

OSSEO AREA SCHOOLS

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ISD  279

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30, 2024

*Our mission is to inspire and prepare each and every scholar with  
the confidence, courage and competence to achieve their dreams;  
contribute to community; and engage in a lifetime of learning.*

**2023-2024**

**INDEPENDENT SCHOOL DISTRICT 279**

**OSSEO AREA SCHOOLS**

**Maple Grove, Minnesota**

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

INDEPENDENT SCHOOL DISTRICT NO. 279  
OSSEO AREA SCHOOLS

11200 – 93rd Avenue North  
Maple Grove, MN 55369

Prepared by:  
Business Services Department

Executive Director of Finance and Operations:  
John Morstad, SFO, CSRM

Director, Business Services:  
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Michael Hueller, CPA

Coordinator, Business Services:  
Michelle Larson

OSSEO AREA SCHOOLS

ISD  279

## Our Mission

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INDEPENDENT SCHOOL DISTRICT NO. 279

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OSSEO AREA SCHOOLS

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## Our Mission

is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.

# SECTION I

# INTRODUCTION



OSSEO AREA SCHOOLS

ISD  279

## Our Mission

is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.

November 13, 2024

## FISCAL YEAR 2024

### ANNUAL COMPREHENSIVE FINANCIAL REPORT

To: Independent School District No. 279 – Osseo Area Schools School Board members and citizens

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 279 – Osseo Area Schools (the District) for the fiscal year ended June 30, 2024, is submitted herewith. Minnesota state law requires that public school districts publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024. The District is required to undergo an annual Single Audit in conformity with the provisions of the Federal Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Uniform Guidance. The District is also required to undergo an annual Minnesota state legal compliance audit under Minnesota Statutes § 6.65. Independent auditor reports and a Schedule of Expenditures of Federal Awards are included in a separately issued document.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Malloy, Montague, Karnowski, Radosevich & Co., P.A., has issued unmodified opinions 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.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE DISTRICT

The District was incorporated in 1953. As Minnesota's fifth-largest school district, Osseo Area Schools serves all or parts of Brooklyn Center, Brooklyn Park, Corcoran, Dayton, Maple Grove, Osseo, Plymouth, and Rogers.

The District is governed by an elected six-member School Board. The seated School Board consists of six members who are elected at large in even-numbered years. Members serve alternating four-year terms.

The School Board hires the superintendent and delegates the authority and responsibility to administer school district operations. The superintendent serves as an ex officio member of the School Board.

In Osseo Area Schools, we inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning. Our scholars benefit from exceptional opportunities, support and partnerships that help them graduate with the confidence, courage, and competence to make their dreams a reality.

Our size is an advantage, allowing us to offer more academic and extracurricular opportunities for your child to thrive; greater access to technology to enhance learning; and more staff to support your student's individual learning needs.

ISD 279 students reflect our vibrant global community, coming from homes where more than 100 dialects or languages are spoken. Our schools are racially and culturally diverse, and students experience rich, real-life learning environments that prepare them for success in the 21st century workplace.

The District enrolled 20,606 students in fiscal year (FY) 2024 from a population of 156,387 citizens residing in a 66 square mile area. Students are served pre-kindergarten through Grade 12, in 17 elementary schools (PreK–5), 4 middle schools (6–8), 3 senior high schools (9–12), an online learning school (K–12), an area learning center, 2 early childhood centers, 2 special program sites, and an adult education/enrollment center. Community education classes serve lifelong learners from birth through senior citizens.

A child's first years of school provide a foundation for lifelong learning. Pre-kindergarten programming—available at every elementary school—incorporates research-based early learning standards developed by the Minnesota Department of Education (MDE). Our teachers and staff work together to ensure the concepts and skills taught in pre-kindergarten lay the groundwork for those taught in kindergarten.

Elementary students are introduced to a range of subjects, from reading/language arts to math, science, social studies, art, music (vocal and instrumental), and physical education. Students in fourth and fifth grade can audition for the Children's Chorus, a district-wide performing group that has served the community for more than 50 years. Services are also provided at each elementary school to support gifted learners and students with special needs.

In middle school, young minds thrive on active learning. Our middle school program keeps students engaged and challenged; helps them discover new interests; and supports their growth. An interdisciplinary team of teachers focuses on your child's academic, social, and emotional needs. Students also have a regular advisory period that provides time for extra attention to academics, along with opportunities to build relationships with teachers and other students. While in middle school, your child may even take courses eligible for high school credit.

High school offers opportunities for students to explore, grow, and prepare for entering the workplace or college. In addition to choosing core subjects and a wide range of electives, your child can participate in sports, theater, arts, clubs, music, community service, and leadership opportunities. Students have several options for earning college credit while in high school, including Advanced Placement and International Baccalaureate courses, credit agreements with local community and technical colleges, and Post-Secondary Enrollment Options. Our robust career and technical education offerings can help your child gain career-connected knowledge, skills, and competencies that will help them succeed in life after high school. Students can even receive workplace-ready certifications in fields such as automotive technology, culinary arts, health care, and information technology.

As a large district, we are able to offer a wide range of programs and school choices, making it easier for you to find options that meet your child's needs:

- Science, Math & Technology School at Weaver Lake Elementary
- Arts magnet integrating fine arts, drama, dance, and music at Birch Grove Elementary School for the Arts
- Science, Technology, Engineering, Arts, and Math (STEAM) magnet programs at Zanewood Community School and Brooklyn Middle School
- International Baccalaureate Middle Years and Diploma Programmes at Park Center Senior High
- Health Sciences magnet program at Osseo Senior High
- Nationally certified automotive maintenance and light repair program at Osseo Senior High
- Career certifications in several fields including, automotive technology, culinary arts, health care, and information technology
- Advanced Placement college-level courses at all high schools
- Gifted Education services
- All-day kindergarten at every elementary school
- Free or tuition-based pre-kindergarten at every elementary school

Some of our special honors:

- National Merit students honored each year
- A number of Wallin Education Partners Scholars each year
- Each year, Park Center has International Baccalaureate Diploma recipients
- Advanced Placement (AP) Scholars
- Birch Grove School for the Arts was recognized as a Merit School of Excellence, and Weaver Lake: A Science, Math & Technology School was recognized as a Merit School of Distinction
- Award-winning staff: One of our principals was a finalist for Minnesota's 2024 National Distinguished Principal award; nine Osseo Area Schools won an award from the Minnesota School Counselor Association for their counseling programming; Minnesota School Business Official of the Year, Association of School Business Officials International Pinnacle of Achievement Recipient, and more
- Student School Board representatives and student Advisory Board recently added
- Partnerships: Industry leaders continue to participate on career panels and share about their professions in classrooms and in the field
- All-conference musicians in band, orchestra, and choir
- State, section, and conference champions in athletics
- Recognized for excellence in financial reporting by the Association of School Business Officials International

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

The District is required to adopt an initial budget for the fiscal year no later than June 30th preceding the beginning of the fiscal year on July 1st. This annual budget serves as the foundation for the District's financial planning and control.

## **LOCAL ECONOMY**

The District had a budgeted enrollment of 20,552 adjusted average daily membership for FY 2024 and an actual enrollment of 20,606. The District's student enrollment for FY 2025 is projected to increase with an estimated student enrollment of 20,899. An increase in enrollment is projected over the next two years.

The District's school buildings were built between 1952 and 2002. Although some of the school buildings are over 50 years old, the District participates in the Long-Term Facilities Maintenance Program through the state of Minnesota and has a 10-year spending plan of \$282 million for deferred maintenance and health and safety facility needs.

Osseo Area Schools intentionally focuses efforts of staff and other resources to identify available financial resources to maximize revenue. Except for locally imposed fees for things like student activities, the District is dependent on the state of Minnesota for its revenue authority and state aid. Some revenue authority, such as operating referenda and building bonds, also require voter approval. For the past several years, the funding provided for public education in the state of Minnesota has not been sufficient to meet instructional program needs, due to increased inflationary costs and required mandates. For example, according to data provided by the MDE, had the general education formula increased by the rate of inflation each year since 2003, the 2025 allowance per ADM would be \$8,543 rather than \$7,281, a difference of \$1,262 per ADM, which would amount to more than \$28.5 million in 2025 for Osseo.

Minnesota's economic and budget outlook has tightened after record surpluses. According to the state budget and economic forecast released from the Minnesota Management and Budget (MMB) in February 2024, the state was projecting a \$3.7 billion surplus, although the vast majority of that is earmarked for state bonding/construction projects. The 2024 session was not a budget year, so expectations were low. The Legislature approved a small supplemental education budget bill, totaling just \$43 million, primarily for the Reading to Ensure Academic Development (READ) Act, student absenteeism, and addressing teacher shortages.

In alignment with the current economic concerns, there are numerous factors affecting public school finance that need to be monitored on an ongoing basis, such as:

- State aid versus local taxpayer funding for programs and services
- Economic factors, such as unemployment and overall revenue collections by the state
- Mandated programs that are not fully funded, such as special education
- Compliance and implementation of governmental pronouncements
- Impact to local taxpayers for funding requests
- Increased competition for students from other public schools, as well as charter schools
- Housing development and growth
- Enrollment trends
- Health insurance cost increases
- Pension obligations, both local and state
- Management of federal grants and other special funded state programs

## BUDGET PROCESS AND LONG-TERM FINANCIAL PLANNING

The School Board adopts an annual budget for the following fiscal year for the General Fund (including separate budgets for the Operating and Capital Expenditure Accounts), Food Service Special Revenue Fund, Community Service Special Revenue Fund, and Debt Service Fund. An annual budget is not adopted for the Capital Projects – Building Construction Fund because project-length financial plans are adopted in accordance with bond issue authorization. Legal budgetary control is at the fund account level.

The budget planning steps began in October 2023, using the [Long-Range Financial Model \(LRFM\)](#) and [Annual Budget Framework](#) and the [FY 2025 Budget Planning Timeline](#). The District's implementation of this long-range financial planning (LRFP) process for developing the annual budget began in FY 2013. The LRFP process is refined and improved annually. As a part of the LRFP process, the following key budget considerations were used during the FY 2025 budget adjustment process:

### **Outcomes for budget adjustment process –**

1. Create budget adjustment recommendations that align with our system's Mission and Strategic Priorities.
2. Involve school and community stakeholders in determining how to provide a quality education using available resources.
3. Provide budget recommendations for School Board approval that achieve a school district budget that maintains required fund balance.

### **Budget adjustment proposal process –**

1. The system has identified legally required and mandated essential services and programs. These will not be considered for adjustment.
2. The analysis of budget adjustments will be based on a review of the effectiveness of specific programs or services. Information will be used to determine which program or initiatives are not getting expected results and should be considered for budget adjustments.
3. The analysis will consider the basic requirements for providing the educational program at sites. This analysis will establish the base quality education level that the District does not want to go below, and the essential support services required to deliver the base.
4. The analysis will consider the impact on our work to ensure equitable student achievement.
5. School Board policies will be considered to determine if they exceed legally required and mandated essential services and programs or the basic requirements for providing the education program. Do School Board policies and regulation have financial implications? If so, which policies and/or regulations might be changed?
6. All proposed adjustments will be evaluated using the Program Efficiency Abandonment and Redirection (PEAR) process. The process considers the impact of the enhancement, reduction, elimination, or restructuring of services on the education programs.
7. Staff and citizen idea input will be solicited and shared with the School Board for consideration in the budget planning process, through LRFP Advisory and School-Community Accountability Liaisons (FISCAL). In addition, other formal district advisory groups, such as District Planning Advisory Council (DPAC), Core Planning, Activities Program Advisory Council (APAC), and Community Education Program Advisory Council (CEPAC), inform our work regarding district program priorities, which impacts budget priorities.

The School Board reviewed FY 2025 budget proposals at a work session on February 6, 2024. These budget proposals followed School Board direction that was provided at the November 14, 2023, work session. Budget proposals were approved at the February 20, 2024 regular School Board meeting and resulted in net adjustments of \$2,159,706 in the General Fund and \$482,536 in the Community Service Special Revenue Fund. The General Fund amount is comprised of LRF budget adjustments, including enrollment alignment of \$1,202,821, Family Medical Leave Act of \$157,000, and strategic investments—one year only—of \$1 million, which has been reduced due to the elimination of \$200,115 for one full-time equivalent (FTE) assistant principal at 279Online.

## **MISSION, VISION STATEMENT, CORE VALUES, AND STRATEGIC DIRECTIONS**

The District's mission, core values, and strategic directions provide for the investment of human and financial resources across the system.

### **MISSION**

*Our mission is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.*

### **VISION STATEMENT**

*Unleash and enhance the brilliance of our scholars to thrive and change the world.*

### **CORE VALUES**

#### **HONOR AND INTEGRITY**

Holding ourselves, each other, and our system to the highest standards to create the best conditions for learning.

#### **BELONGING**

Developing meaningful relationships that build trust, understanding, and community.

#### **INCLUSION**

Intentionally engaging diverse voices and perspectives equitably and respectfully.

#### **INNOVATION AND EXCELLENCE**

Cultivating creativity, ideas, confidence, and transformational growth.

#### **TRANSPARENCY**

Communicating, modeling, and making decisions clearly, equitably, and openly.

#### **INTRINSIC VALUE**

Each scholar, staff member, and family are valued and respected for their perspective, experience, and contributions.

## **STRATEGIC DIRECTION**

- Create safe, welcoming, and inclusive learning environments that foster global curiosity, belonging, innovation, and engagement.
- Build and nurture a culture of achievement by providing content rich, rigorous, equitable, and individualized pathways.
- Promote inclusive participation of all of our communities and provide timely, relevant, and easily accessible communication.
- Create a system of operational innovation, excellence, accountability, and sustainability.
- Address, acknowledge, and reduce systemic disparities, barriers, and inequities as we lead, develop, and align our district toward continuous improvement.

## **RELEVANT FINANCIAL POLICIES**

The District has adopted a comprehensive set of financial policies. 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 require estimates and judgments by management.

School Board Policy 730 addresses fund balance. The policy is in place to ensure the financial stability of the District, to provide a sound basis to justify continuation of the strong financial rating, and to provide a reserve enabling the District to deal with unforeseen budget expenditures. The School Board endeavors to maintain an unassigned fund balance that will not fall below 5 percent of the District's General Fund operating expenditure budget, excluding capital programs.

Minnesota Statutes § 123B.83 requires districts to "limit its expenditures so that its net unreserved General Fund balance does not constitute statutory operating debt under § 123B.81."

Unrestricted fund balance (the total of the assigned and unassigned components of fund balance) in the General Fund Operating Account on June 30, 2024, was 33.6 percent of total General Fund Operating Account expenditures. This amount was within the policy guidelines set by the School Board for budgetary and planning purposes.

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.



## AWARDS AND ACKNOWLEDGEMENTS

This report will be submitted to the ASBO International for consideration for the Certificate of Excellence (COE) in Financial Reporting. The District received this award as a result of its initial submission in FY 1990 and all subsequent submissions on an annual basis through FY 2023. To receive this award, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. This award is valid for a period of one year only. The District expects to continue to earn the recognition that accompanies the standards of accuracy and thoroughness of the COE program.

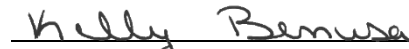
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Business Services Department. We want to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the School Board for its unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



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John Morstad, SFO, CSRM  
Executive Director of Finance & Operations



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Kelly Benusa, CPA, RSBO, SFO  
Director, Business Services

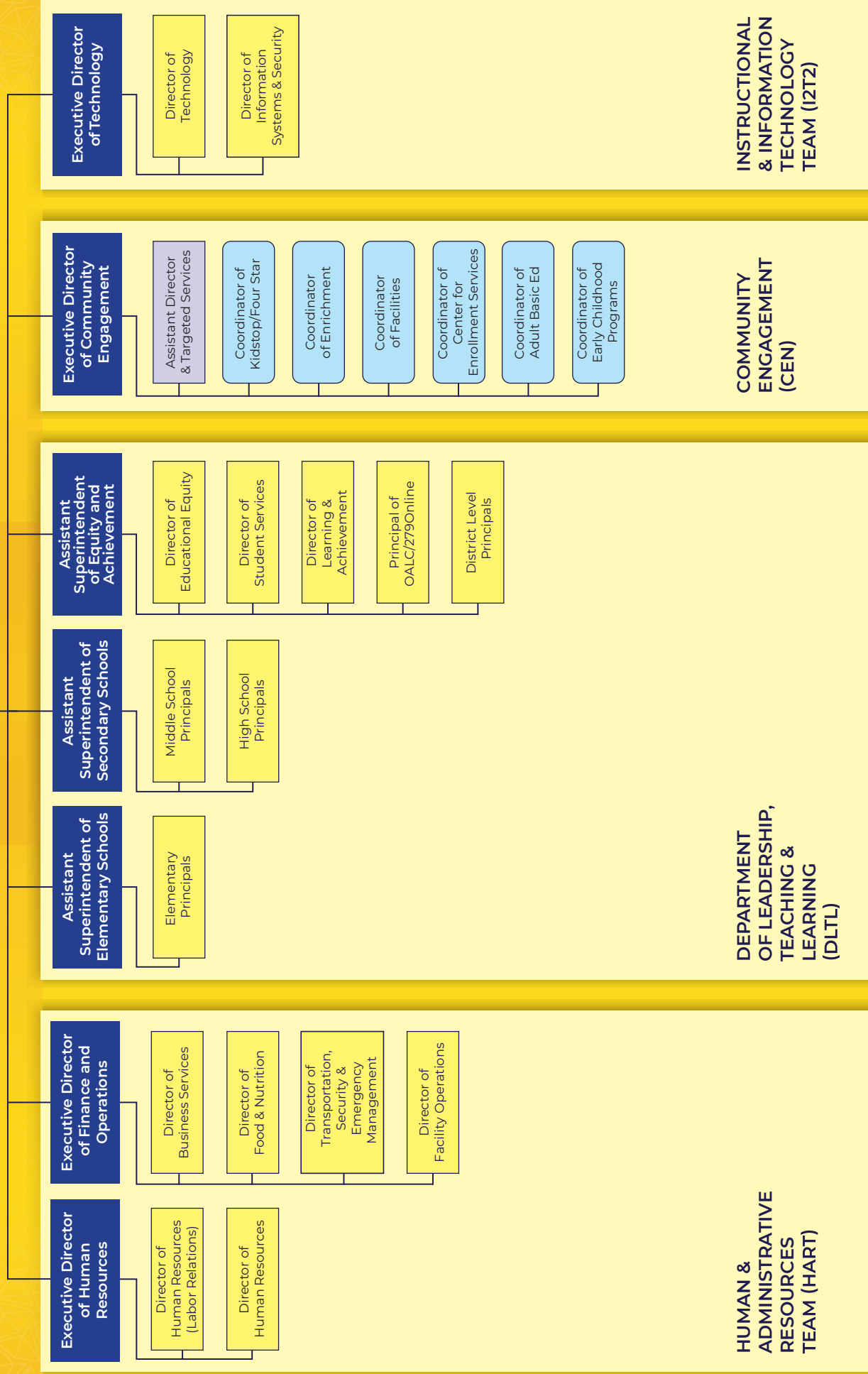
# SCHOOL BOARD

Executive Director  
of School and  
Community Relations

## Organizational Chart 2024-25

General Counsel

### SUPERINTENDENT



# INDEPENDENT SCHOOL DISTRICT NO. 279

School Board and Administration  
as of June 30, 2024

## SCHOOL BOARD

	<u>Board Position</u>
Jacqueline Mosqueda-Jones	Chairperson
Tanya Prince	Vice Chairperson
Tamara Grady	Clerk
Heather Douglass	Treasurer
Thomas Brooks	Director
Sarah Mitchell	Director

## ADMINISTRATION

### Cabinet

Kim Hiel	Superintendent
Bryan Bass	Assistant Superintendent, Division of Leadership, Teaching, and Learning
Stephen Flisk	Assistant Superintendent, Division of Leadership, Teaching, and Learning
Kelli Parpart	Assistant Superintendent, Division of Leadership, Teaching, and Learning
Brian Siverson-Hall	Executive Director, Community Engagement
John Morstad, SFO, CSRM	Executive Director, Finance and Operations
Laurel Anderson	Executive Director, Human Resources
Anthony Padnos	Executive Director, Technology
Amy Moore	General Counsel
Kay Villella	Executive Director, School and Community Relations

### Business Services

Kelly Benusa, CPA, RSBO, SFO	Director, Business Services
Michael Hueller, CPA	Assistant Director, Business Services
Michelle Larson	Coordinator, Business Services



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Independent School District 279 - Osseo  
Area 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

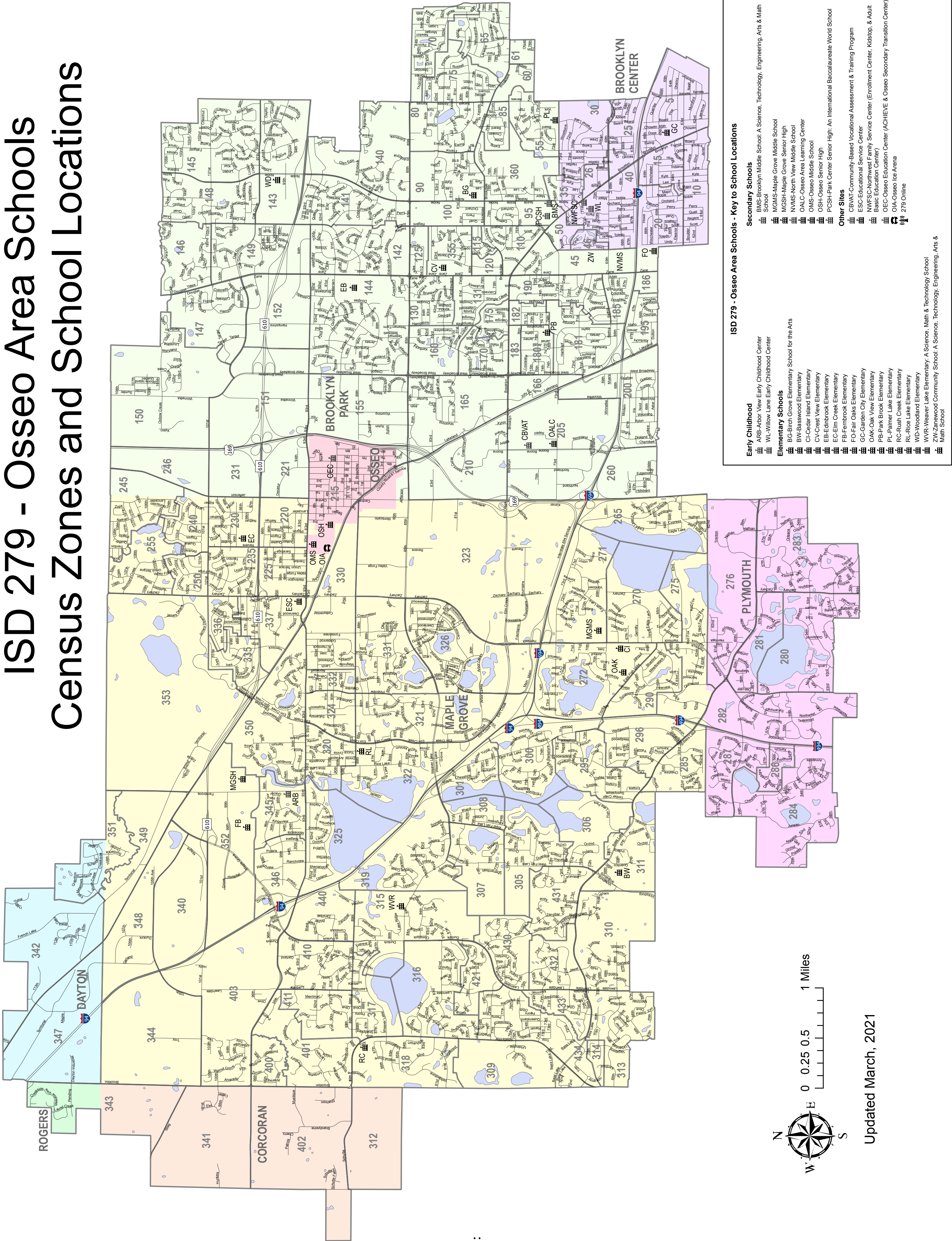
A handwritten signature in black ink, reading 'James M. Rowan'.

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



# ISD 279 - Osseo Area Schools

## Census Zones and School Locations





# SECTION II

## FINANCIAL

OSSEO AREA SCHOOLS

ISD  279

## Our Mission

is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.



## 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. 279 – Osseo Area Schools  
Maple Grove, 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 the Independent School District No. 279 – Osseo Area 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 to the 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 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **OTHER INFORMATION**

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

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

## **PRIOR YEAR COMPARATIVE INFORMATION**

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 15, 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 13, 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 13, 2024

## INDEPENDENT SCHOOL DISTRICT NO. 279

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

This section of Independent School District No. 279 – Osseo Area Schools' (the District) Annual Comprehensive Financial Report (ACFR) presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

## FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2024 include the following:

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$236,945,521 (net position). The District reported a change in net position of \$55,830,076 on the Statement of Activities for the fiscal year ended June 30, 2024. This change is mostly related to investments in capital assets financed by general grants and aids and positive changes in net pension-related deferred inflows, outflows, and long-term liabilities in the state-wide pension plans in which the District participates. The increase in the District's General Fund balance also impacted the change positively.
- The District's General Fund experienced an increase in fund balance of \$22,552,710, which was \$11,058,670 higher than the \$11,494,040 surplus projected in the budget.
- 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. This change increased the beginning balance in government-wide net position by \$4,307,750, including increases to capital assets and the related accumulated depreciation.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the ACFR consists of five parts: independent auditor's report, MD&A (this section), the basic financial statements, required supplementary information, and the combining and individual fund statements and schedules, which are presented as supplementary information. The basic financial statements include several kinds of statements, which present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the government-wide financial statements.
- The *governmental fund financial statements* tell how basic services such as regular and special education were financed in the *short-term*, as well as what remains for future spending.
- The *proprietary fund financial statements* offer *short-term* and *long-term* financial information about the activities the District operates *like businesses*.
- The *fiduciary fund financial statements* provide information about the financial relationships in which the District acts solely as *custodian* for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A shows how the various parts of this ACFR are arranged and relate to one another:

**Figure A**  
**Organization of the Annual Comprehensive Financial Report**

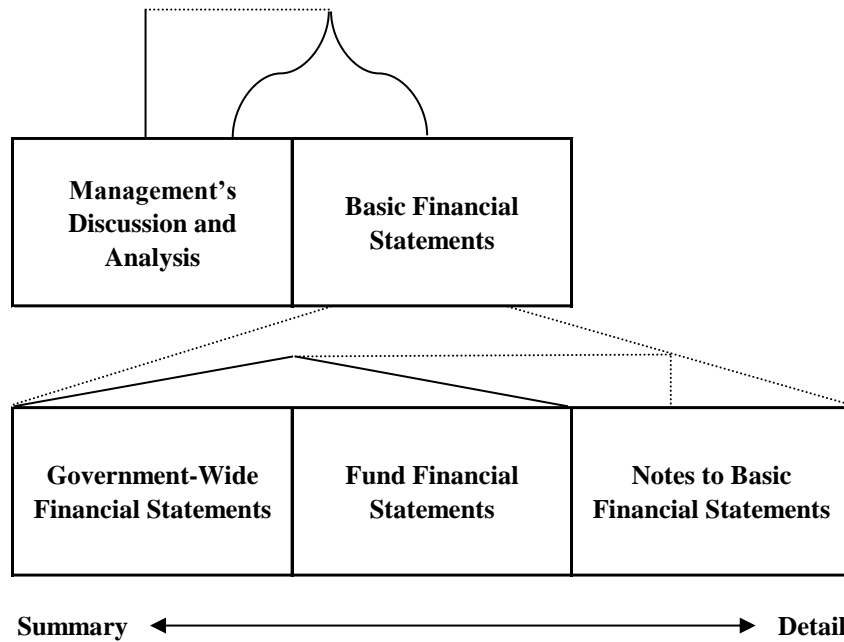


Figure B summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and content of each of the statements.

<b>Figure B – Major Features of the Government-Wide and Fund Financial Statements</b>				
	<b>Government-Wide Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance, food service, and community education	Activities of the District that operate similar to businesses: Internal Service Fund	Instances in which the District administers resources on behalf of someone else
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenue, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenue, Expenses, and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets, deferred inflows of resources, liabilities, and deferred outflows of resources both financial and capital, short-term and long-term	Generally assets expected to be used up, liabilities that come due during the year or soon thereafter, and deferred inflows of resources that become available; no capital assets or long-term liabilities are included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

## FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*—focusing on its most significant or major funds—rather than the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District has three kinds of funds:

- **Governmental Funds** – Most of the District's basic services are included in governmental funds, which generally focus on: (1) how *cash and other financial assets* 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 fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, we provide additional information in the governmental fund financial statements that explains the relationship (or differences) between them.
- **Proprietary Funds** – Internal service fund services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has four internal service funds consisting of a self-insured dental plan, self-insured medical plan, retirement incentive pay, and a post-employment benefits revocable trust.
- **Fiduciary Funds** – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the Northwest Family Service Center and Local Collaborative Time Study. 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

**Net Position** – The District’s *combined* net position was \$236,945,521 on June 30, 2024. This was an increase of 34.0 percent from the prior year which includes the change in accounting principle.

<b>Table 1</b> <b>Summary Statement of Net Position – Governmental Activities</b> <b>as of June 30, 2024 and 2023</b>		
	2024	2023
<b>Assets</b>		
Current and other assets	\$ 584,202,362	\$ 292,404,657
Capital assets, net of accumulated depreciation/amortization	459,985,265	427,413,536
Total assets	<u>\$ 1,044,187,627</u>	<u>\$ 719,818,193</u>
<b>Deferred outflows of resources</b>		
OPEB plan deferments	\$ 5,089,927	\$ 6,215,999
Pension plan deferments – PERA and TRA	67,399,942	69,784,854
Total deferred outflows of resources	<u>\$ 72,489,869</u>	<u>\$ 76,000,853</u>
<b>Liabilities</b>		
Long-term liabilities	\$ 691,933,126	\$ 429,259,358
Other liabilities	26,527,873	17,908,824
Total liabilities	<u>\$ 718,460,999</u>	<u>\$ 447,168,182</u>
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	\$ 137,257,426	\$ 121,913,098
OPEB plan deferments	2,242,606	2,915,391
Pension plan deferments – PERA and TRA	21,770,944	47,014,680
Total deferred inflows of resources	<u>\$ 161,270,976</u>	<u>\$ 171,843,169</u>
<b>Net position</b>		
Net investment in capital assets	\$ 284,604,635	\$ 268,802,808
Restricted	36,498,735	32,179,593
Unrestricted	(84,157,849)	(124,174,706)
Total net position	<u>\$ 236,945,521</u>	<u>\$ 176,807,695</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 factor in determining net position as compared to fund balances is the liability for long-term severance, pension, and other post-employment benefits (OPEB), which impact the unrestricted portion of net position.



Total net position increased by \$60,137,826, which primarily is related to investments in capital assets financed by general grants and aids and positive changes in net pension-related deferred inflows and liabilities in the state-wide pension plans the District participates in, including the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA). The increase in the District's General Fund balance also impacted the change positively. This change also includes the change in accounting principle previously discussed.

The current and other assets increased in the current year, the result of the issuance of 2024A General Obligation Building and Facilities Maintenance Bonds totaling \$238,350,000. Long-term liabilities also increased because of this bond issuance.

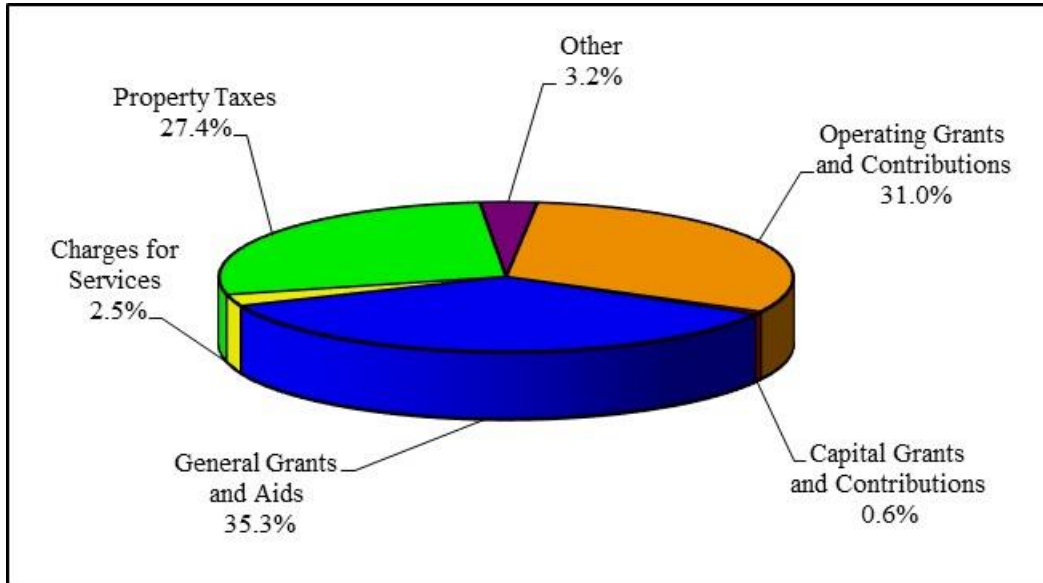
**Table 2**  
**Summary Statement of Activities**  
**for the Years Ended June 30, 2024 and 2023**

	2024	2023
Revenues		
Program revenues		
Charges for services	\$ 11,453,171	\$ 14,171,766
Operating grants and contributions	142,310,164	118,091,828
Capital grants and contributions	2,863,548	7,807,982
General revenues		
Property taxes	125,969,450	101,077,810
General grants and aids	162,252,215	148,877,949
Other	14,774,936	7,126,568
Total revenues	459,623,484	397,153,903
Expenses		
Administration	14,763,586	13,705,585
District support services	12,613,970	10,612,245
Elementary and secondary regular instruction	159,054,375	115,585,085
Vocational education instruction	5,112,060	4,036,605
Special education instruction	61,730,953	50,189,664
Instructional support services	31,409,570	36,209,514
Pupil support services	32,534,952	32,245,839
Sites and buildings	22,271,774	22,698,059
Fiscal and other fixed cost programs	873,998	770,720
Food service	16,753,806	15,578,299
Community service	18,289,620	15,570,524
Unallocated depreciation and amortization expense	12,460,321	11,678,097
Interest and fiscal charges	15,924,423	5,131,297
Total expenses	403,793,408	334,011,533
Change in net position	55,830,076	63,142,370
Net position – beginning as previously reported	176,807,695	113,665,325
Change in accounting principle	4,307,750	–
Net position – beginning as restated	181,115,445	113,665,325
Net position – ending	\$ 236,945,521	\$ 176,807,695

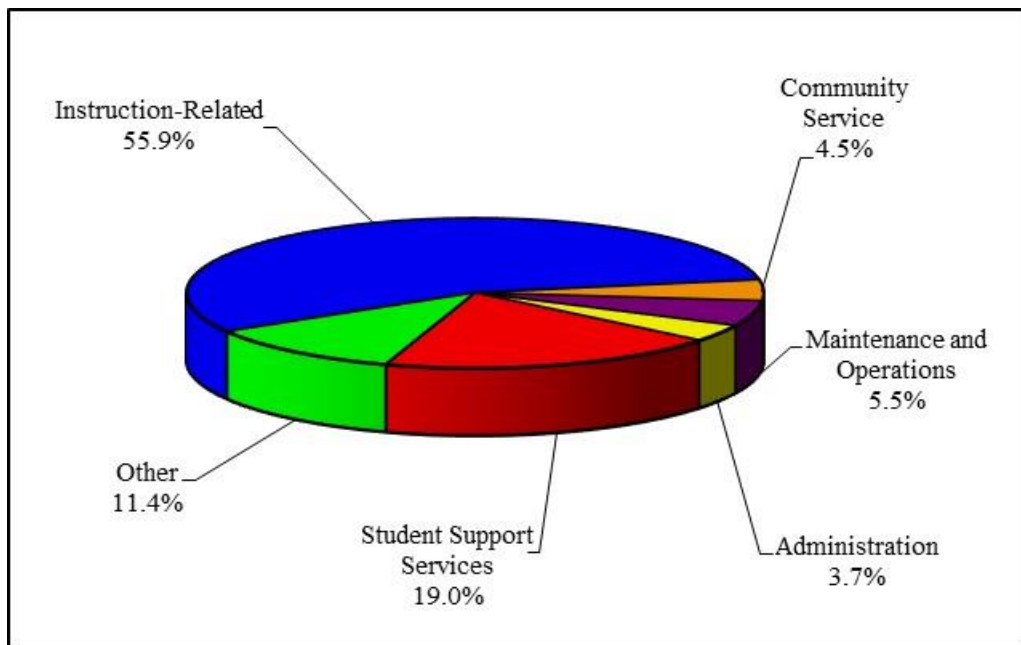
**Change in Net Position** – The District’s total revenues were \$459,623,484 for the year ended June 30, 2024. Property taxes and general grants and aids accounted for 62.7 percent (see Figure C) of total revenue for the year. Operating grants and contributions increased \$24,218,336 and general grants and aids increased \$13,374,266 from an increase in state aid revenues, including increases in general education, compensatory, special education, and food service aid categories. Property taxes increased \$24,891,640, due to an increase in the levy mainly in referendum and long-term facilities maintenance categories. Other general revenues increased \$7,648,368 for the current fiscal year, mainly from improved investment earnings.

The total cost of all programs and services was \$403,793,408. The District's expenses are predominantly related to educating and caring for students (74.9 percent) (see Figure D). The administrative activities of the District accounted for 3.7 percent of total costs. Expenses for fiscal year 2024 increased \$69,781,875, mainly in elementary and secondary regular instruction and special education instruction, mainly due to increased salary and benefit costs, offset by changes in net pension-related obligations as previously mentioned. Interest and fiscal charges increased; the result of the bonds issued in the current year.

**Figure C – Sources of Revenues for Fiscal Year 2024**



**Figure D – Expenses for Fiscal Year 2024**



- The cost of all *governmental* activities for fiscal year 2024 was \$403,793,408.
- Most of the District's costs were paid for by district taxpayers and the taxpayers of our state through general revenues totaling \$302,996,601. This portion of governmental activities was paid for with \$125,969,450 in property taxes and \$162,252,215 of primarily state aid based on the state-wide education aid formula.
- The federal and state governments subsidized certain programs with operating grants and contributions of \$142,310,164 and \$2,863,548 of capital grants and contributions.
- Some of the cost, \$11,453,171, was paid by the users of the District's programs.

**Table 3**  
**Net Cost of Governmental Activities**

	Total Cost of Services		Total Percent Change	Net Cost of Services		Total Percent Change
	2024	2023	2024-2023	2024	2023	2024-2023
Administration	\$ 14,763,586	\$ 13,705,585	7.7%	\$ 14,577,433	\$ 13,473,718	8.2%
District support services	12,613,970	10,612,245	18.9%	12,401,631	10,412,123	19.1%
Elementary and secondary regular instruction	159,054,375	115,585,085	37.6%	102,992,237	67,370,997	52.9%
Vocational education instruction	5,112,060	4,036,605	26.6%	4,937,235	3,876,985	27.3%
Special education instruction	61,730,953	50,189,664	23.0%	9,460,779	9,214,646	2.7%
Instructional support services	31,409,570	36,209,514	(13.3%)	24,069,077	26,462,310	(9.0%)
Pupil support services	32,534,952	32,245,839	0.9%	27,941,048	27,671,458	1.0%
Sites and buildings	22,271,774	22,698,059	(1.9%)	19,059,998	14,547,113	31.0%
Fiscal and other fixed cost programs	873,998	770,720	13.4%	873,998	770,720	13.4%
Food service	16,753,806	15,578,299	7.5%	(1,022,799)	1,982,135	(151.6%)
Community service	18,289,620	15,570,524	17.5%	3,491,144	1,348,358	158.9%
Unallocated depreciation and amortization expense	12,460,321	11,678,097	6.7%	12,460,321	11,678,097	6.7%
Interest and fiscal charges	15,924,423	5,131,297	210.3%	15,924,423	5,131,297	210.3%
Total	<u>\$ 403,793,408</u>	<u>\$ 334,011,533</u>	20.9%	<u>\$ 247,166,525</u>	<u>\$ 193,939,957</u>	27.4%

The change in the total cost of services within elementary and secondary regular instruction and special education instruction relate to increased salary and benefit costs offset by changes in net pension-related obligations from one year to the next, as previously mentioned. Interest and fiscal charges increased; the result of the bonds issued in the current year.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

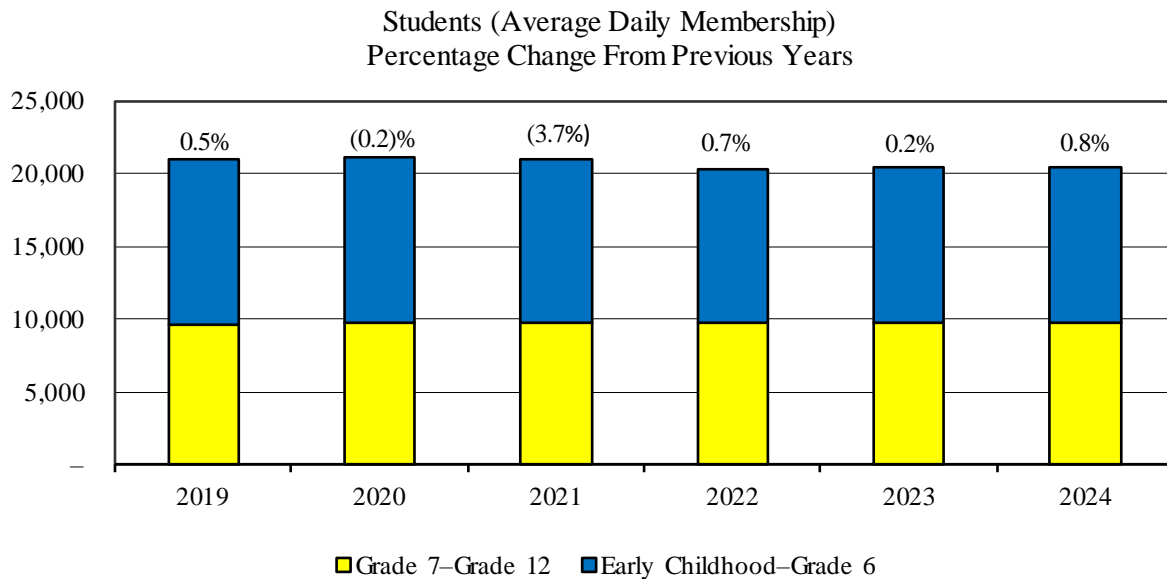
As the District completed the year, its governmental funds reported a *combined* fund balance of \$396,012,344, an increase from last year's ending fund balance of \$124,956,878.

Revenues for the District's governmental funds were \$456,482,171, while total expenditures were \$449,719,376. Total other financing sources were \$264,292,671, due mainly to bonds, financed purchases, subscription liabilities, and premium on bonds issued during the fiscal year 2024.

## GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through Grade 12, including pupil transportation activities and certain capital outlay projects.

The following graph shows the percentage change in the number of students over the last several years:



Over the last six years, the District has seen a 1.7 percent decrease in the number of students. Enrollment projections predict an increase in enrollment of 0.3 percent for fiscal year 2025 through fiscal year 2029. In the fall of 2020, student enrollment decreased from projections, due to the impact of COVID-19. This occurred in most Minnesota school districts and is being considered in future projections.

The following schedule presents a summary of General Fund revenues:

	Year Ended June 30,		Amount of	Percent
	2024	2023	Increase (Decrease)	Increase (Decrease)
Local sources				
Property taxes	\$ 111,015,795	\$ 83,224,135	\$ 27,791,660	33.4%
Investment earnings	6,212,192	3,876,850	2,335,342	60.2%
Other	5,328,891	5,508,470	(179,579)	(3.3%)
State sources	254,770,461	227,301,882	27,468,579	12.1%
Federal sources	25,003,709	27,272,479	(2,268,770)	(8.3%)
Total General Fund revenue	<u>\$ 402,331,048</u>	<u>\$ 347,183,816</u>	<u>\$ 55,147,232</u>	15.9%

Total General Fund revenue increased by \$55,147,232, or 15.9 percent, in fiscal year 2024, compared with fiscal year 2023. Basic general education revenue is determined by a state per student funding formula. Other state-authorized revenue, including the excess levy referendum, involves an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year-to-year, without any net change in revenue.

Property taxes revenue increased, mainly due to an increase of \$18.3 million in the voter-approved operating referendum and \$6.7 million for long-term facilities maintenance.

State sources increased mainly in two areas. These increases were \$15.2 million in the general education basic formula allowance, due to a 4.0 percent funding increase and \$10.2 million for special education aid from legislation for fiscal year 2024.

Investment earnings increased, due to improved interest rates and fair value changes for the current year.

Total federal sources decreased, due to less funding for COVID-19 being available in fiscal year 2024, due to spending down one-time grants in the previous year.

The following schedule presents a summary of General Fund expenditures:

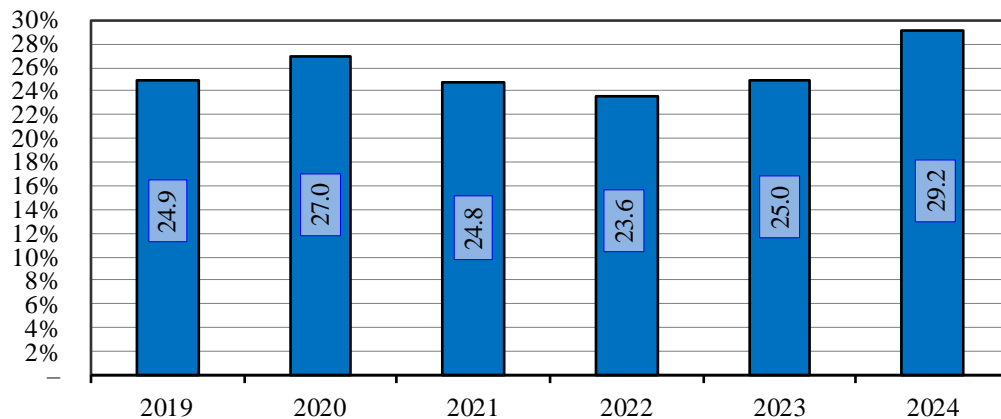
	Year Ended June 30,		Amount of	Percent
	2024	2023	Increase (Decrease)	Increase (Decrease)
Salaries	\$ 215,154,145	\$ 199,885,478	\$ 15,268,667	7.6%
Employee benefits	76,808,687	71,712,285	5,096,402	7.1%
Purchased services	42,010,564	42,025,289	(14,725)	—
Supplies, materials, and equipment	38,489,021	36,367,404	2,121,617	5.8%
Other expenditures	8,351,650	6,787,890	1,563,760	23.0%
Total expenditures	<u>\$ 380,814,067</u>	<u>\$ 356,778,346</u>	<u>\$ 24,035,721</u>	6.7%

Total General Fund expenditures increased \$24,035,721, or 6.7 percent, from the previous year.

In fiscal year 2024, salaries and benefits increased \$20,365,069, or 7.5 percent, from the prior year. The increase in salaries and benefits is attributed to employee contract improvements and higher staffing levels.

Supplies, materials, and equipment increased by \$2,121,617, or 5.8 percent, from the prior year. The increase can be attributed to purchases of curriculum materials, financed purchases of copier equipment, and additional long-term facilities maintenance projects.

The following graph shows the General Fund unassigned fund balance (without including any restricted account deficits) as a percentage of expenditures over the last several years:



In fiscal year 2024, General Fund revenue and other financing sources were more than expenditures by \$22,552,710. Therefore, total fund balance increased to \$122,754,579 at June 30, 2024. After deducting nonspendable, assigned, and restricted amounts (including restricted account deficits), the unassigned fund balance increased from \$89,241,564 at June 30, 2023 to \$111,235,114 at June 30, 2024.

The graph above is the single best measure of overall financial health. The unassigned fund balance of \$111,235,114 at June 30, 2024 represents 29.2 percent of annual expenditures, or 15.2 weeks of operations. The District closely monitors its fund balances.



## **General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

1. Implementing budgets for specially funded projects, which include both federal and state grants; reinstating prior year purchase orders being carried over; and budgeting for clearing, resale, and gifts. Updating allocations of revenue by aid and levy categories.
2. Changes in appropriations for significant unbudgeted costs.

While the District's final budget for the General Fund anticipated that revenues and other financing sources would exceed expenditures by \$11,494,040, increasing fund balance, the actual results for the year show an increase of \$22,552,710.

- Actual revenues were \$43,313 over budget.
- Actual expenditures were \$9,979,628 under budget. Although the variance is comprised of numerous items, the main areas of savings were due to open staff positions, transportation, utilities, and cost containment measures by management and staff. The District also spent less than budgeted within grant programs funded by federal and state sources.
- Other financing sources were \$1,035,729 over budget, due to the issuance of financed purchases and subscription liabilities in the current year.

## **CAPITAL PROJECTS AND DEBT SERVICE FUNDS**

The Capital Projects – Building Construction Fund revenues and other financing sources exceeded expenditures by \$240,601,670, resulting in a fund balance of \$250,255,965 at June 30, 2024. The increase is due to a combination of the issuance of debt in the current year and the planned spenddown of fund balance in accordance with the building construction plans which are funded by certificates of participation, long-term facilities maintenance plans, and capital project levies.

The Debt Service Fund revenue and other financing sources were \$7,253,930 more than expenditures and other financing uses in fiscal year 2024. The remaining fund balance of \$11,282,300 at June 30, 2024 is available for meeting future debt service obligations.

## **NONMAJOR FUNDS**

Revenue exceeded expenditures in the nonmajor funds by \$647,156. The Food Service Special Revenue Fund had an increase in fund balance of \$949,930. This was more than budgeted, due to the increased participation, federal revenues and a la carte sales, along with less expenditures than anticipated in utilities, repairs, food, and equipment. The Community Service Special Revenue Fund had a decrease in fund balance of \$302,774. This fund anticipated a decline in fund balance of \$885,774, but due to increased participation in summer and school year Kidstop and school readiness programs and increased facility rentals, combined with unfilled positions causing lower than budgeted salaries and benefit expenditures, the decline was less than anticipated. From the standpoint of maintaining current operating expenditures within the range of annual revenue, these funds continue to operate on a sound financial basis and are monitored throughout the year.

## **INTERNAL SERVICE FUNDS**

During fiscal year 2024, the District operated a Dental Self-Insurance Internal Service Fund. This fund accounts for the District's self-insured dental program. Net position in this fund increased \$2,792, resulting in a net position of \$411,806 at June 30, 2024.

During fiscal year 2024, the District operated a Medical Self-Insurance Internal Service Fund. This fund accounts for the District's self-insured medical program. Net position in this fund decreased \$255,152, resulting in a net position of \$116,800 at June 30, 2024.

Over the next several years, the District's annual obligation to pay post-employment benefits will gradually decrease from its current level because the number of eligible employees reaching retirement age will also decrease. Accordingly, the District established a Retirement Incentive Pay Internal Service Fund and adopted a plan to fund its early retirement incentive (severance) as the benefits are earned in accordance with governmental accounting standards. The Retirement Incentive Pay Internal Service Fund is used to finance the early retirement incentive benefits provided by all of the departments and funds of the District on a cost-reimbursement basis.

The Retirement Incentive Pay Internal Service Fund net position increased \$27,060, resulting in a net position of \$818,674 at June 30, 2024. This increase is attributed to investment earnings exceeding payments made for severance expenses.

The Post-Employment Benefits Revocable Trust Internal Service Fund was established to fund OPEB. This revocable trust fund was established to provide a source of funds to finance current and future benefit obligations to employees. On June 30, 2024, this fund had a net position of \$10,750,647. The assets held in this fund are dedicated for the purpose of paying these obligations.

The most recent independent actuarial study with a measurement date of June 30, 2023, computed the present value of these benefits. The long-term liability represents total OPEB pension benefit obligations, based on actuarial estimates. The District has been strategic by prefunding a portion of this post-employment benefit liability. This funding is built into the ongoing annual budget. By funding the plan now, the District will avoid the future reductions of regular programming that would have been necessary to pay for these post-employment benefits.

## CAPITAL ASSETS, DEBT ADMINISTRATION, AND LONG-TERM LIABILITIES

### Capital Assets

By the end of fiscal year 2024, the District had invested \$711.2 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table 4). The major increase in capital assets can be attributed to various long-term facilities maintenance projects occurring in fiscal year 2024. The change in accounting principle also caused an increase to capital assets in the current year. (More detailed information about capital assets can be found in Note 3 of the notes to basic financial statements.) Total depreciation and amortization expense for the year was \$17.6 million, as compared to a prior year depreciation and amortization expense of \$14.9 million.

**Table 4**  
**Capital Assets – Governmental Activities**

	2024	2023	Total Percent Change 2024–2023
Land	\$ 8,973,417	\$ 8,973,417	—
Land improvements	36,790,944	37,667,489	(2.3%)
Buildings	613,835,652	573,440,827	7.0%
Furniture and equipment	33,932,985	22,548,298	50.5%
Technology subscriptions	2,533,294	2,205,437	14.9%
Construction in progress	15,096,499	19,956,710	(24.4%)
Less accumulated depreciation and amortization	<u>(251,177,526)</u>	<u>(237,378,642)</u>	5.8%
Total	<u>\$ 459,985,265</u>	<u>\$ 427,413,536</u>	7.6%

### Debt Administration

At June 30, 2024, the District had general obligation bonds, notes payable, and certificates of participation outstanding of \$383,490,000. Under current state statutes, the District's general obligation bonded debt issuances are subject to a legal limitation equal to 15.0 percent of the actual value of all taxable property within the District. The District is within its legal authority for bonded debt.

## Long-Term Liabilities

**Table 5**  
**Outstanding Long-Term Liabilities**

	2024	2023	Total Percent Change
General obligation bonds and notes payable	\$ 369,710,000	\$ 138,720,000	166.5%
Certificates of participation	13,780,000	15,250,000	(9.6%)
Financed purchases	5,591,316	8,444,487	(33.8%)
Subscription liabilities	160,760	749,099	(78.5%)
Arbitrage liabilities	7,635,682	265,337	2,777.7%
Unamortized premiums (discounts) on debt issued	28,758,837	4,836,100	494.7%
Net pension liability	246,068,393	239,303,808	2.8%
Post-employment severance benefits payable	3,117,682	3,768,289	(17.3%)
Total OPEB obligation	<u>17,110,456</u>	<u>17,922,238</u>	(4.5%)
Total	<u>\$ 691,933,126</u>	<u>\$ 429,259,358</u>	61.2%

More detailed information about the District's long-term liabilities is presented in Note 4 of the notes to basic financial statements.

### **Bond Ratings**

The District's general obligation bonds carry a rating of Aa1.

### **Limitations on Debt**

The state limits the amount of general obligation debt the District can issue to 15 percent of the assessed value of all taxable property within the District's corporate limits. The District's outstanding debt is significantly below this limit, which is currently \$3,873,137,966.

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

The District intentionally focuses efforts of staff and other resources to identify available financial resources to maximize revenue. Except for locally imposed fees for things like student activities, the District is dependent on the state of Minnesota for its revenue authority and state aid. Some revenue authority, such as operating referenda and building bonds, also require voter approval. For the past several years, the funding provided for public education in the state of Minnesota has not been sufficient to meet instructional program needs, due to increased inflationary costs and required mandates. For example, according to data provided by the Minnesota Department of Education, had the general education formula increased by the rate of inflation each year since 2003, the 2025 allowance per ADM would be \$8,543 rather than \$7,281, a difference of \$1,262 per ADM, which would amount to more than \$28.5 million in 2025 for the District.

Minnesota's economic and budget outlook has tightened after record surpluses. According to the state budget and economic forecast released from the Minnesota Management and Budget (in February 2024, the state is projecting a \$3.7 billion surplus, although the vast majority of that is earmarked for state bonding/construction projects).

The 2024 legislative session was not a budget year, so expectations were low. The Legislature approved a small supplemental education budget bill, totaling just \$43 million, primarily for the Reading to Ensure Academic Development Act, student absenteeism, and addressing teacher shortages.

The District will strive to maintain its longstanding commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility. The District will continue to use the long-range financial model and annual budget framework to ensure that expenditures are aligned with revenues. Efforts will continue to be made to influence legislators to recommit to their financial support for public education.

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

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Services Department, Independent School District No. 279, Educational Service Center, 11200 – 93rd Avenue North, Maple Grove, Minnesota 55369-6605.

## BASIC FINANCIAL STATEMENTS

## INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 447,752,640	\$ 172,311,729
Receivables		
Current taxes	69,979,724	61,397,890
Delinquent taxes	950,004	823,180
Accounts and interest	5,585,353	2,136,395
Due from other governmental units	32,759,158	30,265,689
Inventory	649,919	354,529
Prepaid items	690,130	346,054
Restricted assets – temporarily restricted		
Cash and investments for OPEB	25,629,339	24,575,841
Interest receivable for OPEB	206,095	193,350
Total restricted assets – temporarily restricted	25,835,434	24,769,191
Capital assets		
Not depreciated/amortized	24,069,916	28,930,127
Depreciated/amortized, net	435,915,349	398,483,409
Total capital assets, net of accumulated depreciation/amortization	459,985,265	427,413,536
Total assets	1,044,187,627	719,818,193
Deferred outflows of resources		
OPEB plan deferments	5,089,927	6,215,999
Pension plan deferments – PERA and TRA	67,399,942	69,784,854
Total deferred outflows of resources	72,489,869	76,000,853
Total assets and deferred outflows of resources	\$ 1,116,677,496	\$ 795,819,046
Liabilities		
Salaries payable	\$ 1,908,515	\$ 2,252,943
Accounts and contracts payable	17,251,784	11,906,923
Due to other governmental units	1,665,821	1,513,911
Accrued interest payable	5,701,753	2,235,047
Long-term liabilities		
Due within one year	17,056,388	15,674,414
Due in more than one year	674,876,738	413,584,944
Total long-term liabilities	691,933,126	429,259,358
Total liabilities	718,460,999	447,168,182
Deferred inflows of resources		
Property taxes levied for subsequent year	137,257,426	121,913,098
OPEB plan deferments	2,242,606	2,915,391
Pension plan deferments – PERA and TRA	21,770,944	47,014,680
Total deferred inflows of resources	161,270,976	171,843,169
Net position		
Net investment in capital assets	284,604,635	268,802,808
Restricted for		
Capital asset acquisition	4,746,872	7,251,353
Debt service	5,660,471	1,925,452
Food service	5,763,889	4,813,959
Community service	5,972,603	6,280,514
Employee benefits	10,750,647	9,163,329
Other purposes (state funding restrictions)	3,604,253	2,744,986
Unrestricted	(84,157,849)	(124,174,706)
Total net position	236,945,521	176,807,695
Total liabilities, deferred inflows of resources, and net position	\$ 1,116,677,496	\$ 795,819,046

## INDEPENDENT SCHOOL DISTRICT NO. 279

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

Functions/Programs	2024				2023	
	Expenses	Program Revenues			Net (Expense)	Net (Expense)
		Charges for	Operating	Capital	Revenue and	Revenue and
		Services	Grants and	Grants and	Changes in	Changes in
			Contributions	Contributions	Net Position	Net Position
					Governmental	Governmental
					Activities	Activities
Governmental activities						
Administration	\$ 14,763,586	\$ 157,040	\$ 29,113	\$ —	\$ (14,577,433)	\$ (13,473,718)
District support services	12,613,970	26,585	185,754	—	(12,401,631)	(10,412,123)
Elementary and secondary regular instruction	159,054,375	1,524,847	54,537,291	—	(102,992,237)	(67,370,997)
Vocational education instruction	5,112,060	—	174,825	—	(4,937,235)	(3,876,985)
Special education instruction	61,730,953	6,175	52,263,999	—	(9,460,779)	(9,214,646)
Instructional support services	31,409,570	16,452	7,324,041	—	(24,069,077)	(26,462,310)
Pupil support services	32,534,952	—	4,593,904	—	(27,941,048)	(27,671,458)
Sites and buildings	22,271,774	27,561	320,667	2,863,548	(19,059,998)	(14,547,113)
Fiscal and other fixed cost programs	873,998	—	—	—	(873,998)	(770,720)
Food service	16,753,806	1,189,767	16,586,838	—	1,022,799	(1,982,135)
Community service	18,289,620	8,504,744	6,293,732	—	(3,491,144)	(1,348,358)
Unallocated depreciation and amortization expense (excludes amounts directly allocated)	12,460,321	—	—	—	(12,460,321)	(11,678,097)
Interest and fiscal charges	15,924,423	—	—	—	(15,924,423)	(5,131,297)
Total governmental activities	<u>\$ 403,793,408</u>	<u>\$ 11,453,171</u>	<u>\$ 142,310,164</u>	<u>\$ 2,863,548</u>	(247,166,525)	(193,939,957)
General revenues						
Taxes						
Property taxes, levied for general purposes					110,965,789	83,093,050
Property taxes, levied for community service					3,182,011	3,166,148
Property taxes, levied for debt service					11,821,650	14,818,612
General grants and aids					162,252,215	148,877,949
Other general revenues					546,475	808,313
Investment earnings					14,228,461	6,318,255
Total general revenues					<u>302,996,601</u>	<u>257,082,327</u>
Change in net position					55,830,076	63,142,370
Net position – beginning as previously reported					176,807,695	113,665,325
Change in accounting principle					4,307,750	—
Net position – beginning as restated					<u>181,115,445</u>	<u>113,665,325</u>
Net position – ending					<u>\$ 236,945,521</u>	<u>\$ 176,807,695</u>



INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 154,222,228	\$ 255,268,372	\$ 20,594,233
Receivables			
Current taxes	59,386,033	–	9,212,044
Delinquent taxes	813,931	–	110,927
Accounts and interest	2,496,642	2,834,345	–
Due from other governmental units	31,614,874	–	82,703
Inventory	436,505	–	–
Prepaid items	572,730	–	–
Total assets	<u>\$ 249,542,943</u>	<u>\$ 258,102,717</u>	<u>\$ 29,999,907</u>
Liabilities			
Salaries payable	\$ 1,288,749	\$ –	\$ –
Accounts and contracts payable	8,300,384	7,846,752	–
Due to other governmental units	844,169	–	–
Total liabilities	<u>10,433,302</u>	<u>7,846,752</u>	<u>–</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	115,824,250	–	18,637,683
Unavailable revenue – delinquent taxes	530,812	–	79,924
Total deferred inflows of resources	<u>116,355,062</u>	<u>–</u>	<u>18,717,607</u>
Fund balances			
Nonspendable	1,009,235	–	–
Restricted	8,351,125	250,255,965	11,282,300
Assigned	2,159,105	–	–
Unassigned	111,235,114	–	–
Total fund balances	<u>122,754,579</u>	<u>250,255,965</u>	<u>11,282,300</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 249,542,943</u>	<u>\$ 258,102,717</u>	<u>\$ 29,999,907</u>

Nonmajor Funds	Total Governmental Funds	
	2024	2023
\$ 12,639,546	\$ 442,724,379	\$ 166,548,801
1,381,647	69,979,724	61,397,890
25,146	950,004	823,180
245,994	5,576,981	1,912,535
1,061,581	32,759,158	30,265,689
213,414	649,919	354,529
—	572,730	228,654
<u>\$ 15,567,328</u>	<u>\$ 553,212,895</u>	<u>\$ 261,531,278</u>
\$ 619,766	\$ 1,908,515	\$ 2,252,943
415,577	16,562,713	11,143,604
—	844,169	529,679
<u>1,035,343</u>	<u>19,315,397</u>	<u>13,926,226</u>
2,795,493	137,257,426	121,913,098
16,992	627,728	735,076
<u>2,812,485</u>	<u>137,885,154</u>	<u>122,648,174</u>
213,414	1,222,649	583,183
11,506,086	281,395,476	34,632,149
—	2,159,105	500,000
—	111,235,114	89,241,546
<u>11,719,500</u>	<u>396,012,344</u>	<u>124,956,878</u>
<u>\$ 15,567,328</u>	<u>\$ 553,212,895</u>	<u>\$ 261,531,278</u>

OSSEO AREA SCHOOLS

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## Our Mission

is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.

INDEPENDENT SCHOOL DISTRICT NO. 279

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

	<u>2024</u>	<u>2023</u>
Total fund balances – governmental funds	\$ 396,012,344	\$ 124,956,878
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	711,162,791	664,792,178
Accumulated depreciation and amortization	(251,177,526)	(237,378,642)
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 and notes	(369,710,000)	(138,720,000)
Certificates of participation	(13,780,000)	(15,250,000)
Financed purchases	(5,591,316)	(8,444,487)
Subscription liabilities	(160,760)	(749,099)
Arbitrage liabilities	(7,635,682)	(265,337)
Premiums (discounts) on debt issued	(28,758,837)	(4,836,100)
Net pension liability – PERA	(37,879,449)	(56,525,275)
Net pension liability – TRA	(208,188,944)	(182,778,533)
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.		
	(5,701,753)	(2,235,047)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, liabilities, and deferred outflows/inflows of the internal service funds are included in the governmental activities in the Statement of Net Position.		
	12,097,927	10,735,909
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 plans	67,399,942	69,784,854
Deferred inflows of resources – pension plans	(21,770,944)	(47,014,680)
Deferred inflows of resources – delinquent property taxes	<u>627,728</u>	<u>735,076</u>
Total net position – governmental activities	<u>\$ 236,945,521</u>	<u>\$ 176,807,695</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 111,015,795	\$ –	\$ 11,873,855
Investment earnings	6,212,192	4,600,091	593,570
Other	5,328,891	–	–
State sources	254,770,461	–	823,780
Federal sources	25,003,709	–	–
Total revenue	402,331,048	4,600,091	13,291,205
Expenditures			
Current			
Administration	14,762,306	–	–
District support services	10,425,610	–	–
Elementary and secondary regular instruction	169,643,304	–	–
Vocational education instruction	5,108,458	–	–
Special education instruction	64,946,051	–	–
Instructional support services	31,791,199	–	–
Pupil support services	32,880,218	–	–
Sites and buildings	43,767,564	–	–
Fiscal and other fixed cost programs	873,998	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	20,529,181	–
Debt service			
Principal	5,947,239	–	7,360,000
Interest and fiscal charges	668,120	628,725	4,774,732
Total expenditures	380,814,067	21,157,906	12,134,732
Excess (deficiency) of revenue over expenditures	21,516,981	(16,557,815)	1,156,473
Other financing sources (uses)			
Transfers in	–	–	–
Transfers (out)	–	–	–
Bonds issued	–	238,350,000	–
Issuance of financed purchases	945,320	–	–
Issuance of subscription liabilities	90,409	–	–
Premium on bonds issued	–	18,809,485	6,097,457
Sale of capital assets	–	–	–
Total other financing sources (uses)	1,035,729	257,159,485	6,097,457
Net change in fund balances	22,552,710	240,601,670	7,253,930
Fund balances			
Beginning of year	100,201,869	9,654,295	4,028,370
End of year	\$ 122,754,579	\$ 250,255,965	\$ 11,282,300

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2024	2023
\$ 3,187,148	\$ 126,076,798	\$ 101,250,718
551,178	11,957,031	5,047,574
11,147,299	16,476,190	18,642,184
10,737,724	266,331,965	233,254,275
10,636,478	35,640,187	36,757,685
<u>36,259,827</u>	<u>456,482,171</u>	<u>394,952,436</u>
—	14,762,306	13,704,305
—	10,425,610	8,205,769
—	169,643,304	153,758,984
—	5,108,458	4,075,296
—	64,946,051	60,742,095
—	31,791,199	43,672,971
—	32,880,218	32,356,873
—	43,767,564	34,092,617
—	873,998	770,720
16,256,837	16,256,837	14,899,044
18,423,092	18,423,092	16,209,298
932,742	21,461,923	13,347,725
—	13,307,239	16,663,459
—	6,071,577	5,140,507
<u>35,612,671</u>	<u>449,719,376</u>	<u>417,639,663</u>
647,156	6,762,795	(22,687,227)
—	—	614,052
—	—	(614,052)
—	238,350,000	11,505,000
—	945,320	5,779,121
—	90,409	690,119
—	24,906,942	940,104
—	—	111,500
<u>—</u>	<u>264,292,671</u>	<u>19,025,844</u>
647,156	271,055,466	(3,661,383)
<u>11,072,344</u>	<u>124,956,878</u>	<u>128,618,261</u>
<u>\$ 11,719,500</u>	<u>\$ 396,012,344</u>	<u>\$ 124,956,878</u>

OSSEO AREA SCHOOLS

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## Our Mission

is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.

INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 271,055,466	\$ (3,661,383)
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 and amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlay	45,937,103	34,688,090
Depreciation and amortization expense	(17,618,874)	(14,881,836)
A (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.		
	(54,250)	(1,181,572)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations, including arbitrage liabilities, are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	(238,350,000)	(11,505,000)
Financed purchases	(945,320)	(5,779,121)
Subscription liabilities	(90,409)	(690,119)
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.		
	1,362,018	5,091
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds, notes, and certificates of participation	8,830,000	13,230,000
Financed purchases	3,798,491	3,094,236
Subscription liabilities	678,748	339,223
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.		
	(3,466,706)	(197,464)
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.		
	(23,922,737)	(468,093)
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.		
Arbitrage liabilities	(7,370,345)	(265,337)
Net pension liability – PERA	18,645,826	(27,131,782)
Net pension liability – TRA	(25,410,411)	(80,898,292)
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 plans	(2,384,912)	(7,345,353)
Deferred inflows of resources – pension plans	25,243,736	165,963,990
Deferred inflows of resources – delinquent property taxes	(107,348)	(172,908)
Change in net position – governmental activities	<u>\$ 55,830,076</u>	<u>\$ 63,142,370</u>



OSSEO AREA SCHOOLS

ISD  279

## Our Mission

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## INDEPENDENT SCHOOL DISTRICT NO. 279

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

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Local sources				
Property taxes	\$ 84,433,558	\$ 111,550,500	\$ 111,015,795	\$ (534,705)
Investment earnings	4,510,000	5,810,000	6,212,192	402,192
Other	2,089,704	5,531,686	5,328,891	(202,795)
State sources	233,544,952	253,656,178	254,770,461	1,114,283
Federal sources	—	25,739,371	25,003,709	(735,662)
Total revenue	<u>324,578,214</u>	<u>402,287,735</u>	<u>402,331,048</u>	<u>43,313</u>
Expenditures				
Current				
Administration	11,004,734	14,887,285	14,762,306	(124,979)
District support services	8,730,753	11,132,617	10,425,610	(707,007)
Elementary and secondary regular instruction	105,158,067	172,370,584	169,643,304	(2,727,280)
Vocational education instruction	3,427,320	5,015,631	5,108,458	92,827
Special education instruction	46,014,936	66,475,237	64,946,051	(1,529,186)
Instructional support services	18,934,798	32,126,110	31,791,199	(334,911)
Pupil support services	30,182,149	35,781,595	32,880,218	(2,901,377)
Sites and buildings	19,190,888	45,526,094	43,767,564	(1,758,530)
Fiscal and other fixed cost programs	62,801,453	861,657	873,998	12,341
Debt service				
Principal	5,327,691	5,947,239	5,947,239	—
Interest and fiscal charges	<u>584,195</u>	<u>669,646</u>	<u>668,120</u>	<u>(1,526)</u>
Total expenditures	<u>311,356,984</u>	<u>390,793,695</u>	<u>380,814,067</u>	<u>(9,979,628)</u>
Excess of revenue over expenditures	13,221,230	11,494,040	21,516,981	10,022,941
Other financing sources				
Issuance of financed purchases	—	—	945,320	945,320
Issuance of subscription liabilities	<u>—</u>	<u>—</u>	<u>90,409</u>	<u>90,409</u>
Total other financing sources	<u>—</u>	<u>—</u>	<u>1,035,729</u>	<u>1,035,729</u>
Net change in fund balances	<u>\$ 13,221,230</u>	<u>\$ 11,494,040</u>	<u>22,552,710</u>	<u>\$ 11,058,670</u>
Fund balances				
Beginning of year			<u>100,201,869</u>	
End of year			<u>\$ 122,754,579</u>	

INDEPENDENT SCHOOL DISTRICT NO. 279

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

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and temporary investments	\$ 5,028,261	\$ 5,762,928
Accounts and interest receivable	8,372	223,860
Prepaid items	117,400	117,400
Total current assets	<u>5,154,033</u>	<u>6,104,188</u>
Noncurrent assets – temporarily restricted		
Cash and investments held by trustee	25,629,339	24,575,841
Interest receivable	206,095	193,350
Total noncurrent assets	<u>25,835,434</u>	<u>24,769,191</u>
Total assets	30,989,467	30,873,379
Deferred outflows of resources		
OPEB plan deferments	5,089,927	6,215,999
Liabilities		
Current liabilities		
Accounts and contracts payable	689,071	763,319
Due to other governmental units	821,652	984,232
Post-employment severance benefits payable	691,340	670,960
OPEB obligation	1,620,909	1,958,036
Long-term liabilities		
Post-employment severance benefits payable	2,426,342	3,097,329
OPEB obligation	15,489,547	15,964,202
Total liabilities	<u>21,738,861</u>	<u>23,438,078</u>
Deferred inflows of resources		
OPEB plan deferments	<u>2,242,606</u>	<u>2,915,391</u>
Net position		
Restricted for employee benefits	10,750,647	9,163,329
Unrestricted	<u>1,347,280</u>	<u>1,572,580</u>
Total net position	<u>\$ 12,097,927</u>	<u>\$ 10,735,909</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

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

	<u>2024</u>	<u>2023</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 9,430,064	\$ 8,716,219
Operating expenses		
Dental benefit claims	2,151,312	2,167,999
Medical benefit claims	6,146,357	5,905,759
Administrative costs	1,421,465	1,264,149
Post-employment severance benefits	157,185	355,880
OPEB	463,157	288,022
Total operating expenses	<u>10,339,476</u>	<u>9,981,809</u>
Operating (loss)	(909,412)	(1,265,590)
Nonoperating revenue		
Investment earnings	<u>2,271,430</u>	<u>1,270,681</u>
Change in net position	1,362,018	5,091
Net position		
Beginning of year	<u>10,735,909</u>	<u>10,730,818</u>
End of year	<u><u>\$ 12,097,927</u></u>	<u><u>\$ 10,735,909</u></u>

OSSEO AREA SCHOOLS

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INDEPENDENT SCHOOL DISTRICT NO. 279

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)

	2024	2023
Cash flows from operating activities		
Contributions from governmental funds	\$ 9,645,552	\$ 8,745,770
Payments for dental claims	(2,139,600)	(2,185,422)
Payments for medical claims	(6,232,317)	(5,823,159)
Payments for administrative costs	(1,421,465)	(1,264,149)
Post-employment severance and OPEB benefit payments	(1,792,024)	(2,437,143)
Net cash flows from operating activities	(1,939,854)	(2,964,103)
Cash flows from investing activities		
Investment income received	2,258,685	1,237,833
Net change in cash and cash equivalents	318,831	(1,726,270)
Cash and cash equivalents		
Beginning of year	30,338,769	32,065,039
End of year	<u>\$ 30,657,600</u>	<u>\$ 30,338,769</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating (loss)	\$ (909,412)	\$ (1,265,590)
Adjustments to reconcile operating income (loss) to cash flows from operating activities		
Changes in assets and liabilities		
Accounts receivable	215,488	29,551
Prepaid items	—	(117,400)
Deferred outflows of resources	1,126,072	(1,368,352)
Accounts and contracts payable	(74,248)	182,577
Due to other governmental units	(162,580)	(296,783)
Post-employment severance benefits payable	(650,607)	(800,248)
Total OPEB obligation	(811,782)	(106,390)
Deferred inflows of resources	(672,785)	778,532
Net cash flows from operating activities	<u>\$ (1,939,854)</u>	<u>\$ (2,964,103)</u>
Cash and cash equivalents are reported on the Statement of Net Position as follows:		
Cash and temporary investments	\$ 5,028,261	\$ 5,762,928
Cash and investments held by trustee	25,629,339	24,575,841
Total cash and cash equivalents	<u>\$ 30,657,600</u>	<u>\$ 30,338,769</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

Fiduciary Funds  
Custodial Funds  
Statement of Fiduciary Net Position  
as of June 30, 2024

Assets	
Cash and temporary investments	\$ 1,921,325
Receivables	
Accounts and interest	30,161
Total assets	<u>1,951,486</u>
Liabilities	
Salaries payable	192
Accounts and contracts payable	17,565
Total liabilities	<u>17,757</u>
Net position	
Restricted for Local Collaborative Time Study	1,359,788
Restricted for Northwest Family Service Center	573,941
Total net position	<u>\$ 1,933,729</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

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

Additions	
Investment earnings	\$ 67,609
Rents	499,988
Grants	419,845
Total additions	<u>987,442</u>
Deductions	
Elementary and secondary regular instruction	
Salaries	109,695
Employee benefits	37,543
Purchased services	246,313
Supplies and materials	2,265
Total elementary and secondary regular instruction	<u>395,816</u>
Sites and buildings	
Purchased services	<u>580,638</u>
Total deductions	<u>976,454</u>
Net change in fiduciary net position	10,988
Net position	
Beginning of year	<u>1,922,741</u>
End of year	<u><u>\$ 1,933,729</u></u>



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## INDEPENDENT SCHOOL DISTRICT NO. 279

### Notes to Basic Financial Statements June 30, 2024

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

##### **A. Organization**

Independent School District No. 279 – Osseo Area 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 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.

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.

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. For capital assets that can be specifically identified with, or allocated to functional areas, depreciation and amortization expense is included as a direct expense in the functional areas that utilize the related capital assets. For capital assets that essentially serve all functional areas, depreciation and amortization expense is reported as “unallocated depreciation and amortization expense.” Interest on 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. Fiduciary funds are presented in the fiduciary fund financial statements by type, including the District’s custodial funds. 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.

The internal service funds are presented in the proprietary fund financial statements. Because the principal user of the internal services are the District’s governmental activities, the financial statements of the internal service funds are consolidated into the governmental 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 charges to customers (other District funds) for service. Operating expenses for the internal service funds include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to Minnesota Statutes (which include state aid funding formulas for specific years) and accounting principles generally accepted in the United States of America. Proceeds of long-term debt and other long-term obligations are reported as other financing sources.

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

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

Internal service 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. The District's General Fund maintains two accounts:

- 1. Operating Account** – The Operating Account is used to account for the general operations of the District, including pupil transportation activities.
- 2. Capital Expenditure Account** – The Capital Expenditure Account is used to account for the maintenance of facilities, equipment purchases, and safety and accessibility projects.

**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 debt issue or levy issuance program.

**Debt Service Fund** – Debt service funds are used to account for the accumulation of resources for, and payment of, general obligation bonds, interest, and related costs.

### **Nonmajor Governmental Funds**

**Food Service Special Revenue Fund** – The Food Service Special Revenue Fund is 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, pre-K–8 extended day programs, or other similar services.

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

### **Proprietary Funds**

**Internal Service Funds** – The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District has four internal service funds. The District's internal service funds include financing for self-insurance of the employee health and dental insurance programs, retirement incentive pay, and post-employment benefits revocable trust activity.

### **Fiduciary Funds**

**Custodial Funds** – The custodial funds were established to account for cash and other assets held by the District as the agent for others. These funds are used to account for a Local Collaborative Time Study and the Northwest Family Service Center.

### **E. Budgeting**

The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund account level. The School Board adopts an annual budget for the following fiscal year for the General Fund (including separate budgets for the Operating and Capital Expenditure Accounts), Food Service Special Revenue Fund, Community Service Special Revenue Fund, and Debt Service Fund. An annual budget is not adopted for the Capital Projects – Building Construction Fund because project-length financial plans are adopted in accordance with bond issue authorization. Budgeted expenditure appropriations lapse at year-end. Expenditures exceeded budgeted amounts in the General Fund – Capital Expenditure Account by \$223,262. The excess expenditures were approved by the School Board as required by Minnesota Statutes, and were financed with revenues in excess of budget, other financing sources, or available fund balances.

### **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 internal service funds, trust accounts are established to finance future OPEB obligations. Interest earned on these investments were allocated directly to those accounts.

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.

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.

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

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

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

### **G. Receivables**

All receivables are shown, net of any allowance for uncollectibles. No allowances for uncollectibles have been recorded. The receivables not expected to be fully collected within one year are property taxes receivable.

Amounts reported in due from other governmental units include amounts due from other Minnesota school districts of \$119,358, due from the state of Minnesota \$20,843,255, due from the federal government \$9,742,019, and due from other governments totaling \$2,054,526.

### **H. Inventories**

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

### **I. Prepaid Items**

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

### **J. Property Taxes**

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$4,322,298 of the property tax levy collectible in 2024 as revenue to the District in fiscal year 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 which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is reported as a deferred inflow of resources (unavailable revenue) in the fund financial statements because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes is considered necessary.

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

### **K. Capital Assets**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. Leases and technology subscription capital assets are recorded based on the measurement of payments applicable to the lease or subscription term. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold are also capitalized if costs of the assets are considered significant in the aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school 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 3 to 15 years for furniture and equipment. Lease 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. Technology subscriptions are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying information technology (IT) assets.

Capital assets not being depreciated include land and construction in progress.

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.

### **L. Accounts and Contracts Payable**

At year-end, accounts and contracts payable are \$16,548,950 and \$702,834, respectively, within the Statement of Net Position.

### **M. Long-Term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. 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. Arbitrage liabilities are reported as expenditures when paid.

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

A SBITA is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District has entered into certain technology subscriptions for education solutions and other purposes. Capital assets associated with SBITAs are presented separately from other capital assets in Note 3. SBITAs reported in Note 4 include the terms and related disclosures associated with any subscription liabilities.

### **O. Vacation Pay**

Since teachers are not eligible for vacation pay and amounts accrued to other employees are insignificant, no vacation liabilities are recorded in the financial statements.

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

### **P. Sick Pay**

Substantially all district employees are entitled to sick leave at various rates. Unused sick leave enters into the calculation of post-employment severance and health benefits for some employees upon termination.

### **Q. Post-Employment Severance Benefits**

The District provides post-employment severance benefits to certain eligible employees through various early retirement incentive payment plans for its employee groups. The amount of the early retirement incentive payment is calculated using balances in accrued sick leave and also based on years of service. No employee can receive a payment exceeding one year's salary. All of the post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements.

The District has established a separate Retirement Incentive Pay Internal Service Fund to account for the post-employment severance benefits. The benefits are funded as the liability is incurred on an actuarially determined basis. In addition to the funding of accumulated benefits already earned, the District's funding policy requires an annual contribution of an amount equal to the current year service cost adjusted for any amortization. The District has approximately 62 active participants being funded by the Retirement Incentive Pay Internal Service Fund.

### **R. 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.

### **S. Risk Management**

**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.

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



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

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

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

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

Year Ended June 30,	Claim Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claim Liability End of Year
2023	\$ 180,773	\$ 2,167,968	\$ 2,185,422	\$ 163,319
2024	\$ 163,319	\$ 2,151,312	\$ 2,139,600	\$ 175,031

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

Year Ended June 30,	Claim Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claim Liability End of Year
2023	\$ 400,000	\$ 6,023,159	\$ 5,823,159	\$ 600,000
2024	\$ 600,000	\$ 6,146,357	\$ 6,232,317	\$ 514,040

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

In addition to assets and liabilities, statements of financial position or balance sheets will sometimes report a separate section for deferred outflows or inflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) or inflow of financial resource (revenue) until then.

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

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

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

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.

### **U. Statement of Cash Flows**

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 cash and investments held by trustee in the Post-Employment Benefits Revocable Trust Internal Service Fund are also considered a cash equivalent.

### **V. Restricted Assets**

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

### **W. 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 inflow of resources. Net position is displayed in three components:

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

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

### X. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself.
- **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 nonspendable, restricted, assigned, or unassigned resources are available for use, it is the District's policy to use resources in the following order: 1) nonspendable, 2) restricted, 3) assigned, and 4) unassigned.

### Y. Minimum Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding maintaining a minimum fund balance for the General Fund. The policy states that the District will endeavor to maintain an unassigned fund balance that will not fall below 5.0 percent of the District's General Fund operating expenditure budget, excluding operating capital programs. At June 30, 2024, the unassigned fund balance (excluding restricted account deficits) of the General Fund – Operating Account was 33.0 percent of the fiscal 2024 General Fund – Operating Account expenditures.

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

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

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2023, 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.

### AA. 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 at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

### BB. Change in Accounting Principle

During the year ended June 30, 2024, the District implemented new accounting guidance for capitalizing purchases of groups of similar assets. This recent change in authoritative literature, which provides new guidance on the accounting and financial reporting for capital assets, requires a government to capitalize groups of similar assets purchased at or near the same time, that are individually below the District's capitalization threshold, if the aggregate cost is significant. In prior periods, the District only capitalized assets when individual cost exceeded its 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 resulted in the District reporting certain groups of similar capital assets acquired in previous years and accumulated depreciation thereon, increasing beginning net position by \$4,307,750 in the government-wide financial statements in the current year. See Note 3 for additional details on this change in the current year.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Components of Cash and Investments

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

Deposits	\$ 214,343,381
Investments	260,957,548
Cash on hand	<u>2,375</u>
Total	<u><u>\$ 475,303,304</u></u>

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Statement of Net Position	
Cash and temporary investments	\$ 447,752,640
Statement of Net Position – restricted assets – temporarily restricted	
Cash and investments for OPEB	25,629,339
Statement of Fiduciary Net Position – Custodial Funds	
Cash and temporary investments	<u>1,921,325</u>
Total	<u><u>\$ 475,303,304</u></u>

### B. Deposits

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

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

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

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

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

At year-end, the carrying amount and the bank balance of the District’s deposits was \$214,343,381. At June 30, 2024, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk – Maturity Duration in Years				Total
	Rating	Agency		Less Than 1	1 to 5	5 to 10	More Than 10	
U.S. treasury securities	AA	S&P	Level 1	\$ 59,780	\$ 97,908	\$ 514,638	\$ 1,142,756	\$ 1,815,082
U.S. government agencies	AA	S&P	Level 2	\$ –	\$ 760,639	\$ 82,714	\$ 525,308	1,368,661
Municipal bonds	AAA	S&P	Level 2	\$ 5,887,860	\$ 2,034,342	\$ 639,355	\$ 485,163	9,046,720
Municipal bonds	Aaa	Moody's	Level 2	\$ –	\$ –	\$ –	\$ 164,075	164,075
Municipal bonds	AA	S&P	Level 2	\$ –	\$ 336,290	\$ 958,812	\$ 226,340	1,521,442
Municipal bonds	Aa	Moody's	Level 2	\$ 246,556	\$ 3,051,995	\$ 224,920	\$ 262,568	3,786,039
Municipal bonds	A	S&P	Level 2	\$ –	\$ –	\$ 244,855	\$ –	244,855
Municipal bonds	A	Moody's	Level 2	\$ –	\$ –	\$ –	\$ 218,386	218,386
Corporate obligations	AAA	S&P	Level 1	\$ –	\$ –	\$ –	\$ 218,352	218,352
Corporate obligations	AA	S&P	Level 1	\$ –	\$ –	\$ –	\$ 721,064	721,064
Corporate obligations	A	S&P	Level 1	\$ 649,960	\$ 847,396	\$ 1,735,463	\$ 2,722,475	5,955,294
Corporate obligations	A	Moody's	Level 1	\$ –	\$ 191,460	\$ –	\$ –	191,460
Corporate obligations	Baa	Moody's	Level 1	\$ –	\$ –	\$ –	\$ 170,126	170,126
Corporate obligations	BBB	S&P	Level 1	\$ –	\$ 1,273,911	\$ 769,861	\$ 438,575	2,482,347
Exchange-traded fund	N/A	N/A	Level 1	N/A	N/A	N/A	N/A	41,197
Equities	N/A	N/A	Level 1	N/A	N/A	N/A	N/A	7,704,611
Negotiable certificates of deposit	N/R	N/R	Level 2	\$ 248,137	\$ 486,080	\$ –	\$ –	734,217
Investment pools/mutual funds								
Minnesota School District								
Liquid Asset Fund (MSDLAF)								
Liquid Class	AAA	S&P	Amortized Cost	N/A	N/A	N/A	N/A	10,534,254
MAX Class	AAA	S&P	Amortized Cost	N/A	N/A	N/A	N/A	7,255,276
First American Government								
Obligation Fund	AAA	S&P	Amortized Cost	N/A	N/A	N/A	N/A	790,907
Goldman Sachs Financial Square								
Prime Obligations Fund	AAA	S&P	Amortized Cost	N/A	N/A	N/A	N/A	767,400
MNTrust								
Investment Shares Portfolio	AAA	S&P	Amortized Cost	N/A	N/A	N/A	N/A	103,743,881
Limited Term Duration	N/R	N/R	Amortized Cost	N/A	N/A	N/A	N/A	20,731,902
Term Series	N/R	N/R	Amortized Cost	\$ 49,000,000	\$ 31,750,000	\$ –	\$ –	80,750,000
Total investments								<u>\$ 260,957,548</u>

N/A – Not Applicable

N/R – Not Rated

The amount in investment pools/mutual funds includes amounts invested in the MNTrust Investment Shares Portfolio, Minnesota School District Liquid Asset Fund (MSDLAF), MNTrust Limited Term Duration, and MNTrust Term Series, which are external investment pools regulated by Minnesota Statutes not registered with the Securities and Exchange Commission. The District's investment in these funds 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.

For MNTrust accounts and MSDLAF investments, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the MSDLAF Liquid Class. Within MSDLAF, the redemption notice period is 14 days for the MAX Class and early redemption will likely cause a penalty. MNTrust Term Series Portfolios are intended to be held until maturity; a participant's withdrawal prior to maturity will require seven-days' notice of redemption and will likely carry a penalty, which could be substantial in that it would be intended to allow the Term Series Portfolio to recoup any associated penalties, charges, losses or other costs associated with the early redemption of the investments therein.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

**Custodial Credit Risk** – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. 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.

**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.

The District has an internal investment policy that limits investment choices and addresses these potential risks beyond the statutory limitations described above. The District’s policy requires that investments be diversified to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. No more than 66 percent of the total portfolio can be placed with any one depository. The maximum percentage in which the portfolio can be invested in specific instruments is as follows:

U.S. treasury obligations	100%
U.S. government agency securities and instrumentalities	
of government sponsored corporations	75%
Repurchase agreements	25%
Certificates of deposit – federal deposit insurance covered	100%
Certificates of deposit – savings and loans	75%
Local government investment pool	75%
Money market funds	75%

For assets held in the Post-Employment Benefits Revocable Trust Internal Service Fund, the investment options available to the District are expanded to include the investment types specified in Minnesota Statutes § 356A.06, Subd. 7. Minnesota Statutes authorize the Trust Fund to invest in obligations of the U.S. treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the state of Minnesota or its municipalities, bankers’ acceptances, future contracts, corporate bonds, common stock and foreign stock of the highest quality, mutual funds, repurchase and reverse agreements, and commercial paper of the highest quality with a maturity no longer than 270 days and in the Minnesota State Board of Investments.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

**Concentration Risk** – This is the risk associated with investing a significant portion of the District’s investments (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policy addresses concentration risk as discussed in the credit risk paragraph on the previous page.

**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, the District considers such things as interest rates and cash flow needs when purchasing investments.

## NOTE 3 – CAPITAL ASSETS

Capital assets and accumulated depreciation and amortization activity for the current year is as follows:

	Balance – Beginning of Year, as Previously Reported	Change in Accounting Principle	Balance – Beginning of Year, as Restated	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized							
Land	\$ 8,973,417	\$ –	\$ 8,973,417	\$ –	\$ –	\$ –	\$ 8,973,417
Construction in progress	19,956,710	–	19,956,710	25,928,421	–	(30,788,632)	15,096,499
Total capital assets, not depreciated/amortized	28,930,127	–	28,930,127	25,928,421	–	(30,788,632)	24,069,916
Capital assets, depreciated and amortized							
Land improvements	37,667,489	–	37,667,489	1,100,257	(5,210,700)	3,233,898	36,790,944
Buildings	573,440,827	–	573,440,827	12,840,091	–	27,554,734	613,835,652
Furniture and equipment	22,548,298	6,998,829	29,547,127	5,740,477	(1,354,619)	–	33,932,985
Technology subscriptions	2,205,437	–	2,205,437	327,857	–	–	2,533,294
Total capital assets, depreciated and amortized	635,862,051	6,998,829	642,860,880	20,008,682	(6,565,319)	30,788,632	687,092,875
Less accumulated depreciation and amortization for							
Land improvements	(17,122,378)	–	(17,122,378)	(1,653,470)	5,210,700	–	(13,565,148)
Buildings	(210,165,347)	–	(210,165,347)	(11,656,181)	–	–	(221,821,528)
Furniture and equipment	(9,440,998)	(2,691,079)	(12,132,077)	(3,566,610)	1,300,369	–	(14,398,318)
Technology subscriptions	(649,919)	–	(649,919)	(742,613)	–	–	(1,392,532)
Total accumulated depreciation and amortization	(237,378,642)	(2,691,079)	(240,069,721)	(17,618,874)	6,511,069	–	(251,177,526)
Net capital assets, depreciated and amortized	398,483,409	4,307,750	402,791,159	2,389,808	(54,250)	30,788,632	435,915,349
Total capital assets, net	\$ 427,413,536	\$ 4,307,750	\$ 431,721,286	\$ 28,318,229	\$ (54,250)	\$ –	\$ 459,985,265

The change in accounting principle in the table above relates to new guidance in financial reporting of group purchases of capital assets in the current year as further described in Note 1 of the notes to basic financial statements.



### NOTE 3 – CAPITAL ASSETS (CONTINUED)

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

Administration	\$ 1,280
District support services	2,227,837
Elementary and secondary regular instruction	211,612
Vocational education instruction	17,362
Special education instruction	52,952
Community service	47,318
Instructional support services	2,346,806
Pupil support services	16,884
Food service	236,502
Unallocated depreciation and amortization expense	<u>12,460,321</u>
Total depreciation and amortization expense	<u>\$ 17,618,874</u>

### NOTE 4 – LONG-TERM LIABILITIES

#### A. General Obligation Bonds and Notes

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

Issue	Issue Date	Interest Rates	Original Issue	Final Maturity	Principal Outstanding
General obligation bonds and notes, including refunding bonds					
2014A Capital Facilities Bonds	11/18/2014	2.00%–3.00%	\$ 5,770,000	02/01/2029	\$ 2,200,000
2015A Alternative Facilities Bonds	05/06/2015	2.00%–3.00%	\$ 9,355,000	02/01/2025	1,730,000
2015B Capital Notes	05/06/2015	2.00%–3.00%	\$ 1,475,000	02/01/2025	160,000
2016A Facilities Maintenance Bonds	11/16/2016	2.75%–4.00%	\$ 50,745,000	02/01/2032	50,365,000
2018B Facilities Maintenance Bonds	11/15/2018	3.75%–5.00%	\$ 43,340,000	02/01/2037	43,340,000
2020A G.O. Facilities Maintenance and Refunding Bonds	11/12/2020	1.50%–2.00%	\$ 36,465,000	02/01/2038	22,060,000
2022A G.O. Facilities Maintenance Bonds	09/22/2022	3.25%–5.00%	\$ 11,505,000	02/01/2034	11,505,000
2024A Building Bonds	02/29/2024	4.00%–5.00%	\$ 100,000,000	02/01/2044	100,000,000
2024A Facilities Maintenance Bonds	02/29/2024	4.00%–5.00%	\$ 138,350,000	02/01/2039	<u>138,350,000</u>
Total general obligation bonds and notes					<u>\$ 369,710,000</u>

#### B. Certificates of Participation

The District currently has the following certificates of participation outstanding:

Issue	Issue Date	Interest Rates	Original Issue	Final Maturity	Principal Outstanding
2014B Certificates of Participation	11/18/2014	2.00%–4.00%	\$ 14,085,000	02/01/2030	\$ 6,600,000
2021A Certificates of Participation	02/18/2021	1.00%–3.00%	\$ 8,715,000	04/01/2036	<u>7,180,000</u>
Total certificates of participation					<u>\$ 13,780,000</u>

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

### C. Financed Purchases Payable

The District currently has the following financed purchases payable outstanding:

Description	Issue Date	Interest Rates	Original Issue	Final Maturity	Principal Outstanding
Various equipment	03/30/2022	1.77%	\$ 2,007,134	07/15/2024	\$ 672,429
Lighting equipment	12/01/2022	4.83%	\$ 2,757,591	12/20/2031	2,198,754
Technology equipment	03/30/2023	4.93%	\$ 3,021,530	07/15/2025	1,993,774
Copier/printers	07/10/2023	7.93%	\$ 945,321	07/10/2027	726,359
Total financed purchases payable					<u>\$ 5,591,316</u>

### D. Subscription Liabilities

The District currently has the following subscription liabilities outstanding:

Description	Interest Rate	Issue Date	Original Issue	Final Maturity	Principal Outstanding
Software	3.05%	07/01/2022	\$ 327,711	06/30/2025	<u>\$ 160,760</u>

### E. Description of Long-Term Liabilities

**General Obligation Bonds and Notes** – These obligations were issued to finance acquisition and/or construction of capital facilities, or to refinance (refund) previous bond issues. Assets of the debt service funds, together with scheduled deferred ad valorem tax revenue, are dedicated for the retirement of these obligations. The annual future debt service levies authorized are equal to 105 percent of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

**Certificates of Participation** – In November 2014 and February 2021, the District sold \$14,085,000 and \$8,715,000, respectively, of certificates of participation to finance construction at various district sites. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificates. These certificates of participation are being paid by the General Fund.

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

**Financed Purchases Payable** – The District entered into financed purchase agreements to finance equipment purchases, which call for monthly principal and interest payments. These debt agreements are paid by the General Fund. Amortization of the equipment required to be capitalized is included in depreciation and amortization expense.

Failure by the District to pay any payments under these agreements, or upon the occurrence of an continuation of an event of default, the lender, without any further demand or notice, may take one or any combination of the following steps: 1) with or without terminating the agreement, may declare all payments due, or become due, during the fiscal year in effect when the default occurs; 2) may repossess the assets by giving the District written notice to surrender the assets and; 3) will thereafter use its best efforts to sell or lease its interest in the assets, or any portion thereof, in a commercially reasonable manner, in accordance with applicable state laws. The lender may also pursue any other remedy available to require the District to perform any of its obligations in these agreements.

**Subscription Liabilities** – The District entered into agreements to finance the use of software, which calls for monthly principal and interest payments through June 2025. The subscription liabilities are paid by the General Fund. The total amount of the underlying technology subscriptions capital assets and the related accumulated amortization is presented in Note 3 of the notes to basic financial statements.

**Arbitrage Liabilities** – The District must remit to the Internal Revenue Service any bond proceeds issued at one rate but reinvested at higher rates as arbitrage rebates. These rebates are calculated and remitted every five years and upon maturity of related debt. These rebates will be paid by the Debt Service Fund. Arbitrage liabilities relate to the 2022 and 2024 bonds.

**Post-Employment Severance Benefits Payable** – Post-employment severance benefits payable consist of early retirement incentive pay (based on convertible sick leave) payable to employees upon retirement. Post-employment severance benefits are paid by the Retirement Incentive Pay Internal Service Fund.

**Net Pension Liability and Total OPEB Obligation** – The details of these liabilities are discussed elsewhere in these notes. Such benefits are financed by the governmental funds and the Post-Employment Benefits Revocable Trust Fund, respectively.

District employees participate in two defined benefit pension plans, including two state-wide, cost-sharing, multiple-employer plans administered by the PERA and the TRA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2024:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	\$ 37,879,449	\$ 12,554,556	\$ 14,286,292	\$ 4,861,895
State-wide, multiple-employer – TRA	208,188,944	54,845,386	7,484,652	219,267
Total	<u>\$ 246,068,393</u>	<u>\$ 67,399,942</u>	<u>\$ 21,770,944</u>	<u>\$ 5,081,162</u>

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

### F. Minimum Debt Payments

Minimum annual principal and interest payments required to retire general obligation bonds and notes, certificates of participation, financed purchases, and subscription liabilities:

Year Ending June 30,	General Obligation Bonds and Notes		Certificates of Participation		Financed Purchases		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 11,025,000	\$ 14,670,079	\$ 1,520,000	\$ 383,638	\$ 2,038,379	\$ 273,943	\$ 160,760	\$ 5,241
2026	18,465,000	15,086,513	1,575,000	328,088	1,437,900	190,090	–	–
2027	13,945,000	14,208,713	1,635,000	270,488	442,561	114,219	–	–
2028	17,740,000	13,638,963	1,695,000	210,637	469,756	87,024	–	–
2029	19,740,000	12,899,063	1,755,000	148,587	279,765	58,054	–	–
2030–2034	118,335,000	51,637,600	4,305,000	243,762	922,955	90,499	–	–
2035–2039	141,830,000	23,059,344	1,295,000	28,530	–	–	–	–
2040–2044	28,630,000	3,385,400	–	–	–	–	–	–
	<u>\$ 369,710,000</u>	<u>\$ 148,585,675</u>	<u>\$ 13,780,000</u>	<u>\$ 1,613,730</u>	<u>\$ 5,591,316</u>	<u>\$ 813,829</u>	<u>\$ 160,760</u>	<u>\$ 5,241</u>

### G. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Long-term liabilities					
General obligation bonds and notes	\$ 138,720,000	\$ 238,350,000	\$ 7,360,000	\$ 369,710,000	\$ 11,025,000
Certificates of participation	15,250,000	–	1,470,000	13,780,000	1,520,000
Financed purchases	8,444,487	945,320	3,798,491	5,591,316	2,038,379
Subscription liabilities	749,099	90,409	678,748	160,760	160,760
Arbitrage liabilities	265,337	7,370,345	–	7,635,682	–
Unamortized premiums (discounts) on debt issued	4,836,100	24,906,942	984,205	28,758,837	–
Net pension liability	239,303,808	56,403,902	49,639,317	246,068,393	–
Post-employment severance benefits payable	3,768,289	177,565	828,172	3,117,682	691,340
Total OPEB obligation	<u>17,922,238</u>	<u>463,158</u>	<u>1,274,940</u>	<u>17,110,456</u>	<u>1,620,909</u>
	<u>\$ 429,259,358</u>	<u>\$ 328,707,641</u>	<u>\$ 66,033,873</u>	<u>\$ 691,933,126</u>	<u>\$ 17,056,388</u>

## NOTE 5 – FUND BALANCES

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

### Classifications

At June 30, 2024, 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	\$ 436,505	\$ –	\$ –	\$ 213,414	\$ 649,919
Prepaid items	572,730	–	–	–	572,730
Total nonspendable	1,009,235	–	–	213,414	1,222,649
Restricted					
Student activities	256,692	–	–	–	256,692
Capital projects levy	471,536	–	–	–	471,536
Operating capital	4,746,872	–	–	–	4,746,872
Gifted and talented	236,275	–	–	–	236,275
English learner	889,171	–	–	–	889,171
Basic skills programs	924,540	–	–	–	924,540
Safe schools revenue	207,284	–	–	–	207,284
Long-term facilities maintenance	364,790	141,406,102	–	–	141,770,892
Medical Assistance	253,965	–	–	–	253,965
Projects funded by					
certificates of participation	–	1,378,266	–	–	1,378,266
Food service	–	–	–	5,550,475	5,550,475
Community education	–	–	–	4,265,019	4,265,019
Early childhood family education programs	–	–	–	1,235,246	1,235,246
School readiness	–	–	–	450,725	450,725
Adult basic education	–	–	–	4,621	4,621
Debt service	–	–	11,282,300	–	11,282,300
Capital projects	–	107,471,597	–	–	107,471,597
Total restricted	8,351,125	250,255,965	11,282,300	11,506,086	281,395,476
Assigned					
Assigned for subsequent year budget	1,659,105	–	–	–	1,659,105
Strategic priorities	500,000	–	–	–	500,000
Total assigned	2,159,105	–	–	–	2,159,105
Unassigned	111,235,114	–	–	–	111,235,114
Total	\$ 122,754,579	\$ 250,255,965	\$ 11,282,300	\$ 11,719,500	\$ 396,012,344

## NOTE 6 – POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN

### A. Plan Description

The District provides post-employment healthcare benefits to certain eligible employees. The District provides these benefits in a single-employer defined benefit healthcare plan administered by the District. The plan does not issue a publicly available financial report. All of the post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. These benefits are summarized as follows:

**Others' Post-Employment Medical Plan** – All retirees of the District have the option to continue their medical coverage into retirement. Retirees must pay the full district premium rate for their coverage and dependent coverage. Coverage in the District's plan ends at age 65.

**Teachers' Post-Employment Medical Plan** – Teachers with 15 continuous years of service are eligible to receive a contribution towards the teacher's health insurance after retirement from age 55 to 65. The amount will be determined by multiplying the teacher's daily rate of pay at the time of retirement times the number of the teacher's accumulated sick leave days in excess of 123 days as of the date of retirement. However, the total amount will not exceed \$37,800. The monthly district contribution toward the premium will be determined using the cumulative total amount earned divided by the number of months until the teacher qualifies for Medicare. The benefit amount will not exceed 100 percent of the premium of the insurance plan selected by the teacher. If the teacher's full-time equivalent (FTE) status is not full-time at the time of retirement, the benefit will be prorated according to the teacher's current FTE.

**Administrators' Post-Employment Medical Plan** – The District pays for full medical plan coverage after retirement for certain administrators and their spouses and dependents up to age 65.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

### B. 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's contributions in the current year totaled \$821,652 as required on a pay-as-you-go basis to finance the current year benefits as described in the previous section.

### C. Membership

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

Retirees and beneficiaries receiving benefits	223
Active plan members	<u>2,574</u>
Total members	<u><u>2,797</u></u>

## NOTE 6 – POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN (CONTINUED)

### D. Total OPEB Liability of the District

The District's total OPEB liability of \$17,110,456 at year-end was measured as of June 30, 2023, and was determined by an actuarial valuation date of June 30, 2022. Updated procedures were used to roll forward the total OPEB liability to the measurement date since the actuarial valuation date is not the same as the measurement date.

### E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.86%
20-year municipal bond yield	3.86%
Inflation rate	2.50%
Healthcare cost trend rate	6.80% grading to 3.90% over 53 years

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information, as well as for consistency with the other economic assumptions.

### F. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning balance	\$ 17,922,238
Changes for the year	
Service cost	835,049
Interest	652,116
Differences between expected and actual experience	12,351
Changes of assumptions	(141,791)
Benefit payments	<u>(2,169,507)</u>
Total net changes	<u>(811,782)</u>
Ending balance	<u><u>\$ 17,110,456</u></u>

Assumption changes and changes in benefit terms since the prior measurement date include the following:

#### Changes in Assumptions

- Discount rate was changed from 3.69 percent to 3.86 percent.

**NOTE 6 – POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN (CONTINUED)****G. Total OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB 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>
OPEB discount rate	2.86%	3.86%	4.86%
Total OPEB liability	\$ 17,948,280	\$ 17,110,456	\$ 16,285,550

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability 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>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
OPEB healthcare cost trend rate	5.80% decreasing to 2.90% over 53 years	6.80% decreasing to 3.90% over 53 years	7.80% decreasing to 4.90% over 53 years
Total OPEB liability	\$ 15,765,908	\$ 17,110,456	\$ 18,649,131



**NOTE 6 – POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN (CONTINUED)****H. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources**

For the current year ended, the District recognized OPEB expense of \$463,158. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability	\$ 3,426,402	\$ 316,536
Change of assumptions	841,873	1,926,070
District's contributions to the OPEB subsequent to the measurement date	<u>821,652</u>	<u>—</u>
Total	<u><u>\$ 5,089,927</u></u>	<u><u>\$ 2,242,606</u></u>

A total of \$821,652 reported as deferred outflows of resources related to district contributions for OPEB subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025.

Remaining 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	\$ 187,194
2026	423,740
2027	726,214
2028	579,747
2029	85,926
Thereafter	<u>22,848</u>
	<u><u>\$ 2,025,669</u></u>

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

### **A. Plan Descriptions**

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

#### **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.

### **B. Benefits Provided**

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

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

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

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

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

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.

#### Tier I Benefits

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

With these provisions:

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

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

### Tier II Benefits

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

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

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

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

### C. Contributions

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

#### 1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for 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 \$4,512,234. The District's contributions were equal to the required contributions as set by state statutes.

#### 2. TRA Contributions

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

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

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2024, were \$14,577,722. The District's contributions were equal to the required contributions for each year as set by state statutes.

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

The following is a reconciliation of employer contributions in the TRA’s 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	<u>(643)</u>
Total employer contributions	508,034
Total nonemployer contributions	<u>35,587</u>
Total contributions reported in the Schedule of Employer and Nonemployer Allocations	<u>\$ 543,621</u>

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

### D. Pension Costs

#### 1. GERF Pension Costs

At June 30, 2024, the District reported a liability of \$37,879,449 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 \$1,044,095. 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 0.6774 percent at the end of the measurement period and 0.7137 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 37,879,449
State’s proportionate share of the net pension liability associated with the District	<u>1,044,095</u>
Total	<u>\$ 38,923,544</u>

For the year ended June 30, 2024, the District recognized pension expense of \$4,857,203 for its proportionate share of the GERF’s pension expense. The District also recognized an additional \$4,692 as pension expense and grant revenue for its proportionate share of the state of Minnesota’s pension expense for the annual \$16 million contribution.

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

At June 30, 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	\$ 1,259,985	\$ 265,144
Changes in actuarial assumptions	6,239,991	10,382,435
Net collective difference between projected and actual investment earnings on pension plan investments	–	772,023
Changes in proportion	542,346	2,866,690
District's contributions to the GERF subsequent to the measurement date	4,512,234	–
Total	<u>\$ 12,554,556</u>	<u>\$ 14,286,292</u>

The \$4,512,234 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	\$ 112,267
2026	\$ (5,960,160)
2027	\$ 425,655
2028	\$ (821,732)

**2. TRA Pension Costs**

At June 30, 2024, the District reported a liability of \$208,188,944 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 2.5216 percent at the end of the measurement period and 2.2826 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	\$ 208,188,944
State's proportionate share of the net pension liability associated with the District	<u>14,583,156</u>
Total	<u>\$ 222,772,100</u>

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

For the year ended June 30, 2024, the District recognized negative pension expense of \$1,834,155. It also recognized \$2,053,422 as an increase to pension expense for the support provided by direct aid.

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	\$ 1,908,266	\$ 2,947,847
Changes in actuarial assumptions	22,391,297	–
Net collective difference between projected and actual investment earnings on pension plan investments	–	2,387,357
Changes in proportion	15,968,101	2,149,448
District’s contributions to the TRA subsequent to the measurement date	14,577,722	–
Total	<u>\$ 54,845,386</u>	<u>\$ 7,484,652</u>

A total of \$14,577,722 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	\$ 4,481,631
2026	\$ 1,277,655
2027	\$ 23,921,009
2028	\$ 294,125
2029	\$ 2,808,592

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

### F. Actuarial Methods and Assumptions

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

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

#### 1. GERF

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

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

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

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

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

#### 2. TRA

Salary increases were based on a service-related table.

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

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

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



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

### H. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed 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:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.00%	7.00%	8.00%
District's proportionate share of the GERF net pension liability	\$ 67,011,788	\$ 37,879,449	\$ 13,916,993
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	\$ 332,046,053	\$ 208,188,944	\$ 106,796,820

### I. Pension Plan Fiduciary Net Position

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

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

## NOTE 8 – COMMITMENTS AND CONTINGENCIES

### A. 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.

### B. Contingencies

The District is a defendant in various lawsuits. Although the outcomes of these lawsuits are not presently determinable, the District believes that the resolution of these matters will not have a material adverse effect on its financial position.

### C. Construction Contracts

At June 30, 2024, the District had commitments totaling \$35,163,529 under various construction contracts for which the work was not yet completed.

## **NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

### **D. Guaranteed Energy Savings Commitment**

The District has entered into guaranteed energy savings agreements under Minnesota Statutes, Section 471.345, Subd. 13. These agreements are for the purpose of utility cost-saving measures to improve energy efficiency of district facilities. As of June 30, 2024, the District has recorded \$8,368,700 of capital assets related to these energy savings contracts. The District is also required to purchase energy generated by the solar panels that are installed on various buildings of the District.

## **NOTE 9 – SUBSEQUENT EVENT**

In July 2024, the District entered into a financed purchase agreement for technology equipment totaling \$2,340,861. This financed purchase requires principal and interest payments annually with an interest rate of 4.76 percent and matures on July 15, 2026.

## **NOTE 10 – NET POSITION**

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

Capital assets, net of accumulated depreciation/amortization	\$ 459,985,265
General obligation bonds and notes	(369,710,000)
Certificates of participation	(13,780,000)
Financed purchases	(5,591,316)
Subscription liabilities	(160,760)
Arbitrage liabilities	(7,635,682)
Unamortized premiums (discounts) on debt issued	(28,758,837)
Unused bond proceeds	<u>250,255,965</u>
Total net investment in capital assets	<u><u>\$ 284,604,635</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 279

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	0.7950%	\$ 37,345,117	\$ —	\$ 37,345,117	\$ 41,705,669	89.54%	78.70%
06/30/2016	06/30/2015	0.7414%	\$ 38,423,195	\$ —	\$ 38,423,195	\$ 42,823,653	89.72%	78.20%
06/30/2017	06/30/2016	0.7462%	\$ 60,587,736	\$ 791,251	\$ 61,378,987	\$ 46,140,396	131.31%	68.90%
06/30/2018	06/30/2017	0.7598%	\$ 48,505,128	\$ 609,916	\$ 49,115,044	\$ 48,899,109	99.19%	75.90%
06/30/2019	06/30/2018	0.7583%	\$ 42,067,376	\$ 1,379,755	\$ 43,447,131	\$ 50,835,205	82.75%	79.50%
06/30/2020	06/30/2019	0.7352%	\$ 40,647,562	\$ 1,263,278	\$ 41,910,840	\$ 52,027,292	78.13%	80.20%
06/30/2021	06/30/2020	0.7357%	\$ 44,108,575	\$ 1,360,176	\$ 45,468,753	\$ 52,432,906	84.12%	79.10%
06/30/2022	06/30/2021	0.6883%	\$ 29,393,493	\$ 897,592	\$ 30,291,085	\$ 49,455,038	59.43%	87.00%
06/30/2023	06/30/2022	0.7137%	\$ 56,525,275	\$ 1,657,099	\$ 58,182,374	\$ 53,450,989	105.75%	76.70%
06/30/2024	06/30/2023	0.6774%	\$ 37,879,449	\$ 1,044,095	\$ 38,923,544	\$ 53,823,539	70.38%	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	\$ 3,211,774	\$ 3,211,774	\$ —	\$ 42,823,653	7.50%
06/30/2016	\$ 3,460,530	\$ 3,460,530	\$ —	\$ 46,140,396	7.50%
06/30/2017	\$ 3,667,745	\$ 3,667,745	\$ —	\$ 48,899,109	7.50%
06/30/2018	\$ 3,813,782	\$ 3,813,782	\$ —	\$ 50,835,205	7.50%
06/30/2019	\$ 3,902,412	\$ 3,902,412	\$ —	\$ 52,027,292	7.50%
06/30/2020	\$ 3,932,259	\$ 3,932,259	\$ —	\$ 52,432,906	7.50%
06/30/2021	\$ 3,709,133	\$ 3,709,133	\$ —	\$ 49,455,038	7.50%
06/30/2022	\$ 4,009,173	\$ 4,009,173	\$ —	\$ 53,450,989	7.50%
06/30/2023	\$ 4,036,859	\$ 4,036,859	\$ —	\$ 53,823,539	7.50%
06/30/2024	\$ 4,512,234	\$ 4,512,234	\$ —	\$ 60,162,583	7.50%

INDEPENDENT SCHOOL DISTRICT NO. 279

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	2.4605%	\$ 113,378,068	\$ 7,976,017	\$ 121,354,085	\$ 112,313,831	101.00%	81.50%
06/30/2016	06/30/2015	2.2895%	\$ 141,628,218	\$ 17,371,855	\$ 159,000,073	\$ 116,202,693	121.88%	76.80%
06/30/2017	06/30/2016	2.2898%	\$ 546,171,934	\$ 54,820,624	\$ 600,992,558	\$ 119,107,808	458.55%	44.88%
06/30/2018	06/30/2017	2.3658%	\$ 472,256,596	\$ 45,651,630	\$ 517,908,226	\$ 127,198,277	371.28%	51.57%
06/30/2019	06/30/2018	2.3486%	\$ 147,514,063	\$ 13,859,624	\$ 161,373,687	\$ 129,737,193	113.70%	78.07%
06/30/2020	06/30/2019	2.3505%	\$ 149,821,364	\$ 13,258,675	\$ 163,080,039	\$ 133,428,902	112.29%	78.21%
06/30/2021	06/30/2020	2.3501%	\$ 173,628,538	\$ 14,550,315	\$ 188,178,853	\$ 136,565,103	127.14%	75.48%
06/30/2022	06/30/2021	2.3280%	\$ 101,880,241	\$ 8,592,317	\$ 110,472,558	\$ 139,314,570	73.13%	86.63%
06/30/2023	06/30/2022	2.2826%	\$ 182,778,533	\$ 13,554,785	\$ 196,333,318	\$ 141,095,721	129.54%	76.17%
06/30/2024	06/30/2023	2.5216%	\$ 208,188,944	\$ 14,583,156	\$ 222,772,100	\$ 160,340,902	129.84%	76.42%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 8,713,050	\$ 8,713,050	\$ —	\$ 116,202,693	7.50%
06/30/2016	\$ 8,933,896	\$ 8,933,896	\$ —	\$ 119,107,808	7.50%
06/30/2017	\$ 9,552,598	\$ 9,552,598	\$ —	\$ 127,198,277	7.51%
06/30/2018	\$ 9,734,349	\$ 9,734,349	\$ —	\$ 129,737,193	7.50%
06/30/2019	\$ 10,294,789	\$ 10,294,789	\$ —	\$ 133,428,902	7.72%
06/30/2020	\$ 10,815,614	\$ 10,815,614	\$ —	\$ 136,565,103	7.92%
06/30/2021	\$ 11,324,179	\$ 11,324,179	\$ —	\$ 139,314,570	8.13%
06/30/2022	\$ 11,764,475	\$ 11,764,475	\$ —	\$ 141,095,721	8.34%
06/30/2023	\$ 13,706,535	\$ 13,706,535	\$ —	\$ 160,340,902	8.55%
06/30/2024	\$ 14,577,722	\$ 14,577,722	\$ —	\$ 166,571,753	8.75%

INDEPENDENT SCHOOL DISTRICT NO. 279

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

	District Fiscal Year-End Date						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 1,361,945	\$ 1,207,403	\$ 701,553	\$ 792,980	\$ 980,932	\$ 1,086,412	\$ 835,049
Interest	558,450	662,144	518,383	438,714	450,174	346,818	652,116
Differences between expected and actual experience	—	(1,127,935)	—	3,745,353	(122,810)	2,139,477	12,351
Changes of assumptions	(584,138)	(2,712,171)	301,086	997,623	409,614	(1,575,858)	(141,791)
Changes of benefit terms	—	—	—	227,952	—	—	—
Benefit payments	(2,047,574)	(1,990,043)	(1,932,465)	(1,899,488)	(2,165,617)	(2,103,239)	(2,169,507)
Net change in total OPEB liability	(711,317)	(3,960,602)	(411,443)	4,303,134	(447,707)	(106,390)	(811,782)
Total OPEB liability – beginning of year	19,256,563	18,545,246	14,584,644	14,173,201	18,476,335	18,028,628	17,922,238
Total OPEB liability – end of year	<u>\$ 18,545,246</u>	<u>\$ 14,584,644</u>	<u>\$ 14,173,201</u>	<u>\$ 18,476,335</u>	<u>\$ 18,028,628</u>	<u>\$ 17,922,238</u>	<u>\$ 17,110,456</u>
Covered-employee payroll	<u>\$130,286,782</u>	<u>\$158,757,096</u>	<u>\$167,369,946</u>	<u>\$173,754,599</u>	<u>\$183,575,354</u>	<u>\$199,502,673</u>	<u>\$200,625,333</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>14.23%</u>	<u>9.19%</u>	<u>8.47%</u>	<u>10.63%</u>	<u>9.82%</u>	<u>8.98%</u>	<u>8.53%</u>

Note: The District implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 279

Notes to Required Supplementary Information  
June 30, 2024

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2023 CHANGES IN PLAN PROVISIONS**

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

**2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2020 CHANGES IN PLAN PROVISIONS**

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

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- The discount rate was changed from 3.69 percent to 3.86 percent based on updated 20-year municipal bond rates.

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

- The discount rate was changed from 1.92 percent to 3.69 percent.
- Healthcare trend rates were reset.
- Medical per capita claims costs updated.
- Withdrawal, retirement, mortality, disability, and salary increase rates were updated to the rates used in the July 1, 2022 TRA and PERA valuations.
- The percent of future retirees eligible for an explicit subsidy assumed to elect coverage at retirement changed from 90.00 percent to 80.00 percent.
- The inflation assumption was changed from 2.25 percent to 2.50 percent.

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

- The discount rate was changed from 2.45 percent to 1.92 percent based on updated 20-year municipal bond rates.

### **2021 CHANGES IN BENEFIT TERMS**

- The teacher explicit subsidy contribution was revised based on updated contract information.

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

- The discount rate was changed from 3.13 percent to 2.45 percent based on updated 20-year municipal bond rates.
- Healthcare cost trend rates were reset to reflect updated cost increase expectations, including the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- The inflation assumption was changed from 2.50 percent to 2.25 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.

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

- The discount rate was changed from 3.62 percent to 3.13 percent.

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

- The discount rate was changed from 3.53 percent to 3.62 percent.
- The 20-year municipal bond yield changed from 3.53 percent to 3.62 percent.
- The inflation rate changed from 2.75 percent to 2.50 percent.
- The healthcare cost trend rate changed from 6.80 percent grading to 4.40 percent over 58 years, to 6.90 percent grading to 4.00 percent over 58 years.

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

- The discount rate was changed from 2.85 percent to 3.53 percent.

SUPPLEMENTARY INFORMATION

OSSEO AREA SCHOOLS

ISD  279

## Our Mission

is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.

NONMAJOR GOVERNMENTAL FUNDS



INDEPENDENT SCHOOL DISTRICT NO. 279

Nonmajor Governmental Funds

Combining Balance Sheet

as of June 30, 2024

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

	Special Revenue Funds			
	Food Service	Community Service	Totals	
			2024	2023
Assets				
Cash and temporary investments	\$ 5,165,967	\$ 7,473,579	\$ 12,639,546	\$ 11,465,287
Receivables				
Current taxes	—	1,381,647	1,381,647	1,554,513
Delinquent taxes	—	25,146	25,146	24,825
Accounts and interest	50,667	195,327	245,994	298,005
Due from other governmental units	579,459	482,122	1,061,581	1,859,269
Inventory	213,414	—	213,414	123,217
Total assets	<u>\$ 6,009,507</u>	<u>\$ 9,557,821</u>	<u>\$ 15,567,328</u>	<u>\$ 15,325,116</u>
Liabilities				
Salaries payable	\$ 68,102	\$ 551,664	\$ 619,766	\$ 641,207
Accounts and contracts payable	177,516	238,061	415,577	427,044
Total liabilities	<u>245,618</u>	<u>789,725</u>	<u>1,035,343</u>	<u>1,068,251</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	—	2,795,493	2,795,493	3,162,392
Unavailable revenue – delinquent taxes	—	16,992	16,992	22,129
Total deferred inflows of resources	<u>—</u>	<u>2,812,485</u>	<u>2,812,485</u>	<u>3,184,521</u>
Fund balances				
Nonspendable for inventory	213,414	—	213,414	123,217
Restricted	5,550,475	5,955,611	11,506,086	10,949,127
Total fund balances	<u>5,763,889</u>	<u>5,955,611</u>	<u>11,719,500</u>	<u>11,072,344</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,009,507</u>	<u>\$ 9,557,821</u>	<u>\$ 15,567,328</u>	<u>\$ 15,325,116</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

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

	Special Revenue Funds			
	Food Service	Community Service	Totals	
			2024	2023
Revenue				
Local sources				
Property taxes	\$ —	\$ 3,187,148	\$ 3,187,148	\$ 3,171,181
Investment earnings	189,542	361,636	551,178	382,806
Other	1,349,381	9,797,918	11,147,299	13,133,714
State sources	5,906,530	4,831,194	10,737,724	5,046,477
Federal sources	10,520,694	115,784	10,636,478	9,485,206
Total revenue	17,966,147	18,293,680	36,259,827	31,219,384
Expenditures				
Current				
Food service	16,256,837	—	16,256,837	14,899,044
Community service	—	18,423,092	18,423,092	16,209,298
Capital outlay	759,380	173,362	932,742	863,647
Total expenditures	17,016,217	18,596,454	35,612,671	31,971,989
Excess (deficiency) of revenue over expenditures	949,930	(302,774)	647,156	(752,605)
Other financing sources				
Sale of capital assets	—	—	—	111,500
Net change in fund balances	949,930	(302,774)	647,156	(641,105)
Fund balances				
Beginning of year	4,813,959	6,258,385	11,072,344	11,713,449
End of year	\$ 5,763,889	\$ 5,955,611	\$ 11,719,500	\$ 11,072,344

OSSEO AREA SCHOOLS

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## Our Mission

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GOVERNMENTAL FUNDS  
INDIVIDUAL FUND SCHEDULES

INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 5,165,967	\$ 3,281,746
Receivables		
Accounts and interest	50,667	160,995
Due from other governmental units	579,459	1,494,726
Inventory	<u>213,414</u>	<u>123,217</u>
Total assets	<u>\$ 6,009,507</u>	<u>\$ 5,060,684</u>
Liabilities		
Salaries payable	\$ 68,102	\$ 33,613
Accounts and contracts payable	<u>177,516</u>	<u>213,112</u>
Total liabilities	<u>245,618</u>	<u>246,725</u>
Fund balances		
Nonspendable for inventory	213,414	123,217
Restricted	<u>5,550,475</u>	<u>4,690,742</u>
Total fund balances	<u>5,763,889</u>	<u>4,813,959</u>
Total liabilities and fund balances	<u>\$ 6,009,507</u>	<u>\$ 5,060,684</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 245,000	\$ 189,542	\$ (55,458)	\$ 162,306
Other – primarily meal sales	1,233,965	1,349,381	115,416	3,914,925
State sources	5,849,226	5,906,530	57,304	565,409
Federal sources	10,192,461	10,520,694	328,233	9,004,330
Total revenue	<u>17,520,652</u>	<u>17,966,147</u>	<u>445,495</u>	<u>13,646,970</u>
Expenditures				
Current				
Salaries	4,989,086	4,889,945	(99,141)	4,797,548
Employee benefits	1,664,712	1,579,985	(84,727)	1,527,601
Purchased services	848,747	626,732	(222,015)	1,121,206
Supplies and materials	9,384,864	9,044,998	(339,866)	7,147,902
Other expenditures	124,000	115,177	(8,823)	304,787
Capital outlay	1,000,000	759,380	(240,620)	613,442
Total expenditures	<u>18,011,409</u>	<u>17,016,217</u>	<u>(995,192)</u>	<u>15,512,486</u>
Excess (deficiency) of revenue over expenditures	(490,757)	949,930	1,440,687	(1,865,516)
Other financing sources				
Sale of capital assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>111,500</u>
Net change in fund balances	<u>\$ (490,757)</u>	<u>949,930</u>	<u>\$ 1,440,687</u>	<u>(1,754,016)</u>
Fund balances				
Beginning of year		<u>4,813,959</u>		<u>6,567,975</u>
End of year		<u>\$ 5,763,889</u>		<u>\$ 4,813,959</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 7,473,579	\$ 8,183,541
Receivables		
Current taxes	1,381,647	1,554,513
Delinquent taxes	25,146	24,825
Accounts and interest	195,327	137,010
Due from other governmental units	<u>482,122</u>	<u>364,543</u>
Total assets	<u><u>\$ 9,557,821</u></u>	<u><u>\$ 10,264,432</u></u>
Liabilities		
Salaries payable	\$ 551,664	\$ 607,594
Accounts and contracts payable	<u>238,061</u>	<u>213,932</u>
Total liabilities	789,725	821,526
Deferred inflows of resources		
Property taxes levied for subsequent year	2,795,493	3,162,392
Unavailable revenue – delinquent taxes	<u>16,992</u>	<u>22,129</u>
Total deferred inflows of resources	2,812,485	3,184,521
Fund balances		
Restricted for community education	4,265,019	4,315,072
Restricted for early childhood family education programs	1,235,246	1,466,041
Restricted for school readiness	450,725	472,651
Restricted for adult basic education	<u>4,621</u>	<u>4,621</u>
Total fund balances	<u><u>5,955,611</u></u>	<u><u>6,258,385</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 9,557,821</u></u>	<u><u>\$ 10,264,432</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 3,197,914	\$ 3,187,148	\$ (10,766)	\$ 3,171,181
Investment earnings	330,000	361,636	31,636	220,500
Other – primarily tuition and fees	9,370,606	9,797,918	427,312	9,218,789
State sources	4,903,279	4,831,194	(72,085)	4,481,068
Federal sources	115,784	115,784	–	480,876
Total revenue	<u>17,917,583</u>	<u>18,293,680</u>	<u>376,097</u>	<u>17,572,414</u>
Expenditures				
Current				
Salaries	11,515,632	11,505,152	(10,480)	9,932,283
Employee benefits	3,543,176	3,340,575	(202,601)	3,126,603
Purchased services	2,831,040	2,752,975	(78,065)	2,385,930
Supplies and materials	701,014	795,739	94,725	719,155
Other expenditures	51,895	28,651	(23,244)	45,327
Capital outlay	160,600	173,362	12,762	250,205
Total expenditures	<u>18,803,357</u>	<u>18,596,454</u>	<u>(206,903)</u>	<u>16,459,503</u>
Net change in fund balances	<u>\$ (885,774)</u>	<u>(302,774)</u>	<u>\$ 583,000</u>	1,112,911
Fund balances				
Beginning of year		<u>6,258,385</u>		<u>5,145,474</u>
End of year		<u>\$ 5,955,611</u>		<u>\$ 6,258,385</u>



## INDEPENDENT SCHOOL DISTRICT NO. 279

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 154,222,228	\$ 129,572,204
Receivables		
Current taxes	59,386,033	53,935,981
Delinquent taxes	813,931	653,372
Accounts and interest	2,496,642	1,506,580
Due from other governmental units	31,614,874	28,311,791
Inventory	436,505	231,312
Prepaid items	<u>572,730</u>	<u>228,654</u>
Total assets	<u><u>\$ 249,542,943</u></u>	<u><u>\$ 214,439,894</u></u>
Liabilities		
Salaries payable	\$ 1,288,749	\$ 1,611,736
Accounts and contracts payable	8,300,384	4,782,131
Due to other governmental units	<u>844,169</u>	<u>529,679</u>
Total liabilities	<u>10,433,302</u>	<u>6,923,546</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	115,824,250	106,733,661
Unavailable revenue – delinquent taxes	<u>530,812</u>	<u>580,818</u>
Total deferred inflows of resources	<u>116,355,062</u>	<u>107,314,479</u>
Fund balances (deficits)		
Nonspendable for inventory	436,505	231,312
Nonspendable for prepaid items	572,730	228,654
Restricted for student activities	256,692	279,846
Restricted for capital projects levy	471,536	–
Restricted for operating capital	4,746,872	7,251,353
Restricted for gifted and talented	236,275	238,810
Restricted for English learner	889,171	–
Restricted for basic skills programs	924,540	–
Restricted for achievement and integration	–	23,956
Restricted for safe schools revenue	207,284	–
Restricted for long-term facilities maintenance	364,790	508,120
Restricted for Medical Assistance	253,965	1,698,272
Assigned for subsequent year budget	1,659,105	–
Assigned for strategic priorities	500,000	500,000
Unassigned – safe schools revenue restricted account deficit	–	(4,018)
Unassigned	<u>111,235,114</u>	<u>89,245,564</u>
Total fund balances	<u><u>122,754,579</u></u>	<u><u>100,201,869</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 249,542,943</u></u>	<u><u>\$ 214,439,894</u></u>

## INDEPENDENT SCHOOL DISTRICT NO. 279

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

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 111,550,500	\$ 111,015,795	\$ (534,705)	\$ 83,224,135
Investment earnings	5,810,000	6,212,192	402,192	3,876,850
Other	5,531,686	5,328,891	(202,795)	5,508,470
State sources	253,656,178	254,770,461	1,114,283	227,301,882
Federal sources	25,739,371	25,003,709	(735,662)	27,272,479
Total revenue	402,287,735	402,331,048	43,313	347,183,816
Expenditures				
Current				
Administration				
Salaries	10,876,354	10,835,758	(40,596)	10,046,681
Employee benefits	3,475,144	3,417,166	(57,978)	3,218,058
Purchased services	331,310	296,929	(34,381)	254,207
Supplies and materials	83,141	116,778	33,637	89,898
Capital expenditures	—	758	758	—
Other expenditures	121,336	94,917	(26,419)	95,461
Total administration	14,887,285	14,762,306	(124,979)	13,704,305
District support services				
Salaries	6,764,653	6,651,377	(113,276)	6,001,683
Employee benefits	2,338,410	2,292,303	(46,107)	2,086,130
Purchased services	493,212	242,816	(250,396)	(151,334)
Supplies and materials	1,678,927	1,533,670	(145,257)	1,281,703
Capital expenditures	137,752	51,352	(86,400)	10,966
Other expenditures	(280,337)	(345,908)	(65,571)	(1,023,379)
Total district support services	11,132,617	10,425,610	(707,007)	8,205,769
Elementary and secondary regular instruction				
Salaries	116,451,156	115,232,202	(1,218,954)	103,386,628
Employee benefits	42,042,302	41,093,211	(949,091)	36,769,925
Purchased services	5,162,883	5,497,228	334,345	4,749,999
Supplies and materials	6,506,187	6,068,219	(437,968)	4,973,565
Capital expenditures	1,143,018	692,246	(450,772)	2,563,953
Other expenditures	1,065,038	1,060,198	(4,840)	1,314,914
Total elementary and secondary regular instruction	172,370,584	169,643,304	(2,727,280)	153,758,984

## INDEPENDENT SCHOOL DISTRICT NO. 279

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

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	3,011,876	3,296,105	284,229	2,580,957
Employee benefits	1,268,537	1,247,069	(21,468)	1,026,461
Purchased services	336,592	318,852	(17,740)	79,309
Supplies and materials	326,713	183,855	(142,858)	297,038
Capital expenditures	62,448	56,337	(6,111)	91,531
Other expenditures	9,465	6,240	(3,225)	—
Total vocational education instruction	5,015,631	5,108,458	92,827	4,075,296
Special education instruction				
Salaries	42,853,340	42,121,349	(731,991)	39,078,844
Employee benefits	15,359,652	15,195,261	(164,391)	14,377,108
Purchased services	7,258,832	6,679,813	(579,019)	6,401,511
Supplies and materials	461,801	416,205	(45,596)	440,591
Capital expenditures	166,611	212,750	46,139	98,787
Other expenditures	375,001	320,673	(54,328)	345,254
Total special education instruction	66,475,237	64,946,051	(1,529,186)	60,742,095
Instructional support services				
Salaries	18,752,060	18,645,463	(106,597)	21,398,912
Employee benefits	6,475,426	6,389,916	(85,510)	7,343,984
Purchased services	2,056,336	1,861,756	(194,580)	2,132,348
Supplies and materials	4,564,639	3,610,706	(953,933)	2,907,110
Capital expenditures	212,462	1,217,041	1,004,579	9,715,091
Other expenditures	65,187	66,317	1,130	175,526
Total instructional support services	32,126,110	31,791,199	(334,911)	43,672,971
Pupil support services				
Salaries	9,126,386	8,829,008	(297,378)	8,259,467
Employee benefits	3,413,899	3,196,278	(217,621)	3,105,129
Purchased services	22,398,777	20,090,288	(2,308,489)	20,227,554
Supplies and materials	291,163	268,231	(22,932)	439,354
Capital expenditures	549,170	418,328	(130,842)	324,664
Other expenditures	2,200	78,085	75,885	705
Total pupil support services	35,781,595	32,880,218	(2,901,377)	32,356,873

## INDEPENDENT SCHOOL DISTRICT NO. 279

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	9,120,226	9,542,883	422,657	9,132,306
Employee benefits	3,753,152	3,977,483	224,331	3,785,490
Purchased services	7,020,537	6,160,386	(860,151)	7,561,021
Supplies and materials	1,423,688	1,578,338	154,650	1,301,692
Capital expenditures	23,761,569	22,064,207	(1,697,362)	11,831,461
Other expenditures	446,922	444,267	(2,655)	480,647
Total sites and buildings	45,526,094	43,767,564	(1,758,530)	34,092,617
Fiscal and other fixed cost programs				
Purchased services	856,657	862,496	5,839	770,674
Other expenditures	5,000	11,502	6,502	46
Total fiscal and other fixed cost programs	861,657	873,998	12,341	770,720
Debt service				
Principal	5,947,239	5,947,239	—	4,848,459
Interest and fiscal charges	669,646	668,120	(1,526)	550,257
Total debt service	6,616,885	6,615,359	(1,526)	5,398,716
Total expenditures	390,793,695	380,814,067	(9,979,628)	356,778,346
Excess (deficiency) of revenue over expenditures	11,494,040	21,516,981	10,022,941	(9,594,530)
Other financing sources				
Issuance of financed purchases	—	945,320	945,320	5,779,121
Issuance of subscription liabilities	—	90,409	90,409	690,119
Total other financing sources	—	1,035,729	1,035,729	6,469,240
Net change in fund balances	\$ 11,494,040	22,552,710	\$ 11,058,670	(3,125,290)
Fund balances				
Beginning of year		100,201,869		103,327,159
End of year		\$ 122,754,579		\$ 100,201,869

## INDEPENDENT SCHOOL DISTRICT NO. 279

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 145,494,133	\$ 120,913,761
Receivables		
Current taxes	59,386,033	53,935,981
Delinquent taxes	813,931	653,372
Accounts and interest	2,400,555	1,440,976
Due from other governmental units	31,425,464	28,311,791
Inventory	297,042	206,025
Prepaid items	<u>572,730</u>	<u>228,654</u>
Total assets	<u><u>\$ 240,389,888</u></u>	<u><u>\$ 205,690,560</u></u>
Liabilities		
Salaries payable	\$ 1,266,872	\$ 1,542,872
Accounts and contracts payable	4,962,014	3,955,622
Due to other governmental units	<u>774,022</u>	<u>460,478</u>
Total liabilities	<u>7,002,908</u>	<u>5,958,972</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	115,824,250	106,733,661
Unavailable revenue – delinquent taxes	<u>530,812</u>	<u>580,818</u>
Total deferred inflows of resources	<u>116,355,062</u>	<u>107,314,479</u>
Fund balances (deficits)		
Nonspendable for inventory	297,042	206,025
Nonspendable for prepaid items	572,730	228,654
Restricted for student activities	256,692	279,846
Restricted for gifted and talented	236,275	238,810
Restricted for English learner	889,171	–
Restricted for basic skills programs	924,540	–
Restricted for achievement and integration	–	23,956
Restricted for safe schools revenue	207,284	–
Restricted for Medical Assistance	253,965	1,698,272
Assigned for subsequent year budget	1,659,105	–
Assigned for strategic priorities	500,000	500,000
Unassigned – safe schools revenue restricted account deficit	–	(4,018)
Unassigned	<u>111,235,114</u>	<u>89,245,564</u>
Total fund balances	<u><u>117,031,918</u></u>	<u><u>92,417,109</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 240,389,888</u></u>	<u><u>\$ 205,690,560</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 279

General Fund – Operating Account  
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	\$ 74,739,745	\$ 74,205,040	\$ (534,705)	\$ 59,971,671
Investment earnings	5,750,000	6,154,576	404,576	3,837,739
Other	4,895,186	4,647,855	(247,331)	5,023,834
State sources	251,035,890	252,128,747	1,092,857	219,532,158
Federal sources	25,739,371	25,003,709	(735,662)	27,272,479
Total revenue	362,160,192	362,139,927	(20,265)	315,637,881
Expenditures				
Current				
Administration				
Salaries	10,876,354	10,835,758	(40,596)	10,046,681
Employee benefits	3,475,144	3,417,166	(57,978)	3,218,058
Purchased services	331,310	296,929	(34,381)	254,207
Supplies and materials	83,141	116,778	33,637	89,898
Capital expenditures	–	629	629	–
Other expenditures	121,336	94,917	(26,419)	95,461
Total administration	14,887,285	14,762,177	(125,108)	13,704,305
District support services				
Salaries	6,764,653	6,651,377	(113,276)	6,001,683
Employee benefits	2,338,410	2,292,303	(46,107)	2,086,130
Purchased services	472,112	218,952	(253,160)	(162,638)
Supplies and materials	708,007	560,715	(147,292)	345,016
Capital expenditures	28,051	–	(28,051)	–
Other expenditures	(280,337)	(345,908)	(65,571)	(1,023,379)
Total district support services	10,030,896	9,377,439	(653,457)	7,246,812
Elementary and secondary regular instruction				
Salaries	116,451,156	115,232,202	(1,218,954)	103,386,628
Employee benefits	42,042,302	41,093,211	(949,091)	36,769,925
Purchased services	5,162,883	5,497,228	334,345	4,749,999
Supplies and materials	3,613,217	3,075,590	(537,627)	3,914,632
Capital expenditures	418,323	179,922	(238,401)	214,843
Other expenditures	1,065,038	1,060,198	(4,840)	1,314,914
Total elementary and secondary regular instruction	168,752,919	166,138,351	(2,614,568)	150,350,941

## INDEPENDENT SCHOOL DISTRICT NO. 279

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

	2024		Over (Under) Budget	2023
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	3,011,876	3,296,105	284,229	2,580,957
Employee benefits	1,268,537	1,247,069	(21,468)	1,026,461
Purchased services	336,592	318,852	(17,740)	79,309
Supplies and materials	124,713	123,544	(1,169)	138,881
Capital expenditures	37,448	12,873	(24,575)	11,690
Other expenditures	9,465	6,240	(3,225)	–
Total vocational education instruction	4,788,631	5,004,683	216,052	3,837,298
Special education instruction				
Salaries	42,853,340	42,121,349	(731,991)	39,078,844
Employee benefits	15,359,652	15,195,261	(164,391)	14,377,108
Purchased services	7,258,832	6,679,813	(579,019)	6,401,511
Supplies and materials	461,235	415,639	(45,596)	437,914
Capital expenditures	163,163	209,187	46,024	98,237
Other expenditures	375,001	320,673	(54,328)	345,254
Total special education instruction	66,471,223	64,941,922	(1,529,301)	60,738,868
Instructional support services				
Salaries	16,200,774	16,127,406	(73,368)	18,945,484
Employee benefits	5,495,683	5,451,566	(44,117)	6,382,263
Purchased services	2,056,336	1,848,950	(207,386)	2,111,258
Supplies and materials	2,315,641	1,737,204	(578,437)	918,005
Capital expenditures	23,220	24,007	787	55,424
Other expenditures	65,187	66,317	1,130	175,526
Total instructional support services	26,156,841	25,255,450	(901,391)	28,587,960
Pupil support services				
Salaries	9,126,386	8,829,008	(297,378)	8,259,467
Employee benefits	3,413,899	3,196,278	(217,621)	3,105,129
Purchased services	22,398,777	20,090,288	(2,308,489)	20,227,554
Supplies and materials	186,163	168,975	(17,188)	439,354
Capital expenditures	517,170	388,138	(129,032)	293,129
Other expenditures	2,200	78,085	75,885	705
Total pupil support services	35,644,595	32,750,772	(2,893,823)	32,325,338

INDEPENDENT SCHOOL DISTRICT NO. 279

General Fund – Operating Account  
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	9,120,226	8,649,254	(470,972)
Employee benefits	3,753,152	3,656,424	(96,728)
Purchased services	5,404,376	4,211,493	(1,192,883)
Supplies and materials	1,423,688	1,466,179	42,491
Capital expenditures	6,309	13,310	7,001
Other expenditures	3,000	495	(2,505)
Total sites and buildings	19,710,751	17,997,155	(1,713,596)
Fiscal and other fixed cost programs			
Purchased services	856,657	862,496	5,839
Other expenditures	5,000	11,502	6,502
Total fiscal and other fixed cost programs	861,657	873,998	12,341
Debt service			
Principal	302,166	302,166	–
Interest and fiscal charges	121,044	121,005	(39)
Total debt service	423,210	423,171	(39)
Total expenditures	347,728,008	337,525,118	(10,202,890)
Excess (deficiency) of revenue over expenditures	14,432,184	24,614,809	10,182,625
Other financing sources			
Issuance of financed purchases	–	–	–
Net change in fund balances	\$ 14,432,184	24,614,809	\$ 10,182,625
Fund balances			
Beginning of year		92,417,109	93,779,363
End of year		\$ 117,031,918	\$ 92,417,109



OSSEO AREA SCHOOLS

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## Our Mission

is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.

## INDEPENDENT SCHOOL DISTRICT NO. 279

General Fund – Capital Expenditure Account  
Comparative Balance Sheet  
as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 8,728,095	\$ 8,658,443
Receivables		
Accounts and interest	96,087	65,604
Due from other governmental units	189,410	–
Inventory	<u>139,463</u>	<u>25,287</u>
Total assets	<u><u>\$ 9,153,055</u></u>	<u><u>\$ 8,749,334</u></u>
Liabilities		
Salaries payable	\$ 21,877	\$ 68,864
Accounts and contracts payable	3,338,370	826,509
Due to other governmental units	<u>70,147</u>	<u>69,201</u>
Total liabilities	<u>3,430,394</u>	<u>964,574</u>
Fund balances		
Nonspendable for inventory	139,463	25,287
Restricted for capital projects levy	471,536	–
Restricted for operating capital	4,746,872	7,251,353
Restricted for long-term facilities maintenance	<u>364,790</u>	<u>508,120</u>
Total fund balances	<u>5,722,661</u>	<u>7,784,760</u>
Total liabilities and fund balances	<u><u>\$ 9,153,055</u></u>	<u><u>\$ 8,749,334</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 279

General Fund – Capital Expenditure Account  
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	\$ 36,810,755	\$ 36,810,755	\$ –	\$ 23,252,464
Investment earnings	60,000	57,616	(2,384)	39,111
Other	636,500	681,036	44,536	484,636
State sources	2,620,288	2,641,714	21,426	7,769,724
Total revenue	40,127,543	40,191,121	63,578	31,545,935
Expenditures				
Current				
Administration				
Capital expenditures	–	129	129	–
District support services				
Purchased services	21,100	23,864	2,764	11,304
Supplies and materials	970,920	972,955	2,035	936,687
Capital expenditures	109,701	51,352	(58,349)	10,966
Total district support services	1,101,721	1,048,171	(53,550)	958,957
Elementary and secondary regular instruction				
Supplies and materials	2,892,970	2,992,629	99,659	1,058,933
Capital expenditures	724,695	512,324	(212,371)	2,349,110
Total elementary and secondary regular instruction	3,617,665	3,504,953	(112,712)	3,408,043
Vocational education instruction				
Supplies and materials	202,000	60,311	(141,689)	158,157
Capital expenditures	25,000	43,464	18,464	79,841
Total vocational education services	227,000	103,775	(123,225)	237,998
Special education instruction				
Supplies and materials	566	566	–	2,677
Capital expenditures	3,448	3,563	115	550
Total special education instruction	4,014	4,129	115	3,227
Instructional support services				
Salaries	2,551,286	2,518,057	(33,229)	2,453,428
Employee benefits	979,743	938,350	(41,393)	961,721
Purchased services	–	12,806	12,806	21,090
Supplies and materials	2,248,998	1,873,502	(375,496)	1,989,105
Capital expenditures	189,242	1,193,034	1,003,792	3,190,427
Total instructional support services	5,969,269	6,535,749	566,480	8,615,771

INDEPENDENT SCHOOL DISTRICT NO. 279

General Fund – Capital Expenditure Account  
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)				
Pupil support services				
Supplies and materials	105,000	99,256	(5,744)	–
Capital expenditures	32,000	30,190	(1,810)	31,535
Total pupil support services	137,000	129,446	(7,554)	31,535
Sites and buildings				
Salaries	–	893,629	893,629	770,822
Employee benefits	–	321,059	321,059	296,816
Purchased services	1,616,161	1,948,893	332,732	1,925,947
Supplies and materials	–	112,159	112,159	142,942
Capital expenditures	23,755,260	22,050,897	(1,704,363)	15,122,120
Other expenditures	443,922	443,772	(150)	480,073
Total sites and buildings	25,815,343	25,770,409	(44,934)	18,738,720
Debt service				
Principal	5,645,073	5,645,073	–	4,476,112
Interest and fiscal charges	548,602	547,115	(1,487)	550,257
Total debt service	6,193,675	6,192,188	(1,487)	5,026,369
Total expenditures	43,065,687	43,288,949	223,262	37,020,620
Excess (deficiency) of revenue over expenditures	(2,938,144)	(3,097,828)	(159,684)	(5,474,685)
Other financing sources				
Issuance of financed purchases	–	945,320	945,320	3,021,530
Issuance of subscription liabilities	–	90,409	90,409	690,119
Total other financing sources	–	1,035,729	1,035,729	3,711,649
Net change in fund balances	\$ (2,938,144)	(2,062,099)	\$ 876,045	(1,763,036)
Fund balances				
Beginning of year		7,784,760		9,547,796
End of year		\$ 5,722,661		\$ 7,784,760

INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 255,268,372	\$ 15,480,774
Receivables		
Accounts and interest	<u>2,834,345</u>	<u>107,950</u>
Total assets	<u><u>\$ 258,102,717</u></u>	<u><u>\$ 15,588,724</u></u>
Liabilities		
Accounts and contracts payable	\$ 7,846,752	\$ 5,934,429
Fund balances		
Restricted for long-term facilities maintenance	141,406,102	8,281,818
Restricted for projects funded by certificates of participation	1,378,266	1,372,477
Restricted for capital projects	<u>107,471,597</u>	<u>—</u>
Total fund balances	<u><u>250,255,965</u></u>	<u><u>9,654,295</u></u>
Total liabilities and fund balances	<u><u>\$ 258,102,717</u></u>	<u><u>\$ 15,588,724</u></u>

## INDEPENDENT SCHOOL DISTRICT NO. 279

Capital Projects – Building Construction Fund  
Comparative Schedule of Revenue, Expenditures, and Changes in Fund Balances  
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenue		
Local sources		
Investment earnings	\$ 4,600,091	\$ 510,189
Expenditures		
Capital outlay		
Salaries	19,483	–
Employee benefits	2,705	–
Purchased services	–	11,270
Capital expenditures	<u>20,506,993</u>	<u>12,472,808</u>
Total capital outlay	20,529,181	12,484,078
Debt service		
Interest and fiscal charges	<u>628,725</u>	<u>90,132</u>
Total expenditures	<u>21,157,906</u>	<u>12,574,210</u>
Excess (deficiency) of revenue over expenditures	(16,557,815)	(12,064,021)
Other financing sources		
Bonds issued	238,350,000	11,505,000
Premium on bonds issued	<u>18,809,485</u>	<u>940,104</u>
Total other financing sources	<u>257,159,485</u>	<u>12,445,104</u>
Net change in fund balances	240,601,670	381,083
Fund balances		
Beginning of year	<u>9,654,295</u>	<u>9,273,212</u>
End of year	<u><u>\$ 250,255,965</u></u>	<u><u>\$ 9,654,295</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 279

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 20,594,233	\$ 10,030,536
Receivables		
Current taxes	9,212,044	5,907,396
Delinquent taxes	110,927	144,983
Due from other governmental units	<u>82,703</u>	<u>94,629</u>
Total assets	<u>\$ 29,999,907</u>	<u>\$ 16,177,544</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 18,637,683	\$ 12,017,045
Unavailable revenue – delinquent taxes	<u>79,924</u>	<u>132,129</u>
Total deferred inflows of resources	<u>18,717,607</u>	<u>12,149,174</u>
Fund balances		
Restricted for debt service	<u>11,282,300</u>	<u>4,028,370</u>
Total deferred inflows of resources and fund balances	<u>\$ 29,999,907</u>	<u>\$ 16,177,544</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

Debt Service 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	\$ 11,878,573	\$ 11,873,855	\$ (4,718)	\$ 14,855,402
Investment earnings	415,000	593,570	178,570	277,729
State sources	832,632	823,780	(8,852)	905,916
Total revenue	<u>13,126,205</u>	<u>13,291,205</u>	<u>165,000</u>	<u>16,039,047</u>
Expenditures				
Debt service				
Principal	7,360,000	7,360,000	–	11,815,000
Interest and fiscal charges	<u>4,890,870</u>	<u>4,774,732</u>	<u>(116,138)</u>	<u>4,500,118</u>
Total expenditures	<u>12,250,870</u>	<u>12,134,732</u>	<u>(116,138)</u>	<u>16,315,118</u>
Excess (deficiency) of revenue over expenditures	875,335	1,156,473	281,138	(276,071)
Other financing sources				
Premium on bonds issued	–	6,097,457	6,097,457	–
Transfers in	<u>–</u>	<u>–</u>	<u>–</u>	<u>614,052</u>
Total other financing sources	<u>–</u>	<u>6,097,457</u>	<u>6,097,457</u>	<u>614,052</u>
Net change in fund balances	<u>\$ 875,335</u>	<u>7,253,930</u>	<u>\$ 6,378,595</u>	<u>337,981</u>
Fund balances				
Beginning of year		<u>4,028,370</u>		<u>3,690,389</u>
End of year		<u>\$ 11,282,300</u>		<u>\$ 4,028,370</u>



OSSEO AREA SCHOOLS

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PROPRIETARY FUNDS

## INDEPENDENT SCHOOL DISTRICT NO. 279

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

	<u>Dental Self-Insurance</u>	<u>Medical Self-Insurance</u>	<u>Retirement Incentive Pay</u>
Assets			
Current assets			
Cash and temporary investments	\$ 580,623	\$ 511,282	\$ 3,936,356
Accounts and interest receivable	6,214	2,158	—
Prepaid items	—	117,400	—
Total current assets	<u>586,837</u>	<u>630,840</u>	<u>3,936,356</u>
Noncurrent assets – temporarily restricted			
Cash and investments held by trustee	—	—	—
Interest receivable	—	—	—
Total noncurrent assets	<u>—</u>	<u>—</u>	<u>—</u>
Total assets	586,837	630,840	3,936,356
Deferred outflow of resources			
OPEB plan deferments	—	—	—
Liabilities			
Current liabilities			
Accounts and contracts payable	175,031	514,040	—
Due to other governmental units	—	—	—
Post-employment severance benefits payable	—	—	691,340
OPEB obligation	—	—	—
Long-term liabilities			
Post-employment severance benefits payable	—	—	2,426,342
OPEB obligation	—	—	—
Total liabilities	<u>175,031</u>	<u>514,040</u>	<u>3,117,682</u>
Deferred inflows of resources			
OPEB plan deferments	—	—	—
Net position			
Restricted for employee benefits	—	—	—
Unrestricted	<u>411,806</u>	<u>116,800</u>	<u>818,674</u>
Total net position	<u>\$ 411,806</u>	<u>\$ 116,800</u>	<u>\$ 818,674</u>

Post-Employment Benefits Revocable Trust	Totals	
	2024	2023
\$ —	\$ 5,028,261	\$ 5,762,928
—	8,372	223,860
—	117,400	117,400
—	5,154,033	6,104,188
25,629,339	25,629,339	24,575,841
206,095	206,095	193,350
25,835,434	25,835,434	24,769,191
25,835,434	30,989,467	30,873,379
5,089,927	5,089,927	6,215,999
—	689,071	763,319
821,652	821,652	984,232
—	691,340	670,960
1,620,909	1,620,909	1,958,036
—	2,426,342	3,097,329
15,489,547	15,489,547	15,964,202
17,932,108	21,738,861	23,438,078
2,242,606	2,242,606	2,915,391
10,750,647	10,750,647	9,163,329
—	1,347,280	1,572,580
\$ 10,750,647	\$ 12,097,927	\$ 10,735,909

INDEPENDENT SCHOOL DISTRICT NO. 279

Proprietary Funds  
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)

	<u>Dental Self-Insurance</u>	<u>Medical Self-Insurance</u>	<u>Retirement Incentive Pay</u>
Operating revenue			
Contributions from governmental funds	\$ 2,268,455	\$ 7,161,609	\$ —
Operating expenses			
Dental benefit claims	2,151,312	—	—
Medical benefit claims	—	6,146,357	—
Administrative costs	131,150	1,290,315	—
Post-employment severance benefits	—	—	157,185
OPEB	—	—	—
Total operating expenses	<u>2,282,462</u>	<u>7,436,672</u>	<u>157,185</u>
Operating income (loss)	(14,007)	(275,063)	(157,185)
Nonoperating revenue			
Investment earnings	<u>16,799</u>	<u>19,911</u>	<u>184,245</u>
Change in net position	2,792	(255,152)	27,060
Net position			
Beginning of year	<u>409,014</u>	<u>371,952</u>	<u>791,614</u>
End of year	<u>\$ 411,806</u>	<u>\$ 116,800</u>	<u>\$ 818,674</u>

Post-Employment Benefits Revocable Trust	Totals	
	2024	2023
\$ —	\$ 9,430,064	\$ 8,716,219
—	2,151,312	2,167,999
—	6,146,357	5,905,759
—	1,421,465	1,264,149
—	157,185	355,880
463,157	463,157	288,022
463,157	10,339,476	9,981,809
(463,157)	(909,412)	(1,265,590)
2,050,475	2,271,430	1,270,681
1,587,318	1,362,018	5,091
9,163,329	10,735,909	10,730,818
\$ 10,750,647	\$ 12,097,927	\$ 10,735,909

INDEPENDENT SCHOOL DISTRICT NO. 279

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

	Dental Self-Insurance	Medical Self-Insurance	Retirement Incentive Pay
Cash flows from operating activities			
Contributions from governmental funds	\$ 2,460,432	\$ 7,185,120	\$ —
Payments for dental claims	(2,139,600)	—	—
Payments for medical claims	—	(6,232,317)	—
Payments for administrative costs	(131,150)	(1,290,315)	—
Post-employment severance and OPEB benefit payments	—	—	(807,792)
Net cash flows from operating activities	189,682	(337,512)	(807,792)
Cash flows from investing activities			
Investment earnings	16,799	19,911	184,245
Net change in cash and cash equivalents	206,481	(317,601)	(623,547)
Cash and cash equivalents			
Beginning of year	374,142	828,883	4,559,903
End of year	\$ 580,623	\$ 511,282	\$ 3,936,356
Reconciliation of operating (loss) to net cash flows from operating activities			
Operating (loss)	\$ (14,007)	\$ (275,063)	\$ (157,185)
Adjustments to reconcile operating (loss) to net cash flows from operating activities			
Changes in assets and liabilities			
Accounts receivable	191,977	23,511	—
Prepaid items	—	—	—
Deferred outflow of resources	—	—	—
Accounts and contracts payable	11,712	(85,960)	—
Due to other governmental units	—	—	—
Post-employment severance benefits payable	—	—	(650,607)
Total OPEB obligation	—	—	—
Deferred inflows of resources	—	—	—
Net cash flows from operating activities	\$ 189,682	\$ (337,512)	\$ (807,792)
Cash and cash equivalents are reported on the Statement of Net Position as follows:			
Cash and temporary investments	\$ 580,623	\$ 511,282	\$ 3,936,356
Cash and investments held by trustee	—	—	—
Total cash and cash equivalents	\$ 580,623	\$ 511,282	\$ 3,936,356

Post-Employment Benefits Revocable Trust	Totals	
	2024	2023
\$ —	\$ 9,645,552	\$ 8,745,770
—	(2,139,600)	(2,185,422)
—	(6,232,317)	(5,823,159)
—	(1,421,465)	(1,264,149)
(984,232)	(1,792,024)	(2,437,143)
(984,232)	(1,939,854)	(2,964,103)
2,037,730	2,258,685	1,237,833
1,053,498	318,831	(1,726,270)
24,575,841	30,338,769	32,065,039
\$ 25,629,339	\$ 30,657,600	\$ 30,338,769
\$ (463,157)	\$ (909,412)	\$ (1,265,590)
—	215,488	29,551
—	—	(117,400)
1,126,072	1,126,072	(1,368,352)
—	(74,248)	182,577
(162,580)	(162,580)	(296,783)
—	(650,607)	(800,248)
(811,782)	(811,782)	(106,390)
(672,785)	(672,785)	778,532
(984,232)	(1,939,854)	(2,964,103)
\$ —	\$ 5,028,261	\$ 5,762,928
25,629,339	25,629,339	24,575,841
\$ 25,629,339	\$ 30,657,600	\$ 30,338,769



OSSEO AREA SCHOOLS

ISD  279

## Our Mission

is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.

FIDUCIARY FUNDS

## INDEPENDENT SCHOOL DISTRICT NO. 279

Fiduciary Funds  
Custodial Funds  
Combining Statement of Fiduciary Net Position  
as of June 30, 2024

	Northwest Family Service Center	Local Collaborative Time Study	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Assets			
Cash and temporary investments	\$ 543,780	\$ 1,377,545	\$ 1,921,325
Receivables			
Accounts and interest	30,161	—	30,161
Total assets	<u>573,941</u>	<u>1,377,545</u>	<u>1,951,486</u>
Liabilities			
Salaries payable	—	192	192
Accounts and contracts payable	—	17,565	17,565
Total liabilities	<u>—</u>	<u>17,757</u>	<u>17,757</u>
Net position			
Restricted for Local Collaborative Time Study	—	1,359,788	1,359,788
Restricted for Northwest Family Service Center	<u>573,941</u>	<u>—</u>	<u>573,941</u>
Total net position	<u>\$ 573,941</u>	<u>\$ 1,359,788</u>	<u>\$ 1,933,729</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

Fiduciary Funds  
Custodial Funds  
Combining Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2024

	Northwest Family Service Center	Local Collaborative Time Study	Total
Additions			
Investment earnings	\$ —	\$ 67,609	\$ 67,609
Rents	499,988	—	499,988
Grants	—	419,845	419,845
Total additions	499,988	487,454	987,442
Deductions			
Elementary and secondary regular instruction			
Salaries	—	109,695	109,695
Employee benefits	—	37,543	37,543
Purchased services	—	246,313	246,313
Supplies and materials	—	2,265	2,265
Total elementary and secondary regular instruction	—	395,816	395,816
Sites and buildings			
Purchased services	580,638	—	580,638
Total deductions	580,638	395,816	976,454
Net change in fiduciary net position	(80,650)	91,638	10,988
Net position			
Beginning of year	654,591	1,268,150	1,922,741
End of year	\$ 573,941	\$ 1,359,788	\$ 1,933,729

OSSEO AREA SCHOOLS

ISD  279

## Our Mission

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# SECTION III

## STATISTICAL

OSSEO AREA SCHOOLS

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## Our Mission

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## **STATISTICAL SECTION (UNAUDITED)**

This section of Independent School District No. 279 – Osseo Area 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 ACFR relates to the services the District provides, and the activities it performs.

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



INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 188,563,705	\$ 193,342,167	\$ 201,669,570	\$ 209,642,657
Restricted	15,826,198	15,552,674	19,153,181	19,443,331
Unrestricted	(112,847,413)	(99,033,629)	(169,293,406)	(246,677,152)
Total governmental activities net position	<u>\$ 91,542,490</u>	<u>\$ 109,861,212</u>	<u>\$ 51,529,345</u>	<u>\$ (17,591,164)</u>

Note 1: The District implemented GASB Statement No. 75 in fiscal 2018. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately \$8.8 million.

Note 2: The District implemented GASB Statement No. 84 in fiscal 2020. The District reported a change in accounting principle as a result of implementing this standard that increased unrestricted net position by \$424,121.

Note 3: The District implemented GASB Statement No. 87 in fiscal 2022. The District reported a change in accounting principle as a result of implementing this standard that increased unrestricted net position by \$1,067,175.

Note 4: The District implemented new GASB authoritative literature which changed the requirements for the capitalization of groups of similar capital assets purchased at the same time in fiscal 2024. The District reported a change in accounting principle as a result of implementing this new accounting guidance that increased unrestricted net position by \$4,307,750.

2019	2020	2021	2022	2023	2024
\$ 217,683,814	\$ 233,739,330	\$ 240,761,946	\$ 251,841,254	\$ 268,802,808	\$ 284,604,635
21,207,005	17,275,589	32,967,515	33,722,595	32,179,593	36,498,735
(172,104,081)	(175,063,914)	(185,958,423)	(171,898,524)	(124,174,706)	(84,157,849)
<u>\$ 66,786,738</u>	<u>\$ 75,951,005</u>	<u>\$ 87,771,038</u>	<u>\$ 113,665,325</u>	<u>\$ 176,807,695</u>	<u>\$ 236,945,521</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

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

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities				
Administration	\$ 10,381,868	\$ 10,818,228	\$ 11,001,338	\$ 11,514,189
District support services	7,703,891	8,179,156	8,567,156	9,685,524
Elementary and secondary regular instruction	129,757,253	132,739,729	199,497,344	201,729,524
Vocational education instruction	2,577,175	3,382,640	3,512,275	3,877,502
Special education instruction	44,261,176	47,918,552	63,245,199	63,405,079
Instructional support services	18,218,530	19,542,885	19,301,766	19,776,626
Pupil support services	21,213,677	20,057,132	21,774,370	23,150,650
Sites and buildings	17,371,714	18,587,008	20,886,238	24,049,266
Fiscal and other fixed cost programs	607,963	529,352	501,639	437,569
Food service	11,239,240	12,207,490	12,579,723	12,641,891
Community service	14,421,741	16,419,921	19,965,214	20,570,178
Unallocated depreciation/amortization expense (excluding amounts directly allocated)	7,290,078	7,814,428	8,015,144	8,217,000
Interest and fiscal charges on debt	5,557,629	4,063,175	4,456,962	4,678,075
Total governmental activities expenses	290,601,935	302,259,696	393,304,368	403,733,073
Program revenues				
Governmental activities				
Charges for services				
Food service	4,554,115	5,018,871	5,324,443	5,426,342
Community service	8,675,018	9,518,778	9,954,275	10,433,494
All other	2,357,602	2,101,396	2,240,416	2,173,310
Operating grants and contributions	67,178,824	69,859,744	70,475,866	71,983,248
Capital grants and contributions	8,343,272	8,831,507	8,419,910	8,401,701
Total governmental activities program revenues	91,108,831	95,330,296	96,414,910	98,418,095
Net (expense) revenue	(199,493,104)	(206,929,400)	(296,889,458)	(305,314,978)
General revenues and other changes in net position				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	58,867,528	61,342,344	64,372,997	69,614,963
Property taxes, levied for community service	1,917,363	1,998,320	2,435,152	2,584,830
Property taxes, levied for debt service	17,940,548	17,810,240	17,843,905	18,036,264
Property taxes, levied for capital projects	2,622,943	2,622,943	—	—
General grants and aids	136,917,820	138,867,011	150,549,947	150,314,612
Other general revenues	968,988	1,302,473	1,212,290	1,837,047
Gain on sale of capital assets	—	—	—	—
Investment earnings	465,137	1,304,791	2,143,300	2,669,993
Total governmental activities	219,700,327	225,248,122	238,557,591	245,057,709
Change in net position	\$ 20,207,223	\$ 18,318,722	\$ (58,331,867)	\$ (60,257,269)

2019	2020	2021	2022	2023	2024
\$ 11,579,014	\$ 12,045,309	\$ 12,618,772	\$ 13,265,447	\$ 13,705,585	\$ 14,763,586
9,161,865	9,664,778	9,774,932	9,665,973	10,612,245	12,613,970
96,467,422	156,972,364	150,649,757	132,679,526	115,585,085	159,054,375
3,896,875	3,816,686	3,506,547	4,431,862	4,036,605	5,112,060
37,278,468	58,331,647	59,143,900	56,663,872	50,189,664	61,730,953
20,153,137	21,783,939	34,930,503	32,168,972	36,209,514	31,409,570
24,378,844	25,046,915	25,441,090	29,065,764	32,245,839	32,534,952
26,923,739	21,518,505	24,052,035	21,801,400	22,698,059	22,271,774
478,592	578,794	612,385	665,539	770,720	873,998
11,725,300	11,787,601	10,579,695	13,787,275	15,578,299	16,753,806
17,988,019	18,797,900	12,283,972	13,561,234	15,570,524	18,289,620
8,572,041	9,336,423	10,014,580	10,781,321	11,678,097	12,460,321
4,273,134	3,931,328	3,781,858	4,869,711	5,131,297	15,924,423
272,876,450	353,612,189	357,390,026	343,407,896	334,011,533	403,793,408
5,311,834	3,778,743	246,038	782,730	4,014,642	1,189,767
10,655,483	8,177,105	4,227,651	8,157,627	8,136,580	8,504,744
1,885,473	1,522,171	1,427,488	4,037,675	2,020,544	1,758,660
94,288,399	89,989,964	105,334,938	107,415,958	118,091,828	142,310,164
9,709,050	9,463,840	7,183,646	7,778,430	7,807,982	2,863,548
121,850,239	112,931,823	118,419,761	128,172,420	140,071,576	156,626,883
(151,026,211)	(240,680,366)	(238,970,265)	(215,235,476)	(193,939,957)	(247,166,525)
70,139,704	77,069,829	75,604,475	81,661,917	83,093,050	110,965,789
2,751,535	2,964,636	3,059,339	3,086,670	3,166,148	3,182,011
19,383,439	20,009,035	22,837,182	15,583,464	14,818,612	11,821,650
—	—	—	—	—	—
135,755,407	143,538,316	144,806,099	142,401,547	148,877,949	162,251,730
1,097,917	694,465	730,287	1,496,502	808,313	546,960
199,685	—	—	—	—	—
6,076,426	5,144,231	3,752,916	(4,167,512)	6,318,255	14,228,461
235,404,113	249,420,512	250,790,298	240,062,588	257,082,327	302,996,601
\$ 84,377,902	\$ 8,740,146	\$ 11,820,033	\$ 24,827,112	\$ 63,142,370	\$ 55,830,076

## INDEPENDENT SCHOOL DISTRICT NO. 279

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

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable				
Operating Account	\$ 349,941	\$ 347,972	\$ 257,014	\$ 292,548
Capital Expenditure Account	10,794	41,908	40,940	84,682
Restricted				
Operating Account	183,529	141,786	1,587,675	1,177,620
Capital Expenditure Account	9,054,720	8,890,846	9,051,446	10,237,338
Assigned				
Operating Account	—	3,628,175	4,258,291	3,634,947
Unassigned				
Operating Account	55,738,741	63,161,707	63,266,128	67,945,278
Capital Expenditure Account	<u>(482,773)</u>	<u>(433,430)</u>	<u>(35,548)</u>	<u>(137,035)</u>
Total General Fund	<u>\$ 64,854,952</u>	<u>\$ 75,778,964</u>	<u>\$ 78,425,946</u>	<u>\$ 83,235,378</u>
All other governmental funds				
Nonspendable				
Special revenue funds	\$ 12,779	\$ 8,553	\$ 2,575	\$ 1,934
Restricted				
Special revenue funds	5,269,738	5,594,482	6,745,866	7,320,744
Capital Projects – Building Construction Fund	15,393,620	4,952,256	43,249,779	12,985,125
Debt Service Fund	<u>51,033,469</u>	<u>2,951,458</u>	<u>4,105,000</u>	<u>16,589,246</u>
Total all other governmental funds	<u>\$ 71,709,606</u>	<u>\$ 13,506,749</u>	<u>\$ 54,103,220</u>	<u>\$ 36,897,049</u>
Unassigned – Operating Account as a percentage of General Fund Operating Account expenditures	<u>23.5%</u>	<u>25.8%</u>	<u>24.7%</u>	<u>25.7%</u>

Note: The District implemented GASB Statement No. 84 in fiscal 2020. The District reported a change in accounting principle as a result of implementing this standard that increased the General Fund Unassigned – Operating Account fund balance by \$424,121.

2019	2020	2021	2022	2023	2024
\$ 295,095	\$ 413,056	\$ 217,512	\$ 440,231	\$ 434,679	\$ 869,772
131,966	110,522	93,218	29,293	25,287	139,463
1,379,098	2,582,371	2,635,666	1,664,876	2,240,884	2,767,927
9,521,802	8,157,746	8,533,571	9,518,503	7,759,473	5,583,198
825,755	3,926,582	16,452,233	14,669,070	500,000	2,159,105
75,714,545	81,696,260	77,400,156	77,005,186	89,241,546	111,235,114
(695,873)	(294,564)	(641,535)	—	—	—
<u>\$ 87,172,388</u>	<u>\$ 96,591,973</u>	<u>\$ 104,690,821</u>	<u>\$ 103,327,159</u>	<u>\$ 100,201,869</u>	<u>\$ 122,754,579</u>
\$ 131,065	\$ 184,505	\$ 134,382	\$ 111,869	\$ 123,217	\$ 213,414
7,943,920	5,347,134	7,271,216	11,601,580	10,949,127	11,506,086
38,626,107	14,209,126	25,068,151	9,273,212	9,654,295	250,255,965
5,842,002	3,509,367	4,729,348	4,304,441	4,028,370	11,282,300
<u>\$ 52,543,094</u>	<u>\$ 23,250,132</u>	<u>\$ 37,203,097</u>	<u>\$ 25,291,102</u>	<u>\$ 24,755,009</u>	<u>\$ 273,257,765</u>
<u>27.8%</u>	<u>29.3%</u>	<u>26.8%</u>	<u>25.9%</u>	<u>27.9%</u>	<u>33.0%</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

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	\$ 81,224,509	\$ 83,812,427	\$ 84,767,898	\$ 90,260,977
Investment earnings (losses)	169,450	348,164	974,405	1,604,857
Other	20,092,851	21,359,596	22,410,973	22,858,261
State sources	193,878,147	198,912,577	202,174,527	209,621,427
Federal sources	14,660,370	15,210,620	16,625,266	17,198,842
Total revenues	<u>310,025,327</u>	<u>319,643,384</u>	<u>326,953,069</u>	<u>341,544,364</u>
Expenditures				
Current				
Administration	10,381,868	10,818,228	11,001,338	11,514,189
District support services	5,622,720	6,172,803	6,460,730	6,903,161
Elementary and secondary regular instruction	130,841,833	133,079,885	136,536,746	141,017,874
Vocational education instruction	2,573,885	3,380,229	3,509,419	3,874,646
Special education instruction	46,296,441	48,125,942	48,194,816	49,252,014
Instructional support services	18,270,519	19,590,144	19,265,127	19,713,175
Pupil support services	21,259,449	20,059,076	21,774,370	23,150,650
Sites and buildings	17,581,741	19,359,537	23,465,235	26,295,190
Fiscal and other fixed cost programs	607,963	529,352	501,639	437,569
Food service	11,232,077	12,021,733	12,142,784	12,369,060
Community service	14,465,450	16,420,852	17,937,598	18,835,328
Capital outlay	22,990,007	13,341,882	14,429,416	30,922,886
Debt service				
Principal	13,293,208	16,895,743	16,908,235	17,825,824
Interest and fiscal charges	6,032,813	6,478,143	5,519,548	6,692,091
Total expenditures	<u>321,449,974</u>	<u>326,273,549</u>	<u>337,647,001</u>	<u>368,803,657</u>
Excess (deficiency) of revenues over expenditures	(11,424,647)	(6,630,165)	(10,693,932)	(27,259,293)
Other financing sources (uses)				
Transfers in	—	—	—	—
Transfers (out)	—	—	—	—
Refunding bonds issued	42,075,000	—	—	—
Bonds issued	30,685,000	—	50,745,000	12,900,000
Issuance of financed purchases	—	—	—	—
Issuance of subscription liabilities	—	—	—	—
Premiums (discounts) on debt issued	6,295,789	—	2,232,510	687,685
Proceeds from sale of assets	—	—	—	473,993
Debt retirement from refunding bonds	—	(46,930,000)	—	—
Capital leases issued	4,759,147	6,281,320	959,875	800,876
Total other financing sources (uses)	<u>83,814,936</u>	<u>(40,648,680)</u>	<u>53,937,385</u>	<u>14,862,554</u>
Net change in fund balances	<u>\$ 72,390,289</u>	<u>\$ (47,278,845)</u>	<u>\$ 43,243,453</u>	<u>\$ (12,396,739)</u>
Debt service as a percentage of noncapital expenditures	<u>6.5%</u>	<u>7.5%</u>	<u>6.9%</u>	<u>7.3%</u>

2019	2020	2021	2022	2023	2024
\$ 91,750,858	\$ 100,328,694	\$ 101,462,806	\$ 100,135,307	\$ 101,250,718	\$ 126,076,798
3,652,156	2,833,396	533,341	(36,679)	5,047,574	11,957,031
23,739,973	17,114,579	9,469,507	14,576,005	18,642,184	16,476,190
218,164,915	224,158,572	221,574,472	221,197,193	233,254,275	266,331,965
16,798,675	15,891,453	32,488,639	37,491,213	36,757,685	35,640,187
354,106,577	360,326,694	365,528,765	373,363,039	394,952,436	456,482,171
11,579,014	12,045,309	12,630,825	13,264,167	13,704,305	14,762,306
7,122,254	7,631,179	7,717,054	7,587,100	8,205,769	10,425,610
144,692,508	143,989,921	140,547,910	143,319,449	153,758,984	169,643,304
3,907,331	3,888,466	3,509,057	4,439,304	4,075,296	5,108,458
51,507,841	55,159,242	56,677,434	59,625,510	60,742,095	64,946,051
26,200,345	23,051,707	34,912,873	32,329,578	37,203,731	31,791,199
24,378,844	25,060,178	25,510,887	29,057,448	32,356,873	32,880,218
30,083,755	27,088,116	26,146,167	31,472,718	40,561,857	43,767,564
478,592	578,794	612,385	665,539	770,720	873,998
11,900,447	11,756,680	11,023,452	14,414,867	14,899,044	16,256,837
19,669,050	18,413,160	12,342,444	14,202,554	16,209,298	18,423,092
18,468,568	25,628,871	20,858,804	16,525,312	13,347,725	21,461,923
17,802,872	20,491,339	21,103,066	15,984,006	16,663,459	13,307,239
5,942,637	7,140,795	5,941,062	5,758,278	5,140,507	6,071,577
373,734,058	381,923,757	379,533,420	388,645,830	417,639,663	449,719,376
(19,627,481)	(21,597,063)	(14,004,655)	(15,282,791)	(22,687,227)	6,762,795
—	1,050,000	—	—	614,052	—
—	(1,050,000)	—	—	(614,052)	—
16,070,000	—	14,405,000	—	—	—
43,340,000	—	30,775,000	—	11,505,000	238,350,000
—	—	—	2,007,134	5,779,121	945,320
—	—	—	—	690,119	90,409
2,300,316	—	1,086,458	—	940,104	24,906,942
199,685	—	—	—	111,500	—
(30,165,000)	—	(15,210,000)	—	—	—
7,465,535	1,299,565	5,000,010	—	—	—
39,210,536	1,299,565	36,056,468	2,007,134	19,025,844	264,292,671
\$ 19,583,055	\$ (20,297,498)	\$ 22,051,813	\$ (13,275,657)	\$ (3,661,383)	\$271,055,466
6.7%	7.8%	7.5%	5.8%	5.4%	4.8%



INDEPENDENT SCHOOL DISTRICT NO. 279

General Fund – Operating Account Expenditures by Program  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction
2015	\$ 10,379,805 4.4%	\$ 4,938,420 2.1%	\$ 122,827,042 51.8%	\$ 2,529,300 1.1%	\$ 46,277,695 19.5%
2016	10,815,433 4.4%	5,521,493 2.3%	129,193,844 52.8%	3,124,154 1.3%	48,120,113 19.6%
2017	10,999,162 4.3%	5,703,811 2.2%	134,282,353 52.4%	3,426,012 1.3%	48,191,475 18.9%
2018	11,498,367 4.4%	5,971,996 2.3%	139,495,530 52.7%	3,762,033 1.4%	49,249,189 18.6%
2019	11,579,014 4.2%	6,026,917 2.2%	142,641,191 52.3%	3,798,501 1.4%	51,504,863 18.9%
2020	12,045,309 4.3%	6,383,173 2.3%	142,608,851 51.2%	3,775,218 1.4%	55,149,141 19.8%
2021	12,630,825 4.4%	6,702,691 2.3%	138,440,927 47.9%	3,448,113 1.2%	56,675,430 19.6%
2022	13,264,167 4.5%	6,563,064 2.2%	141,053,529 47.5%	4,320,832 1.4%	59,587,097 20.1%
2023	13,704,305 4.3%	7,246,812 2.3%	150,350,941 47.0%	3,837,298 1.2%	60,738,868 19.0%
2024	14,762,177 4.4%	9,377,439 2.8%	166,138,351 49.2%	5,004,683 1.5%	64,941,922 19.2%

<u>Instructional Support Services</u>	<u>Pupil Support Services</u>	<u>Sites and Buildings</u>	<u>Fiscal and Other Fixed Cost Programs</u>	<u>Total</u>	<u>Percent Increase (Decrease) From Prior Year</u>
\$ 14,139,992 6.0%	\$ 21,247,802 9.0%	\$ 13,898,296 5.9%	\$ 607,963 0.2%	\$ 236,846,315 100.0%	2.9%
13,472,009 5.5%	20,033,798 8.2%	14,018,585 5.7%	529,352 0.2%	244,828,781 100.0%	3.4%
16,108,984 6.3%	21,749,139 8.5%	15,245,250 5.9%	501,639 0.2%	256,207,825 100.0%	4.7%
15,474,392 5.9%	23,141,045 8.8%	15,536,238 5.8%	437,569 0.1%	264,566,359 100.0%	3.3%
16,338,832 6.0%	24,364,201 8.9%	16,119,074 5.9%	478,592 0.2%	272,851,185 100.0%	3.1%
17,114,996 6.1%	25,030,855 9.0%	15,760,903 5.7%	578,794 0.2%	278,447,240 100.0%	2.1%
26,030,318 9.0%	25,510,887 8.8%	18,959,945 6.6%	612,385 0.2%	289,011,521 100.0%	3.8%
25,304,122 8.5%	29,026,924 9.8%	17,246,821 5.8%	665,539 0.2%	297,032,095 100.0%	2.8%
28,587,960 8.9%	32,325,338 10.1%	21,823,137 6.8%	1,143,067 0.4%	319,757,726 100.0%	7.7%
25,255,450 7.5%	32,750,772 9.7%	17,997,155 5.3%	1,297,169 0.4%	337,525,118 100.0%	5.6%

OSSEO AREA SCHOOLS

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## Our Mission

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INDEPENDENT SCHOOL DISTRICT NO. 279

General Fund – Operating Account Revenue by Source  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

Year Ended June 30,	Local Property Tax Levies (1)	State Revenue (1)	Federal Revenue	Other Local and Miscellaneous	Total
2015	\$ 53,770,557 22%	\$ 181,828,908 73%	\$ 7,987,321 3%	\$ 5,566,469 2%	\$ 249,153,255 100%
2016	56,353,162 22%	185,858,768 73%	8,184,157 3%	5,440,123 2%	255,836,210 100%
2017	54,872,791 21%	188,741,825 73%	9,076,514 4%	5,950,070 2%	258,641,200 100%
2018	56,258,480 21%	196,073,146 73%	9,800,950 4%	6,115,068 2%	268,247,644 100%
2019	57,035,680 21%	204,292,523 73%	9,408,631 3%	7,278,451 3%	278,015,285 100%
2020	64,852,735 22%	209,126,204 72%	9,630,449 3%	5,867,507 2%	289,476,895 100%
2021	64,689,741 22%	208,973,905 70%	19,421,504 7%	4,013,669 1%	297,098,819 100%
2022	61,454,434 21%	207,533,303 71%	20,855,275 7%	4,262,879 1%	294,105,891 100%
2023	59,971,671 19%	219,532,158 70%	27,272,479 9%	8,861,573 3%	315,637,881 100%
2024	74,205,040 20%	252,128,747 70%	25,003,709 7%	10,802,431 3%	362,139,927 100%

- (1) Basic general education revenue in the General Fund is determined by a state per student funding formula and consists of an equalized mix of property tax and state aid revenue. The state periodically changes the mix of property tax and state aid revenue with no net effect on total revenue.

INDEPENDENT SCHOOL DISTRICT NO. 279

Revenue and Expenditures –  
General Fund, Special Revenue Funds, General Obligation Bonds, and  
Debt Service Fund  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

				Fiscal Year
	2015	2016	2017	2018
Revenue				
General Fund				
Operating Account	\$ 249,153,255	\$ 255,836,210	\$ 258,641,200	\$ 268,247,644
Capital Expenditure Account	13,903,601	14,294,742	18,373,136	22,321,138
Special revenue funds				
Food Service	11,346,564	12,189,464	12,949,410	13,106,250
Community Service	15,056,548	16,828,669	18,535,705	18,977,219
Debt Service Fund				
General Obligation				
Bonds Account	15,637,131	15,564,377	15,955,955	15,555,583
Other Post-Employment				
Benefits Bonds Account	2,293,296	2,284,434	2,278,253	2,983,142
Total revenue	<u>\$ 307,390,395</u>	<u>\$ 316,997,896</u>	<u>\$ 326,733,659</u>	<u>\$ 341,190,976</u>
Expenditures				
General Fund				
Operating Account	\$ 236,846,315	\$ 244,828,781	\$ 256,207,825	\$ 264,566,359
Capital Expenditure Account	17,889,774	20,659,479	19,119,404	22,467,860
Special revenue funds				
Food Service	11,461,024	12,140,458	12,243,200	12,510,312
Community Service	14,595,891	16,557,157	18,096,509	18,998,920
Debt Service Fund				
General Obligation				
Bonds Account	15,751,468	16,813,272	15,471,116	16,756,014
Other Post-Employment				
Benefits Bonds Account	2,175,450	2,187,550	2,199,550	2,886,150
Total expenditures	<u>\$ 298,719,922</u>	<u>\$ 313,186,697</u>	<u>\$ 323,337,604</u>	<u>\$ 338,185,615</u>

2019	2020	2021	2022	2023	2024
\$ 278,015,285	\$ 289,476,895	\$ 297,098,819	\$ 294,105,891	\$ 315,637,881	\$ 362,139,927
22,504,811	22,088,625	18,495,400	29,014,795	31,545,935	40,191,121
12,875,401	10,441,940	12,954,711	16,830,516	13,646,970	17,966,147
19,779,910	16,685,896	13,038,710	16,811,824	17,572,414	18,293,680
17,208,540	18,097,433	21,261,211	13,857,737	16,039,047	13,291,205
2,907,629	2,875,357	2,620,468	2,728,971	—	—
<u>\$ 353,291,576</u>	<u>\$ 359,666,146</u>	<u>\$ 365,469,319</u>	<u>\$ 373,349,734</u>	<u>\$ 394,442,247</u>	<u>\$ 451,882,080</u>
\$ 272,851,185	\$ 278,447,240	\$ 289,011,521	\$ 297,032,095	\$ 319,757,726	\$ 337,525,118
31,397,121	24,372,381	23,483,860	29,459,387	37,020,620	43,288,949
12,165,405	12,116,579	11,655,858	14,960,691	15,512,486	17,016,217
19,737,599	18,604,603	12,463,604	14,373,798	16,459,503	18,596,454
16,403,794	20,460,477	20,094,456	14,290,620	16,315,118	12,134,732
2,909,601	2,844,948	2,623,860	2,720,995	—	—
<u>\$ 355,464,705</u>	<u>\$ 356,846,228</u>	<u>\$ 359,333,159</u>	<u>\$ 372,837,586</u>	<u>\$ 405,065,453</u>	<u>\$ 428,561,470</u>

OSSEO AREA SCHOOLS

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## Our Mission

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INDEPENDENT SCHOOL DISTRICT NO. 279

General Fund – Operating Account Revenue per Student  
Year Ended June 30, 2024  
(Modified Accrual Basis of Accounting)

	Hennepin County Average	ISD No. 279
General education formula revenue per pupil unit (1)		
General education (includes transportation)	\$ 7,138	\$ 7,138
Local optional	724	724
Referendum	1,834	2,126
Gifted and talented, extended, and basic skills	956	1,227
Operating capital	234	232
Equity, transition, pension, and other	223	189
General education formula revenue per pupil unit (property tax and state aid)	<u>\$ 11,109</u>	<u>\$ 11,636</u>
General Fund – Operating Account revenue per student (2)		
General education formula revenue per student (property tax and state aid)		\$ 14,763
Less Capital Expenditure Account		<u>(1,915)</u>
General education formula revenue per student – General Fund – Operating Account		12,848
State categorical revenue (special education, secondary vocational, cooperation, and other)		<u>2,988</u>
Total property tax and state aid revenue		15,836
Federal revenue (special education, Title I, and other)		1,209
Other local revenue – interest, participation fees, and other		<u>529</u>
Total General Fund – Operating Account revenue per student		<u>\$ 17,574</u>

(1) Pupil units or adjusted pupil units consist of differential weighting of students by grade level for funding purposes.

(2) Average daily membership is a measure of student attendance.

Source: General education formula revenue per pupil unit is from the Minnesota Department of Education



INDEPENDENT SCHOOL DISTRICT NO. 279

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value</u>
2015	\$ 12,260,171,126	\$ 126,039,300	\$ 12,386,210,426
2016	13,072,587,948	131,212,400	13,203,800,348
2017	13,963,187,839	135,759,200	14,098,947,039
2018	15,142,279,653	149,778,500	15,292,058,153
2019	16,274,057,264	162,395,700	16,436,452,964
2020	17,692,514,721	156,621,500	17,849,136,221
2021	18,865,866,104	167,949,700	19,033,815,804
2022	20,144,504,101	92,566,900	20,237,071,001
2023	24,204,288,396	104,356,700	24,308,645,096
2024	25,710,528,971	96,445,600	25,806,974,571

Source: Hennepin County Department of Property Tax and Public Records

Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 13,117,972,200	94.4 %
13,913,604,700	94.9
14,790,857,500	95.3
15,935,351,000	96.0
17,052,240,800	96.4
18,425,248,550	96.9
19,577,944,400	97.2
20,739,057,200	97.6
24,678,431,900	98.5
26,174,633,600	98.6

OSSEO AREA SCHOOLS

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INDEPENDENT SCHOOL DISTRICT NO. 279

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

Fiscal Year	Property Tax				
	General Fund	Community Service Special Revenue Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Total
2015	\$ 58,770,557	\$ 1,914,828	\$ 2,622,943	\$ 17,916,181	\$ 81,224,509
2016	61,356,156	1,999,515	2,622,943	17,833,813	83,812,427
2017	64,453,408	2,437,044	–	17,877,446	84,767,898
2018	69,621,125	2,585,454	–	18,054,398	90,260,977
2019	69,741,962	2,735,653	–	19,273,243	91,750,858
2020	77,283,444	2,972,809	–	20,072,441	100,328,694
2021	75,583,434	3,057,662	–	22,821,710	101,462,806
2022	81,485,810	3,080,402	–	15,569,095	100,135,307
2023	83,224,135	3,171,181	–	14,855,402	101,250,718
2024	111,015,795	3,187,148	–	11,873,855	126,076,798

INDEPENDENT SCHOOL DISTRICT NO. 279

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Property Classification	City	2024			
			Property Valuation		Percentage of Tax Capacity Value	Market Value
			Tax Capacity	Rank		
Target Corporation	Commercial	Brooklyn Park	\$ 1,398,800	1	0.5 %	\$ 69,977,500
Prisa Arbor Lakes, LLC	Commercial	Maple Grove	1,299,250	2	0.4	65,000,000
Boston Scientific SciMed, Inc.	Commercial	Maple Grove	1,161,870	3	0.4	58,131,000
The Connor Group	Apartment	Plymouth	1,039,238	4	0.3	83,139,000
Weidner Property Management	Apartment	Plymouth	959,875	5	0.3	76,790,000
Upsher Smith Laboratories, Inc.	Industrial	Maple Grove	905,854	6	0.3	45,330,200
Doran MGRB I, LLC	Apartment	Maple Grove	896,655	7	0.3	71,732,400
BPP, LLC	Industrial	Brooklyn Park	807,594	8	0.3	40,417,200
Skye at Arbor Lakes LLLP	Apartment	Maple Grove	786,184	9	0.3	62,894,700
Trea Park 81 East, LLC	Industrial	Maple Grove	756,784	10	0.2	37,876,700
KIR Maple Grove, LP	Commercial	Maple Grove	—	—	—	—
The Shoppes at Arbor Lakes	Commercial	Maple Grove	—	—	—	—
KIMCO Realty Corporation	Commercial	Maple Grove	—	—	—	—
Fairview Hospital	Commercial	Maple Grove	—	—	—	—
Mept Plymouth, LLC	Apartment	Plymouth	—	—	—	—
Brooklyn Park 73rd (DLB), LLC	Apartment	Brooklyn Park	—	—	—	—
Total for 10 largest principal taxpayers			<u>\$ 10,012,104</u>		<u>3.3 %</u>	<u>\$ 611,288,700</u>

Note: Minnesota's tax capacity system includes class rates whereby commercial, industrial, and utility properties pay taxes based on a higher percentage of market value than homeowners.

Source: Hennepin County Department of Property Tax and Public Records

2015			
Property Valuation			
Tax Capacity	Rank	Percentage of Tax Capacity Value	Market Value
\$ 1,646,020	1	1.3 %	\$ 82,301,000
—	—	—	—
795,280	4	0.6	39,801,500
—	—	—	—
624,633	6	0.5	49,970,000
—	—	—	—
—	—	—	—
507,666	8	0.4	25,420,800
—	—	—	—
—	—	—	—
1,389,484	2	1.1	69,511,700
1,290,704	3	1.0	64,572,700
701,158	5	0.5	35,095,400
525,150	7	0.4	26,295,000
478,500	9	0.4	38,280,000
471,621	10	0.4	37,729,700
<u>\$ 8,430,216</u>		<u>6.6 %</u>	<u>\$ 468,977,800</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

School Tax Levies and Tax Rates by Fund  
Last Ten Fiscal Years

	Year Collectible	General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total Levy All Funds
<b>Levies</b>					
	2015	\$ 64,037,957	\$ 1,960,560	\$ 18,050,797	\$ 84,049,314
	2016	64,021,060	2,375,031	17,945,293	84,341,384
	2017	69,353,231	2,523,098	18,139,842	90,016,171
	2018	70,426,884	2,728,751	19,627,290	92,782,925
	2019	76,470,630	2,919,952	20,180,265	99,570,847
	2020	74,247,689	2,993,322	22,893,430	100,134,441
	2021	81,756,449	3,068,201	15,735,260	100,559,910
	2022	84,115,150	3,125,856	14,901,056	102,142,062
	2023	109,718,453	3,162,392	12,017,045	124,897,890
	2024	120,146,548	2,795,493	18,637,683	141,579,724
<b>Net tax rates</b>					
Tax capacity rate					
	2015	13.693	1.319	12.144	27.156
	2016	13.348	1.510	11.409	26.267
	2017	14.397	1.506	10.827	26.730
	2018	12.673	1.495	10.753	24.921
	2019	12.677	1.509	10.429	24.615
	2020	9.944	1.395	10.669	22.008
	2021	13.807	1.357	6.959	22.123
	2022	14.396	1.307	6.230	21.933
	2023	14.341	1.104	4.195	19.640
	2024	15.964	0.918	6.120	23.002
Market value rate					
	2015	0.294	—	—	0.294
	2016	0.278	—	—	0.278
	2017	0.275	—	—	0.275
	2018	0.266	—	—	0.266
	2019	0.275	—	—	0.275
	2020	0.256	—	—	0.256
	2021	0.232	—	—	0.232
	2022	0.215	—	—	0.215
	2023	0.256	—	—	0.256
	2024	0.253	—	—	0.253

Note: A portion of the total spread levy is paid through various property tax credits for residential homestead properties, which are paid through state aids.

Source: Hennepin County Department of Property Tax and Public Records

Less Homestead and Agricultural Credit Aid (HACA) and Fiscal Disparities	Net Levy	Less Referendum Spread on Market Value	Remaining Amount Spread on Tax Capacity Value
\$ (10,726,997)	\$ 73,322,317	\$ (38,109,021)	\$ 35,213,296
(9,941,590)	74,399,794	(37,953,980)	36,445,814
(10,497,320)	79,518,851	(39,956,973)	39,561,878
(11,070,502)	81,712,423	(41,651,739)	40,060,684
(11,010,109)	88,560,738	(46,196,821)	42,363,917
(11,984,393)	88,150,048	(46,577,113)	41,572,935
(11,456,838)	89,103,072	(44,778,983)	44,324,089
(11,825,135)	90,316,927	(43,930,863)	46,386,064
(11,620,754)	113,277,136	(62,250,808)	51,026,328
(12,398,514)	129,181,210	(65,264,957)	63,916,253



INDEPENDENT SCHOOL DISTRICT NO. 279

Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

Rate	Tax Collection Calendar Year	Municipalities				
		Brooklyn Center	Brooklyn Park	Corcoran	Dayton	Maple Grove
Tax capacity rate	2015	70.026%	56.136%	45.311%	57.029%	39.651%
Market value rate	2015	—	0.02589%	—	—	—
Tax capacity rate	2016	71.775%	55.251%	45.691%	57.150%	39.196%
Market value rate	2016	—	0.02399%	—	—	—
Tax capacity rate	2017	70.498%	54.365%	45.994%	55.467%	38.245%
Market value rate	2017	—	0.02464%	—	—	—
Tax capacity rate	2018	67.067%	51.159%	45.357%	55.664%	36.709%
Market value rate	2018	—	0.01584%	—	—	—
Tax capacity rate	2019	70.400%	51.869%	45.160%	55.212%	34.746%
Market value rate	2019	—	0.01110%	—	—	—
Tax capacity rate	2020	65.233%	48.862%	45.013%	54.139%	32.756%
Market value rate	2020	—	0.01427%	—	—	—
Tax capacity rate	2021	64.740%	46.396%	43.522%	51.378%	31.911%
Market value rate	2021	—	0.01340%	—	—	—
Tax capacity rate	2022	55.864%	47.523%	43.192%	47.733%	31.287%
Market value rate	2022	—	0.02760%	—	—	—
Tax capacity rate	2023	54.747%	42.380%	42.122%	35.109%	26.902%
Market value rate	2023	—	0.01173%	—	—	—
Tax capacity rate	2024	56.766%	46.520%	42.410%	35.653%	27.187%
Market value rate	2024	—	0.01111%	—	—	—

- (1) The miscellaneous other levy includes AVTI, mosquito control, park/museum, Metro Transit, other metro services, county parks bonds, and interest. These miscellaneous levies vary slightly between municipalities.

Source: Hennepin County Department of Property Tax and Public Records

Osseo	Plymouth	Rogers	ISD No. 279	Hennepin County	Miscellaneous Other (1)	Total Maple Grove Resident
72.935%	27.847%	40.377%	27.156%	46.398%	9.651%	122.856%
—	0.00698%	—	0.29426%	—	—	0.294%
70.645%	27.330%	37.879%	26.267%	45.356%	9.449%	120.268%
—	0.00531%	—	0.27820%	—	—	0.278%
69.097%	26.482%	38.308%	26.730%	44.087%	9.153%	118.215%
—	0.00499%	—	0.27516%	—	—	0.275%
63.157%	26.344%	36.810%	24.921%	42.808%	8.943%	113.381%
—	0.00475%	—	0.26582%	—	—	0.266%
60.009%	25.920%	35.917%	24.615%	41.861%	8.493%	109.715%
—	0.00219%	—	0.27486%	—	—	0.275%
57.740%	25.796%	35.859%	22.008%	41.084%	8.174%	104.022%
—	0.00209%	—	0.25606%	—	—	0.256%
58.211%	26.119%	33.396%	22.123%	38.210%	7.878%	100.122%
—	0.00197%	—	0.23168%	—	—	0.232%
57.689%	27.187%	34.762%	21.933%	38.535%	7.807%	99.562%
—	0.00185%	—	0.21478%	—	—	0.215%
54.138%	24.307%	33.557%	19.640%	34.542%	6.915%	87.999%
—	0.00162%	—	0.25595%	—	—	0.256%
65.205%	24.453%	35.599%	23.002%	34.681%	6.703%	91.573%
—	—	—	0.25276%	—	—	0.253%

INDEPENDENT SCHOOL DISTRICT NO. 279

Property Tax Levies and Collections  
Last Ten Fiscal Years

Tax Collection Calendar Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections
2015	\$ 84,049,314	\$ 83,715,659	99.6 %	\$ 305,006
2016	84,341,384	83,868,531	99.4	427,910
2017	90,016,171	89,891,336	99.9	46,865
2018	92,782,925	92,467,545	99.7	(96,144)
2019	99,570,847	99,253,734	99.7	178,692
2020	100,134,441	99,756,651	99.6	94,570
2021	100,559,910	100,235,033	99.7	93,395
2022	102,142,062	101,800,534	99.7	302,402
2023	124,897,890	124,174,358	99.4	N/A
2024 (1)	141,579,724	N/A	N/A	N/A

Reconciliation of current tax collections with property tax revenue

Collections on property tax levy collectible in 2023	\$ 124,174,358
Less tax shift allocation of the levy collectible in 2023 to fiscal year 2023 (2)	(2,984,792)
Add tax shift allocation of the referendum levy collectible in 2024 to fiscal year 2024 (2)	4,322,298
Property tax delinquencies, abatements, and county apportionment	<u>564,934</u>
Total local property tax revenue – fiscal year 2024	<u><u>\$ 126,076,798</u></u>

N/A – Not Available

(1) Only a portion of calendar year 2024 taxes are collectible by June 30, 2024. A total of \$71,600,000 of 2024 taxes were collected by June 30, 2024.

(2) The state of Minnesota calculates the tax shift allocation based on various portions of the total tax levy.

Source: Hennepin County Department of Property Tax and Public Records

Total Tax Collections		Ratio of Total Tax Collections to Total Tax Levy	June 30, 2024 Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
\$	84,020,665	100.0 %	\$ —	— %
	84,296,441	99.9	—	—
	89,938,201	99.9	—	—
	92,371,401	99.6	—	—
	99,432,426	99.9	32,873	—
	99,851,221	99.7	66,384	0.1
	100,328,428	99.8	88,089	0.1
	102,102,936	100.0	39,126	—
	124,174,358	99.4	723,532	0.6
	N/A	N/A	—	N/A
			<u>\$ 950,004</u>	

INDEPENDENT SCHOOL DISTRICT NO. 279

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			
	General Obligation Bonds and Notes	Certificates of Participation	Financed Purchases	Subscription Liabilities
2015	\$ 171,080,000	\$ 14,085,000	\$ 3,556,372	\$ —
2016	111,020,000	13,425,000	6,731,949	—
2017	148,925,000	12,655,000	4,393,589	—
2018	148,370,000	11,870,000	1,608,641	—
2019	163,665,000	11,060,000	6,031,304	—
2020	146,965,000	10,225,000	4,374,530	—
2021	150,885,000	18,080,000	6,466,474	—
2022	139,030,000	16,665,000	5,759,602	—
2023	138,720,000	15,250,000	8,444,487	749,099
2024	369,710,000	13,780,000	5,591,316	160,760

N/A – Not Available

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

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

Unamortized Premiums (Discounts) on Debt Issued		Total Government	Percentage of Personal Income (1)	Per Capita (1)
\$	10,602,876	\$ 199,324,248	2.3 %	\$ 1,417
	8,901,279	140,078,228	1.6	985
	9,350,798	175,324,387	1.8	1,205
	6,980,144	168,828,785	1.7	1,141
	7,455,402	188,211,706	1.8	1,262
	5,547,562	167,112,092	1.5	1,117
	4,845,267	180,276,741	1.5	1,196
	4,368,007	165,822,609	1.3	1,081
	4,836,100	167,999,686	N/A	1,074
	28,758,837	418,000,913	N/A	2,673

INDEPENDENT SCHOOL DISTRICT NO. 279

Ratio of Net Bonded Debt to  
Tax Capacity and Legal Debt Margin  
Last Ten Fiscal Years

<u>June 30,</u>	<u>Outstanding Bonded Debt</u>	<u>Unamortized Premiums (Discounts)</u>	<u>Balance on Hand – Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Taxable Tax Capacity</u>
2015	\$ 185,165,000	\$ 10,602,876	\$ 51,033,469	\$ 144,734,407	\$ 129,670,410
2016	124,445,000	8,901,279	2,951,458	130,394,821	138,751,338
2017	161,580,000	9,350,798	4,105,000	166,825,798	148,005,528
2018	160,240,000	6,980,144	16,589,246	150,630,898	181,355,805
2019	174,725,000	7,455,402	5,842,002	176,338,400	193,705,139
2020	157,190,000	5,547,562	3,509,367	159,228,195	212,201,535
2021	168,965,000	4,845,267	4,729,348	169,080,919	224,913,697
2022	155,695,000	4,368,007	4,304,441	155,758,568	238,096,648
2023	153,970,000	4,836,100	4,028,370	154,777,730	287,031,360
2024	383,490,000	28,758,837	11,282,300	400,966,537	306,316,726

(1) District population is based upon an annual school district census and the U.S. Census. This information is certified to the state and is subsequently used in determining community education revenue.

Source: Hennepin County Department of Property Tax and Public Records

Ratio of Net Debt to Tax Capacity Value	Estimated Population (1)	Net Debt per Capita
111.6 %	140,680	\$ 1,029
94.0	142,167	917
112.7	145,451	1,147
83.1	148,029	1,018
91.0	149,144	1,182
75.0	149,640	1,064
75.2	150,674	1,122
65.4	153,405	1,015
53.9	156,387	990
130.9	156,387	2,564



OSSEO AREA SCHOOLS

ISD  279

## Our Mission

is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.

INDEPENDENT SCHOOL DISTRICT NO. 279

Direct and Overlapping Debt  
as of June 30, 2024

Taxing Unit	Tax Collection Calendar Year – 2023 Taxable Net Tax Capacity	General Obligation Bonded Debt (1)	Debt Applicable to Tax Capacity in ISD No. 279 (2)	
			Percent	Amount
Direct debt				
Independent School District No. 279	\$ 306,316,726	\$ 383,490,000	100.00 %	\$ 383,490,000
Overlapping debt				
Hennepin County	2,649,525,401	1,071,970,000	10.49	112,449,653
Cities				
Brooklyn Center	33,423,764	6,415,000	30.73	1,971,330
Brooklyn Park	116,849,251	24,065,000	77.27	18,595,026
Corcoran	18,898,299	11,605,000	14.08	1,633,984
Dayton	20,902,462	9,825,000	24.82	2,438,565
Maple Grove	151,732,484	1,710,000	92.20	1,576,620
Osseo	3,740,622	880,000	100.00	880,000
Plymouth	194,370,888	56,985,000	12.74	7,259,889
Rogers	36,290,894	4,185,000	2.92	122,202
Other				
Three Rivers Park District	1,921,407,800	54,980,000	14.46	7,950,108
Hennepin Regional RR Authority	2,649,525,401	81,665,000	10.49	8,566,659
Metropolitan Council	5,346,769,455	238,225,000	5.20	12,387,700
Total overlapping debt				<u>175,831,735</u>
Total direct and debt outstanding				<u>\$ 559,321,735</u>

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

(2) The percent overlap is based on the percentage of tax capacity of the individual entities in the District.

Source: Hennepin County Department of Property Tax and Public Records

## INDEPENDENT SCHOOL DISTRICT NO. 279

Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Debt limit	\$ 1,942,619,831	\$ 2,046,404,386	\$ 2,178,203,956	\$ 2,350,372,780
Total net debt applicable to the limit	185,165,000	124,445,000	161,580,000	150,305,000
Legal debt margin	<u>\$ 1,757,454,831</u>	<u>\$ 1,921,959,386</u>	<u>\$ 2,016,623,956</u>	<u>\$ 2,200,067,780</u>
Total net debt applicable to the limit as a percentage of debt limit	9.53%	6.08%	7.42%	6.39%

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: Hennepin County Department of Property Tax and Public Records

2019	2020	2021	2022	2023	2024
\$ 2,521,110,069	\$ 2,728,488,229	\$ 2,899,191,746	\$ 3,068,083,391	\$ 3,648,220,796	\$ 3,873,137,966
167,045,000	152,080,000	166,325,000	155,695,000	153,970,000	383,490,000
<u>\$ 2,354,065,069</u>	<u>\$ 2,576,408,229</u>	<u>\$ 2,732,866,746</u>	<u>\$ 2,912,388,391</u>	<u>\$ 3,494,250,796</u>	<u>\$ 3,489,647,966</u>
6.63%	5.57%	5.74%	5.07%	4.22%	9.90%

Legal Debt Margin Calculation for Fiscal Year 2024

Market value	\$25,820,919,775
Debt limit (15% of market value)	3,873,137,966
Debt applicable to the limit	
General obligation bonds and notes payable	<u>383,490,000</u>
Legal debt margin	<u>\$ 3,489,647,966</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

Deferred Tax Levies for Future Bond Debt Service  
as of June 30, 2024

<u>Tax Collection Calendar Year</u>	<u>Deferred Tax Levies</u>
2025	\$ 35,229,088
2026	29,561,398
2027	32,947,911
2028	34,271,016
2029	33,775,363
2030	34,647,664
2031	35,526,697
2032	36,744,054
2033	37,777,451
2034	37,053,581
2035	37,861,714
2036	37,589,731
2037	38,013,150
2038	22,615,635
2039	7,619,535
2040	7,470,435
2041	7,315,560
2042	7,061,040
2043	<u>4,149,600</u>
Total amount to be levied in future years	517,230,623
2024 Amount levied for collection in 2024 and included in property taxes levied for subsequent year at June 30, 2024	<u>18,637,683</u>
Total deferred tax levies for future bond debt service	<u><u>\$ 535,868,306</u></u>

Note: These levies are subject to reduction based on excess fund balance limitations in accordance with Minnesota Statutes § 475.61.

Source: Debt service levy schedules in the various bond issues of the District

INDEPENDENT SCHOOL DISTRICT NO. 279

Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (1)	Unemployment Rate (3)
2015	140,680	\$8,650,694,560	\$ 61,492	37.7	20,373	3.7 %
2016	142,167	8,987,371,239	63,217	37.8	20,307	3.9
2017	145,451	9,555,985,249	65,699	37.9	20,659	3.4
2018	148,029	10,126,811,919	68,411	37.8	20,968	2.9
2019	149,144	10,634,862,064	71,306	37.8	21,073	3.2
2020	149,640	10,980,882,480	73,382	38.1	21,030	6.2
2021	150,674	11,708,273,844	77,706	36.9	20,254	3.4
2022	153,405	12,934,035,765	84,313	37.2	20,403	2.9
2023	156,387	N/A	N/A	N/A	20,439	2.7
2024	156,387	N/A	N/A	N/A	20,606	N/A

N/A – Not Available

Data sources:

- (1) District population is based upon an annual school district census and the U.S. Census. This information is certified to the state and is subsequently used in determining community education revenue.
- (2) United States Census Bureau
- (3) United States Department of Agriculture/Economic Research Service

INDEPENDENT SCHOOL DISTRICT NO. 279

Principal Employers  
Current Year and Nine Years Ago

Employer	2024		2015	
	Employees	Rank	Employees	Rank
Target Corporation (1)	4,000	1	1,500	4
Independent School District No. 279	3,206	2	3,012	1
Boston Scientific SciMed, Inc.	3,000	3	2,800	2
Teleflex	1,900	4	—	—
United Parcel Service	700	5	664	7
Caterpillar Paving Products (1)	660	6	—	—
LSC Communications	540	7	—	—
City of Maple Grove	569	8	—	—
North Hennepin Community College	526	9	500	9
Hy-Vee (1)	500	10	—	—
Medtronic	—	—	1,525	3
Prudential Insurance Company	—	—	805	5
Fairview Hospital	—	—	760	6
Walmart	—	—	630	8
RR Donnelley	—	—	458	10
Total	15,601		12,654	

(1) City of Brooklyn Park most recent data available is from fiscal year 2022

Note: Total employment information is not readily available.

Source: City of Brooklyn Park and City of Maple Grove

INDEPENDENT SCHOOL DISTRICT NO. 279

Building Permits Issued by Major Cities  
Last Ten Fiscal Years

Calendar Year	Total Permits		New Residential Permits (1)	
	Number	Value	Number	Value
<b>City of Brooklyn Park</b>				
2014	1,885	\$ 164,344,704	140	\$ 26,375,881
2015	2,036	149,524,929	142	35,840,775
2016	2,090	106,842,092	137	34,560,904
2017	9,276	177,855,967	109	24,237,813
2018	5,229	86,228,879	124	24,245,774
2019	2,937	97,427,930	100	22,206,367
2020	3,576	46,806,577	54	14,649,647
2021	95	184,699,474	74	22,619,841
2022	24	52,711,533	16	4,542,890
2023	N/A	N/A	N/A	N/A
<b>City of Maple Grove</b>				
2014	2,252	\$ 193,572,052	278	\$ 106,325,973
2015	2,942	141,804,368	192	85,682,575
2016	2,707	122,799,224	160	53,515,660
2017	4,442	182,060,428	267	70,042,713
2018	3,235	249,148,637	291	75,651,747
2019	7,145	263,658,791	236	60,035,556
2020	8,253	221,898,151	171	45,459,106
2021	4,315	159,271,769	296	79,731,130
2022	2,757	260,061,834	250	62,014,631
2023	2,585	241,281,521	283	70,278,257

N/A – Not Available

(1) Includes single-family, duplexes, quad homes, townhomes, multi-unit, and condominiums; excludes apartment buildings.

Note: The District includes portions of eight municipalities. The table above includes the two largest municipalities within the District and is representative of growth in the area. These cities maintain building permit information on a calendar year basis.

Source: Hennepin County Department of Property Tax and Public Records



INDEPENDENT SCHOOL DISTRICT NO. 279

Employees by Classification  
Last Ten Fiscal Years

Year Ended June 30,	Employees			
	Administrators/ Management (1)	Teachers	Clerical	Educational Support Professionals
2015	149	1,510	109	811
2016	148	1,543	108	775
2017	155	1,567	106	808
2018	150	1,592	108	829
2019	157	1,569	112	830
2020	167	1,571	108	797
2021	168	1,612	111	733
2022	170	1,601	112	687
2023	176	1,638	116	674
2024	187	1,689	120	718
Percent increase (decrease) over 10 years	25.5%	11.9%	10.1%	(11.5%)

- (1) Superintendent, school executives, principals, assistant principals, principals on special assignment, directors, assistant directors, coordinators, managers, supervisors, secondary school building business managers, student management specialist, and other managerial positions.
- (2) Confidential support specialist, equity staff, hourly technical staff, Kidstop instructors, registered nurses and licensed practical nurses, salaried professionals, and School Board members.

Note: Other employees include Kidstop instructors after fiscal 2019.

Source: The District's Human Resources Department

Food Service	Custodians	Other Employees (2)	Total Employees	Total Students (ADM)
156	147	130	3,012	20,373
161	162	128	3,025	20,307
157	172	120	3,085	20,659
159	165	143	3,146	20,968
161	173	138	3,140	21,073
139	158	208	3,148	21,030
117	159	196	3,096	20,254
110	161	213	3,054	20,403
106	164	210	3,084	20,439
113	161	218	3,206	20,606
(27.6%)	9.5%	67.7%	6.4%	1.1%

INDEPENDENT SCHOOL DISTRICT NO. 279

Operating Indicators by Function  
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Total population	140,680	142,167	145,451	148,029
Percent of staff with degrees				
Bachelor's	100%	100%	100%	100%
Master's	73%	72%	72%	71%
ACT information				
Average ACT score	22.3	20.3	20.3	19.9
Percent of students taking ACT	73%	84%	92%	90%
National Merit Scholarship Program				
Commended	11	6	—	6
Finalists and semifinalists	1	2	5	3
AP Scholars	149	164	165	201

N/A – Not Available

Source: The District's Division of Leadership, Teaching, and Learning

2019	2020	2021	2022	2023	2024
149,144	149,640	150,674	153,405	156,387	156,387
100%	100%	100%	100%	100%	100%
71%	72%	77%	77%	77%	75%
19.9	20.0	19.7	19.5	19.4	19.1
87%	88%	70%	77%	82%	83%
4	N/A	5	5	1	4
7	7	4	3	1	4
152	199	213	135	260	326

INDEPENDENT SCHOOL DISTRICT NO. 279

Capital Asset Statistics by Function  
Last Ten Fiscal Years

				Fiscal Year
	2015	2016	2017	2018
Capital assets				
Land	\$ 8,323,417	\$ 8,323,417	\$ 8,323,417	\$ 8,323,417
Land improvements	30,394,387	31,479,888	32,672,400	30,897,771
Buildings	406,467,020	428,532,037	443,751,224	456,522,719
Equipment	8,798,928	10,098,560	10,744,070	9,658,055
Technology subscriptions	—	—	—	—
Construction in progress	17,292,480	6,655,427	6,699,868	22,797,439
Total capital assets	<u>\$ 471,276,232</u>	<u>\$ 485,089,329</u>	<u>\$ 502,190,979</u>	<u>\$ 528,199,401</u>
Capital assets by function and activity				
Administration	\$ 19,095	\$ 19,095	\$ 19,095	\$ 19,095
District support services	111,399,374	111,381,071	111,333,954	107,606,898
Elementary and secondary regular instruction	983,647	1,155,256	1,172,513	897,678
Vocational education instruction	64,681	64,681	64,681	48,341
Special education instruction	297,094	297,094	297,094	272,402
Instructional support services	1,371,261	1,460,404	1,460,404	1,084,157
Pupil support services	59,647	59,647	59,647	54,438
Food service	5,462,112	5,485,642	5,546,180	5,573,434
Sites and buildings	350,463,871	364,010,989	381,019,401	411,379,171
Community service	1,155,450	1,155,450	1,218,010	1,263,787
Total capital assets by function and activity	<u>\$ 471,276,232</u>	<u>\$ 485,089,329</u>	<u>\$ 502,190,979</u>	<u>\$ 528,199,401</u>

Source: The District's Business Services Department

2019	2020	2021	2022	2023	2024
\$ 8,973,417	\$ 8,973,417	\$ 8,973,417	\$ 8,973,417	\$ 8,973,417	\$ 8,973,417
31,988,651	36,093,707	40,328,214	37,176,812	37,667,489	36,790,944
493,392,348	523,127,725	540,626,000	562,770,022	573,440,827	613,835,652
10,605,589	11,271,723	12,731,843	15,816,586	22,548,298	33,932,985
—	—	—	—	2,205,437	2,533,294
11,214,268	9,853,572	10,357,558	10,156,191	19,956,710	15,096,499
<u>\$ 556,174,273</u>	<u>\$ 589,320,144</u>	<u>\$ 613,017,032</u>	<u>\$ 634,893,028</u>	<u>\$ 664,792,178</u>	<u>\$ 711,162,791</u>
\$ 19,095	\$ 19,095	\$ 31,895	\$ 31,895	\$ 31,895	\$ 31,895
107,687,623	107,736,578	107,754,573	105,976,355	105,620,452	102,689,403
913,783	967,749	1,001,051	1,205,477	2,285,937	2,218,240
61,879	137,994	150,117	168,566	220,674	234,434
272,402	338,921	346,266	502,877	515,535	570,912
1,254,477	1,254,477	1,500,074	1,506,156	2,761,466	11,096,534
34,467	48,367	123,025	135,025	248,914	604,285
5,817,182	6,061,702	6,569,632	6,945,186	7,205,824	7,782,301
438,844,431	471,342,481	494,010,262	516,853,610	544,134,876	584,078,055
1,268,934	1,412,780	1,530,137	1,567,881	1,766,605	1,856,732
<u>\$ 556,174,273</u>	<u>\$ 589,320,144</u>	<u>\$ 613,017,032</u>	<u>\$ 634,893,028</u>	<u>\$ 664,792,178</u>	<u>\$ 711,162,791</u>

INDEPENDENT SCHOOL DISTRICT NO. 279

Average Class Size  
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>ISD No. 279 Staffing Ratio</u>
2015	26.47
2016	26.30
2017	25.60
2018	25.46
2019	25.54
2020	25.69
2021	25.39
2022	26.01
2023	25.56
2024	25.57

Note: This is the government-wide teacher staffing ratio for regular instructional classrooms.

Source: The District's Division of Leadership, Teaching, and Learning

## INDEPENDENT SCHOOL DISTRICT NO. 279

School Facilities  
as of June 30, 2024

Facility	Use	Constructed	Acres	Square Footage	Enrollment (1)	
Arbor View Early Childhood Center	School	1983/2001	5.00	27,000	(2)	203
Basswood Elementary	School	1995/2002	36.00	102,648		854
Birch Grove Elementary						
School for the Arts	School	1966/1991/2004	15.00	74,314		449
Cedar Island Elementary	School	1970	23.16	66,871		477
Crest View Elementary	School	1960/1990/1999/2003	16.00	59,208		236
Edinbrook Elementary	School	1988/2002	20.00	106,406		678
Elm Creek Elementary	School	1980	15.00	84,300		513
Fair Oaks Elementary	School	1962/1991/2004	13.16	75,129		368
Fernbrook Elementary	School	1988/2003	43.00	105,440		927
Garden City Elementary	School	1959/1994/2004	10.00	55,153		345
Oak View Elementary	School	1991	22.00	98,600		480
Palmer Lake Elementary	School	1964/1991/2005	15.00	74,463		461
Park Brook Elementary	School	1959/1994/2004	10.00	55,011		298
Rice Lake Elementary	School	1980/2022	15.42	103,597		617
Rush Creek Elementary	School	1995/2002	29.00	102,648		742
Weaver Lake Elementary: A Science, Math, and Technology School	School	1991	29.08	98,600		650
Willow Lane Early Childhood Center	School	1956/1957/1987	11.10	42,796	(2)	–
Woodland Elementary	School	2002	19.00	101,555		638
Zanewood Community School: A Science, Technology, Engineering, Arts and Math School	School	1967/2002	9.21	81,843		311
Brooklyn Middle School: A Science, Technology, Engineering, Arts and Math School	School	1963/1969/1980/2003	28.57	176,104		942
Maple Grove Middle School	School	1990/2003	46.62	275,680		1,572
North View Middle School	School	1970/1986/2002/2007	26.04	186,448		459
Osseo Middle School	School	1966/1969/2002/2004	19.89	194,507		1,131
Maple Grove Senior High	School	1996/2002/2004/2015	110.00	351,718		2,364
Osseo Senior High	School	1952/1957/1960/1962/1964/ 1966/1975/1988/2002/2015	43.63	413,610		2,191
Park Center Senior High: An International Baccalaureate World School	School	1964/1966/1971/1975/1987/ 1988/2002/2003/2015	31.00	414,774		1,936
Osseo Area Learning Center	School	1973/2000	5.00	47,108		171
Educational Service Center/ warehouse/maintenance	Office/maintenance/ warehouse	1969/1975/1980/2005	17.76	121,100		–
New ice arena	Sports	1990/2005	3.62	32,640		–
Old ice arena	Sports	1974	–	34,840		–
Adult Education Center	Adult education	2005	–	25,538		–
Osseo Education Center	Special education	1954/1957/1987/2005	11.00	46,144		75
Timberland Properties	CBVAT	Leased	–	12,249		–
Total				<u>3,848,042</u>		<u>20,088</u>

(1) Enrollment is defined as the adjusted ADM served, excluding resident students tuitioned out to other Minnesota school districts.

(2) Beginning in fiscal year 2016, both of these sites have been combined on MARSS.

Source: The District's Operations Department



INDEPENDENT SCHOOL DISTRICT NO. 279

Food Service  
School Lunch Program Data  
Last Ten Fiscal Years

Year Ended June 30,		Average Daily Attendance (1)	Total National School Lunch Program Lunches Served	Days	Average Daily Participation	Participation as a Percentage of Average Daily Attendance
2015		19,762	2,510,507	171	14,681	74.3 %
2016		19,698	2,520,404	172	14,654	74.4
2017		20,039	2,483,812	172	14,441	72.1
2018		20,339	2,483,599	170	14,609	71.8
2019		20,441	2,388,829	166	14,391	70.4
2020	(2)	20,399	1,636,020	118	13,865	68.0
2021	(2)	19,646	N/A	N/A	N/A	N/A
2022	(3)	19,791	N/A	N/A	N/A	N/A
2023		19,826	2,138,104	167	12,803	64.6
2024		19,988	2,456,100	170	14,448	72.3

N/A – Not Available

- (1) Based on State Food and Nutrition Department guidelines, attendance is deemed to be 97 percent of enrollment.
- (2) Due to the COVID-19 pandemic, the National School Lunch Program operated under the Summer Food Service Program for Children beginning in March of 2020.
- (3) Due to the COVID-19 pandemic, the National School Lunch Program operated under the Seamless Summer Option for Children during fiscal year 2022.

Source: The District's Food and Nutrition Department

Free Lunch		Reduced-Priced Lunch	
Number Served	Percent of Total	Number Served	Percent of Total
1,002,132	39.9 %	261,655	10.4 %
1,011,298	40.1	253,216	10.0
1,017,620	41.0	260,112	10.5
994,992	40.1	271,193	10.9
882,352	36.9	291,159	12.2
573,898	35.1	204,719	12.5
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
926,390	43.3	201,434	9.4
1,306,519	53.2	7,647	0.3

INDEPENDENT SCHOOL DISTRICT NO. 279

Students  
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (For Students Served or Tuition Paid)					
	Early Childhood, Pre-Kindergarten, and Kindergarten – Handicapped	Kindergarten	Grade 1–6	Grade 7–12	Total	
					Number	Percent Increase (Decrease)
2015	383	1,432	9,397	9,161	20,373	(1.0) %
2016	366	1,400	9,307	9,234	20,307	(0.3)
2017	514	1,357	9,237	9,551	20,659	1.7
2018	541	1,370	9,437	9,620	20,968	1.5
2019	544	1,427	9,353	9,749	21,073	0.5
2020	548	1,409	9,343	9,730	21,030	(0.2)
2021	488	1,216	8,818	9,732	20,254	(3.7)
2022	523	1,316	8,832	9,732	20,403	0.7
2023	526	1,293	8,844	9,776	20,439	0.2
2024	358	1,413	8,975	9,860	20,606	0.8

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

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

	Early Childhood	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary
Fiscal 2015 through 2024	1.000	1.000	1.000	1.000	1.200

Note 3: Beginning in fiscal year 2024, student enrollment for handicapped kindergarten are included in full-day kindergarten.

Source: Minnesota Department of Education

Total Pupil Units	
Number	Percent Increase (Decrease)
22,205	(6.1) %
22,153	(0.2)
22,569	1.9
22,891	1.4
23,023	0.6
22,976	(0.2)
22,200	(3.4)
22,349	0.7
22,395	1.0
22,578	1.0

OSSEO AREA SCHOOLS

ISD  279

## Our Mission

is to inspire and prepare each and every scholar with the confidence, courage and competence to achieve their dreams; contribute to community; and engage in a lifetime of learning.