,502
Less accumulated depreciation/amortization	(79,483,367)	(76,285,255)	(3,198,112)
Total	$ 240,699,562	$ 110,890,706	$ 129,808,856
Depreciation/amortization expense	$ 3,198,112	$ 3,066,622	$ 131,490

By the end of 2022, 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 2022, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

Long-Term Liabilities

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

Table 7
Outstanding Long-Term Liabilities

	2022	2021	Change
General obligation bonds payable	$ 375,050,000	$ 298,760,000	$ 76,290,000
Certificates of participation	5,470,000	6,150,000	(680,000)
Lease liability	858,038	–	858,038
Premiums (discounts) on bonds payable	21,199,531	14,340,352	6,859,179
Net pension liability	53,357,322	87,065,078	(33,707,756)
Severance benefits payable	1,043,701	1,096,949	(53,248)
Total	$ 456,978,592	$ 407,412,379	$ 49,566,213

The increase in general obligation bonds payable and premiums on bonds payable is due to the issuance of bonds as previously mentioned. The differences in the net pension liabilities reflects the change in the District's proportionate share of these state-wide pension plan obligations.

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

Table 8
Limitations on Debt

District's market value	$ 9,311,445,133
Limit rate	15.0%
Legal debt limit	$ 1,396,716,770

Additional details of the District's capital assets and long-term liabilities activity can be found in Notes 3 and 4 of 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 $135, or 2.00 percent, per pupil to the basic general education funding formula for fiscal year 2023.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 624, 4855 Bloom Avenue, White Bear Lake, Minnesota 55110-2731.

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BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Net Position
as of June 30, 2022
(With Partial Comparative Information as of June 30, 2021)

	Governmental Activities	
	2022	2021
Assets		
Cash and temporary investments	$ 263,330,221	$ 260,700,571
Receivables		
Current taxes	30,201,434	40,009,548
Delinquent taxes	604,248	440,567
Accounts and interest	2,184,374	2,022,779
Due from other governmental units	15,474,546	15,387,374
Due from Post-Employment Benefits Trust Fund	4,271,493	2,528,534
Lease	4,304,368	–
Inventory	216,549	198,607
Prepaid items	712,904	65,079
Net OPEB plan asset	14,045,933	18,924,345
Restricted assets – temporarily restricted		
Cash and investments held for capital projects	62,000	62,000
Capital assets		
Not depreciated/amortized	162,730,049	42,457,525
Depreciated, net of accumulated depreciation/amortiztion	77,969,513	68,433,181
Total capital assets, net of accumulated depreciation/amortization	240,699,562	110,890,706
Total assets	576,107,632	451,230,110
Deferred outflows of resources		
Pension plan deferments	33,917,669	38,832,538
OPEB plan deferments	3,333,217	674,652
Total deferred outflows of resources	37,250,886	39,507,190
Total assets and deferred outflows of resources	$ 613,358,518	$ 490,737,300
Liabilities		
Salaries payable	$ 488,236	$ 397,556
Accounts and contracts payable	40,369,082	11,679,713
Accrued interest payable	4,582,403	3,848,183
Due to other governmental units	807,576	194,046
Unearned revenue	1,387,640	1,363,676
Claims incurred, but not reported	1,036,253	792,176
Long-term liabilities		
Due within one year	14,174,592	15,011,407
Due in more than one year	442,804,000	392,400,972
Total long-term liabilities	456,978,592	407,412,379
Total liabilities	505,649,782	425,687,729
Deferred inflows of resources		
Lease revenue for subsequent years	4,304,368	–
Property taxes levied for subsequent year	55,445,279	55,108,851
Pension plan deferments	84,828,404	60,593,313
Deferred charges on refunding	–	242,845
OPEB plan deferments	4,830,182	5,508,428
Total deferred inflows of resources	149,408,233	121,453,437
Net position		
Net investment in capital assets	27,685,397	15,910,496
Restricted for		
OPEB	12,548,968	14,090,569
Capital asset acquisition	3,005,800	3,309,528
Debt service	540,441	–
Community service	750,269	802,009
Food service	3,095,049	1,405,150
Other purposes	524,500	1,196,254
Unrestricted	(89,849,921)	(93,117,872)
Total net position	(41,699,497)	(56,403,866)
Total liabilities, deferred inflows of resources, and net position	$ 613,358,518	$ 490,737,300

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Activities
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

		2022				2021
		Program Revenues			Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities						
Administration	$ 4,688,375	$ –	$ –	$ –	$ (4,688,375)	$ (4,919,742)
District support services	2,481,138	–	–	–	(2,481,138)	(2,237,564)
Elementary and secondary regular instruction	52,924,261	1,239,631	1,510,056	–	(50,174,574)	(54,875,278)
Vocational education instruction	1,201,920	–	–	–	(1,201,920)	(1,178,880)
Special education instruction	25,983,741	720,698	19,990,398	–	(5,272,645)	(7,086,550)
Community education	182,603	–	–	–	(182,603)	–
Instructional support services	10,506,017	98,782	16,646	534,100	(9,856,489)	(9,198,072)
Pupil support services	14,912,442	148,755	508,148	–	(14,255,539)	(12,566,575)
Sites and buildings	15,851,701	342,842	5,000	171,383	(15,332,476)	(9,684,208)
Fiscal and other fixed cost programs	466,359	–	–	–	(466,359)	(489,542)
Food service	4,927,006	245,625	6,748,499	–	2,067,118	170,960
Community service	7,113,877	4,883,703	955,380	–	(1,274,794)	(1,543,269)
Depreciation/amotization not allocated to other functions	2,720,457	–	–	–	(2,720,457)	(2,676,851)
Interest and fiscal charges	8,396,438	–	–	–	(8,396,438)	(8,226,489)
Total governmental activities	$ 152,356,335	$ 7,680,036	$ 29,734,127	$ 705,483	(114,236,689)	(114,512,060)
	General revenues					
	Taxes					
	Property taxes, levied for general purposes				19,775,571	23,131,500
	Property taxes, levied for community service				1,166,133	1,087,949
	Property taxes, levied for capital projects				12,015,594	5,636,562
	Property taxes, levied for debt service				24,041,401	25,890,298
	General grants and aids				72,754,487	72,606,053
	Other general revenues				747,733	974,436
	Investment earnings (charges)				(1,559,861)	1,990,352
	Total general revenues				128,941,058	131,317,150
	Change in net position				14,704,369	16,805,090
	Net position – beginning of year				(56,403,866)	(73,208,956)
	Net position – end of year				$ (41,699,497)	$ (56,403,866)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Balance Sheet
Governmental Funds
as of June 30, 2022
(With Partial Comparative Information as of June 30, 2021)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Assets			
Cash and temporary investments	$ 9,797,829	$ 226,171,509	$ 15,995,723
Cash and investments held by trustee	–	62,000	–
Receivables			
Current taxes	17,050,877	–	12,531,368
Delinquent taxes	344,342	–	247,058
Accounts and interest	152,942	2,018,423	–
Due from other governmental units	15,045,721	–	21,277
Due from other funds	4,271,493	–	–
Lease	4,304,368	–	–
Inventory	–	–	–
Prepaid items	712,804	–	–
Total assets	$ 51,680,376	$ 228,251,932	$ 28,795,426
Liabilities			
Salaries payable	$ 364,788	$ 11,692	$ –
Accounts and contracts payable	1,594,943	38,256,046	–
Due to other governmental units	344,071	420,790	–
Due to other funds	98,603	–	–
Unearned revenue	–	–	–
Total liabilities	2,402,405	38,688,528	–
Deferred inflows of resources			
Lease revenue for subsequent years	4,304,368	–	–
Unavailable revenue – delinquent taxes	214,532	–	147,843
Property taxes levied for subsequent year	30,603,008	–	23,672,582
Total deferred inflows of resources	35,121,908	–	23,820,425
Fund balances (deficit)			
Nonspendable	712,804	–	–
Restricted	3,530,300	189,563,404	4,975,001
Assigned	–	–	–
Unassigned	9,912,959	–	–
Total fund balances	14,156,063	189,563,404	4,975,001
Total liabilities, deferred inflows of resources, and fund balances	$ 51,680,376	$ 228,251,932	$ 28,795,426

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds 2022	2021
$ 4,326,249	$ 256,291,310	$ 254,238,777
–	62,000	62,000
619,189	30,201,434	40,009,548
12,848	604,248	440,567
5,118	2,176,483	2,022,779
407,548	15,474,546	15,387,374
–	4,271,493	2,528,534
–	4,304,368	–
216,549	216,549	198,607
100	712,904	65,079
$ 5,587,601	$ 314,315,335	$ 314,953,265
$ 111,756	$ 488,236	$ 397,556
194,428	40,045,417	11,431,560
42,715	807,576	194,046
–	98,603	–
298,406	298,406	294,292
647,305	41,738,238	12,317,454
–	4,304,368	–
8,150	370,525	296,591
1,169,689	55,445,279	55,108,851
1,177,839	60,120,172	55,405,442
216,649	929,453	263,686
3,620,519	201,689,224	234,769,878
–	–	2,000,000
(74,711)	9,838,248	10,196,805
3,762,457	212,456,925	247,230,369
$ 5,587,601	$ 314,315,335	$ 314,953,265

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INDEPENDENT SCHOOL DISTRICT NO. 624

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2022
(With Partial Comparative Information as of June 30, 2021)

	2022	2021
Total fund balances – governmental funds	$ 212,456,925	$ 247,230,369
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	320,182,929	187,175,961
Accumulated depreciation/amortization	(79,483,367)	(76,285,255)
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	(375,050,000)	(298,760,000)
Certificates of participation payable	(5,470,000)	(6,150,000)
Lease liability	(858,038)	–
Premium (discount) on bonds payable	(21,199,531)	(14,340,352)
Net pension liability	(53,357,322)	(87,065,078)
Severance benefits payable	(1,043,701)	(1,096,949)
Net OPEB plan assets reported in the Statement of Net Position do not require the use of current financial resources and are not reported as assets in governmental funds until actually due.	14,045,933	18,924,345
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.	4,696,253	4,352,081
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(4,582,403)	(3,848,183)
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	33,917,669	38,832,538
Deferred inflows of resources – pension plan deferments	(84,828,404)	(60,593,313)
Deferred outflows of resources – OPEB plan deferments	3,333,217	674,652
Deferred inflows of resources – OPEB plan deferments	(4,830,182)	(5,508,428)
Deferred inflows of resources – deferred charges on refunding	–	(242,845)
Deferred inflows of resources – delinquent property taxes	370,525	296,591
Total net position – governmental activities	$ (41,699,497)	$ (56,403,866)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Revenue			
Local sources			
Property taxes	$ 31,751,273	$ –	$ 24,008,676
Investment earnings (charges)	16,139	(1,593,778)	9,762
Other	3,231,860	5,230	–
State sources	86,374,136	–	211,929
Federal sources	9,200,177	–	–
Total revenue	130,573,585	(1,588,548)	24,230,367
Expenditures			
Current			
Administration	4,859,360	–	–
District support services	2,571,817	–	–
Elementary and secondary regular instruction	54,434,812	–	–
Vocational education instruction	1,225,126	–	–
Special education instruction	26,765,265	–	–
Community education	182,603	–	–
Instructional support services	10,594,212	–	–
Pupil support services	14,992,963	–	–
Sites and buildings	16,109,378	–	–
Fiscal and other fixed cost programs	466,359	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	131,866,451	–
Debt service			
Principal	785,406	–	14,005,000
Interest and fiscal charges	293,382	–	9,526,772
Total expenditures	133,280,683	131,866,451	23,531,772
Excess (deficiency) of revenue over expenditures	(2,707,098)	(133,454,999)	698,595
Other financing sources (uses)			
Bonds issued	–	90,374,360	490,640
Refunding debt issued	–	–	8,280,000
Premium on issuance of debt	–	8,131,056	643,214
Proceeds from sale of assets	58,657	–	–
Payment to refunded bonds escrow agent	–	–	(8,850,000)
Total other financing sources (uses)	58,657	98,505,416	563,854
Net change in fund balances	(2,648,441)	(34,949,583)	1,262,449
Fund balances			
Beginning of year	16,804,504	224,512,987	3,712,552
End of year	$ 14,156,063	$ 189,563,404	$ 4,975,001

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds 2022	2021
$ 1,164,816	$ 56,924,765	$ 55,907,683
2,921	(1,564,956)	1,982,641
5,129,328	8,366,418	6,624,213
1,147,515	87,733,580	86,466,422
6,710,714	15,910,891	14,284,546
14,155,294	167,370,698	165,265,505
–	4,859,360	4,680,935
–	2,571,817	2,259,769
–	54,434,812	55,688,571
–	1,225,126	1,101,205
–	26,765,265	25,963,933
–	182,603	–
–	10,594,212	7,883,565
–	14,992,963	12,694,704
–	16,109,378	12,434,965
–	466,359	489,542
5,105,642	5,105,642	4,113,935
7,228,621	7,228,621	6,394,672
261,594	132,128,045	39,213,649
–	14,790,406	17,162,911
–	9,820,154	9,454,449
12,595,857	301,274,763	199,536,805
1,559,437	(133,904,065)	(34,271,300)
–	90,865,000	–
–	8,280,000	15,160,000
–	8,774,270	1,469,939
2,694	61,351	–
–	(8,850,000)	(16,439,586)
2,694	99,130,621	190,353
1,562,131	(34,773,444)	(34,080,947)
2,200,326	247,230,369	281,311,316
$ 3,762,457	$ 212,456,925	$ 247,230,369

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INDEPENDENT SCHOOL DISTRICT NO. 624

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

	2022	2021
Total net change in fund balances – governmental funds	$ (34,773,444)	$ (34,080,947)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation/amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	132,043,524	40,246,583
Depreciation/amortization expense	(3,198,112)	(3,066,622)
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.	344,172	1,098,735
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not resources in the Statement of Activities, but rather constitutes long-term liabilities.		
General obligation bonds payable	(99,145,000)	(8,675,000)
Certificates of participation payable	–	(6,485,000)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	22,855,000	25,445,000
Certificates of participation payable	680,000	335,000
Financed purchases payable	–	7,822,497
Lease liability	105,406	–
Net OPEB plan assets reported in the Statement of Activities do not require the use of current financial resources and are not reported until actually due.	(4,878,412)	2,015,925
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.	(734,220)	(365,464)
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.	(6,859,179)	198,053
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	33,707,756	(10,667,348)
Severance benefits payable	53,248	397,033
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	(4,914,869)	(23,112,087)
Deferred inflows of resources – pension plan deferments	(24,235,091)	28,421,802
Deferred outflows of resources – OPEB plan deferments	2,658,565	(168,664)
Deferred inflows of resources – OPEB plan deferments	678,246	(2,318,464)
Deferred inflows of resources – deferred charges on refunding	242,845	(74,568)
Deferred inflows of resources – delinquent property taxes	73,934	(161,374)
Change in net position – governmental activities	$ 14,704,369	$ 16,805,090

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources				
Property taxes	$ 32,584,934	$ 32,014,271	$ 31,751,273	$ (262,998)
Investment earnings	10,000	10,000	16,139	6,139
Other	2,774,000	2,186,953	3,231,860	1,044,907
State sources	84,334,484	86,062,209	86,374,136	311,927
Federal sources	5,829,252	8,264,020	9,200,177	936,157
Total revenue	125,532,670	128,537,453	130,573,585	2,036,132
Expenditures				
Current				
Administration	4,881,138	4,932,436	4,859,360	(73,076)
District support services	2,642,445	2,629,613	2,571,817	(57,796)
Elementary and secondary regular instruction	56,117,393	57,817,581	54,434,812	(3,382,769)
Vocational education instruction	1,454,564	1,298,684	1,225,126	(73,558)
Special education instruction	24,783,708	25,464,503	26,765,265	1,300,762
Community education	–	–	182,603	182,603
Instructional support services	7,509,608	8,600,899	10,594,212	1,993,313
Pupil support services	13,208,930	13,744,847	14,992,963	1,248,116
Sites and buildings	12,693,035	15,130,726	16,109,378	978,652
Fiscal and other fixed cost programs	489,541	489,541	466,359	(23,182)
Debt service				
Principal	915,382	680,000	785,406	105,406
Interest and fiscal charges	151,847	277,350	293,382	16,032
Total expenditures	124,847,591	131,066,180	133,280,683	2,214,503
Excess (deficiency) of revenue over expenditures	685,079	(2,528,727)	(2,707,098)	(178,371)
Other financing sources				
Proceeds from sale of assets	–	–	58,657	58,657
Net change in fund balances	$ 685,079	$ (2,528,727)	(2,648,441)	$ (119,714)
Fund balances				
Beginning of year			16,804,504	
End of year			$ 14,156,063	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Net Position
Internal Service Funds
as of June 30, 2022
(With Partial Comparative Information as of June 30, 2021)

	2022	2021
Assets		
Current assets		
Cash and temporary investments	$ 7,038,911	$ 6,461,794
Accounts and interest receivable	7,891	–
Due from other funds	98,603	–
Total assets	7,145,405	6,461,794
Liabilities		
Current liabilities		
Accounts and contracts payable	323,665	248,153
Claims incurred, but not reported	1,036,253	792,176
Unearned revenue	1,089,234	1,069,384
Total liabilities	2,449,152	2,109,713
Net position		
Unrestricted	$ 4,696,253	$ 4,352,081

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

	2022	2021
Operating revenue		
Charges for services		
Contributions from governmental funds	$ 16,112,645	$ 16,178,327
Operating expenses		
Severance benefits	–	168,821
Health benefit claims	14,010,864	12,999,742
Dental benefit claims	950,056	1,114,587
Administrative costs	812,648	804,153
Total operating expenses	15,773,568	15,087,303
Operating income	339,077	1,091,024
Nonoperating revenue		
Investment earnings	5,095	7,711
Excess of revenue over expenditures	344,172	1,098,735
Other financing sources (uses)		
Transfers in	146,186	–
Transfers out	(146,186)	–
Total other financing sources (uses)	–	–
Change in net position	344,172	1,098,735
Net position		
Beginning of year	4,352,081	3,253,346
End of year	$ 4,696,253	$ 4,352,081

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

	2022	2021
Cash flows from operating activities		
Received from assessments made to other funds	$ 16,124,604	$ 16,242,940
Severance and self-insurance claims and payments	(15,453,979)	(15,461,641)
Net cash flows from operating activities	670,625	781,299
Cash flows from noncapital financing activities		
Payments to other funds	(98,603)	–
Transfers in	146,186	–
Transfers out	(146,186)	–
Net cash flows from noncapital financing activities	(98,603)	–
Cash flows from investing activities		
Investment income received	5,095	7,711
Net change in cash and cash equivalents	577,117	789,010
Cash and cash equivalents		
Beginning of year	6,461,794	5,672,784
End of year	$ 7,038,911	$ 6,461,794
Reconciliation of operating income to net cash flows from operating activities		
Operating income	$ 339,077	$ 1,091,024
Adjustments to reconcile operating income to cash flows from operating activities		
Changes in assets and liabilities		
Accounts and interest receivable	(7,891)	–
Accounts and contracts payable	75,512	(210,126)
Claims incurred, but not reported	244,077	(164,212)
Unearned revenue	19,850	64,613
Net cash flows from operating activities	$ 670,625	$ 781,299

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Fiduciary Net Position
as of June 30, 2022

	Post-Employment Benefits Trust Fund	Custodial Fund
Assets		
Deposits	$ –	$ 229,201
Investments held by trustee		
Money market mutual fund	2,001,859	–
Domestic equity mutual fund	8,230,474	–
Bond mutual fund	19,294,748	–
Other mutual fund	2,415,055	–
Equity exchange traded fund	1,205,830	–
Bond exchange traded fund	1,297,905	–
Receivables		
Accounts and interest	–	8,550
Total assets	34,445,871	237,751
Liabilities		
Accounts and contracts payable	–	79,539
Due to other governmental units	–	9,000
Due to governmental funds	4,271,493	–
Total liabilities	4,271,493	88,539
Net position		
Restricted for scholarships	–	6,372
Restricted for other purposes	–	142,840
Restricted for OPEB	30,174,378	–
Total net position	$ 30,174,378	$ 149,212

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

	Post-Employment Benefits Trust Fund	Custodial Fund
Additions		
Contributions		
Private donations	$ –	$ 188,972
Investment earnings (losses)	(4,432,520)	150
Total additions	(4,432,520)	189,122
Deductions		
Benefits	1,742,959	–
Other private-purpose expenses	–	193,756
Total deductions	1,742,959	193,756
Change in net position	(6,175,479)	(4,634)
Net position		
Beginning of year	36,349,857	153,846
End of year	$ 30,174,378	$ 149,212

See notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 624 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. It is governed by a seven-member Board of Education elected by the voters of the District to four-year terms. The accounting policies of the District conform to accounting principles generally accepted in the United States of America. 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 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.

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.

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

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. For capital assets that can be specifically identified with, or allocated to functional areas, depreciation/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/amortization expense is reported as "depreciation/amortization expense not allocated to other functions." Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements. The proprietary fund (Internal Service Fund) is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the proprietary fund (Internal Service Fund) is consolidated into the governmental activities in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity. Fiduciary funds are presented in the fiduciary fund financial statements by type: pension (or other benefit) trust and custodial. 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.

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered to be available if collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Federal revenue is recorded in the year in which the related expenditure is made. State revenue is recognized in the year to which it applies according to Minnesota Statutes (which include state aid funding formulas for specific years) and accounting principles generally accepted in the United States of America. Other revenue is considered available if collected within 60 days. Proceeds of long-term debt and acquisitions under leases 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, severance benefits, and net pension liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. A description of the funds included in this report is as follows:

Major Governmental Funds

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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

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

Nonmajor Governmental Funds

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

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

Proprietary Funds

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

Fiduciary Funds

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

Custodial Fund – The Custodial Fund is used as a flow through mechanism in which the District receives funds and distributes these funds to other organizations, with no financial benefit to the District.

E. Budgetary Information

The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Each June, the Board of Education adopts an annual budget for the following fiscal year for all governmental funds except the Capital Projects – Building Construction Fund. This fund relies on bond issue project budgets for budgetary controls. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end.

Expenditures exceeded budgeted amounts in the General Fund, Community Service Special Revenue Fund, and the Debt Service Fund by $2,214,503, $388,880, and $83,984, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Temporary Investments

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

Cash and investments include balances held in segregated accounts that are established for specific purposes. In the Capital Projects – Building Construction Fund cash and investments are held by trustee for future capital projects. In the Post-Employment Benefits Trust Fund, this represents assets deposited by the District in an irrevocable trust account, the use of which is restricted to paying other post-employment benefits (OPEB) as specified in the trust agreement. Interest earned on these investments was allocated directly to those accounts.

Investments are generally stated at fair value, except for investments in guaranteed investment contracts and 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. Investment income is accrued at the Balance Sheet date.

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

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; 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.

G. Receivables

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

Due from governmental units at June 30, 2022 consist of the following:

MDE	$ 14,757,059
Minnesota school districts	129,028
Other governmental units	588,459
Total	$ 15,474,546

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recoded as expenditures/expenses at the time of consumption.

J. Property Taxes

The majority of district revenue is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aid 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 tax shift, as mandated by legislation, recognizes $1,805,151 of the property tax levy collectible in 2022 as revenue to the District in fiscal year 2021–2022. The remaining portion of the taxes collectible in 2022 is recorded as deferred inflow of resources (property taxes levied for subsequent year).

Property tax levies are certified by 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 which 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 current operations of the District. No allowance for uncollectible taxes is considered necessary.

K. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost if purchased or constructed. 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. The District defines capital assets as those with an initial, individual cost of $5,000 or more, which benefit more than one fiscal year. 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 fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since assets are generally sold for an immaterial amount or scrapped when 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, and 5 to 15 years for equipment and pupil transportation vehicles. Leased assets are amortized over the term of the lease or over the remaining useful life of the applicable asset class previously described, if future ownership is anticipated. Land and construction in progress are not depreciated.

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

L. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. 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, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

M. 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 in the government-wide Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes in proportion, changes of assumptions, differences between projected and actual earnings on pension and OPEB Plan investments, 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.

The District reports deferred inflows of resources related to lease receivables, which require lessors to recognize deferred inflows of resources to correspond to lease receivables in both the government-wide Statement of Net Position and the governmental funds Balance Sheet. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease.

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

The District also reports deferred inflows of resources related to deferred charges on refunding in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

N. Compensated Absences

1. **Vacation Pay** – Since teachers are not eligible for vacation pay and amounts accrued to other employees are insignificant, no liability for vacation pay is recorded in the financial statements.

2. **Sick Pay** – Substantially all district employees are entitled to sick leave at various rates. Unused sick leave enters into the calculation of severance and health benefit payments for some employees upon termination.

O. Severance Benefits

Severance benefits consist of lump sum early retirement incentive payments, including provisions for salary-related payments and convertible sick leave. The District maintains various early retirement incentive payment plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. No employee can receive early retirement incentive payments exceeding one year's salary. In addition, certain bargaining unit members are eligible to be compensated for unused accumulated sick leave upon termination subject to certain conditions. These benefits are paid to a tax-sheltered annuity plan on behalf of the employee. These benefits are offset in certain instances by the amount of matching contributions made by the District to retirement plans of the employee during the years of employment of each individual.

Severance benefits are recorded as a liability in the government-wide financial statements as it is earned and when it becomes probable that it will vest at some point in the future. Severance benefits are accrued in the appropriate governmental fund (General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund) only when it becomes due and payable.

P. 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 the 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.

Q. Other Post-Employment Benefits (OPEB) Plan

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. 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 was several changes in insurance coverages in the current fiscal year to better reflect the size and appropriate risks of loss of the District at the current time.

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

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

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

	Balance – Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance – End of Year
2021	$ 40,014	$ 1,163,088	$ 1,171,242	$ 31,860
2022	$ 31,860	$ 1,000,999	$ 997,245	$ 35,614

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

	Balance – Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance – End of Year
2021	$ 916,374	$ 13,755,394	$ 13,911,452	$ 760,316
2022	$ 760,316	$ 14,699,293	$ 14,458,970	$ 1,000,639

S. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements, such as bond indenture. Restricted assets are only reported in government-wide financial statements. In the fund financial statements these assets are reported as "cash and investments held by trustee."

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation/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."

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 Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education 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 Board of Education resolution, the District's superintendent and assistant superintendent for finance and operations are authorized to establish assignments of fund balance.

- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. 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 amounts reported in the financial statements during the reporting period. Actual results could differ from those estimates.

W. 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 year ended June 30, 2021, 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.

X. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2022 consist of the following:

Capital assets, net of depreciation/amortization	$ 240,699,562
Bonds used for capital asset purposes	(375,050,000)
Certificates of participation	(5,470,000)
Lease liability	(858,038)
Premiums (discounts) on bonds	(21,199,531)
Unused bond proceeds	189,563,404
Total	$ 27,685,397

Y. Change in Accounting Principle

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. This statement included major changes in recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Certain amounts necessary to fully restate fiscal year 2021 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in the District reporting a new lease receivable and in the adjustment of capital assets and long-term liabilities, but did not require a restatement of net position in the current year. See Note 3, Note 4, and Note 5 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 consisted of the following:

Deposits	$ 7,657,752
Investments	290,402,991
Cash on hand	6,550
Total	$ 298,067,293

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

Statement of Net Position	
Cash and temporary investments	$ 263,330,221
Cash and investments held for capital projects	62,000
Statement of Fiduciary Net Position	
Cash and temporary investments – Custodial Fund	229,201
Investments held by trustee – Post-Employment Benefits Trust Fund	
Money market mutual fund	2,001,859
Domestic equity mutual fund	8,230,474
Bond mutual fund	19,294,748
Other mutual fund	2,415,055
Equity exchange traded fund	1,205,830
Bond exchange traded fund	1,297,905
Total	$ 298,067,293

B. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the Board of Education, 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 investment policy does not further limit depository choices.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

At year-end, the carrying amount of the District's deposits was $7,657,752, while the balance on the bank records was $7,663,752. At June 30, 2022, deposits fully covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name totaled $6,114,224. Deposits not covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name totaled $1,549,528.

C. Investments

The District had the following investments at year-end:

	Credit Risk		Fair Value Measurements	Interest Risk – Maturity Duration in Years			
Investment Type	Rating	Agency	Using	No Maturity	Less Than 1	1 to 5	Total
U.S. treasuries	AAA	S&P	Level 1	$ –	$ 2,001,525	$ –	$ 2,001,525
U.S. agency securities	AAA	S&P	Level 2	$ –	$ 987,874	$ –	987,874
U.S. agency securities	AA	S&P	Level 2	$ –	$ 7,098,135	$ 8,893,396	15,991,531
U.S. agency securities	A	S&P	Level 2	$ –	$ 1,998,533	$ –	1,998,533
State and local bonds	AAA	S&P	Level 2	$ –	$ 6,783,019	$ 2,240,390	9,023,409
State and local bonds	Aaa	Moody's	Level 2	$ –	$ 8,321,886	$ 861,645	9,183,531
State and local bonds	AAA	Fitch	Level 2	$ –	$ 119,796	$ –	119,796
State and local bonds	AA	S&P	Level 2	$ –	$ 35,041,359	$ 13,272,363	48,313,722
State and local bonds	Aa	Moody's	Level 2	$ –	$ 8,266,450	$ 5,962,956	14,229,406
State and local bonds	A	S&P	Level 2	$ –	$ 14,321,804	$ 4,983,859	19,305,663
State and local bonds	A	Moody's	Level 2	$ –	$ 4,877,636	$ 1,576,667	6,454,303
State and local bonds	Baa	Moody's	Level 2	$ –	$ –	$ 1,304,667	1,304,667
State and local revenue bonds	AAA	S&P	Level 2	$ –	$ 1,671,702	$ 2,585,955	4,257,657
State and local revenue bonds	Aaa	Moody's	Level 2	$ –	$ 234,582	$ –	234,582
State and local revenue bonds	AA	S&P	Level 2	$ –	$ 5,096,269	$ 11,268,347	16,364,616
State and local revenue bonds	Aa	Moody's	Level 2	$ –	$ 28,538,908	$ 10,684,905	39,223,813
State and local revenue bonds	A	S&P	Level 2	$ –	$ 1,063,633	$ 419,068	1,482,701
State and local revenue bonds	A	Moody's	Level 2	$ –	$ 10,074,542	$ 2,904,870	12,979,412
State and local revenue bonds	Baa	Moody's	Level 2	$ –	$ 997,462	$ –	997,462
Negotiable certificates of deposit	N/R	N/A	Level 2	$ –	$ 2,224,505	$ 1,080,934	3,305,439
Commercial paper	A	S&P	Level 2	$ –	$ 20,040,079	$ –	20,040,079
Commercial paper	Aaa	Moody's	Level 2	$ –	$ 108,780	$ –	108,780
Investment pools/mutual funds							
Money market mutual funds	AAA	S&P	Level 1	$ 2,615,859	$ –	$ –	2,615,859
Money market account	N/R	N/A	Level 1	$ 14,221,392	$ –	$ –	14,221,392
Domestic equity mutual fund	N/R	N/A	Level 1	$ 5,829,552	$ –	$ –	5,829,552
International mutual fund	N/R	N/A	Level 1	$ 2,400,922	$ –	$ –	2,400,922
Bond mutual fund	N/R	N/A	Level 1	$ 19,294,748	$ –	$ –	19,294,748
Other mutual fund	N/R	N/A	Level 1	$ 2,415,055	$ –	$ –	2,415,055
Equity exchange traded fund	N/R	N/A	Level 1	$ 1,205,830	$ –	$ –	1,205,830
Bond exchange traded fund	N/R	N/A	Level 2	$ 1,297,905	$ –	$ –	1,297,905
Investment pools/mutual funds	AAA	S&P	Level 1	$ 203,000	$ –	$ –	203,000
MSDLAF Liquid Class	AAA	S&P	A/C	$ 6,296,895	$ –	$ –	6,296,895
MSDLAF MAX Class	AAA	S&P	A/C	$ 6,713,332	$ –	$ –	6,713,332
Total investments							$ 290,402,991

A/C – Amortized Cost
N/R – Not Rated
N/A – Not Applicable

The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by Minnesota Statutes and is an external investment pool not registered with the Securities and Exchange Commission. The District's investments in the MSDLAF are measured at the net asset value per share provided by the pool, which is based on amortized cost methods that approximate fair value.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

For this investment pool, there is no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the MSDLAF Liquid Class; redemption notice period is 14 days for the MSDLAF 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.

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. The District's investment policy does 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.

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.

Post-Employment Benefits Trust Fund – This fund represents investments administered by the District's OPEB Trust Fund investment managers. The District's investment policy, discussed previously, extends to the OPEB Trust Fund investments.

Minnesota Statutes authorize the OPEB Trust Fund to invest in obligations of the U.S. treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the state of Minnesota or its municipalities, bankers' acceptances, future contracts, corporate bonds, common stock and foreign stock of the highest quality, mutual funds, repurchase and reverse agreements, and commercial paper if issued by a United States corporation or its Canadian subsidiary and if rated in the highest two quality categories by a nationally recognized rating agency; and in the State Board of Investments. Investments are stated at fair value.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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 policy does not address concentration risk. At June 30, 2022, the District holds 7.3 percent of its portfolio with Mitsubishi Bank and Trust Corporation.

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 policy does not limit the maturities of investments; however, when purchasing investments, the District considers such things as interest rates and cash flow needs.

NOTE 3 – LEASE RECEIVABLE

The District is the lessor in an agreement that conveys the right to use building space owned by the District. The adoption of GASB Statement No. 87 resulted in recording this agreement as a $4,304,368 lease receivable and offsetting deferred inflow of resources in the General Fund as of the July 1, 2021 implementation date. The lease is reported using an incremental rate of 3.00 percent with a final maturity in 2043. During the current year, the District received principal and interest payments on this lease of $279,232.

NOTE 4 – CAPITAL ASSETS

Capital assets and accumulated depreciation/amortization activity for the year ended June 30, 2022 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	$ 4,843,452	$ –	$ 548,022	$ –	$ –	$ 5,391,474
Construction in progress	37,614,073	–	129,834,523	–	(10,110,021)	157,338,575
Total capital assets, not depreciated/amortized	42,457,525	–	130,382,545	–	(10,110,021)	162,730,049
Capital assets, depreciated/amortized						
Land improvements	3,896,224	–	–	–	–	3,896,224
Buildings	127,561,274	–	810,555	–	10,110,021	138,481,850
Buildings – leased	–	963,444	–	–	–	963,444
Equipment	7,766,824	–	780,669	–	–	8,547,493
Pupil transportation vehicles	5,494,114	–	69,755	–	–	5,563,869
Total capital assets, depreciated/amortized	144,718,436	963,444	1,660,979	–	10,110,021	157,452,880
Less accumulated depreciation/amortization for						
Land improvements	(2,378,969)	–	(106,965)	–	–	(2,485,934)
Buildings	(63,420,682)	–	(2,478,002)	–	–	(65,898,684)
Buildings – leased	–	–	(107,049)	–	–	(107,049)
Equipment	(5,988,004)	–	(346,962)	–	–	(6,334,966)
Pupil transportation vehicles	(4,497,600)	–	(159,134)	–	–	(4,656,734)
Total accumulated depreciation/amortization	(76,285,255)	–	(3,198,112)	–	–	(79,483,367)
Net capital assets, depreciated/amortized	68,433,181	963,444	(1,537,133)	–	10,110,021	77,969,513
Total capital assets, net	$ 110,890,706	$ 963,444	$ 128,845,412	$ –	$ –	$ 240,699,562

*The change in accounting principle was for new lease standard requirements implemented in the current year.

NOTE 4 – CAPITAL ASSETS (CONTINUED)

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

Elementary and secondary regular instruction	$ 186,391
Vocational education instruction	650
Special education instruction	37,867
Instructional support services	25,886
Pupil support services	148,218
Depreciation/amortization not allocated to other functions	2,720,457
Community service	10,630
Food service	68,013
Total depreciation/amortization expense	$ 3,198,112

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2014A Alternative Facilities Bonds	09/10/2014	2.000–2.150%	$ 5,900,000	02/01/2025	$ 5,900,000
2015A Alternative Facilities Bonds	06/04/2015	2.000–2.125%	$ 9,370,000	02/01/2026	9,370,000
2018A Facilities Maintenance Bonds	03/29/2018	3.000%	$ 15,970,000	02/01/2032	15,970,000
2020A School Building Bonds	03/05/2020	2.250–4.000%	$ 250,000,000	02/01/2045	244,665,000
2021A Facilities Maintenance Bonds	07/08/2021	2.000–4.000%	$ 27,865,000	02/01/2030	27,865,000
2021B Alternative Facility Refunding Bonds	12/02/2021	5.000%	$ 8,280,000	02/01/2024	8,280,000
2022A School Building Bonds	04/07/2022	3.000–5.000%	$ 63,000,000	02/01/2040	63,000,000
Total general obligation bonds payable					$ 375,050,000

B. Description of Long-Term Liabilities

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

On December 2, 2021, the District issued $8,280,000 General Obligation Alternative Facilities Refunding Bonds, Series 2021B. These bonds were issued to refund the remaining outstanding obligations of the 2012A General Obligation Alternative Facilities Bonds totaling $8,850,000. This refunding reduced the District's total future debt service payments by $279,291 and resulted in present value savings of $284,384.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

C. Certificates of Participation Payable

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2020B Certificates of Participation	07/30/2020	3.0–5.0%	$ 6,485,000	04/01/2029	$ 5,470,000

On July 30, 2020, the District issued $6,485,000 of Certificates of Participation, Series 2020B. The certificates were issued for the purpose of refunding three outstanding financed purchases totaling $7,439,586. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificates. These certificates of participation are being paid by the General Fund.

D. Lease Liability

The District has obtained the use of certain building space through a lease financing agreement. The total amount of the underlying lease assets by major classes and the related accumulated amortization is presented in Note 4 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 any losses upon default. The District currently has the following lease liability obligation outstanding:

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Pool and building space	3.00%	08/01/2020	07/31/2030	$ 858,038

E. Legal Debt Limit

The state of Minnesota sets the amount of general obligation debt the District can issue to 15 percent of market value of all taxable property within the District. At June 30, 2022, the District's legal debt limit is $1,396,716,770.

F. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including pensions, severance benefits, 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.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

District employees participate in two defined benefit pension plans, both 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 as of and for the year ended June 30, 2022:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	$ 11,239,820	$ 8,583,783	$ 10,811,062	$ 46,432
State-wide, multiple-employer – TRA	42,117,502	25,333,886	74,017,342	1,883,696
Total	$ 53,357,322	$ 33,917,669	$ 84,828,404	$ 1,930,128

G. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds		Certificates of Participation		Lease Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 13,300,000	$ 11,300,521	$ 715,000	$ 243,350	$ 96,415	$ 25,023
2024	14,195,000	11,128,254	745,000	207,600	99,329	22,109
2025	14,530,000	10,547,004	790,000	170,350	102,331	19,107
2026	15,140,000	10,078,806	830,000	130,850	105,424	16,014
2027	14,510,000	9,593,325	865,000	89,350	108,611	12,828
2028–2032	79,940,000	39,706,175	1,525,000	73,500	345,928	18,387
2033–2037	84,455,000	26,648,175	–	–	–	–
2038–2042	88,805,000	14,068,500	–	–	–	–
2043–2045	50,175,000	2,781,825	–	–	–	–
	$ 375,050,000	$ 135,852,585	$ 5,470,000	$ 915,000	$ 858,038	$ 113,468

H. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Retirements	Balance – End of Year	Due Within One Year
General obligation bonds payable	$ 298,760,000	$ –	$ 99,145,000	$ 22,855,000	$ 375,050,000	$ 13,300,000
Certificates of participation	6,150,000	–	–	680,000	5,470,000	715,000
Lease liability	–	963,444	–	105,406	858,038	96,415
Premiums (discounts) on bonds payable	14,340,352	–	8,774,270	1,915,091	21,199,531	–
Total bonds and leases payable	319,250,352	963,444	107,919,270	25,555,497	402,577,569	14,111,415
Net pension liability	87,065,078	–	10,999,387	44,707,143	53,357,322	–
Severance benefits payable	1,096,949	–	54,127	107,375	1,043,701	63,177
	$ 407,412,379	$ 963,444	$ 118,972,784	$ 70,370,015	$ 456,978,592	$ 14,174,592

*The change in accounting principle was for new lease standard requirements implemented in the current year.

NOTE 6 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. Any such restrictions which have an accumulated deficit rather than positive 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. However, a description of these deficit balance restrictions is included herein since the District has specific authority to future resources for such deficits.

A. Classifications

At June 30, 2022, a summary of the District's governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	$ –	$ –	$ –	$ 216,549	$ 216,549
Prepaid items	712,804	–	–	100	712,904
Total nonspendable	712,804	–	–	216,649	929,453
Restricted					
Capital projects levy	712,280	–	–	–	712,280
Operating capital	2,293,520	–	–	–	2,293,520
Student activities	440,281	–	–	–	440,281
Achievement and integration	84,219	–	–	–	84,219
Food service	–	–	–	2,878,500	2,878,500
Community education	–	–	–	623,576	623,576
Early childhood family education	–	–	–	118,443	118,443
Long-term facilities maintenance	–	30,579,880	–	–	30,579,880
Capital projects	–	158,983,524	–	–	158,983,524
Debt service	–	–	4,975,001	–	4,975,001
Total restricted	3,530,300	189,563,404	4,975,001	3,620,519	201,689,224
Unassigned					
School readiness program restricted account deficit	–	–	–	(36,548)	(36,548)
Community services restricted account deficit	–	–	–	(38,163)	(38,163)
Unassigned	9,912,959	–	–	–	9,912,959
Total unassigned	9,912,959	–	–	(74,711)	9,838,248
Total	$ 14,156,063	$ 189,563,404	$ 4,975,001	$ 3,762,457	$ 212,456,925

B. Minimum Unassigned Fund Balance Policy

The Board of Education has formally adopted a fund balance policy regarding the unassigned fund balance for the General Fund. The policy states that the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent, which equates to one month of operating expenditures. This policy shall also apply to the administration of the Food Service Special Revenue Fund and the Community Service Special Revenue Fund, with proper consideration and adjustment to conform with reserve limits established by state statutes. At June 30, 2022, the unassigned fund balance of the General Fund was 7.4 percent of total fiscal 2022 expenditures, or 3.8 weeks of operating expenditures.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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 Plan administered by Minnesota State.

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. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. TRA Benefits

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.

Tier I Benefits

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

With these provisions:

(a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.

(b) Three percent per year early retirement reduction factor for all years under normal retirement age.

(c) Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

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.

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 employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2022, were $1,523,905. 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,					
	2020		2021		2022	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	11.92 %	11.00 %	12.13 %	11.00 %	12.34 %
Coordinated Plan	7.50 %	7.92 %	7.50 %	8.13 %	7.50 %	8.34 %

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2022, were $4,974,303. 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 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:

	in thousands
Employer contributions reported in the TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	$ 448,829
Add employer contributions not related to future contribution efforts	379
Deduct the TRA's contributions not included in allocation	(538)
Total employer contributions	448,670
Total nonemployer contributions	37,840
Total contributions reported in the Schedule of Employer and Nonemployer Allocations	$ 486,510

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.

D. Pension Costs

1. GERF Pension Costs

At June 30, 2022, the District reported a liability of $11,239,820 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 $343,320. The net pension liability was measured as of June 30, 2021, 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.2632 percent at the end of the measurement period and 0.2735 percent for the beginning of the period.

District's proportionate share of the net pension liability	$ 11,239,820
State's proportionate share of the net pension liability associated with the District	$ 343,320

For the year ended June 30, 2022, the District recognized pension expense of $18,742 for its proportionate share of the GERF's pension expense. In addition, the District recognized an additional $27,690 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's pension expense for the annual $16 million contribution.

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

At June 30, 2022, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 72,255	$ 345,527
Changes in actuarial assumptions	6,862,802	258,934
Net collective difference between projected and actual investment earnings	–	9,690,929
Changes in proportion	124,821	515,672
District's contributions to the GERF subsequent to the measurement date	1,523,905	–
Total	$ 8,583,783	$ 10,811,062

The $1,523,905 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, 2023. 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
2023	$ (531,635)
2024	$ (337,521)
2025	$ (227,015)
2026	$ (2,655,013)

2. TRA Pension Costs

At June 30, 2022, the District reported a liability of $42,117,502 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2021, 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 0.9624 percent at the end of the measurement period and 0.9565 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	$ 42,117,502
State's proportionate share of the net pension liability associated with the District	$ 3,552,249

For the year ended June 30, 2022, the District recognized pension expense of $1,923,470. It also recognized $39,774 as a decrease to pension expense for the support provided by direct aid.

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

At June 30, 2022, 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	$ 1,133,736	$ 1,178,923
Changes in actuarial assumptions	15,434,213	37,373,857
Net collective difference between projected and actual investment earnings on pension plan investments	–	35,328,583
Changes in proportion	3,791,634	135,979
District's contributions to the TRA subsequent to the measurement date	4,974,303	–
Total	$ 25,333,886	$ 74,017,342

A total of $4,974,303 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, 2023. 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
2023	$ (25,490,385)
2024	$ (19,892,293)
2025	$ (4,968,577)
2026	$ (6,352,085)
2027	$ 3,045,581

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 GERF	Target Allocation TRA	Long-Term Expected Real Rate of Return
Domestic equity	33.50 %	35.50 %	5.10 %
International equity	16.50	17.50	5.30 %
Private markets	25.00	25.00	5.90 %
Fixed income	25.00	20.00	0.75 %
Unallocated cash	–	2.00	– %
Total	100.00 %	100.00 %	

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

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2021 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%	
Active member payroll growth		2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	6.50%	7.00%

1. GERF

The long-term rate of return on pension plan investments used in the determination of the total liability is 6.50 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 6.50 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 29 years of service, and 6.00 percent per year thereafter.

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 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

2. TRA

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for the TRA for males and females, as appropriate, with slight adjustments to fit the TRA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.00 percent for January 2020 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 2015, with economic assumptions updated in 2017.

The following changes in actuarial assumptions occurred in 2021:

1. GERF

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.

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

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

G. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2021 was 6.50 percent. The discount rate used to measure the total pension liability at the prior measurement date was 7.50 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. The discount rate used to measure the total pension liability at the prior measurement date was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2021 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 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF discount rate	5.50%	6.50%	7.50%
District's proportionate share of the GERF net pension liability	$ 22,923,493	$ 11,239,820	$ 1,652,651
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 85,079,403	$ 42,117,502	$ 6,885,318

I. Pension Plan Fiduciary Net Position

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

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

NOTE 8 – 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 District's Board of Education. 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.

Under the terms of certain collectively bargained employment contracts, the District is required to pay the health insurance premiums for retired employees until they reach certain age levels. For employees meeting certain length of service experience requirements, the amount to be paid is equal to the same insurance premium benefit as a full-time employee in the retiring employee's respective bargaining unit.

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. These contributions are not actuarially determined, statutorily mandated, or contractually established.

D. Membership

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

Retirees and beneficiaries receiving benefits	180
Active plan members	1,170
Total members	1,350

NOTE 8 – 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, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2021. The components of the net OPEB liability (asset) of the District at year-end were as follows:

Total OPEB liability	$ 16,128,445
Plan fiduciary net position	30,174,378
District's net OPEB Plan asset	$ (14,045,933)
Plan fiduciary net position as a percentage of the total OPEB liability	187.1%

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.20%
Expected long-term investment return	5.20% (net of investment expenses)
20-year municipal bond yield	3.80%
Inflation rate	2.00%
Salary increases	Service graded table
Healthcare trend rate	6.50% grading to 5.00% over 6 years, then 4.00% over the next 48 years
Dental trend rate	3.00%

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2020 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 Board of Education by a majority vote of its members. It is the policy of the Board of Education 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
Domestic equity	20.00 %	7.65 %
International equity	10.00	8.00 %
Fixed income	70.00	4.10 %
Total	100.00 %	5.20 %

NOTE 8 – 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 negative 12.0 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 5.20 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.

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 – July 1, 2021	$ 17,425,512	$ 36,349,857	$ (18,924,345)
Changes for the year			
Service cost	809,009	–	809,009
Interest	903,452	–	903,452
Assumption changes	218,837	–	218,837
Plan changes	2,062,912	–	2,062,912
Net investment income	(3,548,318)	(4,359,030)	810,712
Benefit payments	(1,742,959)	(1,742,959)	–
Administrative expenses	–	(73,490)	73,490
Total net changes	(1,297,067)	(6,175,479)	4,878,412
Ending balance – June 30, 2022	$ 16,128,445	$ 30,174,378	$ (14,045,933)

Plan changes since the prior measurement date include the following:

- The administrators' and principals' direct paid life insurance face amounts increased from $150,000 to $200,000 and $300,000, respectively.
- Teachers and principals who attain age 55 with 15 years of service will receive a lump sum to a Health Reimbursement Account (HRA) at retirement. The amount is based on having unused sick days at retirement for eligibility with lump sum amounts resulting at $10,000, $12,500, or $15,000.
- Teachers who attain age 55 with 3 years of services will receive a $6,800 lump sum to an HRA for each year they substitute at least 65 days per year after retirement, up to a maximum of 10 years. We have assumed 10 percent of retired teachers will receive this benefit.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Assumption changes since the prior measurement date include the following:

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2020 Generational Improvement Scale.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.

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:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB discount rate	4.20%	5.20%	6.20%
Net OPEB liability (asset)	$ (13,144,149)	$ (14,045,933)	$ (14,901,595)

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 medical cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current medical cost trend rates:

	1% Decrease in Medical Cost Trend Rate	Medical Cost Trend Rate	1% Increase in Medical Cost Trend Rate
Healthcare trend rate	5.50% decreasing to 4.00%, then 3.00%	6.50% decreasing to 5.00%, then 4.00%	7.50% decreasing to 6.00%, then 5.00%
Dental trend rate	2.00%	3.00%	4.00%
Net OPEB liability (asset)	$ (12,676,956)	$ (14,045,933)	$ (14,045,932)

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

For the current year ended, the District recognized OPEB expense of $3,284,561. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment experience	$ 2,630,276	$ –
Differences between expected and actual economic experience	–	4,038,457
Changes in actuarial assumptions	702,941	791,725
Total	$ 3,333,217	$ 4,830,182

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
2023	$ (392,162)
2024	$ (244,337)
2025	$ 187,134
2026	$ 675,043
2027	$ (390,850)
Thereafter	$ (1,331,793)

NOTE 9 – FLEXIBLE BENEFIT PLAN

The District has a flexible benefit plan, which is classified as a “cafeteria plan” (the Plan) under § 125 of the IRC. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pretax dollars to the Plan for health insurance, medical care, and dependent care benefits.

Before the beginning of the Plan year, which is from October 1 to September 30, 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 medical reimbursement portion of the Plan, whether or not such contributions have been made.

Payments of insurance premiums (health and dental) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the District’s Self-Insured Health Benefits Internal Service Fund.

Amounts withheld for medical reimbursement and dependent care are held in the District’s cash account. Payments are made by the District to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the employee. The medical reimbursement and dependent care activity is included in the financial statements in the General Fund.

NOTE 9 – FLEXIBLE BENEFIT PLAN (CONTINUED)

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

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Funding

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.

B. Legal Claims

The District has the usual and customary types of miscellaneous legal claims pending at year end, mostly of a minor nature and usually covered by insurance carried for that purpose. Although the outcomes of these 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.

C. Construction Commitments

At June 30, 2022, the District has contract commitments on outstanding capital projects totaling $94,164,805.

NOTE 11 – INTERFUND BALANCES AND TRANSFERS

A. Interfund Balances

The District had the following interfund receivables and payables at June 30, 2022:

	Due From Other Funds	Due To Other Funds
General Fund	$ 4,271,493	$ 98,603
Internal Service Fund	98,603	–
Post-Employment Benefits Trust Fund	–	4,271,493
	$ 4,370,096	$ 4,370,096

The balance of $4,271,493 represents interfund amounts due to the General Fund relating to post-employment benefit costs to be reimbursed as of June 30, 2022. The balance of $98,603 was related to reimbursements to be made by the General Fund in future periods.

B. Interfund Transfers

During the year, the District transferred $146,186 from the District's Self-Insured Health Benefits Internal Service Fund to the Self-Insured Dental Benefits Internal Service for reimbursement of costs.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 624

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2022

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	0.2881%	$ 13,533,495	$ –	$ 13,533,495	$ 15,141,559	89.38%	78.70%
06/30/2016	06/30/2015	0.2621%	$ 13,593,383	$ –	$ 13,593,383	$ 15,392,229	88.31%	78.20%
06/30/2017	06/30/2016	0.2617%	$ 21,248,742	$ 277,498	$ 21,526,240	$ 16,247,523	130.78%	68.90%
06/30/2018	06/30/2017	0.2649%	$ 16,911,041	$ 212,658	$ 17,123,699	$ 17,079,232	99.02%	75.90%
06/30/2019	06/30/2018	0.2664%	$ 14,778,779	$ 484,879	$ 15,263,658	$ 17,884,311	82.64%	79.50%
06/30/2020	06/30/2019	0.2754%	$ 15,226,250	$ 473,146	$ 15,699,396	$ 19,464,670	78.23%	80.20%
06/30/2021	06/30/2020	0.2735%	$ 16,397,576	$ 505,762	$ 16,903,338	$ 19,502,696	84.08%	79.10%
06/30/2022	06/30/2021	0.2632%	$ 11,239,820	$ 343,320	$ 11,583,140	$ 18,890,240	59.50%	87.00%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2022

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	$ 1,136,075	$ 1,136,075	$ –	$ 15,392,229	7.38%
06/30/2016	$ 1,217,164	$ 1,217,164	$ –	$ 16,247,523	7.49%
06/30/2017	$ 1,279,881	$ 1,279,881	$ –	$ 17,079,232	7.49%
06/30/2018	$ 1,308,024	$ 1,308,024	$ –	$ 17,884,311	7.31%
06/30/2019	$ 1,461,462	$ 1,461,462	$ –	$ 19,464,670	7.51%
06/30/2020	$ 1,461,838	$ 1,461,838	$ –	$ 19,502,696	7.50%
06/30/2021	$ 1,417,454	$ 1,417,454	$ –	$ 18,890,240	7.50%
06/30/2022	$ 1,523,905	$ 1,523,905	$ –	$ 20,363,339	7.48%

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 624

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2022

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 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	0.9397%	$ 43,300,699	$ 3,046,126	$ 46,346,825	$ 42,893,740	100.95%	81.50%
06/30/2016	06/30/2015	0.8865%	$ 54,838,792	$ 6,726,246	$ 61,565,038	$ 45,042,877	121.75%	76.80%
06/30/2017	06/30/2016	0.8942%	$213,288,036	$ 21,409,547	$234,697,583	$ 46,555,078	458.14%	44.88%
06/30/2018	06/30/2017	0.9179%	$183,229,491	$ 17,711,671	$200,941,162	$ 49,460,864	370.45%	51.57%
06/30/2019	06/30/2018	0.9513%	$ 59,750,544	$ 5,613,868	$ 65,364,412	$ 52,725,107	113.32%	78.07%
06/30/2020	06/30/2019	0.9597%	$ 61,171,480	$ 5,413,333	$ 66,584,813	$ 54,458,685	112.33%	78.21%
06/30/2021	06/30/2020	0.9565%	$ 70,667,502	$ 5,922,384	$ 76,589,886	$ 55,665,004	126.95%	75.48%
06/30/2022	06/30/2021	0.9624%	$ 42,117,502	$ 3,552,249	$ 45,669,751	$ 57,587,737	73.14%	86.63%

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2022

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	$ 3,354,309	$ 3,354,309	$ –	$ 45,042,877	7.45%
06/30/2016	$ 3,470,600	$ 3,470,600	$ –	$ 46,555,078	7.45%
06/30/2017	$ 3,705,834	$ 3,705,834	$ –	$ 49,460,864	7.49%
06/30/2018	$ 3,909,984	$ 3,909,984	$ –	$ 52,725,107	7.42%
06/30/2019	$ 4,204,342	$ 4,204,342	$ –	$ 54,458,685	7.72%
06/30/2020	$ 4,402,820	$ 4,402,820	$ –	$ 55,665,004	7.91%
06/30/2021	$ 4,682,353	$ 4,682,353	$ –	$ 57,587,737	8.13%
06/30/2022	$ 4,974,303	$ 4,974,303	$ –	$ 59,664,657	8.34%

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 624

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Net
OPEB Liability and Related Ratios
Year Ended June 30, 2022

	Fiscal Year					
	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	$ 623,228	$ 588,099	$ 798,772	$ 777,702	$ 799,784	$ 809,009
Interest	1,017,110	1,020,084	952,900	848,893	777,409	903,452
Plan changes	–	770,441	869,885	–	1,791,586	2,062,912
Benefit payments	(1,890,826)	(1,210,527)	(1,938,530)	(1,250,051)	(2,528,532)	(1,742,959)
Assumption changes	–	(173,787)	1,180,644	(791,972)	(405,326)	218,837
Difference between expected and actual experience	–	(1,966,026)	–	(495,690)	–	(3,548,318)
Net change in total OPEB liability	(250,488)	(971,716)	1,863,671	(911,118)	434,921	(1,297,067)
Total OPEB liability – beginning of year	17,260,242	17,009,754	16,038,038	17,901,709	16,990,591	17,425,512
Total OPEB liability – end of year	17,009,754	16,038,038	17,901,709	16,990,591	17,425,512	16,128,445
Plan fiduciary net position						
Net investment income (losses)	2,955,759	2,047,451	2,279,203	2,182,122	5,045,592	(4,359,030)
Benefit payments	(1,890,826)	(1,210,527)	(1,938,530)	(1,250,051)	(2,528,532)	(1,742,959)
Administrative expenses	(121,014)	(117,870)	(62,189)	(79,342)	(66,214)	(73,490)
Net change in plan fiduciary net position	943,919	719,054	278,484	852,729	2,450,846	(6,175,479)
Plan fiduciary net position – beginning of year	31,104,825	32,048,744	32,767,798	33,046,282	33,899,011	36,349,857
Plan fiduciary net position – end of year	32,048,744	32,767,798	33,046,282	33,899,011	36,349,857	30,174,378
Net OPEB liability (asset)	$ (15,038,990)	$ (16,729,760)	$ (15,144,573)	$ (16,908,420)	$ (18,924,345)	$ (14,045,933)
Fiduciary net position as a percentage of the total OPEB liability	188.41%	204.31%	184.60%	199.52%	208.60%	187.09%
Covered-employee payroll	$ 56,513,934	$ 63,541,808	$ 65,488,063	$ 72,403,729	$ 74,575,841	$ 76,137,330
Net OPEB liability (asset) as a percentage of covered-employee payroll	(26.61%)	(26.33%)	(23.13%)	(23.35%)	(25.38%)	(18.45%)

Note 1: The 2017 information has been updated to reflect the prior period adjustment reported in the year ended June 30, 2018.

Note 2: The District implemented GASB Statement Nos. 74 and 75 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 624

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2022

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	9.5%
2018	6.4%
2019	7.0%
2020	6.6%
2021	14.9%
2022	(12.0%)

Note: The District implemented GASB Statement Nos. 74 and 75 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

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PERA – GENERAL EMPLOYEES RETIREMENT FUND

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.
- 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.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

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)

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.

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

2022 CHANGES IN PLAN PROVISIONS

- The administrators' and principals' district-paid life insurance face amounts increased from $150,000 to $200,000 and $300,000, respectively.
- Teachers and principals who attain age 55 with 15 years of service will receive a lump sum to a Health Reimbursement Account (HRA) at retirement. The amount is based on having unused sick days at retirement for eligibility with lump sum amounts resulting at $10,000, $12,500 or $15,000.
- Teachers who attain age 55 with 3 years of service will receive a $6,800 lump sum to an HRA for each year they substitute at least 65 days per year after retirement, up to a maximum of 10 years. We have assumed 10 percent of retired teachers will receive this benefit.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2020 Generational Improvement Scale.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.

2021 CHANGES IN PLAN PROVISIONS

- Twenty-three teachers each received $50,000 and fourteen other employees received $10,000 paid to an HRA from a severance incentive program.
- One employee received a lump sum payment to an HRA instead of five years of district-paid health insurance premiums.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The inflation rate was changed from 2.50 percent to 2.00 percent.
- The expected long-term investment return and discount rate was changed from 4.70 percent to 5.20 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2018 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees, to rates which vary by service and contract group.

2019 CHANGES IN PLAN PROVISIONS

- Twenty-three teachers received $30,000 in contributions during the 2018–2019 plan year from a severance incentive program. The retirement rates for these teachers were adjusted to reflect their actual retirement dates.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.00 percent to 4.70 percent.
- The discount rate was changed from 6.00 percent to 4.70 percent.

2018 CHANGES IN PLAN PROVISIONS

- Administrators added a sunset date of January 1, 2016. Employees hired after this date are no longer eligible for subsidized post-employment medical, dental, and life insurance benefits.
- After January 1, 2017, teachers who are eligible for subsidized post-employment medical and dental benefits, but who elect to waive coverage at retirement, will receive lump sum payments. The lump sum amount will equal the medical and dental premiums at the time of retirement, multiplied by the lesser of eight years or the number of years to Medicare eligibility.
- Teachers hired between 1985 and 2003, who are not eligible for subsidized post-employment insurance benefits, will receive a contribution to an HRA upon retirement. The amount of the contribution varies by hire year, multiplied by the number of years of service after July 1, 2017.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The medical trend rate was changed from 7.00 percent grading to 5.00 percent over eight years, to 6.50 percent grading to 5.00 percent over six years.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 4.50 percent to 6.00 percent.

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SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 624

Nonmajor Governmental Funds
Combining Balance Sheet
as of June 30, 2022

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	$ 2,716,218	$ 1,610,031	$ 4,326,249
Receivables			
Current taxes	–	619,189	619,189
Delinquent taxes	–	12,848	12,848
Accounts and interest	289	4,829	5,118
Due from other governmental units	274,395	133,153	407,548
Inventory	216,549	–	216,549
Prepaid items	–	100	100
Total assets	$ 3,207,451	$ 2,380,150	$ 5,587,601
Liabilities			
Salaries payable	$ 7,276	$ 104,480	$ 111,756
Accounts and contracts payable	51,220	143,208	194,428
Due to other governmental units	–	42,715	42,715
Unearned revenue	53,906	244,500	298,406
Total liabilities	112,402	534,903	647,305
Deferred inflows of resources			
Unavailable revenue – delinquent taxes	–	8,150	8,150
Property taxes levied for subsequent year	–	1,169,689	1,169,689
Total deferred inflows of resources	–	1,177,839	1,177,839
Fund balances (deficit)			
Nonspendable for inventory	216,549	–	216,549
Nonspendable for prepaid items	–	100	100
Restricted	2,878,500	742,019	3,620,519
Unassigned	–	(74,711)	(74,711)
Total fund balances	3,095,049	667,408	3,762,457
Total liabilities, deferred inflows of resources, and fund balances	$ 3,207,451	$ 2,380,150	$ 5,587,601

INDEPENDENT SCHOOL DISTRICT NO. 624

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2022

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	$ –	$ 1,164,816	$ 1,164,816
Investment earnings	1,537	1,384	2,921
Other	245,625	4,883,703	5,129,328
State sources	192,135	955,380	1,147,515
Federal sources	6,556,364	154,350	6,710,714
Total revenue	6,995,661	7,159,633	14,155,294
Expenditures			
Current			
Food service	5,105,642	–	5,105,642
Community service	–	7,228,621	7,228,621
Capital outlay	202,814	58,780	261,594
Total expenditures	5,308,456	7,287,401	12,595,857
Excess (deficiency) of revenue over expenditures	1,687,205	(127,768)	1,559,437
Other financing sources			
Proceeds from sale of assets	2,694	–	2,694
Net change in fund balance	1,689,899	(127,768)	1,562,131
Fund balances			
Beginning of year	1,405,150	795,176	2,200,326
End of year	$ 3,095,049	$ 667,408	$ 3,762,457

INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	$ 9,797,829	$ 11,205,708
Receivables		
Current taxes	17,050,877	22,416,172
Delinquent taxes	344,342	250,642
Accounts and interest	152,942	15,237
Due from other governmental units	15,045,721	14,770,225
Due from other funds	4,271,493	2,528,534
Lease	4,304,368	–
Prepaid items	712,804	62,849
Total assets	$ 51,680,376	$ 51,249,367
Liabilities		
Salaries payable	$ 364,788	$ 311,675
Accounts and contracts payable	1,594,943	3,778,479
Due to other governmental units	344,071	192,300
Due to other funds	98,603	–
Unearned revenue	–	10,880
Total liabilities	2,402,405	4,293,334
Deferred inflows of resources		
Lease revenue for subsequent years	4,304,368	–
Unavailable revenue – delinquent taxes	214,532	174,640
Property taxes levied for subsequent year	30,603,008	29,976,889
Total deferred inflows of resources	35,121,908	30,151,529
Fund balances		
Nonspendable for prepaid items	712,804	62,849
Restricted for capital projects levy	712,280	243,739
Restricted for operating capital	2,293,520	3,065,789
Restricted for Medical Assistance	–	730,553
Restricted for student activities	440,281	358,880
Restricted for achievement and integration	84,219	106,821
Assigned for contingency for self-funded insurance	–	2,000,000
Unassigned	9,912,959	10,235,873
Total fund balances	14,156,063	16,804,504
Total liabilities, deferred inflows of resources, and fund balances	$ 51,680,376	$ 51,249,367

INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 32,014,271	$ 31,751,273	$ (262,998)	$ 28,893,600
Investment earnings	10,000	16,139	6,139	24,595
Other	2,186,953	3,231,860	1,044,907	2,811,276
State sources	86,062,209	86,374,136	311,927	85,036,779
Federal sources	8,264,020	9,200,177	936,157	8,519,267
Total revenue	128,537,453	130,573,585	2,036,132	125,285,517
Expenditures				
Current				
Administration				
Salaries	3,379,113	3,389,531	10,418	3,374,702
Employee benefits	1,213,539	1,197,999	(15,540)	1,118,731
Purchased services	261,239	157,116	(104,123)	103,061
Supplies and materials	16,321	26,560	10,239	27,627
Other expenditures	62,224	88,154	25,930	56,814
Total administration	4,932,436	4,859,360	(73,076)	4,680,935
District support services				
Salaries	1,401,081	1,503,440	102,359	1,343,518
Employee benefits	521,107	552,523	31,416	467,733
Purchased services	564,152	407,989	(156,163)	406,588
Supplies and materials	117,730	92,011	(25,719)	19,997
Capital expenditures	–	–	–	2,764
Other expenditures	25,543	15,854	(9,689)	19,169
Total district support services	2,629,613	2,571,817	(57,796)	2,259,769
Elementary and secondary regular instruction				
Salaries	38,804,349	37,413,606	(1,390,743)	37,816,381
Employee benefits	13,500,215	12,352,940	(1,147,275)	14,034,935
Purchased services	2,194,635	2,296,262	101,627	1,478,500
Supplies and materials	2,330,797	1,628,435	(702,362)	1,690,521
Capital expenditures	721,484	251,927	(469,557)	179,975
Other expenditures	266,101	491,642	225,541	488,259
Total elementary and secondary regular instruction	57,817,581	54,434,812	(3,382,769)	55,688,571

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	676,013	644,014	(31,999)	594,459
Employee benefits	237,347	242,884	5,537	235,895
Purchased services	358,099	284,697	(73,402)	238,728
Supplies and materials	27,225	46,215	18,990	26,945
Other expenditures	–	7,316	7,316	5,178
Total vocational education instruction	1,298,684	1,225,126	(73,558)	1,101,205
Special education instruction				
Salaries	17,429,976	17,781,023	351,047	17,092,770
Employee benefits	6,963,057	6,962,383	(674)	6,763,380
Purchased services	612,519	1,584,610	972,091	1,899,078
Supplies and materials	172,235	168,426	(3,809)	107,788
Capital expenditures	256,163	165,291	(90,872)	2,244
Other expenditures	30,553	103,532	72,979	98,673
Total special education instruction	25,464,503	26,765,265	1,300,762	25,963,933
Community education				
Salaries	–	142,984	142,984	–
Employee benefits	–	39,619	39,619	–
Total community education	–	182,603	182,603	–
Instructional support services				
Salaries	4,531,100	5,643,876	1,112,776	4,322,235
Employee benefits	1,423,368	1,860,814	437,446	1,441,330
Purchased services	604,738	555,437	(49,301)	263,940
Supplies and materials	435,134	2,323,028	1,887,894	636,395
Capital expenditures	1,597,966	161,492	(1,436,474)	1,193,781
Other expenditures	8,593	49,565	40,972	25,884
Total instructional support services	8,600,899	10,594,212	1,993,313	7,883,565
Pupil support services				
Salaries	5,462,248	5,464,282	2,034	4,853,303
Employee benefits	1,993,037	2,063,081	70,044	1,734,347
Purchased services	5,379,820	6,884,373	1,504,553	5,526,539
Supplies and materials	709,742	551,329	(158,413)	473,709
Capital expenditures	200,000	–	(200,000)	81,454
Other expenditures	–	29,898	29,898	25,352
Total pupil support services	13,744,847	14,992,963	1,248,116	12,694,704

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	3,806,436	3,780,661	(25,775)	3,549,403
Employee benefits	1,528,979	1,432,253	(96,726)	1,323,077
Purchased services	4,650,797	9,726,551	5,075,754	5,620,832
Supplies and materials	1,099,055	897,775	(201,280)	1,561,724
Capital expenditures	4,029,110	233,681	(3,795,429)	349,673
Other expenditures	16,349	38,457	22,108	30,256
Total sites and buildings	15,130,726	16,109,378	978,652	12,434,965
Fiscal and other fixed cost programs				
Purchased services	489,541	466,359	(23,182)	489,542
Debt service				
Principal	680,000	785,406	105,406	717,911
Interest and fiscal charges	277,350	293,382	16,032	349,319
Total debt service	957,350	1,078,788	121,438	1,067,230
Total expenditures	131,066,180	133,280,683	2,214,503	124,264,419
Excess (deficiency) of revenue over expenditures	(2,528,727)	(2,707,098)	(178,371)	1,021,098
Other financing sources				
Proceeds from sale of assets	–	58,657	58,657	–
Net change in fund balances	$ (2,528,727)	(2,648,441)	$ (119,714)	1,021,098
Fund balances				
Beginning of year		16,804,504		15,783,406
End of year		$ 14,156,063		$ 16,804,504

INDEPENDENT SCHOOL DISTRICT NO. 624

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	$ 2,716,218	$ 1,099,873
Receivables		
Accounts and interest	289	19
Due from other governmental units	274,395	325,568
Inventory	216,549	198,607
Prepaid items	–	2,230
Total assets	$ 3,207,451	$ 1,626,297
Liabilities		
Salaries payable	$ 7,276	$ 14,210
Accounts and contracts payable	51,220	133,946
Unearned revenue	53,906	72,991
Total liabilities	112,402	221,147
Fund balances		
Nonspendable for inventory	216,549	198,607
Nonspendable for prepaid items	–	2,230
Restricted for food service	2,878,500	1,204,313
Total fund balances	3,095,049	1,405,150
Total liabilities and fund balances	$ 3,207,451	$ 1,626,297

INDEPENDENT SCHOOL DISTRICT NO. 624

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	$ –	$ 1,537	$ 1,537	$ 198
Other – primarily meal sales	202,323	245,625	43,302	45,569
State sources	119,800	192,135	72,335	46,637
Federal sources	5,854,922	6,556,364	701,442	5,304,884
Total revenue	6,177,045	6,995,661	818,616	5,397,288
Expenditures				
Current				
Salaries	1,800,800	1,705,984	(94,816)	1,523,817
Employee benefits	626,050	634,392	8,342	538,132
Purchased services	333,380	279,426	(53,954)	238,018
Supplies and materials	2,848,795	2,476,716	(372,079)	1,802,586
Other expenditures	15,800	9,124	(6,676)	11,382
Capital outlay	394,000	202,814	(191,186)	458,414
Total expenditures	6,018,825	5,308,456	(710,369)	4,572,349
Excess (deficiency) of revenue over expenditures	158,220	1,687,205	1,528,985	824,939
Other financing sources				
Proceeds from sale of assets	–	2,694	2,694	–
Net change in fund balances	$ 158,220	1,689,899	$ 1,531,679	824,939
Fund balances				
Beginning of year		1,405,150		580,211
End of year		$ 3,095,049		$ 1,405,150

INDEPENDENT SCHOOL DISTRICT NO. 624

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	$ 1,610,031	$ 1,259,679
Receivables		
Current taxes	619,189	794,850
Delinquent taxes	12,848	9,744
Accounts and interest	4,829	–
Due from other governmental units	133,153	270,112
Prepaid items	100	–
Total assets	$ 2,380,150	$ 2,334,385
Liabilities		
Salaries payable	$ 104,480	$ 70,711
Accounts and contracts payable	143,208	114,063
Due to other governmental units	42,715	1,746
Unearned revenue	244,500	210,421
Total liabilities	534,903	396,941
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	8,150	6,833
Property taxes levied for subsequent year	1,169,689	1,135,435
Total deferred inflows of resources	1,177,839	1,142,268
Fund balances (deficit)		
Nonspendable for prepaid items	100	–
Restricted for community education	623,576	262,516
Restricted for early childhood family education	118,443	155,018
Restricted for school readiness	–	416,710
Unassigned – school readiness program restricted account deficit	(36,548)	–
Unassigned – community services restricted account deficit	(38,163)	(39,068)
Total fund balances	667,408	795,176
Total liabilities, deferred inflows of resources, and fund balances	$ 2,380,150	$ 2,334,385

INDEPENDENT SCHOOL DISTRICT NO. 624

Community Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 1,158,532	$ 1,164,816	$ 6,284	$ 1,093,150
Investment earnings	25,000	1,384	(23,616)	664
Other – primarily tuition and fees	4,950,667	4,883,703	(66,964)	3,766,945
State sources	996,671	955,380	(41,291)	1,170,397
Federal sources	–	154,350	154,350	460,395
Total revenue	7,130,870	7,159,633	28,763	6,491,551
Expenditures				
Current				
Salaries	4,453,304	4,313,857	(139,447)	3,839,865
Employee benefits	1,387,187	1,366,066	(21,121)	1,272,064
Purchased services	839,015	1,220,453	381,438	1,008,608
Supplies and materials	195,823	318,987	123,164	251,767
Other expenditures	11,100	9,258	(1,842)	22,368
Capital outlay	12,092	58,780	46,688	5,120
Total expenditures	6,898,521	7,287,401	388,880	6,399,792
Net change in fund balances	$ 232,349	(127,768)	$ (360,117)	91,759
Fund balances				
Beginning of year		795,176		703,417
End of year		$ 667,408		$ 795,176

INDEPENDENT SCHOOL DISTRICT NO. 624

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	$ 226,171,509	$ 229,849,496
Cash and investments held by trustee	62,000	62,000
Receivables		
Accounts and interest	2,018,423	2,007,523
Total assets	$ 228,251,932	$ 231,919,019
Liabilities		
Salaries payable	$ 11,692	$ 960
Accounts and contracts payable	38,256,046	7,405,072
Due to other governmental units	420,790	–
Total liabilities	38,688,528	7,406,032
Fund balances		
Restricted for long-term facilities maintenance	30,579,880	4,348,120
Restricted for capital projects	158,983,524	220,164,867
Total fund balances	189,563,404	224,512,987
Total liabilities and fund balances	$ 228,251,932	$ 231,919,019

INDEPENDENT SCHOOL DISTRICT NO. 624

Capital Projects – Building Construction Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Years Ended June 30, 2022 and 2021

	2022	2021
Revenue		
Local sources		
Investment earnings (charges)	$ (1,593,778)	$ 1,948,136
Other	5,230	423
Total revenue	(1,588,548)	1,948,559
Expenditures		
Capital outlay		
Salaries	326,824	211,070
Employee benefits	96,898	66,916
Purchased services	18,866,335	16,090,060
Supplies and materials	468,502	25,811
Capital expenditures	111,094,857	22,329,206
Other expenditures	8,633	27,052
Debt service		
Fiscal charges and other	1,004,402	–
Total expenditures	131,866,451	38,750,115
Excess (deficiency) of revenues over expenditures	(133,454,999)	(36,801,556)
Other financing sources		
Bonds issued	90,374,360	–
Premium on issuance of bonds	8,131,056	–
Total other financing sources	98,505,416	–
Net change in fund balances	(34,949,583)	(36,801,556)
Fund balances		
Beginning of year	224,512,987	261,314,543
End of year	$ 189,563,404	$ 224,512,987

INDEPENDENT SCHOOL DISTRICT NO. 624

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	$ 15,995,723	$ 10,824,021
Receivables		
Current taxes	12,531,368	16,798,526
Delinquent taxes	247,058	180,181
Due from other governmental units	21,277	21,469
Total assets	$ 28,795,426	$ 27,824,197
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	$ 147,843	$ 115,118
Property taxes levied for subsequent year	23,672,582	23,996,527
Total deferred inflows of resources	23,820,425	24,111,645
Fund balances		
Restricted for debt service	4,975,001	3,712,552
Total deferred inflows of resources and fund balances	$ 28,795,426	$ 27,824,197

INDEPENDENT SCHOOL DISTRICT NO. 624

Debt Service Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 23,996,527	$ 24,008,676	$ 12,149	$ 25,920,933
Investment earnings	–	9,762	9,762	9,048
State sources	214,064	211,929	(2,135)	212,609
Total revenue	24,210,591	24,230,367	19,776	26,142,590
Expenditures				
Debt service				
Principal	14,005,000	14,005,000	–	16,445,000
Interest	9,442,788	9,442,788	–	8,910,266
Fiscal charges and other	–	83,984	83,984	194,864
Total expenditures	23,447,788	23,531,772	83,984	25,550,130
Excess (deficiency) of revenues over expenditures	762,803	698,595	(64,208)	592,460
Other financing sources (uses)				
Bonds issued	–	490,640	490,640	–
Refunding debt issued	–	8,280,000	8,280,000	15,160,000
Premium on issuance of debt	–	643,214	643,214	1,469,939
Payment to refunded bonds escrow agent	–	(8,850,000)	(8,850,000)	(16,439,586)
Transfers in	–	–	–	1,851,390
Transfers (out)	–	–	–	(1,851,390)
Total other financing sources (uses)	–	563,854	563,854	190,353
Net change in fund balances	$ 762,803	1,262,449	$ 499,646	782,813
Fund balances				
Beginning of year		3,712,552		2,929,739
End of year		$ 4,975,001		$ 3,712,552

INDEPENDENT SCHOOL DISTRICT NO. 624

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2022
(With Comparative Totals as of June 30, 2021)

	Self-Insured Health Benefits	Self-Insured Dental Benefits	Totals	
			2022	2021
Assets				
Current assets				
Cash and temporary investments	$ 6,648,699	$ 390,212	$ 7,038,911	$ 6,461,794
Accounts receivable	7,891	–	7,891	–
Due from other funds	98,603	–	98,603	–
Total assets	6,755,193	390,212	7,145,405	6,461,794
Liabilities				
Current liabilities				
Accounts and contracts payable	298,342	25,323	323,665	248,153
Claims incurred, but not reported	1,000,639	35,614	1,036,253	792,176
Unearned revenue	994,371	94,863	1,089,234	1,069,384
Total liabilities	2,293,352	155,800	2,449,152	2,109,713
Net position				
Unrestricted	$ 4,461,841	$ 234,412	$ 4,696,253	$ 4,352,081

INDEPENDENT SCHOOL DISTRICT NO. 624

Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Self-Insured Health Benefits	Self-Insured Dental Benefits	Totals 2022	Totals 2021
Operating revenue				
Charges for services				
Contributions from governmental funds	$ 15,098,324	$ 1,014,321	$ 16,112,645	$ 16,178,327
Operating expenses				
Severance benefits	–	–	–	168,821
Health benefit claims	14,010,864	–	14,010,864	12,999,742
Dental benefit claims	–	950,056	950,056	1,114,587
Administrative costs	761,705	50,943	812,648	804,153
Total operating expenses	14,772,569	1,000,999	15,773,568	15,087,303
Operating income	325,755	13,322	339,077	1,091,024
Nonoperating revenue				
Investment earnings	4,927	168	5,095	7,711
Excess of revenue over expenditures	330,682	13,490	344,172	1,098,735
Other financing sources (uses)				
Transfers in	–	146,186	146,186	–
Transfers out	(146,186)	–	(146,186)	–
Total other financing sources (uses)	(146,186)	146,186	–	–
Change in net position	184,496	159,676	344,172	1,098,735
Net position				
Beginning of year	4,277,345	74,736	4,352,081	3,253,346
End of year	$ 4,461,841	$ 234,412	$ 4,696,253	$ 4,352,081

INDEPENDENT SCHOOL DISTRICT NO. 624

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Self-Insured Health Benefits	Self-Insured Dental Benefits	Total 2022	Total 2021
Cash flows from operating activities				
Received from assessments made to other funds	$ 15,086,630	$ 1,037,974	$ 16,124,604	$ 16,242,940
Severance and self-insurance claims and payments	(14,458,970)	(995,009)	(15,453,979)	(15,461,641)
Net cash flows from operating activities	627,660	42,965	670,625	781,299
Cash flows from noncapital financing activities				
Payments to other funds	(98,603)	–	(98,603)	–
Transfers in	–	146,186	146,186	–
Transfers out	(146,186)	–	(146,186)	–
Net cash flows from noncapital financing activities	(244,789)	146,186	(98,603)	–
Cash flows from investing activities				
Investment income received	4,927	168	5,095	7,711
Net change in cash and cash equivalents	387,798	189,319	577,117	789,010
Cash and cash equivalents				
Beginning of year	6,260,901	200,893	6,461,794	5,672,784
End of year	$ 6,648,699	$ 390,212	$ 7,038,911	$ 6,461,794
Reconciliation of operating income to net cash flows from operating activities				
Operating income	$ 325,755	$ 13,322	$ 339,077	$ 1,091,024
Adjustments to reconcile operating income to net cash flows from operating activities				
Changes in assets and liabilities				
Accounts and interest receivable	(7,891)	–	(7,891)	–
Accounts and contracts payable	73,276	2,236	75,512	(210,126)
Claims incurred, but not reported	240,323	3,754	244,077	(164,212)
Unearned revenue	(3,803)	23,653	19,850	64,613
Net cash flows from operating activities	$ 627,660	$ 42,965	$ 670,625	$ 781,299

STATISTICAL SECTION

III. STATISTICAL SECTION

This part of Independent School District No. 624'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

	Pages
Financial Trends	**104**
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	**123**
These schedules contain information to help the reader assess the District's most significant revenue source, including property tax revenue.	
Debt Capacity	**134**
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	**140**
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	**142**
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	$ 2,130,306	$ 5,813,967	$ 4,292,291	$ 2,724,245
Restricted	1,132,318	3,061,846	2,649,603	4,232,013
Unrestricted	21,045,132	29,521,587	(31,643,658)	(34,024,878)
Total governmental activities net position	$ 24,307,756	$ 38,397,400	$ (24,701,764)	$ (27,068,620)

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 approximately $64.1 million. Prior years were not restated.

Note 2: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased unrestricted net position by approximately $20.4 million. Prior years were not restated.

Note 3: The District reported a prior period adjustment in fiscal 2018, increasing unrestricted net position by $1,754,117. Prior fiscal years were not adjusted to reflect the impact of this adjustment.

2017	2018	2019	2020	2021	2022
$ 392,746	$ 1,189,216	$ 1,586,630	$ 5,686,148	$ 15,910,496	$ 27,685,397
5,311,541	5,107,192	6,877,281	7,836,207	20,803,510	20,465,027
(83,723,241)	(110,887,928)	(84,766,866)	(86,731,311)	(93,117,872)	(89,849,921)
$ (78,018,954)	$ (104,591,520)	$ (76,302,955)	$ (73,208,956)	$ (56,403,866)	$ (41,699,497)

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities				
Administration	$ 4,089,720	$ 4,437,389	$ 4,380,829	$ 4,643,864
District support services	2,365,545	1,788,239	1,857,194	2,019,904
Elementary and secondary regular instruction	39,527,587	42,224,883	42,172,822	46,747,667
Vocational education instruction	816,566	827,110	940,178	881,627
Special education instruction	18,619,906	18,836,586	18,775,086	21,078,601
Community education	–	–	–	–
Instructional support services	4,475,571	6,108,809	7,743,691	8,681,086
Pupil support services	7,975,301	7,805,215	8,819,920	10,551,058
Sites and buildings	13,991,384	9,853,039	11,930,720	13,350,160
Fiscal and other fixed cost programs	366,519	383,556	181,837	318,315
Food service	3,939,335	4,141,595	4,581,519	4,192,500
Community service	5,294,575	4,446,087	4,416,271	5,250,991
Depreciation/amortization not included in other functions	2,077,872	2,083,157	2,092,437	2,585,565
Interest and fiscal charges	4,380,407	3,596,704	4,164,980	3,637,370
Total governmental activities expenses	107,920,288	106,532,369	112,057,484	123,938,708
Program revenues				
Governmental activities				
Charges for services				
Food service	2,342,824	2,389,877	2,270,735	2,258,254
Community service	3,649,837	3,124,923	3,194,068	3,681,104
All other	799,849	704,208	615,122	1,880,192
Operating grants and contributions	13,773,555	14,830,987	17,665,380	18,447,942
Capital grants and contributions	512,391	624,834	1,079,463	1,030,957
Total governmental activities program revenues	21,078,456	21,674,829	24,824,768	27,298,449
Net (expense) revenue	(86,841,832)	(84,857,540)	(87,232,716)	(96,640,259)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	18,659,789	19,064,752	19,366,999	20,142,501
Property taxes, levied for capital projects	1,111,426	2,672,002	4,217,786	3,040,084
Property taxes, levied for community service	2,765,087	1,074,426	1,080,401	1,043,053
Property taxes, levied for debt service	11,578,651	11,540,345	10,484,106	11,013,828
Unrestricted grants and contributions	51,989,567	53,164,405	52,807,290	57,107,216
Other general revenues	130,330	898,484	704,250	1,773,329
Investment earnings (charges)	167,603	126,850	133,233	153,392
Total general revenues and other changes in net position	86,402,453	88,541,264	88,794,065	94,273,403
Change in net position	$ (439,379)	$ 3,683,724	$ 1,561,349	$ (2,366,856)

Note: The District reported a prior period adjustment in fiscal 2018, increasing unrestricted net position by $1,754,117. Prior fiscal years were not adjusted to reflect the impact of this adjustment.

2017	2018	2019	2020	2021	2022
$ 5,928,267	$ 5,769,605	$ 3,526,940	$ 5,070,472	$ 4,919,742	$ 4,688,375
2,253,207	2,402,738	2,359,021	2,577,725	2,237,564	2,481,138
68,377,262	68,598,151	33,989,388	56,797,734	58,447,015	52,924,261
1,762,643	1,920,274	1,393,443	1,685,647	1,178,880	1,201,920
27,522,420	28,707,069	17,297,032	25,958,489	27,336,918	25,983,741
–	–	–	–	–	182,603
9,556,148	10,287,078	7,151,776	10,911,975	9,300,831	10,506,017
13,297,720	13,988,252	11,771,090	13,412,477	12,777,966	14,912,442
12,714,729	8,519,866	10,487,501	9,038,418	9,870,490	15,851,701
318,782	295,206	293,113	326,531	489,542	466,359
4,482,465	4,421,186	4,510,000	4,220,848	4,536,347	4,927,006
6,111,162	6,661,744	6,357,060	7,108,410	6,480,611	7,113,877
2,550,231	2,460,982	2,492,595	2,562,513	2,676,851	2,720,457
3,271,662	3,510,445	3,063,233	4,267,078	8,226,489	8,396,438
158,146,698	157,542,596	104,692,192	143,938,317	148,479,246	152,356,335
2,326,238	2,297,045	2,345,752	1,729,584	45,569	245,625
3,882,256	4,390,909	4,562,874	4,131,639	3,766,945	4,883,703
2,197,083	2,507,761	2,696,667	1,890,485	1,837,263	2,550,708
19,931,774	20,164,119	22,617,917	23,418,865	28,132,055	29,734,127
–	–	–	98,464	185,354	705,483
28,337,351	29,359,834	32,223,210	31,269,037	33,967,186	38,119,646
(129,809,347)	(128,182,762)	(72,468,982)	(112,669,280)	(114,512,060)	(114,236,689)
20,854,762	20,018,385	21,329,896	21,711,186	23,131,500	19,775,571
2,827,643	3,806,093	4,586,658	4,729,951	5,636,562	12,015,594
994,784	897,666	979,104	1,122,545	1,087,949	1,166,133
10,930,437	10,748,427	11,068,394	14,907,766	25,890,298	24,041,401
62,299,098	62,758,162	60,829,833	66,568,401	72,606,053	72,754,487
1,036,621	1,020,920	912,726	1,260,113	974,436	747,733
346,582	606,426	1,050,936	5,463,317	1,990,352	(1,559,861)
99,289,927	99,856,079	100,757,547	115,763,279	131,317,150	128,941,058
$ (30,519,420)	$ (28,326,683)	$ 28,288,565	$ 3,093,999	$ 16,805,090	$ 14,704,369

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Local sources				
Taxes	$ 33,880,314	$ 25,198,444	$ 35,162,695	$ 35,221,900
Investment earnings (charges)	54,066	23,377	52,864	103,638
Other	7,190,760	7,116,605	6,774,268	9,576,917
State sources	61,640,043	73,689,305	67,092,392	72,091,177
Federal sources	4,367,550	4,507,931	4,459,741	4,494,938
Total revenues	107,132,733	110,535,662	113,541,960	121,488,570
Expenditures				
Current				
Administration	4,015,982	4,360,452	4,368,076	4,319,876
District support services	2,193,489	1,642,913	1,662,845	1,927,834
Elementary and secondary regular instruction	39,629,298	41,901,372	41,958,720	46,242,132
Vocational education instruction	816,566	827,110	951,749	880,860
Special education instruction	18,408,949	18,603,528	18,802,623	19,818,791
Community education	–	–	–	–
Instructional support services	4,478,937	5,682,729	7,784,273	8,247,943
Pupil support services	7,975,301	7,805,215	8,879,865	10,489,544
Sites and buildings	13,539,510	16,559,644	9,129,257	8,619,133
Fiscal and other fixed cost programs	366,519	383,556	181,837	318,315
Food service	3,987,832	4,129,395	4,193,228	4,201,804
Community service	5,426,854	4,418,517	4,499,492	5,223,576
Capital outlay	4,487,482	2,120,214	3,618,237	5,587,987
Debt service				
Principal	7,304,839	7,413,817	7,409,918	7,956,156
Interest and fiscal charges	4,978,113	4,170,299	4,449,776	4,094,070
Total expenditures	117,609,671	120,018,761	117,889,896	127,928,021
Excess of revenues over (under) expenditures	(10,476,938)	(9,483,099)	(4,347,936)	(6,439,451)
Other financing sources (uses)				
Debt issued	–	–	15,270,000	–
Premium on bonds issued	–	–	61,778	–
Payments to refunded bond escrow agent	(26,190,000)	–	–	–
Leases issued	3,900,000	8,000,000	–	–
Sales of assets	9,850	630	13,129	29,540
Transfers in	388,000	388,000	250,000	1,340,000
Transfers out	(388,000)	(388,000)	(250,000)	–
Total other financing sources (uses)	(22,280,150)	8,000,630	15,344,907	1,369,540
Net change in fund balances	$ (32,757,088)	$ (1,482,469)	$ 10,996,971	$ (5,069,911)
Debt service as a percentage of noncapital expenditures	10.9%	10.4%	10.2%	9.6%

2017	2018	2019	2020	2021	2022
$ 35,802,955	$ 35,528,658	$ 37,919,198	$ 42,318,235	$ 55,907,683	$ 56,924,765
311,131	573,551	972,085	5,387,019	1,982,641	(1,564,956)
9,442,198	10,211,671	10,518,019	9,007,221	6,624,213	8,366,418
74,746,927	78,253,127	82,296,921	84,285,721	86,466,422	87,733,580
4,777,798	4,697,630	5,370,277	5,353,084	14,284,546	15,910,891
125,081,009	129,264,637	137,076,500	146,351,280	165,265,505	167,370,698
4,428,948	4,439,908	4,767,244	4,754,277	4,680,935	4,859,360
2,150,921	2,294,145	2,486,960	2,482,463	2,259,769	2,571,817
47,911,170	50,957,061	51,578,338	52,869,123	55,688,571	54,434,812
1,534,004	1,466,872	1,781,712	1,571,515	1,101,205	1,225,126
20,846,113	22,539,239	23,855,666	24,453,211	25,963,933	26,765,265
–	–	–	–	–	182,603
7,901,076	8,699,660	8,842,082	8,398,544	7,883,565	10,594,212
11,625,539	12,723,412	13,093,273	12,929,240	12,694,704	14,992,963
8,382,462	8,271,678	9,332,455	8,369,840	12,434,965	16,109,378
318,782	295,206	293,113	326,531	489,542	466,359
4,382,438	4,335,235	4,515,036	3,991,746	4,113,935	5,105,642
5,450,159	6,122,643	6,888,584	6,888,649	6,394,672	7,228,621
4,848,594	1,232,886	4,202,130	19,649,016	39,213,649	132,128,045
8,219,137	8,705,181	8,962,193	12,775,262	17,162,911	14,790,406
3,800,779	3,776,909	3,464,192	3,108,548	9,454,449	9,820,154
131,800,122	135,860,035	144,062,978	162,567,965	199,536,805	301,274,763
(6,719,113)	(6,595,398)	(6,986,478)	(16,216,685)	(34,271,300)	(133,904,065)
–	26,245,000	–	250,000,000	15,160,000	99,145,000
–	1,425,751	–	13,257,479	1,469,939	8,774,270
–	(11,065,000)	–	–	(16,439,586)	(8,850,000)
–	–	–	–	–	–
2,387	4,964	–	4,600	–	61,351
–	–	–	–	–	–
–	–	–	–	–	–
2,387	16,610,715	–	263,262,079	190,353	99,130,621
$ (6,716,726)	$ 10,015,317	$ (6,986,478)	$ 247,045,394	$ (34,080,947)	$ (34,773,444)
9.2%	9.3%	8.8%	10.9%	16.7%	8.2%

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	$ 1,255,743	$ 188,940	$ 156,537	$ 97,470
Restricted	1,022,955	1,063,801	457,932	1,638,862
Assigned	8,955,687	15,588,049	12,917,616	10,494,185
Unassigned	7,295,063	11,526,750	13,959,257	15,274,627
Total General Fund	$ 18,529,448	$ 28,367,540	$ 27,491,342	$ 27,505,144
All other governmental funds				
Nonspendable	$ 100,371	$ 81,257	$ 101,040	$ 105,040
Restricted				
Special revenue funds	484,528	1,118,414	1,532,307	1,694,251
Capital Projects – Building Construction Fund	2,271,497	255,422	11,834,116	6,439,036
Debt service funds	1,717,454	2,255,307	2,079,253	2,210,338
Unassigned	–	(51,191)	(14,338)	–
Total all other governmental funds	$ 4,573,850	$ 3,659,209	$ 15,532,378	$ 10,448,665

2017	2018	2019	2020	2021	2022
$ 315,203	$ 515,138	$ 407,677	$ 14,573	$ 62,849	$ 712,804
2,117,835	1,360,676	3,723,893	6,540,545	4,505,782	3,530,300
10,458,808	5,572,835	3,344,748	2,000,000	2,000,000	–
12,147,758	12,426,576	9,602,192	7,228,288	10,235,873	9,912,959
$ 25,039,604	$ 19,875,225	$ 17,078,510	$ 15,783,406	$ 16,804,504	$ 14,156,063
$ 128,309	$ 136,834	$ 118,871	$ 261,435	$ 200,837	$ 216,649
2,029,228	2,133,818	1,849,465	1,022,193	2,038,557	3,620,519
1,675,062	16,397,271	12,556,918	261,314,543	224,512,987	189,563,404
2,364,880	2,709,252	2,662,158	2,929,739	3,712,552	4,975,001
–	–	–	–	(39,068)	(74,711)
$ 6,197,479	$ 21,377,175	$ 17,187,412	$ 265,527,910	$ 230,425,865	$ 198,300,862

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INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund Revenue by Source
Last Ten Fiscal Years

Year Ended June 30,	Local Property Tax Revenue	State Revenue	Federal Revenue	Other Local and Miscellaneous	Total
2013	$ 21,280,073	$ 61,146,075	$ 2,798,778	$ 1,219,431	$ 86,444,357
	25%	71%	3%	1%	100%
2014	12,956,296	72,599,880	2,844,272	1,621,936	90,022,384
	14%	81%	3%	2%	100%
2015	23,587,670	66,390,402	2,725,971	1,358,971	94,063,014
	25%	71%	3%	1%	100%
2016	23,170,610	71,248,577	2,544,801	3,713,551	100,677,539
	23%	70%	3%	4%	100%
2017	23,808,740	73,684,350	2,732,657	3,475,642	103,701,389
	23%	71%	3%	3%	100%
2018	23,936,695	77,099,110	2,693,184	3,864,518	107,593,507
	22%	71%	3%	4%	100%
2019	25,808,561	81,061,081	3,378,693	4,056,534	114,304,869
	23%	70%	3%	4%	100%
2020	26,346,415	82,882,935	3,291,408	3,405,038	115,925,796
	23%	71%	3%	3%	100%
2021	28,893,600	85,036,779	8,519,267	2,835,871	125,285,517
	23%	68%	7%	2%	100%
2022	31,751,273	86,374,136	9,200,177	3,247,999	130,573,585
	24%	66%	7%	3%	100%

Note: The change in “tax shift,” as approved in legislation, impacted the amount of tax revenue recognized in fiscal year 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount.

INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund Expenditures by Program
Last Ten Fiscal Years

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction
2013	$ 4,015,982	$ 2,193,489	$ 39,629,298	$ 816,566	$ 18,408,949
	4%	2%	43%	1%	20%
2014	4,360,452	1,642,913	41,901,372	827,110	18,603,528
	4%	2%	43%	1%	19%
2015	4,368,076	1,662,845	41,958,720	951,749	18,802,623
	5%	2%	44%	1%	20%
2016	4,319,876	1,927,834	46,242,132	880,860	19,818,791
	4%	2%	46%	1%	20%
2017	4,428,948	2,150,921	47,911,170	1,534,004	20,846,113
	5%	2%	45%	1%	20%
2018	4,439,908	2,294,145	50,957,061	1,466,872	22,539,239
	4%	2%	45%	1%	20%
2019	4,767,244	2,486,960	51,578,338	1,781,712	23,855,666
	4%	2%	44%	2%	20%
2020	4,754,277	2,482,463	52,869,123	1,571,515	24,453,211
	4%	2%	45%	1%	21%
2021	4,680,935	2,259,769	55,688,571	1,101,205	25,963,933
	4%	2%	45%	1%	21%
2022	4,859,360	2,571,817	54,434,812	1,225,126	26,765,265
	4%	2%	41%	1%	20%

Community Education	Instructional Support Services	Pupil Support Services	Sites and Buildings	Fiscal, Other Fixed Cost Programs, and Debt Service	Total
$ –	$ 4,478,937	$ 7,975,301	$ 13,539,510	$ 517,435	$ 91,575,467
–	5%	9%	15%	1%	100%
–	5,682,729	7,805,215	16,559,644	819,879	98,202,843
–	6%	8%	17%	1%	100%
–	7,784,273	8,879,865	9,129,257	1,164,933	94,702,341
–	8%	9%	10%	1%	100%
–	8,247,943	10,489,544	8,619,133	1,484,470	102,030,583
–	8%	10%	8%	1%	100%
–	7,901,076	11,625,539	8,382,462	1,389,083	106,169,316
–	7%	11%	8%	1%	100%
–	8,699,660	12,723,412	8,271,678	1,365,911	112,757,886
–	8%	11%	8%	1%	100%
–	8,842,082	13,093,273	9,332,455	1,363,854	117,101,584
–	8%	11%	8%	1%	100%
–	8,398,544	12,929,240	8,369,840	1,397,287	117,225,500
–	7%	11%	7%	1%	100%
–	7,883,565	12,694,704	12,434,965	1,556,772	124,264,419
–	6%	10%	10%	1%	100%
182,603	10,594,212	14,992,963	16,109,378	1,545,147	133,280,683
–	8%	11%	12%	1%	100%

INDEPENDENT SCHOOL DISTRICT NO. 624

Summary of Revenues and Expenditures
for Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
General Fund	$ 86,444,357	$ 90,022,384	$ 94,063,014	$ 100,677,539
Special revenue funds				
Food Service	4,060,843	4,204,291	4,208,560	4,432,336
Community Service	5,097,513	4,621,755	4,772,075	5,343,584
Capital Projects – Building Construction Fund	4,333	1,586	1,821	19,955
Debt Service Fund	11,525,687	11,685,646	10,496,490	11,015,156
Total revenues	$ 107,132,733	$ 110,535,662	$ 113,541,960	$ 121,488,570
Expenditures				
General Fund	$ 91,575,467	$ 98,202,842	$ 94,702,341	$ 102,030,583
Special revenue funds				
Food Service	4,098,121	4,205,461	4,245,505	4,347,742
Community Service	5,443,742	4,445,004	4,515,800	5,250,818
Capital Projects – Building Construction Fund	4,360,305	2,017,661	3,549,652	5,414,807
Debt Service Fund	12,132,036	11,147,793	10,876,598	10,884,071
Total expenditures	$ 117,609,671	$ 120,018,761	$ 117,889,896	$ 127,928,021

2017	2018	2019	2020	2021	2022
$ 103,701,389	$ 107,593,507	$ 114,304,869	$ 115,925,796	$ 125,285,517	$ 130,573,585
4,607,261	4,558,208	4,610,762	3,982,048	5,397,288	6,995,661
5,647,653	6,081,836	6,544,785	6,390,640	6,491,551	7,159,633
20,549	129,387	307,534	4,972,161	1,948,559	(1,588,548)
11,104,157	10,901,699	11,308,550	15,080,635	26,142,590	24,230,367
$ 125,081,009	$ 129,264,637	$ 137,076,500	$ 146,351,280	$ 165,265,505	$ 167,370,698
$ 106,169,316	$ 112,757,886	$ 117,101,584	$ 117,225,500	$ 124,264,419	$ 133,280,683
4,426,363	4,375,549	4,552,813	4,148,747	4,572,349	5,308,456
5,470,711	6,147,818	6,905,050	6,908,649	6,399,792	7,287,401
4,784,117	1,167,397	4,147,887	19,472,015	38,750,115	131,866,451
10,949,615	11,411,385	11,355,644	14,813,054	25,550,130	23,531,772
$ 131,800,122	$ 135,860,035	$ 144,062,978	$ 162,567,965	$ 199,536,805	$ 301,274,763

INDEPENDENT SCHOOL DISTRICT NO. 624

Cash and Investments by Fund
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
General Fund	$ 14,927,823	$ 25,331,076	$ 32,440,239	$ 30,436,088
Special revenue funds				
Food Service	346,449	315,489	283,747	295,187
Community Service	363,895	1,389,406	1,901,557	1,990,015
Capital Projects – Building Construction Fund	2,647,272	278,236	13,136,829	7,130,933
Debt Service Fund	7,009,142	6,863,009	7,016,828	7,241,862
Internal service funds	3,864,013	3,557,696	5,565,947	4,079,603
Post-Employment Benefits Trust Fund	42,335,624	47,000,965	33,422,551	31,104,825
Scholarship Private-Purpose Trust Fund	30,617	40,658	80,964	167,025
Custodial Fund	–	–	–	–
	$ 71,524,835	$ 84,776,535	$ 93,848,662	$ 82,445,538

Note 1: The District implemented GASB Statement No. 84, *Fiduciary Fund,* in fiscal 2020. As a result of implementing this standard, the District started to report a Custodial Fund. Prior year amounts have not been restated.

Note 2: This table includes cash and investments held by trustee.

2017	2018	2019	2020	2021	2022
$ 25,600,462	$ 20,379,909	$ 15,758,533	$ 18,163,217	$ 11,205,708	$ 9,797,829
463,293	627,316	613,620	285,169	1,099,873	2,716,218
2,250,731	2,307,797	2,025,694	1,307,493	1,259,679	1,610,031
1,718,169	16,508,518	12,595,789	259,965,642	229,911,496	226,233,509
7,259,123	7,886,379	9,572,210	14,516,319	10,824,021	15,995,723
3,663,757	4,477,099	5,066,433	5,672,784	6,461,794	7,038,911
32,185,452	34,115,030	35,121,517	35,149,062	38,878,391	34,445,871
153,728	243,000	172,078	–	–	–
–	–	–	220,371	232,500	229,201
$ 73,294,715	$ 86,545,048	$ 80,925,874	$335,280,057	$299,873,462	$298,067,293

INDEPENDENT SCHOOL DISTRICT NO. 624

Expenditures per Student
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Expenditures per student				
General Fund				
District-level administration	$ 383	$ 344	$ 343	$ 365
School-level administration	476	490	489	488
Regular instruction	4,730	4,826	4,921	5,292
Career and technical instruction	101	101	116	106
Special education	2,264	2,261	2,281	2,387
Student activities/athletics	138	157	152	255
Instructional support services	410	491	548	640
Pupil support services	339	483	473	516
Operations, maintenance, and other	920	935	911	874
Student transportation	594	604	606	702
Capital	474	350	663	673
Total General Fund expenditures per student	$ 10,829	$ 11,042	$ 11,503	$ 12,300
Food Service Special Revenue Fund	$ 506	$ 515	$ 516	$ 524

Source: Minnesota Department of Education

2017	2018	2019	2020	2021	2022
$ 374	$ 400	$ 436	$ 267	$ 225	$ 250
502	499	404	560	597	647
5,343	5,542	5,655	5,731	6,276	6,202
181	168	206	180	130	148
2,447	2,584	2,758	2,787	3,073	3,210
253	276	332	308	296	358
652	659	890	721	792	1,259
512	543	560	625	647	805
879	866	992	957	1,489	1,972
825	874	920	843	846	1,004
512	531	415	485	341	228
$ 12,479	$ 12,943	$ 13,568	$ 13,464	$ 14,712	$ 16,083
$ 522	$ 719	$ 557	$ 476	$ 541	$ 641

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INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Property Tax			
Fiscal Year	General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total
2013	$ 21,280,073	$ 1,104,680	$ 11,495,561	$ 33,880,314
2014	12,956,296	559,095	11,683,053	25,198,444
2015	23,587,670	1,080,555	10,494,470	35,162,695
2016	23,170,610	1,042,443	11,008,847	35,221,900
2017	23,808,740	1,000,767	10,993,448	35,802,955
2018	23,936,695	851,605	10,740,358	35,528,658
2019	25,808,561	1,025,846	11,084,791	37,919,198
2020	26,346,415	1,118,903	14,852,917	42,318,235
2021	28,893,600	1,093,150	25,920,933	55,907,683
2022	31,751,273	1,164,816	24,008,676	56,924,765

Note: The change in "tax shift," as approved in legislation, impacted the amount of tax revenue recognized in fiscal year 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount.

INDEPENDENT SCHOOL DISTRICT NO. 624

Tax Capacities and Market Values
Last Ten Fiscal Years

For Taxes Collectible	Agricultural Net Tax Capacity	Personal Property	Nonagricultural Net Tax Capacity	Fiscal Disparities Contribution Net Tax Capacity	Fiscal Disparities Distribution Net Tax Capacity
2013	$ 395,373	$ 1,062,162	$ 64,295,867	$ (7,513,017)	$ 7,115,720
2014	401,085	1,065,271	65,266,991	(7,389,456)	6,898,176
2015	404,636	1,089,830	70,778,051	(7,525,888)	6,924,807
2016	414,264	1,186,977	72,619,763	(7,523,002)	7,099,529
2017	422,640	1,281,958	76,741,560	(7,795,352)	7,815,144
2018	430,930	1,362,746	84,067,538	(8,448,877)	8,337,120
2019	417,860	1,327,082	90,414,147	(9,221,744)	8,812,128
2020	407,075	1,346,317	96,683,531	(9,897,728)	9,482,997
2021	388,885	1,477,006	103,045,446	(9,770,932)	9,907,598
2022	228,356	992,677	106,502,088	(10,907,778)	10,876,891

Note: The District has presented estimated market value, which is the best information available to represent estimated actual value of property.

Source: State of Minnesota School Tax Report

Tax Increment Net Tax Capacity	Total Taxable Net Tax Capacity	Total Direct Tax Rate	Estimated Market Value	Percentage Tax Capacity to Market Value
$ (3,060,855)	$ 62,295,250	0.28622	$ 5,820,147,200	1.07 %
(3,005,643)	63,236,424	0.28562	5,914,824,800	1.07
(2,570,977)	69,100,459	0.26660	6,418,024,100	1.08
(1,418,213)	72,379,318	0.26236	6,573,881,600	1.10
(1,266,217)	77,199,733	0.23476	6,904,085,300	1.12
(1,221,355)	84,528,102	0.23685	7,484,891,300	1.13
(1,238,186)	90,511,287	0.26081	7,995,141,000	1.13
(1,182,453)	96,839,739	0.36777	8,549,395,400	1.13
(1,254,737)	103,793,266	0.37074	9,058,861,658	1.15
(1,042,473)	106,649,761	0.34805	9,311,445,133	1.15

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INDEPENDENT SCHOOL DISTRICT NO. 624

School Tax Levies,
Tax Rates (1), and Market Value Rates by Fund
Last Ten Fiscal Years

	Year Collectible	General Fund (2)	Community Service Special Revenue Fund	Debt Service Fund	Total All Funds
Levies					
	2013	$ 22,158,396	$ 1,083,251	$ 11,664,086	$ 34,905,733
	2014	24,489,875	1,089,836	10,575,794	36,155,505
	2015	23,793,193	1,050,963	11,097,447	35,941,603
	2016	24,217,987	999,958	10,987,335	36,205,280
	2017	24,311,613	907,449	10,863,759	36,082,821
	2018	26,510,297	1,023,603	11,060,925	38,594,825
	2019	27,730,600	1,097,369	15,074,825	43,902,794
	2020	28,727,888	1,098,027	26,057,403	55,883,318
	2021	31,855,713	1,135,435	23,996,527	56,987,675
	2022	32,354,788	1,169,689	23,672,582	57,197,059
Tax rates					
	2013	0.07956	0.01756	0.18910	0.28622
	2014	0.10119	0.01723	0.16720	0.28562
	2015	0.09204	0.01510	0.15946	0.26660
	2016	0.09700	0.01379	0.15156	0.26236
	2017	0.08408	0.05446	0.09622	0.23476
	2018	0.09376	0.04893	0.09416	0.23685
	2019	0.08052	0.01223	0.16805	0.26081
	2020	0.07914	0.01167	0.27697	0.36777
	2021	0.12842	0.01095	0.23137	0.37074
	2022	0.11665	0.01090	0.22050	0.34805
Market value rates					
	2013	0.00264	–	–	0.00264
	2014	0.00273	–	–	0.00273
	2015	0.00240	–	–	0.00240
	2016	0.00235	–	–	0.00235
	2017	0.00230	–	–	0.00230
	2018	0.00230	–	–	0.00230
	2019	0.00232	–	–	0.00232
	2020	0.00224	–	–	0.00224
	2021	0.00181	–	–	0.00181
	2022	0.00193	–	–	0.00193

(1) Tax rates are expressed in terms of "net tax capacity." A property's tax capacity is determined by multiplying its taxable market value by a state determined class rate. Class rates vary by property type and change periodically based on state legislation.

(2) A tax rate based on market value is used for a portion of the District's referendum levy.

Source: State of Minnesota School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 624

Direct and Overlapping Property Tax Rates (1)
Last Ten Fiscal Years

	ISD No. 624		Counties			Special Taxing Districts		
For Taxes Collectible	Total Direct Tax Rate (2)	Market Value Rate	Ramsey County	Washington County	Anoka County	Ramsey County	Washington County	Anoka County
2013	28.622	0.264	65.240	34.225	44.411	9.954	3.164	6.940
2014	28.562	0.273	63.735	32.811	43.239	9.825	4.640	5.768
2015	26.660	0.240	58.922	30.186	38.123	9.179	4.183	5.327
2016	26.236	0.235	58.885	30.564	38.894	9.052	4.568	5.728
2017	23.476	0.230	55.850	30.448	37.273	8.558	4.345	5.087
2018	23.685	0.230	53.962	29.983	35.820	8.249	4.175	4.902
2019	26.081	0.232	52.879	29.682	34.908	8.265	3.994	2.015
2020	36.777	0.224	52.302	28.944	33.483	8.249	3.738	1.956
2021	37.074	0.181	47.760	27.435	31.316	7.822	3.593	1.883
2022	34.805	0.193	48.067	27.532	29.614	9.971	3.483	1.826

(1) Tax rates are expressed in terms of "net tax capacity." A property's tax capacity is determined by multiplying its taxable market value by a state-determined class rate. Class rates vary by property type and change periodically, based on state legislation.

(2) Tax rates per $100 of tax capacity.

Source: Anoka, Washington, and Ramsey counties

Municipalities					Average Total Rates by Area				
White Bear Lake	White Bear Township	Hugo	Lino Lakes	Vadnais Heights	White Bear Lake Resident	White Bear Township Resident	Hugo Resident	Vadnais Heights Resident	Lino Lakes Resident
21.496	25.246	36.512	46.774	29.051	125.576	129.326	102.787	133.131	127.011
21.102	24.014	36.417	46.683	29.269	123.497	126.409	102.703	131.664	124.525
20.368	22.031	36.318	43.770	26.904	115.369	117.032	97.586	121.905	114.120
19.690	22.875	36.323	46.019	26.820	114.098	117.283	97.926	121.228	117.113
18.969	21.976	36.356	45.140	26.845	107.083	110.090	94.854	114.959	111.206
19.058	21.623	36.330	42.826	24.872	105.184	107.749	94.402	110.998	107.463
20.190	21.722	36.274	41.817	24.127	107.647	109.179	96.263	111.584	105.053
20.629	21.760	39.279	39.870	24.583	118.181	119.312	108.962	122.135	112.310
20.355	24.142	39.294	39.437	23.298	113.192	116.979	107.577	116.135	109.891
22.271	27.181	39.403	40.154	26.135	115.307	120.217	105.415	119.171	106.592

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INDEPENDENT SCHOOL DISTRICT NO. 624

Principal Property Taxpayers
Current Year and Nine Years Ago

	2022			2013		
Taxpayer	Taxable Net Tax Capacity	Rank	Percentage of Taxable Net Tax Capacity	Taxable Net Tax Capacity	Rank	Percentage of Taxable Net Tax Capacity
Xcel Energy	$ 1,291,591	1	1.21 %	$ 257,948	3	0.41 %
White Bear Woods Apartments	559,129	2	0.52	–	–	–
HB Fuller	384,376	3	0.36	–	–	–
Dakota Upreit LP	354,868	4	0.33	–	–	–
White Bear Marketplace	320,388	5	0.30	–	–	–
MSP Vadnais, LLC	293,250	6	0.27	–	–	–
Buerkle Enterprises, LLC	284,632	7	0.27	–	–	–
VH Medical Partners LLC	284,392	8	0.27	–	–	–
Walmart Real Estate Business Trust	279,804	9	0.26	–	–	–
Trane Corporation	272,946	10	0.26	266,172	2	0.43
Sam's Club	–	–	–	269,250	1	0.43
Specialty Manufacturing	–	–	–	243,976	4	0.39
Schwing America, Inc.	–	–	–	234,642	5	0.38
Wilson Tool International	–	–	–	211,040	6	0.34
K-Mart Corporation	–	–	–	209,250	7	0.34
White Bear Shopping Center	–	–	–	201,262	8	0.32
Wilbert Plastics, Inc.	–	–	–	190,570	9	0.31
Aspen Research	–	–	–	176,768	10	0.28
Total	$ 4,325,376		4.06 %	$ 2,260,878		3.63 %

Source: City of White Bear Lake, White Bear Township, City of Hugo, and City of Vadnais Heights

INDEPENDENT SCHOOL DISTRICT NO. 624

Property Tax Levies and Receivables
Last Ten Fiscal Years

For Taxes Collectible	Original Levy				Collections First Year Levy Recognized	
	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread	Amount	Percentage of Levy
2013	$ 31,178,677	$ 3,724,356	$ 2,700	$ 34,905,733	$ 34,553,389	99.0 %
2014	32,257,126	3,897,020	1,359	36,155,505	35,747,852	98.9
2015	31,979,108	3,962,495	–	35,941,603	35,662,183	99.2
2016	32,555,594	3,649,686	–	36,205,280	35,980,466	99.4
2017	32,180,096	3,902,725	–	36,082,821	35,808,331	99.2
2018	34,729,868	3,864,957	–	38,594,825	38,347,361	99.4
2019	39,886,903	4,015,891	–	43,902,794	43,629,296	99.4
2020	51,253,317	4,630,001	–	55,883,318	24,866,218	44.5
2021	51,149,060	5,816,581	–	56,965,641	16,956,093	29.8
2022	51,321,048	5,928,382	–	57,249,430	27,047,996	47.2

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

Received in Subsequent Years	Total to Date		Uncollected Taxes Receivable as of June 30, 2022			
			Delinquent		Current	
	Amount	Percentage of Levy	Amount	Percent	Amount	Percent
$ 352,344	$ 34,905,733	100.0 %	$ –	– %	$ –	– %
407,653	36,155,505	100.0	–	–	–	–
279,420	35,941,603	100.0	–	–	–	–
194,935	36,175,401	99.9	29,879	0.1	–	–
260,926	36,069,257	100.0	13,564	0.0	–	–
226,410	38,573,771	99.9	21,054	0.1	–	–
207,906	43,837,202	99.9	65,592	0.1	–	–
30,919,267	55,785,485	99.8	97,833	0.2	–	–
39,633,222	56,589,315	99.3	376,326	0.7	–	–
30,201,434	57,249,430	100.0	–	–	30,201,434	52.8
			$ 604,248		$ 30,201,434	

INDEPENDENT SCHOOL DISTRICT NO. 624

Ratio of Net Debt
to Net Tax Capacity and Market Value and
Net Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Outstanding Bonded Debt	Financed Purchases	Lease Liability	Premium (Discount) on Debt	Balance on Hand Value	Net Debt	Net Tax Capacity
2013	$ 92,180,000	$ 4,164,161	$ –	$ 3,049,526	$ 1,717,454	$ 97,676,233	$ 62,295,250
2014	85,060,000	11,870,344	–	2,635,931	2,255,307	97,310,968	63,236,424
2015	93,420,000	11,370,426	–	2,330,474	2,079,253	105,041,647	69,100,459
2016	86,195,000	10,639,270	–	1,958,524	2,210,338	96,582,456	72,379,318
2017	78,640,000	9,975,133	–	1,586,574	2,364,880	87,836,827	77,199,733
2018	85,805,000	9,284,952	–	2,515,596	2,709,252	94,896,296	84,528,102
2019	77,560,000	8,567,759	–	1,986,644	2,662,158	85,452,245	90,511,287
2020	315,530,000	7,822,497	–	14,538,405	2,929,739	334,961,163	96,839,739
2021	298,760,000	–	–	14,340,352	3,712,552	309,387,800	103,793,266
2022	380,520,000	–	858,038	21,199,531	4,975,001	397,602,568	106,649,761

Note 1: The District implemented GASB Statement No. 87, *Leases,* for the year ended June 30, 2022.

Note 2: Balance on hand values are restricted for the repayment of debt principal based on Minnesota Statutes.

Source: State of Minnesota School Tax Report and Metropolitan Council

Percent of Net Debt to Net Tax Capacity Value	Market Value	Percent of Net Debt to Market Value	Estimated Population	Net Debt per Capita	Total Debt per Capita	Percent of Net Debt to Personal Income	Percent of Total Debt to Personal Income
156.80 %	$5,820,147,200	1.68 %	48,332	$ 2,021	$ 2,056	3.87 %	3.94 %
153.88	5,914,824,800	1.65	48,449	2,009	2,055	3.75	3.83
152.01	6,418,024,100	1.64	48,645	2,159	2,202	3.89	3.97
133.44	6,573,881,600	1.47	49,189	1,963	2,008	3.50	3.58
113.78	6,904,085,300	1.27	49,739	1,766	1,814	3.15	3.23
112.27	7,484,891,300	1.27	50,734	1,870	1,924	3.24	3.33
94.41	7,995,141,000	1.07	51,749	1,651	1,703	2.74	2.82
345.89	8,549,395,400	3.92	65,782	5,092	5,137	8.17	8.24
298.08	9,058,861,658	3.42	65,782	4,703	4,760	6.83	6.91
372.81	9,311,445,133	4.27	64,625	6,152	6,216	8.72	8.82

INDEPENDENT SCHOOL DISTRICT NO. 624

Ratio of Annual Debt Expenditures
to General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest and Other Charges	Total Debt Service Expenditures	Total General Fund Expenditures	Percent of Debt Service to General Fund Expenditures
2013	$ 7,304,839	$ 4,978,113	$ 12,282,952	$ 91,575,467	13.41 %
2014	7,413,817	4,170,299	11,584,116	98,202,842	11.80
2015	7,409,918	4,449,776	11,859,694	94,702,341	12.52
2016	7,956,156	4,094,070	12,050,227	102,030,583	11.81
2017	8,219,137	3,800,779	12,019,916	106,169,316	11.32
2018	8,705,181	3,776,909	12,482,090	112,757,886	11.07
2019	8,962,193	3,464,192	12,426,385	117,101,584	10.61
2020	12,775,262	3,108,548	15,883,810	117,225,500	13.55
2021	17,162,911	9,454,449	26,617,360	124,264,419	21.42
2022	14,790,406	9,820,154	24,610,560	133,280,683	18.47

INDEPENDENT SCHOOL DISTRICT NO. 624

Direct and Overlapping Debt
as of June 30, 2022

	General Obligation Debt	2022 Tax Capacity Value	Percent of Debt Applicable (1)	Amount of Debt Applicable
Taxing unit				
Overlapping debt				
Counties				
Ramsey	$ 138,095,000	$ 736,796,858	11.26 %	$ 15,549,497
Washington	95,335,000	381,159,791	5.43	5,176,691
Cities				
White Bear Lake	27,820,000	36,687,247	97.64	27,163,448
White Bear Township	10,160,000	18,230,811	99.80	10,139,680
Hugo	16,235,000	20,563,068	90.52	14,695,922
Special districts				
Metropolitan Council	218,520,000	5,197,211,231	2.12	4,632,624
Total overlapping debt	506,165,000	6,390,649,006		77,357,862
Direct debt				
ISD No. 624	402,577,569	106,649,761	100.00	402,577,569
Total direct and overlapping debt	$ 908,742,569	$6,497,298,767		$ 479,935,431

(1) The percent overlap is based on the percentage of tax capacity of the individual entities in ISD No. 624.

Source: The Official Statement associated with the District's 2021A G.O. Facilities Maintenance Bond (prepared by Ehlers)

INDEPENDENT SCHOOL DISTRICT NO. 624

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Debt limit	$ 873,022,080	$ 887,223,720	$ 962,703,615	$ 986,082,240
Total net debt applicable to the limit	90,462,546	82,804,693	91,340,747	83,984,662
Legal debt margin	$ 782,559,534	$ 804,419,027	$ 871,362,868	$ 902,097,578
Total net debt applicable to the limit as a percentage of debt limit	10.36%	9.33%	9.49%	8.52%

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: State of Minnesota School Tax

2017	2018	2019	2020	2021	2022
$ 1,035,612,795	$ 1,122,733,695	$ 1,199,271,150	$ 1,282,409,310	$ 1,358,829,249	$ 1,396,716,770
81,004,880	88,514,252	80,222,158	312,600,261	295,047,448	375,544,999
$ 954,607,915	$ 1,034,219,443	$ 1,119,048,992	$ 969,809,049	$ 1,063,781,801	$ 1,021,171,771
7.82%	7.88%	6.69%	24.38%	21.71%	26.89%

Legal Debt Margin Calculation for Fiscal Year 2022

Market value	$ 9,311,445,133
Debt limit (15% of market value)	1,396,716,770
Debt applicable to limit	
General obligation bonds	380,520,000
Less amount set aside for repayment of general obligation debt	(4,975,001)
Total net debt applicable to the limit	375,544,999
Legal debt margin	$ 1,021,171,771

INDEPENDENT SCHOOL DISTRICT NO. 624

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (3)	Median Age (3)	School Enrollment (4)	Ramsey County Unemployment Rate (2)
2013	48,332	$ 2,523,752,044	$ 52,217	37.4	8,035	5.3 %
2014	48,449	2,596,381,910	53,590	37.4	8,056	4.7
2015	48,645	2,697,851,700	55,460	41.2	8,043	3.8
2016	49,189	2,760,634,247	56,123	41.4	8,117	3.7
2017	49,739	2,790,556,856	56,104	44.1	8,312	3.6
2018	50,734	2,928,214,278	57,717	43.8	8,661	2.6
2019	51,749	3,120,516,449	60,301	44.2	8,765	3.1
2020	65,782	4,098,481,728	62,304	44.3	8,802	9.2
2021	65,782	4,530,472,122	68,871	44.1	8,612	4.1
2022	64,625	4,557,225,750	70,518	43.5	8,379	2.3

Note: Population and median age information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

Data sources:
(1) Bureau of the Census/County Regional Planning Commission
(2) Minnesota Department of Employment and Economic Development
(3) Bureau of the Census
(4) ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

Principal Employers
Current Year and Nine Years Ago

	2022			2013		
Employer	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
ISD No. 624	1,221	1	4.42 %	1,133	1	N/A %
Century College	813	2	2.95	1,000	2	N/A
HB Fuller	600	3	2.17	–	–	N/A
I.C. Systems	564	4	2.04	–	–	N/A
Bal Seal Engineering	500	5	1.81	–	–	N/A
Heraeus Medical Components	450	6	1.63	307	7	N/A
Walmart	410	7	1.49	410	5	N/A
Wilson Tools	400	8	1.45	500	4	N/A
Schwing America, Inc.	317	9	1.15	–	–	N/A
Water Gremlin Company	255	10	0.92	250	8	N/A
Taymark Corporation	–	–	–	600	3	N/A
Festival Foods	–	–	–	325	6	N/A
Cerenity Care Center	–	–	–	250	8	N/A
Lifetime Fitness	–	–	–	200	10	N/A
	5,530		20.03 %	4,975		N/A %
Total district employment	27,606			N/A		

N/A – Not Available

Note: This table includes the City of White Bear Lake, White Bear Township, City of Vadnais Heights, and City of Hugo.

Source: State Department of Commerce

INDEPENDENT SCHOOL DISTRICT NO. 624

Employees by Classification
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Board of Education (1)	7	7	7	7
Cabinet/Administrators/Principals (2)	36	35	35	33
Nonaffiliated (3)	29	25	42	62
Teachers (4)	599	602	604	620
Support services (5)	101	103	103	101
Paraprofessionals (6)	153	158	158	163
Custodians (7)	63	65	65	67
Nutritional services (8)	75	73	71	71
Extended day (9)	47	48	31	34
Bus drivers (10)	40	38	40	48
Total	1,150	1,154	1,156	1,206

(1) Board of Education consists of seven elected officials.
(2) Cabinet/Administrators/Principals include the Cabinet, the White Bear Lake Principal's Association, and the White Bear Lake Administrator's Association.
(3) Nonaffiliated includes positions that are not affiliated with any other listed group and are directed by individual compensation plans.
(4) Teachers include members of the White Bear Lake Teachers Association.
(5) Support services include members of the Service Employees International Union (SEIU) Local 284 and the Confidential Employee Group.
(6) Paraprofessionals include members of the SEIU Local 284.
(7) Custodians include members of the International Union of Operating Engineers (IUOE) Local 70.
(8) Nutritional services include members of the White Bear Lake Nutrition Services Association.
(9) Extended day includes members of the White Bear Lake Extended Day Program Association.
(10) Bus drivers include members of the IUOE Local 70.

Source: ISD No. 624

2017	2018	2019	2020	2021	2022
7	7	7	7	7	7
34	30	31	29	30	31
72	80	88	86	91	102
607	616	636	606	597	598
103	99	111	112	116	117
164	174	197	182	174	173
71	70	76	64	64	62
76	70	76	60	49	61
39	43	73	65	62	89
46	44	43	33	31	33
1,219	1,233	1,338	1,244	1,221	1,273

INDEPENDENT SCHOOL DISTRICT NO. 624

Teacher Data
Last Ten Fiscal Years

Fiscal Year	Minimum Salary	Maximum Salary	Average Salary	Number of Teachers With B.A. Degree	Number of Teachers With M.A. Degree
2013	$ 37,219	$ 82,409	$ 59,814	185	414
2014	38,391	84,628	61,510	199	392
2015	39,275	86,740	63,008	189	408
2016	40,350	88,615	64,483	184	457
2017	41,425	90,040	65,733	147	459
2018	42,357	92,590	67,474	175	434
2019	43,310	94,482	68,896	142	502
2020	44,720	97,213	70,967	122	484
2021	45,659	99,242	72,451	115	482
2022	47,368	101,140	74,254	104	489

Source: ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

Student to Staff Ratios
Last Ten Fiscal Years

Fiscal Year	ISD No. 624 Student to Teacher Ratios	Minnesota Department of Education Student to Staff Ratio		
		ISD No. 624	Ramsey County Average	State of Minnesota Average
2013	17.00	14.00	14.00	13.00
2014	17.00	14.00	13.60	13.00
2015	16.00	14.00	13.40	13.00
2016	17.00	14.00	N/A	N/A
2017	17.00	13.00	N/A	N/A
2018	17.00	13.00	N/A	N/A
2019	16.00	13.00	N/A	N/A
2020	N/A	N/A	N/A	N/A
2021	16.00	13.00	N/A	N/A
2022	16.00	13.00	N/A	N/A

N/A – Not Available

Source: Minnesota Department of Education

INDEPENDENT SCHOOL DISTRICT NO. 624

Operating Indicators by Function
Standardized Testing and Graduation Rates
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Standardized Tests				
MCA Reading (1) (2)				
Grade 3	60.80 %	66.00 %	63.90 %	64.00 %
Grade 4	59.60	60.00	63.20	62.60
Grade 5	68.90	73.60	69.60	77.10
Grade 6	63.90	64.60	68.40	66.10
Grade 7	60.80	59.90	61.90	58.00
Grade 8	64.60	66.90	57.30	62.80
Grade 10	66.80	59.70	68.30	62.70
MCA Math (1)				
Grade 3	76.60	80.40	78.10	79.70
Grade 4	77.20	74.40	79.80	75.40
Grade 5	66.90	62.60	61.30	70.90
Grade 6	57.10	61.80	54.70	52.90
Grade 7	60.40	58.00	59.20	54.60
Grade 8	68.20	70.40	64.20	68.30
Grade 11	62.10	68.00	56.70	60.50
MCA Science (1)				
Grade 5	69.00	63.80	63.50	70.20
Grade 7	57.50	58.10	52.50	53.60
Grade 11	60.60	56.20	65.40	63.50
ACT				
Average composite score	23.10	23.40	21.50	21.80
Graduation data				
ISD No. 624 rate	91.40	90.60	89.30	89.70
Post-graduation				
4-year college/university	62.00	60.00	66.00	66.00
2-year college	27.00	25.00	23.00	23.00
Other	11.00	15.00	11.00	11.00

N/A – Not Available

(1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test.
(2) New reading test in 2013 aligned with new standards.
(3) 2020 data not available due to COVID-19.

Source: Minnesota Department of Education

2017	2018	2019	2020 (3)	2021	2022
65.00 %	65.10 %	62.60 %	N/A %	53.70 %	51.90 %
64.20	67.70	66.70	N/A	55.00	58.00
74.10	76.20	74.00	N/A	68.00	64.20
67.20	68.20	68.00	N/A	57.60	59.80
56.30	61.10	60.90	N/A	50.00	47.10
60.30	55.80	60.60	N/A	49.80	45.10
65.10	55.70	63.70	N/A	57.50	58.10
74.30	75.90	74.00	N/A	56.90	58.60
78.50	72.10	72.60	N/A	56.30	58.50
66.70	68.10	57.90	N/A	45.30	43.80
61.40	55.10	57.00	N/A	32.00	40.60
56.30	57.40	57.80	N/A	32.80	41.60
64.70	63.70	65.40	N/A	45.30	45.70
59.60	56.50	54.40	N/A	33.70	44.60
66.10	67.40	61.50	N/A	54.60	47.10
55.00	49.70	47.60	N/A	42.00	31.00
64.20	54.30	54.50	N/A	42.20	44.30
22.00	21.90	21.86	N/A	N/A	20.80
87.70	88.70	88.10	91.20	90.10	91.30
61.00	57.00	61.00	N/A	N/A	24.90
28.00	26.00	22.00	N/A	N/A	22.10
11.00	17.00	17.00	N/A	N/A	17.60

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INDEPENDENT SCHOOL DISTRICT NO. 624

Food Service
School Lunch Program
Last Ten Fiscal Years

Fiscal Year	Average Daily Attendance	Total Lunches Served	Days	Average Daily Participation (ADP)	Percent of ADP	Free Lunch		Reduced-Price Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2013	7,382	831,414	172	4,834	65.48 %	246,535	29.65 %	80,519	9.68 %
2014	7,558	850,649	172	4,815	63.71	255,488	30.03	83,593	9.83
2015	7,563	864,918	172	5,029	66.49	257,473	29.77	85,632	9.90
2016	7,683	859,192	172	4,995	65.01	245,745	28.60	85,592	9.96
2017	7,821	870,053	172	5,058	65.00	242,242	27.84	84,705	10.05
2018	7,998	876,171	172	5,094	63.69	235,303	26.86	93,842	10.71
2019	8,286	898,412	172	5,223	63.04	223,814	24.91	97,003	10.80
2020	8,539	680,867	172	3,959	46.36	208,197	30.58	63,355	9.31
2021	8,204	553,614	172	3,219	39.23	553,614	100.00	–	–
2022	7,333	869,732	170	5,116	69.77	869,732	100.00	–	–

Source: ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

School Facilities
as of June 30, 2022

Facility	Usage	Constructed	Acres
White Bear Lake High School South Campus	School – office – classrooms	1971	57.04
White Bear Lake High School North Campus	School – office – classrooms	1963	51.24
Central Middle/District Center	School – office – classrooms	1918	25.00
Sunrise Park Middle	School – office – classrooms	1959	25.30
Oneka Elementary	School – office – classrooms	2006	44.00
Otter Lake Elementary	School – office – classrooms	1987	20.00
Vadnais Heights Elementary	School – office – classrooms	1950	16.75
Lincoln Elementary	School – office – classrooms	1952	11.00
Birch Lake Elementary	School – office – classrooms	1966	10.00
Matoska International	School – office – classrooms	1962	10.00
Lakeaires Elementary	School – office – classrooms	1960	9.00
Bellaire Elementary	School – office – classrooms	1956	10.00
Hugo Elementary	School – office – classrooms	1961	9.70
Willow Lane Elementary	School – office – classrooms	1965	13.00
North Star Elementary	School – office – classrooms	2022	139.90
Golfview – ALC	School – office – classrooms	1964	12.00
Transition Plus	School – office – classrooms	2005	–
Normandy Park Center	School – office – classrooms	1960	1.00
Hippodrome	Community education – classrooms	1928	1.00
Grounds department	Shops/storage	1997	–
Transportation Facility	Shops/storage	2022	7.10
Grounds Facility	Shops/storage	2005	10.00

N/A – Not Applicable

Note (1): Design capacity calculated at 25 elementary students per kindergarten through Grade 6 classroom and 28 secondary students per classroom.

Note (2): Construction of North Star Elementary was completed during 2022 for an opening during the 2022–2023 school year.

Source: ISD No. 624

Regular Classrooms	Square Feet	Capacity	2021–2022 Enrollment
53	289,953	1,270	1,095
58	280,906	1,270	1,205
48	266,386	1,095	1,159
49	126,979	837	907
22	119,955	624	539
33	104,739	580	479
25	69,256	420	267
26	59,928	468	384
26	61,781	280	201
23	71,485	580	468
23	86,969	396	338
24	55,433	400	–
17	58,801	328	266
23	86,723	420	267
34	102,042	720	(2)
19	46,872	134	146
4	7,258	50	47
11	31,389	275	228
1	22,295	N/A	–
–	3,160	N/A	–
–	13,005	N/A	–
–	25,400	N/A	–

INDEPENDENT SCHOOL DISTRICT NO. 624

Insurance Coverage
as of June 30, 2022

Type of Coverage	Amount of Coverage
Fire extended coverage/blanket real and personal property	$200,000,000 on a replacement cost basis
Comprehensive general liability	$4,000,000 each occurrence $8,000,000 aggregate
Boiler and machinery liability	$250,000,000 on a replacement cost basis
Automobile	$4,000,000 each occurrence $8,000,000 aggregate
Workers' compensation	Statutory liability $1,000,000 per employee
Employee benefits liability	$4,000,000 each occurrence $8,000,000 aggregate
Employee dishonesty blanket bond	$1,000,000 employee theft $100,000 forgery or alteration $100,000 money and securities
School Board legal liability and law enforcement activities (includes school leaders errors and omissions)	$4,000,000 each occurrence $8,000,000 aggregate
Cyber liability	$2,000,000 each occurrence
Pollution liability	$10,000,000 aggregate

Source: ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) Handicapped and Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	Total Pupil Units
2013	118	580	3,662	3,668	8,028	9,242
2014	120	626	3,735	3,615	8,096	9,288
2015	166	589	3,756	3,625	8,136	8,861
2016	173	578	3,823	3,646	8,220	8,949
2017	181	564	4,007	3,653	8,405	9,136
2018	208	578	4,119	3,728	8,633	9,379
2019	241	585	4,137	3,744	8,707	9,456
2020	255	579	4,075	3,798	8,707	9,466
2021	231	536	3,855	3,834	8,456	9,223
2022	248	535	3,710	3,794	8,287	9,045

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

Note 2: Beginning in fiscal 2015, changes in ADM weightings as noted below reduced the calculated pupil units.

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

	Pre-Kindergarten	Handicapped Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1–3	Elementary 4–6	Secondary
Fiscal 2012 through 2014	1.250	1.000	0.612	0.612	1.115	1.060	1.300
Fiscal 2015 through 2022	1.000	1.000	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

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