ANNUAL COMPREHENSIVE FINANCIAL REPORT

WHITE BEAR LAKE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 624
WHITE BEAR LAKE, MINNESOTA
FOR THE YEAR ENDED JUNE 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

INDEPENDENT SCHOOL DISTRICT NO. 624
WHITE BEAR LAKE, MINNESOTA

4855 Bloom Avenue
White Bear Lake, MN 55110

Prepared by:
Business Office

Assistant Superintendent for Finance and Operations
Tim Wald

Director of Finance
Andi Johnson, CPA

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INDEPENDENT SCHOOL DISTRICT NO. 624

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INTRODUCTORY SECTION

White Bear Lake Area Public Schools
Independent School District 624

FINANCE DEPARTMENT

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

January 4, 2024

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

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 624, White Bear Lake, Minnesota (the District) for the fiscal year ended June 30, 2023, is submitted herewith. The audit report was completed on January 4, 2024, and the report was subsequently issued. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial status have been incorporated within this report.

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

The District is required to undergo an annual Single Audit as required by the U.S. Office of Management and Budget's Uniform Guidance. Information related to this Single Audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and independent auditor's reports on internal controls and compliance with applicable laws and regulations, are included in a separate report. Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

The Reporting Entity and Its Services

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

The District, which is located about 15 miles northeast of St. Paul, Minnesota, the state capital, was officially formed in its current structure through legislative action in 1957. The governing body consists of a seven-member Board of Education elected from within the District's boundaries. The District serves about 8,297 students in pre-kindergarten through Grade 12. Geographically, the District's boundaries include portions of Anoka, Ramsey, and Washington counties, and serves all or part of the following municipalities: Birchwood, Gem Lake, Hugo, Lino Lakes, Little Canada, North Oaks, Vadnais Heights, White Bear Lake, and White Bear Township.

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

During 2022–2023, the District operated 22 buildings. A list of school facilities as of June 30, 2023 is included in the statistical section of this report.

Based on legislative authority, the Board of Education:

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

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

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

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

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

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

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

Economic Conditions

The various communities that comprise the District participate in the deep and diverse Twin Cities metropolitan area economy and enjoy strong market value growth [Source: Standard & Poor's (S&P)]. The communities are all committed to careful planning and thoughtful community renewal, range from partially to nearly fully developed, and are diverse and independent. After declining for several years as a result of the Great Recession, the market value of property within the District has increased over the past several years, to an estimated current value of $10.7 billion. The U.S. Census Bureau estimated that as of 2020, the District had approximately 65,587 residents. Like many districts across the nation, the COVID-19 pandemic had caused a drop in enrollment over the last two years but the District saw stability in enrollment during the 2022–2023 school year. Considering the strength of the local economy and continued housing development throughout the District, enrollment is anticipated to recover over the next decade.

Current Financial Conditions

The District will continue to closely monitor its General Fund reserve. As of June 30, 2023, the District's unassigned fund balance was $7.8 million. Adequate fund balances are critical during difficult financial times. For example, in order to mitigate its cash flow problems in years past, the state of Minnesota twice postponed aid payments to school districts. While the vast majority of Minnesota school districts resorted to borrowing funds to ensure an appropriate level of liquidity, the District's fund balance was sufficient so that it did not need to borrow funds to meet its financial obligations and avoided the costs associated with borrowing.

In December 2022, S&P's Rating Services assigned a rating of AA- in association with the issuance of its 2023A General Obligation Facilities Maintenance Bonds. The District's credit rating reflects S&P's opinion that the District's economy should continue to support conditions going forward, supporting stable finances and a stable overall credit profile.

Financial Future of the District

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

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

The majority of the District's financial resources come in the form of state aid. Since 2003, the level of funding provided by the state of Minnesota has not kept pace with inflation, resulting in a growing dependence on local levies to supplement budget shortfalls. The state general education formula allowance has increased from $4,966 per Adjusted Daily Membership in 2003 to $7,281 in 2025; had the formula allowance kept pace with inflation, the allowance would be $8,637 in 2025, which would result in an additional $11 million of revenue each year for the District.

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

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

Financial Reporting Awards

For the 23rd consecutive year, the District has received both the Government Finance Officers Association of the United States and Canada and the Association of School Business Officials International awards for excellence in financial reporting. The Board of Education is proud to have received these awards, which provide evidence to the community, financial institutions, and the general public that the District is committed to sound financial reporting.

Internal Accounting

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

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

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

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

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

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

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

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

Closing Statement – It is the goal of this ACFR to provide the District's management, outside investors, and interested local citizens with a meaningful financial presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2023.

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

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

Respectfully submitted,

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

Timothy Wald
Assistant Superintendent for Finance and Operations

Citizens of the White Bear Lake Area School District

- Independent Auditor
- School Board
- Legal Counsel

Dr. Wayne Kazmierczak, Superintendent

- *Marisa Vette*, Director of Communications & Community Relations
  - *Tia Quirk*, Communications Specialist
- *Tim Wald*, Assistant Superintendent for Finance & Operations
  - *Bridget Lehn*, Director of Nutrition Services
    - *Rachel Rancour*, Assistant Director of Nutrition Services
    - *Dan Roeser*, Director of Building Operations
    - *Kevin Fernandez*, Construction Project Manager
    - *Kevin Klecker*, Safety and Emergency Supervisor
    - *Mike Turitto*, Director of Transportation
    - *Kelli Deal, Kim Granger, Robert Hanft, and Dave Johnson*, Transportation Specialists
    - Support Staff
  - *Andi Johnson*, Director of Finance
    - *Erica Mattice*, Controller
    - *Amanda Harris*, Senior Accountant
    - *Stephanie Wendel*, Accountant
    - Support Staff
- *Dr. Alison Gillespie*, Assistant Superintendent for Teaching & Learning
  - *Lisa Ouren*, Director of Student Support Services
    - *Sara Derby*, Assistant Director
    - *Angela Drange*, Assistant Director
    - *Kristen Johnson*, Assistant Director
    - *Katy Domschot*, Coordinator
    - *Dave Thomas*, Coordinator
    - Teachers and Support Staff
  - *Steve Asper*, Director of Technology & Innovation
    - *Sara Florin*, Assistant Director
    - *David Allison*, Applications, State Reporting & Data Management Specialist
    - *Peggy Nadeau*, Systems & Applications Engineer
    - *Chris Hautman*, Network Engineer
    - *Pat Suko*, Network & Communication Specialist
    - Level II Field Technicians
    - Level I Field Technicians
  - **Principals**
    - *Jonathan Luknic*, Birch Lake
    - *Cary Krusemark*, Lakeaires
    - *Brian Morris*, Lincoln
    - *John Leininger*, Matoska
    - *Dan Schmidt*, North Star
    - *Lori Mosser*, Oneka
    - *Cynthia Mueller*, Otter Lake
    - *Sara Svir*, Vadnais Heights
    - *Matt Menier*, Willow Lane
    - *Cathryn Peterson*, Central
    - *Christina Pierre*, Sunrise Park
    - *Ang Nelson*, North
    - *Don Bosch*, South
    - *Gretchen Harriman*, ALC
    - Teachers and Support Staff
  - **Associate Principals**
    - *Bob Brewer*, Central
    - *Ryan Clark*, Sunrise Park
    - *Nathaniel Beulah*, North
    - *Dion Harriman*, North
    - *Joseph Held*, North
    - *Carrie Barth*, South
    - *Matthew Young*, South
  - **Dean of Students**
    - *Leah Erickson*, Otter Lake
    - *Breanna Peloquin*, Central
    - *Lonal Van*, Sunrise Park
  - *Jennifer Babiash*, Director of Teaching & Learning
    - *Melinda Fierro*, Assistant Director
    - Support Staff
- *Matt Mons*, Director of Human Resources and General Counsel
  - *Brenton Shavers*, Director of Educational Equity & Achievement
    - *Ayan Ibrahim*, Assistant Director
    - *Vincent Patton*, Am Indian Education Program Coordinator
    - *Briana Santoscoy*, Student, Family & Community Engagement Coordinator
    - *Julie Vang*, Ed Equity Specialist
    - *Nirvana Yang*, Ed Equity Specialist
    - *Syra Yang*, Ed Equity Specialist
    - *Brian White*, MTSS Coordinator
  - *Cindy Gustufson*, Assistant Director
    - *Kim Lucio*, Benefits Specialist
    - *Karla Hernandez*, Employee Relations Specialist
    - *Rachael Stafki*, Employee Relations Specialist
    - *Angela Lundblad*, Human Resources Specialist
    - Support Staff
- *Tim Maurer*, Director of Community Services & Recreation
  - *Jon Anderson*, Adult Program & Facilities Coordinator
    - *Nicole Oswald*, Out of School Time Coordinator
    - *Matt Riebow*, Youth Recreation/ Middle School Sports Coordinator
    - *Darcy Rodriguez*, Early Education Education Supervisor
    - Support Staff

as of 6.1.2023

INDEPENDENT SCHOOL DISTRICT NO. 624

Principal Officials
as of June 30, 2023

BOARD OF EDUCATION

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

ADMINISTRATION OFFICIALS

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

White Bear Lake Area Schools
Independent School District #624
Minnesota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

White Bear Lake Area Schools
Independent School District 624

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.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

John W. Hutchison
President

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

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FINANCIAL SECTION

MMKR
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 624 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 of the notes to basic financial statements, in fiscal 2023, the District 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.

(continued)

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

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

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

PRIOR YEAR COMPARATIVE INFORMATION

We have previously audited the District's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated January 16, 2023. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
January 4, 2024

This section of Independent School District No. 624's (the District) Annual Comprehensive Financial Report (ACFR) presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the other components of the District's ACFR. The MD&A is a narrative overview and analysis presented as required supplementary information.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources were less than its liabilities and deferred inflows of resources at June 30, 2023 by $14,028,259 (net position deficit). The District's total net position increased by $27,671,238 during the fiscal year ended June 30, 2023. The decline in the fund balance in the General Fund and the decline in net position of the District's Internal Service Fund was offset by the change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans, which contributed to the increase in unrestricted net position in the current year.

- The District's net investment in capital assets increased $15,891,090 in 2023. This change in net position relates to the relationship between the rate at which the District is adding additional capital assets, the rate capital assets are being depreciated/amortized, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets.

- The General Fund's total fund balance (under the governmental fund presentation) decreased $2,914,519 from the prior year, compared to a decrease of $5,592,772 planned in the budget.

- As described in Note 1 of the notes to basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, which did not change the beginning net position. This change is further described in Note 1 of the notes to basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor's Report;
- MD&A;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Supplementary information, which includes combining and individual fund statements and schedules.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

FUND FINANCIAL STATEMENTS

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

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

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

The District maintains the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1
Summary Statement of Net Position
as of June 30, 2023 and 2022

	2023	2022
Assets		
Current and other assets	$ 259,029,290	$ 335,408,070
Capital assets, net of depreciation/amortization	337,781,675	240,699,562
Total assets	$ 596,810,965	$ 576,107,632
Deferred outflows of resources		
Pension plan deferments	$ 29,868,522	$ 33,917,669
OPEB plan deferments	3,266,595	3,333,217
Total deferred outflows of resources	$ 33,135,117	$ 37,250,886
Liabilities		
Current and other liabilities	$ 35,142,796	$ 48,671,190
Long-term liabilities, including due within one year	523,248,738	456,978,592
Total liabilities	$ 558,391,534	$ 505,649,782
Deferred inflows of resources		
Lease revenue for subsequent years	$ 4,154,267	$ 4,304,368
Property taxes levied for subsequent year	59,955,908	55,445,279
Pension plan deferments	17,544,826	84,828,404
OPEB plan deferments	3,927,806	4,830,182
Total deferred inflows of resources	$ 85,582,807	$ 149,408,233
Net position		
Net investment in capital assets	$ 43,576,487	$ 27,685,397
Restricted	18,595,309	20,465,027
Unrestricted	(76,200,055)	(89,849,921)
Total net position	$ (14,028,259)	$ (41,699,497)

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

The recent issuance of facilities maintenance and school building bonds, along with the resulting capital spending resulted in a significant change in current and other assets, capital assets, net of depreciation/amortization, current and other liabilities, long-term liabilities, and net investment in capital assets.

The rate at which the District is adding additional capital assets, the rate capital assets are being depreciated/amortized, and how this compares to the rate at which the District is repaying the debt issued to purchase or construct those assets is having a positive impact on net investment in capital assets.

The decline in amounts restricted for food service, community service, and debt service contributed to the decline in restricted net position.

The change in the District's share of the PERA and TRA pension plans contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position. The decline in the fund balance in the General Fund and the decline in net position in the District's Internal Service Funds contributed to the change in unrestricted net position in the current year.

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

Table 2
Summary Statement of Activities
for the Years Ended June 30, 2023 and 2022

	2023	2022
Revenues		
Program revenues		
Charges for services	$ 9,863,430	$ 7,680,036
Operating grants and contributions	27,710,488	29,734,127
Capital grants and contributions	258,641	705,483
General revenues		
Property taxes	57,780,441	56,998,699
General grants and aids	70,561,794	72,754,487
Other	6,413,968	(812,128)
Total revenues	172,588,762	167,060,704
Expenses		
Administration	4,248,882	4,688,375
District support services	2,701,391	2,481,138
Elementary and secondary regular instruction	43,661,852	52,924,261
Vocational education instruction	1,559,255	1,201,920
Special education instruction	24,392,796	25,983,741
Community education	318,509	182,603
Instructional support services	8,889,914	10,506,017
Pupil support services	14,744,264	14,912,442
Sites and buildings	16,920,276	15,851,701
Fiscal and other fixed cost programs	600,003	466,359
Food service	5,313,481	4,927,006
Community service	7,910,049	7,113,877
Depreciation/amortization not allocated to other functions	2,923,287	2,720,457
Interest and fiscal charges	10,733,565	8,396,438
Total expenses	144,917,524	152,356,335
Change in net position	27,671,238	14,704,369
Net position – beginning of year	(41,699,497)	(56,403,866)
Net position – end of year	$ (14,028,259)	$ (41,699,497)

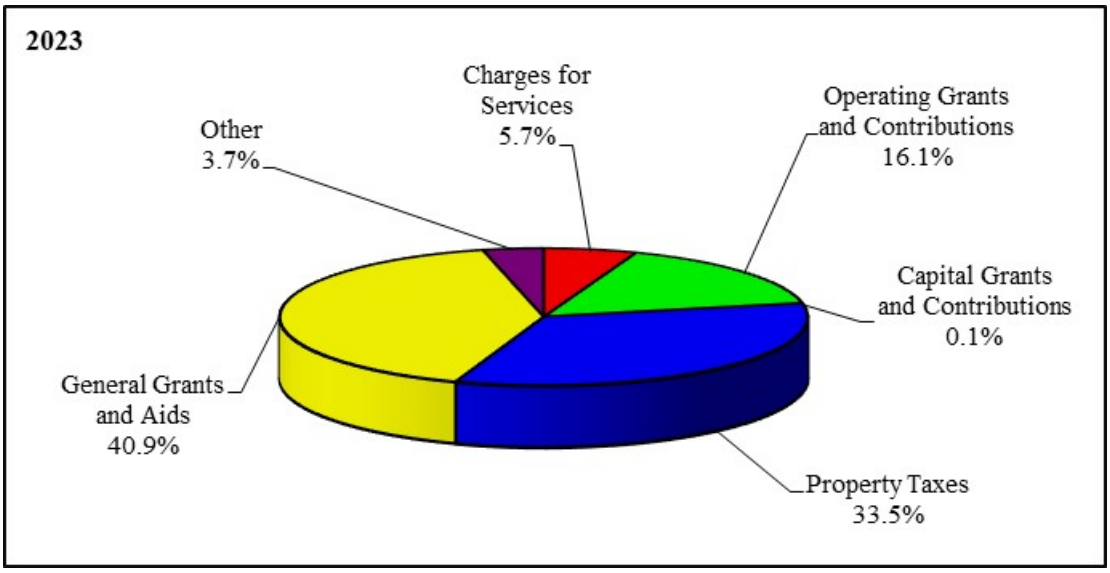
This format is presented on an accrual basis of accounting and it includes all of the governmental activities of the District. This statement includes depreciation/amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

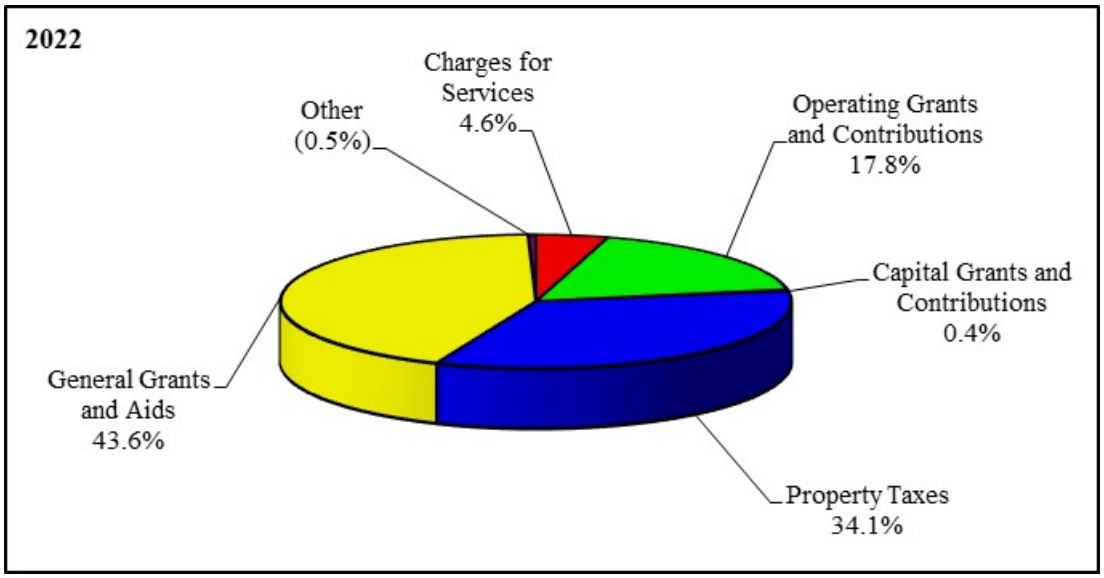
Charges for services increased, due to the transition from the Summer Seamless Option Food Service Program in fiscal 2022, which provided federally funded free meals to all students at the highest available reimbursement rate, back to the National School Lunch Program in fiscal 2023. Operating grants and contributions and general grants and aids decreased in the current year with the decline in federal revenues as spending of pandemic-related grants decreased in the current year as available dollars declined. Other general revenues increased related to investment earnings on bond proceeds and the result of improved market conditions.

The decreases in expenses within elementary and secondary regular instruction and special education instruction reflect the change in the PERA and the TRA multiple-employer defined benefit pension plans mentioned earlier. The increase in interest and fiscal charges relate to additional debt service on bonds issued for capital improvements and facilities maintenance over the past two years.

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

Figure A – Sources of Revenues for Fiscal Years 2023 and 2022

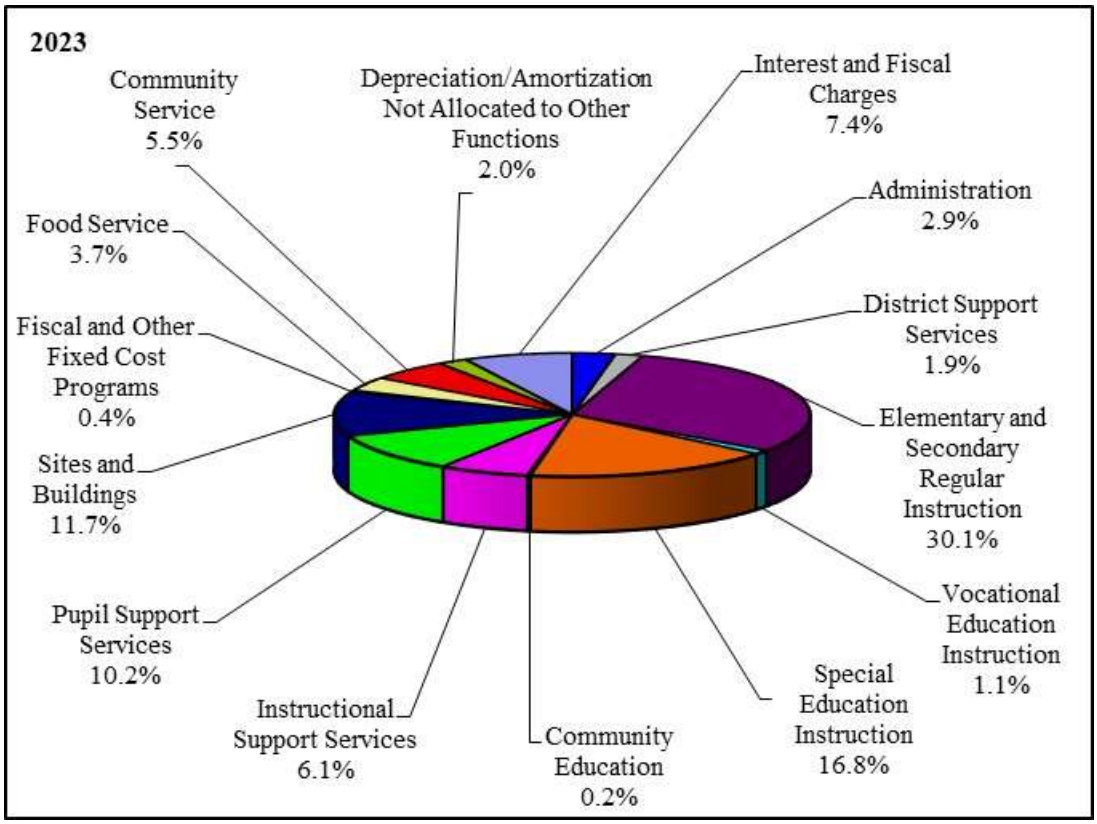


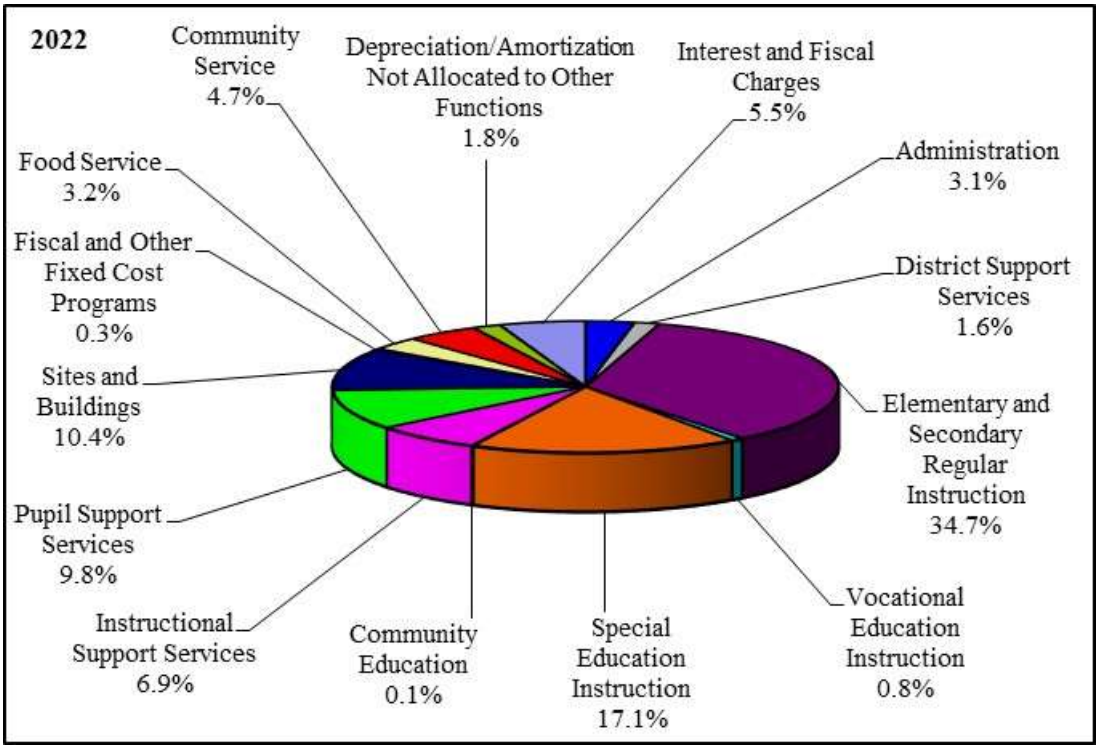


The largest share of the District's revenue is received from the state, including the aid formula and most of the operating grants.

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

Figure B – Expenses for Fiscal Years 2023 and 2022





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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3
Governmental Fund Balances
as of June 30, 2023 and 2022

	2023	2022	Change
Major funds			
General	$ 11,241,544	$ 14,156,063	$ (2,914,519)
Capital Projects – Building Construction	129,330,505	189,563,404	(60,232,899)
Debt Service	4,202,276	4,975,001	(772,725)
Nonmajor funds			
Food Service Special Revenue	2,264,397	3,095,049	(830,652)
Community Service Special Revenue	(172,541)	667,408	(839,949)
Total governmental funds	$ 146,866,181	$ 212,456,925	$ (65,590,744)

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

Analysis of the General Fund

Table 4 summarizes the amendments to the General Fund budget:

Table 4
General Fund
Budget

	Original Budget	Final Budget	Change	Percent Change
Revenue	$ 127,224,430	$ 128,993,359	$ 1,768,929	1.4 %
Expenditures	$ 127,975,183	$ 134,586,131	$ 6,610,948	5.2 %

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

Table 5 summarizes the operating results of the General Fund:

Table 5
General Fund
Operating Results

	2023 Actual	Over (Under) Final Budget Amount	Over (Under) Final Budget Percent	Over (Under) Prior Year Amount	Over (Under) Prior Year Percent
Revenues and other financing sources	$ 130,269,071	$ 1,275,712	1.0%	$ (363,171)	(0.3%)
Expenditures	133,183,590	$ (1,402,541)	(1.0%)	$ (97,093)	(0.1%)
Net change in fund balances	$ (2,914,519)				

State sources were over budget by $1,135,814, due to improved funding for special education. Federal sources were under budget by $1,213,237, primarily due to a decrease in pandemic-related stimulus grant spending. Other revenue was over budget by $798,136, mainly the result of conservative budgeting in this area.

Property tax revenue increased $1,120,493, due to an increase in the tax levy, increases from the tax shift, and an improved collection rate. State aid increased $1,565,878, mainly in special education aid. Revenue decreased $3,262,772 in federal aid related to decreases in spending of COVID-19 stimulus-related grants and aids as availability is declining.

Supplies and materials were under budget by $1,548,187. Instructional support services supplies and material were under budget by $913,621, due to the replacement of technology devices not occurring in fiscal 2023 as planned. Salaries and benefits were under budget by $909,112 spread across multiple programs. Purchased services were under budget $430,731, mostly in sites and buildings as facility maintenance project spending was lower than projected.

Expenditures decreased $97,093 from the prior year. Salaries and benefits increased $1,522,831, mostly in special education programs. Purchased services decreased $2,218,775 as sites and buildings costs decreased $1,856,137, mostly from declines in facilities maintenance projects. Supplies and materials decreased $920,618, which was due to planned replacement of technology devices in fiscal 2022. Capital expenditures increased $1,450,061, mainly for pupil support service programs and sites and buildings related costs.

Analysis of Other Major Governmental Funds

The Capital Projects – Building Construction Fund accounts for the costs of capital projects related to long-term facilities maintenance bonds and voter-approved general obligation school building bonds. In 2019, White Bear Lake Area School District voters approved a $326 million building bond request to address building needs across the District. The bond funding will be used to address projected enrollment growth throughout the District; provide safe, secure, and healthy learning environments for all students through investments in our aging facilities and infrastructure; increase opportunities for students by creating a single unified Grades 9–12 high school; and create flexibly-designed learning spaces to support student-centered instruction. In fiscal 2023, the District issued 2023A Facilities Maintenance Bonds totaling $33,415,000.

Total Debt Service Fund revenue reflects the full levy for repayment of bonds, less a mandated reduction in the levy to reduce fund balance. Expenditures reflect the debt repayment schedule.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with expenditures greater than revenues and other financing sources, decreasing fund balance by $830,652, compared to a planned fund balance decrease of $1,333,248. The difference is mainly the result of revenues exceeding budgeted amounts by $396,921, mainly in meal sales and expenditures being lower than projected by $104,433, mainly in purchased services.

The Community Service Special Revenue Fund ended the year with expenditures greater than revenues and other financing sources, decreasing fund balance by $839,949, compared to a planned fund balance decrease of $186,497. The difference was the result of expenditures exceeding budgeted amounts by $921,196 as salaries, benefits and purchased services were higher than projected, mainly in extended day and nonpublic pupil aid programs.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains two internal service funds. These funds are used to account for the District's self-insured health insurance and self-insured dental insurance. The net position balance for all internal service funds as of June 30, 2023, was a balance of $4,274,396, which represents a $421,857 decrease from operations.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation/amortization expense for fiscal years ended June 30, 2023 and 2022:

Table 6
Capital Assets

	2023	2022	Change
Land	$ 6,072,864	$ 5,391,474	$ 681,390
Land improvements	3,991,759	3,991,759	–
Buildings	160,233,120	138,539,950	21,693,170
Buildings – leased	963,444	963,444	–
Equipment	9,542,043	8,463,613	1,078,430
Pupil transportation vehicles	5,959,956	5,494,114	465,842
Technology subscriptions	67,584	–	67,584
Construction in progress	233,912,617	157,338,575	76,574,042
Less accumulated depreciation/amortization	(82,961,712)	(79,483,367)	(3,478,345)
Total	$ 337,781,675	$ 240,699,562	$ 97,082,113
Depreciation/amortization expense	$ 3,478,345	$ 3,198,112	$ 280,233

By the end of 2023, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2023, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page. The change in capital assets for technology subscriptions related to the implementation of GASB Statement No. 96 implemented in the current year.

Long-Term Liabilities

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

Table 7
Outstanding Long-Term Liabilities

	2023	2022	Change
General obligation bonds payable	$ 395,165,000	$ 375,050,000	$ 20,115,000
Certificates of participation	4,755,000	5,470,000	(715,000)
Lease liabilities	761,623	858,038	(96,415)
Premiums (discounts) on bonds payable	22,854,070	21,199,531	1,654,539
Net pension liability	98,751,137	53,357,322	45,393,815
Severance benefits payable	961,908	1,043,701	(81,793)
Total	$ 523,248,738	$ 456,978,592	$ 66,270,146

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

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

Table 8
Limitations on Debt

District's market value	$ 10,817,452,770
Limit rate	15.0%
Legal debt limit	$ 1,622,617,916

Additional details of the District's capital assets and long-term liabilities activity can be found in Notes 4 and 5 of the notes to basic financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added $275, or 4.00 percent, per pupil to the basic general education funding formula for fiscal year 2024, and an additional $143, or 2.00 percent, per pupil to the formula for fiscal year 2025.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Net Position
as of June 30, 2023
(With Partial Comparative Information as of June 30, 2022)

	Governmental Activities	
	2023	2022
Assets		
Cash and temporary investments	$ 194,001,897	$ 263,330,221
Receivables		
Current taxes	33,041,601	30,201,434
Delinquent taxes	563,274	604,248
Accounts and interest	632,563	2,184,374
Due from other governmental units	11,839,685	15,474,546
Due from Post-Employment Benefits Trust Fund	1,164,550	4,271,493
Lease	4,154,267	4,304,368
Inventory	208,764	216,549
Prepaid items	47,285	712,904
Net OPEB plan asset	13,313,404	14,045,933
Restricted assets – temporarily restricted		
Cash and investments held for capital projects	62,000	62,000
Capital assets		
Not depreciated/amortized	239,985,481	162,730,049
Depreciated, net of accumulated depreciation/amortization	97,796,194	77,969,513
Total capital assets, net of accumulated depreciation/amortization	337,781,675	240,699,562
Total assets	596,810,965	576,107,632
Deferred outflows of resources		
Pension plan deferments	29,868,522	33,917,669
OPEB plan deferments	3,266,595	3,333,217
Total deferred outflows of resources	33,135,117	37,250,886
Total assets and deferred outflows of resources	$ 629,946,082	$ 613,358,518
Liabilities		
Salaries payable	$ 577,222	$ 488,236
Accounts and contracts payable	25,960,906	40,369,082
Accrued interest payable	5,361,033	4,582,403
Due to other governmental units	462,328	807,576
Unearned revenue	1,488,164	1,387,640
Claims incurred, but not reported	1,293,143	1,036,253
Long-term liabilities		
Due within one year	15,461,294	14,174,592
Due in more than one year	507,787,444	442,804,000
Total long-term liabilities	523,248,738	456,978,592
Total liabilities	558,391,534	505,649,782
Deferred inflows of resources		
Lease revenue for subsequent years	4,154,267	4,304,368
Property taxes levied for subsequent year	59,955,908	55,445,279
Pension plan deferments	17,544,826	84,828,404
OPEB plan deferments	3,927,806	4,830,182
Total deferred inflows of resources	85,582,807	149,408,233
Net position		
Net investment in capital assets	43,576,487	27,685,397
Restricted for		
OPEB	12,652,193	12,548,968
Capital asset acquisition	2,926,444	3,005,800
Debt service	–	540,441
Community service	312,489	750,269
Food service	2,264,397	3,095,049
Other purposes	439,786	524,500
Unrestricted	(76,200,055)	(89,849,921)
Total net position	(14,028,259)	(41,699,497)
Total liabilities, deferred inflows of resources, and net position	$ 629,946,082	$ 613,358,518

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Activities
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

	2023					2022
		Program Revenues			Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities						
Administration	$ 4,248,882	$ –	$ –	$ –	$ (4,248,882)	$ (4,688,375)
District support services	2,701,391	–	–	–	(2,701,391)	(2,481,138)
Elementary and secondary regular instruction	43,661,852	1,333,500	1,472,043	–	(40,856,309)	(50,174,574)
Vocational education instruction	1,559,255	–	–	–	(1,559,255)	(1,201,920)
Special education instruction	24,392,796	717,615	21,818,262	–	(1,856,919)	(5,272,645)
Community education	318,509	–	–	–	(318,509)	(182,603)
Instructional support services	8,889,914	17,128	7,723	76,135	(8,788,928)	(9,856,489)
Pupil support services	14,744,264	18,711	375,535	–	(14,350,018)	(14,255,539)
Sites and buildings	16,920,276	425,588	–	182,506	(16,312,182)	(15,332,476)
Fiscal and other fixed cost programs	600,003	–	–	–	(600,003)	(466,359)
Food service	5,313,481	2,148,957	3,086,161	–	(78,363)	2,067,118
Community service	7,910,049	5,201,931	950,764	–	(1,757,354)	(1,274,794)
Depreciation/amortization not allocated to other functions	2,923,287	–	–	–	(2,923,287)	(2,720,457)
Interest and fiscal charges	10,733,565	–	–	–	(10,733,565)	(8,396,438)
Total governmental activities	$ 144,917,524	$ 9,863,430	$ 27,710,488	$ 258,641	(107,084,965)	(114,236,689)
		General revenues				
		Taxes				
		Property taxes, levied for general purposes			21,660,354	19,775,571
		Property taxes, levied for community service			1,164,585	1,166,133
		Property taxes, levied for capital projects			11,385,974	12,015,594
		Property taxes, levied for debt service			23,569,528	24,041,401
		General grants and aids			70,561,794	72,754,487
		Other general revenues			745,390	747,733
		Investment earnings (charges)			5,668,578	(1,559,861)
		Total general revenues			134,756,203	128,941,058
		Change in net position			27,671,238	14,704,369
		Net position – beginning of year			(41,699,497)	(56,403,866)
		Net position – end of year			$ (14,028,259)	$ (41,699,497)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Balance Sheet
Governmental Funds
as of June 30, 2023
(With Partial Comparative Information as of June 30, 2022)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Assets			
Cash and temporary investments	$ 14,875,234	$ 151,555,305	$ 17,403,677
Cash and investments held by trustee	–	62,000	–
Receivables			
Current taxes	17,364,851	–	15,047,188
Delinquent taxes	320,915	–	230,631
Accounts and interest	90,824	500,948	–
Due from other governmental units	11,586,375	–	18,760
Due from other funds	1,164,550	–	–
Lease	4,154,267	–	–
Inventory	–	–	–
Prepaid items	44,626	–	–
Total assets	$ 49,601,642	$ 152,118,253	$ 32,700,256
Liabilities			
Salaries payable	$ 426,002	$ 163	$ –
Accounts and contracts payable	2,456,538	22,784,024	–
Due to other governmental units	376,782	3,561	–
Due to other funds	–	–	–
Unearned revenue	–	–	–
Total liabilities	3,259,322	22,787,748	–
Deferred inflows of resources			
Lease revenue for subsequent years	4,154,267	–	–
Unavailable revenue – delinquent taxes	389,094	–	280,099
Property taxes levied for subsequent year	30,557,415	–	28,217,881
Total deferred inflows of resources	35,100,776	–	28,497,980
Fund balances (deficit)			
Nonspendable	44,626	–	–
Restricted	3,366,230	129,330,505	4,202,276
Unassigned	7,830,688	–	–
Total fund balances	11,241,544	129,330,505	4,202,276
Total liabilities, deferred inflows of resources, and fund balances	$ 49,601,642	$ 152,118,253	$ 32,700,256

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds 2023	Total Governmental Funds 2022
$ 3,127,188	$ 186,961,404	$ 256,291,310
–	62,000	62,000
629,562	33,041,601	30,201,434
11,728	563,274	604,248
38,873	630,645	2,176,483
234,550	11,839,685	15,474,546
–	1,164,550	4,271,493
–	4,154,267	4,304,368
208,764	208,764	216,549
2,659	47,285	712,904
$ 4,253,324	$ 238,673,475	$ 314,315,335
$ 151,057	$ 577,222	$ 488,236
379,088	25,619,650	40,045,417
81,985	462,328	807,576
–	–	98,603
354,548	354,548	298,406
966,678	27,013,748	41,738,238
–	4,154,267	4,304,368
14,178	683,371	370,525
1,180,612	59,955,908	55,445,279
1,194,790	64,793,546	60,120,172
211,423	256,049	929,453
2,351,285	139,250,296	201,689,224
(470,852)	7,359,836	9,838,248
2,091,856	146,866,181	212,456,925
$ 4,253,324	$ 238,673,475	$ 314,315,335

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INDEPENDENT SCHOOL DISTRICT NO. 624

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2023
(With Partial Comparative Information as of June 30, 2022)

	2023	2022
Total fund balances – governmental funds	$ 146,866,181	$ 212,456,925
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	420,743,387	320,182,929
Accumulated depreciation/amortization	(82,961,712)	(79,483,367)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
General obligation bonds payable	(395,165,000)	(375,050,000)
Certificates of participation payable	(4,755,000)	(5,470,000)
Lease liabilities	(761,623)	(858,038)
Premium (discount) on bonds payable	(22,854,070)	(21,199,531)
Net pension liability	(98,751,137)	(53,357,322)
Severance benefits payable	(961,908)	(1,043,701)
Net OPEB plan assets reported in the Statement of Net Position do not require the use of current financial resources and are not reported as assets in governmental funds until actually due.	13,313,404	14,045,933
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	4,274,396	4,696,253
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(5,361,033)	(4,582,403)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	29,868,522	33,917,669
Deferred inflows of resources – pension plan deferments	(17,544,826)	(84,828,404)
Deferred outflows of resources – OPEB plan deferments	3,266,595	3,333,217
Deferred inflows of resources – OPEB plan deferments	(3,927,806)	(4,830,182)
Deferred inflows of resources – delinquent property taxes	683,371	370,525
Total net position – governmental activities	$ (14,028,259)	$ (41,699,497)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Revenue			
Local sources			
Property taxes	$ 32,871,766	$ –	$ 23,437,272
Investment earnings (charges)	326,516	4,944,334	222,734
Other	3,180,846	251	–
State sources	87,901,945	–	186,191
Federal sources	5,937,405	–	–
Total revenue	130,218,478	4,944,585	23,846,197
Expenditures			
Current			
Administration	4,949,923	–	–
District support services	2,712,964	–	–
Elementary and secondary regular instruction	54,249,852	–	–
Vocational education instruction	1,745,537	–	–
Special education instruction	27,970,498	–	–
Community education	317,632	–	–
Instructional support services	9,365,907	–	–
Pupil support services	15,247,597	–	–
Sites and buildings	14,934,054	–	–
Fiscal and other fixed cost programs	600,003	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	101,889,218	–
Debt service			
Principal	811,415	–	13,300,000
Interest and fiscal charges	278,208	133,345	11,318,922
Total expenditures	133,183,590	102,022,563	24,618,922
Excess (deficiency) of revenue over expenditures	(2,965,112)	(97,077,978)	(772,725)
Other financing sources (uses)			
Bonds issued	–	33,415,000	–
Refunding debt issued	–	–	–
Premium on issuance of debt	–	3,430,079	–
Proceeds from sale of assets	–	–	–
Insurance recovery	50,593	–	–
Payment to refunded bonds escrow agent	–	–	–
Total other financing sources (uses)	50,593	36,845,079	–
Net change in fund balances	(2,914,519)	(60,232,899)	(772,725)
Fund balances			
Beginning of year	14,156,063	189,563,404	4,975,001
End of year	$ 11,241,544	$ 129,330,505	$ 4,202,276

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds 2023	Total Governmental Funds 2022
$ 1,158,557	$ 57,467,595	$ 56,924,765
72,927	5,566,511	(1,564,956)
7,350,888	10,531,985	8,404,487
1,209,985	89,298,121	87,695,511
2,826,940	8,764,345	15,910,891
12,619,297	171,628,557	167,370,698
–	4,949,923	4,859,360
–	2,712,964	2,571,817
–	54,249,852	54,434,812
–	1,745,537	1,225,126
–	27,970,498	26,765,265
–	317,632	182,603
–	9,365,907	10,594,212
–	15,247,597	14,992,963
–	14,934,054	16,109,378
–	600,003	466,359
5,613,335	5,613,335	5,105,642
8,145,962	8,145,962	7,228,621
556,843	102,446,061	132,128,045
–	14,111,415	14,790,406
–	11,730,475	9,820,154
14,316,140	274,141,215	301,274,763
(1,696,843)	(102,512,658)	(133,904,065)
–	33,415,000	90,865,000
–	–	8,280,000
–	3,430,079	8,774,270
26,242	26,242	61,351
–	50,593	–
–	–	(8,850,000)
26,242	36,921,914	99,130,621
(1,670,601)	(65,590,744)	(34,773,444)
3,762,457	212,456,925	247,230,369
$ 2,091,856	$ 146,866,181	$ 212,456,925

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INDEPENDENT SCHOOL DISTRICT NO. 624

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

	2023	2022
Total net change in fund balances – governmental funds	$ (65,590,744)	$ (34,773,444)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation/amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	100,560,458	132,043,524
Depreciation/amortization expense	(3,478,345)	(3,198,112)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	(421,857)	344,172
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not resources in the Statement of Activities, but rather constitutes long-term liabilities.		
General obligation bonds payable	(33,415,000)	(99,145,000)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	13,300,000	22,855,000
Certificates of participation payable	715,000	680,000
Lease liabilities	96,415	105,406
Net OPEB plan assets reported in the Statement of Activities do not require the use of current financial resources and are not reported until actually due.	(732,529)	(4,878,412)
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	(778,630)	(734,220)
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	(1,654,539)	(6,859,179)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	(45,393,815)	33,707,756
Severance benefits payable	81,793	53,248
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(4,049,147)	(4,914,869)
Deferred inflows of resources – pension plan deferments	67,283,578	(24,235,091)
Deferred outflows of resources – OPEB plan deferments	(66,622)	2,658,565
Deferred inflows of resources – OPEB plan deferments	902,376	678,246
Deferred inflows of resources – deferred charges on refunding	–	242,845
Deferred inflows of resources – delinquent property taxes	312,846	73,934
Change in net position – governmental activities	$ 27,671,238	$ 14,704,369

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources				
Property taxes	$ 32,543,875	$ 32,543,876	$ 32,871,766	$ 327,890
Investment earnings	10,000	150,000	326,516	176,516
Other	2,226,955	2,382,710	3,180,846	798,136
State sources	87,322,693	86,766,131	87,901,945	1,135,814
Federal sources	5,120,907	7,150,642	5,937,405	(1,213,237)
Total revenue	127,224,430	128,993,359	130,218,478	1,225,119
Expenditures				
Current				
Administration	4,919,703	4,980,983	4,949,923	(31,060)
District support services	2,527,283	2,585,049	2,712,964	127,915
Elementary and secondary regular instruction	55,979,661	54,777,131	54,249,852	(527,279)
Vocational education instruction	1,326,086	1,315,598	1,745,537	429,939
Special education instruction	25,717,835	28,296,421	27,970,498	(325,923)
Community education	–	–	317,632	317,632
Instructional support services	8,180,618	10,310,669	9,365,907	(944,762)
Pupil support services	12,988,150	15,185,142	15,247,597	62,455
Sites and buildings	14,887,956	15,687,247	14,934,054	(753,193)
Fiscal and other fixed cost programs	489,541	489,541	600,003	110,462
Debt service				
Principal	715,000	715,000	811,415	96,415
Interest and fiscal charges	243,350	243,350	278,208	34,858
Total expenditures	127,975,183	134,586,131	133,183,590	(1,402,541)
Excess (deficiency) of revenue over expenditures	(750,753)	(5,592,772)	(2,965,112)	2,627,660
Other financing sources				
Insurance recovery	–	–	50,593	50,593
Net change in fund balances	$ (750,753)	$ (5,592,772)	(2,914,519)	$ 2,678,253
Fund balances				
Beginning of year			14,156,063	
End of year			$ 11,241,544	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Net Position
Proprietary Funds
Internal Service Funds
as of June 30, 2023
(With Partial Comparative Information as of June 30, 2022)

	2023	2022
Assets		
Current assets		
Cash and temporary investments	$ 7,040,493	$ 7,038,911
Accounts and interest receivable	1,918	7,891
Due from other funds	–	98,603
Total assets	7,042,411	7,145,405
Liabilities		
Current liabilities		
Accounts and contracts payable	341,256	323,665
Claims incurred, but not reported	1,293,143	1,036,253
Unearned revenue	1,133,616	1,089,234
Total liabilities	2,768,015	2,449,152
Net position		
Unrestricted	$ 4,274,396	$ 4,696,253

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Revenue, Expenses, and Changes in Net Position
Proprietary Funds
Internal Service Funds
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

	2023	2022
Operating revenue		
Charges for services		
Contributions from governmental funds	$ 16,031,695	$ 16,112,645
Operating expenses		
Health benefit claims	14,440,594	14,010,864
Dental benefit claims	979,578	950,056
Administrative costs	1,135,447	812,648
Total operating expenses	16,555,619	15,773,568
Operating income (loss)	(523,924)	339,077
Nonoperating revenue		
Investment earnings	102,067	5,095
Income (loss) before transfers	(421,857)	344,172
Transfers in	–	146,186
Transfers out	–	(146,186)
Change in net position	(421,857)	344,172
Net position		
Beginning of year	4,696,253	4,352,081
End of year	$ 4,274,396	$ 4,696,253

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Cash Flows
Proprietary Funds
Internal Service Funds
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

	2023	2022
Cash flows from operating activities		
Received from assessments made to other funds	$ 16,082,050	$ 16,124,604
Self-insurance claims and payments	(16,281,138)	(15,453,979)
Net cash flows from operating activities	(199,088)	670,625
Cash flows from noncapital financing activities		
Payments from (to) other funds	98,603	(98,603)
Transfers in	–	146,186
Transfers out	–	(146,186)
Net cash flows from noncapital financing activities	98,603	(98,603)
Cash flows from investing activities		
Investment income received	102,067	5,095
Net change in cash and cash equivalents	1,582	577,117
Cash and cash equivalents		
Beginning of year	7,038,911	6,461,794
End of year	$ 7,040,493	$ 7,038,911
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	$ (523,924)	$ 339,077
Adjustments to reconcile operating income (loss) to cash flows from operating activities		
Changes in assets and liabilities		
Accounts and interest receivable	5,973	(7,891)
Accounts and contracts payable	17,591	75,512
Claims incurred, but not reported	256,890	244,077
Unearned revenue	44,382	19,850
Net cash flows from operating activities	$ (199,088)	$ 670,625

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Fiduciary Net Position
as of June 30, 2023

	Post-Employment Benefits Trust Fund	Custodial Fund
Assets		
Cash and cash equivalents	$ 28	$ 275,579
Investments held by trustee		
Money market mutual fund	68,454	–
Domestic equity mutual fund	6,601,916	–
International mutual fund	3,116,164	–
Bond mutual fund	21,340,709	–
Receivables		
Accounts and interest	–	500
Total assets	31,127,271	276,079
Liabilities		
Accounts and contracts payable	–	26,738
Due to other governmental units	–	70,423
Due to governmental funds	1,164,550	–
Total liabilities	1,164,550	97,161
Net position		
Restricted for scholarships	–	10,972
Restricted for other purposes	–	167,946
Restricted for OPEB	29,962,721	–
Total net position	$ 29,962,721	$ 178,918

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023

	Post-Employment Benefits Trust Fund	Custodial Fund
Additions		
Contributions		
Private donations	$ –	$ 163,431
Investment earnings	952,893	3,433
Total additions	952,893	166,864
Deductions		
Benefits	1,164,550	–
Other private-purpose expenses	–	137,158
Total deductions	1,164,550	137,158
Change in net position	(211,657)	29,706
Net position		
Beginning of year	30,174,378	149,212
End of year	$ 29,962,721	$ 178,918

See notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 624 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. It is governed by a seven-member Board of Education elected by the voters of the District to four-year terms. The accounting policies of the District conform to accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements. The proprietary fund (Internal Service Fund) is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the proprietary fund (Internal Service Fund) is consolidated into the governmental activities in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity. Fiduciary funds are presented in the fiduciary fund financial statements by type: pension (or other benefit) trust and custodial. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide financial statements.

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered to be available if collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Federal revenue is recorded in the year in which the related expenditure is made. State revenue is recognized in the year to which it applies according to Minnesota Statutes (which include state aid funding formulas for specific years) and accounting principles generally accepted in the United States of America. Other revenue is considered available if collected within 60 days. Proceeds of long-term debt are reported as other financing sources.

2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt, severance benefits, and net pension liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds

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

Major Governmental Funds

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

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

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

Nonmajor Governmental Funds

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

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

Proprietary Funds

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

Fiduciary Funds

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

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

E. Budgetary Information

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

Expenditures exceeded budgeted amounts in the Community Service Special Revenue Fund and the Debt Service Fund by $921,196, and $18,402, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Temporary Investments

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

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

Investments are generally stated at fair value, except for investments in guaranteed investment contracts and certain external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less may also be reported at amortized cost. Investment income is accrued at the Balance Sheet date.

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

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

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the District's recurring fair value measurements as of year-end.

G. Receivables

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

Due from governmental units at June 30, 2023 consist of the following:

MDE	$ 11,770,892
Minnesota school districts	61,420
Other governmental units	7,373
Total	$ 11,839,685

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

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

I. Prepaid Items

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

J. Property Taxes

The majority of district revenue is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aid by the Legislature based on education funding priorities.

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the tax shift, as mandated by legislation, recognizes $2,028,699 of the property tax levy collectible in 2023 as revenue to the District in fiscal year 2022–2023. The remaining portion of the taxes collectible in 2023 is recorded as deferred inflow of resources (property taxes levied for subsequent year).

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

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is reported as a deferred inflow of resources (unavailable revenue) in the fund financial statements because it is not known to be available to finance the current operations of the District. No allowance for uncollectible taxes is considered necessary.

K. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Leases and technology subscription capital assets are recorded based on the measurement of payments applicable to the lease or subscription term. The District defines capital assets as those with an initial, individual cost of $5,000 or more, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated/amortized using the straight-line method over their estimated useful lives. Since assets are generally sold for an immaterial amount or scrapped when no longer fit or needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment and pupil transportation vehicles. Leased assets are amortized over the term of the lease or over the remaining useful life of the applicable asset class previously described, if future ownership is anticipated. Technology subscriptions are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying information technology (IT) assets. Land and construction in progress are not depreciated.

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

L. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

M. Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District has entered into certain technology subscriptions for education solutions and other purposes. Capital assets associated with SBITAs are presented separately from other capital assets in Note 4.

N. Deferred Outflows/Inflows of Resources

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

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

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

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

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.

O. Compensated Absences

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

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

P. Severance Benefits

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

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

Q. State-Wide Pension Plans

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Other Post-Employment Benefits (OPEB) Plan

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

S. Risk Management and Self-Insurance

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was several changes in insurance coverages in the current fiscal year to better reflect the size and appropriate risks of loss of the District at the current time.

2. **Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

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

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

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

	Balance – Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance – End of Year
2022	$ 31,860	$ 1,000,999	$ 997,245	$ 35,614
2023	$ 35,614	$ 981,318	$ 980,448	$ 36,484

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

	Balance – Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance – End of Year
2022	$ 760,316	$ 14,699,293	$ 14,458,970	$ 1,000,639
2023	$ 1,000,639	$ 14,952,634	$ 14,696,614	$ 1,256,659

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Restricted Assets

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

U. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation/amortization, reduced by any outstanding debt attributable to acquire capital assets.

- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- **Unrestricted Net Position** – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

V. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.

- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

- **Committed** – Consists of internally imposed constraints that are established by resolution of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to Board of Education resolution, the District's superintendent and assistant superintendent for finance and operations are authorized to establish assignments of fund balance.

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Use of Estimates

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

X. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2022, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Y. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2023 consist of the following:

Capital assets, net of depreciation/amortization	$ 337,781,675
Bonds used for capital asset purposes	(395,165,000)
Certificates of participation	(4,755,000)
Lease liabilities	(761,623)
Premiums (discounts) on bonds	(22,854,070)
Unused bond proceeds	129,330,505
Total	$ 43,576,487

Z. Change in Accounting Principle

During the year ended June 30, 2023, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). This statement provides guidance on the accounting and financial reporting for SBITAs for governmental end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. Certain amounts necessary to fully restate fiscal year 2022 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in the District reporting new capital assets for SBTIAs. Beginning net position was unchanged from the implementation of this standard in the current year. See Note 4 for additional details on this change in the current year.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	$ 17,454,316
Investments	208,011,881
Cash on hand	550
Total	$ 225,466,747

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

Statement of Net Position	
Cash and temporary investments	$ 194,001,897
Cash and investments held for capital projects	62,000
Statement of Fiduciary Net Position	
Cash and cash equivalents – Post-Employment Benefits Trust Fund	28
Cash and cash equivalents – Custodial Fund	275,579
Investments held by trustee – Post-Employment Benefits Trust Fund	
Money market mutual fund	68,454
International mutual fund	6,601,916
Domestic equity mutual fund	3,116,164
Bond mutual fund	21,340,709
Total	$ 225,466,747

B. Deposits

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

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

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

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

The District's deposit policies do not further limit depository choices.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

At year-end, the carrying amount of the District's deposits was $17,454,316, while the balance on the bank records was $17,392,327. At June 30, 2023, deposits fully covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name totaled $2,938,388. Deposits not covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name totaled $14,453,939.

The District's deposits were covered by collateral held by the District's agent in the District's name on July 2, 2023.

C. Investments

The District had the following investments at year-end:

	Credit Risk		Fair Value Measurements	Interest Risk – Maturity Duration in Years					
Investment Type	Rating	Agency	Using	No Maturity	Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
U.S. treasuries	N/A	N/A	Level 1	$ –	$ 5,127,202	$ –	$ –	$ –	$ 5,127,202
U.S. treasuries	N/A	N/A	Level 1	$ –	$ 18,826,664	$ –	$ –	$ –	18,826,664
U.S. agency securities	AA	S&P	Level 2	$ –	$ 10,125,675	$ –	$ –	$ –	10,125,675
U.S. agency securities	N/R	N/A	Level 2	$ –	$ 2,714,820	$ –	$ –	$ –	2,714,820
State and local bonds	AAA	S&P	Level 2	$ –	$ 1,634,552	$ –	$ –	$ –	1,634,552
State and local bonds	Aaa	Moody's	Level 2	$ –	$ 248,738	$ 683,500	$ –	$ –	932,238
State and local bonds	AA	S&P	Level 2	$ –	$ 14,205,768	$ 3,289,645	$ –	$ 132,305	17,627,718
State and local bonds	Aa	Moody's	Level 2	$ –	$ 5,914,748	$ 1,154,300	$ –	$ –	7,069,048
State and local bonds	A	S&P	Level 2	$ –	$ 5,149,568	$ 245,385	$ 245,658	$ –	5,640,611
State and local bonds	A	Moody's	Level 2	$ –	$ 1,522,455	$ –	$ –	$ –	1,522,455
State and local bonds	Baa	Moody's	Level 2	$ –	$ 390,548	$ –	$ –	$ –	390,548
State and local bonds	N/R	N/A	Level 2	$ –	$ 513,573	$ –	$ –	$ –	513,573
State and local revenue bonds	AAA	S&P	Level 2	$ –	$ 2,730,467	$ 190,470	$ –	$ –	2,920,937
State and local revenue bonds	AA	S&P	Level 2	$ –	$ 4,075,250	$ 571,303	$ –	$ –	4,646,553
State and local revenue bonds	Aa	Moody's	Level 2	$ –	$ 9,692,712	$ 613,751	$ –	$ –	10,306,463
State and local revenue bonds	A	S&P	Level 2	$ –	$ 124,613	$ –	$ –	$ –	124,613
State and local revenue bonds	A	Moody's	Level 2	$ –	$ 3,196,495	$ –	$ –	$ –	3,196,495
State and local revenue bonds	Baa	Moody's	Level 2	$ –	$ –	$ 907,213	$ –	$ –	907,213
State and local revenue bonds	N/R	N/A	Level 2		$ 1,003,280	$ –	$ –	$ –	1,003,280
Negotiable certificates of deposit	N/R	N/A	Level 2	$ –	$ 1,072,705	$ –	$ –	$ –	1,072,705
Investment pools/mutual funds									
Money market mutual funds	AAA	S&P	Level 1	$ 68,454	$ –	$ –	$ –	$ –	68,454
Domestic equity mutual fund	N/R	N/A	Level 1	$ 6,601,916	$ –	$ –	$ –	$ –	6,601,916
International mutual fund	N/R	N/A	Level 1	$ 3,116,164	$ –	$ –	$ –	$ –	3,116,164
Bond mutual fund	N/R	N/A	Level 1	$ 21,340,709	$ –	$ –	$ –	$ –	21,340,709
MSDLAF Liquid Class	AAA	S&P	A/C	$ 58,698,956	$ –	$ –	$ –	$ –	58,698,956
MSDLAF MAX Class	AAA	S&P	A/C	$ 21,882,319	$ –	$ –	$ –	$ –	21,882,319
Total investments									$ 208,011,881

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

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

For this investment pool, there is no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the MSDLAF Liquid Class; redemption notice period is 14 days for the MSDLAF MAX Class with the exception of direct investments of funds distributed by the state of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty, and there is a 24-hour hold on all requests for redemptions.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer), the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not directly address custodial credit risk; it typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

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

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

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

Concentration Risk – This is the risk associated with investing a significant portion of the District's investments (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District's investment policy does not address concentration risk.

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

NOTE 3 – LEASE RECEIVABLE

The District is the lessor in an agreement that conveys the right to use building space owned by the District. This agreement is reported as a $4,154,267 lease receivable and offsetting deferred inflow of resources in the General Fund. The lease is reported using an incremental rate of 3.00 percent with a final maturity in 2043. During the current year, the District received principal and interest payments on this lease of $279,232.

NOTE 4 – CAPITAL ASSETS

Capital assets and accumulated depreciation/amortization activity for the year ended June 30, 2023 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized					
Land	$ 5,391,474	$ 681,390	$ –	$ –	$ 6,072,864
Construction in progress	157,338,575	98,267,212	–	(21,693,170)	233,912,617
Total capital assets, not depreciated/amortized	162,730,049	98,948,602	–	(21,693,170)	239,985,481
Capital assets, depreciated/amortized					
Land improvements	3,991,759	–	–	–	3,991,759
Buildings	138,539,950	–	–	21,693,170	160,233,120
Buildings – leased	963,444	–	–	–	963,444
Equipment	8,463,613	1,078,430	–	–	9,542,043
Pupil transportation vehicles	5,494,114	465,842	–	–	5,959,956
Technology subscriptions	–	67,584	–	–	67,584
Total capital assets, depreciated/amortized	157,452,880	1,611,856	–	21,693,170	180,757,906
Less accumulated depreciation/amortization for					
Land improvements	(2,481,363)	(108,240)	–	–	(2,589,603)
Buildings	(65,892,143)	(2,624,169)	–	–	(68,516,312)
Buildings – leased	(107,049)	(107,049)	–	–	(214,098)
Equipment	(6,346,078)	(447,538)	–	–	(6,793,616)
Pupil transportation vehicles	(4,656,734)	(181,308)	–	–	(4,838,042)
Technology subscriptions	–	(10,041)	–	–	(10,041)
Total accumulated depreciation/amortization	(79,483,367)	(3,478,345)	–	–	(82,961,712)
Net capital assets, depreciated/amortized	77,969,513	(1,866,489)	–	21,693,170	97,796,194
Total capital assets, net	$ 240,699,562	$ 97,082,113	$ –	$ –	$ 337,781,675

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

Elementary and secondary regular instruction	$ 196,822
Vocational education instruction	650
Special education instruction	56,662
Instructional support services	32,990
Pupil support services	171,178
Depreciation/amortization not allocated to other functions	2,923,287
Community service	7,291
Food service	89,465
Total depreciation/amortization expense	$ 3,478,345

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2014A Alternative Facilities Bonds	09/10/2014	2.000–2.150%	$ 5,900,000	02/01/2025	$ 4,260,000
2015A Alternative Facilities Bonds	06/04/2015	2.000–2.125%	$ 9,370,000	02/01/2026	9,370,000
2018A Facilities Maintenance Bonds	03/29/2018	3.000%	$ 15,970,000	02/01/2032	15,970,000
2020A School Building Bonds	03/05/2020	2.250–4.000%	$ 250,000,000	02/01/2045	240,085,000
2021A Facilities Maintenance Bonds	07/08/2021	2.000–4.000%	$ 27,865,000	02/01/2030	24,930,000
2021B Alternative Facility Refunding Bonds	12/02/2021	5.000%	$ 8,280,000	02/01/2024	4,135,000
2022A School Building Bonds	04/07/2022	3.000–5.000%	$ 63,000,000	02/01/2040	63,000,000
2023A Facilities Maintenance Bonds	01/26/2023	4.000–5.000%	$ 33,415,000	02/01/2032	33,415,000
Total general obligation bonds payable					$ 395,165,000

B. Description of Long-Term Liabilities

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

C. Certificates of Participation Payable

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2020B Certificates of Participation	07/30/2020	3.0–5.0%	$ 6,485,000	04/01/2029	$ 4,755,000

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

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

D. Lease Liabilities

The District has obtained the use of certain building space through a lease financing agreement. The total amount of the underlying lease assets by major classes and the related accumulated amortization is presented in Note 4 to the basic financial statements. Annual principal and interest on this agreement will be paid from the General Fund. The agreement is secured by the original property. The lessor also may repossess the property and seek full recovery of any losses upon default. The District currently has the following lease liability obligation outstanding:

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Pool and building space	3.00%	08/01/2020	07/31/2030	$ 761,623

E. Legal Debt Limit

The state of Minnesota sets the amount of general obligation debt the District can issue to 15 percent of market value of all taxable property within the District. At June 30, 2023, the District's legal debt limit is $1,622,617,916.

F. Other Long-Term Liabilities

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

District employees participate in two defined benefit pension plans, both cost-sharing, multiple-employer plans administered by the PERA and the TRA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2023:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	$ 21,487,049	$ 7,416,953	$ 646,587	$ 2,976,690
State-wide, multiple-employer – TRA	77,264,088	22,451,569	16,898,239	(13,169,248)
Total	$ 98,751,137	$ 29,868,522	$ 17,544,826	$ (10,192,558)

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

G. Minimum Debt Payments

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

Year Ending	General Obligation Bonds		Certificates of Participation		Lease Liabilities	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 14,560,000	$ 12,720,110	$ 745,000	$ 207,600	$ 99,329	$ 22,109
2025	17,495,000	12,098,804	790,000	170,350	102,331	19,107
2026	17,655,000	11,482,356	830,000	130,850	105,424	16,014
2027	18,570,000	10,871,125	865,000	89,350	108,611	12,828
2028	19,720,000	10,095,125	900,000	54,750	111,893	9,545
2029–2033	99,655,000	39,124,425	625,000	18,750	234,035	8,842
2034–2038	86,915,000	24,115,850	–	–	–	–
2039–2043	86,655,000	11,688,925	–	–	–	–
2044–2045	33,940,000	1,362,700	–	–	–	–
	$ 395,165,000	$ 133,559,420	$ 4,755,000	$ 671,650	$ 761,623	$ 88,445

H. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Retirements	Balance – End of Year	Due Within One Year
General obligation bonds payable	$ 375,050,000	$ 33,415,000	$ 13,300,000	$ 395,165,000	$ 14,560,000
Certificates of participation	5,470,000	–	715,000	4,755,000	745,000
Lease liabilities	858,038	–	96,415	761,623	99,329
Premiums (discounts) on bonds payable	21,199,531	3,430,079	1,775,540	22,854,070	–
Net pension liability	53,357,322	51,893,606	6,499,791	98,751,137	–
Severance benefits payable	1,043,701	–	81,793	961,908	56,965
	$ 456,978,592	$ 88,738,685	$ 22,468,539	$ 523,248,738	$ 15,461,294

NOTE 6 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. Any such restrictions which have an accumulated deficit rather than positive balance at June 30 are included in unassigned fund balance in the District's financial statements in accordance with accounting principles generally accepted in the United States of America. However, a description of these deficit balance restrictions is included herein since the District has specific authority to future resources for such deficits.

A. Classifications

At June 30, 2023, a summary of the District's governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	$ –	$ –	$ –	$ 208,764	$ 208,764
Prepaid items	44,626	–	–	2,659	47,285
Total nonspendable	44,626	–	–	211,423	256,049
Restricted					
Student activities	385,624	–	–	–	385,624
Capital projects levy	882,647	–	–	–	882,647
Operating capital	2,043,797	–	–	–	2,043,797
Achievement and integration	54,162	–	–	–	54,162
Food service	–	–	–	2,055,633	2,055,633
Community education	–	–	–	186,419	186,419
Early childhood family education	–	–	–	93,253	93,253
Adult basic education	–	–	–	15,980	15,980
Long-term facilities maintenance	–	40,175,939	–	–	40,175,939
Capital projects	–	89,154,566	–	–	89,154,566
Debt service	–	–	4,202,276	–	4,202,276
Total restricted	3,366,230	129,330,505	4,202,276	2,351,285	139,250,296
Unassigned					
School readiness program restricted account deficit	–	–	–	(404,838)	(404,838)
Community services restricted account deficit	–	–	–	(66,014)	(66,014)
Unassigned	7,830,688	–	–	–	7,830,688
Total unassigned	7,830,688	–	–	(470,852)	7,359,836
Total	$ 11,241,544	$ 129,330,505	$ 4,202,276	$ 2,091,856	$ 146,866,181

B. Minimum Unassigned Fund Balance Policy

The Board of Education has formally adopted a fund balance policy regarding the unassigned fund balance for the General Fund. The policy states that the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent, which equates to one month of operating expenditures. This policy shall also apply to the administration of the Food Service Special Revenue Fund and the Community Service Special Revenue Fund, with proper consideration and adjustment to conform with reserve limits established by state statutes. At June 30, 2023, the unassigned fund balance of the General Fund was 5.9 percent of total fiscal 2023 expenditures, or 3.1 weeks of operating expenditures.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

B. Benefits Provided

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

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

1. GERF Benefits

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

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

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

Tier II Benefits

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

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2023, were $1,631,372. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

	Year Ended June 30,					
	2021		2022		2023	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	12.13 %	11.00 %	12.34 %	11.00 %	12.55 %
Coordinated Plan	7.50 %	8.13 %	7.50 %	8.34 %	7.50 %	8.55 %

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2023, were $5,106,575. The District's contributions were equal to the required contributions for each year as set by state statutes.

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

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

	in thousands
Employer contributions reported in the TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	$ 482,679
Add employer contributions not related to future contribution efforts	(2,178)
Deduct the TRA's contributions not included in allocation	(572)
Total employer contributions	479,929
Total nonemployer contributions	35,590
Total contributions reported in the Schedule of Employer and Nonemployer Allocations	$ 515,519

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2023, the District reported a liability of $21,487,049 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled $629,815. 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 the 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 the PERA's participating employers. The District's proportionate share was 0.2713 percent at the end of the measurement period and 0.2632 percent for the beginning of the period.

District's proportionate share of the net pension liability	$ 21,487,049
State's proportionate share of the net pension liability associated with the District	$ 629,815

For the year ended June 30, 2023, the District recognized pension expense of $2,882,548 for its proportionate share of the GERF's pension expense. In addition, the District recognized an additional $94,142 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of $16 million to the GERF.

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

At June 30, 2023, the District reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 179,476	$ 223,458
Changes in actuarial assumptions	4,722,108	88,101
Net collective difference between projected and actual investment earnings	624,567	–
Changes in proportion	259,430	335,028
District's contributions to the GERF subsequent to the measurement date	1,631,372	–
Total	$ 7,416,953	$ 646,587

The $1,631,372 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2024	$ 1,800,932
2025	$ 1,911,438
2026	$ (516,561)
2027	$ 1,943,185

2. TRA Pension Costs

At June 30, 2023, the District reported a liability of $77,264,088 for its proportionate share of the TRA's net pension liability. 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 proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.9649 percent at the end of the measurement period and 0.9624 percent for the beginning of the period.

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

District's proportionate share of the net pension liability	$ 77,264,088
State's proportionate share of the net pension liability associated with the District	$ 5,730,060

For the year ended June 30, 2023, the District recognized negative pension expense of $13,957,149. It also recognized $787,901 as an increase to pension expense for the support provided by direct aid.

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

At 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 economic experience	$ 1,122,683	$ 676,082
Changes in actuarial assumptions	12,345,242	16,120,173
Net collective difference between projected and actual investment earnings on pension plan investments	2,208,222	–
Changes in proportion	1,668,847	101,984
District's contributions to the TRA subsequent to the measurement date	5,106,575	–
Total	$ 22,451,569	$ 16,898,239

A total of $5,106,575 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2024	$ (12,756,939)
2025	$ 2,166,778
2026	$ 783,270
2027	$ 10,180,939
2028	$ 72,707

E. Long-Term Expected Return on Investment

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

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

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

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

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 and the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25%	2.50%
Wage growth rate		2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	3.00%	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	6.50%	7.00%

1. GERF

The long-term rate of return on pension plan investments used in the determination of the total liability is 6.50 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.50 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

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

2. TRA

Salary increases were based on a service-related table.

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

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

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

The following changes in actuarial assumptions occurred in 2022:

1. GERF

CHANGES IN ACTUARIAL ASSUMPTIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- None.

G. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2022 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

The discount rate used to measure the total pension liability was 7.00 percent. 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.

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

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF discount rate	5.50%	6.50%	7.50%
District's proportionate share of the GERF net pension liability	$ 33,939,920	$ 21,487,049	$ 11,273,774
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 121,802,627	$ 77,264,088	$ 40,756,373

I. Pension Plan Fiduciary Net Position

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

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

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

A. Plan Description

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

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

B. Benefits Provided

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

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

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. These contributions are not actuarially determined, statutorily mandated, or contractually established.

D. Membership

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

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

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

E. Net OPEB Liability (Asset) of the District

The District's net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2021. The components of the net OPEB liability (asset) of the District at year-end were as follows:

Total OPEB liability	$ 16,649,317
Plan fiduciary net position	29,962,721
District's net OPEB Plan asset	$ (13,313,404)
Plan fiduciary net position as a percentage of the total OPEB liability	180.0%

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021 with a measurement date of June 30, 2023, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.20%
Expected long-term investment return	5.20% (net of investment expenses)
20-year municipal bond yield	3.90%
Inflation rate	2.50%
Salary increases	Service graded table
Healthcare trend rate	6.50% grading to 5.00% over 5 years, then 4.00% over the next 48 years
Dental trend rate	N/A

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2020 Generational Improvement Scale.

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

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic equity	20.00 %	7.65 %
International equity	10.00	8.00 %
Fixed income	70.00	4.10 %
Total	100.00 %	5.20 %

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

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 3.4 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Discount Rate

The discount rate used to measure the total OPEB liability was 5.20 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been considered.

I. Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Beginning balance – July 1, 2022	$ 16,128,445	$ 30,174,378	$ (14,045,933)
Changes for the year			
Service cost	833,279	–	833,279
Interest	852,143	–	852,143
Net investment income	–	1,014,604	(1,014,604)
Benefit payments	(1,164,550)	(1,164,550)	–
Administrative expenses	–	(61,711)	61,711
Total net changes	520,872	(211,657)	732,529
Ending balance – June 30, 2023	$ 16,649,317	$ 29,962,721	$ (13,313,404)

Assumption changes since the prior measurement date include the following:

- The inflation rate was changed from 2.00 percent to 2.50 percent.

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

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

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB discount rate	4.20%	5.20%	6.20%
Net OPEB liability (asset)	$ (12,400,667)	$ (13,313,404)	$ (14,179,051)

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

	1% Decrease in Medical Cost Trend Rate	Medical Cost Trend Rate	1% Increase in Medical Cost Trend Rate
Healthcare trend rate	5.50% decreasing to 4.00%, then 3.00%	6.50% decreasing to 5.00%, then 4.00%	7.50% decreasing to 6.00%, then 5.00%
Dental trend rate	Not Applicable	Not Applicable	Not Applicable
Net OPEB liability (asset)	$ (14,673,117)	$ (13,313,404)	$ (11,747,920)

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

For the current year ended, the District recognized negative OPEB expense of $103,225. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment experience	$ 2,754,202	$ –
Differences between expected and actual economic experience	–	3,331,951
Changes in actuarial assumptions	512,393	595,855
Total	$ 3,266,595	$ 3,927,806

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

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

Year Ending June 30,	OPEB Expense Amount
2024	$ (133,438)
2025	$ 298,033
2026	$ 785,942
2027	$ (279,955)
2028	$ (332,948)
Thereafter	$ (998,845)

NOTE 9 – FLEXIBLE BENEFIT PLAN

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

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

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

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

All property of the Plan and income attributable to that property is solely the property of the District, subject to the claims of the District's general creditors. Participants' rights under the Plan are equal to those of general creditors of the District in an amount equal to eligible medical care and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Funding

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

B. Legal Claims

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

C. Construction Commitments

At June 30, 2023, the District has contract commitments on outstanding capital projects totaling $54,964,374.

NOTE 11 – INTERFUND BALANCES

A. Interfund Balances

The District had the following interfund receivables and payables at June 30, 2023:

	Due From Other Funds	Due To Other Funds
General Fund	$ 1,164,550	$ –
Post-Employment Benefits Trust Fund	–	1,164,550
	$ 1,164,550	$ 1,164,550

The balance of $1,164,550 represents interfund amounts due to the General Fund relating to post-employment benefit costs to be reimbursed as of June 30, 2023.

NOTE 12 – DEFICIT FUND BALANCE

At June 30, 2023, the Community Service Special Revenue Fund had a deficit fund balance of $172,541. This deficit will be funded by future revenues of the fund or transfers from the District's General Fund.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 624

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2023

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.2881%	$ 13,533,495	$ –	$ 13,533,495	$ 15,141,559	89.38%	78.70%
06/30/2016	06/30/2015	0.2621%	$ 13,593,383	$ –	$ 13,593,383	$ 15,392,229	88.31%	78.20%
06/30/2017	06/30/2016	0.2617%	$ 21,248,742	$ 277,498	$ 21,526,240	$ 16,247,523	130.78%	68.90%
06/30/2018	06/30/2017	0.2649%	$ 16,911,041	$ 212,658	$ 17,123,699	$ 17,079,232	99.02%	75.90%
06/30/2019	06/30/2018	0.2664%	$ 14,778,779	$ 484,879	$ 15,263,658	$ 17,884,311	82.64%	79.50%
06/30/2020	06/30/2019	0.2754%	$ 15,226,250	$ 473,146	$ 15,699,396	$ 19,464,670	78.23%	80.20%
06/30/2021	06/30/2020	0.2735%	$ 16,397,576	$ 505,762	$ 16,903,338	$ 19,502,696	84.08%	79.10%
06/30/2022	06/30/2021	0.2632%	$ 11,239,820	$ 343,320	$ 11,583,140	$ 18,890,240	59.50%	87.00%
06/30/2023	06/30/2022	0.2713%	$ 21,487,049	$ 629,815	$ 22,116,864	$ 20,363,339	105.52%	76.70%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2023

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 1,136,075	$ 1,136,075	$ –	$ 15,392,229	7.38%
06/30/2016	$ 1,217,164	$ 1,217,164	$ –	$ 16,247,523	7.49%
06/30/2017	$ 1,279,881	$ 1,279,881	$ –	$ 17,079,232	7.49%
06/30/2018	$ 1,308,024	$ 1,308,024	$ –	$ 17,884,311	7.31%
06/30/2019	$ 1,461,462	$ 1,461,462	$ –	$ 19,464,670	7.51%
06/30/2020	$ 1,461,838	$ 1,461,838	$ –	$ 19,502,696	7.50%
06/30/2021	$ 1,417,454	$ 1,417,454	$ –	$ 18,890,240	7.50%
06/30/2022	$ 1,523,905	$ 1,523,905	$ –	$ 20,363,339	7.48%
06/30/2023	$ 1,631,372	$ 1,631,372	$ –	$ 21,769,755	7.49%

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

INDEPENDENT SCHOOL DISTRICT NO. 624

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2023

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.9397%	$ 43,300,699	$ 3,046,126	$ 46,346,825	$ 42,893,740	100.95%	81.50%
06/30/2016	06/30/2015	0.8865%	$ 54,838,792	$ 6,726,246	$ 61,565,038	$ 45,042,877	121.75%	76.80%
06/30/2017	06/30/2016	0.8942%	$213,288,036	$ 21,409,547	$234,697,583	$ 46,555,078	458.14%	44.88%
06/30/2018	06/30/2017	0.9179%	$183,229,491	$ 17,711,671	$200,941,162	$ 49,460,864	370.45%	51.57%
06/30/2019	06/30/2018	0.9513%	$ 59,750,544	$ 5,613,868	$ 65,364,412	$ 52,725,107	113.32%	78.07%
06/30/2020	06/30/2019	0.9597%	$ 61,171,480	$ 5,413,333	$ 66,584,813	$ 54,458,685	112.33%	78.21%
06/30/2021	06/30/2020	0.9565%	$ 70,667,502	$ 5,922,384	$ 76,589,886	$ 55,665,004	126.95%	75.48%
06/30/2022	06/30/2021	0.9624%	$ 42,117,502	$ 3,552,249	$ 45,669,751	$ 57,587,737	73.14%	86.63%
06/30/2023	06/30/2022	0.9649%	$ 77,264,088	$ 5,730,060	$ 82,994,148	$ 59,664,657	129.50%	76.17%

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2023

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 3,354,309	$ 3,354,309	$ –	$ 45,042,877	7.45%
06/30/2016	$ 3,470,600	$ 3,470,600	$ –	$ 46,555,078	7.45%
06/30/2017	$ 3,705,834	$ 3,705,834	$ –	$ 49,460,864	7.49%
06/30/2018	$ 3,909,984	$ 3,909,984	$ –	$ 52,725,107	7.42%
06/30/2019	$ 4,204,342	$ 4,204,342	$ –	$ 54,458,685	7.72%
06/30/2020	$ 4,402,820	$ 4,402,820	$ –	$ 55,665,004	7.91%
06/30/2021	$ 4,682,353	$ 4,682,353	$ –	$ 57,587,737	8.13%
06/30/2022	$ 4,974,303	$ 4,974,303	$ –	$ 59,664,657	8.34%
06/30/2023	$ 5,106,575	$ 5,106,575	$ –	$ 59,794,309	8.54%

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

INDEPENDENT SCHOOL DISTRICT NO. 624

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Net
OPEB Liability and Related Ratios
Year Ended June 30, 2023

	Fiscal Year						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service cost	$ 623,228	$ 588,099	$ 798,772	$ 777,702	$ 799,784	$ 809,009	$ 833,279
Interest	1,017,110	1,020,084	952,900	848,893	777,409	903,452	852,143
Plan changes	–	770,441	869,885	–	1,791,586	2,062,912	–
Benefit payments	(1,890,826)	(1,210,527)	(1,938,530)	(1,250,051)	(2,528,532)	(1,742,959)	(1,164,550)
Assumption changes	–	(173,787)	1,180,644	(791,972)	(405,326)	218,837	–
Difference between expected and actual experience	–	(1,966,026)	–	(495,690)	–	(3,548,318)	–
Net change in total OPEB liability	(250,488)	(971,716)	1,863,671	(911,118)	434,921	(1,297,067)	520,872
Total OPEB liability – beginning of year	17,260,242	17,009,754	16,038,038	17,901,709	16,990,591	17,425,512	16,128,445
Total OPEB liability – end of year	17,009,754	16,038,038	17,901,709	16,990,591	17,425,512	16,128,445	16,649,317
Plan fiduciary net position							
Net investment income (losses)	2,955,759	2,047,451	2,279,203	2,182,122	5,045,592	(4,359,030)	1,014,604
Benefit payments	(1,890,826)	(1,210,527)	(1,938,530)	(1,250,051)	(2,528,532)	(1,742,959)	(1,164,550)
Administrative expenses	(121,014)	(117,870)	(62,189)	(79,342)	(66,214)	(73,490)	(61,711)
Net change in plan fiduciary net position	943,919	719,054	278,484	852,729	2,450,846	(6,175,479)	(211,657)
Plan fiduciary net position – beginning of year	31,104,825	32,048,744	32,767,798	33,046,282	33,899,011	36,349,857	30,174,378
Plan fiduciary net position – end of year	32,048,744	32,767,798	33,046,282	33,899,011	36,349,857	30,174,378	29,962,721
Net OPEB liability (asset)	$ (15,038,990)	$ (16,729,760)	$ (15,144,573)	$ (16,908,420)	$ (18,924,345)	$ (14,045,933)	$ (13,313,404)
Fiduciary net position as a percentage of the total OPEB liability	188.41%	204.31%	184.60%	199.52%	208.60%	187.09%	179.96%
Covered-employee payroll	$ 56,513,934	$ 63,541,808	$ 65,488,063	$ 72,403,729	$ 74,575,841	$ 76,137,330	$ 78,421,450
Net OPEB liability (asset) as a percentage of covered-employee payroll	(26.61%)	(26.33%)	(23.13%)	(23.35%)	(25.38%)	(18.45%)	(16.98%)

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

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

INDEPENDENT SCHOOL DISTRICT NO. 624

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2023

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	9.5%
2018	6.4%
2019	7.0%
2020	6.6%
2021	14.9%
2022	(12.0%)
2023	3.4%

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

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PERA – GENERAL EMPLOYEES RETIREMENT FUND

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The inflation rate was changed from 2.00 percent to 2.50 percent.

2022 CHANGES IN PLAN PROVISIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN PLAN PROVISIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

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SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 624

Nonmajor Governmental Funds
Combining Balance Sheet
as of June 30, 2023

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	$ 2,270,974	$ 856,214	$ 3,127,188
Receivables			
Current taxes	–	629,562	629,562
Delinquent taxes	–	11,728	11,728
Accounts and interest	35,133	3,740	38,873
Due from other governmental units	137,362	97,188	234,550
Inventory	208,764	–	208,764
Prepaid items	–	2,659	2,659
Total assets	$ 2,652,233	$ 1,601,091	$ 4,253,324
Liabilities			
Salaries payable	$ 9,342	$ 141,715	$ 151,057
Accounts and contracts payable	233,333	145,755	379,088
Due to other governmental units	–	81,985	81,985
Unearned revenue	145,161	209,387	354,548
Total liabilities	387,836	578,842	966,678
Deferred inflows of resources			
Unavailable revenue – delinquent taxes	–	14,178	14,178
Property taxes levied for subsequent year	–	1,180,612	1,180,612
Total deferred inflows of resources	–	1,194,790	1,194,790
Fund balances (deficit)			
Nonspendable for inventory	208,764	–	208,764
Nonspendable for prepaids	–	2,659	2,659
Restricted	2,055,633	295,652	2,351,285
Unassigned	–	(470,852)	(470,852)
Total fund balances (deficit)	2,264,397	(172,541)	2,091,856
Total liabilities, deferred inflows of resources, and fund balances (deficit)	$ 2,652,233	$ 1,601,091	$ 4,253,324

INDEPENDENT SCHOOL DISTRICT NO. 624

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2023

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	$ –	$ 1,158,557	$ 1,158,557
Investment earnings	48,651	24,276	72,927
Other	2,148,957	5,201,931	7,350,888
State sources	259,221	950,764	1,209,985
Federal sources	2,826,940	–	2,826,940
Total revenue	5,283,769	7,335,528	12,619,297
Expenditures			
Current			
Food service	5,613,335	–	5,613,335
Community service	–	8,145,962	8,145,962
Capital outlay	527,328	29,515	556,843
Total expenditures	6,140,663	8,175,477	14,316,140
Excess (deficiency) of revenue over expenditures	(856,894)	(839,949)	(1,696,843)
Other financing sources			
Proceeds from sale of assets	26,242	–	26,242
Net change in fund balance	(830,652)	(839,949)	(1,670,601)
Fund balances (deficit)			
Beginning of year	3,095,049	667,408	3,762,457
End of year	$ 2,264,397	$ (172,541)	$ 2,091,856

INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments	$ 14,875,234	$ 9,797,829
Receivables		
Current taxes	17,364,851	17,050,877
Delinquent taxes	320,915	344,342
Accounts and interest	90,824	152,942
Due from other governmental units	11,586,375	15,045,721
Due from other funds	1,164,550	4,271,493
Lease	4,154,267	4,304,368
Prepaid items	44,626	712,804
Total assets	$ 49,601,642	$ 51,680,376
Liabilities		
Salaries payable	$ 426,002	$ 364,788
Accounts and contracts payable	2,456,538	1,594,943
Due to other governmental units	376,782	344,071
Due to other funds	–	98,603
Total liabilities	3,259,322	2,402,405
Deferred inflows of resources		
Lease revenue for subsequent years	4,154,267	4,304,368
Unavailable revenue – delinquent taxes	389,094	214,532
Property taxes levied for subsequent year	30,557,415	30,603,008
Total deferred inflows of resources	35,100,776	35,121,908
Fund balances		
Nonspendable for prepaid items	44,626	712,804
Restricted for student activities	385,624	440,281
Restricted for capital projects levy	882,647	712,280
Restricted for operating capital	2,043,797	2,293,520
Restricted for achievement and integration	54,162	84,219
Unassigned	7,830,688	9,912,959
Total fund balances	11,241,544	14,156,063
Total liabilities, deferred inflows of resources, and fund balances	$ 49,601,642	$ 51,680,376

INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 32,543,876	$ 32,871,766	$ 327,890	$ 31,751,273
Investment earnings	150,000	326,516	176,516	16,139
Other	2,382,710	3,180,846	798,136	3,269,929
State sources	86,766,131	87,901,945	1,135,814	86,336,067
Federal sources	7,150,642	5,937,405	(1,213,237)	9,200,177
Total revenue	128,993,359	130,218,478	1,225,119	130,573,585
Expenditures				
Current				
Administration				
Salaries	3,439,759	3,454,253	14,494	3,389,531
Employee benefits	1,241,355	1,215,915	(25,440)	1,197,999
Purchased services	221,324	182,227	(39,097)	157,116
Supplies and materials	16,321	24,294	7,973	26,560
Other expenditures	62,224	73,234	11,010	88,154
Total administration	4,980,983	4,949,923	(31,060)	4,859,360
District support services				
Salaries	1,516,819	1,525,340	8,521	1,503,440
Employee benefits	541,198	558,970	17,772	552,523
Purchased services	383,759	464,466	80,707	407,989
Supplies and materials	117,730	155,652	37,922	92,011
Other expenditures	25,543	8,536	(17,007)	15,854
Total district support services	2,585,049	2,712,964	127,915	2,571,817
Elementary and secondary regular instruction				
Salaries	37,629,839	36,731,709	(898,130)	37,413,606
Employee benefits	12,766,082	12,747,086	(18,996)	12,352,940
Purchased services	1,440,224	2,043,393	603,169	2,296,262
Supplies and materials	2,449,783	1,818,305	(631,478)	1,628,435
Capital expenditures	219,873	332,198	112,325	251,927
Other expenditures	271,330	577,161	305,831	491,642
Total elementary and secondary regular instruction	54,777,131	54,249,852	(527,279)	54,434,812

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INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	779,847	1,073,137	293,290	644,014
Employee benefits	271,572	382,302	110,730	242,884
Purchased services	231,063	234,208	3,145	284,697
Supplies and materials	33,116	44,910	11,794	46,215
Capital expenditures	–	6,970	6,970	–
Other expenditures	–	4,010	4,010	7,316
Total vocational education instruction	1,315,598	1,745,537	429,939	1,225,126
Special education instruction				
Salaries	19,074,647	18,828,451	(246,196)	17,781,023
Employee benefits	7,293,141	7,232,011	(61,130)	6,962,383
Purchased services	1,643,801	1,596,475	(47,326)	1,584,610
Supplies and materials	184,279	207,888	23,609	168,426
Capital expenditures	70,000	7,545	(62,455)	165,291
Other expenditures	30,553	98,128	67,575	103,532
Total special education instruction	28,296,421	27,970,498	(325,923)	26,765,265
Community education				
Salaries	–	249,111	249,111	142,984
Employee benefits	–	68,521	68,521	39,619
Total community education	–	317,632	317,632	182,603
Instructional support services				
Salaries	5,726,336	5,644,536	(81,800)	5,643,876
Employee benefits	2,010,913	1,961,456	(49,457)	1,860,814
Purchased services	696,329	403,718	(292,611)	555,437
Supplies and materials	1,868,498	954,877	(913,621)	2,323,028
Capital expenditures	–	345,714	345,714	161,492
Other expenditures	8,593	55,606	47,013	49,565
Total instructional support services	10,310,669	9,365,907	(944,762)	10,594,212
Pupil support services				
Salaries	5,428,195	5,306,753	(121,442)	5,464,282
Employee benefits	2,112,849	1,900,685	(212,164)	2,063,081
Purchased services	6,584,155	6,749,715	165,560	6,884,373
Supplies and materials	559,943	703,600	143,657	551,329
Capital expenditures	500,000	557,889	57,889	–
Other expenditures	–	28,955	28,955	29,898
Total pupil support services	15,185,142	15,247,597	62,455	14,992,963

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	3,522,951	3,586,016	63,065	3,780,661
Employee benefits	1,544,353	1,524,492	(19,861)	1,432,253
Purchased services	8,885,154	7,870,414	(1,014,740)	9,726,551
Supplies and materials	1,131,678	903,635	(228,043)	897,775
Capital expenditures	573,926	1,012,136	438,210	233,681
Other expenditures	29,185	37,361	8,176	38,457
Total sites and buildings	15,687,247	14,934,054	(753,193)	16,109,378
Fiscal and other fixed cost programs				
Purchased services	489,541	600,003	110,462	466,359
Debt service				
Principal	715,000	811,415	96,415	785,406
Interest and fiscal charges	243,350	278,208	34,858	293,382
Total debt service	958,350	1,089,623	131,273	1,078,788
Total expenditures	134,586,131	133,183,590	(1,402,541)	133,280,683
Excess (deficiency) of revenue over expenditures	(5,592,772)	(2,965,112)	2,627,660	(2,707,098)
Other financing sources				
Proceeds from sale of assets	–	–	–	58,657
Insurance recovery	–	50,593	50,593	–
Total other financing sources	–	50,593	50,593	58,657
Net change in fund balances	$ (5,592,772)	(2,914,519)	$ 2,678,253	(2,648,441)
Fund balances				
Beginning of year		14,156,063		16,804,504
End of year		$ 11,241,544		$ 14,156,063

INDEPENDENT SCHOOL DISTRICT NO. 624

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments	$ 2,270,974	$ 2,716,218
Receivables		
Accounts and interest	35,133	289
Due from other governmental units	137,362	274,395
Inventory	208,764	216,549
Total assets	$ 2,652,233	$ 3,207,451
Liabilities		
Salaries payable	$ 9,342	$ 7,276
Accounts and contracts payable	233,333	51,220
Unearned revenue	145,161	53,906
Total liabilities	387,836	112,402
Fund balances		
Nonspendable for inventory	208,764	216,549
Restricted for food service	2,055,633	2,878,500
Total fund balances	2,264,397	3,095,049
Total liabilities and fund balances	$ 2,652,233	$ 3,207,451

INDEPENDENT SCHOOL DISTRICT NO. 624

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	$ –	$ 48,651	$ 48,651	$ 1,537
Other – primarily meal sales	1,876,320	2,148,957	272,637	245,625
State sources	233,950	259,221	25,271	192,135
Federal sources	2,776,578	2,826,940	50,362	6,556,364
Total revenue	4,886,848	5,283,769	396,921	6,995,661
Expenditures				
Current				
Salaries	2,355,726	2,339,756	(15,970)	1,705,984
Employee benefits	645,518	629,458	(16,060)	634,392
Purchased services	377,011	263,517	(113,494)	279,426
Supplies and materials	2,382,575	2,369,017	(13,558)	2,476,716
Other expenditures	13,900	11,587	(2,313)	9,124
Capital outlay	470,366	527,328	56,962	202,814
Total expenditures	6,245,096	6,140,663	(104,433)	5,308,456
Excess (deficiency) of revenue over expenditures	(1,358,248)	(856,894)	501,354	1,687,205
Other financing sources				
Proceeds from sale of assets	25,000	26,242	1,242	2,694
Net change in fund balances	$ (1,333,248)	(830,652)	$ 502,596	1,689,899
Fund balances				
Beginning of year		3,095,049		1,405,150
End of year		$ 2,264,397		$ 3,095,049

INDEPENDENT SCHOOL DISTRICT NO. 624

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments	$ 856,214	$ 1,610,031
Receivables		
Current taxes	629,562	619,189
Delinquent taxes	11,728	12,848
Accounts and interest	3,740	4,829
Due from other governmental units	97,188	133,153
Prepaid items	2,659	100
Total assets	$ 1,601,091	$ 2,380,150
Liabilities		
Salaries payable	$ 141,715	$ 104,480
Accounts and contracts payable	145,755	143,208
Due to other governmental units	81,985	42,715
Unearned revenue	209,387	244,500
Total liabilities	578,842	534,903
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	14,178	8,150
Property taxes levied for subsequent year	1,180,612	1,169,689
Total deferred inflows of resources	1,194,790	1,177,839
Fund balances (deficit)		
Nonspendable for prepaid items	2,659	100
Restricted for community education	186,419	623,576
Restricted for early childhood family education	93,253	118,443
Restricted for adult basic education	15,980	–
Unassigned – school readiness program restricted account deficit	(404,838)	(36,548)
Unassigned – community services restricted account deficit	(66,014)	(38,163)
Total fund balances (deficit)	(172,541)	667,408
Total liabilities, deferred inflows of resources, and fund balances (deficit)	$ 1,601,091	$ 2,380,150

INDEPENDENT SCHOOL DISTRICT NO. 624

Community Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 1,127,089	$ 1,158,557	$ 31,468	$ 1,164,816
Investment earnings	500	24,276	23,776	1,384
Other – primarily tuition and fees	4,839,909	5,201,931	362,022	4,883,703
State sources	1,100,286	950,764	(149,522)	955,380
Federal sources	–	–	–	154,350
Total revenue	7,067,784	7,335,528	267,744	7,159,633
Expenditures				
Current				
Salaries	4,774,264	5,053,739	279,475	4,313,857
Employee benefits	1,242,988	1,544,643	301,655	1,366,066
Purchased services	1,029,310	1,214,262	184,952	1,220,453
Supplies and materials	173,770	315,775	142,005	318,987
Other expenditures	7,899	17,543	9,644	9,258
Capital outlay	26,050	29,515	3,465	58,780
Total expenditures	7,254,281	8,175,477	921,196	7,287,401
Net change in fund balances	$ (186,497)	(839,949)	$ (653,452)	(127,768)
Fund balances (deficit)				
Beginning of year		667,408		795,176
End of year		$ (172,541)		$ 667,408

INDEPENDENT SCHOOL DISTRICT NO. 624

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments	$ 151,555,305	$ 226,171,509
Cash and investments held by trustee	62,000	62,000
Receivables		
Accounts and interest	500,948	2,018,423
Total assets	$ 152,118,253	$ 228,251,932
Liabilities		
Salaries payable	$ 163	$ 11,692
Accounts and contracts payable	22,784,024	38,256,046
Due to other governmental units	3,561	420,790
Total liabilities	22,787,748	38,688,528
Fund balances		
Restricted for long-term facilities maintenance	40,175,939	30,579,880
Restricted for capital projects	89,154,566	158,983,524
Total fund balances	129,330,505	189,563,404
Total liabilities and fund balances	$ 152,118,253	$ 228,251,932

INDEPENDENT SCHOOL DISTRICT NO. 624

Capital Projects – Building Construction Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Years Ended June 30, 2023 and 2022

	2023	2022
Revenue		
Local sources		
Investment earnings (charges)	$ 4,944,334	$ (1,593,778)
Other	251	5,230
Total revenue	4,944,585	(1,588,548)
Expenditures		
Capital outlay		
Salaries	414,993	326,824
Employee benefits	125,353	96,898
Purchased services	18,089,406	18,866,335
Supplies and materials	753,272	468,502
Capital expenditures	82,502,579	111,094,857
Other expenditures	3,615	8,633
Debt service		
Fiscal charges and other	133,345	1,004,402
Total expenditures	102,022,563	131,866,451
Excess (deficiency) of revenues over expenditures	(97,077,978)	(133,454,999)
Other financing sources		
Bonds issued	33,415,000	90,374,360
Premium on issuance of bonds	3,430,079	8,131,056
Total other financing sources	36,845,079	98,505,416
Net change in fund balances	(60,232,899)	(34,949,583)
Fund balances		
Beginning of year	189,563,404	224,512,987
End of year	$ 129,330,505	$ 189,563,404

INDEPENDENT SCHOOL DISTRICT NO. 624

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments	$ 17,403,677	$ 15,995,723
Receivables		
Current taxes	15,047,188	12,531,368
Delinquent taxes	230,631	247,058
Due from other governmental units	18,760	21,277
Total assets	$ 32,700,256	$ 28,795,426
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	$ 280,099	$ 147,843
Property taxes levied for subsequent year	28,217,881	23,672,582
Total deferred inflows of resources	28,497,980	23,820,425
Fund balances		
Restricted for debt service	4,202,276	4,975,001
Total deferred inflows of resources and fund balances	$ 32,700,256	$ 28,795,426

INDEPENDENT SCHOOL DISTRICT NO. 624

Debt Service Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 23,681,761	$ 23,437,272	$ (244,489)	$ 24,008,676
Investment earnings	–	222,734	222,734	9,762
State sources	–	186,191	186,191	211,929
Total revenue	23,681,761	23,846,197	164,436	24,230,367
Expenditures				
Debt service				
Principal	13,300,000	13,300,000	–	14,005,000
Interest	11,300,520	11,300,520	–	9,442,788
Fiscal charges and other	–	18,402	18,402	83,984
Total expenditures	24,600,520	24,618,922	18,402	23,531,772
Excess (deficiency) of revenues over expenditures	(918,759)	(772,725)	146,034	698,595
Other financing sources (uses)				
Bonds issued	–	–	–	490,640
Refunding bonds issued	–	–	–	8,280,000
Premium on issuance of bonds	–	–	–	643,214
Payment to refunded bonds escrow agent	–	–	–	(8,850,000)
Total other financing sources (uses)	–	–	–	563,854
Net change in fund balances	$ (918,759)	(772,725)	$ 146,034	1,262,449
Fund balances				
Beginning of year		4,975,001		3,712,552
End of year		$ 4,202,276		$ 4,975,001

INDEPENDENT SCHOOL DISTRICT NO. 624

Proprietary Funds
Internal Service Funds
Combining Statement of Net Position
as of June 30, 2023
(With Comparative Totals as of June 30, 2022)

	Self-Insured Health Benefits	Self-Insured Dental Benefits	Totals 2023	Totals 2022
Assets				
Current assets				
Cash and temporary investments	$ 6,628,038	$ 412,455	$ 7,040,493	$ 7,038,911
Accounts receivable	1,918	–	1,918	7,891
Due from other funds	–	–	–	98,603
Total assets	6,629,956	412,455	7,042,411	7,145,405
Liabilities				
Current liabilities				
Accounts and contracts payable	324,846	16,410	341,256	323,665
Claims incurred, but not reported	1,256,659	36,484	1,293,143	1,036,253
Unearned revenue	1,062,371	71,245	1,133,616	1,089,234
Total liabilities	2,643,876	124,139	2,768,015	2,449,152
Net position				
Unrestricted	$ 3,986,080	$ 288,316	$ 4,274,396	$ 4,696,253

INDEPENDENT SCHOOL DISTRICT NO. 624

Proprietary Funds
Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Self-Insured Health Benefits	Self-Insured Dental Benefits	Totals	
			2023	2022
Operating revenue				
Charges for services				
Contributions from governmental funds	$ 14,953,701	$ 1,077,994	$ 16,031,695	$ 16,112,645
Operating expenses				
Health benefit claims	14,440,594	–	14,440,594	14,010,864
Dental benefit claims	–	979,578	979,578	950,056
Administrative costs	1,085,270	50,177	1,135,447	812,648
Total operating expenses	15,525,864	1,029,755	16,555,619	15,773,568
Operating income (loss)	(572,163)	48,239	(523,924)	339,077
Nonoperating revenue				
Investment earnings	96,402	5,665	102,067	5,095
Income (loss) before transfers	(475,761)	53,904	(421,857)	344,172
Transfers in	–	–	–	146,186
Transfers out	–	–	–	(146,186)
Change in net position	(475,761)	53,904	(421,857)	344,172
Net position				
Beginning of year	4,461,841	234,412	4,696,253	4,352,081
End of year	$ 3,986,080	$ 288,316	$ 4,274,396	$ 4,696,253

INDEPENDENT SCHOOL DISTRICT NO. 624

Proprietary Funds
Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Self-Insured Health Benefits	Self-Insured Dental Benefits	Total 2023	Total 2022
Cash flows from operating activities				
Received from assessments made to other funds	$ 15,027,674	$ 1,054,376	$ 16,082,050	$ 16,124,604
Self-insurance claims and payments	(15,243,340)	(1,037,798)	(16,281,138)	(15,453,979)
Net cash flows from operating activities	(215,666)	16,578	(199,088)	670,625
Cash flows from noncapital financing activities				
Payments (to) from other funds	98,603	–	98,603	(98,603)
Transfers in	–	–	–	146,186
Transfers out	–	–	–	(146,186)
Net cash flows from noncapital financing activities	98,603	–	98,603	(98,603)
Cash flows from investing activities				
Investment income received	96,402	5,665	102,067	5,095
Net change in cash and cash equivalents	(20,661)	22,243	1,582	577,117
Cash and cash equivalents				
Beginning of year	6,648,699	390,212	7,038,911	6,461,794
End of year	$ 6,628,038	$ 412,455	$ 7,040,493	$ 7,038,911
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	$ (572,163)	$ 48,239	$ (523,924)	$ 339,077
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Accounts and interest receivable	5,973	–	5,973	(7,891)
Accounts and contracts payable	26,504	(8,913)	17,591	75,512
Claims incurred, but not reported	256,020	870	256,890	244,077
Unearned revenue	68,000	(23,618)	44,382	19,850
Net cash flows from operating activities	$ (215,666)	$ 16,578	$ (199,088)	$ 670,625

STATISTICAL SECTION

III. STATISTICAL SECTION

This part of Independent School District No. 624's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

	Pages
Financial Trends	**104**
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	**123**
These schedules contain information to help the reader assess the District's most significant revenue source, including property tax revenue.	
Debt Capacity	**134**
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	**140**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Indicators	**142**
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	$ 5,813,967	$ 4,292,291	$ 2,724,245	$ 392,746
Restricted	3,061,846	2,649,603	4,232,013	5,311,541
Unrestricted	29,521,587	(31,643,658)	(34,024,878)	(83,723,241)
Total governmental activities net position	$ 38,397,400	$ (24,701,764)	$ (27,068,620)	$ (78,018,954)

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately $64.1 million. Prior years were not restated.

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

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

2018	2019	2020	2021	2022	2023
$ 1,189,216	$ 1,586,630	$ 5,686,148	$ 15,910,496	$ 27,685,397	$ 43,576,487
5,107,192	6,877,281	7,836,207	20,803,510	20,465,027	18,595,309
(110,887,928)	(84,766,866)	(86,731,311)	(93,117,872)	(89,849,921)	(76,200,055)
$ (104,591,520)	$ (76,302,955)	$ (73,208,956)	$ (56,403,866)	$ (41,699,497)	$ (14,028,259)

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities				
Administration	$ 4,437,389	$ 4,380,829	$ 4,643,864	$ 5,928,267
District support services	1,788,239	1,857,194	2,019,904	2,253,207
Elementary and secondary regular instruction	42,224,883	42,172,822	46,747,667	68,377,262
Vocational education instruction	827,110	940,178	881,627	1,762,643
Special education instruction	18,836,586	18,775,086	21,078,601	27,522,420
Community education	–	–	–	–
Instructional support services	6,108,809	7,743,691	8,681,086	9,556,148
Pupil support services	7,805,215	8,819,920	10,551,058	13,297,720
Sites and buildings	9,853,039	11,930,720	13,350,160	12,714,729
Fiscal and other fixed cost programs	383,556	181,837	318,315	318,782
Food service	4,141,595	4,581,519	4,192,500	4,482,465
Community service	4,446,087	4,416,271	5,250,991	6,111,162
Depreciation/amortization not included in other functions	2,083,157	2,092,437	2,585,565	2,550,231
Interest and fiscal charges	3,596,704	4,164,980	3,637,370	3,271,662
Total governmental activities expenses	106,532,369	112,057,484	123,938,708	158,146,698
Program revenues				
Governmental activities				
Charges for services				
Food service	2,389,877	2,270,735	2,258,254	2,326,238
Community service	3,124,923	3,194,068	3,681,104	3,882,256
All other	704,208	615,122	1,880,192	2,197,083
Operating grants and contributions	14,830,987	17,665,380	18,447,942	19,931,774
Capital grants and contributions	624,834	1,079,463	1,030,957	–
Total governmental activities program revenues	21,674,829	24,824,768	27,298,449	28,337,351
Net (expense) revenue	(84,857,540)	(87,232,716)	(96,640,259)	(129,809,347)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	19,064,752	19,366,999	20,142,501	20,854,762
Property taxes, levied for capital projects	2,672,002	4,217,786	3,040,084	2,827,643
Property taxes, levied for community service	1,074,426	1,080,401	1,043,053	994,784
Property taxes, levied for debt service	11,540,345	10,484,106	11,013,828	10,930,437
Unrestricted grants and contributions	53,164,405	52,807,290	57,107,216	62,299,098
Other general revenues	898,484	704,250	1,773,329	1,036,621
Investment earnings (charges)	126,850	133,233	153,392	346,582
Total general revenues and other changes in net position	88,541,264	88,794,065	94,273,403	99,289,927
Change in net position	$ 3,683,724	$ 1,561,349	$ (2,366,856)	$ (30,519,420)

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

2018	2019	2020	2021	2022	2023
$ 5,769,605	$ 3,526,940	$ 5,070,472	$ 4,919,742	$ 4,688,375	$ 4,248,882
2,402,738	2,359,021	2,577,725	2,237,564	2,481,138	2,701,391
68,598,151	33,989,388	56,797,734	58,447,015	52,924,261	43,661,852
1,920,274	1,393,443	1,685,647	1,178,880	1,201,920	1,559,255
28,707,069	17,297,032	25,958,489	27,336,918	25,983,741	24,392,796
–	–	–	–	182,603	318,509
10,287,078	7,151,776	10,911,975	9,300,831	10,506,017	8,889,914
13,988,252	11,771,090	13,412,477	12,777,966	14,912,442	14,744,264
8,519,866	10,487,501	9,038,418	9,870,490	15,851,701	16,920,276
295,206	293,113	326,531	489,542	466,359	600,003
4,421,186	4,510,000	4,220,848	4,536,347	4,927,006	5,313,481
6,661,744	6,357,060	7,108,410	6,480,611	7,113,877	7,910,049
2,460,982	2,492,595	2,562,513	2,676,851	2,720,457	2,923,287
3,510,445	3,063,233	4,267,078	8,226,489	8,396,438	10,733,565
157,542,596	104,692,192	143,938,317	148,479,246	152,356,335	144,917,524
2,297,045	2,345,752	1,729,584	45,569	245,625	2,148,597
4,390,909	4,562,874	4,131,639	3,766,945	4,883,703	5,201,931
2,507,761	2,696,667	1,890,485	1,837,263	2,550,708	2,512,902
20,164,119	22,617,917	23,418,865	28,132,055	29,734,127	27,710,488
–	–	98,464	185,354	705,483	258,641
29,359,834	32,223,210	31,269,037	33,967,186	38,119,646	37,832,559
(128,182,762)	(72,468,982)	(112,669,280)	(114,512,060)	(114,236,689)	(107,084,965)
20,018,385	21,329,896	21,711,186	23,131,500	19,775,571	21,660,354
3,806,093	4,586,658	4,729,951	5,636,562	12,015,594	1,164,585
897,666	979,104	1,122,545	1,087,949	1,166,133	11,385,974
10,748,427	11,068,394	14,907,766	25,890,298	24,041,401	23,569,528
62,758,162	60,829,833	66,568,401	72,606,053	72,754,487	70,561,794
1,020,920	912,726	1,260,113	974,436	747,733	745,390
606,426	1,050,936	5,463,317	1,990,352	(1,559,861)	5,668,578
99,856,079	100,757,547	115,763,279	131,317,150	128,941,058	134,756,203
$ (28,326,683)	$ 28,288,565	$ 3,093,999	$ 16,805,090	$ 14,704,369	$ 27,671,238

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Local sources				
Taxes	$ 25,198,444	$ 35,162,695	$ 35,221,900	$ 35,802,955
Investment earnings (charges)	23,377	52,864	103,638	311,131
Other	7,116,605	6,774,268	9,576,917	9,442,198
State sources	73,689,305	67,092,392	72,091,177	74,746,927
Federal sources	4,507,931	4,459,741	4,494,938	4,777,798
Total revenues	110,535,662	113,541,960	121,488,570	125,081,009
Expenditures				
Current				
Administration	4,360,452	4,368,076	4,319,876	4,428,948
District support services	1,642,913	1,662,845	1,927,834	2,150,921
Elementary and secondary regular instruction	41,901,372	41,958,720	46,242,132	47,911,170
Vocational education instruction	827,110	951,749	880,860	1,534,004
Special education instruction	18,603,528	18,802,623	19,818,791	20,846,113
Community education	–	–	–	–
Instructional support services	5,682,729	7,784,273	8,247,943	7,901,076
Pupil support services	7,805,215	8,879,865	10,489,544	11,625,539
Sites and buildings	16,559,644	9,129,257	8,619,133	8,382,462
Fiscal and other fixed cost programs	383,556	181,837	318,315	318,782
Food service	4,129,395	4,193,228	4,201,804	4,382,438
Community service	4,418,517	4,499,492	5,223,576	5,450,159
Capital outlay	2,120,214	3,618,237	5,587,987	4,848,594
Debt service				
Principal	7,413,817	7,409,918	7,956,156	8,219,137
Interest and fiscal charges	4,170,299	4,449,776	4,094,070	3,800,779
Total expenditures	120,018,761	117,889,896	127,928,021	131,800,122
Excess of revenues over (under) expenditures	(9,483,099)	(4,347,936)	(6,439,451)	(6,719,113)
Other financing sources (uses)				
Debt issued	–	15,270,000	–	–
Premium on bonds issued	–	61,778	–	–
Payments to refunded bond escrow agent	–	–	–	–
Issuance of lease liabilities	8,000,000	–	–	–
Sales of assets	630	13,129	29,540	2,387
Insurance recovery	–	–	–	–
Transfers in	388,000	250,000	1,340,000	–
Transfers out	(388,000)	(250,000)	–	–
Total other financing sources (uses)	8,000,630	15,344,907	1,369,540	2,387
Net change in fund balances	$ (1,482,469)	$ 10,996,971	$ (5,069,911)	$ (6,716,726)
Debt service as a percentage of noncapital expenditures	10.4%	10.2%	9.6%	9.2%

2018	2019	2020	2021	2022	2023
$ 35,528,658	$ 37,919,198	$ 42,318,235	$ 55,907,683	$ 56,924,765	$ 57,467,595
573,551	972,085	5,387,019	1,982,641	(1,564,956)	5,566,511
10,211,671	10,518,019	9,007,221	6,624,213	8,366,418	10,531,985
78,253,127	82,296,921	84,285,721	86,466,422	87,733,580	89,298,121
4,697,630	5,370,277	5,353,084	14,284,546	15,910,891	8,764,345
129,264,637	137,076,500	146,351,280	165,265,505	167,370,698	171,628,557
4,439,908	4,767,244	4,754,277	4,680,935	4,859,360	4,949,923
2,294,145	2,486,960	2,482,463	2,259,769	2,571,817	2,712,964
50,957,061	51,578,338	52,869,123	55,688,571	54,434,812	54,249,852
1,466,872	1,781,712	1,571,515	1,101,205	1,225,126	1,745,537
22,539,239	23,855,666	24,453,211	25,963,933	26,765,265	27,970,498
–	–	–	–	182,603	317,632
8,699,660	8,842,082	8,398,544	7,883,565	10,594,212	9,365,907
12,723,412	13,093,273	12,929,240	12,694,704	14,992,963	15,247,597
8,271,678	9,332,455	8,369,840	12,434,965	16,109,378	14,934,054
295,206	293,113	326,531	489,542	466,359	600,003
4,335,235	4,515,036	3,991,746	4,113,935	5,105,642	5,613,335
6,122,643	6,888,584	6,888,649	6,394,672	7,228,621	8,145,962
1,232,886	4,202,130	19,649,016	39,213,649	132,128,045	102,446,061
8,705,181	8,962,193	12,775,262	17,162,911	14,790,406	14,111,415
3,776,909	3,464,192	3,108,548	9,454,449	9,820,154	11,730,475
135,860,035	144,062,978	162,567,965	199,536,805	301,274,763	274,141,215
(6,595,398)	(6,986,478)	(16,216,685)	(34,271,300)	(133,904,065)	(102,512,658)
26,245,000	–	250,000,000	15,160,000	99,145,000	33,415,000
1,425,751	–	13,257,479	1,469,939	8,774,270	3,430,079
(11,065,000)	–	–	(16,439,586)	(8,850,000)	–
–	–	–	–	–	–
4,964	–	4,600	–	61,351	26,242
–	–	–	–	–	50,593
–	–	–	–	–	–
–	–	–	–	–	–
16,610,715	–	263,262,079	190,353	99,130,621	36,921,914
$ 10,015,317	$ (6,986,478)	$ 247,045,394	$ (34,080,947)	$ (34,773,444)	$ (65,590,744)
9.3%	8.8%	10.9%	16.7%	8.2%	14.9%

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	$ 188,940	$ 156,537	$ 97,470	$ 315,203
Restricted	1,063,801	457,932	1,638,862	2,117,835
Assigned	15,588,049	12,917,616	10,494,185	10,458,808
Unassigned	11,526,750	13,959,257	15,274,627	12,147,758
Total General Fund	$ 28,367,540	$ 27,491,342	$ 27,505,144	$ 25,039,604
All other governmental funds				
Nonspendable	$ 81,257	$ 101,040	$ 105,040	$ 128,309
Restricted				
Special revenue funds	1,118,414	1,532,307	1,694,251	2,029,228
Capital Projects – Building Construction Fund	255,422	11,834,116	6,439,036	1,675,062
Debt service funds	2,255,307	2,079,253	2,210,338	2,364,880
Unassigned	(51,191)	(14,338)	–	–
Total all other governmental funds	$ 3,659,209	$ 15,532,378	$ 10,448,665	$ 6,197,479

2018	2019	2020	2021	2022	2023
$ 515,138	$ 407,677	$ 14,573	$ 62,849	$ 712,804	$ 44,626
1,360,676	3,723,893	6,540,545	4,505,782	3,530,300	3,366,230
5,572,835	3,344,748	2,000,000	2,000,000	–	–
12,426,576	9,602,192	7,228,288	10,235,873	9,912,959	7,830,688
$ 19,875,225	$ 17,078,510	$ 15,783,406	$ 16,804,504	$ 14,156,063	$ 11,241,544
$ 136,834	$ 118,871	$ 261,435	$ 200,837	$ 216,649	$ 211,423
2,133,818	1,849,465	1,022,193	2,038,557	3,620,519	2,351,285
16,397,271	12,556,918	261,314,543	224,512,987	189,563,404	129,330,505
2,709,252	2,662,158	2,929,739	3,712,552	4,975,001	4,202,276
–	–	–	(39,068)	(74,711)	(470,852)
$ 21,377,175	$ 17,187,412	$ 265,527,910	$ 230,425,865	$ 198,300,862	$ 135,624,637

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INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund Revenue by Source
Last Ten Fiscal Years

Year Ended June 30,	Local Property Tax Revenue	State Revenue	Federal Revenue	Other Local and Miscellaneous	Total
2014	$ 12,956,296	$ 72,599,880	$ 2,844,272	$ 1,621,936	$ 90,022,384
	14%	81%	3%	2%	100%
2015	23,587,670	66,390,402	2,725,971	1,358,971	94,063,014
	25%	71%	3%	1%	100%
2016	23,170,610	71,248,577	2,544,801	3,713,551	100,677,539
	23%	70%	3%	4%	100%
2017	23,808,740	73,684,350	2,732,657	3,475,642	103,701,389
	23%	71%	3%	3%	100%
2018	23,936,695	77,099,110	2,693,184	3,864,518	107,593,507
	22%	71%	3%	4%	100%
2019	25,808,561	81,061,081	3,378,693	4,056,534	114,304,869
	23%	70%	3%	4%	100%
2020	26,346,415	82,882,935	3,291,408	3,405,038	115,925,796
	23%	71%	3%	3%	100%
2021	28,893,600	85,036,779	8,519,267	2,835,871	125,285,517
	23%	68%	7%	2%	100%
2022	31,751,273	86,374,136	9,200,177	3,247,999	130,573,585
	24%	66%	7%	3%	100%
2023	32,871,766	87,901,945	5,937,405	3,507,362	130,218,478
	25%	67%	5%	3%	100%

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

INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund Expenditures by Program
Last Ten Fiscal Years

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction
2014	$ 4,360,452	$ 1,642,913	$ 41,901,372	$ 827,110	$ 18,603,528
	4%	2%	43%	1%	19%
2015	4,368,076	1,662,845	41,958,720	951,749	18,802,623
	5%	2%	44%	1%	20%
2016	4,319,876	1,927,834	46,242,132	880,860	19,818,791
	4%	2%	46%	1%	20%
2017	4,428,948	2,150,921	47,911,170	1,534,004	20,846,113
	5%	2%	45%	1%	20%
2018	4,439,908	2,294,145	50,957,061	1,466,872	22,539,239
	4%	2%	45%	1%	20%
2019	4,767,244	2,486,960	51,578,338	1,781,712	23,855,666
	4%	2%	44%	2%	20%
2020	4,754,277	2,482,463	52,869,123	1,571,515	24,453,211
	4%	2%	45%	1%	21%
2021	4,680,935	2,259,769	55,688,571	1,101,205	25,963,933
	4%	2%	45%	1%	21%
2022	4,859,360	2,571,817	54,434,812	1,225,126	26,765,265
	4%	2%	41%	1%	20%
2023	4,949,923	2,712,964	54,249,852	1,745,537	27,970,498
	4%	2%	41%	1%	21%

Community Education	Instructional Support Services	Pupil Support Services	Sites and Buildings	Fiscal, Other Fixed Cost Programs, and Debt Service	Total
$ –	$ 5,682,729	$ 7,805,215	$ 16,559,644	$ 819,879	$ 98,202,843
–	6%	8%	17%	1%	100%
–	7,784,273	8,879,865	9,129,257	1,164,933	94,702,341
–	8%	9%	10%	1%	100%
–	8,247,943	10,489,544	8,619,133	1,484,470	102,030,583
–	8%	10%	8%	1%	100%
–	7,901,076	11,625,539	8,382,462	1,389,083	106,169,316
–	7%	11%	8%	1%	100%
–	8,699,660	12,723,412	8,271,678	1,365,911	112,757,886
–	8%	11%	8%	1%	100%
–	8,842,082	13,093,273	9,332,455	1,363,854	117,101,584
–	8%	11%	8%	1%	100%
–	8,398,544	12,929,240	8,369,840	1,397,287	117,225,500
–	7%	11%	7%	1%	100%
–	7,883,565	12,694,704	12,434,965	1,556,772	124,264,419
–	6%	10%	10%	1%	100%
182,603	10,594,212	14,992,963	16,109,378	1,545,147	133,280,683
–	8%	11%	12%	1%	100%
317,632	9,365,907	15,247,597	14,934,054	1,689,626	133,183,590
–	7%	12%	11%	1%	100%

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
General Fund	$ 90,022,384	$ 94,063,014	$ 100,677,539	$ 103,701,389
Special revenue funds				
Food Service	4,204,291	4,208,560	4,432,336	4,607,261
Community Service	4,621,755	4,772,075	5,343,584	5,647,653
Capital Projects – Building Construction Fund	1,586	1,821	19,955	20,549
Debt Service Fund	11,685,646	10,496,490	11,015,156	11,104,157
Total revenues	$ 110,535,662	$ 113,541,960	$ 121,488,570	$ 125,081,009
Expenditures				
General Fund	$ 98,202,842	$ 94,702,341	$ 102,030,583	$ 106,169,316
Special revenue funds				
Food Service	4,205,461	4,245,505	4,347,742	4,426,363
Community Service	4,445,004	4,515,800	5,250,818	5,470,711
Capital Projects – Building Construction Fund	2,017,661	3,549,652	5,414,807	4,784,117
Debt Service Fund	11,147,793	10,876,598	10,884,071	10,949,615
Total expenditures	$ 120,018,761	$ 117,889,896	$ 127,928,021	$ 131,800,122

2018	2019	2020	2021	2022	2023
$ 107,593,507	$ 114,304,869	$ 115,925,796	$ 125,285,517	$ 130,573,585	$ 130,218,478
4,558,208	4,610,762	3,982,048	5,397,288	6,995,661	5,283,769
6,081,836	6,544,785	6,390,640	6,491,551	7,159,633	7,335,528
129,387	307,534	4,972,161	1,948,559	(1,588,548)	4,944,585
10,901,699	11,308,550	15,080,635	26,142,590	24,230,367	23,846,197
$ 129,264,637	$ 137,076,500	$ 146,351,280	$ 165,265,505	$ 167,370,698	$ 171,628,557
$ 112,757,886	$ 117,101,584	$ 117,225,500	$ 124,264,419	$ 133,280,683	$ 133,183,590
4,375,549	4,552,813	4,148,747	4,572,349	5,308,456	6,140,663
6,147,818	6,905,050	6,908,649	6,399,792	7,287,401	8,175,477
1,167,397	4,147,887	19,472,015	38,750,115	131,866,451	102,022,563
11,411,385	11,355,644	14,813,054	25,550,130	23,531,772	24,618,922
$ 135,860,035	$ 144,062,978	$ 162,567,965	$ 199,536,805	$ 301,274,763	$ 274,141,215

INDEPENDENT SCHOOL DISTRICT NO. 624

Cash and Investments by Fund
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
General Fund	$ 25,331,076	$ 32,440,239	$ 30,436,088	$ 25,600,462
Special revenue funds				
Food Service	315,489	283,747	295,187	463,293
Community Service	1,389,406	1,901,557	1,990,015	2,250,731
Capital Projects – Building Construction Fund	278,236	13,136,829	7,130,933	1,718,169
Debt Service Fund	6,863,009	7,016,828	7,241,862	7,259,123
Internal service funds	3,557,696	5,565,947	4,079,603	3,663,757
Post-Employment Benefits Trust Fund	47,000,965	33,422,551	31,104,825	32,185,452
Scholarship Private-Purpose Trust Fund	40,658	80,964	167,025	153,728
Custodial Fund	–	–	–	–
	$ 84,776,535	$ 93,848,662	$ 82,445,538	$ 73,294,715

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

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

2018	2019	2020	2021	2022	2023
$ 20,379,909	$ 15,758,533	$ 18,163,217	$ 11,205,708	$ 9,797,829	$ 14,875,234
627,316	613,620	285,169	1,099,873	2,716,218	2,270,974
2,307,797	2,025,694	1,307,493	1,259,679	1,610,031	856,214
16,508,518	12,595,789	259,965,642	229,911,496	226,233,509	151,617,305
7,886,379	9,572,210	14,516,319	10,824,021	15,995,723	17,403,677
4,477,099	5,066,433	5,672,784	6,461,794	7,038,911	7,040,493
34,115,030	35,121,517	35,149,062	38,878,391	34,445,871	31,127,271
243,000	172,078	–	–	–	–
–	–	220,371	232,500	229,201	275,579
$ 86,545,048	$ 80,925,874	$335,280,057	$299,873,462	$298,067,293	$225,466,747

INDEPENDENT SCHOOL DISTRICT NO. 624

Expenditures per Student
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Expenditures per student				
General Fund				
District-level administration	$ 344	$ 343	$ 365	$ 374
School-level administration	490	489	488	502
Regular instruction	4,826	4,921	5,292	5,343
Career and technical instruction	101	116	106	181
Special education	2,261	2,281	2,387	2,447
Student activities/athletics	157	152	255	253
Instructional support services	491	548	640	652
Pupil support services	483	473	516	512
Operations, maintenance, and other	935	911	874	879
Student transportation	604	606	702	825
Capital	350	663	673	512
Total General Fund expenditures per student	$ 11,042	$ 11,503	$ 12,300	$ 12,479
Food Service Special Revenue Fund	$ 515	$ 516	$ 524	$ 522

Source: Minnesota Department of Education

2018	2019	2020	2021	2022	2023
$ 400	$ 436	$ 267	$ 225	$ 250	$ 260
499	404	560	597	647	664
5,542	5,655	5,731	6,276	6,202	6,173
168	206	180	130	148	210
2,584	2,758	2,787	3,073	3,210	3,370
276	332	308	296	358	364
659	890	721	792	1,259	1,087
543	560	625	647	805	701
866	992	957	1,489	1,972	1,750
874	920	843	846	1,004	1,070
531	415	485	341	228	404
$ 12,943	$ 13,568	$ 13,464	$ 14,712	$ 16,083	$ 16,053
$ 719	$ 557	$ 476	$ 541	$ 641	$ 741

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INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Property Tax			
Fiscal Year	General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total
2014	$ 12,956,296	$ 559,095	$ 11,683,053	$ 25,198,444
2015	23,587,670	1,080,555	10,494,470	35,162,695
2016	23,170,610	1,042,443	11,008,847	35,221,900
2017	23,808,740	1,000,767	10,993,448	35,802,955
2018	23,936,695	851,605	10,740,358	35,528,658
2019	25,808,561	1,025,846	11,084,791	37,919,198
2020	26,346,415	1,118,903	14,852,917	42,318,235
2021	28,893,600	1,093,150	25,920,933	55,907,683
2022	31,751,273	1,164,816	24,008,676	56,924,765
2023	32,871,766	1,158,557	23,437,272	57,467,595

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

INDEPENDENT SCHOOL DISTRICT NO. 624

Tax Capacities and Market Values
Last Ten Fiscal Years

For Taxes Collectible	Agricultural Net Tax Capacity	Personal Property	Nonagricultural Net Tax Capacity	Fiscal Disparities Contribution Net Tax Capacity	Fiscal Disparities Distribution Net Tax Capacity
2014	$ 401,085	$ 1,065,271	$ 65,266,991	$ (7,389,456)	$ 6,898,176
2015	404,636	1,089,830	70,778,051	(7,525,888)	6,924,807
2016	414,264	1,186,977	72,619,763	(7,523,002)	7,099,529
2017	422,640	1,281,958	76,741,560	(7,795,352)	7,815,144
2018	430,930	1,362,746	84,067,538	(8,448,877)	8,337,120
2019	417,860	1,327,082	90,414,147	(9,221,744)	8,812,128
2020	407,075	1,346,317	96,683,531	(9,897,728)	9,482,997
2021	388,885	1,477,006	103,045,446	(9,770,932)	9,907,598
2022	228,356	992,677	106,502,088	(10,907,778)	10,876,891
2023	424,889	1,055,827	123,551,382	(10,896,552)	10,215,078

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

Source: State of Minnesota School Tax Report

Tax Increment Net Tax Capacity	Total Taxable Net Tax Capacity	Total Direct Tax Rate	Estimated Market Value	Percentage Tax Capacity to Market Value
$ (3,005,643)	$ 63,236,424	0.28562	$ 5,914,824,800	1.07 %
(2,570,977)	69,100,459	0.26660	6,418,024,100	1.08
(1,418,213)	72,379,318	0.26236	6,573,881,600	1.10
(1,266,217)	77,199,733	0.23476	6,904,085,300	1.12
(1,221,355)	84,528,102	0.23685	7,484,891,300	1.13
(1,238,186)	90,511,287	0.26081	7,995,141,000	1.13
(1,182,453)	96,839,739	0.36777	8,549,395,400	1.13
(1,254,737)	103,793,266	0.37074	9,058,861,658	1.15
(1,042,473)	106,649,761	0.34805	9,311,445,133	1.15
(656,474)	123,694,150	0.32398	10,817,452,770	1.14

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INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Year Collectible	General Fund (2)	Community Service Special Revenue Fund	Debt Service Fund	Total All Funds
Levies					
	2014	$ 24,489,875	$ 1,089,836	$ 10,575,794	$ 36,155,505
	2015	23,793,193	1,050,963	11,097,447	35,941,603
	2016	24,217,987	999,958	10,987,335	36,205,280
	2017	24,311,613	907,449	10,863,759	36,082,821
	2018	26,510,297	1,023,603	11,060,925	38,594,825
	2019	27,730,600	1,097,369	15,074,825	43,902,794
	2020	28,727,888	1,098,027	26,057,403	55,883,318
	2021	31,833,679	1,135,435	23,996,527	56,965,641
	2022	32,407,159	1,169,689	23,672,582	57,249,430
	2023	32,586,114	1,180,612	28,217,881	61,984,607
Tax rates					
	2014	0.10119	0.01723	0.16720	0.28562
	2015	0.09204	0.01510	0.15946	0.26660
	2016	0.09700	0.01379	0.15156	0.26236
	2017	0.08408	0.05446	0.09622	0.23476
	2018	0.09376	0.04893	0.09416	0.23685
	2019	0.08052	0.01223	0.16805	0.26081
	2020	0.07914	0.01167	0.27697	0.36777
	2021	0.12842	0.01095	0.23137	0.37074
	2022	0.11665	0.01090	0.22050	0.34805
	2023	0.08776	0.00949	0.22673	0.32398
Market value rates					
	2014	0.00273	–	–	0.00273
	2015	0.00240	–	–	0.00240
	2016	0.00235	–	–	0.00235
	2017	0.00230	–	–	0.00230
	2018	0.00230	–	–	0.00230
	2019	0.00232	–	–	0.00232
	2020	0.00224	–	–	0.00224
	2021	0.00181	–	–	0.00181
	2022	0.00193	–	–	0.00193
	2023	0.00183	–	–	0.00183

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

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

Source: State of Minnesota School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	ISD No. 624		Counties			Special Taxing Districts		
For Taxes Collectible	Total Direct Tax Tax Rate (2)	Market Value Rate	Ramsey County	Washington County	Anoka County	Ramsey County	Washington County	Anoka County
2014	28.562	0.273	63.735	32.811	43.239	9.825	4.640	5.768
2015	26.660	0.240	58.922	30.186	38.123	9.179	4.183	5.327
2016	26.236	0.235	58.885	30.564	38.894	9.052	4.568	5.728
2017	23.476	0.230	55.850	30.448	37.273	8.558	4.345	5.087
2018	23.685	0.230	53.962	29.983	35.820	8.249	4.175	4.902
2019	26.081	0.232	52.879	29.682	34.908	8.265	3.994	2.015
2020	36.777	0.224	52.302	28.944	33.483	8.249	3.738	1.956
2021	37.074	0.181	47.760	27.435	31.316	7.822	3.593	1.883
2022	34.805	0.193	48.067	27.532	29.614	9.971	3.483	1.826
2023	32.398	0.183	44.901	23.625	24.474	8.740	2.974	1.564

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

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

Source: Anoka, Washington, and Ramsey counties

Municipalities					Average Total Rates by Area				
White Bear Lake	White Bear Township	Hugo	Lino Lakes	Vadnais Heights	White Bear Lake Resident	White Bear Township Resident	Hugo Resident	Vadnais Heights Resident	Lino Lakes Resident
21.102	24.014	36.417	46.683	29.269	123.497	126.409	102.703	131.664	124.525
20.368	22.031	36.318	43.770	26.904	115.369	117.032	97.586	121.905	114.120
19.690	22.875	36.323	46.019	26.820	114.098	117.283	97.926	121.228	117.113
18.969	21.976	36.356	45.140	26.845	107.083	110.090	94.854	114.959	111.206
19.058	21.623	36.330	42.826	24.872	105.184	107.749	94.402	110.998	107.463
20.190	21.722	36.274	41.817	24.127	107.647	109.179	96.263	111.584	105.053
20.629	21.760	39.279	39.870	24.583	118.181	119.312	108.962	122.135	112.310
20.355	24.142	39.294	39.437	23.298	113.192	116.979	107.577	116.135	109.891
22.271	27.181	39.403	40.154	26.135	115.307	120.217	105.415	119.171	106.592
24.054	25.857	36.371	34.974	25.860	110.276	112.079	95.552	112.082	93.593

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INDEPENDENT SCHOOL DISTRICT NO. 624

Principal Property Taxpayers
Current Year and Nine Years Ago

	2023			2014		
Taxpayer	Taxable Net Tax Capacity	Rank	Percentage of Taxable Net Tax Capacity	Taxable Net Tax Capacity	Rank	Percentage of Taxable Net Tax Capacity
HB Fuller	$ 726,244	1	0.59 %	$ –	–	– %
Dakota Upreit LP	680,224	2	0.55	–	–	–
White Bear Woods Apartments	627,000	3	0.51	350,138	4	0.55
Xcel Energy	624,201	4	0.50	699,398	1	1.11
Buerkle Enterprises, LLC	579,818	5	0.47	–	–	–
MSP Vadnais, LLC	572,584	6	0.46	–	–	–
VH Medical Partners LLC	467,320	7	0.38	–	–	–
Luther Company, LLP	423,614	8	0.34	–	–	–
Tundra Companies	416,168	9	0.34	–	–	–
Specialty Manufacturing	405,366	10	0.33	239,802	9	0.38
Presbyterian Homes	–	–	–	548,538	2	0.87
North Oaks Farm	–	–	–	354,488	3	0.56
Walmart Real Estate Business Trust	–	–	–	344,746	5	0.55
Maplewood 2007 LLC	–	–	–	280,036	6	0.44
Taylor Corporation	–	–	–	255,526	7	0.40
Trane Corporation	–	–	–	240,850	8	0.38
Sam’s Club	–	–	–	217,250	10	0.34
Total	$ 5,522,539		4.46 %	$ 3,530,772		5.58 %

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

INDEPENDENT SCHOOL DISTRICT NO. 624

Property Tax Levies and Receivables
Last Ten Fiscal Years

For Taxes Collectible	Original Levy				Collections First Year Levy Recognized	
	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread	Amount	Percentage of Levy
2014	$ 32,257,126	$ 3,897,020	$ 1,359	$ 36,155,505	$ 35,747,852	98.9 %
2015	31,979,108	3,962,495	–	35,941,603	35,662,183	99.2
2016	32,555,594	3,649,686	–	36,205,280	35,980,466	99.4
2017	32,180,096	3,902,725	–	36,082,821	35,808,331	99.2
2018	34,729,868	3,864,957	–	38,594,825	38,347,361	99.4
2019	39,886,903	4,015,891	–	43,902,794	43,629,296	99.4
2020	51,253,317	4,630,001	–	55,883,318	55,612,921	99.5
2021	51,149,060	5,816,581	–	56,965,641	56,589,315	99.3
2022	51,321,048	5,928,382	–	57,249,430	56,862,635	99.3
2023	56,516,596	5,468,011	–	61,984,607	28,943,006	46.7

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

Source: State of Minnesota School Tax Report

Received in Subsequent Years	Total to Date		Uncollected Taxes Receivable as of June 30, 2023			
			Delinquent		Current	
	Amount	Percentage of Levy	Amount	Percent	Amount	Percent
$ 407,653	$ 36,155,505	100.0 %	$ –	– %	$ –	– %
279,420	35,941,603	100.0	–	–	–	–
224,814	36,205,280	100.0	–	–	–	–
253,084	36,061,415	99.9	21,406	0.1	–	–
235,848	38,583,209	100.0	11,616	0.0	–	–
245,215	43,874,511	99.9	28,283	0.1	–	–
200,097	55,813,018	99.9	70,300	0.1	–	–
331,452	56,920,767	99.9	44,874	0.1	–	–
–	56,862,635	99.3	386,795	0.7	–	–
–	28,943,006	46.7	–	–	33,041,601	53.3
			$ 563,274		$ 33,041,601	

INDEPENDENT SCHOOL DISTRICT NO. 624

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

Fiscal Year	Outstanding Bonded Debt	Financed Purchases	Lease Liabilities	Premium (Discount) on Debt	Balance on Hand Value	Net Debt	Net Tax Capacity
2014	$ 85,060,000	$ 11,870,344	$ –	$ 2,635,931	$ 2,255,307	$ 97,310,968	$ 63,236,424
2015	93,420,000	11,370,426	–	2,330,474	2,079,253	105,041,647	69,100,459
2016	86,195,000	10,639,270	–	1,958,524	2,210,338	96,582,456	72,379,318
2017	78,640,000	9,975,133	–	1,586,574	2,364,880	87,836,827	77,199,733
2018	85,805,000	9,284,952	–	2,515,596	2,709,252	94,896,296	84,528,102
2019	77,560,000	8,567,759	–	1,986,644	2,662,158	85,452,245	90,511,287
2020	315,530,000	7,822,497	–	14,538,405	2,929,739	334,961,163	96,839,739
2021	298,760,000	–	–	14,340,352	3,712,552	309,387,800	103,793,266
2022	380,520,000	–	858,038	21,199,531	4,975,001	397,602,568	106,649,761
2023	399,920,000	–	761,623	22,854,070	4,202,276	419,333,417	123,694,150

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

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

Source: State of Minnesota School Tax Report and Metropolitan Council

Percent of Net Debt to Net Tax Capacity Value	Market Value	Percent of Net Debt to Market Value	Estimated Population	Net Debt per Capita	Total Debt per Capita	Percent of Net Debt to Personal Income	Percent of Total Debt to Personal Income
153.88 %	$5,914,824,800	1.65 %	48,449	$ 2,009	$ 2,055	3.75 %	3.83 %
152.01	6,418,024,100	1.64	48,645	2,159	2,202	3.89	3.97
133.44	6,573,881,600	1.47	49,189	1,963	2,008	3.50	3.58
113.78	6,904,085,300	1.27	49,739	1,766	1,814	3.15	3.23
112.27	7,484,891,300	1.27	50,734	1,870	1,924	3.24	3.33
94.41	7,995,141,000	1.07	51,749	1,651	1,703	2.74	2.82
345.89	8,549,395,400	3.92	65,782	5,092	5,137	8.17	8.24
298.08	9,058,861,658	3.42	65,782	4,703	4,760	6.83	6.91
372.81	9,311,445,133	4.27	64,625	6,152	6,229	8.72	8.83
339.01	10,817,452,770	3.88	64,625	6,489	6,554	8.64	8.73

INDEPENDENT SCHOOL DISTRICT NO. 624

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

Fiscal Year	Principal	Interest and Other Charges	Total Debt Service Expenditures	Total General Fund Expenditures	Percent of Debt Service to General Fund Expenditures
2014	$ 7,413,817	$ 4,170,299	$ 11,584,116	$ 98,202,842	11.80 %
2015	7,409,918	4,449,776	11,859,694	94,702,341	12.52
2016	7,956,156	4,094,070	12,050,227	102,030,583	11.81
2017	8,219,137	3,800,779	12,019,916	106,169,316	11.32
2018	8,705,181	3,776,909	12,482,090	112,757,886	11.07
2019	8,962,193	3,464,192	12,426,385	117,101,584	10.61
2020	12,775,262	3,108,548	15,883,810	117,225,500	13.55
2021	17,162,911	9,454,449	26,617,360	124,264,419	21.42
2022	14,790,406	9,820,154	24,610,560	133,280,683	18.47
2023	14,111,415	11,730,475	25,841,890	133,183,590	19.40

INDEPENDENT SCHOOL DISTRICT NO. 624

Direct and Overlapping Debt
as of June 30, 2023

	General Obligation Debt	2023 Tax Capacity Value	Percent of Debt Applicable (1)	Amount of Debt Applicable
Taxing unit				
Overlapping debt				
Counties				
Ramsey	$ 180,735,000	$ 814,342,324	11.46 %	$ 20,716,749
Washington	90,885,000	458,762,027	5.59	5,077,018
Cities				
White Bear Lake	36,485,000	41,710,262	98.35	35,882,304
White Bear Township	9,385,000	20,867,752	99.80	9,366,568
Hugo	15,735,000	25,507,639	88.31	13,896,271
Special districts				
Metropolitan Council	238,225,000	5,878,109,833	2.10	5,012,969
Total overlapping debt	571,450,000	7,239,299,837		89,951,879
Direct debt				
ISD No. 624	399,920,000	123,694,150	100.00	399,920,000
Total direct and overlapping debt	$ 971,370,000	$7,362,993,987		$ 489,871,879

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

Source: The Official Statement associated with the District's 2023A G.O. Facilities Maintenance Bond (prepared by Ehlers)

INDEPENDENT SCHOOL DISTRICT NO. 624

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Debt limit	$ 887,223,720	$ 962,703,615	$ 986,082,240	$ 1,035,612,795
Total net debt applicable to the limit	82,804,693	91,340,747	83,984,662	81,004,880
Legal debt margin	$ 804,419,027	$ 871,362,868	$ 902,097,578	$ 954,607,915
Total net debt applicable to the limit as a percentage of debt limit	9.33%	9.49%	8.52%	7.82%

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

Source: State of Minnesota School Tax

2018	2019	2020	2021	2022	2023
$ 1,122,733,695	$ 1,199,271,150	$ 1,282,409,310	$ 1,358,829,249	$ 1,396,716,770	$ 1,622,617,916
88,514,252	80,222,158	312,600,261	295,047,448	375,544,999	395,717,724
$ 1,034,219,443	$ 1,119,048,992	$ 969,809,049	$ 1,063,781,801	$ 1,021,171,771	$ 1,226,900,192
7.88%	6.69%	24.38%	21.71%	26.89%	24.39%

Legal Debt Margin Calculation for Fiscal Year 2023

Market value	$ 10,817,452,770
Debt limit (15% of market value)	1,622,617,916
Debt applicable to limit	
General obligation bonds	399,920,000
Less amount set aside for repayment of general obligation debt	(4,202,276)
Total net debt applicable to the limit	395,717,724
Legal debt margin	$ 1,226,900,192

INDEPENDENT SCHOOL DISTRICT NO. 624

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (3)	Median Age (3)	School Enrollment (4)	Ramsey County Unemployment Rate (2)
2014	48,449	$ 2,596,381,910	$ 53,590	37.4	8,056	4.7 %
2015	48,645	2,697,851,700	55,460	41.2	8,043	3.8
2016	49,189	2,760,634,247	56,123	41.4	8,117	3.7
2017	49,739	2,790,556,856	56,104	44.1	8,312	3.6
2018	50,734	2,928,214,278	57,717	43.8	8,661	2.6
2019	51,749	3,120,516,449	60,301	44.2	8,765	3.1
2020	65,782	4,098,481,728	62,304	44.3	8,802	9.2
2021	65,782	4,530,472,122	68,871	44.1	8,612	4.1
2022	64,625	4,557,225,750	70,518	43.5	8,379	2.3
2023	64,625	4,854,177,625	75,113	36.5	8,429	3.3

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

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

INDEPENDENT SCHOOL DISTRICT NO. 624

Principal Employers
Current Year and Nine Years Ago

	2023			2014		
Employer	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
ISD No. 624	1,240	1	4.32 %	1,154	1	N/A
Century College	842	2	2.94	1,000	2	N/A
HB Fuller	600	3	2.09	–	–	N/A
I.C. Systems	564	4	1.97	–	–	N/A
Bal Seal Engineering	500	5	1.74	–	–	N/A
NAC Mechanical	500	5	1.74	–	–	N/A
Heraeus Medical Components	500	5	1.74	–	–	N/A
Wilson Tools	470	8	1.64	450	4	N/A
Walmart	410	9	1.43	410	5	N/A
Northern Wholesale Supply	270	10	0.94	–	–	N/A
Taymark Corporation	–	–	–	600	3	N/A
Cerenity Care Center	–	–	–	351	6	N/A
Super Target	–	–	–	300	7	N/A
Water Gremlin Co.	–	–	–	215	8	N/A
Lifetime Fitness	–	–	–	200	9	N/A
Festival Foods	–	–	–	175	10	N/A
	5,896		20.56 %	4,855		N/A
Total district employment	28,680			N/A		

N/A – Not Available

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

Source: State Department of Commerce

INDEPENDENT SCHOOL DISTRICT NO. 624

Employees by Classification
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Board of Education (1)	7	7	7	7
Cabinet/Administrators/Principals (2)	35	35	33	34
Nonaffiliated (3)	25	42	62	72
Teachers (4)	602	604	620	607
Support services (5)	103	103	101	103
Paraprofessionals (6)	158	158	163	164
Custodians (7)	65	65	67	71
Nutritional services (8)	73	71	71	76
Extended day (9)	48	31	34	39
Bus drivers (10)	38	40	48	46
Total	1,154	1,156	1,206	1,219

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

Source: ISD No. 624

2018	2019	2020	2021	2022	2023
7	7	7	7	7	7
30	31	29	30	31	32
80	88	86	91	102	110
616	636	606	597	598	567
99	111	112	116	117	106
174	197	182	174	173	161
70	76	64	64	62	63
70	76	60	49	61	61
43	73	65	62	89	103
44	43	33	31	33	30
1,233	1,338	1,244	1,221	1,273	1,240

INDEPENDENT SCHOOL DISTRICT NO. 624

Teacher Data
Last Ten Fiscal Years

Fiscal Year	Minimum Salary	Maximum Salary	Average Salary	Number of Teachers With B.A. Degree	Number of Teachers With M.A. Degree
2014	$ 38,391	$ 84,628	$ 61,510	199	392
2015	39,275	86,740	63,008	189	408
2016	40,350	88,615	64,483	184	457
2017	41,425	90,040	65,733	147	459
2018	42,357	92,590	67,474	175	434
2019	43,310	94,482	68,896	142	502
2020	44,720	97,213	70,967	122	484
2021	45,659	99,242	72,451	115	482
2022	47,368	101,140	74,254	104	489
2023	48,315	102,986	75,651	86	480

Source: ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

Student to Staff Ratios
Last Ten Fiscal Years

Fiscal Year	ISD No. 624 Student to Teacher Ratios	Minnesota Department of Education Student to Staff Ratio		
		ISD No. 624	Ramsey County Average	State of Minnesota Average
2014	17.00	14.00	13.60	13.00
2015	16.00	14.00	13.40	13.00
2016	17.00	14.00	N/A	N/A
2017	17.00	13.00	N/A	N/A
2018	17.00	13.00	N/A	N/A
2019	16.00	13.00	N/A	N/A
2020	N/A	N/A	N/A	N/A
2021	16.00	13.00	N/A	N/A
2022	16.00	13.00	N/A	N/A
2023	16.00	13.00	N/A	N/A

N/A – Not Available

Source: Minnesota Department of Education

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2014	2015	2016	2017
Standardized Tests				
MCA Reading (1)				
Grade 3	66.00 %	63.90 %	64.00 %	65.00 %
Grade 4	60.00	63.20	62.60	64.20
Grade 5	73.60	69.60	77.10	74.10
Grade 6	64.60	68.40	66.10	67.20
Grade 7	59.90	61.90	58.00	56.30
Grade 8	66.90	57.30	62.80	60.30
Grade 10	59.70	68.30	62.70	65.10
MCA Math (1)				
Grade 3	80.40	78.10	79.70	74.30
Grade 4	74.40	79.80	75.40	78.50
Grade 5	62.60	61.30	70.90	66.70
Grade 6	61.80	54.70	52.90	61.40
Grade 7	58.00	59.20	54.60	56.30
Grade 8	70.40	64.20	68.30	64.70
Grade 11	68.00	56.70	60.50	59.60
MCA Science (1)				
Grade 5	63.80	63.50	70.20	66.10
Grade 7	58.10	52.50	53.60	55.00
Grade 11	56.20	65.40	63.50	64.20
ACT				
Average composite score	23.40	21.50	21.80	22.00
Graduation data				
ISD No. 624 rate	90.60	89.30	89.70	87.70
Post-graduation				
4-year college/university	60.00	66.00	66.00	61.00
2-year college	25.00	23.00	23.00	28.00
Other	15.00	11.00	11.00	11.00

N/A – Not Available

(1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test.
(2) 2020 data not available due to COVID-19.

Source: Minnesota Department of Education

2018	2019	2020 (2)	2021	2022	2023
65.10 %	62.60 %	N/A %	53.70 %	51.90 %	48.10 %
67.70	66.70	N/A	55.00	58.00	56.80
76.20	74.00	N/A	68.00	64.20	66.10
68.20	68.00	N/A	57.60	59.80	57.50
61.10	60.90	N/A	50.00	47.10	46.30
55.80	60.60	N/A	49.80	45.10	47.30
55.70	63.70	N/A	57.50	58.10	42.80
75.90	74.00	N/A	56.90	58.60	61.00
72.10	72.60	N/A	56.30	58.50	58.90
68.10	57.90	N/A	45.30	43.80	44.90
55.10	57.00	N/A	32.00	40.60	40.20
57.40	57.80	N/A	32.80	41.60	46.40
63.70	65.40	N/A	45.30	45.70	50.00
56.50	54.40	N/A	33.70	44.60	33.60
67.40	61.50	N/A	54.60	47.10	53.70
49.70	47.60	N/A	42.00	31.00	32.10
54.30	54.50	N/A	42.20	44.30	32.80
21.90	21.86	N/A	N/A	20.80	21.37
88.70	88.10	91.20	90.10	91.30	89.10
57.00	61.00	N/A	N/A	24.90	49.00
26.00	22.00	N/A	N/A	22.10	18.00
17.00	17.00	N/A	N/A	17.60	33.00

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INDEPENDENT SCHOOL DISTRICT NO. 624

Food Service
School Lunch Program
Last Ten Fiscal Years

Fiscal Year	Average Daily Attendance	Total Lunches Served	Days	Average Daily Participation (ADP)	Percent of ADP	Free Lunch		Reduced-Price Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2014	7,558	850,649	172	4,815	63.71 %	255,488	30.03 %	83,593	9.83 %
2015	7,563	864,918	172	5,029	66.49	257,473	29.77	85,632	9.90
2016	7,683	859,192	172	4,995	65.01	245,745	28.60	85,592	9.96
2017	7,821	870,053	172	5,058	65.00	242,242	27.84	84,705	10.05
2018	7,998	876,171	172	5,094	63.69	235,303	26.86	93,842	10.71
2019	8,286	898,412	172	5,223	63.04	223,814	24.91	97,003	10.80
2020	8,539	680,867	172	3,959	46.36	208,197	30.58	63,355	9.31
2021	8,204	553,614	172	3,219	39.23	553,614	100.00	–	–
2022	7,333	869,732	170	5,116	69.77	869,732	100.00	–	–
2023	8,281	808,682	166	4,872	58.83	234,144	28.95	72,595	8.98

Source: ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

School Facilities
as of June 30, 2023

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

N/A – Not Applicable

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

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

Source: ISD No. 624

Regular Classrooms	Square Feet	Capacity	2022–2023 Enrollment
53	289,953	1,270	1,071
58	280,906	1,270	1,329
48	266,386	1,095	1,016
49	126,979	837	824
22	119,955	624	427
33	104,739	580	485
25	69,256	420	357
26	59,928	468	475
26	61,781	280	228
23	71,485	580	547
23	86,969	396	401
24	55,433	400	–
17	58,801	328	–
23	86,723	420	332
34	102,042	720	472
19	46,872	134	188
4	7,258	50	35
11	31,389	275	283
1	22,295	N/A	–
–	3,160	N/A	–
–	13,005	N/A	–
–	25,400	N/A	–

INDEPENDENT SCHOOL DISTRICT NO. 624

Insurance Coverage
as of June 30, 2023

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

Source: ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM)					
	Handicapped and Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	Total Pupil Units
2014	120	626	3,735	3,615	8,096	9,288
2015	166	589	3,756	3,625	8,136	8,861
2016	173	578	3,823	3,646	8,220	8,949
2017	181	564	4,007	3,653	8,405	9,136
2018	208	578	4,119	3,728	8,633	9,379
2019	241	585	4,137	3,744	8,707	9,456
2020	255	579	4,075	3,798	8,707	9,466
2021	231	536	3,855	3,834	8,456	9,223
2022	248	535	3,710	3,794	8,287	9,045
2023	298	507	3,650	3,842	8,297	9,065

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

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

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

	Pre-Kindergarten	Handicapped Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1–3	Elementary 4–6	Secondary
Fiscal 2014	1.250	1.000	0.612	0.612	1.115	1.060	1.300
Fiscal 2015 through 2023	1.000	1.000	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

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