

# 2022-23 Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

Prepared by the District 191 Business Office  
200 W. Burnsville Pkwy.  
Burnsville, MN 55337  
952-707-2010

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**OF THE**

**INDEPENDENT SCHOOL DISTRICT**

**NO. 191**

**BURNSVILLE, MINNESOTA**

**For the Year Ended**

**June 30, 2023**

Prepared by

THE BUSINESS OFFICE

Stacey Sovine, *Executive Director of Administrative Services*

Tyler Dehne, *Director of Finance*

INDEPENDENT SCHOOL DISTRICT NO. 191

200 W Burnsville Pkwy  
Burnsville, Minnesota 55337

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**Independent School District No. 191  
Board of Education and Administration  
June 30, 2023**

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Scott Hume	Chair	December 31, 2026
Anna Werb	Vice Chair	December 31, 2024
Lesley Chester	Clerk	December 31, 2026
Eric Miller	Treasurer	December 31, 2024
Abigail Alt	Director	December 31, 2026
Toni Conner	Director	December 31, 2024
Safio Mursal	Director	December 31, 2026

<u>Administration</u>	
Dr. Theresa Battle	Superintendent
Dr. Chris Bellmont	Assistant Superintendent
Stacey Sovine	Executive Director of Administrative Services
Tyler Dehne	Director of Finance

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To: Citizens of ISD No. 191  
ISD No. 191 Board of Education  
Staff of ISD No. 191

Date: October 18, 2023

## **INTRODUCTION**

The annual comprehensive financial report (ACFR) of Independent School District No. 191, Burnsville, Minnesota (the District) for the fiscal year ended June 30, 2023, is hereby presented for your information and review. The ACFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. Every effort has been made to ensure the reliability and integrity of the data contained herein. Although that data was received from many sources, the accuracy and thoroughness of this report rests solely with the District. This report belongs to the citizens of the Burnsville – Eagan – Savage community, for it describes, in financial terms, the position and operating results of the District. Questions and comments are solicited and welcome.

## **REPORT FORMAT**

This ACFR is presented in three main sections: introductory, financial, and statistical. In addition to information contained in this letter, the introductory section includes the District's organizational chart, a list of the District's principal officials, and the Association of School Business Officials Certificate of Excellence in Financial Reporting Award. The financial section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and detailed combining and individual statements and schedules. The statistical section includes selected financial and general information presented on a multi-year comparative basis. Where possible, historical data is presented for a 10-year period.

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



## **DISTRICT ORGANIZATION**

The District was incorporated in 1955 and serves parts of five suburban communities in the Minneapolis/St. Paul area. The District is guided by its mission:

***Each Student. Future Ready. Community Strong.***

The District enrolled 7,721 students from a population of over 77,881 citizens residing in a 37 square mile area. During fiscal year 2022-23, the District operated 13 buildings: one high school, one alternative high school, two middle school schools, eight elementary schools, and one districtwide building. District buildings were built between 1950 and 1996 with the latest additions in 2016. The District also operated a Virtual Academy for elementary and secondary to receive instruction through a virtual environment. The District is organized by grade level with elementary schools serving students in pre-kindergarten through Grade 5, middle schools serving Grades 6-8, and the high schools serving Grades 9-12.

The District provides general, special education and vocational instruction for Prek-12, a transitional program for students beyond grade 12, and one of the most extensive Community Education programs in the state serving newborns up through senior citizens.

## **REPORTING ENTITY**

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable. 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.

## **FINANCIAL STATEMENTS**

The financial statements contained in this report disclose the financial position of the District as of June 30, 2023, and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The accounting firm of BerganKDV performed the audit for the 2022-23 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

## **FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT**

The independent audit of the financial statements of the District is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The District is also required to undergo an annual Minnesota State Legal Compliance Audit under Minnesota Statute §6.65. These reports are available in a separate document.

## **ACCOUNTING AND BUDGETING**

A major function of the District's accounting system is to provide adequate internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and that the evaluation of the cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Regarding the legal level of budgetary control, budgetary control is maintained through an annual budget adopted by the School Board for all funds as required by state statutes and School Board policy. The adopted budget, approved by the board by June 30 of the previous year, serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The superintendent and executive director of administration services are authorized to make financial commitments within budgetary guidelines for contracts not requiring sealed bids. Additional expenditure controls are maintained by the business office in accordance with state statutes, i.e., the District cannot incur a negative unassigned balance in the General Fund in excess of 2.5% of the preceding year's expenditures. The budget is published annually to inform residents of the District's financial position and operating plan for the fiscal year. The School Board receives Board reports on monthly revenues and expenses. Program managers may receive budget reports via email which indicate the approved budget on a line item basis; the month-to-date and year-to-date revenues, expenditures, and encumbrances assigned to those line items; the budget remaining; and the percent earned or expended to date. The district utilizes the method of bottom-line budgeting and monthly monitoring of revenues and expenditures by the School Board as well as ongoing monitoring by program managers helps to ensure budget integrity and provides an opportunity to detect material budget variances before the end of the fiscal year.

## **ACCOUNTING AND BUDGETING (CONTINUED)**

The budget is adopted by the School Board in the spring of each year for the following fiscal year beginning July 1. In the winter, the budget is revised based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval. To accurately track and report financial activities with a focus on site-based accounting, approximately 11,650 active accounts have been defined in the District's chart of accounts.

## **SIGNIFICANT EVENTS**

The District's finances are largely dependent on student enrollment. Since 2002-2003 the District has experienced a decline in the number of students enrolled in the District's schools. This is a natural occurrence in a fully developed community and is often the result of smaller kindergarten cohorts replacing a larger graduating class. For fiscal year 2022-23, grades K-12 has a range in class size from a low of 468 to a high of 729 students. Although enrollment was flat with a slight increase of 0.40 ADMs for fiscal year 2022-23, the District continues to anticipate flat or declining enrollment in the next few years.

Declining enrollment and the lack of funding increase that keep up with inflation from the state have placed the District in the position of a need to reduce expenditures to balance the budget in recent years. Most of the District's operating revenue is directly related to the number of students enrolled in its schools. While revenues decline in direct proportion to the change in enrollment, expenditures decline at a much slower rate because the enrollment change is spread over all 14 schools and 13 grades. As student numbers decline, the number of teachers providing direct services to students can be reduced accordingly and some cost reduction occurs. Other costs, such as facility operations, are not proportionally related to enrollment and cannot be adjusted as readily. The closure of two elementary schools and one middle school is a direct result of the declining enrollment experienced over years. Although costs directly tied to ongoing enrollment shift to other buildings and are not reductions, the costs considered necessary for an additional building to function are reductions.

As needed, the district has taken strong expenditure curtailment measures during the years ended 2006, 2007, 2008, 2012, 2019, 2020, and 2022 in an effort to ensure a favorable financial result. During the 2022-2023 school year; our strategies for the planned budget included 4 main factors: 1) prioritize investment for instructional priorities, including PK-12 Pathways 2) rightsizing of the FTEs based upon enrollment; 3) use of restricted funds including federal pandemic relief funds before general undesignated funds; and 4) identify efficiencies in utilizing resources. This planning provided a good start toward balancing the budget. The experience of functioning through a post pandemic period saw an increase in expenditures for substitutes for both staff absences and coverage for vacant positions. Wages to attract casual and seasonal employees also experienced an increase with a challenging labor market. As a result, our 2022-2023 expenditures were approximately \$490,000 dollars less than budgeted while revenues were \$4.5 million more than budgeted. The result was an improvement to the total general fund balance of \$4,961,316.

## **FINANCIAL PROSPECTS FOR FUTURE YEARS**

The District, like many districts within Minnesota experienced a significant drop in fall enrollment from Fall 2019 to Fall 2020. The steep decline in enrollment did not continue between the Fall of 2020 to the Fall of 2021 as the number of students declined less than 120 students. The Fall 2022 numbers were flat compared to the Fall 2021 numbers, which has not been experienced in over a decade. The unexpected flattening in enrollment decline will have lingering effect to levies and state aid formulas for a minimum of two years. It is still too early to determine whether this change in enrollment will become the norm or is an anomaly to recent years. Enrollment projections should remain conservative but may not need to be as severe as in previous years. The State Legislature has increased the general education formula some this past biennium which is appreciated.

The District has a long history of maintaining positive fund balances and matching revenues with expenditures. In preparing the 2023-2024 budget, the District planned for a surplus due to the increase in state revenues from legislative changes. Additionally, federal funds have been incorporated into the general fund budget planning for fiscal year ending June 30, 2024. The District continues to review budgets in preparation for a long-range budget plan to manage the transition out of the pandemic and away from the federal funds we know will no longer be available beyond June 30, 2024.

Continued financial uncertainty is likely to be the major challenge of the next decade. While enrollment, staffing, and expenses can be projected, it is impossible to predict with any certainty the configuration or adequacy of funding formulas to be enacted in the future by the Legislature. The latest legislative session made significant investment in education for 23-24 and 24-25. Nonetheless, the District is committed to maintaining programs and services and to operating within its financial limitations. As the District approaches the 2023-2024 revised budget and the 2024-2025 adopted budget, enrollment projection adjustments and curriculum-based decisions will be at the forefront of the discussion. How best to utilize the remaining federal pandemic funds for programming which helps our students to recover from the lost learning time is paramount. Closing the achievement gap and increasing student achievement for all students served remains the District's priority. The District will continue to develop a long-range plan to adjust expenditures for a balanced budget in the upcoming years where current federal grants will no longer be available to assist with programming.

## **ECONOMIC FACTORS**

The District is located in Dakota and Scott Counties, both of which are located in the seven-county metro area of Minneapolis/St. Paul. The cities that comprise the District are suburban communities. Residents are typically employed in professional vocations within the metropolitan area. The economic downturn of the past years has had some effect on the community as evidenced by greater mobility and increased participation in the free and reduced-price lunch program. The impact of the pandemic is ever fluctuating and remains to be seen; however, the resulting federal resources that have been made available will be utilized as required.

The taxable market value of property within the District is generally expected to improve. While the District is essentially fully developed residentially, commercial development and redevelopment is clearly evident throughout the community. Overall market improvement is evident in the increased 2023 total market value for the tenth year in a row.

## **ECONOMIC FACTORS (CONTINUED)**

The state of Minnesota assumes major responsibility for funding public education. In the District, approximately 23% of our revenues in all funds are generated locally from the property tax and 50% of the property tax is the result of voter approved, local initiatives. This includes the referendum that was approved in November 2019.

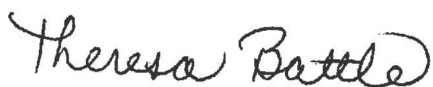
Reliance on the state for the majority of its operating revenues places the District in the position of being dependent on state-wide economic conditions that drive state tax collections. In the 2023-2025 biennium, the Education Finance Bill provided a 4% increase for next year and 2% the year after and ties the funding to inflation. The bill decreases the Special Education Cross Subsidy by 50% over the biennium. There are a number of other increases in state funding, but with those increases comes additional state mandates. The District is working on understanding and implementing the additional mandates. The District continues to strive to be good stewards of all resources and respond to financial challenges by creating a structurally sustainable budget. The budget prioritizes investments for instructional priorities, maintaining current class size parameters, using restricted funds before general unassigned funds whenever possible, keeping abreast and understanding the ebb and flow of revenue streams and expenses and strategically using federal pandemic resources.

## **CERTIFICATE OF EXCELLENCE**

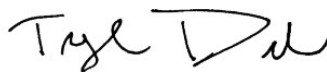
This report will be submitted to the Association of School Business Officials International for consideration for the Certificate of Excellence in Financial Reporting. The District received this award for the past 35 fiscal years and expects to continue to earn the recognition that accompanies the standards of accuracy and thoroughness acknowledged by the Certificate of Excellence program.

## **ACKNOWLEDGMENTS**

The time, effort, and attention that go into the timely preparation of an ACFR require the commitment and cooperation of many people. Special appreciation must be extended to the entire Finance Department staff for their dedication and to the School Board for their encouragement and leadership.



Dr. Theresa Battle  
Superintendent



Tyler Dehne  
Director of Finance

**Independent School District No. 191  
ASBO Certificate of Excellence**



**The Certificate of Excellence in Financial Reporting  
is presented to**

**ISD 191 Burnsville-Eagan-Savage**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2022.**

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



A handwritten signature in black ink, reading 'John W. Hutchison'.

**John W. Hutchison  
President**

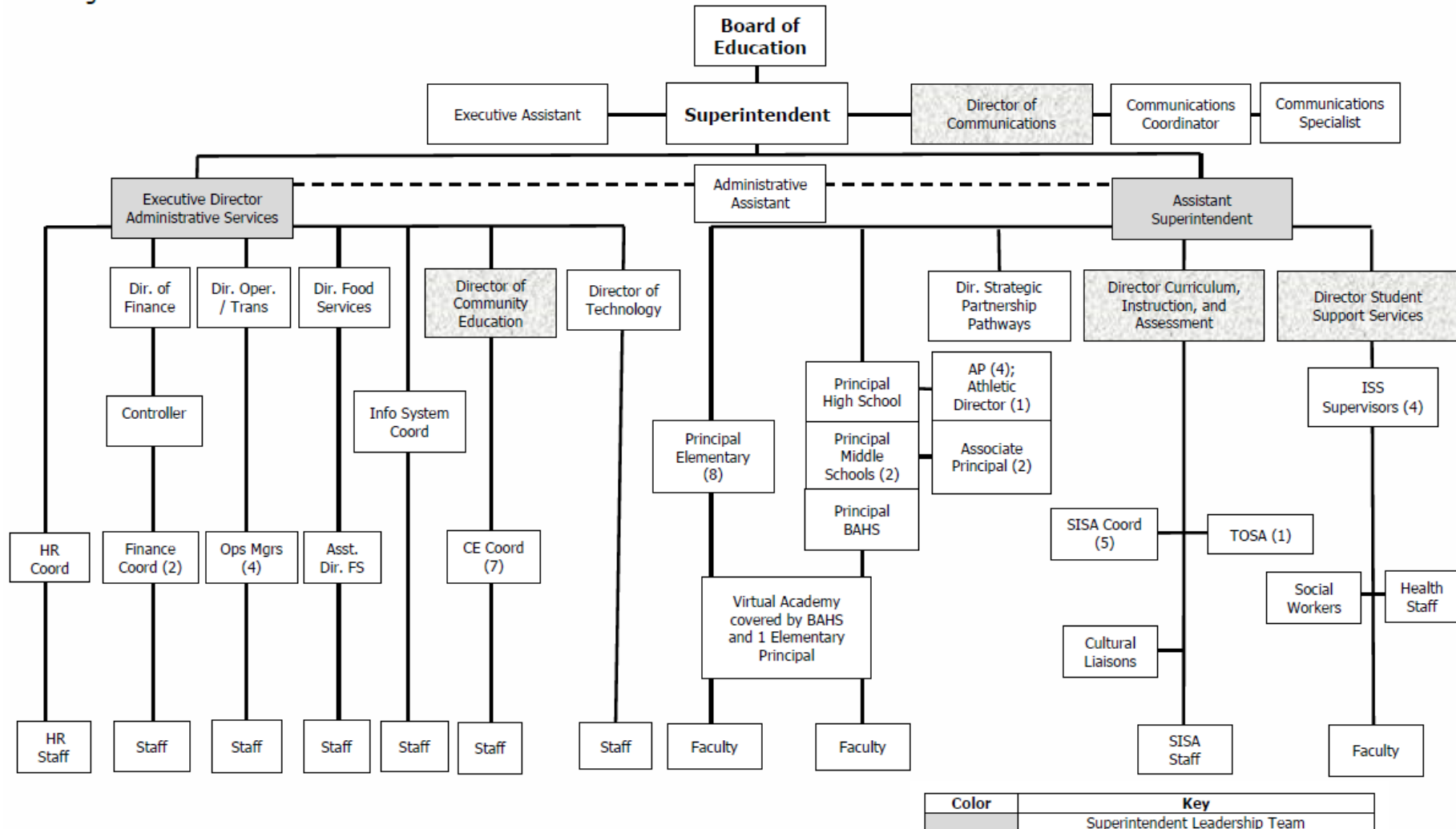
A handwritten signature in black ink, reading 'Siobhán McMahon'.

**Siobhán McMahon, CAE  
Chief Operations Officer/  
Interim Executive Director**

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# Independent School District No. 191 Organizational Chart

Organizational Chart 22.23





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## Independent Auditor's Report

To the School Board  
Independent School District No. 191  
Burnsville, Minnesota

### **Report on the Audit of the Financial Statements**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 191, Burnsville, Minnesota, as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 191, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and the Food Service and Community Service Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Independent School District No. 191 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 – Implementation of GASB 96**

The District has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

The management of Independent School District No. 191 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.

## **Responsibilities of Management for the Financial Statements (Continued)**

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

## **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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

## **Report on Summarized Comparative Information**

We did not audit the District's 2022 financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and they expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information in their report dated October 27, 2022. In our opinion, the summarized comparative information presented herein as of and for the year end June 30, 2022, is consistent, in all material respects, with the audited financial statements for which it has been derived.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 accompanying supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

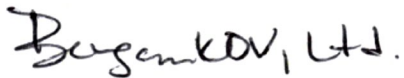
### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



St. Cloud, Minnesota  
October 18, 2023

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

This section of Independent School District No. 191's annual comprehensive financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this letter.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Government Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2022-23 fiscal year include the following:

- Government-wide net position, increased by \$34,075,432 or 59.41% better than June 30, 2022, resulting in total net position of (\$23,280,295). The increase in net position was primarily due to the fund level increase in fund balance, as well as a significant increase in net position from the net effect of the government-wide conversion entries related to pensions in relation to improvement in the funding of PERA and TRA.
- Government-wide revenues totaled \$166,459,233 and expenses were \$132,383,801.
- The total fund balance of the General Fund, as presented in the governmental funds, increased by \$4,961,316 from the prior year.
- The unassigned fund balance in the General Fund increased by \$3,459,144 from \$18,777,579 to \$22,236,723, which is 16.2% of total General Fund expenses.

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

The financial section of the annual report consists of four parts: Independent Auditors' Report, Required Supplementary Information which includes MD&A (this section), the basic financial statements, and supplementary information.

The basic financial statements include several statements that present different views of the District:

- The **government-wide financial statements**, including the *Statement of Net Position* and the *Statement of Activities*, provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are **fund financial statements** that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- **Governmental funds statements** tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- **Proprietary funds statements** offer short- and long-term financial information about the activities the District operates like businesses.

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets plus deferred outflows of resources and liabilities plus 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 an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

**Fund Financial Statements**

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

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

The District has two kinds of funds:

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

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Fund Financial Statements (Continued)**

- *Proprietary Funds* – The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has four internal service funds for self-insured health and dental benefits and its severance and postemployment benefits liabilities.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position**

The District's combined net position was (\$23,280,295) on June 30, 2023. This was an improvement of 59.41% from the prior year (see Table A-1).

**Table A-1  
Net Position - Governmental Activities**

	Year Ended 2023	Year Ended 2022	Percentage Change
<b>Assets</b>			
Current and other assets	\$ 137,050,691	\$ 127,205,617	7.74%
Capital assets	123,952,029	127,622,031	-2.88%
Total assets	261,002,720	254,827,648	2.42%
<b>Deferred Outflows of Resources</b>	29,159,378	31,964,457	-8.78%
Total assets and deferred outflows of resources	<u>\$ 290,162,098</u>	<u>\$ 286,792,105</u>	1.18%
<b>Liabilities</b>			
Other liabilities	\$ 22,771,587	\$ 25,082,579	-9.21%
Long-term liabilities	217,496,630	183,454,765	18.56%
Total liabilities	<u>\$ 240,268,217</u>	<u>\$ 208,537,344</u>	15.22%
<b>Deferred Inflows of Resources</b>	<u>\$ 73,174,176</u>	<u>\$ 135,610,488</u>	-46.04%
<b>Net Position</b>			
Net investment in capital assets	\$ 19,119,846	\$ 15,754,751	21.36%
Restricted	24,372,515	15,559,970	56.64%
Unrestricted	<u>(66,772,656)</u>	<u>(88,670,448)</u>	24.70%
Total net position	<u>\$ (23,280,295)</u>	<u>\$ (57,355,727)</u>	59.41%

The District's financial position is the product of many factors. For example, the determination of the District's net investments in capital assets involves many assumptions and estimates, such as current and accumulated depreciation and amortization amounts. A conservative versus liberal approach to depreciation and amortization estimates, as well as capitalization policies, will produce a significant difference in calculated amounts.

The District's overall financial position increased from fiscal year 2022, as total net position increased \$34,075,432. The District is able to report positive balances in two of three categories of net position. The District's restricted net position represents resources that are subject to external restrictions on how they may be used. This portion of the District's net position increased by \$8,812,545 in the current year.



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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**Net Position (Continued)**

Another portion of the District's net position is its investment in capital assets (land, buildings, equipment, etc.) less any related debt used to acquire those assets that is still outstanding. This element of net position increased by \$3,365,095 in the current fiscal year, as the completion of some construction projects and payments on related debt exceeded depreciation and amortization of the capital assets. The remaining unrestricted net position is that which may be used to meet the District's ongoing obligations. This portion of net position increased \$21,897,792 in the current fiscal year.

**Changes in Net Position**

In Table A-2, Change in Net Position, operations are reported on a governmental-wide basis with no reference to funds.

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

	Year Ended 2023	Year Ended 2022	Percentage Change
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 6,816,593	\$ 4,445,935	53.32%
Operating grants and contributions	45,053,587	42,182,191	6.81%
Capital grants and contributions	984,766	1,948,280	-49.45%
General revenues			
Property taxes	41,790,897	44,382,476	-5.84%
General grants and aids	69,788,147	66,786,109	4.50%
Investment earnings	2,008,343	(892,610)	-325.00%
Other	16,900	1,538,853	-98.90%
Total revenues	<u>166,459,233</u>	<u>160,391,234</u>	<u>3.78%</u>
<b>Expenses</b>			
Administration	4,576,004	5,146,405	-11.08%
District support services	2,503,974	4,541,713	-44.87%
Elementary and secondary regular instruction	42,804,488	63,294,480	-32.37%
Vocational education instruction	1,777,613	2,107,317	-15.65%
Special education instruction	21,955,865	24,494,292	-10.36%
Instructional support services	14,855,402	13,021,759	14.08%
Pupil support services	12,180,617	11,406,634	6.79%
Sites and buildings	16,762,838	11,129,335	50.62%
Fiscal and other fixed cost programs	437,360	426,427	2.56%
Food service	5,318,407	4,955,498	7.32%
Community education and services	6,391,286	4,995,800	27.93%
Interest and fiscal charges on long-term debt	2,819,947	2,951,742	-4.46%
Total expenses	<u>132,383,801</u>	<u>148,471,402</u>	<u>-10.84%</u>
Increase (decrease) in net position	34,075,432	11,919,832	185.87%
<b>Net Position</b>			
Beginning of year	<u>(57,355,727)</u>	<u>(69,275,559)</u>	<u>17.21%</u>
End of year	<u>\$ (23,280,295)</u>	<u>\$ (57,355,727)</u>	<u>59.41%</u>

Total revenues were \$166,459,233 while total expenses were \$132,383,801, increasing net position by \$34,075,432.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
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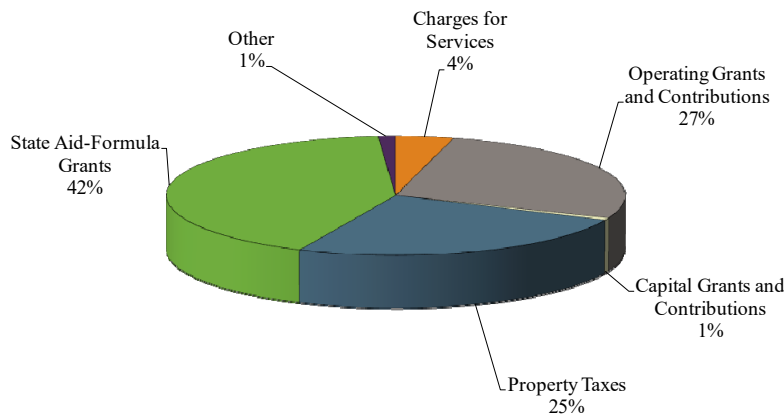
**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**Changes in Net Position (Continued)**

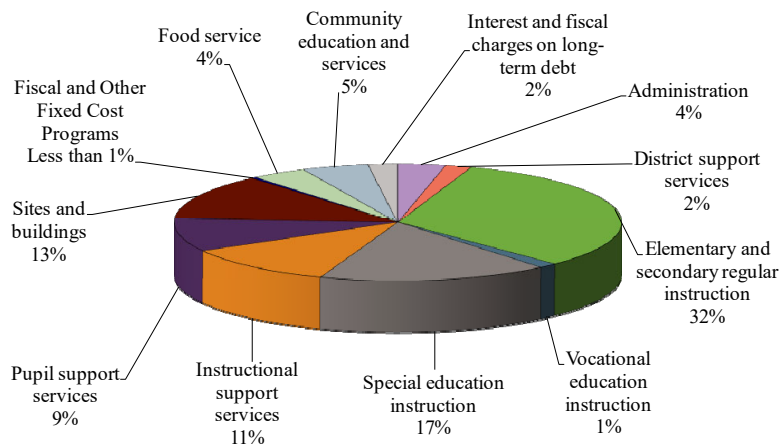
The cost of all *governmental* activities this year was \$132,383,801.

- Some of the cost was paid by the users of the District's programs (Table A-2, Charges for Services, \$6,816,593). The majority of this category, approximately \$3.7 million, comes from food service meal sales and community education class tuition. \$2.1 million comes from third party billing revenue.
- The federal and state governments subsidized certain programs with grants and contributions (Table A-2, Operating and Capital Grants and Contributions, \$46,038,353).
- Most of the District's costs were paid for with local property taxes, unrestricted state aid, investment earnings, and other general revenues. Governmental activities were paid for with \$41,790,897 in property taxes, \$69,788,147 of unrestricted state aid, as well as investment earnings and other general revenues.

**Figure A-1  
Source of Revenues for Fiscal Year 2023**



**Figure A-2  
Expenses for Fiscal Year 2023**



**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**Changes in Net Position (Continued)**

All governmental funds include not only funds received for the general operation of the District but also include resources from the entrepreneurial-type funds of Food Service and Community Education. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance general operation resources.

Table A-3, seen below, presents the cost of twelve major District activities such as, instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and others. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2023	2022		2023	2022	
Administrative	\$ 4,576,004	\$ 5,146,405	-11.08%	\$ 4,557,975	\$ 2,762,856	64.97%
District support services	2,503,974	4,541,713	-44.87%	1,695,775	4,534,973	-62.61%
Elementary and secondary regular instruction	42,804,488	63,294,480	-32.37%	27,509,708	49,186,765	-44.07%
Vocational education instruction	1,777,613	2,107,317	-15.65%	1,772,184	2,106,997	-15.89%
Special education instruction	21,955,865	24,494,292	-10.36%	(296,669)	6,211,859	-104.78%
Instructional support services	14,855,402	13,021,759	14.08%	12,896,781	11,573,696	11.43%
Pupil support services	12,180,617	11,406,634	6.79%	11,798,912	10,754,812	9.71%
Sites and buildings	16,762,838	11,129,335	50.62%	15,488,036	10,066,792	53.85%
Fiscal and other fixed cost programs	437,360	426,427	2.56%	437,360	426,427	2.56%
Food service	5,318,407	4,955,498	7.32%	(494,568)	(1,118,079)	-55.77%
Community education and services	6,391,286	4,995,800	27.93%	1,343,414	436,390	207.85%
Interest and fiscal charges on long-term debt	2,819,947	2,951,742	-4.46%	2,819,947	2,951,508	-4.46%
Total	<u>\$ 132,383,801</u>	<u>\$ 148,471,402</u>	-10.84%	<u>\$ 79,528,855</u>	<u>\$ 99,894,996</u>	-20.39%

The cost of all governmental activities this year was \$132,383,801, a decrease of \$16,087,601 from the prior year. After applying program specific revenue, the net cost of all governmental activities this year was \$79,528,855, or a decrease of \$20,366,141 from the prior year.

**Financial Analysis of the District's Funds**

The financial performance of the District as a whole is reflected in its governmental funds. All of the governmental funds with the exception of the debt service fund had more revenue than expenditures in 2023, thereby contributing to the increase in individual fund balance in most funds. At the end of the 2022-23 fiscal year, the District's governmental funds reported combined fund balances of \$50,230,105. This is a 14.11% increase in comparison to the prior year. The increase is largely due to General Fund increases primarily related to revenue exceeding budget expectations. State Special Education Aid, third party billing receipts, and investment earnings significantly exceeded budget expectations. Expenses were slightly under budget. Additionally, an intense focus on the needs of our students during the pandemic resulted in a greater portion of the actual expenditures being reimbursable through federal pandemic relief funds allocated to our district during FY23.

Revenues and other financing sources (excluding transfers in) for the District's governmental funds were \$166,049,916, while total expenditures other financing uses (excluding transfers out) were \$159,840,575. As a result of this, the District completed the year with a net change in fund balances of \$6,209,341.

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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**General Fund**

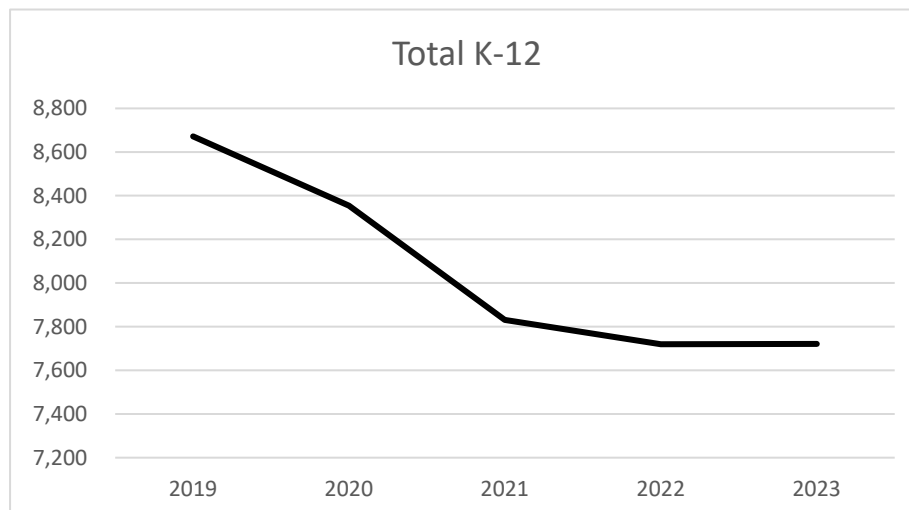
The General Fund is used to account for all revenues and expenditures of the school district not accounted for elsewhere. The General Fund is used to account for: K-12 educational activities; district instructional and student support programs; expenditures for the superintendent; district administration; normal operations and maintenance; pupil transportation; capital expenditures; and legal school district expenditures not specifically designated to be accounted for in any other fund.

**ENROLLMENT**

Enrollment is a critical factor in determining revenue with approximately 69% of General Fund revenue being determined by enrollment. Like many Minnesota school districts, the District has been facing declining enrollment. During the last five years, the District has averaged a 2.6% decrease in students per year. Enrollment flattened out from 2022 to 2023 as the District only lost approximately one student. The following chart reflects that the number of students has decreased over the last 5 years.

**Table A-4  
Student Enrollment  
Average Daily Membership (ADM)**

<b>Grade</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
ECSE	134	126	101	137	142
School Readiness	133	138	134	126	121
Kdgt.	646	653	617	600	575
1-3	1,796	1,763	1,715	1,719	1,758
4-6	1,987	1,791	1,619	1,542	1,555
7-12	3,976	3,883	3,645	3,596	3,570
<b>Total K-12</b>	<b>8,672</b>	<b>8,354</b>	<b>7,831</b>	<b>7,720</b>	<b>7,721</b>
<b>ADM Change</b>	<b>(169)</b>	<b>(318)</b>	<b>(523)</b>	<b>(111)</b>	<b>1</b>
<b>Percent Change</b>	<b>-1.9%</b>	<b>-3.7%</b>	<b>-6.3%</b>	<b>-1.4%</b>	<b>0.0%</b>



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**ENROLLMENT (CONTINUED)**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

	Year Ended		Change	
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percent Change
Local property taxes	\$ 29,798,182	\$ 30,955,773	\$ (1,157,591)	-3.7%
Revenue from state sources	91,901,869	87,017,209	4,884,660	5.6%
Revenue from federal sources	14,827,230	14,965,232	(138,002)	-0.9%
Other	5,747,422	3,082,433	2,664,989	86.5%
Total	<u>\$ 142,274,703</u>	<u>\$ 136,020,647</u>	<u>\$ 6,254,056</u>	4.6%

General Fund revenue increased by \$6,254,056, or 4.6%, from the previous year.

Property taxes decreased \$1,157,591 or 3.7% due to decreases in the underlying property tax levies.

Other local revenues increased \$2,664,989, or 86.5%. This was primarily due to increases in third party billing revenue and investment earnings.

State Sources increased by \$4,884,660. State aid increased overall after consideration of the following factors. This is the net effect of enrollment flattening out and the increase in general education formula, resulting in a net increase in general education formula aid of \$1,980,390. There was an increase in state special education revenues in the amount of \$2,552,354 due to an increase in eligible expenditures from FY21 to FY22. Changes in other state aid categories were due to enrollment flattening out or costs incurred based on the needs of students.

Federal Revenue is recorded in the year in which the related expenditure is made. Federal Sources decreased by \$138,002 as the District continues to spend Federal Funding received in response to the COVID-19 pandemic.

General Fund Revenue is received in two major categories as follows:

1. State Education Finance Appropriations
  - A. General Education Aid – The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program and is enrollment driven.
  - B. Categorical Aids – Categorical revenue formulas are used to meet costs of that program (i.e., special education) or promote certain types of programs (i.e., career and technical aid, staff development, operating capital).
2. Property Tax Levies
 

The largest share of the levy is from voter-approved levies: specifically, the excess operating referendum which is also enrollment driven.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
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**ENROLLMENT (CONTINUED)**

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

	Year Ended		Change	
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percent Change
Salaries	\$ 73,739,152	\$ 73,254,291	\$ 484,861	0.7%
Employee benefits	30,673,902	30,043,103	630,799	2.1%
Purchased services	22,527,878	19,648,553	2,879,325	14.7%
Supplies and materials	5,258,510	6,131,231	(872,721)	-14.2%
Capital expenditures	4,326,481	3,656,490	669,991	18.3%
Debt service expenditures	158,368	96,876	61,492	63.5%
Other expenditures	664,331	678,032	(13,701)	-2.0%
Total	<u>\$ 137,348,622</u>	<u>\$ 133,508,576</u>	<u>\$ 3,840,046</u>	2.9%

Total General Fund expenditures increased \$3,840,046 or 2.9% from the previous year. The increase can be attributed mostly to purchased services as well as personnel and employee salaries and benefits.

Salaries expense increased mainly as a result of the annual contractual pay.

Purchased Services consist of expenditures for fees for service, substitutes, utilities, property insurance, maintenance repairs, leases, telephone, tuition, and transportation. These expenditures increased mainly due to the increased need for substitutes and increased transportation costs while the district was operating in-person for the entire school year. Utility costs also increased substantially due to inflation.

**General Fund Budgetary Highlights**

After initial approval of the budget, the District revised the budget based on changes in unbudgeted costs or revenue changes. While the District anticipated, in its final budget, that the net change in fund balance would be a decrease of \$47,776, total fund balance increased by \$4,961,316, resulting in a fund balance of \$37,483,216 at June 30, 2023.

Revenues were higher than budgeted by \$4,518,993 and expenditures were less than budgeted by \$454,864. The District was conservative with revenues given the history of declining enrollment. Where possible, expenditures were curtailed in the District's effort to reduce costs. Staffing changes as a result of changes in enrollment and unfilled positions led to expenditures being less than budgeted even while experiencing inflation and rising transportation and substitute costs.

**Food Service Fund**

The Food Service Fund revenue for 2022-23 totaled \$5,888,279 and expenditures were \$5,227,056. The June 30, 2023, fund balance is \$3,174,492, an increase of \$663,030 from fiscal year 2022. Actual revenues were \$97,737 higher than budget mainly due to more investment earnings and higher meal sales than expected after the free meals ended in 2023. Actual expenditures were \$71,793 lower than budget mainly due to less capital equipment purchases than expected. These variances resulted in fund balance ending the year \$169,337 higher than budgeted.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
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**ENROLLMENT (CONTINUED)**

**Community Service Fund**

The Community Service Fund revenue for 2022-23 totaled \$6,800,786 and expenditures were \$5,911,010. The June 30, 2023, fund balance is \$4,085,286, an increase of \$889,776 from fiscal year 2021-2022. The District's Community Education programming planned significant expenditure adjustments and continued to focus their programming on childcare, early learners, youth, and adult programs. The Fund utilized new grant funding to provide additional programming for adult and pre-kindergarten students.

**Capital Projects-Building Construction Fund**

There was no activity in the Capital Projects-Building Construction Fund for 2022-23. The June 30, 2023, fund balance is \$0 is due to bond proceeds from the 2015A School Building Bonds being spent down as the building projects are completed for Vision One91.

**Debt Service Fund**

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction and improvements, or for initial or refunding bonds. The Debt Service Fund revenue and other financing sources for 2022-23 totaled \$11,049,106, a decrease of \$13,801,456 from fiscal year 2022 due to the issuance of the 2021A G.O. Alternative Facilities Refunding Bonds and proceeds from the sale of River Ridge that occurred in the prior year. The District did not have property sales or issue new bonds in fiscal year 2023. The expenditure budget is based on the payment schedule of bond principal and interest on the general obligation bonds, including refunding bonds issued from 2012 through 2021.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2023, the District had invested approximately \$313.6 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation/amortization expense for the year was approximately \$11.9 million.

**Table A-7  
Capital Assets**

	Year Ended 2023	Year Ended 2022	Percent Change
Land	\$ 3,102,468	\$ 3,102,468	0.0%
Land improvements	20,770,929	20,128,484	3.2%
Buildings and improvements	272,371,309	270,796,575	0.6%
Equipment	17,106,610	1,114,505	1434.9%
Leased equipment	223,184	197,466	13.0%
Less accumulated depreciation/amortization	(189,622,471)	(177,717,467)	6.7%
Total capital assets	<u>\$ 123,952,029</u>	<u>\$ 117,622,031</u>	5.4%

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**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**Long-Term Liabilities**

At year-end, the District had \$112,218,101 in general obligation bonds, lease liabilities, and obligations under financed purchases payable outstanding as shown in Note 5 to the financial statements. The District also had an estimated total of \$9,645,933 in postemployment severance and health benefits payable at June 30, 2023, and \$95,632,596 in net pension liability.

Total long-term liabilities at June 30, 2023, increased 18.6% as compared to June 30, 2022, primarily due to the District's proportionate share of the increase of the State run pension (PERA and TRA) programs.

**Table A-8  
Long-Term Liabilities**

	Year Ended 2023	Year Ended 2022	Percent Change
General obligation bonds	\$ 106,710,000	\$ 113,850,000	-6.3%
Net bond premium and discount	5,269,366	6,442,825	-18.2%
Finance purchases from direct borrowing	82,355	160,460	-48.7%
Lease liability	156,380	187,187	N/A
Net pension liability	95,632,596	52,043,161	83.8%
Total OPEB liability	8,631,776	9,289,131	-7.1%
Severance benefits payable	237,948	682,675	-65.1%
Compensated absences payable	776,209	799,326	-2.9%
 Total long-term liabilities	 <u>\$ 217,496,630</u>	 <u>\$ 183,454,765</u>	 18.6%
 Long-term liabilities			
Due within one year	\$ 8,587,891	\$ 8,246,124	
Due in more than one year	<u>208,908,739</u>	<u>175,208,641</u>	
 Total	 <u>\$ 217,496,630</u>	 <u>\$ 183,454,765</u>	

**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 most of its revenue authority. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation. There is concern if the state special education aid formula changes will be sufficient to end the growing cross subsidy of special education services. In the 2023-2025 biennium, the MN Education Finance Bill provided improvements in funding, including a 4% increase next year and a 2% increase in FY 2025 on the funding formula. Additionally, increases in the Special Education and English Language Learners funding will aid districts in the growing cross subsidy.



**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 191  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)**

The funding formula has been below the current annual rate of inflation for the last 20 years. Accordingly, the District continues to utilize sophisticated enrollment and financial planning tools, along with detailed and conservative budgeting and budget monitoring processes. The COVID-19 pandemic continues to impact our instructional models and their delivery. The greatest concern is the lost learning time our students have experienced. The financial impact of this has been met with the federal ESSER (I, II, III), CARES, Coronavirus Relief Funding and American Rescue Plan allocation which we will use to meet our student needs and reduce the impact on fund balances. The District will continue to seek all available sources of funding, respond to enrollment decreases, balance revenue to expenditures, and maintain systems that ensure financial stability.

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 191, 200 W. Burnsville Parkway, Burnsville, Minnesota 55337. The telephone number for the District is (952) 707-2010. Financial and other district information is also available on the District's website at [isd191.org](http://isd191.org).

## **BASIC FINANCIAL STATEMENTS**

**Independent School District No. 191**  
**Statement of Net Position**  
**June 30, 2023**  
**(With Summarized Financial Information as of June 30, 2022)**

	Governmental Activities	
	2023	2022
<b>Assets</b>		
Cash and investments	\$ 93,453,931	\$ 85,917,567
Current property taxes receivable	25,630,010	21,891,763
Delinquent property taxes receivable	322,174	359,284
Accounts receivable	656,622	170,302
Interest receivable	214,723	15,696
Lease receivable	259,105	503,819
Due from Department of Education	10,034,269	10,436,748
Due from other Minnesota school districts	92,393	205,378
Due from Federal Government through Department of Education	5,271,069	6,671,407
Due from other governmental units	242,927	525,277
Inventory	269,532	253,940
Prepaid items	603,936	254,436
Capital assets, not being depreciated		
Land	3,102,468	3,102,468
Capital assets, net of accumulated depreciation		
Buildings	108,650,069	114,670,970
Improvements other than buildings	6,071,313	6,233,554
Machinery and equipment	5,974,627	3,428,232
Leased assets, net of accumulated amortization		
Leased equipment	153,552	186,807
Total assets	<u>261,002,720</u>	<u>254,827,648</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources related to pensions	27,986,744	30,778,839
Deferred outflows of resources related to OPEB	972,869	950,075
Losses on debt refunding	199,765	235,543
Total deferred outflows of resources	<u>29,159,378</u>	<u>31,964,457</u>
Total assets and deferred outflows of resources	<u>\$ 290,162,098</u>	<u>\$ 286,792,105</u>
<b>Liabilities</b>		
Accounts payable	\$ 9,093,171	\$ 10,811,314
Salaries and benefits payable	10,508,915	10,794,576
Interest payable	1,596,982	1,824,193
Due to other Minnesota school districts	1,251,919	1,312,268
Due to other governmental units	55,445	62,901
Unearned revenue	265,155	277,327
Bond principal, net of premium		
Payable within one year	7,550,000	7,140,000
Payable after one year	104,429,366	113,152,825
Lease liability		
Payable within one year	69,041	64,256
Payable after one year	87,339	122,931
Finance purchase from direct borrowing		
Payable within one year	82,355	78,105
Payable after one year	-	82,355
Compensated absences payable		
Payable within one year	776,209	799,326
Severance payable		
Payable within one year	110,286	164,167
Payable after one year	127,662	518,508
Total OPEB liability		
Payable after one year	8,631,776	9,289,131
Net pension liability	95,632,596	52,043,161
Total liabilities	<u>240,268,217</u>	<u>208,537,344</u>
<b>Deferred Inflows of Resources</b>		
Property taxes levied for subsequent year's expenditures	45,495,723	37,588,243
Deferred inflow of resources related to lease receivable	232,514	465,027
Deferred inflows of resources related to pensions	25,861,524	96,148,942
Deferred inflows of resources related to OPEB	1,285,333	1,065,925
Gains on debt refunding	299,082	342,351
Total deferred inflows of resources	<u>73,174,176</u>	<u>135,610,488</u>
<b>Net Position</b>		
Net investment in capital assets	19,119,846	15,754,751
Restricted for		
Debt service	3,964,729	-
Other purposes	20,407,786	15,559,970
Unrestricted	(66,772,656)	(88,670,448)
Total net position	<u>(23,280,295)</u>	<u>(57,355,727)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 290,162,098</u>	<u>\$ 286,792,105</u>

See notes to basic financial statements.

**Independent School District No. 191**  
**Statement of Activities**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

Functions/Programs	2023				Net (Expense)	2022
	Expenses	Program Revenues		Capital Grants and Contributions	Revenues and Changes in Net Position	Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		Governmental Activities	Governmental Activities
Governmental activities						
Administration	\$ 4,576,004	\$ 4,167	\$ 13,862	\$ -	\$ (4,557,975)	\$ (2,762,856)
District support services	2,503,974	1,345	806,854	-	(1,695,775)	(4,534,973)
Elementary and secondary regular instruction	42,804,488	516,575	14,778,205	-	(27,509,708)	(49,186,765)
Vocational education instruction	1,777,613	-	5,429	-	(1,772,184)	(2,106,997)
Special education instruction	21,955,865	2,107,749	20,144,785	-	296,669	(6,211,859)
Instructional support services	14,855,402	9,379	1,949,242	-	(12,896,781)	(11,573,696)
Pupil support services	12,180,617	182,824	198,881	-	(11,798,912)	(10,754,812)
Sites and buildings	16,762,838	289,291	745	984,766	(15,488,036)	(10,066,792)
Fiscal and other fixed cost programs	437,360	-	-	-	(437,360)	(426,427)
Food service	5,318,407	1,109,413	4,703,562	-	494,568	1,118,079
Community education and services	6,391,286	2,595,850	2,452,022	-	(1,343,414)	(436,390)
Interest and fiscal charges on long-term debt	2,819,947	-	-	-	(2,819,947)	(2,951,508)
Total governmental activities	<u>\$ 132,383,801</u>	<u>\$ 6,816,593</u>	<u>\$ 45,053,587</u>	<u>\$ 984,766</u>	(79,528,855)	(99,894,996)
General revenues						
Taxes						
Property taxes, levied for general purposes					29,793,091	30,967,231
Property taxes, levied for community service					1,597,814	1,636,161
Property taxes, levied for debt service					10,399,992	11,779,084
State aid-formula grants					69,788,147	66,786,109
Miscellaneous					-	1,538,853
Gain on sale of assets					16,900	-
Investment income					2,008,343	(892,610)
Total general revenues					<u>113,604,287</u>	<u>111,814,828</u>
Change in net position					34,075,432	11,919,832
Net position - beginning					<u>(57,355,727)</u>	<u>(69,275,559)</u>
Net position - ending					<u>\$ (23,280,295)</u>	<u>\$ (57,355,727)</u>

See notes to basic financial statements.

**Independent School District No. 191**  
**Balance Sheet - Governmental Funds**  
**June 30, 2023**  
(With Summarized Financial Information as of June 30, 2022)

	General	Food Service	Community Service	Debt Service
<b>Assets</b>				
Cash and investments	\$ 48,799,417	\$ 2,508,191	\$ 5,080,294	\$ 10,153,624
Current property taxes receivable	19,633,422	-	844,788	5,151,800
Delinquent property taxes receivable	225,517	-	12,395	84,262
Accounts receivable	56,755	72,402	20,509	-
Interest receivable	192,544	-	-	-
Lease receivable	-	-	-	259,105
Due from Department of Education	9,847,937	36,882	141,522	7,928
Due from Federal Government through Department of Education	4,530,027	709,992	31,050	-
Due from other Minnesota school districts	74,176	-	18,217	-
Due from other governmental units	242,927	-	-	-
Due from other funds	529,083	-	-	-
Inventory	-	269,532	-	-
Prepaid items	603,936	-	-	-
Total assets	<u>\$ 84,735,741</u>	<u>\$ 3,596,999</u>	<u>\$ 6,148,775</u>	<u>\$ 15,656,719</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,784,932	60,805	43,164	\$ -
Salaries and benefits payable	9,951,370	290,053	267,492	-
Due to other Minnesota school districts	1,248,857	-	3,062	-
Due to other governmental units	55,308	1	136	-
Unearned revenue	306	71,648	121,419	-
Total liabilities	<u>13,040,773</u>	<u>422,507</u>	<u>435,273</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for subsequent year's expenditures	34,015,775	-	1,617,454	9,862,494
Unavailable revenue - delinquent property taxes	195,977	-	10,762	74,600
Deferred inflow of resources related to lease receivable	-	-	-	232,514
Total deferred inflows of resources	<u>34,211,752</u>	<u>-</u>	<u>1,628,216</u>	<u>10,169,608</u>
<b>Fund Balances</b>				
Nonspendable	603,936	269,532	-	-
Restricted	13,137,246	2,904,960	4,085,286	5,487,111
Committed	1,505,311	-	-	-
Assigned	-	-	-	-
Unassigned	22,236,723	-	-	-
Total fund balances	<u>37,483,216</u>	<u>3,174,492</u>	<u>4,085,286</u>	<u>5,487,111</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 84,735,741</u>	<u>\$ 3,596,999</u>	<u>\$ 6,148,775</u>	<u>\$ 15,656,719</u>

See notes to basic financial statements.

Total Governmental Funds	
2023	2022
\$ 66,541,526	\$ 56,987,241
25,630,010	21,891,763
322,174	359,284
149,666	89,915
192,544	15,696
259,105	503,819
10,034,269	10,436,748
5,271,069	6,671,407
92,393	205,378
242,927	525,277
529,083	461,554
269,532	253,940
603,936	254,436
<u>\$ 110,138,234</u>	<u>\$ 98,656,458</u>
\$ 1,888,901	\$ 3,915,535
10,508,915	10,794,576
1,251,919	1,312,268
55,445	62,901
193,373	207,613
<u>13,898,553</u>	<u>16,292,893</u>
45,495,723	37,588,243
281,339	289,531
232,514	465,027
<u>46,009,576</u>	<u>38,342,801</u>
873,468	508,376
25,614,603	21,086,812
1,505,311	1,837,017
-	1,810,980
22,236,723	18,777,579
<u>50,230,105</u>	<u>44,020,764</u>
<u>\$ 110,138,234</u>	<u>\$ 98,656,458</u>

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**Independent School District No. 191**  
**Reconciliation of the Balance Sheet of Governmental**  
**Funds to the Statement of Net Position**  
**June 30, 2023**  
**(With Summarized Financial Information as of June 30, 2022)**

	<u>2023</u>	<u>2022</u>
Total fund balances - governmental funds	\$ 50,230,105	\$ 44,020,764
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.		
Cost of capital assets	313,351,316	305,142,032
Less accumulated depreciation	(189,552,839)	(177,706,808)
Leased assets	223,184	197,466
Less accumulated amortization	(69,632)	(10,659)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bond principal payable	(106,710,000)	(113,850,000)
Unamortized bond premium and discount	(5,269,366)	(6,442,825)
Deferred charge on refunding (net)	(99,317)	(106,808)
Lease liability	(156,380)	(187,187)
Finance purchase from direct borrowing	(82,355)	(160,460)
Compensated absences payable	(776,209)	(799,326)
Total OPEB liability	(8,631,776)	(9,289,131)
Net pension liability	(95,632,596)	(52,043,161)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.		
Deferred outflows of resources related to pensions	27,986,744	30,778,839
Deferred inflows of resources related to pensions	(25,861,524)	(96,148,942)
Deferred outflows of resources related to OPEB	972,869	950,075
Deferred inflows of resources related to OPEB	(1,285,333)	(1,065,925)
Delinquent property taxes receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.	281,339	289,531
The self insured medical and dental internal service funds are used by management to charge the costs of the self-insured plans. The assets and liabilities of the internal service funds are included included in governmental activities in the Statement of Net Position and interfund activity is removed.	19,398,457	20,900,991
Governmental funds do not report a liability for accrued interest on bonds until due and payable.	<u>(1,596,982)</u>	<u>(1,824,193)</u>
Total net position - governmental activities	<u><u>\$(23,280,295)</u></u>	<u><u>\$(57,355,727)</u></u>



**Independent School District No. 191**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

	General	Food Service	Community Service	Debt Service
<b>Revenues</b>				
Local property taxes	\$ 29,798,182	\$ -	\$ 1,598,162	\$ 10,402,745
Other local and county revenues	5,679,931	97,671	3,077,009	561,232
Revenue from state sources	91,901,869	215,992	1,661,039	85,129
Revenue from federal sources	14,827,230	4,465,203	450,950	-
Sales and other conversion of assets	67,491	1,109,413	13,626	-
Total revenues	<u>142,274,703</u>	<u>5,888,279</u>	<u>6,800,786</u>	<u>11,049,106</u>
<b>Expenditures</b>				
Current				
Administration	5,291,647	-	-	-
District support services	4,591,871	-	-	-
Elementary and secondary regular instruction	56,761,715	-	-	-
Vocational education instruction	2,168,497	-	-	-
Special education instruction	26,717,926	-	-	-
Instructional support services	12,435,175	-	-	-
Pupil support services	12,688,513	-	-	-
Sites and buildings	11,735,834	-	-	-
Fiscal and other fixed cost programs	472,595	-	-	-
Food service	-	5,209,869	-	-
Community education and services	-	-	5,831,718	-
Capital outlay				
Administration	62,697	-	-	-
District support services	80	-	-	-
Elementary and secondary regular instruction	94,918	-	-	-
Vocational education instruction	30,383	-	-	-
Special education instruction	64,563	-	-	-
Instructional support services	1,478,105	-	-	-
Pupil support services	763	-	-	-
Sites and buildings	2,594,972	-	-	-
Food service	-	17,187	-	-
Community education and services	-	-	79,292	-
Debt service				
Principal	144,147	-	-	7,140,000
Interest and fiscal charges	14,221	-	-	4,213,887
Total expenditures	<u>137,348,622</u>	<u>5,227,056</u>	<u>5,911,010</u>	<u>11,353,887</u>
Excess of revenues over (under) expenditures	4,926,081	661,223	889,776	(304,781)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	1,807	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Lease proceeds	35,235	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>35,235</u>	<u>1,807</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,961,316	663,030	889,776	(304,781)
<b>Fund Balances</b>				
Beginning of year	<u>32,521,900</u>	<u>2,511,462</u>	<u>3,195,510</u>	<u>5,791,892</u>
End of year	<u>\$ 37,483,216</u>	<u>\$ 3,174,492</u>	<u>\$ 4,085,286</u>	<u>\$ 5,487,111</u>

Total Governmental Funds	
2023	2022
\$ 41,799,089	\$ 44,363,003
9,415,843	6,269,884
93,864,029	88,876,351
19,743,383	21,278,337
1,190,530	104,727
<u>166,012,874</u>	<u>160,892,302</u>
5,291,647	5,429,133
4,591,871	4,491,751
56,761,715	56,035,263
2,168,497	2,216,393
26,717,926	26,046,717
12,435,175	12,953,823
12,688,513	11,696,713
11,735,834	10,668,520
472,595	426,427
5,209,869	4,913,797
5,831,718	5,258,859
62,697	14,086
80	90,367
94,918	30,631
30,383	31,493
64,563	321,645
1,478,105	745,347
763	14,790
2,594,972	3,856,734
17,187	7,497
79,292	14,696
7,284,147	7,169,637
4,228,108	4,404,624
<u>159,840,575</u>	<u>156,838,943</u>
6,172,299	4,053,359
1,807	1,165,731
-	9,680,000
-	2,143,678
35,235	187,949
-	<u>(11,705,000)</u>
<u>37,042</u>	<u>1,472,358</u>
6,209,341	5,525,717
44,020,764	38,495,047
<u>\$ 50,230,105</u>	<u>\$ 44,020,764</u>

**Independent School District No. 191**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

	2023	2022
Net change in fund balances - total governmental funds	\$ 6,209,341	\$ 5,525,717
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Capital outlays	8,244,519	4,502,043
Loss on disposal	-	(2,217,832)
Proceeds from the disposal of capital assets	-	(1,165,731)
Depreciation expense	(11,846,031)	(9,282,139)
Amortization expense	(68,490)	(10,659)
Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	23,117	(6,926)
Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities.	7,284,147	7,169,353
Refunded bond payments on long-term debt are recognized as an other financing use in the governmental funds but have no effect on net position in the statement of activities.	-	11,705,000
Governmental funds recognize OPEB contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to OPEB on a full accrual perspective.	460,741	128,643
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	227,211	15,393
Governmental funds report the effects of bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Net premium/deferred charge on new debt issuance and related amortization	1,180,950	(705,905)
The issuance of long-term debt provides current financial resources to governmental funds and has no effect on net position. These amounts are reported in the governmental funds as a source of financing. These amounts are not shown as revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		
Bond issuance	-	(9,680,000)
Lease proceeds	(35,235)	(187,949)
The self-insured medical and dental internal service funds are used by management to charge the costs of the self insured plans. The increase in net position is reported within the governmental activities in the Statement of Activities.	(1,502,534)	(2,884,121)
Governmental funds recognize pension contributions as expenditures at the time of payment in the funds whereas the Statement of Activities factors in differences between actual and expected contributions and earnings on plan investments as well as changes in proportion.	23,905,888	8,995,472
Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.	(8,192)	19,473
Change in net position - governmental activities	<u>\$ 34,075,432</u>	<u>\$ 11,919,832</u>

**Independent School District No. 191**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Local property taxes	\$ 29,513,500	\$ 29,513,500	\$ 29,798,182	\$ 284,682
Other local and county revenues	2,993,694	3,256,726	5,679,931	2,423,205
Revenue from state sources	88,078,102	89,150,610	91,901,869	2,751,259
Revenue from federal sources	14,703,264	15,794,874	14,827,230	(967,644)
Sales and other conversion of assets	40,000	40,000	67,491	27,491
Total revenues	<u>135,328,560</u>	<u>137,755,710</u>	<u>142,274,703</u>	<u>4,518,993</u>
<b>Expenditures</b>				
Current				
Administration	5,432,854	5,608,143	5,291,647	(316,496)
District support services	5,055,978	4,967,093	4,591,871	(375,222)
Elementary and secondary regular instruction	58,408,759	56,476,642	56,761,715	285,073
Vocational education instruction	2,339,226	2,225,182	2,168,497	(56,685)
Special education instruction	26,882,126	26,875,771	26,717,926	(157,845)
Instructional support services	11,418,948	12,151,363	12,435,175	283,812
Pupil support services	11,938,782	12,275,306	12,688,513	413,207
Sites and buildings	10,239,493	11,522,518	11,735,834	213,316
Fiscal and other fixed cost programs	452,350	475,000	472,595	(2,405)
Capital outlay				
Administration	65,226	68,230	62,697	(5,533)
District support services	100,902	100,902	80	(100,822)
Elementary and secondary regular instruction	48,728	79,011	94,918	15,907
Vocational education instruction	10,500	10,500	30,383	19,883
Special education instruction	321,000	60,926	64,563	3,637
Instructional support services	2,306,036	2,306,514	1,478,105	(828,409)
Pupil support services	-	-	763	763
Sites and buildings	2,032,945	2,444,058	2,594,972	150,914
Debt service				
Principal	78,105	148,745	144,147	(4,598)
Interest and fiscal charges	7,582	7,582	14,221	6,639
Total expenditures	<u>137,139,540</u>	<u>137,803,486</u>	<u>137,348,622</u>	<u>(454,864)</u>
Excess of revenues over (under) expenditures	(1,810,980)	(47,776)	4,926,081	4,973,857
<b>Other Financing Sources</b>				
Lease proceeds	-	-	35,235	35,235
Net change in fund balance	<u>\$ (1,810,980)</u>	<u>\$ (47,776)</u>	4,961,316	<u>\$ 5,009,092</u>
<b>Fund Balance</b>				
Beginning of year			<u>32,521,900</u>	
End of year			<u>\$ 37,483,216</u>	

**Independent School District No. 191**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - Food Service Fund**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Other local and county revenues	\$ 27,250	\$ 27,250	\$ 97,671	\$ 70,421
Revenue from state sources	263,000	199,500	215,992	16,492
Revenue from federal sources	3,583,342	4,568,792	4,465,203	(103,589)
Sales and other conversion of assets	1,283,250	995,000	1,109,413	114,413
Total revenues	<u>5,156,842</u>	<u>5,790,542</u>	<u>5,888,279</u>	<u>97,737</u>
<b>Expenditures</b>				
Current				
Food service	5,090,762	5,198,849	5,209,869	11,020
Capital outlay				
Food service	100,000	100,000	17,187	(82,813)
Total expenditures	<u>5,190,762</u>	<u>5,298,849</u>	<u>5,227,056</u>	<u>(71,793)</u>
Excess of revenues over (under) expenditures	(33,920)	491,693	661,223	169,530
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital asset	8,000	2,000	1,807	(193)
Net change in fund balance	<u>\$ (25,920)</u>	<u>\$ 493,693</u>	663,030	<u>\$ 169,337</u>
<b>Fund Balance</b>				
Beginning of year			<u>2,511,462</u>	
End of year			<u>\$ 3,174,492</u>	

**Independent School District No. 191**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - Community Service Fund**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Local property taxes	\$ 1,602,379	\$ 1,602,379	\$ 1,598,162	\$ (4,217)
Other local and county revenues	2,910,000	2,889,400	3,077,009	187,609
Revenue from state sources	1,730,589	1,669,913	1,661,039	(8,874)
Revenue from federal sources	216,482	248,140	450,950	202,810
Sales and other conversion of assets	5,000	5,000	13,626	8,626
Total revenues	<u>6,464,450</u>	<u>6,414,832</u>	<u>6,800,786</u>	<u>385,954</u>
<b>Expenditures</b>				
Current				
Community education and services	5,693,190	5,916,944	5,831,718	(85,226)
Capital outlay				
Community education and services	47,500	122,191	79,292	(42,899)
Total expenditures	<u>5,740,690</u>	<u>6,039,135</u>	<u>5,911,010</u>	<u>(128,125)</u>
Net change in fund balance	<u>\$ 723,760</u>	<u>\$ 375,697</u>	889,776	<u>\$ 514,079</u>
<b>Fund Balance</b>				
Beginning of year			<u>3,195,510</u>	
End of year			<u>\$ 4,085,286</u>	

**Independent School District No. 191**  
**Statement of Net Position - Proprietary Funds**  
**As of June 30, 2023**  
**(With Summarized Financial Information as of June 30, 2022)**

	Governmental Activities - Internal Service Funds	
	2023	2022
<b>Assets</b>		
Current assets		
Cash and investments	\$ 26,912,405	\$ 28,930,326
Interest receivable	22,179	9,694
Accounts receivable	506,956	70,693
Due from other funds	313,090	314,258
Total assets	<u>27,754,630</u>	<u>29,324,971</u>
<b>Liabilities</b>		
Current liabilities		
Health and dental claims payable	\$ 2,715,336	\$ 3,348,953
Due to plan participants	4,488,934	3,546,826
Severance benefits payable	110,286	164,167
Due to other funds	842,173	775,812
Unearned revenue	71,782	69,714
Total current liabilities	<u>8,228,511</u>	<u>7,905,472</u>
Noncurrent liabilities		
Severance benefits payable	<u>127,662</u>	<u>518,508</u>
Total liabilities	<u>8,356,173</u>	<u>8,423,980</u>
<b>Net Position</b>		
Unrestricted	<u>\$ 19,398,457</u>	<u>\$ 20,900,991</u>

**Independent School District No. 191**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

	Governmental Activities - Internal Service Funds	
	2023	2022
<b>Operating Revenue</b>		
Charges for Services	\$ 22,320,153	\$ 21,953,862
Other services	638,618	611,828
Total operating revenue	<u>22,958,771</u>	<u>22,565,690</u>
<b>Operating Expenses</b>		
Health insurance claim payments	23,766,205	22,518,961
Dental insurance claim payments	845,634	835,266
Severance payments	51,009	460,363
OPEB payments	868,796	795,812
Total operating expenses	<u>25,531,644</u>	<u>24,610,402</u>
Operating income	(2,572,873)	(2,044,712)
<b>Nonoperating Income</b>		
Earnings on investments	<u>1,070,339</u>	<u>(839,409)</u>
Change in net position	(1,502,534)	(2,884,121)
<b>Net Position</b>		
Beginning of year	<u>20,900,991</u>	<u>23,785,112</u>
End of year	<u>\$ 19,398,457</u>	<u>\$ 20,900,991</u>



**Independent School District No. 191**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

	Governmental Activities - Internal Service Funds	
	2023	2022
<b>Cash Flows - Operating Activities</b>		
Receipts from interfund services provided	\$ 22,525,744	\$ 22,617,533
Payments for health and dental claims	(24,303,348)	(23,436,398)
Payments to employee OPEB	(802,435)	(894,929)
Payments for severance benefits	(495,736)	(524,933)
Net cash flows - operating activities	<u>(3,075,775)</u>	<u>(2,238,727)</u>
<b>Cash Flows - Investment Activities</b>		
Interest received	<u>1,057,854</u>	<u>(799,986)</u>
Net change in cash and cash equivalents	(2,017,921)	(3,038,713)
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>28,930,326</u>	<u>31,969,039</u>
End of year	<u>\$ 26,912,405</u>	<u>\$ 28,930,326</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>		
Operating income (loss)	\$ (2,572,873)	\$ (2,044,712)
Adjustments to reconcile operating income (loss) to net cash		
Health and dental claims payable	(633,617)	493,999
Due to plan participants	942,108	(349,346)
Severance payable	(444,727)	(291,394)
Due to other funds	66,361	(99,117)
Accounts receivable	(436,263)	(45,679)
Due from other funds	1,168	84,520
Unearned revenue	2,068	13,002
Total adjustments	<u>(502,902)</u>	<u>(194,015)</u>
Net cash flows - operating activities	<u>\$ (3,075,775)</u>	<u>\$ (2,238,727)</u>

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

The District operates under a school board form of government for the purpose of providing educational services to individuals within the District areas. The governing body consists of a seven member board elected by the voters of the District to serve four-year staggered terms.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

**A. Reporting Entity**

The basic financial statements present the District and its component units. The District includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the District are financially accountable and are included within the basic financial statements of the District because of the significance of their operational or financial relationships with the District.

The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District.

As a result of applying the component unit definition criteria above, it has been determined the District has no component units.

The student activity accounts of the District are under board control and are reported in the General Fund.

**B. Basic Financial Statement Information**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments 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 items not properly included among program revenues are reported instead as general revenues.

Depreciation and amortization expense that can be specifically identified by function is included in the direct expenses of that function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. The effect of interfund activity has been removed from these statements.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**B. Basic Financial Statement Information (Continued)**

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner.

**1. Revenue Recognition**

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to *Minnesota Statutes* and accounting principles generally accepted in the United States of America. *Minnesota Statutes* include state aid funding formulas for specific years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days.

**2. Recording of Expenditures**

Expenditures are generally recorded when a liability is incurred. The exceptions to this general rule are that interest and principal expenditures in the Debt Service Fund, compensated absences, and claims and judgments are recognized when payment is due.

The District applies restricted resources first when an expenditure is incurred for a purpose for which both restricted and unrestricted fund balances are available. Further, the District applies unrestricted funds in this order if various levels of fund balances exist: committed, assigned, and unassigned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Internal Service Funds are employee and District contributions. Operating expenses for proprietary funds include claims paid and administrative expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Description of Funds:**

**Major Funds:**

General Fund – This fund is the basic operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**C. Measurement Focus and Basis of Accounting (Continued)**

**Description of Funds: (Continued)**

Major Funds: (Continued)

Food Service Special Revenue Fund – This fund is used to account for food service revenues and expenditures.

Community Service Special Revenue Fund – This fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood, and family education, or other similar services.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, general obligation (G.O.) bond and state loan principal, interest, and related costs. The regular debt service account is used for all general obligation bonds except for refunding bond issues, for which a separate refunding bond trust account is established.

Proprietary Funds:

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

**D. Deposits and Investments**

The District's total deposits and investments are comprised of two major components, each with its own set of legal and contractual provisions as described on the following pages.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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. Investments held by investment pools are measured at amortized cost.

Cash and 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 individual funds based on the average of month-end cash and investment balances.

For the purposes of the statement of cash flows, the District considers all demand accounts and savings accounts related to the Internal Service Funds to be cash and cash equivalents. Cash and cash equivalents are included in cash and investments.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**D. Deposits and Investments (Continued)**

Cash and investments at June 30, 2023, were comprised of deposits and investments as outlined in Note 2.

*Minnesota Statutes* requires all deposits be protected by federal deposit insurance, corporate surety bonds or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

*Minnesota Statutes* authorizes the District 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, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MSDLAF and MNTrust securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the MSDLAF. Investments in the MSDLAF MAX must be deposited for a minimum of 14 calendar days 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. Seven days' notice of redemption is required for withdrawals of investments in the MNTrust Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption.

**E. Property Tax Receivable**

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represents uncollected taxes for the past six years and is deferred and included in the deferred inflows of resources section of the fund financial statements because they are not available to finance the operations of the District in the current year.

**F. Property Taxes Levied for Subsequent Year's Expenditures**

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2022, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in fiscal year 2023. The remaining portion of the levy will be recognized when measurable and available.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**G. Inventories**

Inventories of commodities donated directly by the U.S. Department of Agriculture are recorded at market value. Other inventories are stated at cost as determined on a first-in, first-out (FIFO) basis. Inventories are recorded as expenditures when consumed rather than when purchased.

**H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

**I. Property Taxes**

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Dakota and Scott Counties are the collecting agencies for the levy and remits the collections to the District three times a year. The Tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the basic financial statements.

**J. Capital Assets**

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements.

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and benefit more than one fiscal year. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at its acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized.

Capital assets are depreciated or amortized using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation and amortization purposes. Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 15 years for equipment.

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

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**K. Lease Receivable**

The District is a lessor for numerous noncancellable leases. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgments include how the District determines (1) the discount rate, (2) lease term, and (3) lease receipts.

The District determines the discount rate for leases based on the applicable State and Local Government Securities (SLGS) rate. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District, acting as lessor, leases the premises at 2140 Diffley Road, Eagan, Minnesota under a long-term, non-cancelable lease agreement. The lease expires at June 30, 2024. During the year ended June 30, 2023, the District recognized \$244,714 and \$14,834 in lease revenue and interest revenue, respectively, pursuant to the contract. Remaining amounts due in the year ending June 30, 2024, principal of \$259,105 and interest of \$4,769.

**L. Right-to-Use Lease Assets/Lease Liabilities**

The District recorded right-to-use lease assets as a result of implementing GASB Statement No. 87, Leases. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Key estimates and judgments related to leases include (1) the discount rate, (2) lease term, (3) lease payments, and (4) amortization.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District determines its estimated borrowing rate based on the applicable State and Local Government Securities rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a re-measurement of the leases and will remeasure the right-to-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**M. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. A deferred charge on refunding, deferred outflows of resources related to pensions, and deferred outflows of resources related to OPEB are reported 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. Deferred outflows of resources related to pensions and OPEB is recorded for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the Statement of Financial Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has six types of items which qualify for reporting in this category. The first item, 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. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied and is 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. Deferred inflows of resources related to pensions is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years. The fourth, 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 is recorded on the government-wide. The fifth, Deferred inflows of resources related to OPEB, is recorded for various estimate differences that will be amortized and recognized over future years. The sixth, deferred inflows of resources related to lease receivable is reported in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet.

**N. Long-Term Obligations**

In the government-wide financial statements long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expenditure/expense in the period the bond is issued.



**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**N. Long-Term Obligations (Continued)**

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

**O. Compensated Absences**

Eligible employees accrue vacation and sick leave at varying rates as specified by contract, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.

**P. Post Employment Severance Benefits**

Under the terms of collectively bargained employment contracts, certain district employee groups, including teachers, may become eligible to receive lump sum severance benefits. Eligibility is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of unused, accrued sick leave times a pay rate specified in the employee's collectively bargained contract. Severance benefits based on convertible sick leave are recorded as a liability in the Internal Service Fund as they are earned, and it becomes probable they will vest at some point in the future. In accordance with *Minnesota Statutes*, no employee can receive severance or retirement incentive benefits that exceed one year's salary.

**Q. Pensions**

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

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

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**R. Fund Equity**

In the fund financial statements, governmental funds report various levels of spending constraints.

- **Nonspendable Fund Balances** – These are amounts that cannot be spent because they are either not in spendable form as they are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- **Restricted Fund Balances** – These amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balances** – These amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the School Board and that remain binding unless removed by the School Board by subsequent formal action. The formal action to commit a fund balance must occur prior to year-end; however, the specific amounts actually committed can be determined in the subsequent year. A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change a constraint so adopted by the board.
- **Assigned Fund Balances** – These amounts are comprised of unrestricted funds constrained by the District's intent that they will be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the General Fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the District's intended use of those resources. The action to assign fund balance may be taken after the end of the year. The School board, by majority vote, may assign balances to be used for specific purposes. The board also delegated the power to assign fund balances to the Executive Director of Administrative Services.
- **Unassigned Fund Balances** – Residual amount in the General Fund not reported in any other classification, available for expenditure of any purpose. Also, negative unassigned fund balance may be reported in other governmental funds if expenditures exceeded the restricted, committed, or assigned amounts available to those purposes.
- **Minimum Fund Balance** – The District will strive to maintain a minimum unassigned General Fund balance of 8% of the General Fund expenditures.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**S. Net Position**

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

**T. Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of expenditures/expense during the reporting period. Actual results could differ from those estimates.

**U. Budgetary Information**

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board. Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

In accordance with applicable *Minnesota Statutes*, the District maintains deposits at depository banks authorized by the School Board.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

Custodial Credit Risk – Deposits: For a deposit, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy that requires the District's deposits be collateralized as required by *Minnesota Statutes* for an amount exceeding federal deposit coverage. *Minnesota Statutes* require all deposits be protected by federal depository insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

Certificates of deposit	\$ 11,813,927
Petty cash	<u>980</u>
Total deposits	<u><u>\$ 11,814,907</u></u>

**B. Investments**

As of June 30, 2023, the District had the following investments:

	Amount	Weighted Average Maturity (Years)	Credit Rating	Level
Brokered Money Market Accounts	\$ 48,929,230	N/A	N/A	N/A
Savings Deposit Accounts	15,863,311	N/A	N/A	N/A
Term Series	10,191,954	1.17	AAm	N/A
U.S. Treasury Securities	869,825	2.99	N/A	2
Municipal Bonds	3,587,377	2.58	AA - AAA	2
Negotiable Certificates of Deposit	<u>2,197,327</u>	1.59	Baa3 - Aa1	2
Total Investments	<u><u>\$ 81,639,024</u></u>			

At June 30, 2023, the District has a formal deposit and investment policy in place to address the following risks:

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* §§ 118A.04 and 118A.05 limit investments based on type. The District's investment policy limits investments to those specified in the above statutes. Investments are rated as indicated above.

**Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of an investment in a single issuer. The District's investment policy states the District will diversify its investment to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. None of the District's investments were exposed to concentration of credit risk at June 30, 2023.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Interest Rate Risk: This is the risk that market value of securities will fall due to the changes in market interest rates. The District's policy states investment maturities should be scheduled to coincide with projected District cash flow needs, taking into account large routine or scheduled expenditures, as well as anticipated receipt dates of anticipated revenues. The policy also indicates investments shall be managed to attain a market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements.

Custodial Credit Risk – Investments: This is the risk that in the event of the failure of the counterparty, the District will 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 on custodial credit risk states securities will be held in third party safekeeping by an institution designated as custodial agent. The custodial agent shall issue a safe keeping receipt to the District listing pertinent information related to the securities held.

The District has the following recurring fair value measurements as of June 30, 2023:

- \$6,654,529 of investments are valued using a quoted market price (Level 2 inputs).

**C. Deposits and Investments**

Summary of cash, deposits, and investments as of June 30, 2023:

District Governmental Funds	
Deposits (Note 2.A.)	\$ 11,814,907
Investments (Note 2.B.)	<u>81,639,024</u>
Total deposits and investments	<u><u>\$ 93,453,931</u></u>

Cash, deposits, and investments are presented in the June 30, 2023, basic financial statements as follows:

Statement of Net Position	
Cash and investments	<u><u>\$ 93,453,931</u></u>

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 3 – INTERFUND ACTIVITY**

**Due To/Due From Other Funds**

The District had the following interfund receivables, or payables for the year ended June 30, 2023, due to the interrelationship of the self-insurance funds, the OPEB Revocable Trust, and the General Fund, and the year-end timing of the related payments of premiums and reimbursements for the implicit rate subsidy.

	Due to Other Funds
	<u>Internal</u>
	Service Fund:
	OPEB
<u>Due from Other Funds</u>	<u>Revocable Trust</u>
General Fund	\$ 529,083
Internal Service Fund	
Self-Insured Dental	12,343
Self-Insured Health	<u>300,747</u>
Total	<u>\$ 842,173</u>

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 3,102,468	\$ -	\$ -	\$ 3,102,468
Other capital assets				
Buildings	270,796,575	1,574,734	-	272,371,309
Improvements other than buildings	20,128,484	642,445	-	20,770,929
Machinery and equipment	11,114,505	5,992,105	-	17,106,610
Leased equipment	197,466	35,235	9,517	223,184
Total capital assets at historical cost	302,237,030	8,244,519	9,517	310,472,032
Less accumulated depreciation for				
Buildings	156,125,605	7,595,635	-	163,721,240
Improvements other than buildings	13,894,930	804,686	-	14,699,616
Machinery and equipment	7,686,273	3,445,710	-	11,131,983
Less accumulated amortization for				
Leased equipment	10,659	68,490	9,517	69,632
Total accumulated depreciation and amortization	177,717,467	11,914,521	9,517	189,622,471
Total other capital assets, net	124,519,563	(3,670,002)	-	120,849,561
Governmental activities, capital assets, net	\$ 127,622,031	\$ (3,670,002)	\$ -	\$ 123,952,029

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

Depreciation and amortization expense of \$11,914,521 for the year ended June 30, 2023, was charged to the following governmental functions:

Administration	\$ 15,668
District support services	1,592,431
Vocational	64,394
Special education instruction	72,218
Instructional support services	4,507,940
Sites and buildings	4,651,439
Food service	7,878
Community service	<u>1,002,553</u>
Total depreciation expense	<u><u>\$ 11,914,521</u></u>

**NOTE 5 – LONG-TERM DEBT**

**A. Components of Long-Term Liabilities**

The long-term bond liabilities listed above were issued to finance acquisition and construction of capital facilities or to refinance (refund) previous bond issues. The lease liability was issued to finance instructional equipment.

	Issue Date	Interest Rates	Original Issue	Maturity Date	Principal Outstanding	Due Within One Year
Long-term liabilities						
G.O. Bonds, including refunding bonds						
2015A G.O. School Building Bonds	05/07/15	2.0 - 4.0%	\$ 64,485,000	2036	\$ 55,210,000	\$ 1,780,000
2016A G.O. Alt Fac Refunding Bonds	03/15/16	2.0 - 3.0%	36,715,000	2033	25,350,000	2,535,000
2016B G.O. OPEB Refunding Bonds	02/01/17	0.6 - 2.8%	13,990,000	2029	7,685,000	1,215,000
2020A G.O. Alt Fac Refunding Bonds	11/04/20	2.0 - 4.0%	11,485,000	2030	9,575,000	1,075,000
2021A G.O. Alt Fac Refunding Bonds	11/04/21	5.00%	9,680,000	2030	8,890,000	945,000
Plus Unamortized Premium					<u>5,269,366</u>	<u>-</u>
Total G.O. Bonds					111,979,366	7,550,000
Financed purchase from direct borrowing					82,355	82,355
Lease liability					156,380	69,041
Severance benefits					237,948	110,286
Compensated absences					<u>776,209</u>	<u>776,209</u>
Total all long-term liabilities					<u><u>\$ 113,232,258</u></u>	<u><u>\$ 8,587,891</u></u>



**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 5 – LONG-TERM DEBT (CONTINUED)**

**B. Changes in Long-Term Liabilities**

	Beginning Balance	Additions	Retirements	Ending Balance
Long-term liabilities				
G.O. bonds	\$ 113,850,000	\$ -	\$ 7,140,000	\$ 106,710,000
Bond premiums	6,422,825	-	1,173,459	5,269,366
Financed purchase from direct borrowing	160,460	-	78,105	82,355
Lease liability	187,187	35,235	66,042	156,380
Severance benefits	682,675	51,010	495,737	237,948
Compensated absences	799,326	46,172	69,289	776,209
	<u>\$ 122,102,473</u>	<u>\$ 132,417</u>	<u>\$ 9,022,632</u>	<u>\$ 113,232,258</u>
Total long-term liabilities	<u>\$ 122,102,473</u>	<u>\$ 132,417</u>	<u>\$ 9,022,632</u>	<u>\$ 113,232,258</u>

The General Fund typically liquidates the liability related to compensated absences. The Debt Service Funds typically liquidates the liability related to G.O. bonds. The General Fund typically liquidates the liability related to the lease and financed purchase from direct borrowing. Severance benefits are paid by the Severance Benefits Internal Service Fund.

**C. Minimum Debt Payments**

Minimum annual principal and interest payments required to retire bond, finance purchase, and lease liabilities:

Year Ending June 30	G.O. Bonds		
	Principal	Interest	Total
2024	\$ 7,550,000	\$ 3,802,240	\$ 11,352,240
2025	7,640,000	3,539,833	11,179,833
2026	7,935,000	3,247,945	11,182,945
2027	8,205,000	2,987,155	11,192,155
2028	8,595,000	2,687,583	11,282,583
2029-2033	41,215,000	8,662,430	49,877,430
2034-2038	25,570,000	1,745,763	27,315,763
	<u>\$ 106,710,000</u>	<u>\$ 26,672,949</u>	<u>\$ 133,382,949</u>
Total	<u>\$ 106,710,000</u>	<u>\$ 26,672,949</u>	<u>\$ 133,382,949</u>

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 5 – LONG-TERM DEBT (CONTINUED)**

**C. Minimum Debt Payments (Continued)**

Year Ending June 30	Financed Purchase		
	Principal	Interest	Total
2024	\$ 82,355	\$ 3,332	\$ 85,687
Year Ending June 30	Lease Liability		
	Principal	Interest	Total
2024	\$ 69,041	\$ 4,999	\$ 74,040
2025	66,306	2,185	68,491
2026	6,733	719	7,452
2027	7,008	444	7,452
2028	7,292	159	7,451
Total	\$ 156,380	\$ 8,506	\$ 164,886

**D. Financed Purchase from Direct Borrowing**

During the fiscal year ended June 30, 2009, the District entered into a financed purchase agreement to finance improvements to the athletic facilities at Burnsville High School. The financed purchase proceeds of \$875,000 carry an interest rate of 5.37% with a final maturity of 2024. The assets acquired through the financed purchase agreement are included in land improvements as of June 30, 2023. The financed purchase agreement will be repaid through the General Fund.

**E. Lease Liability**

The District entered into lease agreements for equipment. The lease agreements include annual principal and interest payments that are shown above. The discount rate for the lease liabilities is 4.0%.

**NOTE 6 – FUND BALANCES/NET POSITION**

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities or as required by other outside parties.

**A. Fund Equity**

Fund equity balances are classified as follows to reflect the limitations and restrictions of the respective funds.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 6 – FUND BALANCES/NET POSITION (CONTINUED)**

**A. Fund Equity (Continued)**

	General Fund	Food Service	Community Service	Debt Service	Total
Nonspendable for					
Inventory	\$ -	\$ 269,532	\$ -	\$ -	\$ 269,532
Prepaid items	603,936	-	-	-	603,936
	<u>603,936</u>	<u>269,532</u>	<u>-</u>	<u>-</u>	<u>873,468</u>
Restricted for					
Student Activities	249,669	-	-	-	249,669
Capital Projects Levy	860,910	-	-	-	860,910
Medical Assistance	1,991,314	-	-	-	1,991,314
Operating Capital	2,962,681	-	-	-	2,962,681
Area Learning Center	7,072,672	-	-	-	7,072,672
Community Education	-	-	3,289,382	-	3,289,382
Early Childhood and Family Education	-	-	304,140	-	304,140
School Readiness	-	-	459,219	-	459,219
Food Service	-	2,904,960	-	-	2,904,960
Community Service	-	-	32,545	-	32,545
Debt Service	-	-	-	5,487,111	5,487,111
	<u>13,137,246</u>	<u>2,904,960</u>	<u>4,085,286</u>	<u>5,487,111</u>	<u>25,614,603</u>
Committed for					
Program Carryover					
- Noncapital	598,387	-	-	-	598,387
Program Carryover					
- Facilities Rental	404,657	-	-	-	404,657
Pro Pay Program	502,267	-	-	-	502,267
	<u>1,505,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,505,311</u>
Unassigned for					
General purposes	22,518,232	-	-	-	22,518,232
Long-Term Facilities Maintenance	(281,509)	-	-	-	(281,509)
	<u>22,236,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,236,723</u>
Total fund balance	<u>\$ 37,483,216</u>	<u>\$ 3,174,492</u>	<u>\$ 4,085,286</u>	<u>\$ 5,487,111</u>	<u>\$ 50,230,105</u>

Nonspendable for Inventory – This balance represents the portion of fund balance that is not available as amounts have already been spent on inventory.

Nonspendable for Prepaid Items – This balance represents the portion of fund balance that is not available as the amounts have already been spent by the District on items for the next year.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 6 – FUND BALANCES/NET POSITION (CONTINUED)**

**A. Fund Equity (Continued)**

Restricted/Reserved for Student Activities – This balance represents available resources to be used for the extracurricular activity funds raised by the students.

Restricted/Reserved for Capital Projects Levy – This balance represents available resources from the capital projects levy to be used for building construction and other projects under *Minnesota Statutes* § 126C.10, subd. 14. All interest income attributable to the capital projects levy must be credited to this account.

Restricted for Medical Assistance – This balance represents available resources to be used for medical assistance expenditures (*Minnesota Statutes* § 125A.21, subd. 3).

Restricted/Reserved for Operating Capital – This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted/Reserved for Area Learning Center – This balance represents amounts restricted for students attending area learning centers. Each district that sends students to an area learning center must restrict an amount equal to the sum of 1) at least 90 and no more than 100% of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to *Minnesota Statutes* § 126C.10, subd. 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved area learning center, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center. The amount restricted may only be spent on program costs associated with the area learning center.

Restricted for Long-term Facilities Maintenance (LTFM) – This balance represents available resources to be used for LTFM projects in accordance with the 10-year plan (*Minnesota Statutes* § 123B.595, subd. 12). While the state mandates tracking this restriction regardless of whether it has a negative balance, accounting principles generally accepted in the United States of America do not permit a negative restricted presentation.

Restricted for Food Service – This balance represents the accumulation of the activity to provide the food service program.

Restricted/Reserved for Community Education – This balance represents the resources available to provide programming such as: nonvocational, recreational and leisure time activities, programs for adults with disabilities, noncredit summer programs, adult basic education programs, youth development and youth service programming, early childhood and family education, and extended day programs.

Restricted/Reserved for Early Childhood and Family Education – This balance represents the resources available to provide for services for early childhood and family education programming.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 6 – FUND BALANCES/NET POSITION (CONTINUED)**

**A. Fund Equity (Continued)**

Restricted/Reserved for School Readiness – This balance represents the resources available to provide for services for school readiness programs. Related to Finance Code 344, School Readiness *Minnesota Statutes* § 124D.16.

Restricted for Community Service – This balance represents the positive fund balance of the Community Service Fund.

Restricted for Debt Service – This balance represents the resources available for the payment of G.O. bond principal, interest, and related costs.

Committed for Program Carryover – Noncapital – Represents noncapital amounts allocated to the District's budget units which were unspent during the year.

Committed for Program Carryover – Facilities Rental – Represents facilities rental amounts allocated to the District's budget units which were unspent during the year.

Committed for Pro Pay Program – Represents amounts that are committed for professional development through the District's Q-Comp Program.

**B. Net Position**

Net Investment in Capital Assets – This amount represents the net book value of the District's capital assets less the balance of outstanding debt used to acquire them.

Restricted for Debt Service – This amount represents resources restricted for future debt service in accordance with bond covenants and other agreements.

Restricted for Other Purpose – This amount represents total positive General Fund restricted fund balances, plus the fund balances in the Community Service and Food Service Funds.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

The District participates in various pension plans. Total pension expense for the year ended June 30, 2023, was (\$16,597,708). The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the Liability related to the pensions.

**Teachers' Retirement Association**

**A. Plan Description**

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

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Teachers' Retirement Association**

**A. Plan Description (Continued)**

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 teachers employed by St. Paul Schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Defined Contribution Plan (DCR) administered by the Minnesota State.

**B. Benefits Provided**

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

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

*Tier I Benefits*

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

With these provisions:

- Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- 3% per year early retirement reduction factor for all years under normal retirement age.
- Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

*Tier II Benefits*

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

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

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

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. Contribution Rate**

Per *Minnesota Statutes*, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2021, June 30, 2022, and June 30, 2023, were:

	June 30, 2021		June 30, 2022		June 30, 2023	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
Basic	11.0%	12.13%	11.0%	12.34%	11.0%	12.55%
Coordinated	7.5%	8.13%	7.5%	8.34%	7.5%	8.55%

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**C. Contribution Rate (Continued)**

The following is a reconciliation of employer contributions in TRA's fiscal year 2022 ACFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations. Amounts are reported in thousands.

Employer contributions reported in TRA's ACFR Statement of Changes in Fiduciary Net Position	\$ 482,679
Deduct employer contributions not related to future contribution efforts	(2,178)
Deduct TRA's contributions not included in allocation	<u>(572)</u>
Total employer contributions	479,929
Total non-employer contributions	<u>35,590</u>
Total contributions reported in <i>Schedule of Employer and Non-Employer Allocations</i>	<u><u>\$ 515,519</u></u>

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



**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**D. Actuarial Assumptions**

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

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**Actuarial Information**

Valuation date	July 1, 2022
Measurement date	June 30, 2022
Experience study	June 28, 2019 (demographic and economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028.
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% after June 30, 2028.
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

**Mortality Assumptions**

Pre-retirement	RP 2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP 2015 scale.
Post-retirement	RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projections uses the MP 2015 scale.
Post-disability	RP 2014 disabled retiree mortality table, without adjustment.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**D. Actuarial Assumptions (Continued)**

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

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

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is six years. The "Difference Between Expected and Actual Experience," "Changes of Assumptions," and "Changes in Proportion" use the amortization period of six years in the schedule presented. The amortization period for "Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments" is five years as required by GASB 68.

Changes in actuarial assumptions since the 2021 valuation:

- None

**E. Discount Rate**

The discount rate used to measure the total pension liability was 7.0%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2022 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**F. Net Pension Liability**

On June 30, 2023, the District reported a liability of \$74,451,548 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. District proportionate share was 0.9309% at the end of the measurement period and 0.9312% for the beginning of the year.

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

District's proportionate share of net pension liability	\$ 74,451,548
State's proportionate share of the net pension liability associated with the District	5,527,758

For the year ended June 30, 2023, the District recognized pension expense of (\$18,833,615). Included in this amount, the District recognized \$760,084 as pension expense for the support provided by direct aid.

On June 30, 2023, 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 experience	\$ 1,158,787	\$ 692,444
Net difference between projected and actual earnings on plan investment	2,317,088	-
Changes of assumptions	11,947,779	17,692,722
Changes in proportion	655,312	6,485,595
Contributions to TRA subsequent to the measurement date	4,937,342	-
Total	<u>\$ 21,016,308</u>	<u>\$ 24,870,761</u>

The \$4,937,342 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Teachers' Retirement Association (Continued)**

**F. Net Pension Liability (Continued)**

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2024	\$ (17,412,540)
2025	729,730
2026	(955,599)
2027	8,796,245
2028	50,369
Total	<u>\$ (8,791,795)</u>

**G. Pension Liability Sensitivity**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.0%) and 1 percent higher (8.0%) than the current rate.

District proportionate share of NPL		
1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
\$ 117,510,691	\$ 74,541,548	\$ 39,320,248

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis, and Minneapolis School District.

**H. Pension Plan Fiduciary Net Position**

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

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Public Employees' Retirement Association**

**A. Plan Description**

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

**General Employees Retirement Plan**

The General Employees Retirement Plan covers certain full time and part time employees of the District. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security

**B. Benefits Provided**

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

**General Employees Plan Benefits**

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. 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.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Public Employees' Retirement Association (Continued)**

**C. Contributions**

*Minnesota Statutes* Chapter 353 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

**General Employees Fund Contributions**

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2023, were \$1,518,365. The District's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

**General Employees Fund Pension Costs**

At June 30, 2023, the District reported a liability of \$21,091,048 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 non-employer 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 \$21,091,048.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.2663% at the end of the measurement period and 0.2644% for the beginning of the period.

School's proportionate share of net pension liability	\$ 21,091,048
State of Minnesota's proportionate share of the net pension liability associated with the School	<u>618,310</u>
Total	<u><u>\$ 21,709,358</u></u>

For the year ended June 30, 2023, the District recognized pension expense of \$2,235,907 for its proportionate share of the General Employees Plan's pension expense. Included in this amount, the District recognized an additional \$92,390 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

At June 30, 2023, the District reported its proportionate share of deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 176,168	\$ 225,123
Changes in actuarial assumptions	4,740,259	91,259
Difference between projected and actual investments earnings	474,789	-
Change in proportion	60,855	674,381
Contributions paid to PERA subsequent to the measurement date	<u>1,518,365</u>	<u>-</u>
Total	<u><u>\$ 6,970,436</u></u>	<u><u>\$ 990,763</u></u>

The \$1,518,365 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2024	\$ 1,496,030
2025	1,690,596
2026	(632,685)
2027	<u>1,907,367</u>
Total	<u><u>\$ 4,461,308</u></u>

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Public Employees' Retirement Association (Continued)**

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

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

<u>Asset Class</u>	<u>Final Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	33.5 %	5.10 %
International stocks	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100.0 %	

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. 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 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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



**Independent School District No. 191**  
**Notes to Basic Financial Statements**

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

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions (Continued)**

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020, actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

**G. Discount Rates**

The discount rate used to measure the total pension liability in 2022 was 6.5%. 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 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.

**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 (5.5%)	Current Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
District's proportionate share of the PERA net pension liability	\$ 33,314,415	\$ 21,091,048	\$ 11,066,001

**I. Pension Plan Fiduciary Net Position**

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

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The District provides postemployment insurance benefits to certain eligible employees through its Other Postemployment Benefits Plan, a single-employer defined benefit plan administered by the District. All postemployment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

**B. Benefits Provided**

Employees that meet certain age and/or length of service requirements are eligible for postretirement healthcare benefits. For teachers hired before July 1, 1989, and certain other employee groups, the District is contractually required to pay health insurance premiums for the period from retirement until eligibility for Medicare. The amount to be paid is equal to the single coverage insurance premium benefit available to full-time employees in the bargaining group.

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, 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. Members**

As of July 1, 2021, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	48
Active employees	<u>1,085</u>
Total	<u><u>1,133</u></u>

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**D. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation measured as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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Key Methods and Assumptions Used in Valuation of Total OPEB Liability

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20-year municipal bond yield	3.80%, net of investment expense
Salary increases	Service graded table
Inflation	2.50%
Healthcare cost trend increases	6.25% in 2022 grading to 5.00% over 5 years and then to 4.00% over the next 48 years.
Mortality Assumption	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2021.

Changes in actuarial assumptions for the fiscal year ending June 30, 2023:

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.80%.

**E. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.80%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**F. Changes in Total OPEB Liability**

	Total OPEB Liability <u>(a)</u>
Balances at June 30, 2022	<u>\$ 9,289,131</u>
Changes for the year	
Service cost	519,720
Interest	197,882
Assumption changes	(599,145)
Benefit payments	(775,812)
Net changes	<u>(657,355)</u>
Balances at June 30, 2023	<u><u>\$ 8,631,776</u></u>

**G. OPEB Liability Sensitivity**

The following presents the District's total OPEB liability calculated using the discount rate of 3.80% as well as the liability measured using 1 percent lower and 1 percent higher than the current discount rate.

	1% Decrease in Discount Rate (2.80%)	Current Discount Rate (3.80%)	1% Increase in Discount Rate (4.80%)
Total OPEB liability (asset)	\$ 9,064,788	\$ 8,631,776	\$ 8,210,550

The following presents the total OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower and 1 percent higher than the current healthcare cost trend rates.

	1% Decrease (5.25% Decreasing to 4.00%)	Current (6.25% Decreasing to 5.00%)	1% Increase (7.25% Decreasing to 6.00%)
Total OPEB liability (asset)	\$ 7,930,787	\$ 8,631,776	\$ 9,445,293

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB**

For the year ended June 30, 2023, the District recognized OPEB expense of \$381,435. At June 30, 2023, 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
Liability gains/losses	\$ -	\$ 566,702
Changes of assumptions	130,696	718,631
Contributions made subsequent to the measurement date	<u>842,173</u>	<u>-</u>
Total	<u>\$ 972,869</u>	<u>\$ 1,285,333</u>

The \$842,173 reported as deferred outflows of resources related to OPEB resulting from District contributions made subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2024.

Other 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,	Total
2024	\$ (336,167)
2025	(336,160)
2026	(169,448)
2027	(213,007)
2028	<u>(99,855)</u>
Total	<u>\$ (1,154,637)</u>

**NOTE 9 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 9 – RISK MANAGEMENT**

**A. Dental Self-Insurance Plan**

The District established an Internal Service Fund to account for and finance its uninsured risk of loss for employee dental insurance plans. Under these plans, the Internal Service Fund provides coverage to participating employees and their dependents for various dental costs as described in the plan. There have been no significant reductions in insurance coverage from the prior year.

The District makes premium payments to the Internal Service Fund on behalf of the program participants based on provisional 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 fund's claims liability amounts for the past three years are as listed:

<u>Year</u>	<u>Beginning Balance</u>	<u>Claims Expense and Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2021	\$ 20,404	\$ 877,372	\$ 846,644	\$ 51,132
2022	51,132	835,266	834,825	51,573
2023	51,573	845,634	858,319	38,888

**B. Health Self-Insurance Plan**

The District's health benefits plan is a partially self-insured plan and maintains an Internal Service Fund to account for and finance a program for health benefits. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for health expenses. There have been no significant reductions in insurance coverage from the prior year.

Participants in the program make premium payments to the fund based on the composite insurance premium. The excess amount received above current year claims is used to establish a reserve for future claims. The District had pre-funded the self-insurance fund with an initial transfer of \$2,600,000 at June 30, 2010. At June 30, 2023, there is a reserve of \$5,436,051 resulting from fund operations.

**Independent School District No. 191**  
**Notes to Basic Financial Statements**

**NOTE 9 – RISK MANAGEMENT (CONTINUED)**

**B. Health Self-Insurance Plan (Continued)**

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

There is a possibility for loss if claims are in excess of the premiums collected up to the amounts covered by the District for single and family coverage. The District held \$11,856,989 in cash and investments at June 30, 2023, for payment of claims and carryover balances.

Changes in the fund's claims liability amounts since inception of the fund are as follows:

<u>Year</u>	<u>Beginning Balance</u>	<u>Claims Expense and Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2021	\$ 1,843,205	\$ 21,655,372	\$ 20,846,369	\$ 2,652,208
2022	2,652,208	22,518,961	22,252,227	2,918,942
2023	2,918,942	23,766,205	24,008,699	2,676,448

## **REQUIRED SUPPLEMENTARY INFORMATION**



**Independent School District No. 191**  
**Schedule of Changes in Total OPEB Liability**  
**and Related Ratios**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Total OPEB Liability			
Service cost	\$ 588,543	\$ 606,199	\$ 588,655
Interest	334,217	338,690	338,166
Differences between expected and actual experience	-	-	(848,509)
Changes of assumptions	-	-	(151,810)
Changes in plans	-	-	711,831
Benefit payments	(901,552)	(714,584)	(1,174,779)
Other changes	-	-	-
Net change in total OPEB liability	<u>21,208</u>	<u>230,305</u>	<u>(536,446)</u>
Beginning of year	<u>9,688,366</u>	<u>9,709,574</u>	<u>9,939,879</u>
End of year	<u><u>\$ 9,709,574</u></u>	<u><u>\$ 9,939,879</u></u>	<u><u>\$ 9,403,433</u></u>
 Covered-employee payroll	 \$ 73,187,817	 \$ 75,383,452	 \$ 71,912,868
Total OPEB liability as a percentage of covered-employee payroll	13.27%	13.19%	13.08%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
\$ 669,075	\$ 639,535	\$ 519,720
300,786	243,940	197,882
-	(425,805)	-
261,394	(253,114)	(599,145)
70,000	-	-
(745,184)	(874,929)	(775,812)
-	-	-
<u>556,071</u>	<u>(670,373)</u>	<u>(657,355)</u>
<u>9,403,433</u>	<u>9,959,504</u>	<u>9,289,131</u>
<u>\$ 9,959,504</u>	<u>\$ 9,289,131</u>	<u>\$ 8,631,776</u>
\$ 74,070,254	\$ 70,214,895	\$ 72,321,342
13.45%	13.23%	11.94%

**Independent School District No. 191**  
**Schedule of District's and Non-Employer Proportionate Share**  
**(if Applicable) of Net Pension Liability**  
**General Employees Retirement Fund**  
**Last Ten Years**

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and 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 (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.3144%	\$ 14,768,937	\$ -	\$ 14,768,937	\$ 16,502,952	89.5%	78.7%
2015	0.3049%	15,801,500	-	15,801,500	17,625,160	89.7%	78.2%
2016	0.2932%	23,806,386	310,890	24,117,276	18,288,267	131.9%	68.9%
2017	0.3073%	19,617,829	246,666	19,864,495	9,584,547	207.3%	75.9%
2018	0.3028%	16,798,103	550,951	17,349,054	20,481,240	84.7%	79.5%
2019	0.2911%	16,094,267	500,224	16,594,491	20,176,920	82.2%	80.2%
2020	0.2833%	16,985,130	523,696	17,508,826	20,203,947	86.7%	79.1%
2021	0.2644%	11,291,065	344,172	11,635,237	19,104,933	60.9%	87.0%
2022	0.2663%	21,091,048	618,310	21,709,358	19,947,693	108.8%	76.7%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Schedule of District's and Non-Employer Proportionate Share**  
**(if Applicable) of Net Pension Liability**  
**TRA Retirement Fund**  
**Last Ten Years**

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and 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 (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	1.1800%	\$ 54,373,550	\$ 3,825,072	\$ 58,198,622	\$ 30,951,565	175.7%	81.5%
2015	1.1189%	69,215,031	8,489,588	77,704,619	56,788,600	121.9%	76.8%
2016	1.0785%	257,247,983	25,822,002	283,069,985	56,085,280	458.7%	44.9%
2017	1.0605%	211,695,037	20,463,614	232,158,651	36,546,720	579.2%	51.6%
2018	1.0441%	65,576,988	6,161,373	71,738,361	57,861,520	113.3%	78.1%
2019	1.0754%	68,546,222	6,066,291	74,612,513	60,324,630	113.6%	78.2%
2020	1.0079%	74,465,003	6,240,583	80,705,586	58,151,692	128.1%	75.5%
2021	0.9312%	40,752,096	3,436,859	44,188,955	56,610,246	72.0%	86.6%
2022	0.9309%	74,541,548	5,527,758	80,069,306	57,540,036	129.5%	76.2%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Independent School District No. 191  
Schedule of District Contributions  
General Employees Retirement Fund  
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,196,464	\$ 1,196,464	\$ -	\$ 16,502,952	7.25%
2015	1,321,887	1,321,887	-	17,625,160	7.50%
2016	1,371,620	1,371,620	-	18,288,267	7.50%
2017	1,491,993	1,491,993	-	19,893,240	7.50%
2018	1,536,093	1,536,093	-	20,481,240	7.50%
2019	1,513,269	1,513,269	-	20,176,920	7.50%
2020	1,515,296	1,515,296	-	20,203,947	7.50%
2021	1,432,870	1,432,870	-	19,104,933	7.50%
2022	1,496,077	1,496,077	-	19,947,693	7.50%
2023	1,518,365	1,518,365	-	20,244,867	7.50%

**Schedule of District Contributions  
TRA Retirement Fund  
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 3,770,439	\$ 3,770,439	\$ -	\$ 53,863,414	7.00%
2015	4,259,145	4,259,145	-	56,788,600	7.50%
2016	4,206,396	4,206,396	-	56,085,280	7.50%
2017	4,295,983	4,295,983	-	57,279,773	7.50%
2018	4,339,614	4,339,614	-	57,861,520	7.50%
2019	4,651,029	4,651,029	-	60,324,630	7.71%
2020	4,605,614	4,605,614	-	58,151,692	7.92%
2021	4,602,413	4,602,413	-	56,610,246	8.13%
2022	4,798,839	4,798,839	-	57,540,036	8.34%
2023	4,937,342	4,937,342	-	57,746,690	8.55%

**Independent School District No. 191**  
**Notes to the Required Supplementary Information**

**TRA Retirement Fund**

**2022 Changes**

Changes in Actuarial Assumptions

- None

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.5% to 7.0%.

**2020 Changes**

Changes in Actuarial Assumptions

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

**2019 Changes**

Changes in Actuarial Assumptions

- None

**2018 Changes**

Changes in Actuarial Assumptions

- The discount rate was increased to 7.5% from 5.12%.
- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% 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 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019, and ending July 1, 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 0.0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

**Independent School District No. 191**  
**Notes to the Required Supplementary Information**

**TRA Retirement Fund (Continued)**

**2017 Changes**

Changes in Actuarial Assumptions

- The discount rate was increased to 5.12% from 4.66%.
- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

**2016 Changes**

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

**2015 Changes**

Changes of Benefit Terms

- The DTRFA was merged into TRA on June 30, 2015.

**Independent School District No. 191**  
**Notes to the Required Supplementary Information**

**TRA Retirement Fund (Continued)**

**2015 Changes (Continued)**

Changes in Actuarial Assumption

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%.

**Independent School District No. 191**  
**Notes to the Required Supplementary Information**

**General Employees Fund**

**2022 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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



**Independent School District No. 191**  
**Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

**2018 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

**Independent School District No. 191**  
**Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2016 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**Independent School District No. 191**  
**Notes to the Required Supplementary Information**

**Post-Employment Health Care Plan**

**2023 Changes**

Changes in Actuarial Assumptions

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.80%.

**2022 Changes**

Changes in Actuarial Assumptions

- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.40% to 2.10%.
- The healthcare trend rates, mortality tables, and salary increase rates for non-teachers, termination rates, and percentage of future retirees not eligible for subsidy who are assumed to continue on the District's medical plan post-employment were updated.

**2021 Changes**

Changes in Actuarial Assumptions

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

**2020 Changes**

Changes in Actuarial Assumptions

- The discount rate was changed from 3.40% to 3.10%.
- The health care trend rates, mortality tables, and salary increase rates were updated.

**2019 Changes**

Changes in Actuarial Assumptions

- None noted.

## **SUPPLEMENTARY INFORMATION**

**Independent School District No. 191**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

	2023		2022	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>Revenues</b>				
Local property taxes	\$ 29,513,500	\$ 29,798,182	\$ 284,682	\$ 30,955,773
Other local and county revenues	3,256,726	5,679,931	2,423,205	3,025,801
Revenue from state sources	89,150,610	91,901,869	2,751,259	87,017,209
Revenue from federal sources	15,794,874	14,827,230	(967,644)	14,965,232
Sales and other conversion of assets	40,000	67,491	27,491	56,632
Total revenues	<u>137,755,710</u>	<u>142,274,703</u>	<u>4,518,993</u>	<u>136,020,647</u>
<b>Expenditures</b>				
<b>Current</b>				
Administration				
Salaries	3,825,570	3,721,482	(104,088)	3,756,271
Employee benefits	1,416,695	1,324,101	(92,594)	1,382,197
Purchased services	189,346	76,042	(113,304)	109,436
Supplies and materials	109,362	107,885	(1,477)	119,774
Other expenditures	67,170	62,137	(5,033)	61,455
Total administration	<u>5,608,143</u>	<u>5,291,647</u>	<u>(316,496)</u>	<u>5,429,133</u>
District support services				
Salaries	2,045,257	1,964,104	(81,153)	2,051,684
Employee benefits	1,609,945	1,558,252	(51,693)	1,554,975
Purchased services	811,547	643,031	(168,516)	643,399
Supplies and materials	465,518	394,666	(70,852)	205,321
Other expenditures	34,826	31,818	(3,008)	36,372
Total District support services	<u>4,967,093</u>	<u>4,591,871</u>	<u>(375,222)</u>	<u>4,491,751</u>
Elementary and secondary regular instruction				
Salaries	35,364,307	35,939,690	575,383	35,811,566
Employee benefits	15,413,181	15,110,890	(302,291)	14,742,066
Purchased services	3,997,927	3,509,166	(488,761)	3,185,996
Supplies and materials	1,382,337	1,949,428	567,091	2,005,710
Other expenditures	318,890	252,541	(66,349)	289,925
Total elementary and secondary regular instruction	<u>56,476,642</u>	<u>56,761,715</u>	<u>285,073</u>	<u>56,035,263</u>
Vocational education instruction				
Salaries	1,348,521	1,374,829	26,308	1,423,344
Employee benefits	649,832	599,775	(50,057)	594,090
Purchased services	100,501	69,463	(31,038)	91,514
Supplies and materials	119,275	115,418	(3,857)	99,655
Other expenditures	7,053	9,012	1,959	7,790
Total vocational education instruction	<u>2,225,182</u>	<u>2,168,497</u>	<u>(56,685)</u>	<u>2,216,393</u>
Special education instruction				
Salaries	16,971,453	16,648,179	(323,274)	16,400,544
Employee benefits	7,642,700	7,280,362	(362,338)	7,226,727
Purchased services	1,810,160	2,428,946	618,786	2,018,544
Supplies and materials	282,850	205,609	(77,241)	256,585
Other expenditures	168,608	154,830	(13,778)	144,317
Total special education instruction	<u>26,875,771</u>	<u>26,717,926</u>	<u>(157,845)</u>	<u>26,046,717</u>

**Independent School District No. 191**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

		2023		2022
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>Expenditures (Continued)</b>				
Current (Continued)				
Instructional support services				
Salaries	\$ 8,512,002	\$ 8,453,781	\$ (58,221)	\$ 8,197,181
Employee benefits	2,573,253	2,383,927	(189,326)	2,235,149
Purchased services	432,146	222,668	(209,478)	141,993
Supplies and materials	562,358	1,298,894	736,536	2,302,816
Other expenditures	71,604	75,905	4,301	76,684
Total instructional support services	<u>12,151,363</u>	<u>12,435,175</u>	<u>283,812</u>	<u>12,953,823</u>
Pupil support services				
Salaries	1,602,267	1,712,379	110,112	1,812,793
Employee benefits	691,141	737,904	46,763	739,460
Purchased services	9,394,076	9,807,562	413,486	8,889,981
Supplies and materials	534,857	387,241	(147,616)	212,091
Other expenditures	52,965	43,427	(9,538)	42,388
Total pupil support services	<u>12,275,306</u>	<u>12,688,513</u>	<u>413,207</u>	<u>11,696,713</u>
Sites and buildings				
Salaries	4,183,010	3,924,717	(258,293)	3,800,908
Employee benefits	1,691,067	1,666,792	(24,275)	1,568,439
Purchased services	4,827,420	5,285,230	457,810	4,141,263
Supplies and materials	761,160	811,240	50,080	929,279
Other expenditures	59,861	47,855	(12,006)	19,101
Total sites and buildings	<u>11,522,518</u>	<u>11,735,834</u>	<u>213,316</u>	<u>10,458,990</u>
Fiscal and other fixed cost programs				
Purchased services	<u>475,000</u>	<u>472,595</u>	<u>(2,405)</u>	<u>426,427</u>
Capital outlay				
Administration	68,230	62,697	(5,533)	14,086
District support services	100,902	80	(100,822)	90,367
Elementary and secondary regular instruction	79,011	94,918	15,907	30,631
Vocational education instruction	10,500	30,383	19,883	31,493
Special education instruction	60,926	64,563	3,637	321,645
Instructional support services	2,306,514	1,478,105	(828,409)	745,347
Pupil support services	-	763	763	14,790
Sites and buildings	<u>2,444,058</u>	<u>2,594,972</u>	<u>150,914</u>	<u>2,408,131</u>
Total capital outlay	<u>5,070,141</u>	<u>4,326,481</u>	<u>(743,660)</u>	<u>3,656,490</u>

**Independent School District No. 191**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

		2023		2022
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>Expenditures (Continued)</b>				
Debt service				
Principal	\$ 148,745	\$ 144,147	\$ (4,598)	\$ 84,637
Interest and fiscal charges	7,582	14,221	6,639	12,239
Total debt service	<u>156,327</u>	<u>158,368</u>	<u>2,041</u>	<u>96,876</u>
 Total expenditures	 <u>137,803,486</u>	 <u>137,348,622</u>	 <u>(454,864)</u>	 <u>133,508,576</u>
 Excess of revenues over (under) expenditures	 (47,776)	 4,926,081	 4,973,857	 2,512,071
<b>Other Financing Sources</b>				
Proceeds from sale of capital assets	-	-	-	300,000
Lease proceeds	-	35,235	35,235	187,949
Total other financing sources	<u>-</u>	<u>35,235</u>	<u>35,235</u>	<u>487,949</u>
 Net change in fund balance	 <u>\$ (47,776)</u>	 4,961,316	 <u>\$ 5,009,092</u>	 3,000,020
<b>Fund Balance</b>				
Beginning of year		<u>32,521,900</u>		<u>29,521,880</u>
End of year		<u>\$ 37,483,216</u>		<u>\$ 32,521,900</u>

**Independent School District No. 191**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Food Service Fund**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

	2023		2022	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>Revenues</b>				
Other local and county revenues	\$ 27,250	\$ 97,671	\$ 70,421	\$ 34,972
Revenue from state sources	199,500	215,992	16,492	168,745
Revenue from federal sources	4,568,792	4,465,203	(103,589)	6,053,199
Sales and other conversion of assets	995,000	1,109,413	114,413	47,740
Total revenues	<u>5,790,542</u>	<u>5,888,279</u>	<u>97,737</u>	<u>6,304,656</u>
<b>Expenditures</b>				
Current				
Food service				
Salaries	2,080,846	2,046,067	(34,779)	1,994,326
Employee benefits	582,293	588,358	6,065	566,599
Purchased services	137,314	141,333	4,019	95,112
Supplies and materials	2,390,896	2,426,294	35,398	2,250,328
Other expenditures	7,500	7,817	317	7,432
Capital outlay				
Food service	<u>100,000</u>	<u>17,187</u>	<u>(82,813)</u>	<u>7,497</u>
Total expenditures	<u>5,298,849</u>	<u>5,227,056</u>	<u>(71,793)</u>	<u>4,921,294</u>
Excess of revenues over (under) expenditures	491,693	661,223	169,530	1,383,362
<b>Other Financing Sources</b>				
Proceeds from sale of capital assets	<u>2,000</u>	<u>1,807</u>	<u>(193)</u>	<u>8,975</u>
Net change in fund balance	<u>\$ 493,693</u>	<u>663,030</u>	<u>\$ 169,337</u>	<u>1,392,337</u>
<b>Fund Balance</b>				
Beginning of year		<u>2,511,462</u>		<u>1,119,125</u>
End of year		<u>\$ 3,174,492</u>		<u>\$ 2,511,462</u>



**Independent School District No. 191**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - Community Service Fund**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

		2023		2022
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>Revenues</b>				
Local property taxes	\$ 1,602,379	\$ 1,598,162	\$ (4,217)	\$ 1,635,122
Other local and county revenues	2,889,400	3,077,009	187,609	2,968,199
Revenue from state sources	1,669,913	1,661,039	(8,874)	1,532,851
Revenue from federal sources	248,140	450,950	202,810	259,906
Sales and other conversion of assets	5,000	13,626	8,626	355
Total revenues	<u>6,414,832</u>	<u>6,800,786</u>	<u>385,954</u>	<u>6,396,433</u>
<b>Expenditures</b>				
Current				
Community education and services				
Salaries	3,693,564	3,540,309	(153,255)	3,321,122
Employee benefits	1,193,200	1,137,009	(56,191)	1,089,103
Purchased services	676,149	673,036	(3,113)	509,555
Supplies and materials	316,848	460,277	143,429	312,618
Other expenditures	37,183	21,087	(16,096)	26,461
Capital outlay				
Community education and services	<u>122,191</u>	<u>79,292</u>	<u>(42,899)</u>	<u>14,696</u>
Total expenditures	<u>6,039,135</u>	<u>5,911,010</u>	<u>(128,125)</u>	<u>5,273,555</u>
Net change in fund balance	<u>\$ 375,697</u>	<u>889,776</u>	<u>\$ 514,079</u>	<u>1,122,878</u>
<b>Fund Balance</b>				
Beginning of year		<u>3,195,510</u>		<u>2,072,632</u>
End of year		<u>\$ 4,085,286</u>		<u>\$ 3,195,510</u>

**Independent School District No. 191**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - Debt Service Fund**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

	2023		2022	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>Revenues</b>				
Local property taxes	\$ 10,429,564	\$ 10,402,745	\$ (26,819)	\$ 11,772,108
Other local and county revenues	271,155	561,232	290,077	240,474
Revenue from state sources	79,281	85,129	5,848	157,546
Total revenues	<u>10,780,000</u>	<u>11,049,106</u>	<u>269,106</u>	<u>12,170,128</u>
<b>Expenditures</b>				
Debt service				
Principal	7,140,000	7,140,000	-	7,085,000
Interest and fiscal charges	4,220,000	4,213,887	(6,113)	4,392,385
Total expenditures	<u>11,360,000</u>	<u>11,353,887</u>	<u>(6,113)</u>	<u>11,477,385</u>
Excess of revenues over (under) expenditures	<u>\$ (580,000)</u>	<u>(304,781)</u>	<u>\$ 275,219</u>	<u>692,743</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	-	-	856,756
Bond issuance	-	-	-	9,680,000
Bond premium	-	-	-	2,143,678
Payment to refunded bond escrow agent	-	-	-	(11,705,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>975,434</u>
Net change in fund balance	<u>\$ (580,000)</u>	<u>(304,781)</u>	<u>\$ 275,219</u>	<u>1,668,177</u>
<b>Fund Balance</b>				
Beginning of year		<u>5,791,892</u>		<u>4,123,715</u>
End of year		<u>\$ 5,487,111</u>		<u>\$ 5,791,892</u>

**Independent School District No. 191**  
**Combining Statement of**  
**Net Position - Internal Service Funds**  
**June 30, 2023**  
**(With Summarized Financial Information as of June 30, 2022)**

	Self-Insured Dental	Self-Insured Health	Severance Benefits	OPEB Revocable Trust
<b>Assets</b>				
Current assets				
Cash and investments	\$ 560,951	\$ 11,856,989	\$ 3,009,763	\$ 11,484,702
Interest receivable	-	-	-	22,179
Accounts receivable	-	506,956	-	-
Due from other funds	12,343	300,747	-	-
Total assets	<u>573,294</u>	<u>12,664,692</u>	<u>3,009,763</u>	<u>11,506,881</u>
<b>Liabilities</b>				
Current liabilities				
Health and dental claims payable	38,888	2,676,448	-	-
Due to plan participants	-	4,488,934	-	-
Severance benefits payable	-	-	110,286	-
Due to other funds	-	-	-	842,173
Unearned revenue	8,523	63,259	-	-
Total current liabilities	<u>47,411</u>	<u>7,228,641</u>	<u>110,286</u>	<u>842,173</u>
Noncurrent liabilities				
Severance benefits payable	-	-	127,662	-
Total liabilities	<u>47,411</u>	<u>7,228,641</u>	<u>237,948</u>	<u>842,173</u>
<b>Net Position</b>				
Unrestricted	<u>\$ 525,883</u>	<u>\$ 5,436,051</u>	<u>\$ 2,771,815</u>	<u>\$ 10,664,708</u>

Totals	
2023	2022
\$ 26,912,405	\$ 28,930,326
22,179	9,694
506,956	70,693
313,090	314,258
<u>27,754,630</u>	<u>29,324,971</u>
2,715,336	3,348,953
4,488,934	3,546,826
110,286	164,167
842,173	775,812
71,782	69,714
<u>8,228,511</u>	<u>7,905,472</u>
127,662	518,508
<u>8,356,173</u>	<u>8,423,980</u>
<u>\$ 19,398,457</u>	<u>\$ 20,900,991</u>

**Independent School District No. 191**  
**Combining Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Internal Service Funds**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

	Self-Insured Dental	Self-Insured Health	Severance Benefits	OPEB Revocable Trust
<b>Operating Revenues</b>				
Charges for services	\$ 820,785	\$ 21,054,641	\$ 444,727	\$ -
Other services	35,261	603,357	-	-
Total operating revenues	<u>856,046</u>	<u>21,657,998</u>	<u>444,727</u>	<u>-</u>
<b>Operating Expenses</b>				
Health insurance claim payments	-	23,766,205	-	-
Dental insurance claim payments	845,634	-	-	-
Severance payments	-	-	51,009	-
OPEB payments	-	-	-	868,796
Total operating expenses	<u>845,634</u>	<u>23,766,205</u>	<u>51,009</u>	<u>868,796</u>
Operating income	10,412	(2,108,207)	393,718	(868,796)
<b>Nonoperating Income</b>				
Earnings on investments	<u>18,274</u>	<u>193,798</u>	<u>99,484</u>	<u>758,783</u>
Change in net position	28,686	(1,914,409)	493,202	(110,013)
<b>Net Position</b>				
Beginning of year	<u>497,197</u>	<u>7,350,460</u>	<u>2,278,613</u>	<u>10,774,721</u>
End of year	<u>\$ 525,883</u>	<u>\$ 5,436,051</u>	<u>\$ 2,771,815</u>	<u>\$ 10,664,708</u>

Totals	
2023	2022
\$ 22,320,153	\$ 21,953,862
638,618	611,828
<u>22,958,771</u>	<u>22,565,690</u>
23,766,205	22,518,961
845,634	835,266
51,009	460,363
868,796	795,812
<u>25,531,644</u>	<u>24,610,402</u>
(2,572,873)	(2,044,712)
<u>1,070,339</u>	<u>(839,409)</u>
(1,502,534)	(2,884,121)
<u>20,900,991</u>	<u>23,785,112</u>
<u>\$ 19,398,457</u>	<u>\$ 20,900,991</u>

**Independent School District No. 191**  
**Combining Statement of Cash Flows -**  
**Internal Service Funds**  
**Year Ended June 30, 2023**  
**(With Summarized Financial Information for Year Ended June 30, 2022)**

	Self-Insured Dental	Self-Insured Health	Severance Benefits	OPEB Revocable Trust
<b>Cash Flows - Operating Activities</b>				
Receipts from interfund services provided	\$ 847,930	\$ 21,233,087	\$ 444,727	\$ -
Payments for health and dental claims	(858,319)	(23,066,591)	(378,438)	-
Payments to employee OPEB	-	-	-	(802,435)
Payments for severance benefits	-	-	(495,736)	-
Net cash flows - operating activities	(10,389)	(1,833,504)	(429,447)	(802,435)
<b>Cash Flows - Investment Activities</b>				
Interest received	18,274	193,798	99,484	746,298
Net change in cash and cash equivalents	7,885	(1,639,706)	(329,963)	(56,137)
<b>Cash and Cash Equivalents</b>				
Beginning of year	553,066	13,496,695	3,339,726	11,540,839
End of year	<u>\$ 560,951</u>	<u>\$ 11,856,989</u>	<u>\$ 3,009,763</u>	<u>\$ 11,484,702</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>				
Operating income (loss)	\$ 10,412	\$ (2,108,207)	\$ 393,718	\$ (868,796)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Health and dental claims payable	(12,685)	(242,494)	(378,438)	-
Due to plan participants	-	942,108	-	-
Severance payable	-	-	(444,727)	-
Due to other funds	-	-	-	66,361
Accounts receivable	460	(436,723)	-	-
Due from other funds	(6,468)	7,636	-	-
Unearned revenue	(2,108)	4,176	-	-
Net adjustments	(20,801)	274,703	(823,165)	66,361
Net cash flows - operating activities	<u>\$ (10,389)</u>	<u>\$ (1,833,504)</u>	<u>\$ (429,447)</u>	<u>\$ (802,435)</u>

Totals	
2023	2022
\$ 22,525,744	\$ 22,617,533
(24,303,348)	(23,436,398)
(802,435)	(894,929)
(495,736)	(524,933)
(3,075,775)	(2,238,727)
1,057,854	(799,986)
(2,017,921)	(3,038,713)
28,930,326	31,969,039
<u>\$ 26,912,405</u>	<u>\$ 28,930,326</u>

\$ (2,572,873)    \$ (2,044,712)

(633,617)	493,999
942,108	(349,346)
(444,727)	(291,394)
66,361	(99,117)
(436,263)	(45,679)
1,168	84,520
2,068	13,002
(502,902)	(194,015)
<u>\$ (3,075,775)</u>	<u>\$ (2,238,727)</u>



**Independent School District No. 191**  
**Uniform Financial Accounting and Reporting Standards**  
**Compliance Table**  
**Year Ended June 30, 2023**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION FUND</b>			
Total revenue	\$ 142,274,703	\$ 142,274,703	\$ -	Total revenue	\$ -	\$ -	\$ -
Total expenditures	137,348,622	137,348,623	(1)	Total expenditures	-	-	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable fund balance	603,936	603,936	-	460 Nonspendable fund balance	-	-	-
<i>Restricted/reserved:</i>				<i>Restricted/reserved:</i>			
401 Student Activities	249,669	249,669	-	407 Capital Projects Levy	-	-	-
402 Scholarships	-	-	-	413 Building Projects Funded by COP	-	-	-
403 Staff Development	-	-	-	467 Long-term Facilities Maintenance	-	-	-
407 Capital Projects Levy	860,910	860,910	-	<i>Restricted:</i>			
408 Cooperative Programs	-	-	-	464 Restricted fund balance	-	-	-
409 Alternative Facility Program	-	-	-	<i>Unassigned:</i>			
414 Operating Debt	-	-	-	463 Unassigned fund balance	-	-	-
416 Levy Reduction	-	-	-				
417 Taconite Building Maintenance	-	-	-	<b>07 DEBT SERVICE FUND</b>			
424 Operating Capital	2,962,681	2,962,681	-	Total revenue	\$ 9,724,881	\$ 9,724,881	\$ -
426 \$25 Taconite	-	-	-	Total expenditures	9,946,029	9,946,029	-
427 Disabled Accessibility	-	-	-	<i>Nonspendable:</i>			
428 Learning and Development	-	-	-	460 Nonspendable fund balance	-	-	-
434 Area Learning Center	7,072,672	7,072,672	-	<i>Restricted/reserved:</i>			
435 Contracted Alternative Programs	-	-	-	425 Bond refundings	-	-	-
436 State Approved Alternative Program	-	-	-	433 Maximum effort loan aid	-	-	-
438 Gifted and Talented	-	-	-	451 QZAB payments	-	-	-
440 Teacher Development and Evaluation	-	-	-	467 LTfM	-	-	-
441 Basic Skills Programs	-	-	-	<i>Restricted:</i>			
445 Career Technical Programs	-	-	-	464 Restricted fund balance	5,165,070	5,165,070	-
448 Achievement of Integration Revenue	-	-	-	<i>Unassigned:</i>			
449 Safe School Crime	-	-	-	463 Unassigned fund balance	-	-	-
451 QZAB payments	-	-	-				
452 OPEB Liabilities not Held in Trust	-	-	-	<b>08 TRUST FUND</b>			
453 Unfunded Severance and Retirement Levy	-	-	-	Total revenue	\$ -	\$ -	\$ -
459 Basic Skills Extended Time	-	-	-	Total expenditures	-	-	-
467 Long-term Facilities Maintenance	(281,509)	(281,509)	-	<i>Unassigned:</i>			
<i>Restricted:</i>				401 Student Activities	-	-	-
472 Medical Assistance	1,991,314	1,991,314	-	402 Scholarships	-	-	-
464 Restricted fund balance	-	-	-	422 Net position	-	-	-
475 Title VII - Impact Aid	-	-	-				
476 Payments in Lieu of Taxes	-	-	-	<b>18 CUSTODIAL FUND</b>			
<i>Committed:</i>				Total revenue	\$ -	\$ -	\$ -
461 Committed for separation	1,505,311	1,505,311	-	Total expenditures	-	-	-
418 Committed for separation	-	-	-	<i>Restricted/Reserved</i>			
<i>Assigned:</i>				401 Student Activities	-	-	-
462 Assigned fund balance	-	-	-	402 Scholarships	-	-	-
<i>Unassigned:</i>				448 Achievement and Integration	-	-	-
422 Unassigned fund balance	22,518,232	22,518,230	2	464 Restricted	-	-	-
<b>02 FOOD SERVICES FUND</b>				<b>20 INTERNAL SERVICE FUND</b>			
Total revenue	\$ 5,888,279	\$ 5,888,278	\$ 1	Total revenue	\$ 23,270,327	\$ 23,270,326	\$ 1
Total expenditures	5,227,056	5,227,052	4	Total expenditures	24,662,848	24,662,845	3
<i>Nonspendable:</i>				<i>Unassigned:</i>			
460 Nonspendable fund balance	269,532	269,531	1	422 Net position	8,733,749	8,733,749	-
<i>Restricted/reserved:</i>							
452 OPEB Liabilities not Held in Trust	-	-	-	<b>25 OPEB REVOCABLE TRUST</b>			
<i>Restricted:</i>				Total revenue	\$ 758,783	\$ 758,783	\$ -
464 Restricted fund balance	2,904,960	2,904,962	(2)	Total expenditures	868,796	868,796	-
<i>Unassigned:</i>				<i>Unassigned:</i>			
463 Unassigned fund balance	-	-	-	422 Net position	10,664,708	10,664,708	-
<b>04 COMMUNITY SERVICE FUND</b>				<b>45 OPEB IRREVOCABLE TRUST</b>			
Total revenue	\$ 6,800,786	\$ 6,800,783	\$ 3	Total revenue	\$ -	\$ -	\$ -
Total expenditures	5,911,010	5,911,008	2	Total expenditures	-	-	-
<i>Nonspendable:</i>				<i>Unassigned:</i>			
460 Nonspendable fund balance	-	-	-	422 Net position	-	-	-
<i>Restricted/reserved:</i>							
426 \$25 Taconite	-	-	-	<b>47 OPEB DEBT SERVICE</b>			
431 Community Education	3,289,382	3,289,382	-	Total revenue	\$ 1,324,225	\$ 1,324,225	\$ -
432 ECFE	304,140	304,140	-	Total expenditures	1,407,858	1,407,858	-
444 School Readiness	459,219	459,219	-	<i>Nonspendable:</i>			
447 Adult Basic Education	-	-	-	460 Nonspendable fund balance	-	-	-
452 OPEB Liabilities not Held in Trust	-	-	-	<i>Restricted:</i>			
<i>Restricted:</i>				425 Bond refundings	-	-	-
464 Restricted fund balance	32,545	32,545	-	464 Restricted fund balance	322,041	322,041	-
<i>Unassigned:</i>				<i>Unassigned:</i>			
463 Unassigned fund balance	-	-	-	463 Unassigned fund balance	-	-	-

## **STATISTICAL SECTION**

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**Independent School District No. 191  
Statistical Section (Unaudited)**

This part of the Independent School District No. 191's annual comprehensive financial report presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	108
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	116
<b>Debt Capacity</b> 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.	124
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	130
<b>Operating Information</b> 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.	133

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

**Independent School District No. 191**  
**Net Position By Component**  
**Last Ten Years**  
**(Accrual Basis of Accounting)**  
**(unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 30,452,283	\$ 27,062,458	\$ 22,196,478	\$ 17,935,621
Restricted	5,749,042	7,527,306	6,488,027	6,015,244
Unrestricted	<u>21,984,806</u>	<u>(58,671,372)</u>	<u>(51,635,923)</u>	<u>(82,095,271)</u>
Total governmental activities net assets	<u>\$ 58,186,131</u>	<u>\$ (24,081,608)</u>	<u>\$ (22,951,418)</u>	<u>\$ (58,144,406)</u>

**Table 1**

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 21,465,486	\$ 17,556,925	\$ 18,169,748	\$ 18,451,265	\$ 15,754,751	\$ 19,119,846
5,821,544	7,213,277	10,055,184	12,222,610	15,559,970	24,372,515
<u>(132,084,628)</u>	<u>(102,679,715)</u>	<u>(104,737,977)</u>	<u>(99,949,434)</u>	<u>(88,670,448)</u>	<u>(66,772,656)</u>
<u>\$ (104,797,598)</u>	<u>\$ (77,909,513)</u>	<u>\$ (76,513,045)</u>	<u>\$ (69,275,559)</u>	<u>\$ (57,355,727)</u>	<u>\$ (23,280,295)</u>

**Independent School District No. 191**  
**Changes in Net Position**  
**Last Ten Years**  
**(Accrual Basis of Accounting)**  
**(unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities				
Administration	\$ 5,222,596	\$ 5,495,447	\$ 5,372,409	\$ 7,177,258
District support services	3,395,055	3,719,700	2,732,153	4,591,300
Elementary and secondary regular instruction	51,729,124	52,233,831	51,786,010	84,957,113
Vocational education instruction	1,236,118	1,376,740	1,399,185	2,662,664
Special education instruction	22,197,325	24,497,781	23,575,099	32,487,928
Instructional support services	10,268,318	10,962,774	10,534,435	15,404,303
Pupil support services	10,347,505	10,621,468	9,691,454	12,265,084
Sites and buildings	15,688,853	16,747,542	19,295,728	9,334,739
Fiscal and other fixed cost programs	359,332	378,575	398,068	353,822
Food service	4,945,020	5,059,060	5,535,377	5,989,896
Community education and services	5,852,106	6,151,189	6,580,796	7,763,673
Interest and fiscal charges on long-term debt	4,487,298	6,948,424	6,781,498	7,150,741
Total governmental activities expenses	<u>135,728,650</u>	<u>144,192,531</u>	<u>143,682,212</u>	<u>190,138,521</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
Administration	3,075	194,914	210,784	226,224
District support services	107,339	-	-	-
Elementary and secondary regular instruction	835,616	716,947	800,869	640,147
Vocational education instruction	-	-	-	-
Special education instruction	401,262	351,834	381,559	363,885
Instructional support services	725	262	112	-
Pupil support services	52,946	164,802	64,797	79,865
Sites and buildings	399,322	273,804	223,790	278,415
Fiscal and other fixed cost programs	-	-	-	-
Food service	1,807,330	1,688,935	1,621,218	1,653,583
Community education and services	3,389,114	3,457,191	3,390,724	3,266,333
Operating grants and contributions	29,387,695	29,737,748	29,394,748	32,886,488
Capital grants and contributions	985,391	1,398,776	1,236,991	1,153,072
Total governmental activities program revenues	<u>37,369,815</u>	<u>37,985,213</u>	<u>37,325,592</u>	<u>40,548,012</u>
Net expense	(98,358,835)	(106,207,318)	(106,356,620)	(149,590,509)
<b>General Revenues</b>				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	15,967,774	21,784,467	22,877,675	25,712,820
Property taxes, levied for capital projects	-	-	1,200,000	-
Property taxes, levied for community service	484,038	1,077,297	1,238,633	1,545,989
Property taxes, levied for debt service	9,373,229	10,125,067	9,742,800	11,915,513
General grants and aids	71,455,903	68,576,907	70,513,775	72,447,212
Gain on sale of capital assets	-	-	-	-
Other general revenues	294,357	728,393	1,071,088	1,259,886
Investment earnings	348,647	322,603	842,839	1,516,101
Total governmental activities	<u>97,923,948</u>	<u>102,614,734</u>	<u>107,486,810</u>	<u>114,397,521</u>
Change in net position	<u>\$ (434,887)</u>	<u>\$ (3,592,584)</u>	<u>\$ 1,130,190</u>	<u>\$ (35,192,988)</u>

Table 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,064,664	\$ 4,498,702	\$ 6,283,726	\$ 5,166,623	\$ 5,146,405	\$4,576,004
5,416,849	3,580,259	4,499,129	4,169,348	4,541,713	2,503,974
84,580,748	46,871,276	67,088,099	64,783,060	63,294,480	42,804,488
2,727,220	1,425,163	2,291,553	2,236,379	2,107,317	1,777,613
31,733,029	17,808,445	26,266,898	26,088,835	24,494,292	21,955,865
15,039,975	11,229,401	13,321,257	15,008,017	13,021,759	14,855,402
12,947,885	10,957,678	12,442,456	9,996,462	11,406,634	12,180,617
10,134,372	11,424,974	7,998,838	9,705,716	11,129,335	16,762,838
313,683	336,761	393,852	391,943	426,427	437,360
5,952,121	5,940,220	5,603,072	4,397,704	4,955,498	5,318,407
8,255,773	6,684,160	6,232,992	5,246,669	4,995,800	6,391,286
5,109,211	4,401,719	4,254,002	3,968,235	2,951,742	2,819,947
189,275,530	125,158,758	156,675,874	151,158,991	148,471,402	132,383,801
222,431	190,346	212,676	217,776	272,600	\$4,167
4,349	5,225	11,610	3,040	4,207	1,345
541,823	560,837	303,228	203,657	307,145	516,575
420	490	560	-	-	-
531,289	384,019	381,426	568,522	784,954	2,107,749
15	534	12,818	1,102	17,383	9,379
88,931	87,135	61,562	22,230	67,427	182,824
276,796	307,817	310,907	315,763	336,262	289,291
-	-	-	-	-	-
1,679,706	1,578,052	1,118,791	-	47,741	1,109,413
3,495,283	3,630,543	3,011,600	2,021,666	2,608,216	2,595,850
30,630,308	27,140,691	33,011,399	37,491,428	42,182,191	45,053,587
1,417,759	1,464,809	1,353,380	1,085,774	1,948,280	984,766
38,889,110	35,350,498	39,789,957	41,930,958	48,576,406	52,854,946
(150,386,420)	(89,808,260)	(116,885,917)	(109,228,033)	(99,894,996)	(79,528,855)
26,224,210	30,350,044	30,536,476	31,931,034	30,967,231	29,793,091
-	-	-	-	-	-
1,554,844	1,403,837	1,536,763	1,807,827	1,636,161	1,597,814
10,476,105	10,401,754	11,720,386	10,931,280	11,779,084	10,399,992
72,254,897	72,209,515	71,259,679	68,832,548	66,786,109	69,788,147
-	-	-	-	-	16,900
843,809	571,326	1,729,530	1,357,592	1,538,853	-
1,603,649	1,759,869	1,404,935	1,605,238	(892,610)	2,008,343
112,957,514	116,696,345	118,187,769	116,465,519	111,814,828	113,604,287
\$ (37,428,906)	\$ 26,888,085	\$ 1,301,852	\$ 7,237,486	\$ 11,919,832	\$ 34,075,432



**Independent School District No. 191**  
**Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(Modified Accrual Basis of Accounting)**  
**(unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
<b>General Fund</b>				
Nonspendable	\$ 256,197	\$ 647,352	\$ -	\$ 328,969
Restricted	3,633,869	3,831,642	4,196,553	4,027,713
Committed	2,067,348	1,393,434	1,176,269	1,293,948
Assigned	-	-	-	-
Unassigned	16,003,177	14,805,438	15,748,008	14,466,101
Total general fund	<u>\$ 21,960,591</u>	<u>\$ 20,677,866</u>	<u>\$ 21,120,830</u>	<u>\$ 20,116,731</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 26,984	\$ 67,157	\$ 122,264	\$ 177,574
Restricted	15,889,247	77,192,716	74,776,954	40,759,460
Total all other governmental funds	<u>\$ 15,916,231</u>	<u>\$ 77,259,873</u>	<u>\$ 74,899,218</u>	<u>\$ 40,937,034</u>
Total all funds	<u>\$ 37,876,822</u>	<u>\$ 97,937,739</u>	<u>\$ 96,020,048</u>	<u>\$ 61,053,765</u>

Table 3

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 374,535	\$ 469,392	\$ 435,457	\$ 382,338	\$ 254,436	\$ 603,936
4,158,407	5,847,738	7,878,828	9,020,782	9,841,888	13,137,246
1,257,804	1,550,194	1,735,209	1,849,490	1,837,017	1,505,311
-	-	-	5,081,823	1,810,980	-
10,024,458	7,417,075	10,276,533	13,187,447	18,777,579	22,236,723
<u>\$ 15,815,204</u>	<u>\$ 15,284,399</u>	<u>\$ 20,326,027</u>	<u>\$ 29,521,880</u>	<u>\$ 32,521,900</u>	<u>\$ 37,483,216</u>
\$ 190,617	\$ 2,452,384	\$ 244,230	\$ 182,267	\$ 253,940	\$ 269,532
8,370,219	5,147,420	8,312,697	8,790,900	11,244,924	12,477,357
<u>\$ 8,560,836</u>	<u>\$ 7,599,804</u>	<u>\$ 8,556,927</u>	<u>\$ 8,973,167</u>	<u>\$ 11,498,864</u>	<u>\$ 12,746,889</u>
<u>\$ 24,376,040</u>	<u>\$ 22,884,203</u>	<u>\$ 28,882,954</u>	<u>\$ 38,495,047</u>	<u>\$ 44,020,764</u>	<u>\$ 50,230,105</u>

**Independent School District No. 191**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(Modified Accrual Basis of Accounting)**  
**(unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
<b>Revenues</b>				
Local sources				
Taxes	\$ 25,795,703	\$ 33,212,333	\$ 35,053,016	\$ 39,094,623
Investment earnings	73,673	68,245	454,848	540,031
Other	8,627,885	8,026,353	8,191,071	8,484,173
State sources	92,656,912	91,607,137	92,498,905	93,346,633
Federal sources	7,584,795	7,654,305	7,860,618	8,631,725
Total revenues	<u>134,738,968</u>	<u>140,568,373</u>	<u>144,058,458</u>	<u>150,097,185</u>
<b>Expenditures</b>				
Current				
Administration	5,165,097	5,381,925	5,536,309	5,519,388
District support services	3,413,639	3,683,322	3,531,663	4,185,606
Elementary and secondary regular instruction	51,801,948	53,893,564	54,043,785	54,976,422
Vocational education instruction	1,239,045	1,363,572	1,452,112	1,876,990
Special education instruction	22,223,518	24,169,675	24,455,459	24,027,079
Instructional support services	10,207,507	10,702,294	10,819,656	10,862,353
Pupil support services	10,358,327	10,576,978	9,766,662	11,000,503
Sites and buildings	10,722,992	9,415,493	9,573,137	9,302,350
Fiscal and other fixed cost programs	359,332	378,575	398,068	353,822
Food service	4,934,679	5,016,679	5,546,232	5,733,255
Community service	5,879,995	6,069,954	6,615,805	6,875,455
Capital outlay	7,425,642	5,597,264	42,659,773	28,169,017
Debt service				
Principal	5,921,060	6,037,478	6,133,104	6,726,213
Interest and fiscal charges	4,780,920	5,753,097	6,263,031	7,520,641
Total expenditures	<u>144,433,701</u>	<u>148,039,870</u>	<u>186,794,796</u>	<u>177,129,094</u>
Excess of revenues over (under) expenditures	(9,694,733)	(7,471,497)	(42,736,338)	(27,031,909)
<b>Other financing sources (uses)</b>				
Bonds issued	-	68,450,000	36,715,000	13,990,000
Premium on bonds issued	-	2,609,184	3,913,835	-
Payments to refunded bond escrow agent	-	(4,015,000)	-	(22,620,346)
Capital lease/certificates of participation	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Lease issuance	5,535	503,645	318,585	187,105
Proceeds from insurance recovery	245,297	4,818	359,861	-
Transfer in	-	-	-	27,082
Transfer out	-	-	-	(27,082)
Total other financing sources (uses)	<u>250,832</u>	<u>67,552,647</u>	<u>41,307,281</u>	<u>(8,443,241)</u>
Net change in fund balances	<u>\$ (9,443,901)</u>	<u>\$ 60,081,150</u>	<u>\$ (1,429,057)</u>	<u>\$ (35,475,150)</u>
Debt services as a percentage of noncapital expenditures	<u>7.81%</u>	<u>8.28%</u>	<u>8.45%</u>	<u>9.42%</u>

Table 4

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 38,097,535	\$ 42,385,297	\$ 43,831,187	\$ 44,624,245	\$ 44,363,003	\$ 41,799,089
653,809	911,976	735,602	110,430	(53,201)	2,008,343
8,609,002	7,919,917	7,905,510	5,144,941	6,427,812	8,598,030
95,558,484	96,762,424	95,745,693	93,225,958	88,876,351	93,864,029
7,806,378	7,985,785	9,050,890	13,536,886	21,278,337	19,743,383
150,725,208	155,965,399	157,268,882	156,642,460	160,892,302	166,012,874
5,680,528	5,774,945	5,933,083	5,002,830	5,429,133	5,291,647
5,027,862	3,396,407	4,170,798	4,090,450	4,491,751	4,591,871
55,398,654	55,816,055	53,440,674	51,987,520	56,035,263	56,761,715
2,150,295	2,036,313	2,138,054	2,088,358	2,216,393	2,168,497
24,767,930	25,398,748	24,625,186	24,311,718	26,046,717	26,718,001
10,888,211	12,205,567	11,014,880	13,513,379	12,953,823	12,435,175
11,877,743	11,884,787	12,120,045	9,835,715	11,696,713	12,688,513
9,535,036	10,138,616	9,787,117	10,097,808	10,668,520	11,735,834
313,683	336,761	393,852	391,943	426,427	472,595
5,829,895	5,902,901	5,536,006	4,345,690	4,913,797	5,209,869
7,443,701	7,324,705	6,050,923	5,184,290	5,258,859	5,831,718
6,718,409	5,699,115	4,060,380	4,319,224	5,127,286	4,422,885
6,037,595	6,720,495	7,409,689	7,335,430	7,169,637	7,284,147
6,444,307	4,828,185	4,691,853	4,703,396	4,404,624	4,228,108
158,113,849	157,463,600	151,372,540	147,207,751	156,838,943	159,840,575
(7,388,641)	(1,498,201)	5,896,342	9,434,709	4,053,359	6,172,299
-	-	-	11,485,000	9,680,000	-
-	-	-	1,477,046	2,143,678	-
(29,330,000)	-	-	(12,785,000)	(11,705,000)	-
-	-	-	-	187,949	-
-	-	7,793	338	1,165,731	1,807
40,916	6,364	-	-	-	35,235
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(29,289,084)	6,364	7,793	177,384	1,472,358	37,042
\$ (36,677,725)	\$ (1,491,837)	\$ 5,904,135	\$ 9,612,093	\$ 5,525,717	\$ 6,209,341
8.12%	7.44%	8.22%	8.37%	7.60%	7.59%

**Independent School District No. 191**  
**General Governmental Tax Revenues by Source and Levy Type**  
**Last Ten Years**

**Table 5**

Fiscal Year	General Fund	Community Service	Property Tax		Total
			Capital Projects - Building Construction Fund	Debt Service	
2014	\$ 15,949,634	\$ 483,488	\$ -	\$ 9,362,581	\$ 25,795,703
2015	21,933,388	1,084,662	-	10,194,283	33,212,333
2016	22,874,885	1,237,759	1,200,000	9,740,372	35,053,016
2017	25,663,259	1,542,386	-	11,888,978	39,094,623
2018	26,115,668	1,548,150	-	10,433,697	38,097,515
2019	30,501,787	1,413,236	-	10,470,273	42,385,296
2020	30,562,242	1,538,149	-	11,730,795	43,831,186
2021	31,896,091	1,805,658	-	10,922,497	44,624,246
2022	30,955,773	1,635,122	-	11,772,107	44,363,002
2023	29,798,182	1,598,162	-	10,402,745	41,799,089

**Independent School District No. 191  
Tax Capacities and Market Value  
Last Ten Years**

**Table 6**

For Taxes Collectible	Tax Capacity Valuation						Taxable Market Value	Tax Capacity as a Percentage of Market Value	
	Agricultural	Non-Agricultural	Fiscal Disparities		Tax Increment	Total Taxable			
			Contribution	Distribution					
Dakota County									
2014	\$	-	\$ 52,188,920	\$ (8,671,256)	\$ 5,990,040	\$ (1,304,367)	\$ 48,203,337	\$ 4,345,185,225	1.11
2015		-	56,421,607	(8,676,317)	5,954,015	(1,832,040)	51,867,265	4,692,482,625	1.11
2016		-	58,689,449	(9,336,149)	6,108,398	(3,169,684)	52,292,014	4,865,451,265	1.07
2017		-	59,771,813	(9,204,390)	6,571,222	(3,378,035)	54,661,226	5,003,279,610	1.09
2018		-	65,136,255	(9,024,255)	6,931,010	(3,902,924)	60,088,642	5,447,134,772	1.10
2019		-	70,058,732	(9,590,323)	7,349,467	(4,413,182)	64,337,435	5,840,024,400	1.10
2020		-	75,835,267	(10,407,209)	7,943,503	(3,891,891)	70,881,145	6,276,544,125	1.13
2021		-	79,720,661	(11,208,648)	8,293,216	(3,836,225)	74,366,311	6,562,525,800	1.13
2022		-	84,184,980	(12,005,956)	9,055,616	(4,097,927)	78,023,994	6,905,405,825	1.13
2023		-	95,650,885	(11,972,075)	9,205,170	(4,621,448)	89,199,988	7,871,121,243	1.13
Scott County									
2014	\$	52,993	\$ 15,700,702	\$ (2,700,526)	\$ 1,377,863	\$ (25,738)	\$ 14,405,294	\$ 1,318,625,200	1.09
2015		43,898	17,077,271	(2,698,085)	1,416,364	-	15,839,448	1,430,354,300	1.11
2016		76,637	18,097,758	(3,064,523)	1,523,727	(81,937)	16,551,662	1,505,076,100	1.10
2017		37,415	19,869,873	(3,175,091)	1,709,580	(138,187)	18,729,804	1,618,071,200	1.16
2018		29,841	21,039,808	(3,770,912)	1,782,864	(159,437)	19,467,664	1,704,789,900	1.14
2019		20,259	22,823,684	(3,868,467)	1,871,118	(166,937)	21,231,291	1,844,550,200	1.15
2020		3,959	24,655,629	(4,053,563)	2,031,820	(188,073)	23,059,234	1,988,017,400	1.16
2021		4,110	27,223,848	(4,506,916)	2,175,584	(218,881)	25,313,649	2,155,452,700	1.17
2022		4,012	28,767,419	(5,226,294)	2,372,103	(234,595)	26,494,935	2,288,792,997	1.16
2023		28,590	33,673,632	(5,443,134)	2,264,207	(275,727)	30,682,064	2,667,771,400	1.15

Source: School Tax Report issued by the Minnesota Department of Education and Scott and Dakota Counties

**Independent School District No. 191**  
**Direct and Overlapping Tax Capacity Rates**  
**Last Ten Years**

Rate	Tax Collection Year	ISD No. 191	Overlapping Rates				
			Municipalities				
			Apple Valley	Burnsville	Eagan	Savage	Shakopee
Tax Capacity Rate	2014	25.661%	47.891%	46.670%	38.250%	55.278%	41.437%
Market Value Rate	2014	0.26308%	0.02124%	--	0.01696%	0.01609%	0.00524%
Tax Capacity Rate	2015	24.554%	45.274%	44.790%	36.525%	51.742%	37.862%
Market Value Rate	2015	0.26015%	0.02036%	--	0.00016%	0.01482%	0.00536%
Tax Capacity Rate	2016	31.065%	44.721%	46.525%	37.097%	49.905%	37.902%
Market Value Rate	2016	0.24692%	0.01994%	--	0.01490%	0.01410%	0.00605%
Tax Capacity Rate	2017	27.529%	44.473%	46.557%	37.385%	47.841%	38.522%
Market Value Rate	2017	0.23336%	0.23336%	--	0.01451%	0.01344%	--
Tax Capacity Rate	2018	25.759%	42.475%	46.670%	36.378%	47.117%	37.212%
Market Value Rate	2018	0.29246%	0.01798%	--	0.01359%	0.01100%	--
Tax Capacity Rate	2019	26.202%	39.603%	43.595%	35.227%	44.474%	34.943%
Market Value Rate	2019	0.24409%	0.01719%	--	0.01235%	0.01000%	--
Tax Capacity Rate	2020	23.765%	38.782%	43.148%	35.262%	42.357%	33.965%
Market Value Rate	2020	0.23263%	0.01646%	--	0.01159%	0.00900%	--
Tax Capacity Rate	2021	23.699%	38.192%	42.853%	36.333%	42.254%	32.105%
Market Value Rate	2021	0.20745%	0.01622%	--	--	0.00600%	--
Tax Capacity Rate	2022	20.273%	38.182%	43.054%	36.119%	40.326%	32.111%
Market Value Rate	2022	0.19053%	0.01591%	--	--	--	--
Tax Capacity Rate	2023	19.403%	35.273%	42.274%	33.566%	35.986%	28.585%
Market Value Rate	2023	0.22396%	0.01424%	--	--	--	--

*Source: Certificates as to Taxes and Taxable Property, furnished by Dakota and Scott Counties.*

Table 7

Overlapping Rates					
Counties		Special Taxing Jurisdictions		Total*	
Dakota County	Scott County	Dakota County	Scott County	Burnsville Resident	Savage Resident
31.827%	39.720%	4.993%	5.568%	109.151%	126.227%
--	--	--	--	0.26308%	0.27917%
29.633%	36.638%	4.567%	5.169%	103.544%	118.103%
--	--	--	--	0.26015%	0.27497%
28.570%	36.175%	4.614%	5.130%	110.774%	122.275%
--	--	--	--	0.24692%	0.26102%
28.004%	35.896%	4.458%	4.979%	106.548%	116.245%
--	--	--	--	0.23336%	0.24680%
26.580%	35.114%	3.878%	5.090%	102.887%	113.080%
--	--	--	--	0.29246%	0.30346%
25.386%	33.841%	3.824%	4.891%	99.007%	109.408%
--	--	--	--	0.24409%	0.25409%
24.133%	32.718%	3.767%	4.583%	94.813%	103.423%
--	--	--	--	0.23263%	0.24163%
22.716%	31.025%	4.342%	4.768%	93.610%	101.746%
--	--	--	--	0.20745%	0.21345%
21.630%	30.492%	4.252%	5.026%	89.209%	96.117%
--	--	--	--	0.19053%	0.19053%
18.816%	26.578%	3.906%	6.294%	84.399%	88.261%
--	--	--	--	0.22396%	0.22396%



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**Independent School District No. 191  
Principal Property Taxpapers**

**Table 8**

Taxpayer	2023			2014		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Xcel Energy	\$ 3,850,198	1	2.94%	\$ 2,181,818	1	3.16%
Paragon Outlets Eagan	1,699,250	2	1.30%			
Flats at Cedar Grove LLC	641,885	3	0.49%	467,196	3	0.68%
FLT Summit Park Apartments LLC	609,775	4	0.47%			
PRCP-Minnesota Stone LLC	596,656	5	0.49%			
Bigos Willow Pond	576,036	6	0.46%			
GEP X West Park LLC	552,294	7	0.42%			
View Pointe Apartments LLC	552,088	8	0.44%			
Centerpoint Energy	529,318	9	0.40%			
PC Felix LLC	523,980	10	0.42%			
Individual				295,066	7	0.43%
Kraus Anderson, Inc.				358,536	4	0.52%
Shakopee Crossings Ltd Partnership				237,824	9	0.34%
Cargill Inc.				316,375	5	0.46%
Walmart				209,250	10	0.30%
Medardes, Inc.				296,204	6	0.43%
Minnegasco, Inc.				520,024	2	0.75%
Aurora Investments LLC				292,530	8	0.42%
Total	\$ 10,131,480		7.84%	\$ 5,174,823		7.49%

Source: Certificates as to Taxes and Taxable Property, furnished by Dakota and Scott Counties.

**Independent School District No. 191**  
**Property Tax Levies, Collections, and Receivables**  
**Last Ten Years**

For Taxes Collectible	Original Levy			Collections	
	Local Spread	Fiscal Disparities	Total Spread	First Year Levy Recognized	
				Amount	Percentage of Levy
2014	\$ 29,362,825	\$ 4,222,030	\$ 33,584,855	\$ 15,248,908	45.4
2015	31,025,345	3,839,822	34,865,167	16,303,858	46.8
2016	35,119,563	3,851,095	38,970,658	18,419,963	47.3
2017	33,374,272	4,659,195	38,033,467	17,616,603	46.3
2018	37,936,271	4,466,731	42,403,002	19,671,004	46.4
2019	38,771,436	4,929,600	43,701,036	20,547,965	47.0
2020	39,179,819	5,063,180	44,242,999	20,222,791	45.7
2021	39,226,223	4,884,931	44,111,154	21,109,293	47.9
2022	36,389,401	5,008,766	41,398,167	19,506,403	47.1
2023	44,640,414	4,430,239	49,070,653	23,440,645	47.8

Note 1: A portion of the total spread levy is paid through various property tax credits which are paid through state aids and have been included in collections.

Note 2: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write off of delinquent taxes receivable.

Note 3: Only a portion of the taxes levied for the most recent fiscal year is collected by June 30.

Source: *State of Minnesota School Tax Report*

**Table 9**

Collections				Uncollected Taxes Receivable as of June 30, 2023			
Received in Subsequent Years		Total to Date		Delinquent		Current	
		Amount	Percentage of Levy	Amount	Percent	Amount	Percent
\$	18,335,947	\$	33,584,855	100.0	\$	-	-
	18,561,309		34,865,167	100.0		-	-
	20,550,695		38,970,658	100.0		-	-
	20,377,656		37,994,259	99.9		39,208	0.1
	22,723,304		42,394,308	100.0		8,694	0.0
	23,135,699		43,683,664	100.0		17,372	0.0
	23,993,598		44,216,389	99.9		26,610	0.1
	22,952,697		44,061,990	99.9		49,164	0.1
	21,710,638		41,217,041	99.6		181,125	0.4
	-		23,440,645	47.8		-	-
					</		

**Independent School District No. 191**  
**Ratios of Outstanding Debt By Type**

**Table 10**

Fiscal Year	Governmental Activities			Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Lease Liability and Financed Purchases	Total Primary Government		
2014	\$ 103,405,000	\$ 2,875,088	\$ 106,280,088	3.64 %	\$ 1,578
2015	162,490,000	2,691,255	165,181,255	5.53	2,452
2016	193,640,000	2,447,817	196,087,817	6.57	2,911
2017	186,029,667	1,871,605	187,901,272	5.83	2,789
2018	150,839,845	1,270,148	152,109,993	4.19	2,258
2019	144,096,605	884,653	144,981,258	3.82	2,152
2020	136,683,365	479,964	137,163,329	3.52	2,009
2021	129,054,114	234,534	129,288,648	3.18	1,894
2022	120,292,825	160,460	120,453,285	2.89	1,765
2023	111,979,366	238,735	112,218,101	2.56	1,441

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

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

**Independent School District No. 191**  
**Ratio of Net General Obligation Bonded Debt to Tax Capacity and Net Obligation Bonded Debt Per Capita**  
**Last Ten Years**

**Table 11**

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand (1)	Net Bonded Debt	Tax Capacity	Percent Net Debt to Tax Capacity	Percent of Estimated Actual Market Value of Property (2)	Estimated Population	Net Bonded Debt per Capita
2014	\$ 103,405,000	\$ 1,524,486	\$ 101,880,514	\$ 62,608,631	162.73 %	1.84 %	67,370	\$ 1,512
2015	162,490,000	3,168,468	159,321,532	67,706,713	235.31	2.81	67,370	2,365
2016	193,640,000	42,042,331	151,597,669	68,843,676	220.21	2.48	67,370	2,250
2017	186,029,667	32,620,732	153,408,935	73,391,030	209.03	2.32	67,370	2,277
2018	150,839,845	3,161,989	147,677,856	79,556,306	185.63	2.06	67,370	2,192
2019	144,096,605	3,331,940	140,764,665	85,568,726	164.50	1.83	67,370	2,089
2020	136,683,365	4,297,210	132,386,155	93,940,379	140.93	1.62	68,261	1,939
2021	129,054,114	4,123,715	124,930,399	108,981,830	114.63	1.43	68,261	1,830
2022	120,292,825	5,753,099	114,539,726	104,518,929	109.59	1.25	68,261	1,678
2023	111,979,366	5,212,246	106,767,120	119,882,052	89.06	1.01	77,881	1,371

(1) - Debt service monies available include amounts restricted in the debt service funds repaying the related debt.

(2) - See the Schedule of Tax Capacities and Market Value for information on the market value of the District's property.

*Source: Annual school district census, U.S. census, National Center for Education Statistics*

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**Independent School District No. 191  
Direct and Overlapping Debt  
June 30, 2023**

**Table 12**

Governmental Unit	2022/23 Taxable Net Tax Capacity	Bonded Debt <sup>1</sup>	Percent Allocable to ISD No. 191	Portion Allocable to ISD No. 191
Independent School District No. 191	\$ 103,953,471	\$ 111,979,366	100.000 %	\$ 111,979,366
Overlapping Debt				
Dakota County	700,778,020	-	11.4151%	-
Scott County	144,865,723	105,915,000	10.1842%	107,866
City of Apple Valley	77,073,426	22,760,000	0.7868%	1,791
City of Burnsville	97,125,703	45,560,000	68.4889%	312,035
City of Eagan	125,562,555	35,220,000	10.2483%	36,095
City of Savage	28,408,853	29,590,000	47.1489%	139,514
City of Shakopee	38,881,186	43,960,000	3.4953%	15,365
Metropolitan Council	5,878,109,833	238,225,000 <sup>2</sup>	1.6119%	38,399
Total Overlapping Debt				<u>651,065</u>
Total Direct and Overlapping Debt				<u><u>\$ 112,630,431</u></u>

- 1) Does not include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.
- 2) The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in Overlapping Debt.

*Source: Official Statements obtained on EMMA, the Municipal Advisor's records, and Certificates as to Taxes and Taxable Property, furnished by Dakota and Scott Counties.*



**Independent School District No. 191**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2014	2015	2016	2017
Debt Limit	\$ 906,296,696	\$ 951,986,716	\$ 1,011,131,704	\$ 1,067,125,043
Total Net Debt Applicable to Limit	165,642,782	143,240,787	142,090,806	153,878,208
Legal Debt Margin	<u>\$ 740,653,914</u>	<u>\$ 808,745,929</u>	<u>\$ 869,040,898</u>	<u>\$ 913,246,835</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.28%	15.05%	14.05%	14.42%

Legal Debt Margin Calculation for Fiscal Year 2023

Economic Market Value  
Debt Limit (15% of Market Value)

Debt Applicable to Limit:  
General Obligation Bonds  
Annual Appropriation Debt  
Less: Amount Set Aside for Repayment of  
General Obligation Debt  
Total Net Debt Applicable to Limit

Legal Debt Margin

(1) Economic Market Value - Assessment Year 2022  
for taxes payable in 2023

*Source: Minnesota Department of Revenue.*

Table 13

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1,150,340,516	\$ 1,239,580,812	\$ 1,249,694,940	\$ 1,384,802,766	\$ 1,389,585,525	\$ 1,391,697,690
131,225,000	126,015,000	107,540,180	116,293,249	119,603,099	90,025,000
<u>\$ 1,019,115,516</u>	<u>\$ 1,113,565,812</u>	<u>\$ 1,142,154,760</u>	<u>\$ 1,268,509,517</u>	<u>\$ 1,269,982,426</u>	<u>\$ 1,301,672,690</u>
11.41%	10.17%	8.61%	8.40%	8.61%	6.47%
					\$ 9,277,984,600 <sup>(1)</sup>
					1,391,697,690
					99,025,000
					-
					(5,487,111)
					<u>93,537,889</u>
					<u>\$ 1,298,159,801</u>

**Independent School District No. 191  
Demographic and Economic Statistics  
Last Ten Years**

**Table 14**

Calendar Year	City of Burnsville Population (1)	Estimated Personal Income (1)	Per Capita Personal Income (1)	Total ISD No. 191 Population (3)	School Enrollment (4)	City of Burnsville Unemployment Rate (1)
2013	61,300	\$ 2,933,572,800	\$ 47,856	67,370	9,341	4.5
2014	61,747	3,007,758,117	48,711	67,370	9,213	3.7
2015	61,908	3,128,892,228	50,541	67,370	8,989	3.5
2016	61,849	3,223,384,333	52,117	67,370	8,914	3.5
2017	62,239	3,628,844,895	58,305	67,370	8,563	3.2
2018	62,657	3,793,192,123	60,539	67,370	8,874	2.5
2019	62,785	3,891,225,945	61,977	67,370	8,603	3.0
2020	62,785	4,065,203,180	64,748	68,261	8,010	6.8
2021	64,317	4,164,397,116	64,748	68,261	7,744	3.9
2022	64,627	4,389,918,229	67,927	77,881	7,721	2.5

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

Note 2: Annual average unemployment rates compiled by the Minnesota Department of Employment and Economic Development.

*Sources:*

- (1) *City of Burnsville Comprehensive Annual Financial Report for the year ended December 31, 2022*
- (2) *Estimated personal income is calculated by multiplying the per capital personal income by the City of Burnsville population*
- (3) *Annual school district census, U.S. census, and National Center for Education Statistics*
- (4) *ISD No. 191 - average daily membership (for students served or tuition paid)*

**Independent School District No. 191  
Principal Employers**

**Table 15**

Employer	2023		2014	
	Employees	Rank	Employees	Rank
UTC Aerospace Systems	1,800	1	1,200	2
Independent School District No. 191	1,361	2	1,507	1
Pepsi Bottling Group	500	3	500	4
City of Burnsville	433	4	520	3
Ames Construction	400	5	400	5
Northern Tool & Equipment	300	6	500	6
Target Stores	300	7	300	8
Telex Communications	300	8	300	9
Fabcon Precast	275	9	275	10
Rollx Vans	120	10		
YRC Freight			300	7
Total	5,789		5,802	

Note: Information regarding the percentage of total employment for each employer was not available.

Sources: Ehlers

**Independent School District No. 191**  
**Employees by Classification**  
**Last Ten Years**

**Table 16**

Employees	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administrators/Principals	54	60	43	51	49	50	50	48	47	47
Confidential/Support Specialist*	-	-	24	43	47	48	51	49	43	57
Teachers	773	779	732	730	741	721	680	649	612	615
Clerical	66	66	63	64	65	58	59	51	47	47
Paraprofessionals	209	211	211	214	213	214	221	190	163	179
Nurses	16	18	16	15	14	14	11	10	13	15
Operations/Maintenance Supervisors	3	3	3	3	3	3	2	2	3	3
Technical Specialists	5	5	10	10	10	11	12	14	13	13
Community Education	36	36	39	51	60	61	56	59	55	60
Cafeteria	75	74	78	76	73	79	88	68	47	56
Custodians	72	73	74	82	80	77	78	73	66	70
Total	<u>1,309</u>	<u>1,325</u>	<u>1,293</u>	<u>1,339</u>	<u>1,355</u>	<u>1,336</u>	<u>1,308</u>	<u>1,213</u>	<u>1,109</u>	<u>1,162</u>

Note 1: This schedule is a headcount based on contract group. If an employee has multiple contract groups, they are reflected multiple times. Full and part-time employees count the same.

\* New Category effective for 2016

Source: STAR report and District payroll records

**Independent School District No. 191  
Student to Staff Ratios  
Last Ten Years**

**Table 17**

Fiscal Year	ISD No. 191 Student to Teacher Ratios (1)	Minnesota Department of Education Student to Staff Ratio (2)		
		ISD No. 191	Dakota County Average	State Average
2013	15.62	13.31	14.34	13.33
2014	14.92	12.57	14.33	13.17
2015	14.37	11.95	13.89	12.92
2016	14.83	12.43	14.04	12.84
2017	15.27	12.41	13.82	12.72
2018	15.00	12.00	13.36	13.00
2019	15.00	12.00	13.40	13.00
2020	16.00	13.00	13.45	13.00
2021	15.00	12.00	13.00	12.00
2022	16.00	12.00	13.55	11.73

Note 1: Information is not yet available for 2023

Sources: Minnesota Department of Education

- (1) This data is computed using only full-time equivalent licensed classroom teaching staff
- (2) This data is computed by dividing total students (MDE enrollment numbers pre-kindergarten through Grade 12) by total certified staff. Certified staff includes classroom teachers, administrators, special education teachers, and all other licensed professionals measured in full-time equivalents.

**Independent School District No. 191**  
**Operating Indicators by Function – Standardized Testing**  
**Last Ten Years**

**Table 18**

	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020 (2)	2021 (3)	2022	2023 (4)
<b>Standardized Tests</b>										
<b>MCA Reading (See Note 1)</b>										
Grade 3	49.6 %	53.2 %	45.9 %	43.7 %	48.7 %	45.4 %		34.4 %	36.7 %	33.0%
Grade 5	60.0	58.3	67.7	62.0	55.0	52.9		49.9	52.9	49.7%
Grade 7	50.0	45.4	56.6	53.1	51.0	47.6		40.3	32.8	33.4%
Grade 10	61.0	51.8	58.9	38.3	54.5	55.4		50.9	45.9	40.2%
<b>MCA Math (See Note 1)</b>										
Grade 3	64.0	63.6	69.4	54.0	58.4	56.6		44.1	45.3	48.8%
Grade 5	50.0	59.7	58.8	49.9	45.0	41.5		31.1	33.3	33.2%
Grade 7	48.0	44.3	56.2	48.4	40.1	39.1		18.4	27.0	27.0%
Grade 11	40.0	39.6	47.1	35.3	39.1	38.1		26.1	21.6	17.2%
<b>ACT</b>										
Independent School District No. 191										
Average Composite Score	23.0	23.0	21.3	21.2	20.3	20.4	20.0	19.9	19.9	19.3
State Average Composite Score (1)	22.9	22.7	21.1	21.5	21.3	21.4	21.3	21.6	21.6	

Note 1: Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test

Note 2: Due to COVID-19 Pandemic, student participation in the MCA was only 50% district wide

(1) - Per ESSA School districts must offer a college and career readiness assessment, however the state no longer mandates ACT  
Average Composite Scores are available through MN Office of Higher Education

(2) - Due to COVID-19 Pandemic, MCA and ACT testing did not occur in the 2019-2020 school year. Tests were administered fall of 2020 for the class of of 2020

(3) - Due to COVID-19 Pandemic, student participation in the MCA was only 50% district wide

(4) The State Average Composite Score for the ACT Test was not yet available for FY23

Source: MDE Report Card

**Independent School District No. 191  
School Facilities**

**Table 19**

Facility	Use	Constructed	Acres	Classrooms	Square Footage	Capacity	Enrollment (1)
Gideon Pond Elementary	School	1965/1971/1995	13.00	17	75,700	488	381
Edward Neill Elementary	School	1968/1976/1995 1950/1954/1957	10.00	19	68,550	488	386
Vista View Elementary	School	1963/1971/1995	16.50	18	80,069	488	313
Williams Byrne Elementary	School	1967/1971/1995/2016	10.50	24	79,856	650	554
Rahn Elementary	School	1969/1995	16.00	18	67,448	488	366
Sky Oaks Elementary	School	1975	11.00	24	85,850	650	437
Hidden Valley Elementary	School	1989	16.00	24	89,525	650	462
Harriet Bishop Elementary	School	1996	17.36	25	78,107	650	570
Eagle Ridge Junior High	School	1996	31.00	45	132,000	950	553
Nicollet Junior High	School	1970/1995 1955/1958/1962	35.00	50	188,772	1,100	688
Burnsville Senior High	School	1971/1976/1977 1980/1993/1998/2016	63.50	112	524,283	2,750	2,051
Cedar School-Burnsville Alt HS	School	1961/1971	10.00	12	60,952	300	209
Diamondhead Education-Ready to Learn, Early Education, BES Transition Program	Office/ School/ Programs	1971	11.50	16	140,000	430	147
WH/Maintenance		1958/1962/1980	Part of BHS Acreage	N/A	20,780	N/A	N/A

(1) Source: 2022-23 MN Department of Education School ADM Served Report



**Independent School District No. 191  
School Lunch Program Data  
Last Ten Years**

**Table 20**

Fiscal Year	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percent of Average Daily Attendance	Free Lunch		Reduced Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2014	8,901	1,057,173	166	6,369	71.55	520,432	49.23	87,674	8.29
2015	8,792	1,074,200	169	6,356	72.30	533,864	49.70	102,744	9.56
2016	8,752	1,067,859	170	6,282	71.77	545,887	51.12	97,590	9.14
2017	8,693	1,082,421	174	6,221	71.56	545,677	50.41	110,524	10.21
2018	8,563	1,040,408	174	5,979	69.83	512,908	49.30	115,231	11.08
2019	8,336	1,030,144	169	6,096	73.12	475,065	46.12	134,711	13.08
2020 (2)	8,086	697,480	116	6,013	74.36	322,177	46.19	100,312	14.38
2021 (3)	-	-	-	-	-	-	-	-	-
2022 (4)	-	-	-	-	-	-	-	-	-
2023	7,096	821,143	165	4,977	70.14	485,216	59.09	89,394	10.89

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

(2) Due to COVID-19 Pandemic, School Lunch Program Data is through March 13th, 2020, at which time ISD191 went fully virtual learning and meal service operations transitioned to Summer Feeding

(3) Due to COVID-19 Pandemic, ISD 191 utilized Summer Food Program, which allowed students to receive free meals throughout the school year. Summer Food numbers - 395,527 breakfasts, 465,531 lunches in 2020-21

(4) Due to COVID-19 Pandemic, ISD 191 utilized Summer Food Program, which allowed students to receive free meals throughout the school year. Summer Food numbers - 550,409 breakfasts, 816,238 lunches, and 27,813 snacks in 2021-22

**Independent School District No. 191  
Schedule of Insurance Coverage**

**Table 21**

Type of Coverage	Amount of Coverage
Property Coverage:	
Real and Personal Property (Blanketed)	\$ 400,000,000
Unscheduled Locations	None
Valuable Papers and Records	5,000,000
Accounts Receivable - On Premises	1,000,000
Boiler and Machinery Coverage:	
Property Damage	Included in Property Limit
Crime Coverage:	
Employee Dishonesty	500,000
Forgery or Alteration	500,000
Computer Fraud	500,000
Theft of Money and Securities - Inside the Premises	135,000
Theft of Money and Securities - Outside the Premises	270,000
General Liability Coverages:	
General:	
Each Occurrence	1,000,000
General Aggregate Limit	3,000,000
Medical Expense Limit - Any One Person	10,000
Damage to Premises Rented to You	1,000,000
Products/Completed Operations Aggregate	3,000,000
Personal & Advertising Injury	1,000,000
Umbrella Liability:	
Each Occurrence	4,000,000
Aggregate	4,000,000
Self-Insured Retention	-
Business Automobile Liability Coverage:	
Bodily Injury and Property Damage	1,000,000
Personal Injury Protection	Basic
Uninsured Motorists	1,000,000
Underinsured Motorists	1,000,000
Collision	1,000
Comprehensive	500
Educators Legal Liability (Professional)/Employment Practices Liability	
Each Wrongful Act	1,000,000
Aggregate	3,000,000
Educators Legal Liability Deductible	25,000
Employment Practices Liability Decuctible	25,000
Storage Tank Environmental Impairment Liability	
Per Pollution Condition	1,000,000
Aggregate	1,000,000
Self-Insured Retention	50,000
Cyber Risk Liability	
Policy Aggregate Limit of Liability	1,000,000

**Independent School District No. 191  
Student Enrollment  
Last Ten Years**

**Table 22**

Year Ended June 30,	Early Childhood and Voluntary Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	Total Pupil Units
2013	211	768	4,295	4,302	9,576	10,976
2014	191	730	4,323	4,224	9,468	10,864
2015	192	670	4,319	4,122	9,303	10,127
2016	209	600	4,253	4,059	9,121	9,933
2017	180	642	4,174	4,113	9,109	9,932
2018	251	657	3,918	4,015	8,841	9,644
2019	268	646	3,784	3,976	8,673	9,468
2020	264	653	3,555	3,883	8,355	9,131
2021	235	618	3,334	3,644	7,831	8,560
2022	263	600	3,261	3,596	7,720	8,439
2023	263	575	3,313	3,570	7,721	8,407

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

Note 2: Beginning in fiscal 2004, ADM is limited to 1.0 ADM per student.

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

	Pre-Kindergarten	Handicapped Kindergarten	Kindergarten	Elementary 1-3	Elementary 4-6	Secondary
Fiscal 2009 through 2014	1.250	1.000	0.612	1.115	1.060	1.300
Fiscal 2015 through 2023	1.000	1.000	1.00	1.00	1.00	1.20

Source: Minnesota Department of Education student reporting system - School ADM Served Report

**Independent School District No. 191**  
**Expenditures per Student**

**Table 23**

	State Average 2022	ISD No. 191 2022
Expenditures Per Student (ADM) (1)		
General Fund:		
District Level Administration	\$ 757	\$ 674
School Level Administration	553	703
Regular Instruction	6,075	6,800
Career and Technical Instruction	194	279
Special Education	2,743	3,279
Student Activities/Athletics	386	251
Instructional Support Services	788	1,508
Pupil Support Services	545	452
Operations, Maintenance, and Other	1,104	1,258
Student Transportation	890	1,024
Equipment	743	447
Land and Buildings	230	116
Total General Fund Expenditures	<u>\$ 15,010</u>	<u>\$ 16,790</u>
ADM Used Per Profile Model Format		<u>7,919</u>

(1) Average daily membership (ADM) is a measure of student attendance

Note: School District Profiles Report not available for June 30, 2023

*Source: Minnesota Department of Education School District Profiles Report - Expenditure Per Average Daily Membership (ADM) Served Plus Tuitioned Out*