

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

INDEPENDENT SCHOOL DISTRICT NO. 621
MOUNDS VIEW PUBLIC SCHOOLS
SHOREVIEW, MINNESOTA



ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024

INDEPENDENT SCHOOL DISTRICT NO. 621
MOUNDS VIEW PUBLIC SCHOOLS

4570 Victoria Street North
Shoreview, MN 55126

Prepared by:
Finance Department

Executive Director of Business Services
Bernice Humnick

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INTRODUCTORY SECTION

November 4, 2024

To the School Board, Employees, and Citizens of Mounds View Public Schools:

INTRODUCTION

The Annual Comprehensive Financial Report (ACFR) for Independent School District No. 621, Mounds View Public Schools (the District) is hereby submitted for the fiscal year ended June 30, 2024. The District's management assumes full responsibility for the completeness and accuracy of the information contained in this report. The report was prepared in accordance with accounting principles generally accepted in the United States of America.

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

The management's discussion and analysis (MD&A) allows the District to explain, in general terms, its financial position and results of operations of the past fiscal year.

REPORT FORMAT

The ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this letter of transmittal, a list of School Board members and administration personnel, an organizational chart, and the Certificate of Excellence in Financial Reporting. The financial section includes the Independent Auditor's Report, MD&A, basic financial statements, required supplementary information, notes to required supplementary information, and the combining and individual fund statements and schedules presented as supplemental information. The statistical section includes selected financial and demographic information, generally presented on a multi-year comparative basis.

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

REPORTING ENTITY AND ITS SERVICES

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

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

The District is located in Ramsey County and serves the cities of Arden Hills, Mounds View, New Brighton, North Oaks, Roseville, Shoreview, and Vadnais Heights. It encompasses 42.64 square miles, with a resident population of 81,108.

During 2023–2024, the District operated 15 buildings, including 2 high schools, 3 middle schools, 6 elementary schools, 2 education centers, 1 early childhood center, and 1 district center. The average age of the District's buildings is approximately 60 years.

LOCAL ECONOMIC CONDITION AND OUTLOOK

The District had a budgeted K–12 student enrollment of 11,270 and a Pre-K–12 actual student enrollment of 11,215 for the 2023–2024 school year. The District's student enrollment for the 2024–2025 school year is projected to decrease with an estimated School Board approved K–12 student enrollment of 11,095. Projected enrollment after 2024–2025 is expected to have a slight increase over the next four years, due to the expansion of open enrollment. The School Board approved nonresident K–5 enrollment options for the 2024–2025 school year. These options will be available beginning in fiscal year 2024–2025, with adjustments made at specific grade levels, schools, and programs where additional students can be accommodated while maintaining class sizes within the School Board-approved limits.

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

According to data from the Bureau of Economic Analysis, the per capita personal income in 2022 for the county was \$65,358, as compared to \$68,840 for the state of Minnesota, and \$65,470 for the United States. Data for 2023 was not available at the time of publication.

According to the Bureau of Labor Statistics, the unemployment rate for Ramsey County continues to be lower than the national rates. In August 2024, the unemployment rate for Ramsey County was 3.3 percent, as compared to 3.3 percent for the state of Minnesota, and 4.2 percent for the United States.

MISSION STATEMENT AND STRATEGIC PLANNING

The following Strategic Plan Framework influenced the direction of the District in the 2023–2024 school year.

Mission Statement

The District will educate all learners through a broad range of programs that set high expectations and inspire outstanding achievement.

Vision

The District will create a learning system that is committed to and focused on high student achievement. This will be accomplished through a healthy, accountable, and balanced approach that integrates the key components of learning:

- Healthy Learning Climate
- Shared Leadership and Accountability
- High Student Achievement
- Essential Curriculum and Effective Instruction
- Meaningful Family and Community Partnerships
- Financial Oversight and Stewardship of Resources
- Continuous Improvement

Planning

A schoolhouse model best illustrates the goals, measures, and strategies that support our district’s vision. Each room of the schoolhouse represents an area of strategic planning that supports the mission and vision of the District and reflects School Board policy as well.



FINANCIAL AND BUDGETARY CONTROL

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

The legal level of budgetary control is demonstrated through an annual budget adopted by the School Board for the General, Special Revenue, and Debt Service Funds. Legal budgetary control is at the fund level. The budget process includes estimates of revenues and expenditures based upon agreed assumptions. The staff allocation formulas are determined based on need and available resources to accomplish the District's goals. The budget is adopted in June of each year and revised quarterly during the fiscal year of its implementation.

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.

FINANCIAL PROSPECTS FOR FUTURE YEARS

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

The District approved a \$1,735.41 per pupil voter-approved operating referenda. This authority was approved in November 2019, with an inflationary increase each year for 10 years, set to expire in 2029–2030.

RELEVANT FINANCIAL POLICIES

The District has adopted a comprehensive set of financial policies. These policies have ensured the financial stability of the District, as well as provided guidance for current and future financial decisions.

The District has a number of financial policies that align with state statutes. In addition, the District has gone above and beyond the required policies to include additional policies that establish controls and procedures that are vital to the oversight of district finances. Two of these policies include:

1. The District's Investment Policy follows state statutes in determining what investments are allowed to be held by the District.
2. One of the District's most important finance policies is the District's Fund Balance Policy. This policy not only ensures the District maintains sufficient funds, but assists in important financial decisions. The District's Fund Balance Policy currently states:

"Based on an annual assessment of financial risk, the District's unassigned fund balance should remain within a recommended range of two–five months of General Fund expenditures. This range will provide the next budget cycle with a reserve that will be responsive to economic cycles and risk tolerance."

This policy is used in all current budget information and future budget projections and guides decision-making by the School Board.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

This report has been prepared following the guidelines provided by the Association of School Business Officials (ASBO) International for their Certificate of Excellence in Financial Reporting Program. In order to be awarded a Certificate of Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized ACFR, which conforms to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Excellence in Financial Reporting is valid for a period of one year.

The District has received this award as the result of its initial submission for fiscal year 1998–1999 and all subsequent submissions on an annual basis through 2022–2023. We believe our current report conforms to Certificate of Excellence in Financial Reporting Program requirements of accuracy and thoroughness. The District intends to submit this report to the ASBO International Certificate of Excellence in Financial Reporting Program for consideration.

ACKNOWLEDGEMENTS

The preparation of this ACFR requires a significant amount of work on the part of a number of departments. Appreciation is extended to the many departments who contributed their time and expertise to this process. We would also like to express our appreciation to the School Board for its interest and support in planning and conducting the financial operation of the District in a responsible and progressive manner.

Respectfully Submitted,



Chris Lennox
Superintendent



Bernice Humnick
Executive Director of Business Services



Paula Steele
Director of Finance

INDEPENDENT SCHOOL DISTRICT NO. 621

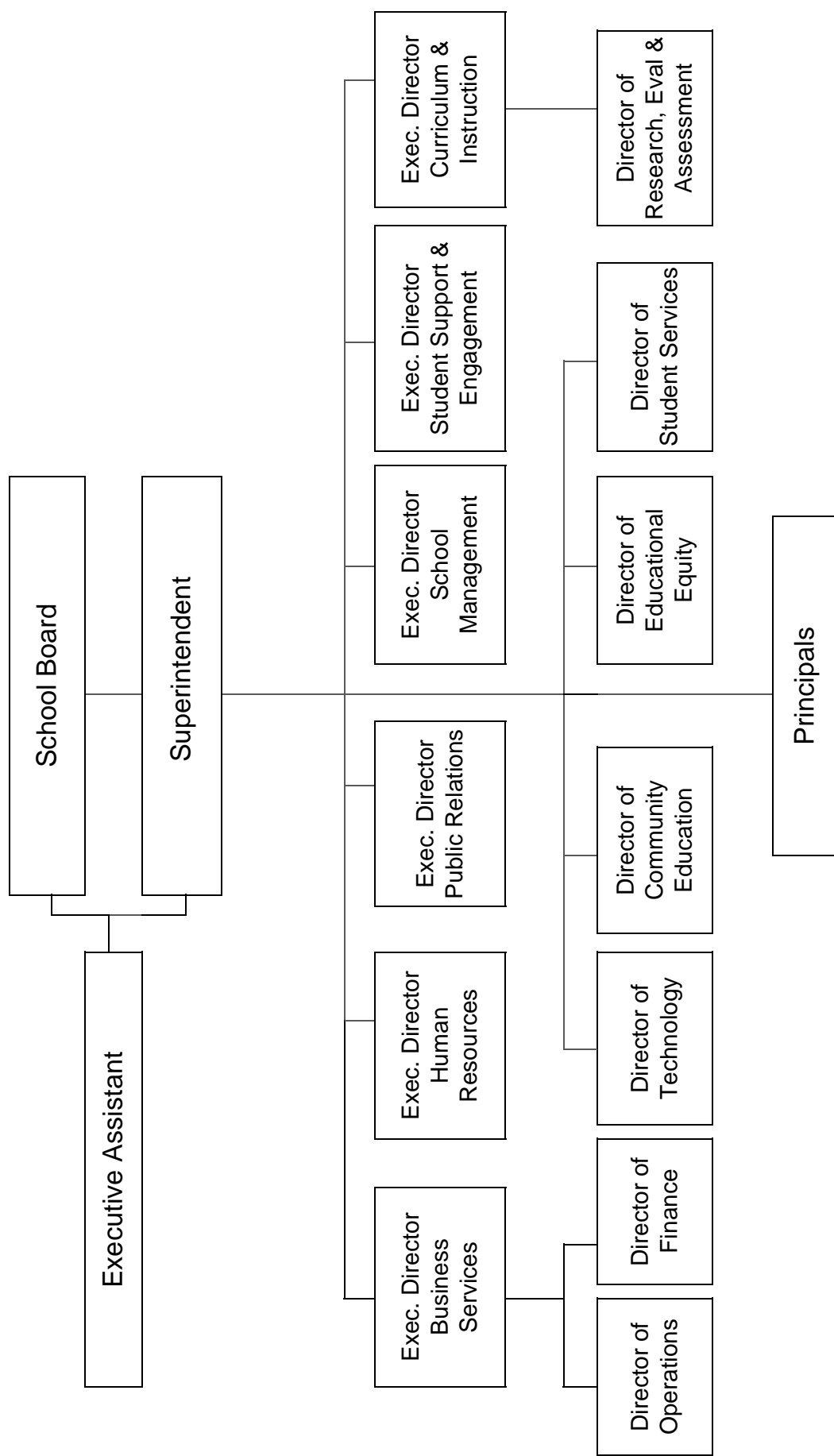
School Board and Administration
as of June 30, 2024

SCHOOL BOARD

Name	Term on Board Expires	Board Position
Diane Glasheen	January 5, 2026	Chairperson
Heidi Danielson	January 3, 2028	Vice Chairperson
Yolanda Magee	January 5, 2026	Clerk
Shauna Bock	January 5, 2026	Treasurer
Alissa Daire Nelson	January 3, 2028	Director
Jim DeMay	January 3, 2028	Director
Jonathan Weinhagen	January 3, 2028	Director

ADMINISTRATION

Chris Lennox	Superintendent
Bernice Humnick	Executive Director of Business Services
Julie Coffey	Executive Director of Human Resources
Colin Sokolowski	Executive Director of Public Relations
Darin Johnson	Executive Director of School Management
Jen Lodin	Executive Director of Student Support and Engagement
Angie Peschel	Executive Director of Curriculum and Instruction
Chris Paquette	Director of Operations
Paula Steele	Director of Finance
Penny Pease	Director of Technology
Karl Brown	Director of Community Education
Jason Knighton-Johnson	Director of Educational Equity
Stephanie Mars	Director of Student Services
Mary Stobb	Director of Research, Evaluation and Assessment
Heather Schmidt	Nutrition Services Manager





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

**Independent School District #621 -
Mounds View Public Schools**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte
President**

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO
CEO/Executive Director**

FINANCIAL SECTION



PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 621
Mounds View Public Schools
Shoreview, 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. 621, Mounds View Public Schools (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

BASIS FOR OPINIONS

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

EMPHASIS OF MATTER

Change in Accounting Principle

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

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

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

PRIOR YEAR COMPARATIVE INFORMATION

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 27, 2023. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 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
November 4, 2024

INDEPENDENT SCHOOL DISTRICT NO. 621

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

This section of Independent School District No. 621, Mounds View Public Schools' (the District) annual comprehensive financial report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the other components of the District's ACFR.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$42,551,551. The District's total net position increased by \$24,642,769 during the fiscal year ended June 30, 2024.
- Government-wide revenues totaled \$234,854,894 and were \$24,642,769 more than expenses of \$210,212,125.
- The District adopted new accounting guidance for capital assets in the current year, which increased beginning net position by \$2,968,331. This change is further described in Note 1 of the notes to basic financial statements.
- The General Fund's total fund balance (under the governmental fund presentation) increased \$6,733,609 from the prior year, compared to a budgeted decrease of \$8,124,432.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America.

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 self-insurance activities of district employees' medical and dental claims. These services have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to other organizations. The District is responsible for ensuring that 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, 2024 and 2023		
	2024	2023
Assets		
Current and other assets	\$ 242,028,669	\$ 182,332,371
Capital assets, net of depreciation/amortization	217,848,128	215,972,023
Total assets	<u>\$ 459,876,797</u>	<u>\$ 398,304,394</u>
Deferred outflows of resources		
Pension plan deferments	\$ 25,838,511	\$ 36,892,273
OPEB plan deferments	356,845	523,574
Total deferred outflows of resources	<u>\$ 26,195,356</u>	<u>\$ 37,415,847</u>
Liabilities		
Current and other liabilities	\$ 31,433,612	\$ 24,305,397
Long-term liabilities, including due within one year	336,895,301	313,007,135
Total liabilities	<u>\$ 368,328,913</u>	<u>\$ 337,312,532</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 60,741,466	\$ 57,772,199
Pension plan deferments	11,348,357	23,894,471
OPEB plan deferments	3,101,866	1,800,588
Total deferred inflows of resources	<u>\$ 75,191,689</u>	<u>\$ 83,467,258</u>
Net position		
Net investment in capital assets	\$ 44,708,127	\$ 45,814,008
Restricted	27,522,845	16,795,549
Unrestricted	(29,679,421)	(47,669,106)
Total net position	<u>\$ 42,551,551</u>	<u>\$ 14,940,451</u>

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 factors in determining net position as compared to fund balances are the liabilities for long-term severance, pensions, and other post-employment benefits (OPEB), which impact the unrestricted portion of net position.

The District's decrease in net investment in capital assets is due mostly to the relationship between the rate at which the District's 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 increase in net position restricted for capital asset acquisition, food service, community service, OPEB, and other state funding restrictions contributed to the change in this portion of net position. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position. Unrestricted net position was also impacted by the increase in the General Fund and internal service fund operations.

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, 2024 and 2023		
	2024	2023
Revenues		
Program revenues		
Charges for services	\$ 7,004,404	\$ 9,223,349
Operating grants and contributions	52,722,578	40,130,588
Capital grants and contributions	1,504,651	1,552,779
General revenues		
Property taxes	60,120,420	64,164,416
General grants and aids	102,577,840	100,509,871
Other	10,925,001	7,056,751
Total revenues	<u>234,854,894</u>	<u>222,637,754</u>
Expenses		
Administration	6,983,189	6,194,851
District support services	7,053,025	6,628,390
Elementary and secondary regular instruction	79,456,906	63,898,887
Vocational education instruction	2,185,495	1,664,422
Special education instruction	32,142,285	26,206,385
Instructional support services	15,225,683	12,281,559
Pupil support services	22,964,023	20,001,528
Sites and buildings	19,290,920	20,408,341
Fiscal and other fixed cost programs	965,458	752,819
Food service	7,556,488	6,398,882
Community service	8,368,364	7,119,410
Interest and fiscal charges	8,020,289	6,352,127
Total expenses	<u>210,212,125</u>	<u>177,907,601</u>
Change in net position	24,642,769	44,730,153
Net position – beginning, as previously reported	14,940,451	(29,789,702)
Change in accounting principle	2,968,331	–
Net position – beginning, as restated	<u>17,908,782</u>	<u>(29,789,702)</u>
Net position – ending	<u>\$ 42,551,551</u>	<u>\$ 14,940,451</u>

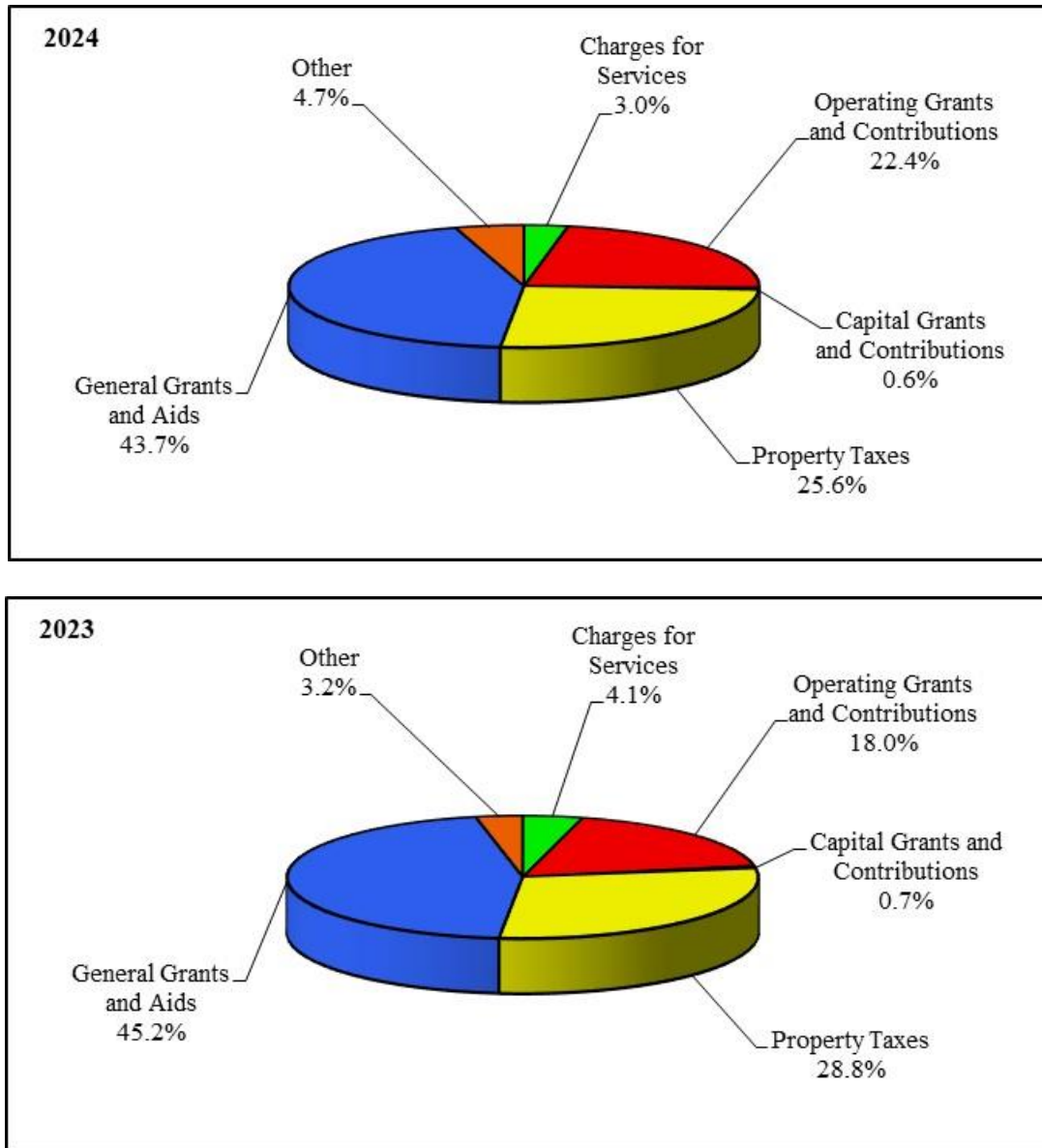
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation/amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

As seen above, total revenues for fiscal year 2024 were \$12,217,140 more than the prior year. The District recognized more special education funding and more state funding for child nutrition contributing to the increase in operating grants and contributions. Other revenues were up largely in investment earnings with improved returns on cash and investments held by the District. These increases were mainly offset by a decrease in property tax revenues resulting from a decrease in the levy in the current year.

Governmental activities expenses increased \$32,304,524 from last year, mainly due to changes in state-wide pension plans and natural inflationary increases.

Figure A shows further analysis of these revenue sources:

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

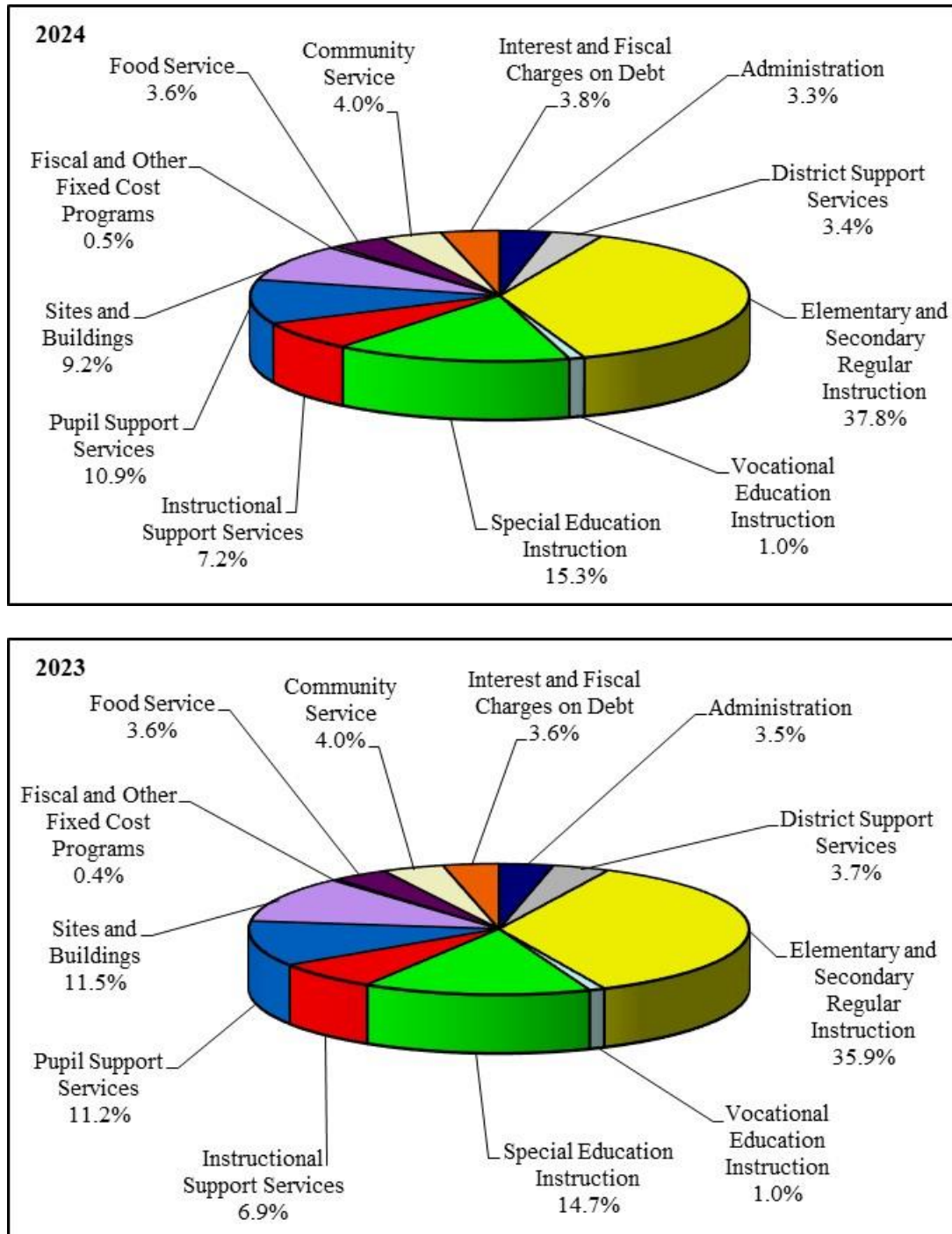


The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

Property taxes are generally the next largest source of funding. The level of 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 shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2024 and 2023

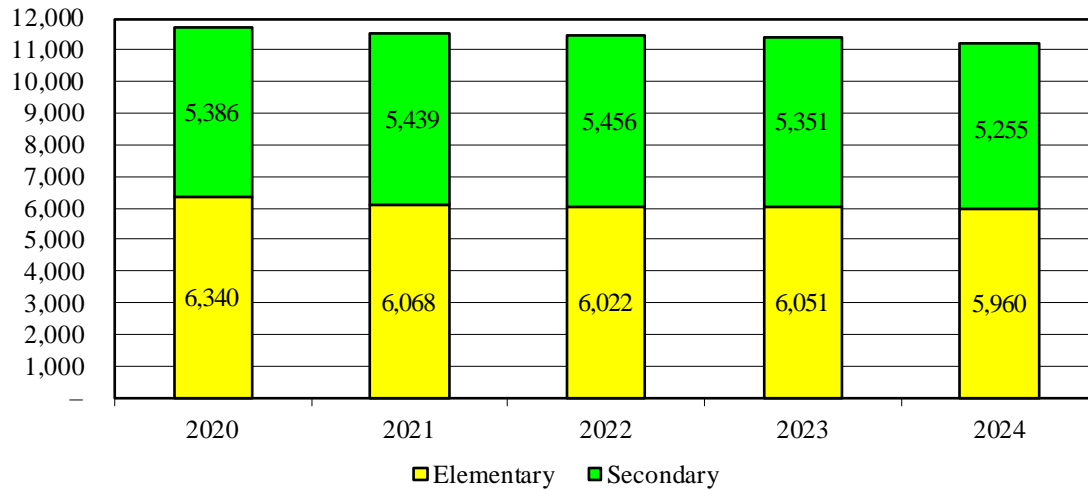


The District's expenses are predominately related to educating students. Programs (or functions), such as elementary and secondary regular instruction, vocational education instruction, special education instruction, and instructional support services, are directly related to classroom instruction, while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

ENROLLMENT

Enrollment is a critical factor in determining General Fund revenue. The following chart shows that the number of students attending the District slightly declined in the current year and prior year:

Figure C
Students (Average Daily Membership)



The District experienced a decrease of 187 students in fiscal 2024, based on average daily membership, which is a combination of a decrease of 91 elementary students and a decrease of 96 secondary students.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3 Governmental Fund Balances as of June 30, 2024 and 2023			
	2024	2023	Change
Major funds			
General	\$ 63,078,579	\$ 56,344,970	\$ 6,733,609
Capital Projects – Building Construction	45,496,701	8,825,514	36,671,187
Debt Service	4,046,010	3,938,708	107,302
Nonmajor funds			
Food Service Special Revenue	7,333,606	5,538,284	1,795,322
Community Service Special Revenue	5,773,013	4,347,599	1,425,414
Total governmental funds	<u>\$ 125,727,909</u>	<u>\$ 78,995,075</u>	<u>\$ 46,732,834</u>

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

At June 30, 2024, the District's governmental funds reported combined fund balances of \$125,727,909, an increase of \$46,732,834 in comparison with the prior year. Approximately 32.2 percent of this amount, \$40,516,727, constitutes unassigned fund balance, which is available for spending at the District's discretion and meets the District's unassigned fund balance policy. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is: 1) not in spendable form – \$1,463,507, 2) restricted for particular purposes – \$66,419,637, or 3) assigned for particular purposes – \$17,328,038.

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

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4 General Fund Budget				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenue and other financing sources	<u>\$ 180,853,999</u>	<u>\$ 189,334,138</u>	<u>\$ 8,480,139</u>	<u>4.7%</u>
Expenditures	<u>\$ 180,365,252</u>	<u>\$ 197,458,570</u>	<u>\$ 17,093,318</u>	<u>9.5%</u>

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget.

During the year, the District amended the budget for known significant changes in circumstances such as: updated enrollment estimates, legislative changes, additional funding received from grants or other local sources, staffing changes, employee contract settlements, insurance premium changes, special education tuition changes, or for new debt issued.

Table 5 summarizes the operating results of the General Fund:

Table 5 General Fund Operating Results					
	<u>2024 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenues and other financing sources	\$ 193,716,223	\$ 4,382,085	2.3%	\$ 8,898,528	4.8%
Expenditures	<u>186,982,614</u>	\$ (10,475,956)	(5.3%)	\$ 10,406,197	5.9%
Net change in fund balances	<u>\$ 6,733,609</u>				

The fund balance of the General Fund increased \$6,733,609, compared to a budgeted decrease of \$8,124,432.

General Fund revenues and other financing sources for 2024 increased \$8,898,528, or 4.8 percent, compared to the prior year, and were \$4,382,085, or 2.3 percent, over budget. Increases in general education and special education state aids and investment earnings contributed to the overall increase in revenue. These increases were mainly offset by a decrease in property tax revenues, due to the decrease in the levy and a decrease in federal sources. The variance to budget was primarily in state sources, mainly in state special education aid. Investment earnings and federal sources were also over budget, due to conservative budgeting and improved investment earnings. These variances were offset by property tax revenues, which were under budget, due to the timing of long-term facilities maintenance adjustments.

Current year expenditures of \$186,982,614 were \$10,475,956, or 5.3 percent, under budget. The expenditure variance was spread across several programs and object categories of the General Fund. The largest variances occurred in personnel spending in elementary and secondary regular instruction and special education instruction, due to conservative budgeting for staffing costs. Purchased services costs in sites and buildings were under budget, mainly in utility charges, contracted services, and repairs and maintenance costs.

Total General Fund expenditures for 2024 increased \$10,406,197, or 5.9 percent, over the prior year. Expenditure increases were mainly for salaries and benefits, due to contractual wage increases.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER MAJOR FUNDS

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 financed with voter-approved building bonds. At June 30, 2024, the District had a fund balance of \$43,202,818 restricted for long-term facilities maintenance and \$2,293,883 restricted for capital projects. Fund balance increased \$36,671,187 during the year, due to the issuance of bonds to finance the acquisition and betterment of school sites and facilities.

Debt Service Fund

Debt Service Fund revenues and other financing sources exceeded expenditures and other financing uses by \$107,302 in the current year, compared to a \$2,848 fund balance decrease anticipated in the budget. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of \$4,046,010 at June 30, 2024 is available for meeting future debt service obligations.

Internal Service Funds

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

Operating revenues for the internal service funds for fiscal 2024 totaled \$24,768,559. This is an increase from the fiscal year 2023 operating revenue level of \$24,090,471. Nonoperating revenues totaled \$728,320, which is an increase from the fiscal year 2023 nonoperating revenue of \$511,893. Operating expenses totaled \$23,967,925, which represents an increase from fiscal year 2023 operating expenses of \$22,647,536, due to an increase in health and dental benefit claims.

The net position balance for all internal service funds as of June 30, 2024 was \$14,098,111, which represents a \$1,528,954 increase from the prior year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

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

Table 6			
Capital Assets			
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Land	\$ 4,617,881	\$ 4,617,881	\$ —
Construction in progress	3,970,143	956,850	3,013,293
Land improvements	12,679,688	12,679,688	—
Buildings	356,795,422	353,451,039	3,344,383
Buildings – leased	2,780,916	3,126,090	(345,174)
Furniture and equipment	21,096,836	12,848,042	8,248,794
Technology subscriptions	264,823	278,123	(13,300)
Less accumulated depreciation/amortization	(184,357,581)	(171,985,690)	(12,371,891)
Total	<u>\$ 217,848,128</u>	<u>\$ 215,972,023</u>	<u>\$ 1,876,105</u>
Depreciation/amortization expense	<u>\$ 12,232,281</u>	<u>\$ 11,309,589</u>	<u>\$ 922,692</u>

The changes presented in the table above reflect the ongoing activity of projects at district sites during fiscal year 2024, consistent with the activity of the Capital Projects – Building Construction Fund, as discussed on the previous page. The implementation of new authoritative literature for purchases of groups of assets, as previously discussed, increased furniture and equipment in the current year.

Long-Term Liabilities

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

Table 7			
Outstanding Long-Term Liabilities			
	<u>2024</u>	<u>2023</u>	<u>Change</u>
General obligation bonds	\$ 202,130,000	\$ 172,370,000	\$ 29,760,000
Unamortized premium/discount	9,798,963	7,529,390	2,269,573
Finance purchase payable	4,020,965	4,255,941	(234,976)
Lease liability	2,148,211	1,656,925	491,286
Technology subscription liability	120,240	178,712	(58,472)
Arbitrage liability	418,323	—	418,323
Net/total pension liability	115,996,898	124,833,115	(8,836,217)
Severance benefits payable	1,297,152	1,277,228	19,924
Compensated absences payable	964,549	905,824	58,725
Total	<u>\$ 336,895,301</u>	<u>\$ 313,007,135</u>	<u>\$ 23,888,166</u>

The changes in general obligation bonds, finance purchase payable, lease liability, technology subscription liability, and unamortized premium/discount in the table above, are primarily due to the scheduled principal payments and amortization, offset by the sale of facilities maintenance bonds in the current year. The difference in the net/total pension liability mainly reflects the change in the District's proportionate share of the state-wide PERA and TRA pension plans.

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	\$ 14,136,204,417
Limit rate	<u>15.0%</u>
Legal debt limit	<u><u>\$ 2,120,430,663</u></u>

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added \$143, or 2.00 percent, per pupil to the basic general education funding 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 Finance Department at Independent School District No. 621, Mounds View Public Schools, 4570 Victoria Street North, Shoreview, Minnesota 55126, or at www.moundsvIEWSchools.org.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 621

Statement of Net Position
as of June 30, 2024
(With Partial Comparative Information as of June 30, 2023)

	Governmental Activities	
	2024	2023
Assets		
Cash and temporary investments	\$ 169,308,586	\$ 112,571,276
Receivables		
Current taxes	34,404,912	33,295,365
Delinquent taxes	998,607	913,489
Accounts and interest	235,248	148,850
Due from other governmental units	20,438,808	22,166,677
Due from Post-Employment Benefits Trust Fund	2,031,774	1,923,774
Inventory	43,677	39,751
Prepaid items	1,419,830	671,860
Net OPEB asset	13,147,227	10,601,329
Capital assets		
Not depreciated/amortized	8,588,024	5,574,731
Depreciated, net of accumulated depreciation/amortization	209,260,104	210,397,292
Total capital assets, net of accumulated depreciation/amortization	<u>217,848,128</u>	<u>215,972,023</u>
Total assets	459,876,797	398,304,394
Deferred outflows of resources		
Pension plan deferments	25,838,511	36,892,273
OPEB plan deferments	356,845	523,574
Total deferred outflows of resources	<u>26,195,356</u>	<u>37,415,847</u>
Total assets and deferred outflows of resources	<u>\$ 486,072,153</u>	<u>\$ 435,720,241</u>
Liabilities		
Salaries payable	\$ 12,462,556	\$ 10,484,341
Accounts and contracts payable	8,594,466	5,273,846
Accrued interest payable	4,207,813	2,884,650
Due to other governmental units	798,609	600,338
Unearned revenue	3,841,475	3,556,906
Claims incurred, but not reported	1,528,693	1,505,316
Long-term liabilities		
Due within one year	8,352,482	15,102,744
Due in more than one year	328,542,819	297,904,391
Total long-term liabilities	<u>336,895,301</u>	<u>313,007,135</u>
Total liabilities	368,328,913	337,312,532
Deferred inflows of resources		
Property taxes levied for subsequent year	60,741,466	57,772,199
Pension plan deferments	11,348,357	23,894,471
OPEB plan deferments	3,101,866	1,800,588
Total deferred inflows of resources	<u>75,191,689</u>	<u>83,467,258</u>
Net position		
Net investment in capital assets	44,708,127	45,814,008
Restricted for		
Capital asset acquisition	2,121,187	2,093,919
Debt service	178,429	1,358,978
Food service	7,333,606	5,538,284
Community service	5,791,661	4,364,289
OPEB	10,402,206	2,316,876
Other purposes (state funding restrictions)	1,695,756	1,123,203
Unrestricted	(29,679,421)	(47,669,106)
Total net position	<u>42,551,551</u>	<u>14,940,451</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 486,072,153</u>	<u>\$ 435,720,241</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

Functions/Programs	2024				2023	
	Expenses	Program Revenues			Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position	Revenue and Changes in Net Position
					Governmental Activities	Governmental Activities
Governmental activities						
Administration	\$ 6,983,189	\$ —	\$ —	\$ —	\$ (6,983,189)	\$ (6,194,851)
District support services	7,053,025	—	—	—	(7,053,025)	(6,628,390)
Elementary and secondary regular instruction	79,456,906	913,224	7,499,420	—	(71,044,262)	(59,452,658)
Vocational education instruction	2,185,495	—	—	—	(2,185,495)	(1,664,422)
Special education instruction	32,142,285	467,175	33,886,954	—	2,211,844	3,761,684
Instructional support services	15,225,683	194,443	—	—	(15,031,240)	(12,080,571)
Pupil support services	22,964,023	308,195	10,750	—	(22,645,078)	(19,615,075)
Sites and buildings	19,290,920	1,000	821,392	1,504,651	(16,963,877)	(18,230,552)
Fiscal and other fixed cost programs	965,458	—	—	—	(965,458)	(752,819)
Food service	7,556,488	708,573	8,363,480	—	1,515,565	869,916
Community service	8,368,364	4,411,794	2,140,582	—	(1,815,988)	(661,020)
Interest and fiscal charges	8,020,289	—	—	—	(8,020,289)	(6,352,127)
Total governmental activities	<u>\$ 210,212,125</u>	<u>\$ 7,004,404</u>	<u>\$ 52,722,578</u>	<u>\$ 1,504,651</u>	(148,980,492)	(127,000,885)
General revenues						
Taxes						
Property taxes, levied for general purposes					40,357,421	43,680,676
Property taxes, levied for community service					1,046,719	1,056,043
Property taxes, levied for debt service					18,716,280	19,427,697
General grants and aids					102,577,840	100,509,871
Other general revenues					3,390,072	3,226,981
Investment earnings					7,534,929	3,829,770
Total general revenues					<u>173,623,261</u>	<u>171,731,038</u>
Change in net position					24,642,769	44,730,153
Net position – beginning, as previously reported					14,940,451	(29,789,702)
Change in accounting principle					2,968,331	—
Net position – beginning, as restated					<u>17,908,782</u>	<u>(29,789,702)</u>
Net position – ending					<u>\$ 42,551,551</u>	<u>\$ 14,940,451</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

Balance Sheet
Governmental Funds
as of June 30, 2024
(With Partial Comparative Information as of June 30, 2023)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Assets			
Cash and temporary investments	\$ 78,197,192	\$ 47,242,933	\$ 10,612,824
Receivables			
Current taxes	25,950,961	–	7,855,004
Delinquent taxes	667,922	–	313,454
Accounts and interest	2,464	230,374	–
Due from other governmental units	19,657,995	–	63,874
Due from other funds	2,031,774	–	–
Inventory	–	–	–
Prepaid items	1,416,871	–	–
	<u>\$ 127,925,179</u>	<u>\$ 47,473,307</u>	<u>\$ 18,845,156</u>
Liabilities			
Salaries payable	\$ 12,102,293	\$ –	\$ –
Accounts and contracts payable	5,695,568	1,976,606	–
Due to other governmental units	797,707	–	–
Unearned revenue	341,700	–	–
Total liabilities	18,937,268	1,976,606	–
Deferred inflows of resources			
Unavailable revenue – delinquent taxes	729,277	–	340,232
Property taxes levied for subsequent year	45,180,055	–	14,458,914
Total deferred inflows of resources	45,909,332	–	14,799,146
Fund balances			
Nonspendable	1,416,871	–	–
Restricted	3,816,943	45,496,701	4,046,010
Assigned	17,328,038	–	–
Unassigned	40,516,727	–	–
Total fund balances	63,078,579	45,496,701	4,046,010
	<u>\$ 127,925,179</u>	<u>\$ 47,473,307</u>	<u>\$ 18,845,156</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 127,925,179</u>	<u>\$ 47,473,307</u>	<u>\$ 18,845,156</u>

Nonmajor Funds	Total Governmental Funds	
	2024	2023
\$ 14,397,077	\$ 150,450,026	\$ 95,141,440
598,947	34,404,912	33,295,365
17,231	998,607	913,489
2,410	235,248	148,850
716,939	20,438,808	22,166,677
—	2,031,774	1,923,774
43,677	43,677	39,751
2,959	1,419,830	671,860
<u>\$ 15,779,240</u>	<u>\$ 210,022,882</u>	<u>\$ 154,301,206</u>
\$ 360,263	\$ 12,462,556	\$ 10,484,341
486,614	8,158,788	4,534,211
902	798,609	600,338
703,697	1,045,397	941,178
1,551,476	22,465,350	16,560,068
18,648	1,088,157	973,864
1,102,497	60,741,466	57,772,199
1,121,145	61,829,623	58,746,063
46,636	1,463,507	711,611
13,059,983	66,419,637	25,827,476
—	17,328,038	16,004,396
—	40,516,727	36,451,592
<u>13,106,619</u>	<u>125,727,909</u>	<u>78,995,075</u>
<u>\$ 15,779,240</u>	<u>\$ 210,022,882</u>	<u>\$ 154,301,206</u>

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INDEPENDENT SCHOOL DISTRICT NO. 621

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

	2024	2023
Total fund balances – governmental funds	\$ 125,727,909	\$ 78,995,075
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	402,205,709	387,957,713
Accumulated depreciation/amortization	(184,357,581)	(171,985,690)
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	(202,130,000)	(172,370,000)
Unamortized premium/discount	(9,798,963)	(7,529,390)
Finance purchase payable	(4,020,965)	(4,255,941)
Lease liability	(2,148,211)	(1,656,925)
Technology subscription liability	(120,240)	(178,712)
Arbitrage liability	(418,323)	–
Net/total pension liability	(115,996,898)	(124,833,115)
Severance benefits payable	(1,297,152)	(1,277,228)
Compensated absences payable	(964,549)	(905,824)
Net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in the governmental funds.	13,147,227	10,601,329
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.	14,098,111	12,569,157
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(4,207,813)	(2,884,650)
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	25,838,511	36,892,273
Deferred outflows of resources – OPEB plan deferments	356,845	523,574
Deferred inflows of resources – pension plan deferments	(11,348,357)	(23,894,471)
Deferred inflows of resources – OPEB plan deferments	(3,101,866)	(1,800,588)
Deferred inflows of resources – unavailable revenue – delinquent property taxes	1,088,157	973,864
Total net position – governmental activities	\$ 42,551,551	\$ 14,940,451

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Revenue			
Local sources			
Property taxes	\$ 40,280,398	\$ –	\$ 18,680,968
Investment earnings	3,435,993	2,721,353	141,181
Other	3,368,666	–	–
State sources	137,129,249	–	638,734
Federal sources	8,079,292	–	–
Total revenue	192,293,598	2,721,353	19,460,883
Expenditures			
Current			
Administration	7,345,309	–	–
District support services	6,547,035	–	–
Elementary and secondary regular instruction	77,539,789	–	–
Vocational education instruction	2,336,367	–	–
Special education instruction	34,257,505	–	–
Instructional support services	16,049,699	–	–
Pupil support services	23,451,836	–	–
Sites and buildings	16,873,835	–	–
Fiscal and other fixed cost programs	965,458	–	–
Food service	–	–	–
Community service	249,086	–	–
Capital outlay	–	11,328,500	–
Debt service			
Principal	1,193,990	–	12,720,000
Interest and fiscal charges	172,705	241,718	6,763,580
Total expenditures	186,982,614	11,570,218	19,483,580
Excess (deficiency) of revenue over expenditures	5,310,984	(8,848,865)	(22,697)
Other financing sources			
Bonds issued	–	42,350,001	129,999
Premium on bonds issued	–	3,170,051	–
Lease issued	1,412,465	–	–
Technology subscription issued	–	–	–
Sale of capital assets	9,160	–	–
Insurance recovery	1,000	–	–
Total other financing sources	1,422,625	45,520,052	129,999
Net change in fund balances	6,733,609	36,671,187	107,302
Fund balances			
Beginning of year	56,344,970	8,825,514	3,938,708
End of year	\$ 63,078,579	\$ 45,496,701	\$ 4,046,010

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2024	2023
\$ 1,044,761	\$ 60,006,127	\$ 63,787,880
508,082	6,806,609	3,317,877
7,015,650	10,384,316	12,441,138
5,280,645	143,048,628	127,297,291
5,225,494	13,304,786	14,322,193
19,074,632	233,550,466	221,166,379
—	7,345,309	7,067,871
—	6,547,035	6,731,271
—	77,539,789	72,745,532
—	2,336,367	2,093,217
—	34,257,505	31,559,392
—	16,049,699	13,994,935
—	23,451,836	21,442,046
—	16,873,835	18,850,392
—	965,458	752,819
7,358,028	7,358,028	6,138,944
8,254,546	8,503,632	7,587,804
219,407	11,547,907	6,694,681
20,637	13,934,627	13,191,960
1,278	7,179,281	7,318,632
15,853,896	233,890,308	216,169,496
3,220,736	(339,842)	4,996,883
—	42,480,000	—
—	3,170,051	—
—	1,412,465	931,539
—	—	178,335
—	9,160	—
—	1,000	9,192
—	47,072,676	1,119,066
3,220,736	46,732,834	6,115,949
9,885,883	78,995,075	72,879,126
\$ 13,106,619	\$ 125,727,909	\$ 78,995,075

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INDEPENDENT SCHOOL DISTRICT NO. 621

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

	2024	2023
Total net change in fund balances – governmental funds	\$ 46,732,834	\$ 6,115,949
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	11,143,195	7,494,464
Depreciation/amortization expense	(12,232,281)	(11,309,589)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
	(3,140)	–
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	(42,480,000)	–
Lease liability	(1,412,465)	(931,539)
Technology subscription liability	–	(178,335)
Arbitrage liability	(418,323)	–
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	12,720,000	12,020,000
Finance purchase payable	234,976	227,521
Lease liability	921,179	880,998
Technology subscription liability	58,472	63,441
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.		
	(2,269,573)	809,687
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/total pension liability	8,836,217	(55,936,019)
Severance benefits payable	(19,924)	288,283
Compensated absences payable	(58,725)	(102,333)
The change in the net OPEB asset does not require the use of current financial resources and is not included in the change in fund balances.		
	2,545,898	1,575,510
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.		
	(1,323,163)	156,818
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	1,528,954	1,954,828
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	(11,053,762)	(923,252)
Deferred outflows of resources – OPEB plan deferments	(166,729)	110,962
Deferred inflows of resources – pension plan deferments	12,546,114	83,259,539
Deferred inflows of resources – OPEB plan deferments	(1,301,278)	(1,223,316)
Deferred inflows of resources – unavailable revenue – delinquent property taxes	114,293	376,536
Change in net position – governmental activities	\$ 24,642,769	\$ 44,730,153

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INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 44,097,823	\$ 44,730,383	\$ 40,280,398	\$ (4,449,985)
Investment earnings	50,000	650,000	3,435,993	2,785,993
Other	2,445,179	3,129,626	3,368,666	239,040
State sources	130,967,827	133,198,268	137,129,249	3,930,981
Federal sources	3,293,170	6,673,203	8,079,292	1,406,089
Total revenue	180,853,999	188,381,480	192,293,598	3,912,118
Expenditures				
Current				
Administration	7,447,878	7,447,978	7,345,309	(102,669)
District support services	7,824,713	7,395,057	6,547,035	(848,022)
Elementary and secondary regular instruction	75,315,845	82,159,004	77,539,789	(4,619,215)
Vocational education instruction	2,472,503	2,427,162	2,336,367	(90,795)
Special education instruction	32,660,070	36,915,604	34,257,505	(2,658,099)
Community service	—	—	249,086	249,086
Instructional support services	10,738,303	15,618,899	16,049,699	430,800
Pupil support services	21,818,031	23,568,817	23,451,836	(116,981)
Sites and buildings	18,598,097	19,611,586	16,873,835	(2,737,751)
Fiscal and other fixed cost programs	990,397	990,397	965,458	(24,939)
Debt service				
Principal	2,499,415	1,160,548	1,193,990	33,442
Interest and fiscal charges	—	163,518	172,705	9,187
Total expenditures	180,365,252	197,458,570	186,982,614	(10,475,956)
Excess (deficiency) of revenue over expenditures	488,747	(9,077,090)	5,310,984	14,388,074
Other financing sources				
Lease issued	—	952,658	1,412,465	459,807
Sale of capital assets	—	—	9,160	9,160
Insurance recovery	—	—	1,000	1,000
Total other financing sources	—	952,658	1,422,625	469,967
Net change in fund balances	\$ 488,747	\$ (8,124,432)	6,733,609	\$ 14,858,041
Fund balances				
Beginning of year			56,344,970	
End of year			\$ 63,078,579	

INDEPENDENT SCHOOL DISTRICT NO. 621

Statement of Net Position
 Proprietary Funds
 Internal Service Funds
 as of June 30, 2024
 (With Partial Comparative Information as of June 30, 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and temporary investments	\$ 18,858,560	\$ 17,429,836
Liabilities		
Current liabilities		
Claims payable	435,678	739,635
Claims incurred, but not reported	1,528,693	1,505,316
Unearned revenue	<u>2,796,078</u>	<u>2,615,728</u>
Total current liabilities	<u>4,760,449</u>	<u>4,860,679</u>
Net position		
Unrestricted	<u>\$ 14,098,111</u>	<u>\$ 12,569,157</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	<u>2024</u>	<u>2023</u>
Operating revenue		
Charges for services	\$ 24,768,559	\$ 24,090,471
Operating expenses		
Dental benefit claims	1,520,096	1,503,301
Medical benefit claims	<u>22,447,829</u>	<u>21,144,235</u>
Total operating expenses	<u>23,967,925</u>	<u>22,647,536</u>
Operating income	800,634	1,442,935
Nonoperating revenue		
Investment earnings	<u>728,320</u>	<u>511,893</u>
Change in net position	1,528,954	1,954,828
Net position		
Beginning of year	<u>12,569,157</u>	<u>10,614,329</u>
End of year	<u><u>\$ 14,098,111</u></u>	<u><u>\$ 12,569,157</u></u>

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INDEPENDENT SCHOOL DISTRICT NO. 621

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

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Assessments from other funds and employee contributions	\$ 24,948,909	\$ 24,212,802
Payment for dental claims	(1,533,221)	(1,573,545)
Payment for medical claims	(22,715,284)	(20,484,048)
Net cash flows from operating activities	<u>700,404</u>	<u>2,155,209</u>
Cash flows from investing activities		
Investment income received	<u>728,320</u>	<u>511,893</u>
Net change in cash and cash equivalents	1,428,724	2,667,102
Cash and cash equivalents		
Beginning of year	<u>17,429,836</u>	<u>14,762,734</u>
End of year	<u><u>\$ 18,858,560</u></u>	<u><u>\$ 17,429,836</u></u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 800,634	\$ 1,442,935
Adjustments to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Claims payable	(303,957)	287,001
Claims incurred, but not reported	23,377	302,942
Unearned revenue	180,350	122,331
Total changes in assets and liabilities	<u>(100,230)</u>	<u>712,274</u>
Net cash flows from operating activities	<u><u>\$ 700,404</u></u>	<u><u>\$ 2,155,209</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 621

Statement of Fiduciary Net Position
Fiduciary Fund
as of June 30, 2024

	Post-Employment Benefits Trust Fund
Assets	
Investments, at fair value	
Minnesota State Board of Investment	
Non-Retirement Money Market Fund	\$ 6,398,797
Non-Retirement Equity Fund	15,115,811
Non-Retirement Bond Fund	7,271,622
Total assets	<u>28,786,230</u>
Liabilities	
Due to governmental funds	<u>2,031,774</u>
Net position	
Held in trust for OPEB benefits	<u>\$ 26,754,456</u>

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2024

	Post-Employment Benefits Trust Fund
Additions	
Investment earnings	\$ 3,627,838
Deductions	
Post-employment benefit costs	<u>2,031,774</u>
Change in net position	1,596,064
Net position	
Beginning of year	<u>25,158,392</u>
End of year	<u>\$ 26,754,456</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

Notes to Basic Financial Statements June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 621, Mounds View Public Schools (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Depreciation and amortization expense is included as a direct expense in the functional areas that utilize the related capital assets. 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.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the District’s internal service funds are assessments to governmental funds for employee insurance and employee contributions toward coverage. Operating expenses for the District’s internal service funds include the cost of providing the services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Description of Funds

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

Major Governmental Funds

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital-related activities, such as maintenance of facilities and equipment purchases.

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 or the Long-Term Facilities Maintenance Program.

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. The regular debt service account is used for all general obligation debt service except for the financial activities of the other post-employment benefits (OPEB) debt service account. The District made the final payment on its OPEB bonds during the year, and this account was closed at June 30, 2024.

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for 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, extended day programs, or other similar services.

Proprietary Funds

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

Fiduciary Fund

Post-Employment Benefits Trust Fund – The Post-Employment Benefits Trust Fund is used to administer assets held in an irrevocable trust to fund OPEB for eligible employees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting

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

Actual expenditures exceeded final appropriations in the current year by \$35,255 in the Community Service Special Revenue Fund and \$6,237,464 in the Capital Projects – Building Construction Fund. These variances were funded by revenues in excess of budget or available fund balance.

F. Cash and 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. Bond proceeds recorded in the Capital Projects – Building Construction Fund are not pooled, and earnings on these proceeds are allocated directly to the fund.

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

Investments are generally stated at fair value, except for investments in 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; and Level 3 inputs are significant unobservable inputs.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 delinquent property taxes receivable.

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 the 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. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$3,096,493 of the property tax levy collectible in 2024 as revenue to the District in fiscal year 2023–2024. The remaining portion of the taxes collectible in 2024 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District has entered into certain SBITAs for education, evaluation tracking, and other purposes. Capital assets associated with SBITAs are presented separately from other capital assets in Note 4 and are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. When applicable, a subscription liability is reported in Note 5 to include the terms and related disclosures associated with any subscription liability.

L. Capital Assets

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

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

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

M. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 economic experience, changes in actuarial assumptions, net collective difference between projected and actual investment earnings on pension and OPEB plan investments, changes in proportion, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

Property taxes levied for subsequent years, which 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 Payable

Personal Time Off – The District’s 12-month employees are entitled to personal time off. These benefits are reported as liabilities in the government-wide financial statements when earned and as expenditures when taken in the fund financial statements.

Sick Pay – Substantially all district employees are entitled to sick leave at various rates. These obligations are considered expenditures in the governmental funds to the extent matured. Unused sick leave enters into the calculation of retirement incentive payments for some employees upon termination.

P. Severance

Severance benefits consist of lump sum retirement incentive payments based on convertible sick leave for the custodial, nutrition services, para-professionals, and principal groups. The District has phased out retirement incentive plans for its custodial and nutrition services groups. For this remaining liability, the amount of severance that is based on convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance is accrued in the governmental funds financial statements only when it becomes due and payable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. State-Wide Pension Plans

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

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

R. Other Post-Employment Benefits (OPEB) Plan

For purposes of measuring the net OPEB 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 are 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 were no significant reductions in the District's insurance coverage in the current year.
- 2. Self-Insurance** – The District has established an internal service fund 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 fund provides 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2023	\$ –	\$ 1,503,301	\$ 1,461,615	\$ 41,686
2024	\$ 41,686	\$ 1,520,096	\$ 1,535,319	\$ 26,463

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2023	\$ 1,202,374	\$ 21,144,235	\$ 20,882,979	\$ 1,463,630
2024	\$ 1,463,630	\$ 22,447,829	\$ 22,409,229	\$ 1,502,230

T. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Unrestricted Net Position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

U. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the District's superintendent or a superintendent designee are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

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

V. Use of Estimates

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

W. Prior Period Comparative Financial Information/Reclassification

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

X. Change in Accounting Principle

During the year ended June 30, 2024, the District implemented new accounting guidance in capitalizing purchases of groups of similar assets in the current year. This recent change in authoritative literature provides guidance on the accounting and financial reporting for capital assets. This new guidance indicates a government should capitalize groups of assets that individually would not meet the District's capitalization threshold if significant. In prior periods, the District would only capitalize assets when individual units exceeded the capitalization policy threshold. Certain amounts necessary to fully restate fiscal year 2023 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new guidance in the current year resulted in the District reporting additional capital assets, increasing beginning net position by \$2,968,331 in the government-wide financial statements in the current year. See Note 4 for additional details on this change in the current year.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

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

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

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

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

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

At year-end, the carrying amount and bank balance of the District's deposits was \$0.

B. Investments

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

Concentration Risk – This is the risk associated with investing a significant portion of the District’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk.

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

C. Summary Data

Cash and investments are included on the basic financial statements as follows:

Cash and temporary investments – Statement of Net Position	\$169,308,586
Investments, at fair value – Statement of Fiduciary Net Position	
Minnesota State Board of Investment	
Non-Retirement Money Market Fund	6,398,797
Non-Retirement Equity Fund	15,115,811
Non-Retirement Bond Fund	<u>7,271,622</u>
Total cash and investments	<u><u>\$198,094,816</u></u>

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The following table presents the District’s deposit and investment balances at June 30, 2024 and information relating to potential investment risks:

Investment Type	Credit Rating		Fair Value Measurement	Interest Risk – Maturity Duration in Years			Total
	Rating	Agency		No Maturity Date	Less Than 1	1 to 5	
U.S. treasury securities	N/A	N/A	Level 1	\$ –	\$ 17,741,059	\$ 6,734,503	\$ 24,475,562
U.S. agency securities	AAA	Moody’s	Level 1	\$ –	\$ 473,774	\$ 10,594,668	11,068,442
Investment pools/mutual funds							
Minnesota State Board of Investment							
Non-Retirement Bond Fund	N/R	N/A	Amortized Cost	\$ 7,271,622	\$ –	\$ –	7,271,622
Non-Retirement Equity Fund	N/R	N/A	Amortized Cost	\$ 15,115,811	\$ –	\$ –	15,115,811
Non-Retirement Money Market Fund	N/R	N/A	Amortized Cost	\$ 6,398,797	\$ –	\$ –	6,398,797
Minnesota School District Liquid Asset Fund	AAA	S&P	Amortized Cost	\$122,614,835	\$ –	\$ –	122,614,835
Morgan Stanley Institutional Liquidity Funds	AAA	Moody’s	Level 1	\$ 11,144,347	\$ –	\$ –	11,144,347
Total investments							198,089,416
Petty cash							5,400
Total deposits and investments							<u>\$198,094,816</u>

N/A – Not Applicable

N/R – Not Rated

The Minnesota School District Liquid Asset Fund (MSDLAF) and the Minnesota State Board of Investment (SBI) funds are regulated by Minnesota Statutes and are external investment pools, which are not registered with the Securities and Exchange Commission. The District’s investment in the MSDLAF is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. The District’s investments in the Minnesota State Board of Investment Funds are measured at fair value. For these investment pools, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the Liquid Class. Investments in the MSDLAF MAX Class must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the state of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24-hour hold on all requests for redemptions.

The District’s investment policy allows the District to invest within the various accounts of the Supplemental Investment Fund, as administered by the Minnesota SBI. Investments held in the external investment pools of the Supplemental Investment Fund are presented in the table above and in the Post-Employment Benefits Trust Fund in the Statement of Fiduciary Net Position.

NOTE 3 – DUE FROM OTHER GOVERNMENTAL UNITS

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

	General Fund	Debt Service Fund	Nonmajor Funds	Total
Due from other governmental units				
Minnesota school districts	\$ 43,416	\$ –	\$ 444,883	\$ 488,299
MDE	14,951,537	63,874	205,546	15,220,957
Federal government through the MDE	4,446,712	–	66,510	4,513,222
Other governmental units	216,330	–	–	216,330
Total due from other governmental units	<u>\$ 19,657,995</u>	<u>\$ 63,874</u>	<u>\$ 716,939</u>	<u>\$ 20,438,808</u>

NOTE 4 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized						
Land	\$ 4,617,881	\$ –	\$ –	\$ –	\$ –	\$ 4,617,881
Construction in progress	956,850	–	6,357,676	–	(3,344,383)	3,970,143
Total capital assets, not depreciated/amortized	5,574,731	–	6,357,676	–	(3,344,383)	8,588,024
Capital assets, depreciated/amortized						
Land improvements	12,679,688	–	–	–	–	12,679,688
Buildings	353,451,039	–	–	–	3,344,383	356,795,422
Buildings – leased	3,126,090	–	1,412,465	(1,757,639)	–	2,780,916
Furniture and equipment	12,848,042	4,917,640	3,373,054	(41,900)	–	21,096,836
Technology subscriptions	278,123	–	–	(13,300)	–	264,823
Total capital assets, depreciated/amortized	382,382,982	4,917,640	4,785,519	(1,812,839)	3,344,383	393,617,685
Less accumulated depreciation/amortization for						
Land improvements	(7,815,462)	–	(491,211)	–	–	(8,306,673)
Buildings	(152,602,194)	–	(9,452,469)	–	–	(162,054,663)
Buildings – leased	(1,576,524)	–	(881,415)	1,757,639	–	(700,300)
Furniture and equipment	(9,918,590)	(1,949,309)	(1,334,266)	38,760	–	(13,163,405)
Technology subscriptions	(72,920)	–	(72,920)	13,300	–	(132,540)
Total accumulated depreciation/amortization	(171,985,690)	(1,949,309)	(12,232,281)	1,809,699	–	(184,357,581)
Net capital assets, depreciated/amortized	210,397,292	2,968,331	(7,446,762)	(3,140)	3,344,383	209,260,104
Total capital assets, net	\$ 215,972,023	\$ 2,968,331	\$ (1,089,086)	\$ (3,140)	\$ –	\$ 217,848,128

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

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

District support services	\$ 709,239
Elementary and secondary regular instruction	9,328,260
Vocational education instruction	1,567
Special education instruction	992
Community service	113,878
Instructional support services	25,481
Pupil support services	20,253
Food service	177,857
Sites and buildings	1,854,754
Total depreciation/amortization expense	<u>\$ 12,232,281</u>

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds

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

Issue Name and Date	Interest Rate	Original Issue	Remaining Maturities	Principal Outstanding
Refunding bonds				
2019A Refunding Bonds	5.00%	\$ 16,600,000	02/01/2025	\$ 3,595,000
School building bonds				
2018A School Building Bonds	3.00%–5.00%	156,550,000	02/01/2025–02/01/2043	156,055,000
Facilities maintenance bonds				
2023A Facilities Maintenance Bonds	4.00%–5.00%	42,480,000	02/01/2026–02/01/2043	<u>42,480,000</u>
Total general obligation bonds				<u>\$ 202,130,000</u>

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

B. Finance Purchase Payable

The District purchased an office building through a 20-year finance purchase agreement. Annual principal and interest on this lease will be paid from the General Fund. The District currently has the following finance purchase payable outstanding:

Issue	Original Issue Amount	Interest Rate	Issue Date	Final Maturity	Principal Outstanding
District office building	\$ 5,700,000	3.25%	01/02/2017	01/02/2037	\$ 4,020,965

If the District fails to make the rental payments specified in the agreement or otherwise defaults on the debt, after 30 days written notice, the debtor may (1) charge interest of 6 percent per annum to be additional rent to be paid by the District on the next installment of rent or (2) reenter the premises, with reasonable notice, and dispossess the District and remove their effects, and take complete possession of the premises and either declare this debt forfeited and the term ended or elect to continue the agreement in full force and effect, but with the right at any time thereafter to declare this agreement forfeited and the term ended.

C. Lease Liability

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

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

The District currently has the following lease liability obligations outstanding:

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Silverview – ABE and ALC building space	5.75%	04/15/2024	06/30/2029	\$ 1,412,465
Bridges program building space	2.77%	07/01/2013	01/31/2025	72,148
Northwest Youth and Family Services 2nd floor building space	2.09%	01/01/2022	12/31/2024	4,900
CLT Twin Lakes	2.68%	11/01/2022	10/31/2027	658,698
Total lease liability				<u>\$ 2,148,211</u>

D. Subscription Liability

The District entered into agreements to finance the use of software, which calls for annual principal and interest payments through June 2027. These agreements are paid by the General and Food Service Special Revenue Funds. The total amount of the underlying technology subscription assets and the related accumulated amortization is presented in Note 4 of the notes to basic financial statements.

The District currently has the following subscription liability obligations outstanding:

Subscription Description	Interest Rate	Date	Final Maturity	Principal Outstanding
iBoss Secure Cloud Gateway	2.68%	07/01/2022	06/30/2027	\$ 98,974
Titan	3.05%	07/01/2022	06/30/2025	21,266
Total subscription liability				<u>\$ 120,240</u>

E. Other Long-Term Liabilities

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

The District has three defined benefit pension plans, including two state-wide, cost-sharing, multiple-employer plans administered by the PERA and the TRA, and one single-employer plan administered by the District. 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, 2024:

Pension Plans	Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide multiple-employer – PERA	\$ 17,027,299	\$ 5,805,310	\$ 6,527,262	\$ 2,260,698
State-wide multiple-employer – TRA	95,144,725	19,834,586	4,460,105	(2,437,016)
Single-employer – District	3,824,874	198,615	360,990	151,769
Total	<u>\$ 115,996,898</u>	<u>\$ 25,838,511</u>	<u>\$ 11,348,357</u>	<u>\$ (24,549)</u>

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

F. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds, finance purchase, lease liability, and technology subscription liability obligations are as follows:

Year Ending June 30,	General Obligation Bonds		Finance Purchase		Lease Liability		Technology Subscription Liability	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 6,335,000	\$ 8,992,448	\$ 242,674	\$ 128,726	\$ 495,561	\$ 84,236	\$ 53,389	\$ 3,301
2026	6,845,000	7,994,645	250,625	120,775	449,679	71,343	32,984	1,792
2027	8,605,000	7,652,395	258,837	112,563	490,125	50,638	33,867	908
2028	8,180,000	7,222,145	267,318	104,082	378,579	29,238	–	–
2029	8,590,000	6,813,145	276,076	95,324	334,267	10,502	–	–
2030–2034	48,765,000	28,265,975	1,522,135	334,865	–	–	–	–
2035–2039	58,960,000	18,064,966	1,203,300	75,935	–	–	–	–
2040–2043	55,850,000	5,764,631	–	–	–	–	–	–
	<u>\$ 202,130,000</u>	<u>\$ 90,770,350</u>	<u>\$ 4,020,965</u>	<u>\$ 972,270</u>	<u>\$ 2,148,211</u>	<u>\$ 245,957</u>	<u>\$ 120,240</u>	<u>\$ 6,001</u>

G. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
General obligation bonds	\$ 172,370,000	\$ 42,480,000	\$ 12,720,000	\$ 202,130,000	\$ 6,335,000
Unamortized premium/discount	7,529,390	3,170,051	900,478	9,798,963	–
Total bonds payable	179,899,390	45,650,051	13,620,478	211,928,963	6,335,000
Finance purchase payable	4,255,941	–	234,976	4,020,965	242,674
Lease liability	1,656,925	1,412,465	921,179	2,148,211	495,561
Technology subscription liability	178,712	–	58,472	120,240	53,389
Arbitrage liability	–	418,323	–	418,323	–
Net/total pension liability	124,833,115	17,162,099	25,998,316	115,996,898	579,587
Severance benefits payable	1,277,228	208,605	188,681	1,297,152	163,996
Compensated absences payable	905,824	2,499,041	2,440,316	964,549	482,275
	<u>\$ 313,007,135</u>	<u>\$ 67,350,584</u>	<u>\$ 43,462,418</u>	<u>\$ 336,895,301</u>	<u>\$ 8,352,482</u>

NOTE 6 – NET POSITION/FUND BALANCES

A. Net Investment in Capital Assets

The government-wide Statement of Net Position at June 30, 2024 includes the District's net investment in capital assets calculated as follows:

Net investment in capital assets	
Capital assets	
Not depreciated/amortized	\$ 8,588,024
Depreciated/amortized, net of accumulated depreciation/amortization	209,260,104
Less capital related long-term debt outstanding	(218,218,379)
Add debt adjustment for unspent debt proceeds	47,054,984
Less capital related accounts/contracts payable	<u>(1,976,606)</u>
Total net investment in capital assets	<u>\$ 44,708,127</u>

NOTE 6 – NET POSITION/FUND BALANCES (CONTINUED)

B. Governmental Fund Balance Classifications

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.

At year-end, 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	\$ –	\$ –	\$ –	\$ 43,677	\$ 43,677
Prepaid items	1,416,871	–	–	2,959	1,419,830
Total nonspendable	1,416,871	–	–	46,636	1,463,507
Restricted					
Scholarships	202,688	–	–	–	202,688
Literacy incentive aid	269,597	–	–	–	269,597
Operating capital	2,121,187	–	–	–	2,121,187
Learning and development	33,356	–	–	–	33,356
State-approved alternative programs	66,546	–	–	–	66,546
Gifted and talented	69,130	–	–	–	69,130
Basic skills	237,813	–	–	–	237,813
Safe schools levy	21,404	–	–	–	21,404
Medical Assistance	795,222	–	–	–	795,222
Long-term facilities maintenance	–	43,202,818	–	–	43,202,818
Capital projects	–	2,293,883	–	–	2,293,883
Community education programs	–	–	–	3,954,129	3,954,129
Early childhood family education programs	–	–	–	500,308	500,308
School readiness	–	–	–	951,180	951,180
Adult basic education	–	–	–	285,245	285,245
Community service	–	–	–	79,192	79,192
Food service	–	–	–	7,289,929	7,289,929
Debt service	–	–	4,046,010	–	4,046,010
Total restricted	3,816,943	45,496,701	4,046,010	13,059,983	66,419,637
Assigned					
Alternative quality teacher compensation	319,730	–	–	–	319,730
School building carryover	1,016,904	–	–	–	1,016,904
Program initiative	1,421,105	–	–	–	1,421,105
Site improvement	3,150,000	–	–	–	3,150,000
Safety and security	350,000	–	–	–	350,000
Fee for service	2,500,000	–	–	–	2,500,000
Subsequent year budget deficit	5,978,895	–	–	–	5,978,895
Health insurance benefit increase	2,500,000	–	–	–	2,500,000
Staff development professional growth committee	91,404	–	–	–	91,404
Total assigned	17,328,038	–	–	–	17,328,038
Unassigned	40,516,727	–	–	–	40,516,727
Total	<u>\$ 63,078,579</u>	<u>\$ 45,496,701</u>	<u>\$ 4,046,010</u>	<u>\$ 13,106,619</u>	<u>\$ 125,727,909</u>

NOTE 6 – NET POSITION/FUND BALANCES (CONTINUED)

C. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding the unassigned fund balance for the General Fund. The policy states the unassigned fund balance should remain within a recommended range of two to five months of General Fund expenditures.

At June 30, 2024, unassigned fund balance in the General Fund represented 21.7 percent of annual expenditures, or approximately 2.6 months of operations assuming level spending throughout the year.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible employees through its Pension Benefits Plan, a single-employer defined benefit plan administered by the District. All pension benefits are based on contractual agreements with employee groups. The District has phased out various retirement incentive payment plans for its teachers and other employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements and hire dates. No employee can receive retirement incentive payments exceeding one year's salary. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

These benefits are summarized as follows:

Teacher Pension Benefits – For eligible teachers (with at least 15 years of continuous service, at least 50 years of age, and hired before January 24, 2000), the District pays the amount equal to 10 percent of a year's salary for each full year of full-time service, but not to exceed a total of 1 year's salary and is paid in 3 equal installments over 3 years. The teacher's matching contribution to the tax deferred annuity plan offset this pension benefit.

Clerical Pension Benefits – For eligible employees (with at least 15 years of continuous service, at least 50 years of age, and hired before June 30, 2009), the District pays the amount representing 5 days of pay for each full year of full-time service, but not to exceed a total of 100 days' pay and is paid in 2 equal annual installments over 2 years. The clerical employees' matching contribution to the tax deferred annuity plan offset this pension benefit.

B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the District. There are no invested plan assets accumulated for payment of future benefits. The District's required contributions to finance these benefits on a pay-as-you-go basis for the current year were \$588,029.

C. Membership

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

Retirees and beneficiaries receiving benefits	26
Active plan members	<u>137</u>
Total members	<u><u>163</u></u>

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial study with a valuation date as of July 1, 2022 with a roll forward to a measurement date as of June 30, 2024, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.10%
20-year municipal bond yield	4.10%
Inflation rate	2.50%
Salary increases	Service graded table

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

E. Discount Rate

The discount rate used to measure the total pension liability was 4.10 percent. The District discount rate used in the prior measurement date was 3.90 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

F. Changes in the Total Pension Liability

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2023	\$ 4,173,146
Changes for the year	
Service cost	110,388
Interest	155,701
Assumption changes	(26,332)
Benefit payments	<u>(588,029)</u>
Total net changes	<u>(348,272)</u>
Ending balance – June 30, 2024	<u><u>\$ 3,824,874</u></u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.90 percent to 4.10 percent.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)**G. Total Pension Liability Sensitivity to Discount Rate Changes**

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	3.10%	4.10%	5.10%
Total pension liability	\$ 3,977,865	\$ 3,824,874	\$ 3,671,664

H. Pension Expense and Related Deferred Outflows and Deferred Inflows of Resources

The District recognized pension expense of \$151,769 in the current year, and at year-end reported the following deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 137,227	\$ 109,982
Changes in actuarial assumptions	61,388	251,008
Total	<u>\$ 198,615</u>	<u>\$ 360,990</u>

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

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2025	\$ (114,319)
2026	\$ (49,772)
2027	\$ (20,275)
2028	\$ 26,378
2029	\$ (4,387)

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. All post-employment benefits are based on contractual agreements with employee groups. The District is phasing out post-employment medical and dental insurance to all district employees, in accordance with their respective master employment agreements. The eligibility for, amount of, duration of, and the District's contribution to the cost of the benefits provided varies by contract, hire dates, and date of retirement. 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 have the option under state law to continue their medical insurance coverage at their cost through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays the eligible retiree's premiums for medical and dental, for some period after retirement. The eligibility for, amount of, duration of, and the District's contribution to the cost of the benefits provided varies by contract, hire dates, and date of retirement.

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the District. The District has established the Post-Employment Benefits Trust Fund to finance these obligations. The District did not contribute to the OPEB Plan for the year ended June 30, 2024. Required benefit payments of \$2,031,774 were paid by the Post-Employment Benefits Trust Fund for the current year.

D. Membership

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

Retirees and beneficiaries receiving benefits	149
Active plan members	1,606
	<hr/>
Total members	1,755
	<hr/>

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, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2022. The components of the net OPEB liability (asset) of the District at year-end were as follows:

Total OPEB liability	\$ 13,607,229
Plan fiduciary net position	<u>(26,754,456)</u>
District's net OPEB liability (asset)	<u>\$ (13,147,227)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>196.6%</u>

F. Actuarial Methods and Assumptions

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

Discount rate	6.00%
Expected long-term investment return	6.00% (net of investment expenses)
20-year municipal bond yield	4.10%
Inflation rate	2.50%
Salary increases	Service graded table
Healthcare cost trend rate	6.00% in 2023 grading to 5.00% over 5 years, then to 4.00% over the next 48 years

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

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

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

The long-term expected rate of return on OPEB Plan investments was set based on the plan's target investment allocation described below, along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. The target allocation and best-estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Non-Retirement Equity Fund	53.00 %	8.00 %
Non-Retirement Bond Fund	25.00	4.50 %
Non-Retirement Cash Pool	<u>22.00</u>	3.00 %
Total	<u>100.00 %</u>	6.00 %

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 14.4 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 6.00 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy have also been considered. The District discount rate used in the prior measurement date was 5.40 percent.

I. Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Beginning balance – July 1, 2023	\$ 14,557,063	\$ 25,158,392	\$ (10,601,329)
Changes for the year			
Service cost	674,249	–	674,249
Interest	768,354	–	768,354
Assumption changes	(360,663)	–	(360,663)
Projected investment return	–	1,509,504	(1,509,504)
Differences between expected and actual experience	–	2,118,334	(2,118,334)
Benefit payments – paid by trust	(2,031,774)	(2,031,774)	–
Total net changes	(949,834)	1,596,064	(2,545,898)
Ending balance – June 30, 2024	\$ 13,607,229	\$ 26,754,456	\$ (13,147,227)

Assumption changes since the prior measurement date include the following:

- The expected long-term investment return was changed from 5.40 percent to 6.00 percent.
- The discount rate was changed from 5.40 percent to 6.00 percent.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**J. Net OPEB Asset Sensitivity to Discount and Healthcare Cost Trend Rate Changes**

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	5.00%	6.00%	7.00%
Net OPEB liability (asset)	\$ (12,437,307)	\$ (13,147,227)	\$ (13,820,196)

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

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
Healthcare cost trend rate	5.00% decreasing to 4.00%, then 3.00%	6.00% decreasing to 5.00%, then 4.00%	7.00% decreasing to 6.00%, then 5.00%
Net OPEB liability (asset)	\$ (14,314,033)	\$ (13,147,227)	\$ (11,806,492)

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 \$1,077,891. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 138,412	\$ 800,260
Changes in actuarial assumptions	218,433	457,096
Difference between projected and actual investment earnings	—	1,844,510
Total	<u>\$ 356,845</u>	<u>\$ 3,101,866</u>

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
2025	\$ (941,118)
2026	\$ (179,615)
2027	\$ (804,793)
2028	\$ (596,065)
2029	\$ (171,911)
Thereafter	\$ (51,519)

NOTE 9 – 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 Retirement Plan administered by MnSCU.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

B. Benefits Provided

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

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

1. GERS Benefits

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

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

2. TRA Benefits

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

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2024, were \$1,945,593. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

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

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2024, were \$6,825,374. The District's contributions were equal to the required contributions for each year as set by state statutes.

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

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

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs

1. GERF Pension Costs

At June 30, 2024, the District reported a liability of \$17,027,299 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 \$469,392. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.3045 percent at the end of the measurement period and 0.3258 percent for the beginning of the period.

District's proportionate share of the net pension liability	\$ 17,027,299
State's proportionate share of the net pension liability associated with the District	<u>469,392</u>
Total	<u><u>\$ 17,496,691</u></u>

For the year ended June 30, 2024, the District recognized pension expense of \$2,258,589 for its proportionate share of the GERF's pension expense. The District also recognized an additional \$2,109 as pension expense and grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 568,577	\$ 115,102
Changes in actuarial assumptions	2,714,629	4,667,038
Net collective difference between projected and actual investment earnings on pension plan investments	–	28,738
Changes in proportion	576,511	1,716,384
District's contributions to the GERF subsequent to the measurement date	<u>1,945,593</u>	<u>–</u>
Total	<u><u>\$ 5,805,310</u></u>	<u><u>\$ 6,527,262</u></u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The \$1,945,593 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2025	\$ 40,320
2026	\$ (2,466,855)
2027	\$ 128,369
2028	\$ (369,379)

2. TRA Pension Costs

At June 30, 2024, the District reported a liability of \$95,144,725 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 1.1524 percent at the end of the measurement period and 1.1846 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	\$ 95,144,725
State's proportionate share of the net pension liability associated with the District	<u>6,664,624</u>
Total	<u><u>\$ 101,809,349</u></u>

For the year ended June 30, 2024, the District recognized negative pension expense of \$3,375,447. It also recognized \$938,431 as an increase to pension expense for the support provided by direct aid.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 976,685	\$ 1,395,697
Changes in actuarial assumptions	11,303,599	–
Net collective difference between projected and actual investment earnings on pension plan investments	–	38,317
Changes in proportion	728,928	3,026,091
District's contributions to the TRA subsequent to the measurement date	6,825,374	–
Total	<u>\$ 19,834,586</u>	<u>\$ 4,460,105</u>

A total of \$6,825,374 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ 851,317
2026	\$ (685,585)
2027	\$ 10,512,390
2028	\$ (1,525,136)
2029	\$ (603,879)

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	<u>100.00 %</u>	

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

F. Actuarial Methods and Assumptions

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

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

1. GERF

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

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

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

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

Actuarial assumptions for the GERF Plan are reviewed every four years. The most recent four-year experience study for the GERF Plan was completed in 2023. The assumption changes were adopted by the Board and became effective with the July 1, 2024 actuarial valuation.

2. TRA

Salary increases were based on a service-related table.

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

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

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

1. GERF

CHANGES IN PLAN PROVISIONS

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

CHANGES IN ACTUARIAL ASSUMPTIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

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

G. Discount Rate

1. GERF

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

2. TRA

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

H. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.00%	7.00%	8.00%
District's proportionate share of the GERF net pension liability	\$ 30,122,659	\$ 17,027,299	\$ 6,255,867
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	\$ 151,748,839	\$ 95,144,725	\$ 48,807,367

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 <https://minnesotatra.org>, by writing to the TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling 651-296-2409 or 800-657-3669.

NOTE 10 – 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 withheld from payroll checks to the Plan for healthcare and dependent care benefits.

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

Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund and special revenue funds.

Amounts withheld for medical reimbursement and dependent care are paid by the District to an outside administrator upon an employee submitting a request for reimbursement. Payments are made by the outside administrator to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the employee.

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

NOTE 11 – INTERFUND BALANCES

Due To/From Other Funds

As of June 30, 2024, the District’s General Fund had an interfund receivable of \$2,031,774 from the Post-Employment Benefits Trust Fund relating to post-employment benefit costs to be reimbursed as of June 30, 2024. Interfund receivables and payables reported in the fund financial statements are eliminated to the extent possible in the government-wide financial statements. However, receivables and payables between the District’s governmental activities and the fiduciary fund are not eliminated.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Construction Contracts

During fiscal year 2024, the District awarded contracts for construction and improvement of various district properties. At year-end, the District's commitment for uncompleted work on these contracts was \$15,799,933, which is paid out of the Capital Projects – Building Construction Fund.

B. Federal and State Revenue

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

C. Contingencies

The District has the usual and customary legal claims pending at year-end. 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.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 621

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

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.3734%	\$ 17,540,461	\$ —	\$ 17,540,461	\$ 19,627,950	89.36%	78.70%
06/30/2016	06/30/2015	0.3605%	\$ 18,682,980	\$ —	\$ 18,682,980	\$ 21,189,047	88.17%	78.20%
06/30/2017	06/30/2016	0.3433%	\$ 27,874,257	\$ 364,065	\$ 28,238,322	\$ 21,292,223	130.91%	68.90%
06/30/2018	06/30/2017	0.3312%	\$ 21,143,589	\$ 265,869	\$ 21,409,458	\$ 21,336,242	99.10%	75.90%
06/30/2019	06/30/2018	0.3277%	\$ 18,179,451	\$ 596,232	\$ 18,775,683	\$ 22,054,967	82.43%	79.50%
06/30/2020	06/30/2019	0.3225%	\$ 17,830,303	\$ 554,143	\$ 18,384,446	\$ 22,832,615	78.09%	80.20%
06/30/2021	06/30/2020	0.3289%	\$ 19,719,059	\$ 608,169	\$ 20,327,228	\$ 23,478,199	83.99%	79.10%
06/30/2022	06/30/2021	0.2988%	\$ 12,760,099	\$ 389,762	\$ 13,149,861	\$ 21,534,427	59.25%	87.00%
06/30/2023	06/30/2022	0.3258%	\$ 25,803,468	\$ 756,364	\$ 26,559,832	\$ 24,418,806	105.67%	76.70%
06/30/2024	06/30/2023	0.3045%	\$ 17,027,299	\$ 469,392	\$ 17,496,691	\$ 24,250,459	70.21%	83.10%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,564,014	\$ 1,564,014	\$ —	\$ 21,189,047	7.38%
06/30/2016	\$ 1,596,261	\$ 1,596,261	\$ —	\$ 21,292,223	7.50%
06/30/2017	\$ 1,598,727	\$ 1,598,727	\$ —	\$ 21,336,242	7.49%
06/30/2018	\$ 1,656,133	\$ 1,656,133	\$ —	\$ 22,054,967	7.51%
06/30/2019	\$ 1,711,466	\$ 1,711,466	\$ —	\$ 22,832,615	7.50%
06/30/2020	\$ 1,759,379	\$ 1,759,379	\$ —	\$ 23,478,199	7.49%
06/30/2021	\$ 1,613,567	\$ 1,613,567	\$ —	\$ 21,534,427	7.49%
06/30/2022	\$ 1,830,176	\$ 1,830,176	\$ —	\$ 24,418,806	7.49%
06/30/2023	\$ 1,815,957	\$ 1,815,957	\$ —	\$ 24,250,459	7.49%
06/30/2024	\$ 1,945,593	\$ 1,945,593	\$ —	\$ 25,955,521	7.50%

INDEPENDENT SCHOOL DISTRICT NO. 621

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

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's 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	1.2076%	\$ 55,645,339	\$ 3,914,718	\$ 59,560,057	\$ 55,121,921	100.95%	81.50%
06/30/2016	06/30/2015	1.1725%	\$ 72,530,721	\$ 8,896,461	\$ 81,427,182	\$ 59,510,271	121.88%	76.80%
06/30/2017	06/30/2016	1.1917%	\$284,248,884	\$ 28,530,832	\$312,779,716	\$ 61,988,428	458.55%	44.88%
06/30/2018	06/30/2017	1.1758%	\$234,711,009	\$ 22,689,450	\$257,400,459	\$ 63,297,528	370.81%	51.57%
06/30/2019	06/30/2018	1.1835%	\$ 74,334,878	\$ 6,984,025	\$ 81,318,903	\$ 65,388,719	113.68%	78.07%
06/30/2020	06/30/2019	1.1752%	\$ 74,907,495	\$ 6,629,079	\$ 81,536,574	\$ 66,719,780	112.27%	78.21%
06/30/2021	06/30/2020	1.1966%	\$ 88,406,411	\$ 7,408,835	\$ 95,815,246	\$ 69,535,954	127.14%	75.48%
06/30/2022	06/30/2021	1.1752%	\$ 51,430,266	\$ 4,337,515	\$ 55,767,781	\$ 70,326,444	73.13%	86.63%
06/30/2023	06/30/2022	1.1846%	\$ 94,856,501	\$ 7,034,181	\$101,890,682	\$ 73,223,258	129.54%	76.17%
06/30/2024	06/30/2023	1.1524%	\$ 95,144,725	\$ 6,664,624	\$101,809,349	\$ 73,529,682	129.40%	76.42%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 4,463,144	\$ 4,463,144	\$ —	\$ 59,510,271	7.50%
06/30/2016	\$ 4,649,138	\$ 4,649,138	\$ —	\$ 61,988,428	7.50%
06/30/2017	\$ 4,747,125	\$ 4,747,125	\$ —	\$ 63,297,528	7.50%
06/30/2018	\$ 4,904,007	\$ 4,904,007	\$ —	\$ 65,388,719	7.50%
06/30/2019	\$ 5,144,059	\$ 5,144,059	\$ —	\$ 66,719,780	7.71%
06/30/2020	\$ 5,507,365	\$ 5,507,365	\$ —	\$ 69,535,954	7.92%
06/30/2021	\$ 5,717,543	\$ 5,717,543	\$ —	\$ 70,326,444	8.13%
06/30/2022	\$ 6,106,825	\$ 6,106,825	\$ —	\$ 73,223,258	8.34%
06/30/2023	\$ 6,270,648	\$ 6,270,648	\$ —	\$ 73,529,682	8.53%
06/30/2024	\$ 6,825,374	\$ 6,825,374	\$ —	\$ 78,012,102	8.75%

INDEPENDENT SCHOOL DISTRICT NO. 621

Pension Benefits Plan
Schedule of Changes in the District's Total
Pension Liability and Related Ratios
Year Ended June 30, 2024

	District Fiscal Year-End Date							
	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability								
Service cost	\$ 275,874	\$ 255,228	\$ 194,950	\$ 228,077	\$ 194,311	\$ 148,458	\$ 111,221	\$ 110,388
Interest	264,251	251,584	278,527	219,917	158,519	112,987	167,201	155,701
Assumption changes	—	(193,419)	104,364	162,694	(152,302)	(279,920)	(21,254)	(26,332)
Plan changes	—	—	(51,749)	—	(140,580)	—	(152,862)	—
Differences between expected and actual experience	—	—	(386,937)	—	(164,123)	—	205,841	—
Benefit payments	(1,045,860)	(865,360)	(1,078,777)	(991,747)	(1,139,512)	(1,008,144)	(843,732)	(588,029)
Net change in total pension liability	(505,735)	(551,967)	(939,622)	(381,059)	(1,243,687)	(1,026,619)	(533,585)	(348,272)
Total pension liability – beginning of year	9,355,420	8,849,685	8,297,718	7,358,096	6,977,037	5,733,350	4,706,731	4,173,146
Total pension liability – end of year	<u>\$ 8,849,685</u>	<u>\$ 8,297,718</u>	<u>\$ 7,358,096</u>	<u>\$ 6,977,037</u>	<u>\$ 5,733,350</u>	<u>\$ 4,706,731</u>	<u>\$ 4,173,146</u>	<u>\$ 3,824,874</u>
Covered-employee payroll	<u>\$17,458,402</u>	<u>\$17,982,154</u>	<u>\$14,747,983</u>	<u>\$15,190,422</u>	<u>\$12,597,033</u>	<u>\$12,974,944</u>	<u>\$11,180,141</u>	<u>\$11,515,545</u>
Total pension liability as a percentage of covered-employee payroll	<u>50.69%</u>	<u>46.14%</u>	<u>49.89%</u>	<u>45.93%</u>	<u>45.51%</u>	<u>36.28%</u>	<u>37.33%</u>	<u>33.21%</u>

Note 1: The District has not established a trust fund to finance GASB Statement No. 73 related benefits.

Note 2: The District implemented GASB Statement No. 73 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. 621

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

	District Fiscal Year-End Date							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost	\$ 611,278	\$ 629,616	\$ 645,979	\$ 645,366	\$ 643,443	\$ 662,746	\$ 710,825	\$ 674,249
Interest	793,192	799,941	791,958	828,661	848,802	840,050	838,909	768,354
Assumption changes	—	—	140,600	(142,265)	(250,400)	—	277,691	(360,663)
Plan changes	—	—	—	—	67,835	—	—	—
Differences between expected and actual experience	—	—	638,739	—	110,059	—	(1,120,364)	—
Benefit payments – employer-financed	—	—	—	—	(1,041,638)	—	—	—
Benefit payments – paid by trust	(1,251,697)	(1,335,445)	(1,870,197)	(1,142,216)	(921,651)	(1,229,318)	(1,923,774)	(2,031,774)
Net change in total OPEB liability	152,773	94,112	347,079	189,546	(543,550)	273,478	(1,216,713)	(949,834)
Total OPEB liability – beginning of year	15,260,338	15,413,111	15,507,223	15,854,302	16,043,848	15,500,298	15,773,776	14,557,063
Total OPEB liability – end of year	15,413,111	15,507,223	15,854,302	16,043,848	15,500,298	15,773,776	14,557,063	13,607,229
Plan fiduciary net position								
Employer contributions	—	92,572	89,257	—	1,041,638	—	—	—
Projected investment return	1,142,327	1,160,529	1,172,920	1,221,901	1,245,741	1,498,907	1,339,178	1,509,504
Differences between expected and actual experience	459,404	320,645	679,656	361,800	4,364,160	(3,227,527)	943,393	2,118,334
Benefit payments – employer-financed	—	—	—	—	(1,041,638)	—	—	—
Benefit payments – paid by trust	(1,251,697)	(1,335,445)	(1,870,197)	(1,142,216)	(921,651)	(1,229,318)	(1,923,774)	(2,031,774)
Net change in plan fiduciary net position	350,034	238,301	71,636	441,485	4,688,250	(2,957,938)	358,797	1,596,064
Plan fiduciary net position – beginning of year	21,967,827	22,317,861	22,556,162	22,627,798	23,069,283	27,757,533	24,799,595	25,158,392
Plan fiduciary net position – end of year	22,317,861	22,556,162	22,627,798	23,069,283	27,757,533	24,799,595	25,158,392	26,754,456
Net OPEB liability (asset)	<u>\$ (6,904,750)</u>	<u>\$ (7,048,939)</u>	<u>\$ (6,773,496)</u>	<u>\$ (7,025,435)</u>	<u>\$ (12,257,235)</u>	<u>\$ (9,025,819)</u>	<u>\$ (10,601,329)</u>	<u>\$ (13,147,227)</u>
Fiduciary net position as a percentage of the total OPEB liability	<u>144.80%</u>	<u>145.46%</u>	<u>142.72%</u>	<u>143.79%</u>	<u>179.08%</u>	<u>157.22%</u>	<u>172.83%</u>	<u>196.62%</u>
Covered-employee payroll	<u>\$ 80,602,365</u>	<u>\$ 83,020,436</u>	<u>\$ 85,607,839</u>	<u>\$ 88,176,074</u>	<u>\$ 88,938,702</u>	<u>\$ 91,606,863</u>	<u>\$ 93,896,803</u>	<u>\$ 96,713,707</u>
Net OPEB liability (asset) as a percentage of covered-employee payroll	<u>(8.57%)</u>	<u>(8.49%)</u>	<u>(7.91%)</u>	<u>(7.97%)</u>	<u>(13.78%)</u>	<u>(9.85%)</u>	<u>(11.29%)</u>	<u>(13.59%)</u>

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.

INDEPENDENT SCHOOL DISTRICT NO. 621

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

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	7.3%
2018	6.6%
2019	8.2%
2020	7.0%
2021	24.3%
2022	(6.2%)
2023	9.2%
2024	14.4%

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.

INDEPENDENT SCHOOL DISTRICT NO. 621

Notes to Required Supplementary Information
June 30, 2024

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2023 CHANGES IN PLAN PROVISIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

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

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.90 percent to 4.10 percent.

2023 CHANGES IN PLAN PROVISIONS

- The teachers' matching contribution to the tax-deferred annuity plan increased from \$3,600 to \$4,000 per year after three years of service. The clerical employees' matching contributions increased from \$1,400 for two and three years of service and \$1,900 thereafter, to \$1,600 and \$2,100, respectively. These match amounts are used as an offset to the pension benefits.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 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.
- The discount rate was changed from 3.80 percent to 3.90 percent.

PENSION BENEFITS PLAN (CONTINUED)

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.10 percent to 3.80 percent.

2021 CHANGES IN PLAN PROVISIONS

- The teachers' matching contribution to the tax-deferred annuity plan increased from \$3,300 to \$3,600 per year after three years of service. The clerical employees' matching contributions increased from \$1,100 for two and three years of service and \$1,600 thereafter, to \$1,400 and \$1,900, respectively. These match amounts are used as an offset to the pension benefits.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.40 percent to 2.10 percent.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 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.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN PLAN PROVISIONS

- The teachers' matching contribution to the tax deferred annuity plan increased from \$3,200 to \$3,300 per year after three years of service. This benefit is used as an offset to the pension benefits.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.10 percent.
- 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-2017 Generational Improvement Scale.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.90 percent to 3.50 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 4.00 percent to 2.90 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 5.40 percent to 6.00 percent.
- The discount rate was changed from 5.40 percent to 6.00 percent.

2023 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 (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 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.
- The 20-year municipal bond yield was changed from 3.80 percent to 3.90 percent.

2021 CHANGES IN PLAN PROVISIONS

- Five nonaffiliated employees retired and elected a one-time offer to receive two years of district-paid medical, dental, and life insurance benefits.

2021 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-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 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.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 5.20 percent to 5.40 percent.
- The discount rate was changed from 5.20 percent to 5.40 percent.

2019 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-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 5.00 percent to 5.20 percent.

SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	\$ 7,453,189	\$ 6,943,888	\$ 14,397,077
Receivables			
Current taxes	—	598,947	598,947
Delinquent taxes	—	17,231	17,231
Accounts and interest	—	2,410	2,410
Due from other governmental units	156,071	560,868	716,939
Inventory	43,677	—	43,677
Prepaid items	—	2,959	2,959
Total assets	<u>\$ 7,652,937</u>	<u>\$ 8,126,303</u>	<u>\$ 15,779,240</u>
Liabilities			
Salaries payable	\$ 19,809	\$ 340,454	\$ 360,263
Accounts and contracts payable	117,630	368,984	486,614
Due to other governmental units	—	902	902
Unearned revenue	181,892	521,805	703,697
Total liabilities	<u>319,331</u>	<u>1,232,145</u>	<u>1,551,476</u>
Deferred inflows of resources			
Unavailable revenue – delinquent taxes	—	18,648	18,648
Property taxes levied for subsequent year	—	1,102,497	1,102,497
Total deferred inflows of resources	<u>—</u>	<u>1,121,145</u>	<u>1,121,145</u>
Fund balances			
Nonspendable	43,677	2,959	46,636
Restricted	7,289,929	5,770,054	13,059,983
Total fund balances	<u>7,333,606</u>	<u>5,773,013</u>	<u>13,106,619</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,652,937</u>	<u>\$ 8,126,303</u>	<u>\$ 15,779,240</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	\$ —	\$ 1,044,761	\$ 1,044,761
Investment earnings	285,562	222,520	508,082
Other	708,573	6,307,077	7,015,650
State sources	4,140,550	1,140,095	5,280,645
Federal sources	4,222,930	1,002,564	5,225,494
Total revenue	9,357,615	9,717,017	19,074,632
Expenditures			
Current			
Food service	7,358,028	—	7,358,028
Community service	—	8,254,546	8,254,546
Capital outlay	182,350	37,057	219,407
Debt service			
Principal	20,637	—	20,637
Interest	1,278	—	1,278
Total expenditures	7,562,293	8,291,603	15,853,896
Net change in fund balances	1,795,322	1,425,414	3,220,736
Fund balances			
Beginning of year	5,538,284	4,347,599	9,885,883
End of year	\$ 7,333,606	\$ 5,773,013	\$ 13,106,619

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	2024	2023
Assets		
Cash and temporary investments	\$ 78,197,192	\$ 62,661,855
Receivables		
Current taxes	25,950,961	22,259,374
Delinquent taxes	667,922	609,532
Accounts and interest	2,464	145,375
Due from other governmental units	19,657,995	20,554,127
Due from other funds	2,031,774	1,923,774
Prepaid items	1,416,871	671,860
Total assets	<u>\$ 127,925,179</u>	<u>\$ 108,825,897</u>
Liabilities		
Salaries payable	\$ 12,102,293	\$ 10,179,292
Accounts and contracts payable	5,695,568	3,206,029
Due to other governmental units	797,707	600,338
Unearned revenue	341,700	201,227
Total liabilities	<u>18,937,268</u>	<u>14,186,886</u>
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	729,277	652,254
Property taxes levied for subsequent year	45,180,055	37,641,787
Total deferred inflows of resources	<u>45,909,332</u>	<u>38,294,041</u>
Fund balances		
Nonspendable for prepaid items	1,416,871	671,860
Restricted for scholarships	202,688	324,410
Restricted for literacy incentive aid	269,597	–
Restricted for operating capital	2,121,187	2,093,919
Restricted for learning and development	33,356	33,356
Restricted for state-approved alternative programs	66,546	88,874
Restricted for gifted and talented	69,130	69,131
Restricted for basic skills	237,813	117,506
Restricted for safe schools levy	21,404	21,404
Restricted for Medical Assistance	795,222	468,522
Assigned for alternative quality teacher compensation	319,730	307,567
Assigned for school building carryover	1,016,904	2,296,829
Assigned for program initiative	1,421,105	4,150,000
Assigned for site improvement	3,150,000	3,150,000
Assigned for information technology infrastructure	–	3,250,000
Assigned for safety and security	350,000	350,000
Assigned for fee for service	2,500,000	2,500,000
Assigned for subsequent year budget deficit	5,978,895	–
Assigned for health insurance benefit increase	2,500,000	–
Assigned for staff development professional growth committee	91,404	–
Unassigned	40,516,727	36,451,592
Total fund balances	<u>63,078,579</u>	<u>56,344,970</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 127,925,179</u>	<u>\$ 108,825,897</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	2024		2023	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 44,730,383	\$ 40,280,398	\$ (4,449,985)	\$ 43,423,315
Investment earnings	650,000	3,435,993	2,785,993	2,091,483
Other	3,129,626	3,368,666	239,040	3,469,860
State sources	133,198,268	137,129,249	3,930,981	125,360,002
Federal sources	6,673,203	8,079,292	1,406,089	9,353,969
Total revenue	188,381,480	192,293,598	3,912,118	183,698,629
Expenditures				
Current				
Administration				
Salaries	5,287,455	5,326,333	38,878	5,043,971
Employee benefits	2,021,083	1,901,733	(119,350)	1,917,107
Purchased services	38,543	41,638	3,095	40,470
Supplies and materials	30,420	12,178	(18,242)	7,199
Capital expenditures	6,000	364	(5,636)	—
Other expenditures	64,477	63,063	(1,414)	59,124
Total administration	7,447,978	7,345,309	(102,669)	7,067,871
District support services				
Salaries	3,148,258	3,127,305	(20,953)	2,958,746
Employee benefits	1,214,529	1,129,128	(85,401)	1,079,840
Purchased services	1,100,332	1,250,792	150,460	1,032,639
Supplies and materials	946,425	1,130,054	183,629	1,555,454
Capital expenditures	997,658	79,257	(918,401)	165,035
Other expenditures	(12,145)	(169,501)	(157,356)	(60,443)
Total district support services	7,395,057	6,547,035	(848,022)	6,731,271
Elementary and secondary regular instruction				
Salaries	54,457,081	50,741,900	(3,715,181)	47,516,279
Employee benefits	20,061,065	18,694,804	(1,366,261)	17,440,726
Purchased services	4,395,975	4,259,376	(136,599)	4,075,963
Supplies and materials	2,309,409	2,958,200	648,791	2,865,158
Capital expenditures	741,505	354,753	(386,752)	404,425
Other expenditures	193,969	530,756	336,787	442,981
Total elementary and secondary regular instruction	82,159,004	77,539,789	(4,619,215)	72,745,532

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	2024		2023	
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	1,237,208	1,387,458	150,250	1,173,190
Employee benefits	490,891	506,014	15,123	428,301
Purchased services	693,744	409,827	(283,917)	458,413
Supplies and materials	4,819	23,805	18,986	14,275
Capital expenditures	—	2,225	2,225	11,877
Other expenditures	500	7,038	6,538	7,161
Total vocational education instruction	2,427,162	2,336,367	(90,795)	2,093,217
Special education instruction				
Salaries	24,594,138	22,764,664	(1,829,474)	21,137,537
Employee benefits	10,627,143	8,908,921	(1,718,222)	8,214,741
Purchased services	1,234,253	2,225,227	990,974	1,815,467
Supplies and materials	276,740	206,353	(70,387)	257,204
Capital expenditures	138,304	27,155	(111,149)	12,655
Other expenditures	45,026	125,185	80,159	121,788
Total special education instruction	36,915,604	34,257,505	(2,658,099)	31,559,392
Community service				
Salaries	—	166,900	166,900	—
Employee benefits	—	82,186	82,186	—
Total community service	—	249,086	249,086	—
Instructional support services				
Salaries	9,648,544	9,937,663	289,119	8,905,518
Employee benefits	3,470,137	3,365,554	(104,583)	3,001,678
Purchased services	788,945	995,213	206,268	901,329
Supplies and materials	1,667,768	1,651,357	(16,411)	1,086,131
Capital expenditures	3,000	6,200	3,200	37,537
Other expenditures	40,505	93,712	53,207	62,742
Total instructional support services	15,618,899	16,049,699	430,800	13,994,935
Pupil support services				
Salaries	5,439,520	4,789,739	(649,781)	4,652,546
Employee benefits	2,000,220	1,732,567	(267,653)	1,792,546
Purchased services	15,997,739	16,840,584	842,845	14,888,671
Supplies and materials	124,084	56,762	(67,322)	69,141
Capital expenditures	3,000	6,051	3,051	—
Other expenditures	4,254	26,133	21,879	39,142
Total pupil support services	23,568,817	23,451,836	(116,981)	21,442,046

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	2024		2023	
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	5,039,241	4,384,787	(654,454)	4,666,063
Employee benefits	1,898,209	1,808,373	(89,836)	1,832,175
Purchased services	11,155,677	7,486,836	(3,668,841)	9,671,362
Supplies and materials	1,249,218	1,294,064	44,846	1,374,745
Capital expenditures	241,682	1,734,236	1,492,554	1,139,777
Other expenditures	27,559	165,539	137,980	166,270
Total sites and buildings	19,611,586	16,873,835	(2,737,751)	18,850,392
Fiscal and other fixed cost programs				
Purchased services	875,000	843,236	(31,764)	634,223
Other expenditures	115,397	122,222	6,825	118,596
Total fiscal and other fixed cost programs	990,397	965,458	(24,939)	752,819
Debt service				
Principal	1,160,548	1,193,990	33,442	1,150,045
Interest and fiscal charges	163,518	172,705	9,187	188,897
Total debt service	1,324,066	1,366,695	42,629	1,338,942
Total expenditures	197,458,570	186,982,614	(10,475,956)	176,576,417
Excess (deficiency) of revenue over expenditures	(9,077,090)	5,310,984	14,388,074	7,122,212
Other financing sources				
Lease issued	952,658	1,412,465	459,807	931,539
Technology subscription issued	—	—	—	178,335
Sale of capital assets	—	9,160	9,160	—
Insurance recovery	—	1,000	1,000	9,192
Total other financing sources	952,658	1,422,625	469,967	1,119,066
Net change in fund balances	<u>\$ (8,124,432)</u>	6,733,609	<u>\$ 14,858,041</u>	8,241,278
Fund balances				
Beginning of year		56,344,970		48,103,692
End of year		<u>\$ 63,078,579</u>		<u>\$ 56,344,970</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 7,453,189	\$ 5,720,259
Receivables		
Due from other governmental units	156,071	117,220
Inventory	<u>43,677</u>	<u>39,751</u>
Total assets	<u><u>\$ 7,652,937</u></u>	<u><u>\$ 5,877,230</u></u>
Liabilities		
Salaries payable	\$ 19,809	\$ 33,091
Accounts and contracts payable	117,630	61,002
Unearned revenue	<u>181,892</u>	<u>244,853</u>
Total liabilities	319,331	338,946
Fund balances		
Nonspendable for inventory	43,677	39,751
Restricted for food service	<u>7,289,929</u>	<u>5,498,533</u>
Total fund balances	<u><u>7,333,606</u></u>	<u><u>5,538,284</u></u>
Total liabilities and fund balances	<u><u>\$ 7,652,937</u></u>	<u><u>\$ 5,877,230</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 25,000	\$ 285,562	\$ 260,562	\$ 189,762
Other – primarily meal sales	932,951	708,573	(224,378)	3,157,805
State sources	3,349,104	4,140,550	791,446	278,317
Federal sources	3,411,274	4,222,930	811,656	3,832,676
Total revenue	<u>7,718,329</u>	<u>9,357,615</u>	<u>1,639,286</u>	<u>7,458,560</u>
Expenditures				
Current				
Salaries	2,438,531	2,492,846	54,315	1,960,263
Employee benefits	820,700	722,472	(98,228)	621,693
Purchased services	756,216	404,928	(351,288)	652,091
Supplies and materials	3,385,527	3,727,858	342,331	2,896,289
Other expenditures	9,125	9,924	799	8,608
Capital outlay	285,000	182,350	(102,650)	672,668
Debt service				
Principal	21,952	20,637	(1,315)	21,915
Interest	1,278	1,278	–	–
Total expenditures	<u>7,718,329</u>	<u>7,562,293</u>	<u>(156,036)</u>	<u>6,833,527</u>
Net change in fund balances	<u>\$ –</u>	1,795,322	<u>\$ 1,795,322</u>	625,033
Fund balances				
Beginning of year		<u>5,538,284</u>		<u>4,913,251</u>
End of year		<u>\$ 7,333,606</u>		<u>\$ 5,538,284</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 6,943,888	\$ 4,375,753
Receivables		
Current taxes	598,947	584,259
Delinquent taxes	17,231	15,844
Accounts and interest	2,410	3,475
Due from other governmental units	560,868	1,443,074
Prepaid items	<u>2,959</u>	<u>—</u>
Total assets	<u><u>\$ 8,126,303</u></u>	<u><u>\$ 6,422,405</u></u>
Liabilities		
Salaries payable	\$ 340,454	\$ 271,958
Accounts and contracts payable	368,984	225,330
Due to other governmental units	902	—
Unearned revenue	<u>521,805</u>	<u>495,098</u>
Total liabilities	1,232,145	992,386
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	18,648	16,690
Property taxes levied for subsequent year	<u>1,102,497</u>	<u>1,065,730</u>
Total deferred inflows of resources	1,121,145	1,082,420
Fund balances		
Nonspendable for prepaid items	2,959	—
Restricted for community education programs	3,954,129	3,089,924
Restricted for early childhood family education programs	500,308	133,571
Restricted for school readiness	951,180	808,117
Restricted for adult basic education	285,245	244,677
Restricted for community service	<u>79,192</u>	<u>71,310</u>
Total fund balances	<u><u>5,773,013</u></u>	<u><u>4,347,599</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 8,126,303</u></u>	<u><u>\$ 6,422,405</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 1,126,690	\$ 1,044,761	\$ (81,929)	\$ 1,050,089
Investment earnings	—	222,520	222,520	128,252
Other – primarily tuition and fees	5,057,232	6,307,077	1,249,845	5,813,473
State sources	1,181,177	1,140,095	(41,082)	1,135,482
Federal sources	891,249	1,002,564	111,315	1,135,548
Total revenue	8,256,348	9,717,017	1,460,669	9,262,844
Expenditures				
Current				
Salaries	4,286,394	3,875,307	(411,087)	3,605,996
Employee benefits	1,722,741	1,398,386	(324,355)	1,303,204
Purchased services	905,190	1,430,628	525,438	1,304,449
Supplies and materials	1,221,166	1,441,071	219,905	1,202,949
Other expenditures	86,882	109,154	22,272	171,206
Capital outlay	33,975	37,057	3,082	67,508
Total expenditures	8,256,348	8,291,603	35,255	7,655,312
Net change in fund balances	\$ —	1,425,414	\$ 1,425,414	1,607,532
Fund balances				
Beginning of year		4,347,599		2,740,067
End of year		\$ 5,773,013		\$ 4,347,599

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 47,242,933	\$ 9,864,998
Receivables		
Accounts and interest	<u>230,374</u>	<u>–</u>
Total assets	<u><u>\$ 47,473,307</u></u>	<u><u>\$ 9,864,998</u></u>
Liabilities		
Accounts and contracts payable	\$ 1,976,606	\$ 1,039,484
Fund balances		
Restricted for long-term facilities maintenance	43,202,818	–
Restricted for capital projects	<u>2,293,883</u>	<u>8,825,514</u>
Total fund balances	<u><u>45,496,701</u></u>	<u><u>8,825,514</u></u>
Total liabilities and fund balances	<u><u>\$ 47,473,307</u></u>	<u><u>\$ 9,864,998</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ –	\$ 2,721,353	\$ 2,721,353	\$ 595,218
Expenditures				
Capital outlay				
Purchased services	2,416,951	7,270,372	4,853,421	5,307,182
Capital expenditures	2,915,803	4,058,128	1,142,325	647,323
Debt Service				
Fiscal charges and other	–	241,718	241,718	–
Total expenditures	<u>5,332,754</u>	<u>11,570,218</u>	<u>6,237,464</u>	<u>5,954,505</u>
Excess (deficiency) of revenue over expenditures	(5,332,754)	(8,848,865)	(3,516,111)	(5,359,287)
Other financing sources				
Bonds issued	42,370,401	42,350,001	(20,400)	–
Premium on bonds issued	<u>3,170,051</u>	<u>3,170,051</u>	<u>–</u>	<u>–</u>
Total other financing sources	<u>45,540,452</u>	<u>45,520,052</u>	<u>(20,400)</u>	<u>–</u>
Net change in fund balance	<u>\$ 40,207,698</u>	36,671,187	<u>\$ (3,536,511)</u>	(5,359,287)
Fund balances				
Beginning of year		<u>8,825,514</u>		<u>14,184,801</u>
End of year		<u>\$ 45,496,701</u>		<u>\$ 8,825,514</u>

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INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Regular Debt Service Account	OPEB Debt Service Account	Totals	
			2024	2023
Assets				
Cash and temporary investments	\$ 10,612,824	\$ —	\$ 10,612,824	\$ 12,518,575
Receivables				
Current taxes	7,855,004	—	7,855,004	10,451,732
Delinquent taxes	313,454	—	313,454	288,113
Due from other governmental units	63,874	—	63,874	52,256
Total assets	<u>\$ 18,845,156</u>	<u>\$ —</u>	<u>\$ 18,845,156</u>	<u>\$ 23,310,676</u>
Liabilities				
Accounts and contracts payable	\$ —	\$ —	\$ —	\$ 2,366
Deferred inflows of resources				
Unavailable revenue – delinquent taxes	340,232	—	340,232	304,920
Property taxes levied for subsequent year	14,458,914	—	14,458,914	19,064,682
Total deferred inflows of resources	14,799,146	—	14,799,146	19,369,602
Fund balances				
Restricted for debt service	<u>4,046,010</u>	<u>—</u>	<u>4,046,010</u>	<u>3,938,708</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,845,156</u>	<u>\$ —</u>	<u>\$ 18,845,156</u>	<u>\$ 23,310,676</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	2024			
		Actual		
		Regular	OPEB	
	Budget	Debt Service	Debt Service	Total
		Account	Account	
Revenue				
Local sources				
Property taxes	\$ 19,020,945	\$ 11,164,533	\$ 7,516,435	\$ 18,680,968
Investment earnings	10,750	99,337	41,844	141,181
State sources	450,687	638,734	—	638,734
Total revenue	19,482,382	11,902,604	7,558,279	19,460,883
Expenditures				
Debt service				
Principal	12,720,000	5,840,000	6,880,000	12,720,000
Interest	6,757,180	6,550,780	206,400	6,757,180
Fiscal charges and other	8,050	6,400	—	6,400
Total expenditures	19,485,230	12,397,180	7,086,400	19,483,580
Excess (deficiency) of revenue over expenditures	(2,848)	(494,576)	471,879	(22,697)
Other financing sources (uses)				
Bonds issued	—	129,999	—	129,999
Transfers in	—	1,234,092	—	1,234,092
Transfers (out)	—	—	(1,234,092)	(1,234,092)
Total other financing sources (uses)	—	1,364,091	(1,234,092)	129,999
Net change in fund balance	\$ (2,848)	869,515	(762,213)	107,302
Fund balances				
Beginning of year		3,176,495	762,213	3,938,708
End of year		\$ 4,046,010	\$ —	\$ 4,046,010

	2023
Over (Under) Budget	Total
\$ (339,977)	\$ 19,314,476
130,431	313,162
188,047	523,490
(21,499)	20,151,128
—	12,020,000
—	7,124,670
(1,650)	5,065
(1,650)	19,149,735
(19,849)	1,001,393
129,999	—
1,234,092	—
(1,234,092)	—
129,999	—
\$ 110,150	1,001,393
	2,937,315
	\$ 3,938,708

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Dental Self-Insurance	Medical Self-Insurance	Totals	
			2024	2023
Assets				
Current assets				
Cash and temporary investments	\$ 976,792	\$ 17,881,768	\$ 18,858,560	\$ 17,429,836
Liabilities				
Current liabilities				
Claims payable	122,894	312,784	435,678	739,635
Claims incurred, but not reported	26,463	1,502,230	1,528,693	1,505,316
Unearned revenue	162,179	2,633,899	2,796,078	2,615,728
Total current liabilities	311,536	4,448,913	4,760,449	4,860,679
Net position				
Unrestricted	\$ 665,256	\$ 13,432,855	\$ 14,098,111	\$ 12,569,157

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Dental Self-Insurance	Medical Self-Insurance	Totals	
			2024	2023
Operating revenue				
Charges for services	\$ 1,293,764	\$ 23,474,795	\$ 24,768,559	\$ 24,090,471
Operating expenses				
Dental benefit claims	1,520,096	—	1,520,096	1,503,301
Medical benefit claims	—	22,447,829	22,447,829	21,144,235
Total operating expenses	<u>1,520,096</u>	<u>22,447,829</u>	<u>23,967,925</u>	<u>22,647,536</u>
Operating income (loss)	(226,332)	1,026,966	800,634	1,442,935
Nonoperating revenue				
Investment earnings	<u>42,351</u>	<u>685,969</u>	<u>728,320</u>	<u>511,893</u>
Change in net position	(183,981)	1,712,935	1,528,954	1,954,828
Net position				
Beginning of year	<u>849,237</u>	<u>11,719,920</u>	<u>12,569,157</u>	<u>10,614,329</u>
End of year	<u>\$ 665,256</u>	<u>\$ 13,432,855</u>	<u>\$ 14,098,111</u>	<u>\$ 12,569,157</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Dental Self-Insurance	Medical Self-Insurance	Totals	
			2024	2023
Cash flows from operating activities				
Assessments from other funds and employee contributions	\$ 1,319,117	\$ 23,629,792	\$ 24,948,909	\$ 24,212,802
Payments for dental claims	(1,533,221)	–	(1,533,221)	(1,573,545)
Payments for medical claims	–	(22,715,284)	(22,715,284)	(20,484,048)
Net cash flows from operating activities	(214,104)	914,508	700,404	2,155,209
Cash flows from investing activities				
Investment income received	42,351	685,969	728,320	511,893
Net change in cash and cash equivalents	(171,753)	1,600,477	1,428,724	2,667,102
Cash and cash equivalents				
Beginning of year	1,148,545	16,281,291	17,429,836	14,762,734
End of year	\$ 976,792	\$ 17,881,768	\$ 18,858,560	\$ 17,429,836
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (226,332)	\$ 1,026,966	\$ 800,634	\$ 1,442,935
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Claims payable	2,098	(306,055)	(303,957)	287,001
Claims incurred, but not reported	(15,223)	38,600	23,377	302,942
Unearned revenue	25,353	154,997	180,350	122,331
Total changes in assets and liabilities	12,228	(112,458)	(100,230)	712,274
Net cash flows from operating activities	\$ (214,104)	\$ 914,508	\$ 700,404	\$ 2,155,209

STATISTICAL SECTION

(UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 621, Mounds View Public Schools' (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Indicators

These schedules contain service and infrastructure data to help the reader understand how the information in the District's 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. 621

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

				Fiscal Year
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 25,085,659	\$ 26,932,748	\$ 28,976,776	\$ 32,618,509
Restricted	4,200,517	4,608,400	4,646,339	4,593,151
Unrestricted	<u>(53,630,283)</u>	<u>(56,055,220)</u>	<u>(116,895,944)</u>	<u>(154,457,243)</u>
Total governmental activities net position	<u>\$ (24,344,107)</u>	<u>\$ (24,514,072)</u>	<u>\$ (83,272,829)</u>	<u>\$ (117,245,583)</u>

Note 1: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$25.2 million. Prior years were not restated.

Note 2: The District reported a prior period adjustment in fiscal 2023 that increased net position by approximately \$1.8 million. Prior years were not restated.

Note 3: The District reported a change in accounting principle in fiscal 2024 that increased net position by approximately \$3.0 million. Prior years were not restated.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 39,575,093	\$ 43,544,385	\$ 46,637,728	\$ 47,653,110	\$ 45,814,008	\$ 44,708,127
5,357,804	4,582,543	8,097,173	9,846,918	16,795,549	27,522,845
<u>(119,040,647)</u>	<u>(121,764,031)</u>	<u>(107,770,911)</u>	<u>(89,060,456)</u>	<u>(47,669,106)</u>	<u>(29,679,421)</u>
<u>\$ (74,107,750)</u>	<u>\$ (73,637,103)</u>	<u>\$ (53,036,010)</u>	<u>\$ (31,560,428)</u>	<u>\$ 14,940,451</u>	<u>\$ 42,551,551</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Expenses				
Administration	\$ 5,387,659	\$ 6,110,334	\$ 7,471,675	\$ 7,668,827
District support services	3,197,095	3,942,368	4,145,830	4,349,055
Elementary and secondary regular instruction	67,127,774	70,955,844	95,722,251	95,039,715
Vocational education instruction	1,908,522	1,757,061	2,616,771	3,230,895
Special education instruction	27,232,152	28,745,016	35,418,105	34,409,090
Instructional support services	7,566,625	8,890,155	11,824,060	11,956,712
Pupil support services	13,963,511	14,643,966	16,199,619	17,115,807
Sites and buildings	20,121,886	18,139,344	18,668,418	19,719,565
Fiscal and other fixed cost programs	427,619	219,076	278,990	266,786
Food service	5,564,921	5,841,533	6,184,095	5,976,662
Community service	4,851,812	5,030,833	6,273,316	7,350,028
Interest and fiscal charges on debt	4,509,118	4,165,302	3,989,027	6,111,749
Total governmental activities expenses	161,858,694	168,440,832	208,792,157	213,194,891
Program revenues				
Charges for services				
Elementary and secondary regular instruction	1,067,920	861,975	868,724	1,004,098
Special education instruction	508,402	631,279	475,074	553,754
Instructional support services	123,345	149,426	156,597	163,431
Pupil support services	280,775	272,957	295,884	306,794
Sites and buildings	103,626	107,544	105,249	112,906
Food service	3,074,885	3,087,136	3,172,899	3,118,383
Community service	2,712,614	2,779,048	3,045,614	3,373,337
Operating grants and contributions				
Administration	6,241	58,073	—	—
District support services	461	6,077	—	—
Elementary and secondary regular instruction	2,920,534	3,811,345	3,110,627	3,675,378
Vocational education instruction	3,158	28,361	—	—
Special education instruction	21,872,209	23,283,918	23,339,833	24,638,171
Instructional support services	9,083	79,299	—	—
Pupil support services	198,149	46,423	—	—
Sites and buildings	27	374	231,980	364,777
Food service	2,629,613	2,920,947	3,020,997	2,954,599
Community service	479,185	1,150,580	1,262,178	1,064,414
Capital grants and contributions				
Sites and buildings	1,484,698	1,496,359	1,559,679	1,812,914
Total governmental activities program revenues	37,474,925	40,771,121	40,645,335	43,142,956
Net (expense) revenue	(124,383,769)	(127,669,711)	(168,146,822)	(170,051,935)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	23,522,410	25,150,513	30,211,501	30,823,278
Property taxes, levied for community service	953,169	975,913	979,320	1,005,463
Property taxes, levied for capital projects	3,689,071	3,689,071	—	—
Property taxes, levied for debt service	13,251,524	13,045,257	12,895,803	12,902,963
General grants and aids	77,974,223	81,706,355	88,069,014	87,181,761
Other general revenues	2,474,379	2,307,624	2,292,769	2,104,906
Gain on sale of capital assets	413,034	—	—	—
Investment earnings (charges)	(10,078)	625,013	192,615	2,060,810
Total general revenues and other changes in net position	122,267,732	127,499,746	134,641,022	136,079,181
Change in net position	\$ (2,116,037)	\$ (169,965)	\$ (33,505,800)	\$ (33,972,754)

2019	2020	2021	2022	2023	2024
\$ 5,050,750	\$ 6,851,159	\$ 6,846,710	\$ 6,445,592	\$ 6,194,851	\$ 6,983,189
3,374,138	4,084,535	4,839,842	5,338,857	6,628,390	7,053,025
51,196,047	79,172,881	79,483,975	75,336,039	63,898,887	79,456,906
1,445,513	2,410,016	2,338,774	1,853,615	1,664,422	2,185,495
19,215,805	29,373,738	27,842,706	28,128,688	26,206,385	32,142,285
7,342,386	11,196,400	11,546,208	11,172,927	12,281,559	15,225,683
16,231,907	18,800,249	17,182,687	20,785,814	20,001,528	22,964,023
20,605,301	21,545,372	20,168,897	22,940,844	20,408,341	19,290,920
266,838	385,933	565,430	690,636	752,819	965,458
5,891,965	5,619,436	5,308,148	6,836,818	6,398,882	7,556,488
5,724,008	7,286,126	4,539,377	5,768,598	7,119,410	8,368,364
8,835,930	7,981,433	7,122,669	6,767,534	6,352,127	8,020,289
145,180,588	194,707,278	187,785,423	192,065,962	177,907,601	210,212,125
1,173,664	576,429	773,262	771,388	864,571	913,224
435,896	339,699	234,127	339,063	484,675	467,175
145,897	139,755	124,599	142,013	156,654	194,443
322,264	244,561	36,686	243,997	361,453	308,195
122,799	71,619	33,115	183,547	9,192	1,000
3,214,081	2,445,975	141,196	851,071	3,157,805	708,573
3,411,613	2,901,835	1,562,947	2,938,086	4,188,999	4,411,794
—	—	—	—	—	—
—	—	—	—	—	—
3,543,610	3,957,894	3,150,839	2,872,409	3,581,658	7,499,420
—	—	—	—	—	—
24,141,833	27,774,698	26,264,440	28,457,731	29,483,394	33,886,954
—	—	—	—	44,334	—
—	—	—	—	25,000	10,750
499,411	469,592	540,723	669,114	615,818	821,392
2,921,186	2,935,815	6,946,943	8,090,189	4,110,993	8,363,480
1,254,582	1,342,557	1,375,109	1,268,809	2,269,391	2,140,582
1,969,876	1,893,498	1,796,947	1,661,812	1,552,779	1,504,651
43,156,712	45,093,927	42,980,933	48,489,229	50,906,716	61,231,633
(102,023,876)	(149,613,351)	(144,804,490)	(143,576,733)	(127,000,885)	(148,980,492)
30,685,939	31,345,471	44,432,753	43,565,477	43,680,676	40,357,421
995,010	994,294	1,016,960	1,006,846	1,056,043	1,046,719
—	—	—	—	—	—
18,797,523	18,304,743	18,101,531	19,024,763	19,427,697	18,716,280
85,881,005	92,508,417	97,797,777	97,897,858	100,509,871	102,577,840
2,961,523	2,878,435	3,152,662	3,007,078	3,226,981	3,390,072
—	—	—	—	—	—
5,840,709	4,005,104	903,900	550,293	3,829,770	7,534,929
145,161,709	150,036,464	165,405,583	165,052,315	171,731,038	173,623,261
\$ 43,137,833	\$ 423,113	\$ 20,601,093	\$ 21,475,582	\$ 44,730,153	\$ 24,642,769

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INDEPENDENT SCHOOL DISTRICT NO. 621

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

Fiscal Year	Property Tax				
	General Purpose	Community Service	Capital Projects	Debt Service	Total
2015	\$ 23,522,410	\$ 953,169	\$ 3,689,071	\$ 13,251,524	\$ 41,416,174
2016	25,150,513	975,913	3,689,071	13,045,257	42,860,754
2017	30,211,501	979,320	—	12,895,803	44,086,624
2018	30,823,278	1,005,463	—	12,902,963	44,731,704
2019	30,685,939	995,010	—	18,797,523	50,478,472
2020	31,345,471	994,294	—	18,304,743	50,644,508
2021	44,432,753	1,016,960	—	18,101,531	63,551,244
2022	43,565,477	1,006,846	—	19,024,763	63,597,086
2023	43,680,676	1,056,043	—	19,427,697	64,164,416
2024	40,357,421	1,046,719	—	18,716,280	60,120,420

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 611,100	\$ 817,416	\$ 889,805	\$ 1,533,522
Restricted	1,474,792	1,150,426	2,059,378	2,083,897
Assigned	6,093,447	3,849,612	2,409,020	2,064,178
Unassigned	22,882,526	23,978,712	25,061,852	23,501,191
Total General Fund	<u>\$ 31,061,865</u>	<u>\$ 29,796,166</u>	<u>\$ 30,420,055</u>	<u>\$ 29,182,788</u>
All other governmental funds				
Nonspendable	\$ 48,946	\$ 57,788	\$ 61,275	\$ 54,558
Restricted				
Capital Projects – Building				
Construction Fund	–	–	–	162,532,071
Special revenue funds	1,532,865	1,859,612	2,544,249	2,479,513
Debt service funds	19,742,100	19,790,965	19,352,348	19,196,794
Unassigned				
Capital Projects – Building				
Construction Fund	(1,113,140)	(1,146,182)	(1,146,182)	–
Special revenue funds	(30,570)	(30,527)	(30,084)	(366,133)
Total all other governmental funds	<u>\$ 20,180,201</u>	<u>\$ 20,531,656</u>	<u>\$ 20,781,606</u>	<u>\$ 183,896,803</u>

2019	2020	2021	2022	2023	2024
\$ 1,182,398	\$ 1,341,279	\$ 547,596	\$ 1,416,944	\$ 671,860	\$ 1,416,871
2,344,085	1,482,930	1,859,692	1,462,250	3,217,122	3,816,943
2,574,974	2,215,256	3,289,432	7,296,912	16,004,396	17,328,038
23,159,906	24,948,424	38,234,989	37,927,586	36,451,592	40,516,727
<u>\$ 29,261,363</u>	<u>\$ 29,987,889</u>	<u>\$ 43,931,709</u>	<u>\$ 48,103,692</u>	<u>\$ 56,344,970</u>	<u>\$ 63,078,579</u>
\$ 34,668	\$ 92,889	\$ 35,268	\$ 50,026	\$ 39,751	\$ 46,636
143,289,920	45,614,655	15,048,121	14,184,801	8,825,514	45,496,701
2,966,647	2,995,949	6,192,275	8,236,360	9,846,132	13,059,983
2,462,948	2,264,238	2,087,668	2,937,315	3,938,708	4,046,010
—	—	—	—	—	—
(883,294)	(1,459,348)	(1,188,504)	(633,068)	—	—
<u>\$ 147,870,889</u>	<u>\$ 49,508,383</u>	<u>\$ 22,174,828</u>	<u>\$ 24,775,434</u>	<u>\$ 22,650,105</u>	<u>\$ 62,649,330</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Local sources				
Taxes	\$ 41,287,736	\$ 43,006,440	\$ 44,267,541	\$ 44,588,332
Investment earnings	(10,938)	619,728	175,099	1,989,789
Other	10,345,946	10,196,989	10,412,810	10,737,609
State sources	101,311,005	108,248,827	110,426,489	114,867,864
Federal sources	6,095,805	6,339,284	6,562,930	6,860,329
Total revenues	159,029,554	168,411,268	171,844,869	179,043,923
Expenditures				
Current				
Administration	5,461,993	6,016,773	5,988,354	6,322,518
District support services	3,448,811	3,704,592	3,935,287	3,959,649
Elementary and secondary regular instruction	63,171,558	64,414,615	65,233,055	66,939,396
Vocational education instruction	1,938,448	1,751,962	1,982,348	2,546,828
Special education instruction	27,283,564	28,625,809	26,532,145	27,208,114
Instructional support services	7,688,981	8,724,439	9,358,160	9,640,035
Pupil support services	13,879,645	14,562,250	14,989,443	15,949,536
Sites and buildings	15,293,272	13,517,854	23,289,708	19,291,527
Fiscal and other fixed cost programs	427,619	219,076	278,990	266,786
Food service	5,420,705	5,696,674	5,713,538	5,759,681
Community service	4,848,292	5,002,466	5,242,797	6,387,890
Capital outlay	3,721,645	3,980,877	306,553	3,352,808
Debt service				
Principal	9,035,000	9,220,000	9,660,700	9,940,680
Interest and fiscal charges	4,489,735	4,391,040	4,159,952	4,624,926
Total expenditures	166,109,268	169,828,427	176,671,030	182,190,374
Excess of revenues over (under) expenditures	(7,079,714)	(1,417,159)	(4,826,161)	(3,146,451)
Other financing sources (uses)				
Bonds issued	17,515,000	—	—	156,550,000
Premium on bonds issued	764,634	—	—	8,474,381
Finance purchase issued	—	—	5,700,000	—
Lease issued	—	—	—	—
Technology subscription issued	—	—	—	—
Sale of capital assets	413,034	2,915	—	—
Insurance recovery	—	—	—	—
Payment on refunded debt	—	—	—	—
Transfers in	3,689,071	4,189,071	—	1,146,182
Transfers out	(3,689,071)	(3,689,071)	—	(1,146,182)
Total other financing sources (uses)	18,692,668	502,915	5,700,000	165,024,381
Net change in fund balances	\$ 11,612,954	\$ (914,244)	\$ 873,839	\$ 161,877,930
Debt service as a percentage of noncapital expenditures	8.3%	8.2%	8.1%	8.2%

2019	2020	2021	2022	2023	2024
\$ 50,550,877	\$ 50,703,643	\$ 63,526,723	\$ 63,533,019	\$ 63,787,880	\$ 60,006,127
5,729,382	3,884,590	890,296	526,617	3,317,877	6,806,609
11,787,737	9,598,308	6,047,569	8,292,696	12,441,138	10,384,316
118,959,085	123,410,682	121,790,886	123,946,013	127,297,291	143,048,628
6,502,655	7,434,835	15,866,050	17,520,500	14,322,193	13,304,786
193,529,736	195,032,058	208,121,524	213,818,845	221,166,379	233,550,466
6,734,366	6,681,656	6,776,405	6,993,836	7,067,871	7,345,309
3,974,222	4,119,164	5,247,147	5,852,718	6,731,271	6,547,035
69,212,585	69,869,656	71,731,118	72,367,322	72,745,532	77,539,789
2,282,901	2,276,885	2,220,828	1,977,036	2,093,217	2,336,367
26,892,611	28,317,961	26,964,528	30,175,462	31,559,392	34,257,505
9,756,662	10,839,119	11,321,489	11,863,138	13,994,935	16,049,699
17,377,966	18,624,305	16,995,022	21,205,823	21,442,046	23,451,836
19,246,078	18,618,571	19,314,527	21,610,406	18,850,392	16,873,835
266,838	385,933	565,430	690,636	752,819	965,458
5,835,988	5,479,558	4,759,393	6,759,993	6,138,944	7,358,028
7,024,784	7,103,880	4,401,655	6,018,262	7,587,804	8,503,632
24,162,868	100,991,984	32,130,176	1,709,863	6,694,681	11,547,907
10,729,994	11,026,547	10,828,314	12,284,210	13,191,960	13,934,627
9,164,212	8,486,477	8,266,252	7,748,178	7,318,632	7,179,281
212,662,075	292,821,696	221,522,284	207,256,883	216,169,496	233,890,308
(19,132,339)	(97,789,638)	(13,400,760)	6,561,962	4,996,883	(339,842)
—	16,600,000	—	—	—	42,480,000
—	1,891,124	—	—	—	3,170,051
—	—	—	—	—	—
—	—	—	27,080	931,539	1,412,465
—	—	—	—	178,335	—
—	—	—	—	—	9,160
—	—	11,025	183,547	9,192	1,000
(16,815,000)	(18,385,000)	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(16,815,000)	106,124	11,025	210,627	1,119,066	47,072,676
\$ (35,947,339)	\$ (97,683,514)	\$ (13,389,735)	\$ 6,772,589	\$ 6,115,949	\$ 46,732,834
10.5%	10.1%	10.0%	9.7%	9.8%	9.5%

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INDEPENDENT SCHOOL DISTRICT NO. 621

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

Fiscal Year	Property Tax			
	General Purpose	Community Service	Debt Service	Total
2015	\$ 27,128,723	\$ 950,321	\$ 13,208,692	\$ 41,287,736
2016	28,930,255	984,564	13,091,621	43,006,440
2017	30,326,197	983,709	12,957,635	44,267,541
2018	30,720,300	1,002,306	12,865,726	44,588,332
2019	30,756,672	997,284	18,796,921	50,550,877
2020	31,390,081	995,923	18,317,639	50,703,643
2021	44,400,044	1,017,797	18,108,882	63,526,723
2022	43,520,794	1,006,048	19,006,177	63,533,019
2023	43,423,315	1,050,089	19,314,476	63,787,880
2024	40,280,398	1,044,761	18,680,968	60,006,127

INDEPENDENT SCHOOL DISTRICT NO. 621

Tax Capacities and Estimated Market Values Last Ten Fiscal Years

For Taxes Collectible	Tax Capacities				
	Agricultural	Nonagricultural	Fiscal Disparities		Tax Increment
			Contribution	Distribution	
2015	\$ 54,207	\$ 96,482,949	\$ (12,818,532)	\$ 8,722,933	\$ (6,971,412)
2016	54,207	99,371,202	(12,662,936)	9,068,708	(6,359,282)
2017	55,245	105,143,686	(12,908,522)	10,010,150	(6,424,566)
2018	57,112	113,030,538	(13,677,567)	10,793,803	(6,761,366)
2019	57,112	120,900,657	(14,561,993)	11,280,177	(6,810,801)
2020	16,688	128,820,834	(15,858,671)	11,787,354	(6,564,847)
2021	16,688	137,638,851	(15,962,229)	12,260,186	(7,297,974)
2022	–	141,608,335	(17,824,315)	13,495,675	(7,942,608)
2023	15,128	160,219,666	(17,559,389)	12,997,251	(9,337,747)
2024	15,528	173,314,593	(18,558,354)	13,534,991	(11,785,419)

Note 1: Tax capacity is calculated by applying class rates for specific property classifications (residential, commercial, etc.) to the assessed market value. Class rates are periodically changed by the state.

Note 2: Tax rates are per one dollar of tax capacity.

Note 3: District tax capacity rates do not include the referendum, which is spread on school district referendum market value.

Source: State of Minnesota School Tax Report

Total Taxable	Tax Capacity Rate	Estimated Market Value	Market Value Tax Rate	Percent Total Tax Capacity of Estimated Market Value
\$ 85,470,145	27.378	\$ 8,042,644,600	0.21901	1.06 %
89,471,899	26.245	8,292,264,800	0.22261	1.08
95,875,993	25.305	8,752,524,300	0.20712	1.10
103,442,520	28.464	9,343,714,000	0.19725	1.11
110,865,152	26.330	9,971,701,500	0.18765	1.11
118,201,358	24.964	10,641,714,500	0.29347	1.11
126,655,522	23.863	11,297,090,500	0.25290	1.12
129,337,087	23.420	11,636,307,400	0.25640	1.11
146,334,909	18.367	13,183,343,608	0.22776	1.11
156,521,339	16.469	14,136,204,417	0.24480	1.11

INDEPENDENT SCHOOL DISTRICT NO. 621

Property Tax Rates Direct and Overlapping Governments Last Ten Fiscal Years

Tax Collection Year	ISD No. 621	Municipalities			
		City of Arden Hills	City of Mounds View	City of New Brighton	City of North Oaks
2015	27.378	27.294	42.886	36.193	10.121
2016	26.245	26.539	40.105	36.176	10.021
2017	25.305	27.211	37.531	43.479	10.047
2018	28.464	25.532	37.742	43.239	10.873
2019	26.330	25.555	38.009	42.882	11.253
2020	24.964	25.414	36.675	42.619	11.698
2021	23.863	25.089	35.569	39.545	11.767
2022	23.420	26.543	35.180	42.010	12.210
2023	18.367	23.632	33.856	39.795	11.530
2024	16.469	24.491	34.935	41.672	11.747

Note 1: Tax rates are per one dollar of tax capacity.

Note 2: The tax capacity rate applied to an individual property is the sum of the applicable school district, city, county, and other taxing entity tax rates. The “other” taxing entities include: the Metropolitan Council, Ramsey County Library, and Northeast Metropolitan Intermediate School District No. 916.

Note 3: District rates do not include the referendum, which is spread on school district referendum market value.

Source: Ramsey County Auditor

City of Roseville	City of Shoreview	City of Vadnais Heights	Ramsey County	White Bear Township	Other
38.909	34.873	26.904	58.922	22.031	6.980
39.324	35.357	26.820	58.885	22.875	7.252
38.552	34.302	26.845	51.173	21.976	6.920
38.177	33.617	24.872	49.473	21.623	6.642
37.422	32.960	24.127	48.565	21.722	6.413
39.201	32.626	24.583	48.081	21.760	6.224
37.071	32.331	23.298	43.859	24.142	5.710
38.483	32.961	26.135	43.987	27.181	5.962
36.083	30.258	25.860	41.231	25.856	5.351
37.229	31.432	26.757	41.681	24.913	5.319

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INDEPENDENT SCHOOL DISTRICT NO. 621

Principal Taxpayers
Current and Nine Years Ago

Taxpayer	Type of Property	2024		2015	
		Tax Capacity	Percent of Total Tax Capacity	Tax Capacity	Percent of Total Tax Capacity
Medtronic, Inc.	Commercial	\$ 2,903,424	1.9 %	\$ 2,225,058	2.6 %
Breit Ramsey Industrial Owner LLC	Commercial	1,188,336	0.8	625,756	0.7
Cardiac Pacemakers, Inc.	Commercial	1,112,470	0.7	1,599,250	1.9
At Home Apartments	Commercial	754,888	0.5	—	—
Land O' Lakes, Inc.	Commercial	753,804	0.5	360,146	0.4
KJPL Shoreview, L.L.C.	Commercial	714,128	0.5	—	—
Shoreview Housing Phase 1 LLC	Commercial	668,146	0.4	—	—
Wells Fargo Properties, Inc.	Commercial	657,220	0.4	737,220	0.9
Shoreview Housing Phase 2 LLC	Commercial	652,500	0.4	—	—
St. Paul Fire and Marine Insurance Company	Commercial	620,204	0.4	350,784	0.4
Space Center Arden Hills, LLC	Commercial	565,904	0.4	286,350	0.3
H2 Flats, LLC/Levitan LP	Commercial	513,580	0.3	265,981	0.3
Presbyterian Homes, Inc.	Commercial	501,376	0.3	200,000	0.2
ICON Owner Pool 3 Midwest/Southeast, LLC	Commercial	483,638	0.3	277,942	0.3
Total		<u>\$ 12,089,618</u>	<u>7.7 %</u>	<u>\$ 6,928,487</u>	<u>8.1 %</u>

Source: Cities of Arden Hills, Mounds View, New Brighton, North Oaks, Shoreview, and Vadnais Heights

INDEPENDENT SCHOOL DISTRICT NO. 621

Property Tax Levies and Receivables
Last Ten Fiscal Years

For Taxes Collectible	Original Levy			First Year Levy Recognized		Collections Received in Subsequent Years
	Local Spread	Fiscal Disparities	Total Spread	Amount	Percentage of Levy	
2015	\$ 38,721,741	\$ 4,560,027	\$ 43,281,768	\$ 42,995,564	99.3 %	\$ 286,204
2016	39,603,186	4,564,200	44,167,386	43,918,515	99.4	248,871
2017	39,944,784	4,925,309	44,870,093	44,687,274	99.6	182,819
2018	44,892,812	5,010,165	49,902,977	49,634,367	99.5	242,379
2019	45,016,214	5,454,619	50,470,833	50,156,746	99.4	216,622
2020	57,880,683	5,318,499	63,199,182	62,846,807	99.4	237,509
2021	56,028,327	6,658,724	62,687,051	62,274,290	99.3	293,097
2022	57,128,390	6,590,988	63,719,378	63,315,865	99.4	206,190
2023	54,658,100	6,391,369	61,049,469	60,606,411	99.3	—
2024	58,303,908	5,534,051	63,837,959	29,433,047	46.1	—

Note 1: Delinquent taxes are written off after seven years.

Note 2: Collections for the most recent year are first half collections (through June 30) only.

Source: State of Minnesota School Tax Report

Total to Date			Uncollected Taxes Receivable as of June 30, 2024					
			Delinquent			Current		
Amount	Percentage of Levy		Amount	Percent		Amount	Percent	
\$ 43,281,768	100.0 %	\$	—	— %	\$	—	— %	
44,167,386	100.0		—	—		—	—	
44,870,093	100.0		—	—		—	—	
49,876,746	99.9		26,231	0.1		—	—	
50,373,368	99.8		97,465	0.2		—	—	
63,084,316	99.8		114,866	0.2		—	—	
62,567,387	99.8		119,664	0.2		—	—	
63,522,055	99.7		197,323	0.3		—	—	
60,606,411	99.3		443,058	0.7		—	—	
29,433,047	46.1		—	—		34,404,912	53.9	
			<u>\$ 998,607</u>			<u>\$ 34,404,912</u>		

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INDEPENDENT SCHOOL DISTRICT NO. 621

Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Premium (Discount) on Bonds	Finance Purchase Payable	Lease Liability	Technology Subscription Liability	Total Primary Government		
2015	\$118,030,000	\$ 1,064,690	\$ —	\$ —	\$ —	\$119,094,690	2.83 %	\$ 1,380
2016	108,810,000	925,424	—	—	—	109,735,424	2.49	1,259
2017	99,335,000	793,619	5,514,300	—	—	105,642,919	2.27	1,200
2018	246,135,000	9,060,512	5,323,620	—	—	260,519,132	5.52	2,930
2019	218,790,000	8,613,548	5,123,626	—	—	232,527,174	4.50	2,590
2020	206,185,000	9,946,289	4,917,079	—	—	221,048,368	4.08	2,437
2021	195,570,000	9,142,683	4,703,765	—	—	209,416,448	3.72	2,286
2022	184,390,000	8,339,077	4,483,462	1,606,384	—	198,818,923	4.79	2,525
2023	172,370,000	7,529,390	4,255,941	1,656,925	178,712	185,990,968	3.83	2,395
2024	202,130,000	9,798,963	4,020,965	2,148,211	120,240	218,218,379	4.12	2,690

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

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

INDEPENDENT SCHOOL DISTRICT NO. 621

Ratio of Net General Obligation Bonded Debt
to Tax Capacity and Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Funds on Hand</u>	<u>Net Bonded Debt</u>	<u>Tax Capacity</u>	<u>Percent of Net Debt to Tax Capacity</u>
2015	\$ 119,094,690	\$ 19,742,100	\$ 99,352,590	\$ 85,470,145	116.24 %
2016	109,735,424	19,790,965	89,944,459	89,471,899	100.53
2017	100,128,619	19,352,348	80,776,271	95,875,993	84.25
2018	255,195,512	19,196,794	235,998,718	103,442,520	228.14
2019	227,403,548	2,462,948	224,940,600	110,865,152	202.90
2020	216,131,289	2,264,238	213,867,051	118,201,358	180.93
2021	204,712,683	2,087,668	202,625,015	126,655,522	159.98
2022	192,729,077	2,937,315	189,791,762	129,337,087	146.74
2023	179,899,390	3,938,708	175,960,682	146,334,909	120.25
2024	211,928,963	4,046,010	207,882,953	156,521,339	132.81

(1) See the Schedule of Tax Capacities and Estimated Market Values for market value data.

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

Estimated Population	Net Bonded Debt per Capita	Percent of Net Debt to Estimated Market Value (1)
86,290	\$ 1,151	1.24 %
87,153	1,032	1.08
88,025	918	0.92
88,905	2,654	2.53
89,794	2,505	2.26
90,692	2,358	2.01
91,599	2,212	1.79
78,732	2,411	1.63
77,663	2,266	1.33
81,108	2,563	1.47

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INDEPENDENT SCHOOL DISTRICT NO. 621

Direct and Overlapping Debt
June 30, 2024

Governmental Unit	Gross Bonded Debt Outstanding (1)	Percent Allocable to ISD No. 621 (2)	Portion Allocable to ISD No. 621
Direct debt			
Independent School District No. 621	\$ 211,928,963	100.00 %	\$ 211,928,963
Overlapping debt			
City of Mounds View	4,965,075	100.00	4,965,075
City of New Brighton	34,925,561	91.82	32,068,650
City of Roseville	12,643,331	16.51	2,087,414
City of Shoreview	26,861,199	92.98	24,975,543
City of Vadnais Heights	4,777,000	11.92	569,418
Northeast Metropolitan Intermediate School District No. 916	66,840,000	15.10	10,092,840
Ramsey County	182,587,000	18.15	33,139,541
White Bear Township	11,725,000	0.14	16,415
Special districts			
Metropolitan Council	1,717,186,171	2.91	49,970,118
Total overlapping debt			<u>157,885,013</u>
Total direct and overlapping debt			<u>\$ 369,813,976</u>

(1) Excludes tax and aid anticipation debt, revenue debt, and general obligation debt supported by revenue.

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

Source: Ramsey County

INDEPENDENT SCHOOL DISTRICT NO. 621

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Debt limit	\$ 1,206,396,690	\$ 1,243,839,720	\$ 1,312,878,645	\$ 1,401,557,100
Total net debt applicable to the limit	98,287,900	89,019,035	79,982,652	226,938,206
Legal debt margin	<u>\$ 1,108,108,790</u>	<u>\$ 1,154,820,685</u>	<u>\$ 1,232,895,993</u>	<u>\$ 1,174,618,894</u>
Total net debt applicable to the limit as a percentage of debt limit	8.15%	7.16%	6.09%	16.19%

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: Ramsey County

2019	2020	2021	2022	2023	2024
\$ 1,495,755,225	\$ 1,596,257,175	\$ 1,694,563,575	\$ 1,745,446,110	\$ 1,977,501,541	\$ 2,120,430,663
216,327,052	203,920,762	193,482,332	181,452,685	168,431,292	198,083,990
<u>\$ 1,279,428,173</u>	<u>\$ 1,392,336,413</u>	<u>\$ 1,501,081,243</u>	<u>\$ 1,563,993,425</u>	<u>\$ 1,809,070,249</u>	<u>\$ 1,922,346,673</u>
14.46%	12.77%	11.42%	10.40%	8.52%	9.34%

Legal Debt Margin Calculation for Fiscal Year 2024

Market value	\$ 14,136,204,417
Debt limit (15% of market value)	2,120,430,663
Debt applicable to the limit	
General obligation bonds	202,130,000
Less amount set aside for repayment of general obligation debt	<u>(4,046,010)</u>
Total net debt applicable to the limit	<u>198,083,990</u>
Legal debt margin	<u>\$ 1,922,346,673</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate (1)</u>	<u>School Enrollment (2)</u>
2015	86,290	\$ 4,203,284,806	\$ 48,711	3.8 %	10,770.94
2016	87,153	4,404,807,940	50,541	3.8	11,145.74
2017	88,025	4,654,399,126	52,876	3.7	11,297.21
2018	88,905	4,715,709,259	53,043	3.0	11,389.34
2019	89,794	5,164,507,353	57,515	3.4	11,656.29
2020	90,692	5,412,772,760	59,683	10.1	11,725.84
2021	91,599	5,636,999,749	61,540	5.2	11,507.47
2022	78,732	4,154,687,640	52,770	4.5	11,478.21
2023	77,663	4,861,237,822	62,594	2.3	11,401.91
2024	81,108	5,301,056,664	65,358	3.3	11,215.34

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

Sources:

- (1) Ramsey County Annual Comprehensive Financial Report for 2015–2022 and Minnesota State Demographic Center for 2023–2024
- (2) The District’s Finance Department

INDEPENDENT SCHOOL DISTRICT NO. 621

Principal Employers
as of June 30, 2024 and 2015

Employer	2024 (1)		2015	
	Employees	Rank	Employees	Rank
Medtronic, Inc. (both Shoreview and Mounds View)	4,200	1	4,100	1
Boston Scientific	3,250	2	2,400	2
Independent School District No. 621	1,648	3	1,618	3
Land O' Lakes, Inc.	1,500	4	800	7
University of Northwestern	1,250	5	—	—
Wells Fargo	1,200	6	1,200	4
Bethel University	1,000	7	970	6
API Group	904	8	—	—
Cummins Power Generation	600	9	600	8
H.B. Fuller Company	600	9	—	—
Deluxe Corporation	—	—	1,150	5
Medtox Laboratories, Inc.	—	—	571	9
Smiths Medical MD, Inc.	—	—	525	10
Total	16,152		13,934	

(1) Information is from 2023. Information for 2024 is not yet available.

Note: Total employment in the District's boundaries was not readily available.

Source: Cities of Arden Hills, Mounds View, New Brighton, North Oaks, Shoreview, and Vadnais Heights

INDEPENDENT SCHOOL DISTRICT NO. 621

Employees by Classification
Last Ten Fiscal Years

Employees (1)	Fiscal Year			
	2015	2016	2017	2018
District directors/superintendent	8	8	10	11
Principals	18	23	25	24
Teachers (2)	881	884	892	893
Managers, coordinators, supervisors, specialists, and technical support	79	83	83	86
Paraprofessionals	402	402	390	394
Food service	83	78	77	75
Custodians	70	72	72	76
Clerical	51	54	51	55
Community education and Laurentian Environmental Center	17	14	11	7
Total	1,609	1,618	1,611	1,621

(1) This schedule is a headcount based on a contract group. Full-time and part-time employees count the same.

(2) Includes nurses, social workers, psychologists, speech pathologists, occupational therapists, physical therapists, adult basic education, early childhood family education, and learning resource teachers.

Source: The District's Human Resource Department

2019	2020	2021	2022	2023	2024
14	15	15	15	15	14
24	26	25	25	27	31
919	904	908	892	879	908
86	102	81	106	97	110
412	401	412	420	418	385
80	73	76	81	84	73
72	76	74	74	71	76
56	52	55	63	54	58
7	1	11	5	3	3
1,670	1,650	1,657	1,681	1,648	1,658

INDEPENDENT SCHOOL DISTRICT NO. 621

Operating Indicators
Standardized Testing and Graduation Rates
Last Ten Fiscal Years

	Fiscal Year				
	2015	2016	2017	2018	2019
Standardized tests					
MCA reading (1)					
Grade 3	65.80 %	67.30 %	64.70 %	66.10 %	62.40 %
Grade 5	74.10	75.70	73.80	75.30	70.60
Grade 7	67.40	70.50	67.80	69.70	67.50
Grade 10	70.70	70.80	70.20	63.10	64.60
MCA math (1)					
Grade 3	76.20	78.00	74.00	76.30	76.00
Grade 5	66.40	67.00	63.80	66.10	61.40
Grade 7	69.60	71.80	70.30	69.40	67.20
Grade 11	63.40	62.40	62.90	58.80	55.60
ACT					
Average composite score	23.50 (2)	23.20 (2)	23.50 (2)	23.60 (2)	23.40 (2)
Graduation data					
ISD No. 621 graduation rate	89.10	90.90	91.20	91.10	90.40
State graduation rate	81.20	81.90	82.20	82.70	83.20

N/A – Not Available

- (1) Percentage of students scoring at or above proficiency on the MCA Test (level 3 or higher).
- (2) ACT administered to all students.
- (3) 2020 – Minnesota granted testing waiver based on COVID-19.
- (4) 2021 – participant rates were below 95.0 percent.
- (5) 2022 – participant rates for Grade 11 math were 49.4 percent.

Source: State graduation rate obtained from the Minnesota Department of Education

					State Average 2024
2020 (3)	2021 (4)	2022 (5)	2023	2024	
N/A %	62.70 %	53.40 %	50.80 %	54.10 %	46.30 %
N/A	65.60	64.90	68.50	62.40	57.40
N/A	61.00	57.60	53.30	53.50	45.40
N/A	69.40	65.60	60.90	60.90	52.00
N/A	68.80	66.00	64.80	67.80	58.60
N/A	59.60	52.90	56.40	53.30	44.00
N/A	51.30	45.20	49.50	52.80	40.00
N/A	59.10	47.70	57.70	49.30	34.70
22.80 (2)	23.60	21.90	21.90	22.20	20.70
92.40	92.40	92.20	90.60	91.20	N/A
83.77	83.77	83.30	83.60	83.30	N/A

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INDEPENDENT SCHOOL DISTRICT NO. 621

School Facilities
as of June 30, 2024

Facility	Original Year Constructed	Use	Grades/Programs Housed	Square Footage
Bel Air Elementary	1966	School	Kindergarten–Grade 5	93,406
Island Lake Elementary	1956	School	Kindergarten–Grade 5	98,587
Pinewood Elementary	1955	School	Kindergarten–Grade 5	87,189
Sunnyside Elementary	1950	School	Kindergarten–Grade 5	83,603
Turtle Lake Elementary	1958	School	Kindergarten–Grade 5	126,552
Valentine Hills Elementary	1968	School	Kindergarten–Grade 5	86,615
Chippewa Middle School	1973	School	Grades 6–8	194,499
Edgewood Middle School	1957	School	Grades 6–8	183,554
Highview Middle School	1967	School	Grades 6–8	170,112
Irondale High School	1965	School	Grades 9–12	362,686
Mounds View High School	1952	School	Grades 9–12	407,964
Early Childhood Education Center	1990	Multi-purpose	Early Childhood	20,028
Pike Lake Education Center	1962	Multi-purpose	Kindergarten Center/ early childhood programs	85,236
Snail Lake Education Center	1952	Multi-purpose	Kindergarten Center/ early childhood programs	82,054
District Center	1992	Multi-purpose	District offices/ community education	28,462

Source: The District's Finance Department

INDEPENDENT SCHOOL DISTRICT NO. 621

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Administration	\$ 507	\$ 540	\$ 530	\$ 555	\$ 578
District support services	320	332	348	348	341
Elementary and secondary regular instruction	5,865	5,779	5,774	5,878	5,938
Vocational education instruction	180	157	175	224	196
Special education instruction	2,533	2,568	2,349	2,389	2,307
Instructional support services	714	783	828	846	837
Pupil support services	1,289	1,307	1,327	1,400	1,491
Sites and buildings	1,420	1,213	2,062	1,694	1,651
Fiscal and other fixed cost programs	40	20	25	23	23
Food service	503	511	506	506	501
Community service	450	449	464	561	603
Capital outlay	346	357	27	294	2,073
Debt service	1,256	1,221	1,223	1,279	1,707
Total expenditures	<u>\$ 15,422</u>	<u>\$ 15,237</u>	<u>\$ 15,639</u>	<u>\$ 15,997</u>	<u>\$ 18,245</u>
Average daily membership	<u>10,771</u>	<u>11,146</u>	<u>11,297</u>	<u>11,389</u>	<u>11,656</u>

Note: Includes all governmental fund expenditures.

Source: Minnesota Department of Education student reporting system

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 570	\$ 589	\$ 609	\$ 620	\$ 655
351	456	510	590	584
5,959	6,234	6,305	6,380	6,914
194	193	172	184	208
2,415	2,343	2,629	2,768	3,055
924	984	1,034	1,227	1,431
1,588	1,477	1,848	1,881	2,091
1,588	1,679	1,883	1,653	1,505
33	49	60	66	86
467	414	589	538	656
606	383	524	665	758
8,613	2,792	149	587	1,030
<u>1,664</u>	<u>1,659</u>	<u>1,745</u>	<u>1,799</u>	<u>1,883</u>
<u>\$ 24,972</u>	<u>\$ 19,251</u>	<u>\$ 18,057</u>	<u>\$ 18,959</u>	<u>\$ 20,854</u>
<u>11,726</u>	<u>11,507</u>	<u>11,478</u>	<u>11,402</u>	<u>11,215</u>

INDEPENDENT SCHOOL DISTRICT NO. 621

Demographic Statistics – Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served and Tuition Paid)					Total Pupil Units
	Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2015	105.67	790.75	4,788.23	5,086.29	10,770.94	11,768.81
2016	103.96	802.73	5,008.01	5,231.04	11,145.74	12,189.62
2017	112.24	835.35	5,049.79	5,299.83	11,297.21	12,350.88
2018	116.99	851.06	5,131.03	5,290.26	11,389.34	12,446.64
2019	164.62	873.59	5,244.17	5,373.91	11,656.29	12,731.08
2020	155.68	882.96	5,301.42	5,385.78	11,725.84	12,803.02
2021	124.95	830.47	5,113.30	5,438.75	11,507.47	12,595.21
2022	147.03	810.89	5,064.25	5,456.04	11,478.21	12,569.41
2023	173.30	785.31	5,092.77	5,350.53	11,401.91	12,472.01
2024	194.92	769.50	4,995.63	5,255.29	11,215.34	12,266.40

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

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

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

Source: Minnesota Department of Education student reporting system

INDEPENDENT SCHOOL DISTRICT NO. 621

Food Service Meals Served and Pricing
Last Ten Fiscal Years

Year Ended June 30,	Lunches Served to Students				Lunches Served to Adults
	Regular Priced Lunches	Reduced-Price Lunches	Free Lunches	Total	
2015	641,759	90,714	386,997	1,119,470	30,101
2016	665,291	106,120	382,128	1,153,539	29,804
2017	674,980	109,053	377,482	1,161,515	30,010
2018	667,555	121,083	352,874	1,141,512	28,956
2019	664,517	122,251	321,340	1,108,108	28,831
2020	(1) 490,791	86,875	325,362	903,028	21,714
2021	(2) –	–	1,021,233	1,021,233	12,076
2022	(3) –	–	1,249,628	1,249,628	24,239
2023	(4) 701,195	87,084	365,176	1,153,455	26,545
2024	(5) 851,857	87,441	374,247	1,313,545	25,967

Year Ended June 30,	Student Regular Lunch Prices		
	Regular Priced Lunches		Adult Lunches
	Elementary	Secondary	
2015	\$ 2.45	\$ 2.70	\$ 3.60
2016	2.45	2.70	3.60
2017	2.55	2.80	3.60
2018	2.55	2.80	3.85
2019	2.55	2.80	4.00
2020	2.55	2.80	4.00
2021	–	–	4.00
2022	–	–	4.00
2023	2.70	2.95	4.95
2024	–	–	4.95

(1) In 2020, regular and reduced-price lunches decreased, due to the COVID-19 school closure. Free lunches include curbside pick-up.

(2) In 2021, all students received free lunch, due to COVID-19.

(3) In 2022, all students received free lunch, due to COVID-19.

(4) In 2023, returned to regular and reduced-price lunches.

(5) In 2024, all students received free lunch per Minnesota Department of Education regulation.

Source: The District's Nutrition Service Department

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