

# **Annual Comprehensive Financial Report**

*For the Fiscal Year Ended June 30, 2024*



**Stillwater Area Public Schools**  
Independent School District No. 834

Stillwater, Minnesota





**STILLWATER**  
AREA PUBLIC SCHOOLS

# **Annual Comprehensive Financial Report**

*For the Fiscal Year Ended June 30, 2024*

**Independent School District No. 834**  
**Stillwater, Minnesota**

1875 South Greeley Street

Stillwater, MN 55082

[www.stillwaterschools.org](http://www.stillwaterschools.org)

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INDEPENDENT SCHOOL DISTRICT NO. 834

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# Section I

## Introduction





November 27, 2024

To the School Board, Citizens, and Employees of Stillwater Area Public Schools:

Minnesota state law requires that every public school district 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.

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., Certified Public Accountants, have issued an unmodified (“clean”) opinion on Independent School District No. 834’s (the District) financial statements for the year ended June 30, 2024. The independent auditor’s report is located at the front of the financial section of this report.

The management’s discussion and analysis (MD&A) 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 ENTITY AND ITS SERVICES**

The District provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through Grade 12+. These include regular and enriched academic programs, special education programs, and career and technical education. Food service and transportation are provided as supporting programs. The District’s community education program provides programs and services for all ages and stages of life. Programs, such as early childhood and family education, school readiness, and Adventure Club, support families and enhance academic, social, and emotional development. Adult education programs provide opportunities to acquire and improve literacy skills necessary to become self-sufficient, productive workers and citizens. Enrichment and athletics programs for all ages reduce isolation and increase community engagement in lifelong learning.

Minnesota’s first schoolhouse was built in Stillwater in 1848, a year before Minnesota became a territory. Located on Olive Street between Second and Third Streets, the schoolhouse was a one-room building with cracks in the walls. Stillwater became the state’s first school district just two years later, a full four years before the City of Stillwater was incorporated. This District, now known as Independent School District No. 834, Stillwater Area Public Schools, has a long tradition of high expectations, high standards, and outstanding achievement. It is also a system dedicated to continuous improvement.

Stretching 30 miles along the scenic St. Croix River from Marine on St. Croix south to Afton, the District covers approximately 150 square miles. The District encompasses 18 communities, including: Afton, Bayport, Baytown Township, Grant, a portion of Hugo, Lake Elmo, Lakeland, Lakeland Shores, Lake St. Croix Beach, Marine on St. Croix, May Township, Oak Park Heights, St. Mary’s Point, Stillwater, Stillwater Township, West Lakeland Township, Withrow, and a portion of Woodbury.

The District served 8,268 students during the 2023–2024 school year. An enrollment increase of 60–70 students is anticipated for the 2024–2025 school year. The District has gone from a one-room schoolhouse to seven operating elementary schools (K–5), two middle schools (Grades 6–8), one high school (Grades 9–12), and an alternative learning center for secondary students. An early childhood family center (ECFC) serves families with young children, from birth to age five. The average long-term facilities maintenance age of the District’s buildings is approximately 42.52 years; with the original buildings first being constructed in 1919, to the latest construction of Brookview Elementary School in 2017. The Bridge Transition remodel at Oak Park was completed in the summer of 2023. Building ages include 1910s (1), 1920s (1), 1950s (3), 1960s (2), 1970s (2), 1990s (2), 2000s (1), and 2010s (2).

The District is well-known for providing a solid and rigorous curriculum that focuses on the expanded basics of reading, writing, mathematics, logic, and speaking. The District strives to develop learners who are innovative, creative, and prepared for a rapidly changing world. Expectations are high and students of all abilities are challenged, supported, and motivated at every level—from early childhood through high school. Students regularly earn top awards and recognitions in academics, performing, and visual arts programs. Student athletes also consistently appear in state competitions.

## **LOCAL ECONOMY**

According to U.S. Census information, Washington County has continued to experience population growth. Washington County’s estimated population in 2023 was 278,936, a 4.2 percent increase since 2020. Washington County is the fifth largest county in the state of Minnesota, housing approximately 4.9 percent of the state’s population. As reported by the Metropolitan Council on the Washington County website, by the year 2040, Washington County’s population is projected to increase to 341,330. The District’s population has grown from 41,958 since 1996 to 69,269 in 2024.

Source data from the 2022 American Community Survey shows that the median household income in 2022 for Washington County was \$106,509, as compared to \$82,338 for the state of Minnesota. The 2022 per capita income for Washington County was \$54,418, with poverty rates at 6.3 percent according to the Census Reporter.

Due to its strong and healthy local economy, the District has maintained a credit rating of Aa2 from Moody’s Investor’s Service.

## **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

With the exception of the voter-approved operating and technology levies, the District is dependent on the state of Minnesota for its revenue authority. Recent years demonstrate that legislative revenue increases are unpredictable, and many times, have restrictions or mandates that are tied to using or receiving the funds. In November 2021, the Stillwater community successfully renewed a 10-year operating levy of \$1,607, an additional \$390 per pupil. Beginning in the 2022–2023 school year, the operating levy provided additional revenue to help stabilize the budget, retain teachers and support staff, maintain existing programs and services, and support academic achievement for all students.

In addition, a 10-year capital project levy (technology levy) was approved by taxpayers in the amount of \$4.7 million, with funding beginning in the 2022–2023 school year. The technology levy provides technology for students and classrooms and ensures a dedicated funding source for ongoing technology needs, including up-to-date classroom devices, teacher and student computers, technology support and training, infrastructure, software, and security needs.

In November 2023, the Stillwater community authorized the issuance of up to \$174,845,000 in general obligation school building bonds in a bond referendum election. Funds are dedicated to construction projects, including the replacement of Lake Elmo Elementary and Andersen Elementary with new buildings, Oak-Land Middle School improvements, in addition to safety and security improvements throughout the District. The general obligation school building bonds will be split into two bond issues: the first \$100,000,000 sold in February 2024, and the remainder to be sold in late 2025.

Over the past year, one of the areas of focus in the District's 2023–2024 Operational Plan has been Strategic Direction C: to utilize systems and align resources in an efficient manner to support learning. Last fall, the District began implementation of its strategic plan initiative: Priority Based Budgeting. Priority Based Budgeting focuses on strategic plan instructional priorities, along with statutory requirements for federal and state funding as its guide for resource allocations. This process also identifies the programs that offer the highest value and continues to provide funding for them, while fixing, replacing, or eliminating programs or services that have shown limited value or success. School year 2023–2024 was a pivotal year, as the District's remaining federal American Rescue Plan (ARP) funds were being utilized and a plan to align resources going forward was necessary.

## **RELEVANT FINANCIAL POLICIES**

The District is required to adopt an annual budget prior to the beginning of the fiscal year. Legal budgetary control is at the fund level. For fiscal year 2023–2024, the revised General Fund expenditure budget was \$1,662,870 greater than the revised General Fund budget for revenue and other financing sources. This was due to the planned use of restricted fund balance for capital projects, equipment, and a new elementary science curriculum. Actual General Fund revenue and other financing sources were \$126,017, or 0.1 percent, less than budgeted. Special education state aid was less than budgeted, as it is offset by increases in tuition billing. Revenue sources can fluctuate significantly and require ongoing analysis and monitoring. Actual General Fund expenditures were \$498,993, or 0.3 percent, more than budgeted. Overall, transportation costs were higher than anticipated, in addition to the use of restricted fund balance for capital projects, equipment, and a new elementary science curriculum. School Board policy states that the District will strive to maintain a minimum unassigned General Fund balance of 5.0 percent of the annual budget. The District's unassigned fund balance was 1.1 percent of fiscal 2023–2024 actual General Fund expenditures as of June 30, 2024.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Association of School Business Officials (ASBO) International awarded the Certificate of Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the 20th consecutive year that the District has achieved this prestigious award.

A Certificate of Excellence in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Excellence in Financial Reporting program requirements, therefore, we are submitting it to ASBO International to determine its eligibility for another certificate.

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

Respectfully submitted,

Marie Schrul

Executive Director of Finance

INDEPENDENT SCHOOL DISTRICT NO. 834

School Board and Administration  
Year Ended June 30, 2024

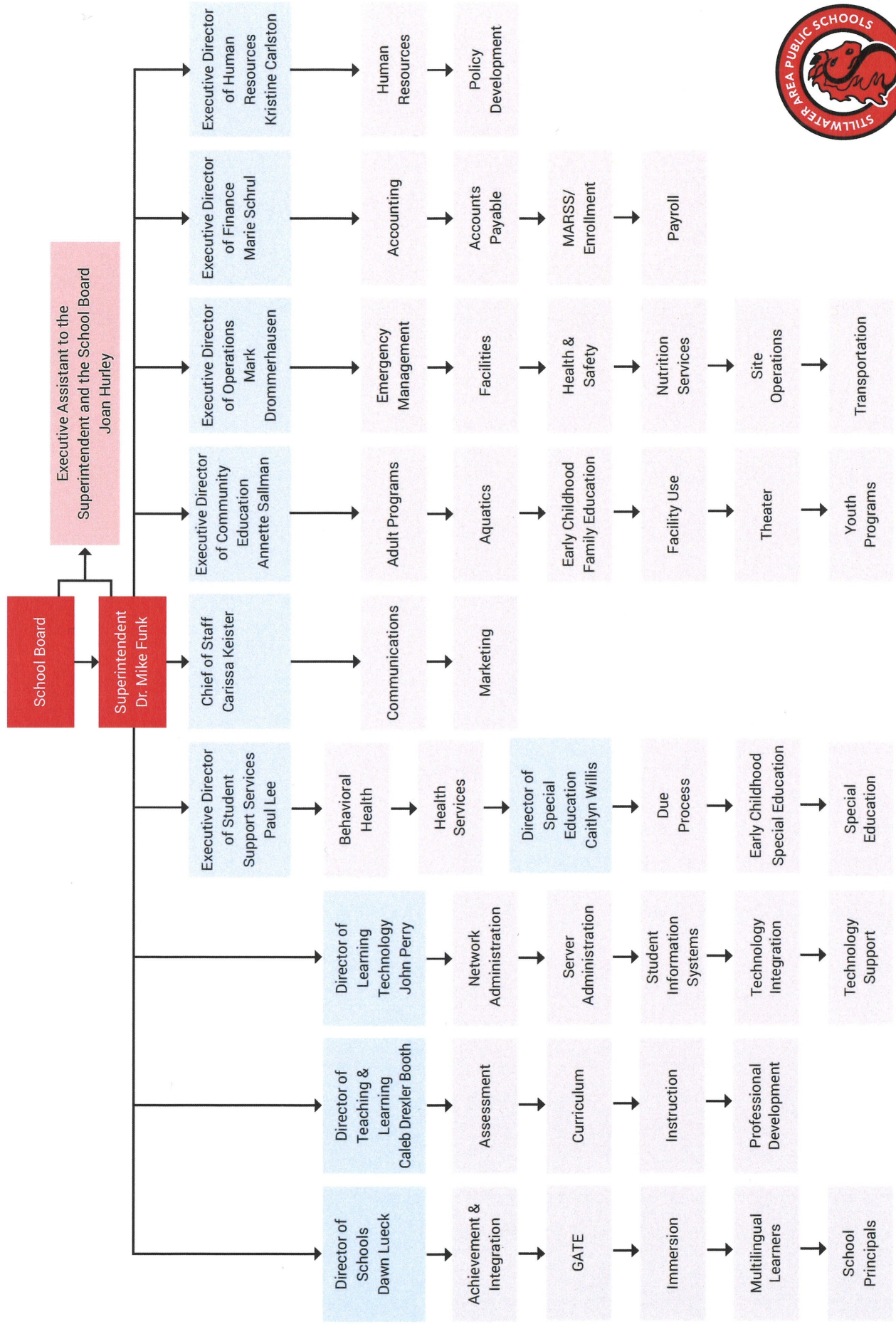
**SCHOOL BOARD**

	<u>Board Position</u>
Alison Sherman	Chairperson
Andrew Thelander	Vice Chairperson
Beverly Petrie	Clerk
Pete Kelzenberg	Treasurer
Katie Hockert	Director
Chris Lauer	Director
Annie Porbeni	Director

**ADMINISTRATION**

Michael Funk	Superintendent
Carissa Keister	Chief of Staff
Paul Lee	Executive Director of Student Support Services
Annette Sallman	Executive Director of Community Education
Mark Drommerhausen	Executive Director of Operations
Marie Schrul	Executive Director of Finance
Kristine Carlston	Executive Director of Human Resources
Dawn Lueck	Director of Schools
Caleb Drexler Booth	Director of Teaching and Learning
John Perry	Director of Learning Technology
Caitlyn Willis	Director of Special Education

# Administrative Organizational Chart 2023-2024







ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Stillwater Area School District -  
Independent School District #834**

**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**



# Stillwater Area Public Schools

Stillwater, Minnesota 55082

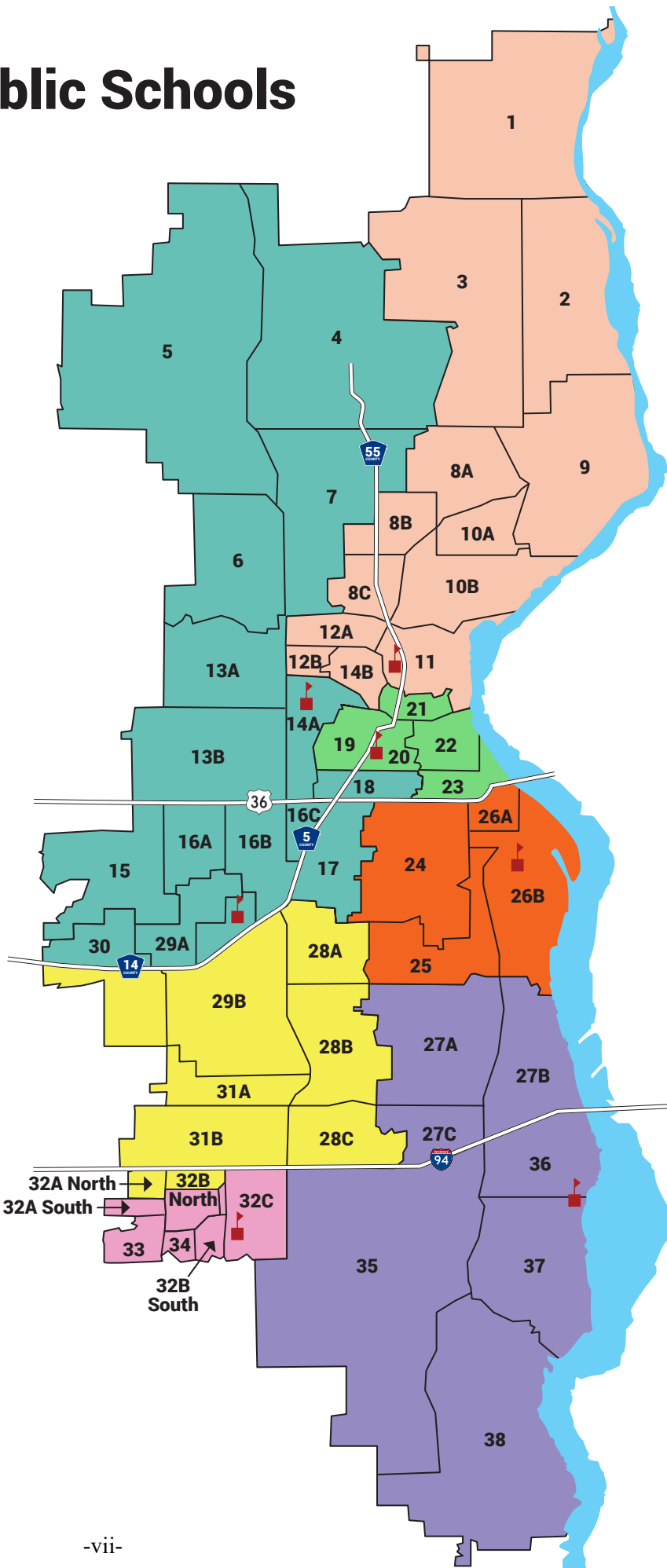
## District 834 Map (2023-2024)

### Elementary Attendance Areas

	Afton-Lakeland
	Andersen
	Brookview
	Lake Elmo
	Lily Lake
	Rutherford
	Stonebridge

### Middle School Feeder System:

- Afton-Lakeland, Andersen, Lake Elmo and Brookview to Oak-Land
- Rutherford, Lily Lake and Stonebridge to Stillwater



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# Section II

## Financial







## 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. 834  
Stillwater, Minnesota

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **OPINIONS**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 834 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### **BASIS FOR OPINIONS**

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

#### **EMPHASIS OF MATTER**

##### ***Change in Accounting Principle***

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

(continued)

## **RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

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

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

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

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

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

(continued)

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

## **SUPPLEMENTARY INFORMATION**

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

## **OTHER INFORMATION**

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

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

## **PRIOR YEAR COMPARATIVE INFORMATION**

The District's prior auditors have previously audited the 2023 financial statements, and expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in their report dated November 20, 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 27, 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 27, 2024



## INDEPENDENT SCHOOL DISTRICT NO. 834

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

This section of Independent School District No. 834's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the other components of the District's ACFR.

#### **FINANCIAL HIGHLIGHTS**

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$32,342,836 (net position). The District's total net position increased by \$11,257,067, compared to the prior year.
- Government-wide revenues totaled \$172,449,163 and were \$10,936,618 more than expenses of \$161,512,545.
- The District adopted new accounting guidance for capital assets in the current year, which increased beginning net position by \$320,449. This change is further described in Note 1 of the notes to basic financial statements.
- The General Fund's total fund balance (under the governmental fund presentation) decreased by \$2,287,880 from the prior year, compared to a reduction of \$1,662,870 planned in the budget.

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

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

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

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

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

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

## FUND FINANCIAL STATEMENTS

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

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America. Some funds are required by state law and by bond covenants. The District can establish other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District maintains the following types of funds:

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

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

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

<b>Table 1</b> <b>Summary Statement of Net Position</b> <b>as of June 30, 2024 and 2023</b>		
	2024	2023
<b>Assets</b>		
Current and other assets	\$ 211,632,397	\$ 96,697,749
Capital assets, net of depreciation/amortization	184,963,761	168,828,070
Total assets	<u>\$ 396,596,158</u>	<u>\$ 265,525,819</u>
<b>Deferred outflows of resources</b>		
Pension plan deferments	\$ 20,981,989	\$ 28,406,817
OPEB plan deferments	1,021,561	1,568,964
Total deferred outflows of resources	<u>\$ 22,003,550</u>	<u>\$ 29,975,781</u>
<b>Liabilities</b>		
Current and other liabilities	\$ 23,771,647	\$ 19,905,394
Long-term liabilities, including due within one year	291,107,770	186,625,858
Total liabilities	<u>\$ 314,879,417</u>	<u>\$ 206,531,252</u>
<b>Deferred inflows of resources</b>		
Lease revenue for subsequent years	\$ 853,035	\$ 1,090,409
Property taxes levied for subsequent year	60,233,820	48,637,774
Pension plan deferments	6,546,132	17,323,798
OPEB plan deferments	618,376	765,910
Deferred charge on refunding	3,126,092	66,688
Total deferred inflows of resources	<u>\$ 71,377,455</u>	<u>\$ 67,884,579</u>
<b>Net position</b>		
Net investment in capital assets	\$ 96,784,018	\$ 85,984,444
Restricted	9,799,260	12,209,701
Unrestricted	(74,240,442)	(77,108,376)
Total net position	<u>\$ 32,342,836</u>	<u>\$ 21,085,769</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 and amortization estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. Another major factor in determining net position as compared to fund balances are the liabilities for long-term compensated absences, severance, pension, and other post-employment benefits (OPEB), which impact the unrestricted portion of net position.

The District's increase in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, depreciated/amortized, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The decrease in net position restricted for capital asset acquisition and facilities maintenance and debt service was the primary reason for the reduction in this portion of net position. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position. The change in current and other assets and long-term liabilities was largely due to the issuance of the 2024A bonds for school building and facilities maintenance.

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

<b>Table 2</b> <b>Summary Statement of Activities</b> <b>as of June 30, 2024 and 2023</b>		
	2024	2023
Revenues		
Program revenues		
Charges for services	\$ 10,516,254	\$ 10,955,154
Operating grants and contributions	35,146,017	31,487,802
General revenues		
Property taxes	51,411,955	48,181,571
General grants and aids	69,182,071	61,140,335
Other	6,192,866	2,799,403
Total revenues	<u>172,449,163</u>	<u>154,564,265</u>
Expenses		
Administration	3,934,318	3,423,828
District support services	7,149,362	7,076,391
Elementary and secondary regular instruction	57,583,266	44,700,955
Vocational education instruction	1,667,003	1,451,541
Special education instruction	26,993,683	22,182,831
Instructional support services	9,548,300	8,330,698
Pupil support services	18,857,105	4,430,425
Sites and buildings	12,763,666	26,720,775
Fiscal and other fixed cost programs	820,342	610,378
Food service	7,388,530	6,209,091
Community service	9,175,416	7,953,183
Interest and fiscal charges	5,631,554	2,710,888
Total expenses	<u>161,512,545</u>	<u>135,800,984</u>
Change in net position	10,936,618	18,763,281
Net position – beginning, as previously reported	21,085,769	2,322,488
Change in accounting principle	320,449	–
Net position – beginning, as restated	<u>21,406,218</u>	<u>2,322,488</u>
Net position – ending	<u>\$ 32,342,836</u>	<u>\$ 21,085,769</u>

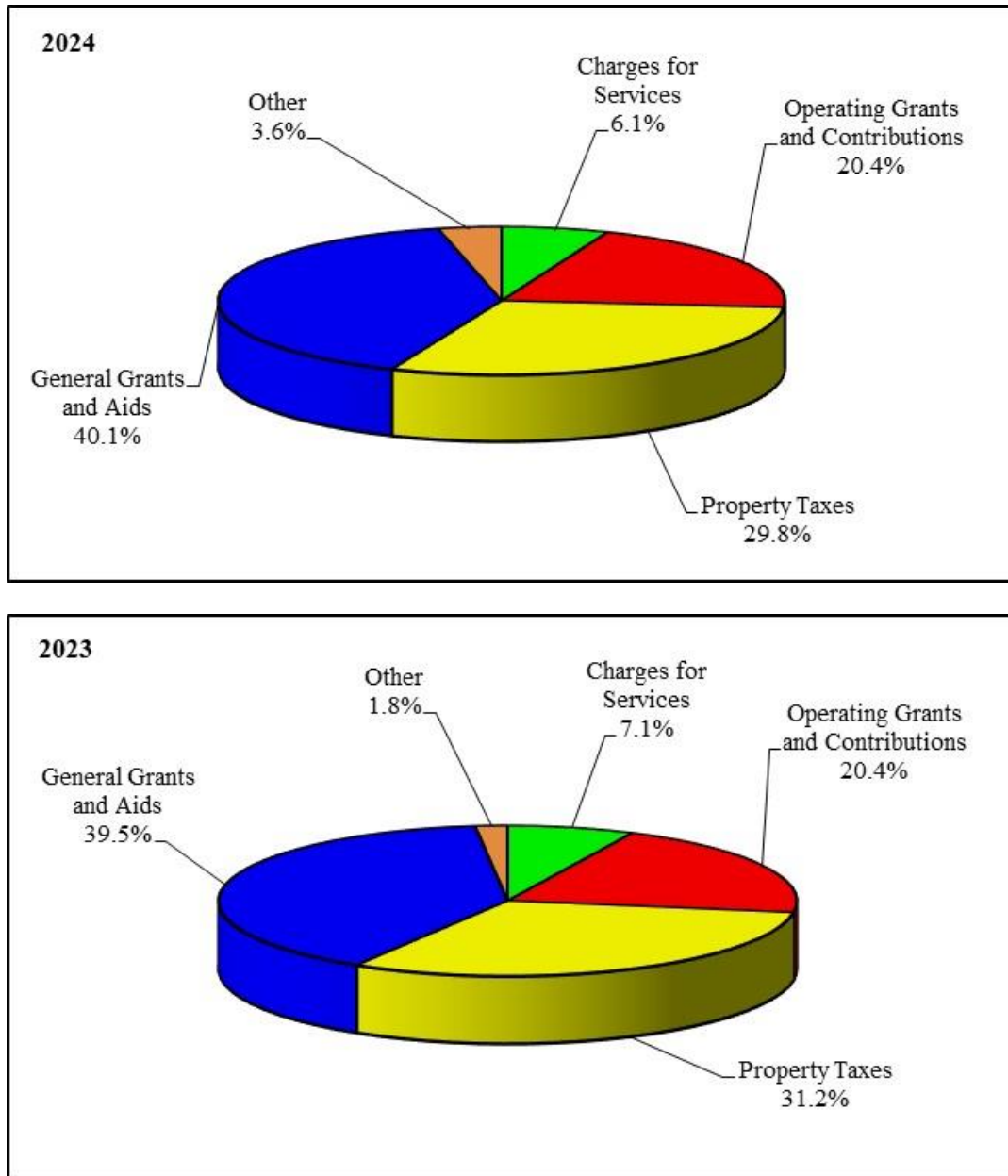
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Revenues increased by \$17,884,898, in the current year. The District recognized an increase with more special education funding and state funding for child nutrition, contributing to the changes in operating grants and contributions. The increase in the approved levy contributed to the change in property taxes. Additional funding for the basic general education formula allowance and basic skills increased general grants and aids. Other revenues were up largely in investment earnings with improved returns on cash and investments held by the District. The District also completed a review and changed certain presentations of program and general revenues, which also impacted the comparison to the prior year.

Expenses were up, due primarily to changes in state-wide pension plans, additional spending for health and dental benefits, natural inflationary increases, and more depreciation/amortization expense. The District also made presentation changes in how expenses are reported in the government-wide Statement of Activities, which shifted costs between programs.

Figure A shows further analysis of these revenue sources:

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

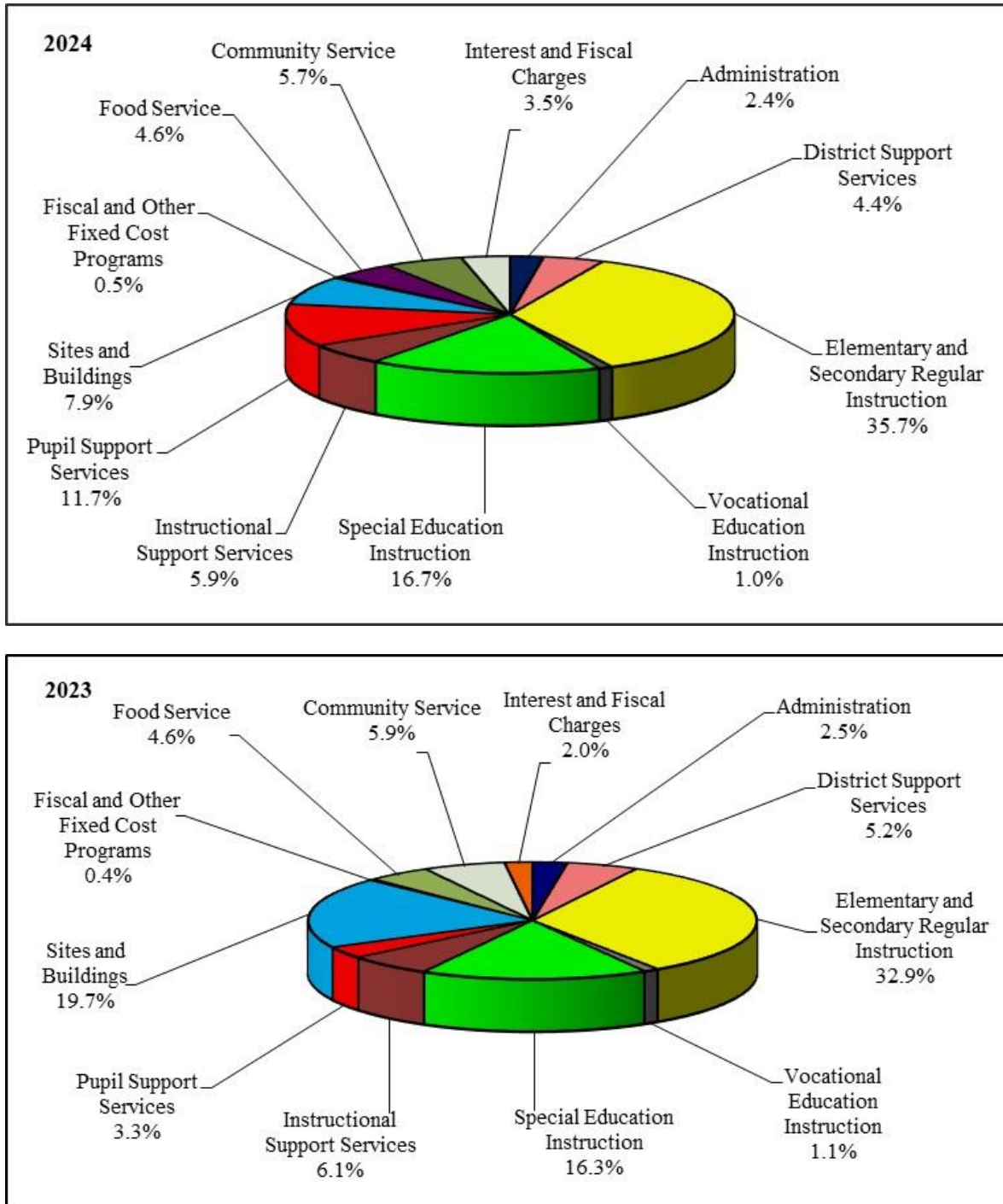


The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

**Figure B – Expenses for Fiscal Years 2024 and 2023**



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

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

<b>Table 3</b> <b>Governmental Fund Balances</b> <b>as of June 30, 2024 and 2023</b>			
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Major funds			
General	\$ 8,838,312	\$ 11,126,192	\$ (2,287,880)
Capital Projects – Building Construction	112,364,998	7,805,545	104,559,453
Debt Service	2,613,340	2,226,079	387,261
Nonmajor funds			
Food Service Special Revenue	3,774,272	3,102,952	671,320
Community Service Special Revenue	<u>571,694</u>	<u>466,780</u>	<u>104,914</u>
Total governmental funds	<u>\$ 128,162,616</u>	<u>\$ 24,727,548</u>	<u>\$ 103,435,068</u>

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

At June 30, 2024, the District's governmental funds reported combined fund balances of \$128,162,616, an increase of \$103,435,068 in comparison with the prior year. Approximately 0.7 percent of this amount (\$886,801) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is: 1) not in spendable form (\$162,606), 2) restricted for specific purposes (\$124,688,627), or 3) assigned for particular purposes (\$2,424,582).

Changes in the table above are discussed on the following pages. The significant increase in total fund balance of the governmental funds was largely due to the issuance of the 2024A bonds approved by taxpayers of the District, which is restricted for building construction and facilities maintenance.

## ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

<b>Table 4 General Fund Budget</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenue and other financing sources	<u>\$ 137,012,917</u>	<u>\$ 142,701,205</u>	<u>\$ 5,688,288</u>	<u>4.2%</u>
Expenditures	<u>\$ 140,774,943</u>	<u>\$ 144,364,075</u>	<u>\$ 3,589,132</u>	<u>2.5%</u>

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District amended the budget for known significant changes in circumstances, such as: updated enrollment estimates, legislative changes, additional funding received from grants or other local sources, staffing changes, employee contract settlements, insurance premium changes, special education tuition changes, or for new debt issued.

Table 5 summarizes the operating results of the General Fund:

<b>Table 5 General Fund Operating Results</b>					
	<u>2024 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	\$ 142,575,188	\$ (126,017)	(0.1%)	\$ 8,108,508	6.0%
Expenditures and other financing uses	<u>144,863,068</u>	<u>498,993</u>	0.3%	<u>128,176</u>	0.1%
Net change in fund balances	<u>\$ (2,287,880)</u>	<u>\$ (625,010)</u>		<u>\$ 7,980,332</u>	

The fund balance of the General Fund decreased \$2,287,880, compared to a reduction of \$1,662,870 approved in the final budget.

Revenues and other financing sources were 0.1 percent less than the amount anticipated in the final budget. State special education funding was less than budget due to offsetting tuition adjustments to other school districts, as calculated by the Minnesota Department of Education and involving many factors outside of the District's control. State sources were also short, due to an adjustment for county tax collections of apportionment (penalties and interest). This adjustment is revenue neutral between state aids, which were short of budget and taxes that were over budget due to this shift between sources. The increase in total revenue and other financing sources was spread across property taxes, other local, and state sources as presented in the General Fund Schedule of Revenue, Expenditures, and Changes in Fund Balances. Federal funding reported a reduction in the current year, with the expiration of certain pandemic-related grant funding. Legislative improvements for general education and special education entitlements, additional basic skills funding, new categorical grant funding, and more students served, contributed to the increase over the prior year.



Total General Fund expenditures for 2024 were close to anticipated spending levels, but were over budget as presented in Table 5. Purchased services were over budget for regular instruction, special education instruction, and pupil support services. Timing delays for capital improvements and facilities maintenance resulted in actual spending coming in less than anticipated, which partially offset overspending in other areas. Spending was up, largely as anticipated for inflationary increases and contractually approved salary and benefit improvements. Natural inflationary increases were also seen in purchased services and supplies and materials. General Fund spending for capital expenditures was down in the current year, which nearly offset the increases in the remaining object categories.

## **COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS**

### **Capital Projects – Building Construction Fund**

The Capital Projects – Building Construction Fund ended the year with fund balances totaling \$112,364,998, restricted for long-term facilities maintenance (\$5,393,943) and capital projects (\$106,971,055). The District reported bond proceeds of \$118,461,415 from the issuance of the 2024A bonds that included a portion for school building bonds, as approved by taxpayers, and a portion for long-term facilities maintenance bonds. Capital outlay expenditures of \$16,704,658 were incurred for long-term facilities maintenance projects, initial building costs, and land for two new school buildings.

### **Debt Service Fund**

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. Debt Service Fund revenues and other financing sources exceeded expenditures and other financing uses by \$387,261 in the current year. The year-end fund balance of \$2,613,340 as of June 30, 2024 is restricted for future debt service. The District issued refunding bonds in the current year to redeem \$60,380,000 of outstanding debt to reduce future debt service requirements and decrease debt levies for the benefit of the taxpayers of the District.

### **Other Governmental Funds**

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by \$671,320, compared to a planned fund balance decrease of \$366,515. Revenues were over budget with more participation than projected and conservative budgeting. With the increase in program participation, expenditures were over budget by \$132,139, or 1.9 percent.

The Community Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by \$104,914, compared to a planned fund balance decrease of \$239,242. The variance to budget was primarily due to increased program participation, with total revenue exceeding projected amounts, which more than covered the spending over budget to support associated program costs with elevated activity.

### **Internal Service Funds**

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

Operating revenues for the internal service funds for fiscal 2024 totaled \$21,659,354. This is an increase from the fiscal year 2023 operating revenue level of \$19,308,185. Nonoperating revenues for investment earnings totaled \$8,228, compared to the fiscal year 2023 investment earnings of \$9,235. Operating expenses totaled \$23,220,962, which represents an increase from fiscal year 2023 operating expenditures of \$20,222,626, due to an increase in health and dental claims and fees.

The net position balance for all internal service funds as of June 30, 2024 was \$1,869,012, which represents a decrease of \$1,553,380 from the prior year.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

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

<b>Table 6</b> <b>Capital Assets</b>			
	2024	2023	Change
Land	\$ 14,969,222	\$ 9,542,725	\$ 5,426,497
Construction in progress	15,627,996	3,769,556	11,858,440
Land improvements	23,281,364	21,762,675	1,518,689
Buildings	234,323,630	230,082,231	4,241,399
Equipment	11,838,147	10,381,834	1,456,313
Equipment – leased	2,191,521	2,191,521	–
Technology subscriptions	324,525	324,525	–
Less accumulated depreciation/amortization	(117,592,644)	(109,226,997)	(8,365,647)
Total	<u>\$ 184,963,761</u>	<u>\$ 168,828,070</u>	<u>\$ 16,135,691</u>
Depreciation/amortization expense	<u>\$ 8,722,665</u>	<u>\$ 8,368,431</u>	<u>\$ 354,234</u>

By the end of 2024, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2024, including the purchase of land for two new school buildings and the remaining activity of the Capital Projects – Building Construction Fund discussed on the previous page. Capital spending in the General Fund for facilities maintenance also increased capital assets in the current year.

The implementation of new authoritative literature for purchases of groups of assets, as previously discussed, increased equipment in the current year.

The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year.

Additional details about capital assets can be found in the notes to basic financial statements.

## Long-Term Liabilities

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

<b>Table 7</b> <b>Outstanding Long-Term Liabilities</b>			
	2024	2023	Change
General obligation bonds payable	\$ 167,695,000	\$ 74,620,000	\$ 93,075,000
Certificates of participation payable	9,275,000	10,235,000	(960,000)
Unamortized premium/discount	19,566,934	3,992,881	15,574,053
Lease liability	761,316	1,489,025	(727,709)
Subscription liability	120,399	245,577	(125,178)
Compensated absences payable	442,375	397,611	44,764
Severance benefits payable	54,083	50,400	3,683
Net pension liability	80,943,084	82,294,869	(1,351,785)
Net OPEB liability	12,249,579	13,300,495	(1,050,916)
Total	<u>\$ 291,107,770</u>	<u>\$ 186,625,858</u>	<u>\$ 104,481,912</u>

The increase in general obligation bonds payable and unamortized premium/discount was with the issuance of the 2024A general obligation school building, facilities maintenance, and refunding bonds.

Decreases in certificates of participation payable, lease liability, and subscription liability in the table above, are due to the planned repayment schedules reflecting principal payments occurring during fiscal year 2024.

The difference in the net pension liability reflects the change in the District's proportionate share of the state-wide pension obligations for the PERA and the TRA.

A new actuarial estimate for OPEB obligations in the current year showed a reduction in the net OPEB liability as seen in the above table.

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

<b>Table 8</b> <b>Limitations on Debt</b>	
District's market value	\$ 15,630,118,700
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 2,344,517,805</u>

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

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

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

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

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

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

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business and Finance Department, Independent School District No. 834, 1875 South Greeley Street, Stillwater, Minnesota 55082.

## BASIC FINANCIAL STATEMENTS

## INDEPENDENT SCHOOL DISTRICT NO. 834

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

	Governmental Activities	
	2024	2023
<b>Assets</b>		
Cash and temporary investments	\$ 165,066,709	\$ 58,201,619
Receivables		
Current taxes	31,432,027	25,447,657
Delinquent taxes	457,874	463,924
Accounts and interest	1,008,350	368,208
Due from other governmental units	11,901,796	10,154,331
Lease revenue	853,035	1,111,024
Due from post-employment benefit trust	750,000	750,000
Inventory	84,801	71,091
Prepaid items	77,805	129,895
Capital assets		
Not depreciated/amortized	30,597,218	13,312,281
Depreciated, net of accumulated depreciation/amortization	154,366,543	155,515,789
Total capital assets, net of accumulated depreciation/amortization	<u>184,963,761</u>	<u>168,828,070</u>
Total assets	396,596,158	265,525,819
<b>Deferred outflows of resources</b>		
Pension plan deferments	20,981,989	28,406,817
OPEB plan deferments	1,021,561	1,568,964
Total deferred outflows of resources	<u>22,003,550</u>	<u>29,975,781</u>
Total assets and deferred outflows of resources	<u>\$ 418,599,708</u>	<u>\$ 295,501,600</u>
<b>Liabilities</b>		
Salaries and compensated absences payable	\$ 8,533,009	\$ 8,107,120
Accounts and contracts payable	5,978,422	5,908,014
Accrued interest payable	3,430,288	1,328,599
Due to other governmental units	652,061	368,435
Claims incurred, but not reported	2,435,000	1,528,000
Unearned revenue	2,742,867	2,665,226
Long-term liabilities		
Due within one year	11,029,660	9,235,898
Due in more than one year	280,078,110	177,389,960
Total long-term liabilities	<u>291,107,770</u>	<u>186,625,858</u>
Total liabilities	314,879,417	206,531,252
<b>Deferred inflows of resources</b>		
Lease revenue for subsequent years	853,035	1,090,409
Property taxes levied for subsequent year	60,233,820	48,637,774
Pension plan deferments	6,546,132	17,323,798
OPEB plan deferments	618,376	765,910
Deferred charge on refunding	3,126,092	66,688
Total deferred inflows of resources	<u>71,377,455</u>	<u>67,884,579</u>
<b>Net position</b>		
Net investment in capital assets	96,784,018	85,984,444
Restricted for		
Capital asset acquisition and facilities maintenance	4,250,005	6,549,955
Debt service	—	953,952
Food service	3,774,272	3,102,952
Community service	1,341,846	1,198,776
Other purposes (state funding restrictions)	433,137	404,066
Unrestricted	(74,240,442)	(77,108,376)
Total net position	<u>32,342,836</u>	<u>21,085,769</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 418,599,708</u>	<u>\$ 295,501,600</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
				Governmental Activities
Governmental activities				
Administration	\$ 3,934,318	\$ —	\$ —	\$ (3,934,318)
District support services	7,149,362	—	—	(7,149,362)
Elementary and secondary regular instruction	57,583,266	1,467,633	2,459,253	(53,656,380)
Vocational education instruction	1,667,003	—	63,971	(1,603,032)
Special education instruction	26,993,683	314,292	22,504,901	(4,174,490)
Instructional support services	9,548,300	1,210	2,963,264	(6,583,826)
Pupil support services	18,857,105	208,646	189,180	(18,459,279)
Sites and buildings	12,763,666	211,323	45,932	(12,506,411)
Fiscal and other fixed cost programs	820,342	—	—	(820,342)
Food service	7,388,530	1,737,364	5,771,490	120,324
Community service	9,175,416	6,575,786	1,148,026	(1,451,604)
Interest and fiscal charges	5,631,554	—	—	(5,631,554)
Total governmental activities	<u>\$ 161,512,545</u>	<u>\$ 10,516,254</u>	<u>\$ 35,146,017</u>	(115,850,274)
General revenues				
Taxes				
Property taxes, levied for general purposes				40,731,963
Property taxes, levied for community service				1,053,284
Property taxes, levied for debt service				9,626,708
General grants and aids				69,182,071
Other general revenues				1,952,004
Investment earnings				4,240,862
Total general revenues				<u>126,786,892</u>
Change in net position				10,936,618
Net position – beginning, as previously reported				21,085,769
Change in accounting principle				320,449
Net position – beginning, as restated				<u>21,406,218</u>
Net position – ending				<u>\$ 32,342,836</u>
				<u>\$ 21,085,769</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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	\$ 29,080,074	\$ 112,195,200	\$ 11,000,581
Receivables			
Current taxes	22,123,072	–	8,674,471
Delinquent taxes	351,960	–	95,863
Accounts and interest	104,271	856,213	–
Due from other governmental units	11,456,238	–	11,502
Due from other funds	750,000	–	–
Lease revenue	853,035	–	–
Inventory	–	–	–
Prepaid items	77,565	–	–
Total assets	<u>\$ 64,796,215</u>	<u>\$ 113,051,413</u>	<u>\$ 19,782,417</u>
Liabilities			
Salaries payable	\$ 8,095,682	\$ –	\$ –
Accounts and contracts payable	4,415,546	671,415	4,075
Due to other governmental units	620,912	15,000	–
Unearned revenue	797	–	–
Total liabilities	<u>13,132,937</u>	<u>686,415</u>	<u>4,075</u>
Deferred inflows of resources			
Lease revenue for subsequent years	853,035	–	–
Property taxes levied for subsequent year	41,842,388	–	17,125,920
Unavailable revenue – delinquent taxes	129,543	–	39,082
Total deferred inflows of resources	<u>42,824,966</u>	<u>–</u>	<u>17,165,002</u>
Fund balances			
Nonspendable	77,565	–	–
Restricted	4,683,142	112,364,998	2,613,340
Assigned	2,424,582	–	–
Unassigned	1,653,023	–	–
Total fund balances	<u>8,838,312</u>	<u>112,364,998</u>	<u>2,613,340</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 64,796,215</u>	<u>\$ 113,051,413</u>	<u>\$ 19,782,417</u>



Nonmajor Funds	Total Governmental Funds	
	2024	2023
\$ 5,627,440	\$ 157,903,295	\$ 50,484,330
634,484	31,432,027	25,447,657
10,051	457,874	463,924
23,533	984,017	336,454
434,056	11,901,796	10,154,331
—	750,000	750,000
—	853,035	1,111,024
84,801	84,801	71,091
240	77,805	129,895
<u>\$ 6,814,605</u>	<u>\$ 204,444,650</u>	<u>\$ 88,948,706</u>
\$ 437,327	\$ 8,533,009	\$ 8,107,120
168,472	5,259,508	5,251,863
7,567	643,479	361,095
585,831	586,628	530,066
<u>1,199,197</u>	<u>15,022,624</u>	<u>14,250,144</u>
—	853,035	1,090,409
1,265,512	60,233,820	48,637,774
3,930	172,555	242,831
<u>1,269,442</u>	<u>61,259,410</u>	<u>49,971,014</u>
85,041	162,606	200,986
5,027,147	124,688,627	21,207,870
—	2,424,582	2,472,209
(766,222)	886,801	846,483
<u>4,345,966</u>	<u>128,162,616</u>	<u>24,727,548</u>
<u>\$ 6,814,605</u>	<u>\$ 204,444,650</u>	<u>\$ 88,948,706</u>

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INDEPENDENT SCHOOL DISTRICT NO. 834

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

	2024	2023
Total fund balances – governmental funds	\$ 128,162,616	\$ 24,727,548
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	302,556,405	278,055,067
Accumulated depreciation/amortization	(117,592,644)	(109,226,997)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
General obligation bonds payable	(167,695,000)	(74,620,000)
Certificates of participation payable	(9,275,000)	(10,235,000)
Unamortized premium/discount	(19,566,934)	(3,992,881)
Lease liability	(761,316)	(1,489,025)
Subscription liability	(120,399)	(245,577)
Compensated absences payable	(442,375)	(397,611)
Severance benefits payable	(54,083)	(50,400)
Net pension liability	(80,943,084)	(82,294,869)
Net OPEB liability	(12,249,579)	(13,300,495)
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.		
	(3,430,288)	(1,328,599)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
	1,869,012	3,422,392
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	20,981,989	28,406,817
Deferred outflows of resources – OPEB plan deferments	1,021,561	1,568,964
Deferred inflows of resources – pension plan deferments	(6,546,132)	(17,323,798)
Deferred inflows of resources – OPEB plan deferments	(618,376)	(765,910)
Deferred inflows of resources – Deferred charge on refunding	(3,126,092)	(66,688)
Deferred inflows of resources – unavailable revenue – delinquent taxes	172,555	242,831
Total net position – governmental activities	\$ 32,342,836	\$ 21,085,769

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Revenue			
Local sources			
Property taxes	\$ 40,783,144	\$ –	\$ 9,644,098
Investment earnings	687,680	2,763,634	579,991
Other	4,116,046	39,062	–
State sources	93,579,001	–	115,016
Federal sources	3,388,082	–	–
Total revenue	142,553,953	2,802,696	10,339,105
Expenditures			
Current			
Administration	3,828,091	–	–
District support services	7,110,066	–	–
Elementary and secondary regular instruction	57,235,938	–	–
Vocational education instruction	1,634,106	–	–
Special education instruction	26,336,100	–	–
Instructional support services	9,310,663	–	–
Pupil support services	18,534,808	–	–
Sites and buildings	17,909,088	–	–
Fiscal and other fixed cost programs	820,342	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	16,704,658	–
Debt service			
Principal	1,812,887	–	6,975,000
Interest and fiscal charges	330,979	–	3,915,123
Total expenditures	144,863,068	16,704,658	10,890,123
Excess (deficiency) of revenue over expenditures	(2,309,115)	(13,901,962)	(551,018)
Other financing sources			
Debt issued	–	105,715,000	–
Refunding debt issued	–	–	54,715,000
Premium on issuance of debt	–	12,746,415	6,603,279
Insurance recovery	16,137	–	–
Sale of capital assets	5,098	–	–
Payments to refunded bond escrow agent	–	–	(60,380,000)
Total other financing sources (uses)	21,235	118,461,415	938,279
Net change in fund balances	(2,287,880)	104,559,453	387,261
Fund balances			
Beginning of year, as previously reported	11,126,192	7,805,545	2,226,079
Change within financial reporting entity (major to nonmajor fund)	–	–	–
Beginning of year, restated	11,126,192	7,805,545	2,226,079
End of year	\$ 8,838,312	\$ 112,364,998	\$ 2,613,340

See notes to basic financial statements

Formerly Major Funds			Total Governmental Funds	
Food Service Special Revenue Fund	Community Service Special Revenue Fund	Nonmajor Funds	2024	2023
\$ —	\$ —	\$ 1,054,989	\$ 51,482,231	\$ 48,204,764
—	—	201,329	4,232,634	1,387,174
—	—	8,313,150	12,468,258	12,911,708
—	—	4,466,450	98,160,467	84,185,836
—	—	2,453,066	5,841,148	8,353,583
—	—	16,488,984	172,184,738	155,043,065
—	—	—	3,828,091	3,775,598
—	—	—	7,110,066	8,508,773
—	—	—	57,235,938	52,583,218
—	—	—	1,634,106	1,645,397
—	—	—	26,336,100	24,506,861
—	—	—	9,310,663	8,666,051
—	—	—	18,534,808	17,987,073
—	—	—	17,909,088	24,359,464
—	—	—	820,342	610,378
—	—	6,488,594	6,488,594	5,638,611
—	—	8,740,479	8,740,479	7,875,149
—	—	483,677	17,188,335	2,256,872
—	—	—	8,787,887	8,346,444
—	—	—	4,246,102	3,605,380
—	—	15,712,750	188,170,599	170,365,269
—	—	776,234	(15,985,861)	(15,322,204)
—	—	—	105,715,000	2,429,429
—	—	—	54,715,000	—
—	—	—	19,349,694	—
—	—	—	16,137	1,152,102
—	—	—	5,098	115
—	—	—	(60,380,000)	—
—	—	—	119,420,929	3,581,646
—	—	776,234	103,435,068	(11,740,558)
3,102,952	466,780	—	24,727,548	36,468,106
(3,102,952)	(466,780)	3,569,732	—	—
—	—	3,569,732	24,727,548	36,468,106
\$ —	\$ —	\$ 4,345,966	\$ 128,162,616	\$ 24,727,548

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INDEPENDENT SCHOOL DISTRICT NO. 834

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	\$ 103,435,068	\$ (11,740,558)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation/amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	24,560,385	16,283,929
Depreciation/amortization expense	(8,722,665)	(8,368,431)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.	(22,478)	(21,008)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.	(160,430,000)	(2,429,429)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	67,355,000	6,645,000
Certificates of participation payable	960,000	920,000
Lease liability	727,709	702,496
Subscription liability	125,178	78,948
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.	(15,574,053)	816,068
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.		
Compensated absences payable	(44,764)	131,970
Severance benefits payable	(3,683)	9,350
Net pension liability	1,351,785	(36,861,345)
Net OPEB liability	1,050,916	(1,211,762)
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.	(2,101,689)	67,309
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.	(1,553,380)	(905,206)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(7,424,828)	(3,636,787)
Deferred outflows of resources – OPEB plan deferments	(547,403)	692,824
Deferred inflows of resources – pension plan deferments	10,777,666	56,921,919
Deferred inflows of resources – OPEB plan deferments	147,534	680,072
Deferred inflows of resources – Deferred charge on refunding	(3,059,404)	11,115
Deferred inflows of resources – unavailable revenue – delinquent taxes	(70,276)	(23,193)
Change in net position – governmental activities	<u>\$ 10,936,618</u>	<u>\$ 18,763,281</u>

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INDEPENDENT SCHOOL DISTRICT NO. 834

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

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 38,547,595	\$ 39,221,141	\$ 40,783,144	\$ 1,562,003
Investment earnings	100,000	335,653	687,680	352,027
Other	3,330,500	4,089,259	4,116,046	26,787
State sources	91,885,447	95,780,326	93,579,001	(2,201,325)
Federal sources	3,149,375	3,274,514	3,388,082	113,568
Total revenue	137,012,917	142,700,893	142,553,953	(146,940)
Expenditures				
Current				
Administration	3,810,558	3,794,720	3,828,091	33,371
District support services	7,362,382	7,130,662	7,110,066	(20,596)
Elementary and secondary regular instruction	53,039,898	57,046,956	57,235,938	188,982
Vocational education instruction	1,765,789	1,466,425	1,634,106	167,681
Special education instruction	25,872,654	26,501,573	26,336,100	(165,473)
Instructional support services	9,061,943	9,224,386	9,310,663	86,277
Pupil support services	16,814,845	17,528,247	18,534,808	1,006,561
Sites and buildings	20,255,019	18,018,884	17,909,088	(109,796)
Fiscal and other fixed cost programs	797,000	814,800	820,342	5,542
Debt service				
Principal	1,695,955	2,487,702	1,812,887	(674,815)
Interest and fiscal charges	298,900	349,720	330,979	(18,741)
Total expenditures	140,774,943	144,364,075	144,863,068	498,993
Excess (deficiency) of revenue over expenditures	(3,762,026)	(1,663,182)	(2,309,115)	(645,933)
Other financing sources				
Insurance recovery	—	—	16,137	16,137
Sale of capital assets	—	312	5,098	4,786
Total other financing sources	—	312	21,235	20,923
Net change in fund balances	\$ (3,762,026)	\$ (1,662,870)	(2,287,880)	\$ (625,010)
Fund balances				
Beginning of year			11,126,192	
End of year			\$ 8,838,312	

INDEPENDENT SCHOOL DISTRICT NO. 834

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	\$ 7,163,414	\$ 7,717,289
Receivables		
Accounts and interest	<u>24,333</u>	<u>31,754</u>
Total current assets	<u>7,187,747</u>	<u>7,749,043</u>
Liabilities		
Current liabilities		
Accounts and contracts payable	718,914	656,151
Due to other governmental units	8,582	7,340
Unearned revenue	2,156,239	2,135,160
Claims incurred, but not reported	<u>2,435,000</u>	<u>1,528,000</u>
Total current liabilities	<u>5,318,735</u>	<u>4,326,651</u>
Net position		
Unrestricted	<u><u>\$ 1,869,012</u></u>	<u><u>\$ 3,422,392</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	<u>2024</u>	<u>2023</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 21,659,354	\$ 19,308,185
Operating expenses		
Health benefit claims	20,281,167	17,517,420
Dental benefit claims	1,171,422	1,040,286
Fees and stop loss	<u>1,768,373</u>	<u>1,664,920</u>
Total operating expenses	<u>23,220,962</u>	<u>20,222,626</u>
Operating income (loss)	(1,561,608)	(914,441)
Nonoperating revenue		
Investment earnings	<u>8,228</u>	<u>9,235</u>
Change in net position	(1,553,380)	(905,206)
Net position		
Beginning of year	<u>3,422,392</u>	<u>4,327,598</u>
End of year	<u><u>\$ 1,869,012</u></u>	<u><u>\$ 3,422,392</u></u>

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## INDEPENDENT SCHOOL DISTRICT NO. 834

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

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Contributions from governmental funds	\$ 21,687,854	\$ 19,773,766
Payment for health claims	(19,335,357)	(17,184,807)
Payment for dental claims	(1,146,227)	(1,040,286)
Payment for fees and stop loss	(1,768,373)	(1,664,920)
Net cash flows from operating activities	<u>(562,103)</u>	<u>(116,247)</u>
Cash flows from investing activities		
Investment income received	<u>8,228</u>	<u>9,235</u>
Net change in cash and cash equivalents	(553,875)	(107,012)
Cash and cash equivalents		
Beginning of year	<u>7,717,289</u>	<u>7,824,301</u>
End of year	<u><u>\$ 7,163,414</u></u>	<u><u>\$ 7,717,289</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (1,561,608)	\$ (914,441)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts receivable	7,421	(31,754)
Accounts and contracts payable	62,763	121,613
Due to other governmental units	1,242	—
Unearned revenue	21,079	497,335
Claims incurred, but not reported	<u>907,000</u>	<u>211,000</u>
Net cash flows from operating activities	<u><u>\$ (562,103)</u></u>	<u><u>\$ (116,247)</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 834

Statement of Fiduciary Net Position  
as of June 30, 2024

	Scholarship Custodial Fund	Other Post-Employment Benefits Trust Fund
Assets		
Cash and temporary investments	\$ 51,426	\$ —
Investments held by trustee		
U.S. treasury securities	—	1,390,723
Goldman Sachs government funds	—	2,373,108
Exchange traded funds – equities	—	1,402,962
Receivables		
Accounts and interest	—	1,948
Total assets	<u>51,426</u>	<u>5,168,741</u>
Liabilities		
Due to other funds	<u>—</u>	<u>750,000</u>
Net position		
Restricted for scholarships	51,426	—
Restricted for OPEB	<u>—</u>	<u>4,418,741</u>
Total net position	<u>\$ 51,426</u>	<u>\$ 4,418,741</u>

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

	Scholarship Custodial Fund	Other Post-Employment Benefits Trust Fund
Additions		
Contributions		
Private donations	\$ 6,083	\$ —
Investment earnings	<u>—</u>	<u>327,735</u>
Total additions	6,083	327,735
Deductions		
Scholarships and other deductions	13,831	—
OPEB benefit payments	<u>—</u>	<u>750,000</u>
Total deductions	<u>13,831</u>	<u>750,000</u>
Change in net position	(7,748)	(422,265)
Net position		
Beginning of year	<u>59,174</u>	<u>4,841,006</u>
End of year	<u>\$ 51,426</u>	<u>\$ 4,418,741</u>

# INDEPENDENT SCHOOL DISTRICT NO. 834

## Notes to Basic Financial Statements June 30, 2024

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

#### **A. Organization**

Independent School District No. 834 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District serves pre-kindergarten through 12th-grade students attending the District either as a resident of the District or through an open enrollment options election. It is governed by a School Board elected by the voters of the District to four-year terms. The District's financial statements 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. Generally, the effect of material interfund activity has been removed from the government-wide financial statements. Transactions representing interfund services provided and used are not eliminated in the consolidation process to the government-wide financial statements.

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

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

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

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

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 funding formulas established by Minnesota Statutes. Proceeds of long-term debt and acquisitions under leases and subscription-based information technology arrangements (SBITAs) are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the District’s internal service funds is charges to customers (other district funds) for service. Operating expenses for the internal service funds include the cost of providing the services. All revenues and expenses not meeting this definition are reported as nonoperating revenue and expenses.



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

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

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

### **Description of Funds**

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

#### **Major Governmental Funds**

**General Fund** – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Capital Projects – Building Construction Fund** – The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition, construction, and maintenance of major capital facilities authorized by bond issue or under the long-term facilities maintenance program.

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

#### **Nonmajor Governmental Funds**

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

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

#### **Proprietary Funds**

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

#### **Fiduciary Funds**

**Scholarship Custodial Fund** – The Scholarship Custodial Fund is used to account for resources held to award scholarships to former students.

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

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

### **E. Budgetary Information**

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. The School Board must approve expenditures exceeding budget at the fund level by resolution or through the disbursement approval process. Budgeted expenditure appropriations lapse at year-end.

Actual expenditures exceeded final budgeted appropriations for fiscal 2024 by \$498,993 in the General Fund, by \$132,139 in the Food Service Special Revenue Fund, by \$290,119 in the Community Service Special Revenue Fund, by \$5,319,358 in the Capital Projects – Building Construction Fund, and by \$4,975 in the Debt Service Fund. Revenues and other financing sources in excess of budget, along with available fund balance, covered these variances.

### **F. Cash and Temporary Investments**

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. 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 Other Post-Employment Benefits Trust Fund, this represents assets contributed to an irrevocable trust established to finance the District's liability for post-employment insurance benefits. Interest earned on these investments is allocated directly to the escrow accounts.

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 equivalent. The proprietary (internal service) fund's equity in the government-wide cash and investment management pool is considered to be cash equivalent.

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

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

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. See Note 2 for the District's recurring fair value measurements as of year-end.

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

### G. Receivables

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

At June 30, 2024, the District reported the following receivables due from other governmental units:

Due from the Minnesota Department of Education	\$ 11,015,608
Due from other Minnesota school districts	277,145
Due from Washington County and others	<u>609,043</u>
Total due from other governmental units	<u><u>\$ 11,901,796</u></u>

### H. Inventories

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

### I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded as expenditures/expenses at the time of consumption.

### J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the 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 \$2,301,683 of the property tax levy collectible in 2024 as revenue to the District in fiscal year 2023–2024. The remaining portion of the taxes collectible in 2024 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

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

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

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

### **L. Capital Assets**

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Leased capital assets are recorded based on the measurement of payments applicable to the lease term. SBITA capital assets are recorded based on the measurement of any subscription liability plus the payments due to a SBITA vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard. The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year. 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 cost of the assets is 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 governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, 5 to 20 years for equipment. Leased assets are amortized over the term of the lease or over the useful life of the applicable asset class previously described, if future ownership is anticipated. SBITAs are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. Land and construction in progress are not depreciated.

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

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period as other financing sources or uses, respectively. The face amount of debt issued is reported as other financing sources.

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

### **N. Compensated Absences**

Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued when earned in the government-wide financial statements. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end, due to employee termination or similar circumstances.

### **O. Severance Benefits Payable**

The District provides lump sum severance benefits to eligible employees in accordance with provisions in certain collectively bargained contracts. Eligibility for these benefits is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary. Members of certain employee groups may elect to receive district matching contributions paid into tax deferred matching contribution plans, which reduce future severance benefits. This benefit is no longer available to employees and will be eliminated as eligible employees are paid at retirement.

Severance payable and the District's share of related benefits are recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements when the liability matures due to employee termination.

### **P. State-Wide Pension Plans**

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

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

### **Q. Other Post-Employment Benefits (OPEB) Plan**

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

### R. Risk Management and Self-Insurance

- 1. General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in the current year.
- 2. Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

The District makes premium payments that include both employer and employee contributions to the internal service 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 health insurance premium costs and administrative service charges.

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

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2023	\$ 1,290,000	\$ 19,137,177	\$ 18,927,177	\$ 1,500,000
2024	\$ 1,500,000	\$ 22,001,948	\$ 21,101,948	\$ 2,400,000

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2023	\$ 27,000	\$ 1,085,449	\$ 1,084,449	\$ 28,000
2024	\$ 28,000	\$ 1,219,014	\$ 1,212,014	\$ 35,000

### S. Deferred Outflows/Inflows of Resources

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

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

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

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

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

Unavailable revenue from property taxes arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available.

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

### **T. Net Position**

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

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

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

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

### U. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the District's superintendent and executive director of finance are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

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

### V. Use of Estimates

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

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

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



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

### **X. 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 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 whose individual cost exceeded the capitalization policy threshold. Certain amounts necessary to fully restate prior fiscal years 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 \$320,449 in the government-wide financial statements in the current year. See Note 4 for additional details on this change in the current year.

### **Y. Change to or Within the Financial Reporting Entity**

During the year ended June 30, 2024, the District made a change to report the Food Service Special Revenue Fund and the Community Service Special Revenue Fund as nonmajor funds. The District elected to report these funds as major funds in the prior year. The District decided to present the funds as nonmajor funds as allowed based on the thresholds required for major fund presentation.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Components of Cash and Investments

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

Deposits	\$ 88,849,607
Investments	<u>81,435,321</u>
Total	<u>\$ 170,284,928</u>

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

Statement of Net Position	
Cash and temporary investments	\$ 165,066,709
Statement of Fiduciary Net Position	
Cash and temporary investments	
Scholarship Custodial Fund	51,426
Investments held by trustee	
Other Post-Employment Benefits Trust Fund	<u>5,166,793</u>
Total	<u>\$ 170,284,928</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 of the District’s deposits was \$88,849,607, while the balance on the bank records was \$92,670,638. 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	Interest Rate Risk – Maturity Duration in Years		Total
	Rating	Agency		Less Than 1	1 to 5	
U.S. treasury securities	N/A	N/A	Level 2	\$ 5,384,015	\$ –	\$ 5,384,015
U.S. agency securities	AA	S&P	Level 2	\$ 278,394	\$ –	278,394
Negotiable certificates of deposits	N/R	N/A	Level 2	\$ 245,108	\$ –	245,108
First American government funds	AAA	S&P	Level 1	\$ 1,600	\$ –	1,600
Goldman Sachs government funds	AAA	Fitch	Level 2	\$ 2,373,108	\$ –	2,373,108
Exchange traded funds – equities	N/R	N/A	Level 2	\$ 1,402,962	\$ –	1,402,962
MNTrust Limited Term Duration	AAA	S&P	Amortized Cost	\$ 5,000,000	\$ 12,000,000	17,000,000
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized Cost	\$ 54,750,134	\$ –	54,750,134
Total investments						<u>\$ 81,435,321</u>

N/A – Not Applicable

N/R – Not Rated

The MNTrust Investment Shares Portfolio and Term Duration is regulated by Minnesota Statutes and is an external investment pool not registered with the Securities and Exchange Commission regulated by Minnesota Statutes. The District's investment in this trust 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 this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required except for the MNTrust Term Series, which requires a redemption notice of 7 days.

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

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

**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 policies do not address concentration risk.

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

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

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

## **NOTE 3 – LEASE REVENUE RECEIVABLE**

The District has entered into lease receivable agreements for cell tower rental space and the bus terminal on district property. The leases are reported using incremental rates ranging from 2.87–3.25 percent with final maturities through fiscal 2028. During the current year, the District received principal and interest payments on leases totaling \$289,835.

## NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 is as follows:

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized						
Land	\$ 9,542,725	\$ –	\$ 5,426,497	\$ –	\$ –	\$ 14,969,222
Construction in progress	3,769,556	–	15,821,961	–	(3,963,521)	15,627,996
Total capital assets, not depreciated/amortized	13,312,281	–	21,248,458	–	(3,963,521)	30,597,218
Capital assets, depreciated/amortized						
Land improvements	21,762,675	–	1,518,689	–	–	23,281,364
Buildings	230,082,231	–	277,878	–	3,963,521	234,323,630
Equipment	10,381,834	320,449	1,515,360	(379,496)	–	11,838,147
Equipment – leased	2,191,521	–	–	–	–	2,191,521
Technology subscriptions	324,525	–	–	–	–	324,525
Total capital assets, depreciated/amortized	264,742,786	320,449	3,311,927	(379,496)	3,963,521	271,959,187
Less accumulated depreciation/amortization for						
Land improvements	(11,650,064)	–	(1,179,965)	–	–	(12,830,029)
Buildings	(88,304,897)	–	(6,199,778)	–	–	(94,504,675)
Equipment	(8,486,356)	–	(507,356)	357,018	–	(8,636,694)
Equipment – leased	(699,281)	–	(728,804)	–	–	(1,428,085)
Technology subscriptions	(86,399)	–	(106,762)	–	–	(193,161)
Total accumulated depreciation/amortization	(109,226,997)	–	(8,722,665)	357,018	–	(117,592,644)
Net capital assets, depreciated/amortized	155,515,789	320,449	(5,410,738)	(22,478)	3,963,521	154,366,543
Total capital assets, net	\$ 168,828,070	\$ 320,449	\$ 15,837,720	\$ (22,478)	\$ –	\$ 184,963,761

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

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

Administration	\$ 211,961
District support services	389,903
Elementary and secondary regular instruction	2,943,027
Vocational education instruction	92,460
Special education instruction	1,372,947
Instructional support services	485,853
Pupil support services	1,008,340
Sites and buildings	1,435,751
Food service	343,673
Community service	438,750
Total depreciation and amortization expense	<u>\$ 8,722,665</u>

## NOTE 5 – LONG-TERM LIABILITIES

### A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2022A Facilities Maintenance Bonds	06/02/2022	3.00–5.00%	\$ 7,265,000	02/01/2038	\$ 7,265,000
2024A School Building, Facilities Maintenance, and Refunding Bonds	02/01/2024	4.00–5.00%	\$ 160,430,000	02/01/2044	160,430,000
Total general obligation bonds payable					<u>\$ 167,695,000</u>

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

In February 2024, the District issued \$54,715,000 of General Obligation Refunding Bonds as a portion of the Series 2024A debt issue. On March 5, 2024, the proceeds and reoffering premium of the refunding bonds were used to redeem the 2025 through 2037 maturities of the 2015A General Obligation School Building Bonds. This refunding will reduce the District's total future debt service payments by \$3,493,938 and will result in a present value savings of \$2,844,278.

In November 2023, the Stillwater community authorized the issuance of up to \$174,845,000 in General Obligation School Building bonds in a bond referendum election. The District issued \$100,000,000 in February 2024, leaving \$74,845,000 in remaining bonds available to be sold.

### B. Certificates of Participation Payable

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2019A Refunding Certificates of Participation	12/11/2019	2.00–4.00%	\$ 5,630,000	02/01/2029	\$ 3,320,000
2021A Certificates of Participation	06/10/2021	2.00–4.00%	\$ 6,670,000	04/01/2037	5,955,000
Total certificates of participation payable					<u>\$ 9,275,000</u>

These certificates of participation were issued to finance improvements at the District's school buildings. The certificates of participation are paid by the General Fund. The debt is secured by the original property purchased and includes terms that upon default all payments may become due and payable. The debtor also may repossess the property and seek full recovery of any losses upon default.

## NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

### C. Lease Liability

The District has obtained the use of certain postage and computer equipment through lease financing agreements. The total amount of underlying lease assets by major class and the related accumulated amortization is presented in Note 4 of the notes to basic financial statements. Annual principal and interest on these agreements will be paid from the General Fund. These agreements are secured by the original property. The lessor also may repossess the property and seek full recovery of the losses upon default. The District currently has the following lease liability obligations outstanding:

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
Postage machine lease	05/10/2023	3.25%	\$ 12,774	02/01/2028	\$ 9,738
Computer equipment lease	07/15/2022	3.56%	\$ 2,178,747	07/01/2024	751,578
Total lease liability					<u>\$ 761,316</u>

### D. Subscription Liability

The District has several agreements to finance the use of software, which call for annual principal and interest payments through December 2025. These agreements are paid by the General Fund. The total amount of the underlying technology subscriptions assets and the related accumulated amortization is presented in Note 4 of the notes to basic financial statements.

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
APEX Learning subscription	08/25/2022	3.80%	\$ 62,806	08/24/2025	\$ 21,613
BrightArrow subscription	12/30/2022	3.80%	\$ 38,753	12/29/2025	13,674
PowerSchool subscription	07/01/2022	3.80%	\$ 40,294	06/30/2025	13,945
Citrix subscription	07/01/2022	3.80%	\$ 32,713	12/01/2025	17,595
Tyler Technologies subscription	12/01/2022	3.80%	\$ 96,055	08/01/2025	53,572
Total subscription liability					<u>\$ 120,399</u>

### E. Other Long-Term Liabilities

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

District employees participate in two state-wide, cost-sharing, multiple-employer defined benefit pension 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
PERA	\$ 12,218,275	\$ 3,952,203	\$ 3,820,569	\$ 1,936,927
TRA	68,724,809	17,029,786	2,725,563	441,198
Total	<u>\$ 80,943,084</u>	<u>\$ 20,981,989</u>	<u>\$ 6,546,132</u>	<u>\$ 2,378,125</u>

## NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

### F. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable		Lease Liability		Subscription Liability	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 8,705,000	\$ 8,034,471	\$ 990,000	\$ 260,500	\$ 754,060	\$ 272	\$ 84,142	\$ 1,978
2026	9,900,000	7,599,221	1,035,000	220,900	2,564	190	36,257	229
2027	8,555,000	7,104,221	1,075,000	179,500	2,649	106	—	—
2028	9,020,000	6,676,471	1,115,000	140,600	2,043	22	—	—
2029	9,360,000	6,225,471	1,140,000	109,900	—	—	—	—
2030–2034	45,950,000	24,410,936	2,375,000	299,000	—	—	—	—
2035–2039	46,960,000	12,753,631	1,545,000	62,200	—	—	—	—
2040–2044	29,245,000	3,232,250	—	—	—	—	—	—
	<u>\$ 167,695,000</u>	<u>\$ 76,036,672</u>	<u>\$ 9,275,000</u>	<u>\$ 1,272,600</u>	<u>\$ 761,316</u>	<u>\$ 590</u>	<u>\$ 120,399</u>	<u>\$ 2,207</u>

### G. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 74,620,000	\$ 160,430,000	\$ 67,355,000	\$ 167,695,000	\$ 8,705,000
Certificates of participation payable	10,235,000	—	960,000	9,275,000	990,000
Unamortized premium/discount	3,992,881	19,349,694	3,775,641	19,566,934	—
Lease liability	1,489,025	—	727,709	761,316	754,060
Subscription liability	245,577	—	125,178	120,399	84,142
Compensated absences payable	397,611	1,040,085	995,321	442,375	442,375
Severance benefits payable	50,400	3,683	—	54,083	54,083
Net pension liability	82,294,869	13,945,584	15,297,369	80,943,084	—
Net OPEB liability	13,300,495	1,389,073	2,439,989	12,249,579	—
	<u>\$ 186,625,858</u>	<u>\$ 196,158,119</u>	<u>\$ 91,676,207</u>	<u>\$ 291,107,770</u>	<u>\$ 11,029,660</u>

## NOTE 6 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. When applicable, certain restrictions, which have an accumulated deficit 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. A description of these deficit balance restrictions is included on the following page since the District has specific authority to future resources for such deficits.



## NOTE 6 – FUND BALANCES (CONTINUED)

### A. Classifications

At year-end, a summary of the District's governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	\$ –	\$ –	\$ –	\$ 84,801	\$ 84,801
Prepaid items	77,565	–	–	240	77,805
Total nonspendable	77,565	–	–	85,041	162,606
Restricted					
Student activities	94,205	–	–	–	94,205
Scholarships	296,670	–	–	–	296,670
American Indian education aid	20,644	–	–	–	20,644
Operating capital	4,044,296	–	–	–	4,044,296
Long-term facilities maintenance	205,709	5,393,943	–	–	5,599,652
Student support personnel	11,703	–	–	–	11,703
Medical Assistance	9,915	–	–	–	9,915
Capital projects	–	106,971,055	–	–	106,971,055
Debt service	–	–	2,613,340	–	2,613,340
Food service	–	–	–	3,689,471	3,689,471
Community education programs	–	–	–	1,337,676	1,337,676
Total restricted	4,683,142	112,364,998	2,613,340	5,027,147	124,688,627
Assigned					
Severance benefits	650,000	–	–	–	650,000
Facility use improvements	632,819	–	–	–	632,819
Q Comp	82,594	–	–	–	82,594
Grants	524,556	–	–	–	524,556
Donations	489,343	–	–	–	489,343
Strategic plan	45,270	–	–	–	45,270
Total assigned	2,424,582	–	–	–	2,424,582
Unassigned					
Restricted account deficits					
Early childhood family education programs deficit	–	–	–	(52,777)	(52,777)
School readiness deficit	–	–	–	(713,445)	(713,445)
Unassigned	1,653,023	–	–	–	1,653,023
Total unassigned	1,653,023	–	–	(766,222)	886,801
Total	\$ 8,838,312	\$ 112,364,998	\$ 2,613,340	\$ 4,345,966	\$ 128,162,616

### B. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes the District will strive to maintain a minimum General Fund unassigned fund balance of 5.0 percent of the annual budget. At June 30, 2024, the unassigned fund balance of the General Fund was 1.1 percent of fiscal 2024 actual expenditures.

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

### **A. Plan Descriptions**

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

#### **1. General Employees Retirement Fund (GERF)**

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

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

#### **2. Teachers Retirement Association (TRA)**

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

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

### **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 up to 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 \$1,449,719. 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 \$4,872,595. 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 \$12,218,275 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 \$336,780. 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 0.2185 percent at the end of the measurement period and 0.2174 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 12,218,275
State’s proportionate share of the net pension liability associated with the District	<u>336,780</u>
Total	<u>\$ 12,555,055</u>

For the year ended June 30, 2024, the District recognized pension expense of \$1,935,414 for its proportionate share of the GERF’s pension expense. The District also recognized an additional \$1,513 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 GERS'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	\$ 400,766	\$ 81,666
Changes in actuarial assumptions	1,921,076	3,348,925
Net collective difference between projected and actual investment earnings on pension plan investments	–	355,504
Changes in proportion	180,642	34,474
District's contributions to the GERS subsequent to the measurement date	1,449,719	–
Total	<u>\$ 3,952,203</u>	<u>\$ 3,820,569</u>

The \$1,449,719 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	\$ 342,340
2026	\$ (1,694,539)
2027	\$ 299,169
2028	\$ (265,055)

**2. TRA Pension Costs**

At June 30, 2024, the District reported a liability of \$68,724,809 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 0.8324 percent at the end of the measurement period and 0.8127 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	\$ 68,724,809
State's proportionate share of the net pension liability associated with the District	<u>4,814,030</u>
Total	<u>\$ 73,538,839</u>

For the year ended June 30, 2024, the District recognized negative pension expense of \$236,655. It also recognized \$677,853 as an increase to pension expense for the support provided by direct aid.

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

At June 30, 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	\$ 643,191	\$ 996,140
Changes in actuarial assumptions	7,994,242	–
Net collective difference between projected and actual investment earnings on pension plan investments	–	749,077
Changes in proportion	3,519,758	980,346
District's contributions to the TRA subsequent to the measurement date	4,872,595	–
Total	<u>\$ 17,029,786</u>	<u>\$ 2,725,563</u>

A total of \$4,872,595 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	\$ 1,359,979
2026	\$ 163,957
2027	\$ 8,486,499
2028	\$ (715,931)
2029	\$ 137,124

### 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	\$ 21,615,110	\$ 12,218,275	\$ 4,489,021
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	\$ 109,611,015	\$ 68,724,809	\$ 35,254,471

### 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 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**

### **A. Plan Description**

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

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

### **B. Benefits Provided**

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

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

### **C. Contributions**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District's contributions in the current year totaled \$2,801,169 as required on a pay-as-you-go basis to finance current year benefits as described in the previous section. The District has established the Post-Employment Benefits Trust Fund to finance these obligations.

### **D. Membership**

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

Retirees and beneficiaries receiving benefits	96
Active plan members	<u>1,001</u>
Total members	<u><u>1,097</u></u>

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

### E. Net OPEB Liability of the District

The District's net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to roll forward the total OPEB liability to the measurement date. The components of the net OPEB liability of the District at year-end were as follows:

Total OPEB liability	\$ 16,668,320
Plan fiduciary net position	<u>(4,418,741)</u>
District's net OPEB liability	<u><u>\$ 12,249,579</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>26.51%</u></u>

### F. Actuarial Methods and Assumptions

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

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

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

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	5.00 %	3.00 %
Fixed income	85.00	4.00 %
Domestic equity	10.00	5.00 %
Total	100.00 %	4.10 %

### G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 6.80 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### H. Discount Rate

The discount rate used to measure the total OPEB liability was 4.10 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy have also been considered. The District discount rate used in the prior measurement date was 4.00 percent.

### I. Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning balance	\$ 18,141,501	\$ 4,841,006	\$ 13,300,495
Changes for the year			
Service cost	691,238	—	691,238
Interest	697,835	—	697,835
Assumption changes	(61,085)	—	(61,085)
Contributions	—	2,051,169	(2,051,169)
Net investment income	—	198,481	(198,481)
Differences between expected and actual experience	—	129,254	(129,254)
Benefit payments	(2,801,169)	(2,801,169)	—
Total net changes	(1,473,181)	(422,265)	(1,050,916)
Ending balance	\$ 16,668,320	\$ 4,418,741	\$ 12,249,579

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

Assumption changes since the prior measurement date include the following:

- The expected long-term rate of return was changed from 5.00 percent to 4.10 percent.
- The discount rate was changed from 4.00 percent to 4.10 percent.

**J. Net OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes**

The following presents the net OPEB liability of the District, as well as what the District's net 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	3.10%	4.10%	5.10%
Net OPEB liability	\$ 12,968,604	\$ 12,249,579	\$ 11,528,068

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

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
OPEB healthcare trend rate	5.00% decreasing to 4.00% then 3.00%	6.00% decreasing to 5.00% then 4.00%	7.00% decreasing to 6.00% then 5.00%
Net OPEB liability	\$ 10,790,478	\$ 12,249,579	\$ 13,885,721

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

For the current year ended, the District recognized OPEB expense of \$1,400,122. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 727,285	\$ –
Changes in actuarial assumptions	166,009	618,376
Net collective difference between projected and actual investment earnings on OPEB plan investments	128,267	–
Total	<u>\$ 1,021,561</u>	<u>\$ 618,376</u>

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

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

Year Ending June 30,	OPEB Expense Amount
2025	\$ 128,904
2026	\$ 151,373
2027	\$ (10,426)
2028	\$ 143,514
2029	\$ (10,180)

**NOTE 9 – FLEXIBLE BENEFIT PLAN**

The District has a flexible benefit plan, which is classified as a cafeteria plan (the Plan) under § 125 of the IRC. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for healthcare and dependent care benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

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

All assets of the Plan are held in a separate bank account and are administered by an employee of the District. Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated service providers. These payments are made on a timely basis and are accounted for primarily in the District's self-insurance funds. The medical reimbursement and dependent care activity in the financial statements is accounted for in the General Fund.

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

## NOTE 10 – INTERFUND BALANCES AND TRANSACTIONS

### Interfund Receivables and Payables

The District had the following interfund receivables and payables at June 30, 2024:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 750,000	\$ –
Post-Employment Benefits Trust Fund	–	750,000
Total	<u>\$ 750,000</u>	<u>\$ 750,000</u>

These balances represent interfund amounts due to the General Fund relating to post-employment benefit costs to be reimbursed as of June 30, 2024. Such interfund balances are reported in the fund financial statements, but are eliminated as necessary in the government-wide financial statements.

## NOTE 11 – COMMITMENTS AND CONTINGENCIES

### A. Construction Contracts

At June 30, 2024, the District had commitments totaling \$2,963,737 under various construction contracts for which work was not yet completed.

### B. Legal Claims

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

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 agency cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

### D. Purchase Power Agreement

During fiscal year 2024, the District entered into a solar power purchase agreement. The District is committed on a purchase power agreement for all of the annual delivered energy generated by the system for a period of 20 years from the commercial operation date. In return, the District will receive bill credits associated with the energy production.



REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 834

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	0.2238%	\$ 10,513,003	\$ —	\$ 10,513,003	\$ 11,750,557	89.47%	78.70%
06/30/2016	06/30/2015	0.2182%	\$ 11,308,257	\$ —	\$ 11,308,257	\$ 12,615,573	89.64%	78.20%
06/30/2017	06/30/2016	0.2049%	\$ 16,636,863	\$ 217,204	\$ 16,854,067	\$ 12,694,533	131.06%	68.90%
06/30/2018	06/30/2017	0.2155%	\$ 13,757,377	\$ 172,995	\$ 13,930,372	\$ 13,873,747	99.16%	75.90%
06/30/2019	06/30/2018	0.2147%	\$ 11,910,677	\$ 390,616	\$ 12,301,293	\$ 14,390,960	82.76%	79.50%
06/30/2020	06/30/2019	0.2101%	\$ 11,615,958	\$ 361,151	\$ 11,977,109	\$ 14,741,827	78.80%	80.20%
06/30/2021	06/30/2020	0.2143%	\$ 12,848,264	\$ 396,180	\$ 13,244,444	\$ 15,361,827	83.64%	79.10%
06/30/2022	06/30/2021	0.2120%	\$ 9,053,350	\$ 276,503	\$ 9,329,853	\$ 15,311,107	59.13%	87.00%
06/30/2023	06/30/2022	0.2174%	\$ 17,218,152	\$ 504,844	\$ 17,722,996	\$ 16,309,347	105.57%	76.70%
06/30/2024	06/30/2023	0.2185%	\$ 12,218,275	\$ 336,780	\$ 12,555,055	\$ 17,360,547	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	\$ 946,168	\$ 946,168	\$ —	\$ 12,615,573	7.50%
06/30/2016	\$ 952,090	\$ 952,090	\$ —	\$ 12,694,533	7.50%
06/30/2017	\$ 1,040,531	\$ 1,040,531	\$ —	\$ 13,873,747	7.50%
06/30/2018	\$ 1,079,322	\$ 1,079,322	\$ —	\$ 14,390,960	7.50%
06/30/2019	\$ 1,105,637	\$ 1,105,637	\$ —	\$ 14,741,827	7.50%
06/30/2020	\$ 1,152,137	\$ 1,152,137	\$ —	\$ 15,361,827	7.50%
06/30/2021	\$ 1,148,333	\$ 1,148,333	\$ —	\$ 15,311,107	7.50%
06/30/2022	\$ 1,223,201	\$ 1,223,201	\$ —	\$ 16,309,347	7.50%
06/30/2023	\$ 1,302,041	\$ 1,302,041	\$ —	\$ 17,360,547	7.50%
06/30/2024	\$ 1,449,719	\$ 1,449,719	\$ —	\$ 19,331,144	7.50%

INDEPENDENT SCHOOL DISTRICT NO. 834

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	0.8297%	\$ 38,231,979	\$ 2,689,665	\$ 40,921,644	\$ 37,874,556	100.94%	81.50%
06/30/2016	06/30/2015	0.7468%	\$ 46,196,966	\$ 5,666,484	\$ 51,863,450	\$ 37,891,347	121.92%	76.80%
06/30/2017	06/30/2016	0.7442%	\$177,509,457	\$ 17,817,356	\$195,326,813	\$ 38,687,289	458.83%	44.88%
06/30/2018	06/30/2017	0.7697%	\$153,646,083	\$ 14,852,396	\$168,498,479	\$ 41,442,240	370.75%	51.57%
06/30/2019	06/30/2018	0.7821%	\$ 49,123,200	\$ 4,615,379	\$ 53,738,579	\$ 43,206,143	113.69%	78.07%
06/30/2020	06/30/2019	0.7962%	\$ 50,749,955	\$ 4,491,418	\$ 55,241,373	\$ 45,202,983	112.27%	78.21%
06/30/2021	06/30/2020	0.7756%	\$ 57,302,367	\$ 4,802,118	\$ 62,104,485	\$ 45,070,354	127.14%	75.48%
06/30/2022	06/30/2021	0.8313%	\$ 36,380,174	\$ 3,068,223	\$ 39,448,397	\$ 50,374,157	72.22%	86.63%
06/30/2023	06/30/2022	0.8127%	\$ 65,076,717	\$ 4,826,015	\$ 69,902,732	\$ 50,762,182	128.20%	76.17%
06/30/2024	06/30/2023	0.8324%	\$ 68,724,809	\$ 4,814,030	\$ 73,538,839	\$ 53,570,222	128.29%	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	\$ 2,841,307	\$ 2,841,307	\$ —	\$ 37,891,347	7.50%
06/30/2016	\$ 2,901,919	\$ 2,901,919	\$ —	\$ 38,687,289	7.50%
06/30/2017	\$ 3,108,168	\$ 3,108,168	\$ —	\$ 41,442,240	7.50%
06/30/2018	\$ 3,240,764	\$ 3,240,764	\$ —	\$ 43,206,143	7.50%
06/30/2019	\$ 3,485,150	\$ 3,485,150	\$ —	\$ 45,202,983	7.71%
06/30/2020	\$ 3,569,572	\$ 3,569,572	\$ —	\$ 45,070,354	7.92%
06/30/2021	\$ 4,095,419	\$ 4,095,419	\$ —	\$ 50,374,157	8.13%
06/30/2022	\$ 4,233,566	\$ 4,233,566	\$ —	\$ 50,762,182	8.34%
06/30/2023	\$ 4,580,254	\$ 4,580,254	\$ —	\$ 53,570,222	8.55%
06/30/2024	\$ 4,872,595	\$ 4,872,595	\$ —	\$ 55,687,309	8.75%

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	District Fiscal Year-End Date			
	2017	2018	2019	2020
Total OPEB liability				
Service cost	\$ 863,315	\$ 800,160	\$ 730,634	\$ 836,134
Interest	577,783	575,132	702,071	567,066
Assumption changes	—	(528,148)	157,634	435,311
Differences between expected and actual experience	—	—	(2,408,201)	—
Benefit payments	(1,640,555)	(1,302,349)	(1,216,843)	(888,229)
Net change in total OPEB liability	(199,457)	(455,205)	(2,034,705)	950,282
Total OPEB liability – beginning of year	20,586,402	20,386,945	19,931,740	17,897,035
Total OPEB liability – end of year	20,386,945	19,931,740	17,897,035	18,847,317
Plan fiduciary net position				
Contributions	792,282	451,188	361,084	122,940
Net investment income	185,453	299,433	216,739	191,580
Differences between expected and actual experience	—	(37,045)	38,645	—
Benefit payments	(1,640,555)	(1,302,349)	(1,216,843)	(888,229)
Administrative expense	(151,727)	(148,839)	(144,241)	(122,939)
Net change in plan fiduciary net position	(814,547)	(737,612)	(744,616)	(696,648)
Plan fiduciary net position – beginning	9,888,282	9,073,735	8,336,123	7,591,507
Plan fiduciary net position – ending	9,073,735	8,336,123	7,591,507	6,894,859
Net OPEB liability	<u>\$ 11,313,210</u>	<u>\$ 11,595,617</u>	<u>\$ 10,305,528</u>	<u>\$ 11,952,458</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>44.51%</u>	<u>41.82%</u>	<u>42.42%</u>	<u>36.58%</u>
Covered-employee payroll	<u>\$ 53,583,444</u>	<u>\$ 55,190,947</u>	<u>\$ 56,145,928</u>	<u>\$ 57,830,306</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>21.11%</u>	<u>21.01%</u>	<u>18.35%</u>	<u>20.67%</u>

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 913,570	\$ 731,253	\$ 681,448	\$ 691,238
457,426	399,243	657,355	697,835
358,388	(1,023,673)	249,015	(61,085)
—	—	828,275	—
(1,411,315)	(1,779,347)	(1,767,454)	(2,801,169)
318,069	(1,672,524)	648,639	(1,473,181)
18,847,317	19,165,386	17,492,862	18,141,501
19,165,386	17,492,862	18,141,501	16,668,320
811,656	1,029,347	1,017,454	2,051,169
257,150	(247,880)	270,206	198,481
—	—	(83,329)	129,254
(1,411,315)	(1,779,347)	(1,767,454)	(2,801,169)
(150,341)	—	—	—
(492,850)	(997,880)	(563,123)	(422,265)
6,894,859	6,402,009	5,404,129	4,841,006
6,402,009	5,404,129	4,841,006	4,418,741
<u>\$ 12,763,377</u>	<u>\$ 12,088,733</u>	<u>\$ 13,300,495</u>	<u>\$ 12,249,579</u>
<u>33.40%</u>	<u>30.89%</u>	<u>26.68%</u>	<u>26.51%</u>
<u>\$ 59,575,031</u>	<u>\$ 61,362,282</u>	<u>\$ 67,947,323</u>	<u>\$ 69,985,743</u>
<u>21.42%</u>	<u>19.70%</u>	<u>19.57%</u>	<u>17.50%</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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

District Fiscal Year-End Date	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	1.90 %
2018	2.90 %
2019	3.10 %
2020	2.50 %
2021	2.10 %
2022	4.10 %
2023	5.00 %
2024	6.80 %

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 834

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 expected long-term rate of return was changed from 5.00 percent to 4.10 percent.
- The discount rate was changed from 4.00 percent to 4.10 percent.

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

- The expected long-term rate of return was changed from 4.10 percent to 5.00 percent.
- The discount rate was changed from 3.80 percent to 4.00 percent.
- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for nonteachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.

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

- The expected long-term rate of return was changed from 2.10 percent to 4.10 percent.
- The discount rate was changed from 2.10 percent to 3.80 percent.

## **OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)**

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

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increases were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 2.40 percent to 2.10 percent.

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

- The expected long-term rate of return was changed from 2.60 percent to 2.10 percent.
- The discount rate was changed from 3.10 percent to 2.40 percent.

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

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The retiree plan participation assumption for participants not eligible for a pre-65 subsidy was changed from 50.00 percent to 40.00 percent.
- The expected long-term rate of return was changed from 3.30 percent to 2.60 percent.
- The discount rate was changed from 3.50 percent to 3.10 percent.

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

- The expected long-term rate of return was changed from 2.30 percent to 3.30 percent.
- The discount rate was changed from 2.80 percent to 3.50 percent.

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

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and retirement tables for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 4.00 percent to 2.80 percent.

SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	Formerly Major Funds Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	\$ 3,513,635	\$ 2,113,805	\$ 5,627,440
Receivables			
Current taxes	—	634,484	634,484
Delinquent taxes	—	10,051	10,051
Accounts and interest	—	23,533	23,533
Due from other governmental units	286,817	147,239	434,056
Inventory	84,801	—	84,801
Prepaid items	—	240	240
Total assets	<u>\$ 3,885,253</u>	<u>\$ 2,929,352</u>	<u>\$ 6,814,605</u>
Liabilities			
Salaries payable	\$ 6,509	\$ 430,818	\$ 437,327
Accounts and contracts payable	7,200	161,272	168,472
Due to other governmental units	—	7,567	7,567
Unearned revenue	97,272	488,559	585,831
Total liabilities	<u>110,981</u>	<u>1,088,216</u>	<u>1,199,197</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	—	1,265,512	1,265,512
Unavailable revenue – delinquent taxes	—	3,930	3,930
Total deferred inflows of resources	<u>—</u>	<u>1,269,442</u>	<u>1,269,442</u>
Fund balances (deficit)			
Nonspendable	84,801	240	85,041
Restricted	3,689,471	1,337,676	5,027,147
Unassigned	—	(766,222)	(766,222)
Total fund balances	<u>3,774,272</u>	<u>571,694</u>	<u>4,345,966</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,885,253</u>	<u>\$ 2,929,352</u>	<u>\$ 6,814,605</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	Formerly Major Funds Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	\$ —	\$ 1,054,989	\$ 1,054,989
Investment earnings	130,899	70,430	201,329
Other	1,737,364	6,575,786	8,313,150
State sources	3,325,382	1,141,068	4,466,450
Federal sources	2,446,108	6,958	2,453,066
Total revenue	<u>7,639,753</u>	<u>8,849,231</u>	<u>16,488,984</u>
Expenditures			
Current			
Food service	6,488,594	—	6,488,594
Community service	—	8,740,479	8,740,479
Capital outlay	479,839	3,838	483,677
Total expenditures	<u>6,968,433</u>	<u>8,744,317</u>	<u>15,712,750</u>
Net change in fund balances	671,320	104,914	776,234
Fund balances			
Beginning of year, as previously reported	—	—	—
Change within financial reporting entity (major to nonmajor fund)	<u>3,102,952</u>	<u>466,780</u>	<u>3,569,732</u>
Beginning of year, restated	<u>3,102,952</u>	<u>466,780</u>	<u>3,569,732</u>
End of year	<u>\$ 3,774,272</u>	<u>\$ 571,694</u>	<u>\$ 4,345,966</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	2024	2023
Assets		
Cash and temporary investments	\$ 29,080,074	\$ 31,102,327
Receivables		
Current taxes	22,123,072	19,890,257
Delinquent taxes	351,960	352,042
Accounts and interest	104,271	246,736
Due from other governmental units	11,456,238	9,796,076
Due from other funds	750,000	750,000
Lease revenue	853,035	1,111,024
Prepaid items	77,565	127,118
Total assets	<u>\$ 64,796,215</u>	<u>\$ 63,375,580</u>
Liabilities		
Salaries payable	\$ 8,095,682	\$ 7,737,884
Accounts and contracts payable	4,415,546	5,069,736
Due to other governmental units	620,912	356,002
Unearned revenue	797	2,594
Total liabilities	<u>13,132,937</u>	<u>13,166,216</u>
Deferred inflows of resources		
Lease revenue for subsequent years	853,035	1,090,409
Property taxes levied for subsequent year	41,842,388	37,812,039
Unavailable revenue – delinquent taxes	129,543	180,724
Total deferred inflows of resources	<u>42,824,966</u>	<u>39,083,172</u>
Fund balances		
Nonspendable for prepaid items	77,565	127,118
Restricted for student activities	94,205	72,545
Restricted for scholarships	296,670	280,783
Restricted for American Indian education aid	20,644	–
Restricted for operating capital	4,044,296	6,344,246
Restricted for long-term facilities maintenance	205,709	205,709
Restricted for student support personnel	11,703	–
Restricted for Medical Assistance	9,915	50,738
Assigned for severance benefits	650,000	790,000
Assigned for facility use improvements	632,819	567,333
Assigned for Q comp	82,594	35,386
Assigned for grants	524,556	536,810
Assigned for donations	489,343	542,680
Assigned for strategic plan	45,270	–
Unassigned	1,653,023	1,572,844
Total fund balances	<u>8,838,312</u>	<u>11,126,192</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 64,796,215</u>	<u>\$ 63,375,580</u>



INDEPENDENT SCHOOL DISTRICT NO. 834

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

	2024		2023	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 39,221,141	\$ 40,783,144	\$ 1,562,003	\$ 37,746,806
Investment earnings	335,653	687,680	352,027	903,576
Other	4,089,259	4,116,046	26,787	3,639,066
State sources	95,780,326	93,579,001	(2,201,325)	83,027,972
Federal sources	3,274,514	3,388,082	113,568	5,567,637
Total revenue	142,700,893	142,553,953	(146,940)	130,885,057
Expenditures				
Current				
Administration				
Salaries	2,563,329	2,686,484	123,155	2,563,553
Employee benefits	1,129,041	1,070,460	(58,581)	1,022,713
Purchased services	56,050	19,921	(36,129)	130,828
Supplies and materials	12,200	7,012	(5,188)	15,599
Other expenditures	34,100	44,214	10,114	42,905
Total administration	3,794,720	3,828,091	33,371	3,775,598
District support services				
Salaries	2,719,150	2,652,262	(66,888)	2,343,414
Employee benefits	1,717,834	1,808,103	90,269	1,332,586
Purchased services	740,899	868,721	127,822	671,825
Supplies and materials	1,987,003	1,772,227	(214,776)	1,754,319
Capital expenditures	—	23,059	23,059	2,404,136
Other expenditures	(34,224)	(14,306)	19,918	2,493
Total district support services	7,130,662	7,110,066	(20,596)	8,508,773
Elementary and secondary regular instruction				
Salaries	34,965,215	34,283,638	(681,577)	32,683,246
Employee benefits	16,843,681	16,582,740	(260,941)	14,325,174
Purchased services	3,077,060	3,792,991	715,931	3,636,290
Supplies and materials	2,077,370	2,291,236	213,866	1,555,969
Capital expenditures	62,500	49,793	(12,707)	177,712
Other expenditures	21,130	235,540	214,410	204,827
Total elementary and secondary regular instruction	57,046,956	57,235,938	188,982	52,583,218

INDEPENDENT SCHOOL DISTRICT NO. 834

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	743,850	856,565	112,715	941,939
Employee benefits	358,574	377,858	19,284	425,720
Purchased services	329,956	357,244	27,288	248,916
Supplies and materials	19,045	37,203	18,158	23,190
Capital expenditures	15,000	—	(15,000)	—
Other expenditures	—	5,236	5,236	5,632
Total vocational education instruction	1,466,425	1,634,106	167,681	1,645,397
Special education instruction				
Salaries	15,798,348	16,130,842	332,494	14,800,055
Employee benefits	8,709,649	7,724,978	(984,671)	7,362,595
Purchased services	1,744,019	2,245,326	501,307	2,007,947
Supplies and materials	221,907	129,411	(92,496)	160,846
Capital expenditures	23,500	22,934	(566)	104,512
Other expenditures	4,150	82,609	78,459	70,906
Total special education instruction	26,501,573	26,336,100	(165,473)	24,506,861
Instructional support services				
Salaries	5,835,306	6,020,805	185,499	5,667,132
Employee benefits	2,477,200	2,399,915	(77,285)	2,271,838
Purchased services	531,537	414,498	(117,039)	404,276
Supplies and materials	329,253	398,625	69,372	278,470
Capital expenditures	21,790	26,597	4,807	9,302
Other expenditures	29,300	50,223	20,923	35,033
Total instructional support services	9,224,386	9,310,663	86,277	8,666,051
Pupil support services				
Salaries	3,294,539	3,334,149	39,610	3,365,382
Employee benefits	1,789,444	1,595,231	(194,213)	1,510,255
Purchased services	12,379,808	13,454,333	1,074,525	12,843,957
Supplies and materials	64,156	131,459	67,303	252,341
Other expenditures	300	19,636	19,336	15,138
Total pupil support services	17,528,247	18,534,808	1,006,561	17,987,073

## INDEPENDENT SCHOOL DISTRICT NO. 834

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	3,473,711	3,590,307	116,596	3,414,287
Employee benefits	1,866,013	1,844,041	(21,972)	1,750,336
Purchased services	4,931,952	6,671,992	1,740,040	7,745,967
Supplies and materials	695,300	755,980	60,680	751,587
Capital expenditures	7,026,108	5,024,321	(2,001,787)	10,668,403
Other expenditures	25,800	22,447	(3,353)	28,884
Total sites and buildings	18,018,884	17,909,088	(109,796)	24,359,464
Fiscal and other fixed cost programs				
Purchased services	784,800	784,739	(61)	584,378
Other expenditures	30,000	35,603	5,603	26,000
Total fiscal and other fixed cost programs	814,800	820,342	5,542	610,378
Debt service				
Principal	2,487,702	1,812,887	(674,815)	1,701,444
Interest and fiscal charges	349,720	330,979	(18,741)	390,635
Total debt service	2,837,422	2,143,866	(693,556)	2,092,079
Total expenditures	144,364,075	144,863,068	498,993	144,734,892
Excess (deficiency) of revenue over expenditures	(1,663,182)	(2,309,115)	(645,933)	(13,849,835)
Other financing sources				
Debt issued	—	—	—	2,429,429
Insurance recovery	—	16,137	16,137	1,152,102
Sale of capital assets	312	5,098	4,786	92
Total other financing sources	312	21,235	20,923	3,581,623
Net change in fund balances	<u>\$ (1,662,870)</u>	<u>(2,287,880)</u>	<u>\$ (625,010)</u>	<u>(10,268,212)</u>
Fund balances				
Beginning of year		<u>11,126,192</u>		<u>21,394,404</u>
End of year		<u>\$ 8,838,312</u>		<u>\$ 11,126,192</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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	\$ 3,513,635	\$ 2,916,796
Receivables		
Accounts and interest	—	509
Due from other governmental units	286,817	256,808
Inventory	<u>84,801</u>	<u>71,091</u>
Total assets	<u>\$ 3,885,253</u>	<u>\$ 3,245,204</u>
Liabilities		
Salaries payable	\$ 6,509	\$ 10,365
Accounts and contracts payable	7,200	43,595
Unearned revenue	<u>97,272</u>	<u>88,292</u>
Total liabilities	110,981	142,252
Fund balances		
Nonspendable for inventory	84,801	71,091
Restricted for food service	<u>3,689,471</u>	<u>3,031,861</u>
Total fund balances	<u>3,774,272</u>	<u>3,102,952</u>
Total liabilities and fund balances	<u>\$ 3,885,253</u>	<u>\$ 3,245,204</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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	\$ 1,000	\$ 130,899	\$ 129,899	\$ 102,878
Other – primarily meal sales	1,657,725	1,737,364	79,639	3,428,120
State sources	2,795,000	3,325,382	530,382	193,095
Federal sources	2,016,054	2,446,108	430,054	2,222,159
Total revenue	<u>6,469,779</u>	<u>7,639,753</u>	<u>1,169,974</u>	<u>5,946,252</u>
Expenditures				
Current				
Salaries	2,072,050	2,213,224	141,174	1,773,077
Employee benefits	964,863	977,610	12,747	785,046
Purchased services	304,800	290,600	(14,200)	447,010
Supplies and materials	2,991,381	3,004,212	12,831	2,631,838
Other expenditures	3,200	2,948	(252)	1,640
Capital outlay	500,000	479,839	(20,161)	452,899
Total expenditures	<u>6,836,294</u>	<u>6,968,433</u>	<u>132,139</u>	<u>6,091,510</u>
Excess (deficiency) of revenue over expenditures	(366,515)	671,320	1,037,835	(145,258)
Other financing sources				
Sale of capital assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>23</u>
Net change in fund balances	<u>\$ (366,515)</u>	<u>671,320</u>	<u>\$ 1,037,835</u>	<u>(145,235)</u>
Fund balances				
Beginning of year		<u>3,102,952</u>		<u>3,248,187</u>
End of year		<u>\$ 3,774,272</u>		<u>\$ 3,102,952</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	2024	2023
Assets		
Cash and temporary investments	\$ 2,113,805	\$ 1,774,922
Receivables		
Current taxes	634,484	538,372
Delinquent taxes	10,051	10,338
Accounts and interest	23,533	41,043
Due from other governmental units	147,239	91,433
Prepaid items	240	2,777
Total assets	<u>\$ 2,929,352</u>	<u>\$ 2,458,885</u>
Liabilities		
Salaries payable	\$ 430,818	\$ 358,871
Accounts and contracts payable	161,272	125,463
Due to other governmental units	7,567	5,093
Unearned revenue	488,559	439,180
Total liabilities	<u>1,088,216</u>	<u>928,607</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	1,265,512	1,057,863
Unavailable revenue – delinquent taxes	3,930	5,635
Total deferred inflows of resources	<u>1,269,442</u>	<u>1,063,498</u>
Fund balances (deficit)		
Nonspendable for prepaid items	240	2,777
Restricted for community education programs	1,337,676	1,190,364
Unassigned – early childhood family education programs restricted account deficit	(52,777)	(72,710)
Unassigned – school readiness restricted account deficit	(713,445)	(653,651)
Total fund balances	<u>571,694</u>	<u>466,780</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,929,352</u>	<u>\$ 2,458,885</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 1,055,204	\$ 1,054,989	\$ (215)	\$ 990,966
Investment earnings	—	70,430	70,430	43,040
Other – primarily tuition and fees	6,069,288	6,575,786	506,498	5,844,522
State sources	1,083,506	1,141,068	57,562	864,629
Federal sources	6,958	6,958	—	563,787
Total revenue	8,214,956	8,849,231	634,275	8,306,944
Expenditures				
Current				
Salaries	4,922,067	5,270,130	348,063	4,745,118
Employee benefits	1,714,676	1,613,850	(100,826)	1,439,161
Purchased services	1,493,266	1,531,235	37,969	1,385,933
Supplies and materials	281,286	299,537	18,251	261,441
Other expenditures	28,954	25,727	(3,227)	43,496
Capital outlay	13,949	3,838	(10,111)	2,086
Total expenditures	8,454,198	8,744,317	290,119	7,877,235
Net change in fund balances	\$ (239,242)	104,914	\$ 344,156	429,709
Fund balances				
Beginning of year		466,780		37,071
End of year		\$ 571,694		\$ 466,780

INDEPENDENT SCHOOL DISTRICT NO. 834

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	\$ 112,195,200	\$ 7,770,448
Receivables		
Accounts and interest	<u>856,213</u>	<u>48,166</u>
Total assets	<u>\$ 113,051,413</u>	<u>\$ 7,818,614</u>
Liabilities		
Accounts and contracts payable	\$ 671,415	\$ 13,069
Due to other governmental units	<u>15,000</u>	<u>—</u>
Total liabilities	<u>686,415</u>	<u>13,069</u>
Fund balances		
Restricted for projects funded by certificates of participation	—	12
Restricted for long-term facilities maintenance	5,393,943	—
Restricted for capital projects	<u>106,971,055</u>	<u>7,805,533</u>
Total fund balances	<u>112,364,998</u>	<u>7,805,545</u>
Total liabilities and fund balances	<u>\$ 113,051,413</u>	<u>\$ 7,818,614</u>



## INDEPENDENT SCHOOL DISTRICT NO. 834

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 1,950,000	\$ 2,763,634	\$ 813,634	\$ 130,269
Other	39,062	39,062	–	–
Total revenue	<u>1,989,062</u>	<u>2,802,696</u>	<u>813,634</u>	<u>130,269</u>
Expenditures				
Capital outlay				
Salaries	40,503	43,595	3,092	–
Employee benefits	12,278	12,471	193	–
Purchased services	900,000	2,148,438	1,248,438	352,360
Other expenditures	–	814	814	4,603
Capital expenditures	<u>10,432,519</u>	<u>14,499,340</u>	<u>4,066,821</u>	<u>1,444,924</u>
Total expenditures	<u>11,385,300</u>	<u>16,704,658</u>	<u>5,319,358</u>	<u>1,801,887</u>
Excess (deficiency) of revenue over expenditures	(9,396,238)	(13,901,962)	(4,505,724)	(1,671,618)
Other financing sources				
Debt issued	105,715,000	105,715,000	–	–
Premium on issuance of debt	<u>12,746,415</u>	<u>12,746,415</u>	<u>–</u>	<u>–</u>
Total other financing sources	<u>118,461,415</u>	<u>118,461,415</u>	<u>–</u>	<u>–</u>
Net change in fund balances	<u>\$ 109,065,177</u>	104,559,453	<u>\$ (4,505,724)</u>	(1,671,618)
Fund balances				
Beginning of year		<u>7,805,545</u>		<u>9,477,163</u>
End of year		<u>\$ 112,364,998</u>		<u>\$ 7,805,545</u>

## INDEPENDENT SCHOOL DISTRICT NO. 834

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

	<u>2024</u>	<u>2023</u>
Assets		
Cash and temporary investments	\$ 11,000,581	\$ 6,919,837
Receivables		
Current taxes	8,674,471	5,019,028
Delinquent taxes	95,863	101,544
Due from other governmental units	<u>11,502</u>	<u>10,014</u>
Total assets	<u>\$ 19,782,417</u>	<u>\$ 12,050,423</u>
Liabilities		
Accounts and contracts payable	\$ 4,075	\$ —
Deferred inflows of resources		
Property taxes levied for subsequent year	17,125,920	9,767,872
Unavailable revenue – delinquent taxes	<u>39,082</u>	<u>56,472</u>
Total deferred inflows of resources	<u>17,165,002</u>	<u>9,824,344</u>
Fund balances		
Restricted for debt service	<u>2,613,340</u>	<u>2,226,079</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,782,417</u>	<u>\$ 12,050,423</u>

## INDEPENDENT SCHOOL DISTRICT NO. 834

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	\$ 9,761,848	\$ 9,644,098	\$ (117,750)	\$ 9,466,992
Investment earnings	301,672	579,991	278,319	207,411
State sources	106,000	115,016	9,016	100,140
Total revenue	10,169,520	10,339,105	169,585	9,774,543
Expenditures				
Debt service				
Principal	6,975,000	6,975,000	—	6,645,000
Interest	3,175,885	3,175,885	—	3,204,020
Fiscal charges and other	734,263	739,238	4,975	10,725
Total expenditures	10,885,148	10,890,123	4,975	9,859,745
Excess (deficiency) of revenue over expenditures	(715,628)	(551,018)	164,610	(85,202)
Other financing sources (uses)				
Refunding debt issued	54,715,000	54,715,000	—	—
Premium on issuance of debt	6,603,279	6,603,279	—	—
Payments to refunded bond escrow agent	(60,380,000)	(60,380,000)	—	—
Total other financing sources (uses)	938,279	938,279	—	—
Net change in fund balances	\$ 222,651	387,261	\$ 164,610	(85,202)
Fund balances				
Beginning of year		2,226,079		2,311,281
End of year		\$ 2,613,340		\$ 2,226,079

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2024	2023
Assets				
Current assets				
Cash and temporary investments	\$ 6,738,799	\$ 424,615	\$ 7,163,414	\$ 7,717,289
Receivables				
Accounts and interest	14,386	9,947	24,333	31,754
Total current assets	6,753,185	434,562	7,187,747	7,749,043
Liabilities				
Current liabilities				
Accounts and contracts payable	648,141	70,773	718,914	656,151
Due to other governmental units	8,582	—	8,582	7,340
Unearned revenue	2,047,871	108,368	2,156,239	2,135,160
Claims incurred, but not reported	2,400,000	35,000	2,435,000	1,528,000
Total current liabilities	5,104,594	214,141	5,318,735	4,326,651
Net position				
Unrestricted	\$ 1,648,591	\$ 220,421	\$ 1,869,012	\$ 3,422,392

INDEPENDENT SCHOOL DISTRICT NO. 834

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)

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2024	2023
Operating revenue				
Charges for services				
Contributions from governmental funds	\$ 20,447,743	\$ 1,211,611	\$ 21,659,354	\$ 19,308,185
Operating expenses				
Health benefit claims	20,281,167	—	20,281,167	17,517,420
Dental benefit claims	—	1,171,422	1,171,422	1,040,286
Fees and stop loss	1,720,781	47,592	1,768,373	1,664,920
Total operating expenses	<u>22,001,948</u>	<u>1,219,014</u>	<u>23,220,962</u>	<u>20,222,626</u>
Operating income (loss)	(1,554,205)	(7,403)	(1,561,608)	(914,441)
Nonoperating revenue				
Investment earnings	<u>7,983</u>	<u>245</u>	<u>8,228</u>	<u>9,235</u>
Change in net position	(1,546,222)	(7,158)	(1,553,380)	(905,206)
Net position				
Beginning of year	<u>3,194,813</u>	<u>227,579</u>	<u>3,422,392</u>	<u>4,327,598</u>
End of year	<u>\$ 1,648,591</u>	<u>\$ 220,421</u>	<u>\$ 1,869,012</u>	<u>\$ 3,422,392</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2024	2023
Cash flows from operating activities				
Contributions from governmental funds	\$ 20,472,418	\$ 1,215,436	\$ 21,687,854	\$ 19,773,766
Payment for health claims	(19,335,357)	–	(19,335,357)	(17,184,807)
Payment for dental claims	–	(1,146,227)	(1,146,227)	(1,040,286)
Payment for fees and stop loss	(1,720,781)	(47,592)	(1,768,373)	(1,664,920)
Net cash flows from operating activities	(583,720)	21,617	(562,103)	(116,247)
Cash flows from investing activities				
Investment income received	7,983	245	8,228	9,235
Net change in cash and cash equivalents	(575,737)	21,862	(553,875)	(107,012)
Cash and cash equivalents				
Beginning of year	7,314,536	402,753	7,717,289	7,824,301
End of year	\$ 6,738,799	\$ 424,615	\$ 7,163,414	\$ 7,717,289
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (1,554,205)	\$ (7,403)	\$ (1,561,608)	\$ (914,441)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Accounts receivable	4,693	2,728	7,421	(31,754)
Accounts and contracts payable	44,568	18,195	62,763	121,613
Due to other governmental units	1,242	–	1,242	–
Unearned revenue	19,982	1,097	21,079	497,335
Claims incurred, but not reported	900,000	7,000	907,000	211,000
Net cash flows from operating activities	\$ (583,720)	\$ 21,617	\$ (562,103)	\$ (116,247)

# Section III

## Statistical







STATISTICAL SECTION

(UNAUDITED)

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## **STATISTICAL SECTION (UNAUDITED)**

This section of Independent School District No. 834's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### **Contents**

#### **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. 834

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	\$ 56,387,161	\$ 65,414,063	\$ 66,141,043	\$ 60,554,744
Restricted	5,665,080	9,743,503	9,753,511	13,123,335
Unrestricted	<u>(44,814,567)</u>	<u>(40,407,600)</u>	<u>(84,709,936)</u>	<u>(107,596,516)</u>
Total governmental activities net position	<u>\$ 17,237,674</u>	<u>\$ 34,749,966</u>	<u>\$ (8,815,382)</u>	<u>\$(33,918,437)</u>

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately \$57.4 million.

Note 2: The District reported a change in accounting principle in fiscal 2016 that reduced net position by approximately \$0.4 million.

Note 3: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$24.2 million.

Note 4: In fiscal 2024, the District reported a change in accounting principle for a change in reporting certain groups of similar capital assets acquired in prior years that increased net position by \$0.3 million.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 58,929,681	\$ 62,505,284	\$ 64,517,478	\$ 71,225,113	\$ 85,984,444	\$ 96,784,018
16,107,066	19,894,112	18,704,343	30,171,276	12,209,701	9,799,260
<u>(81,207,029)</u>	<u>(82,957,418)</u>	<u>(90,662,072)</u>	<u>(99,073,901)</u>	<u>(77,108,376)</u>	<u>(74,240,442)</u>
<u>\$ (6,170,282)</u>	<u>\$ (558,022)</u>	<u>\$ (7,440,251)</u>	<u>\$ 2,322,488</u>	<u>\$ 21,085,769</u>	<u>\$ 32,342,836</u>

INDEPENDENT SCHOOL DISTRICT NO. 834

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

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Expenses				
Administration	\$ 3,469,001	\$ 3,835,257	\$ 5,045,515	\$ 4,859,694
District support services	2,879,688	4,930,575	4,428,888	4,866,422
Elementary and secondary regular instruction	45,526,927	45,403,156	64,048,509	63,695,632
Vocational education instruction	1,142,699	1,293,897	1,589,857	1,814,893
Special education instruction	16,441,733	17,032,647	23,701,150	24,272,246
Instructional support services	6,112,684	5,748,010	8,648,249	9,138,084
Pupil support services	9,807,046	10,113,009	12,473,301	13,277,132
Sites and buildings	11,582,408	9,363,699	11,735,283	14,715,947
Fiscal and other fixed cost programs	188,265	263,329	238,724	282,149
Food service	3,883,245	3,983,097	4,095,413	4,225,459
Community service	4,586,087	4,807,513	6,181,362	7,040,015
Interest and fiscal charges	1,362,338	4,793,187	3,932,639	3,920,205
Total governmental activities expenses	106,982,121	111,567,376	146,118,890	152,107,878
Program revenues				
Charges for services				
District support services	1,594	635	390	505
Elementary and secondary regular instruction	1,340,698	1,733,392	2,062,685	1,841,634
Vocational education instruction	636	428	266	—
Special education instruction	106,819	716,816	276,329	349,799
Instructional support services	55,502	3,613	4,706	4,707
Pupil support services	9,559	9,697	6,833	8,620
Sites and buildings	362,283	309,365	310,726	216,217
Food service	2,559,430	2,591,822	2,647,891	2,951,523
Community service	3,121,607	3,340,816	3,731,436	4,708,102
Operating grants and contributions	13,909,704	15,073,801	16,342,406	15,985,953
Capital grants and contributions	—	—	—	—
Total governmental activities program revenues	21,467,832	23,780,385	25,383,668	26,067,060
Net (expense) revenue	(85,514,289)	(87,786,991)	(120,735,222)	(126,040,818)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	21,050,994	21,857,533	26,077,926	26,662,509
Property taxes, levied for community service	883,576	879,475	924,206	936,351
Property taxes, levied for building construction	3,556,087	3,504,044	—	—
Property taxes, levied for debt service	9,524,095	10,418,158	9,853,545	9,991,344
General grants and aids	57,947,379	58,466,733	62,239,860	61,151,385
Other general revenues	1,100,896	1,222,650	1,409,761	1,501,148
Investment earnings	33,423	406,428	505,982	695,026
Gain on sale of capital assets	—	—	349,350	—
Special item – joint school proceeds	—	8,918,771	—	—
Total general revenues and other changes in net position	94,096,450	105,673,792	101,360,630	100,937,763
Change in net position	\$ 8,582,161	\$ 17,886,801	\$(19,374,592)	\$(25,103,055)

2019	2020	2021	2022	2023	2024
\$ 2,761,832	\$ 4,163,190	\$ 4,678,752	\$ 3,788,855	\$ 3,423,828	\$ 3,934,318
3,848,441	4,221,324	7,124,857	4,429,348	7,076,391	7,149,362
33,389,523	51,734,965	56,621,066	52,311,821	44,700,955	57,583,266
1,061,396	1,544,708	1,738,619	1,632,540	1,451,541	1,667,003
15,645,568	22,395,970	23,193,864	23,240,347	22,182,831	26,993,683
6,355,742	7,480,689	7,773,002	7,416,847	8,330,698	9,548,300
11,597,906	13,259,915	10,453,525	2,346,484	4,430,425	18,857,105
11,508,298	14,417,912	14,867,425	21,697,829	26,720,775	12,763,666
298,619	418,172	497,990	484,668	610,378	820,342
4,178,034	3,717,123	3,207,032	4,675,820	6,209,091	7,388,530
6,563,197	3,054,540	6,263,485	7,688,390	7,953,183	9,175,416
3,808,388	3,586,985	3,203,781	770,883	2,710,888	5,631,554
101,016,944	129,995,493	139,623,398	130,483,832	135,800,984	161,512,545
991	180	15	—	—	—
1,674,506	1,161,617	709,348	1,441,108	1,403,534	1,467,633
—	—	—	—	—	—
417,106	397,576	460,907	393,773	384,720	314,292
3,155	8	(7)	229	—	1,210
5,225	154,240	53,014	177,247	220,516	208,646
172,648	96,424	96,424	100,467	119,622	211,323
3,044,482	2,402,682	695,540	1,209,895	3,432,806	1,737,364
5,318,825	3,968,375	2,480,370	4,724,877	5,393,956	6,575,786
17,854,618	23,892,060	29,010,528	30,868,772	31,487,802	35,146,017
—	1,071,842	7,795,398	802,846	—	—
28,491,556	33,145,004	41,301,537	39,719,214	42,442,956	45,662,271
(72,525,388)	(96,850,489)	(98,321,861)	(90,764,618)	(93,358,028)	(115,850,274)
27,029,172	29,140,145	27,402,570	30,212,808	37,735,955	40,731,963
942,286	937,773	963,441	998,815	989,984	1,053,284
—	—	—	—	—	—
10,243,194	9,834,780	10,224,886	9,045,351	9,455,632	9,626,708
59,591,562	60,073,369	52,203,763	59,154,862	61,140,335	69,182,071
1,543,674	704,641	530,450	546,982	1,402,994	1,952,004
923,655	838,911	134,502	50,428	1,396,409	4,240,862
—	—	(19,980)	518,111	—	—
—	—	—	—	—	—
100,273,543	101,529,619	91,439,632	100,527,357	112,121,309	126,786,892
\$ 27,748,155	\$ 4,679,130	\$ (6,882,229)	\$ 9,762,739	\$ 18,763,281	\$ 10,936,618

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INDEPENDENT SCHOOL DISTRICT NO. 834

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

Fiscal Year	Property Tax					Total
	General Purposes	Community Service	Capital Projects – Building Construction	Debt Service		
2015	\$ 21,050,994	\$ 883,576	\$ 3,556,087	\$ 9,524,095	\$ 35,014,752	
2016	21,857,533	879,475	3,504,044	10,418,158	36,659,210	
2017	26,077,926	924,206	–	9,853,545	36,855,677	
2018	26,662,509	936,351	–	9,991,344	37,590,204	
2019	27,029,172	942,286	–	10,243,194	38,214,652	
2020	29,140,145	937,773	–	9,834,780	39,912,698	
2021	27,402,570	963,441	–	10,224,886	38,590,897	
2022	30,212,808	998,815	–	9,045,351	40,256,974	
2023	37,735,955	989,984	–	9,455,632	48,181,571	
2024	40,731,963	1,053,284	–	9,626,708	51,411,955	

## INDEPENDENT SCHOOL DISTRICT NO. 834

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

				Fiscal Year
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 271,178	\$ 180,717	\$ 132,997	\$ 261,833
Restricted	2,467,558	2,590,464	8,070,793	10,603,252
Committed	—	3,783,815	1,883,815	983,815
Assigned	2,125,946	1,851,841	3,351,587	3,974,155
Unassigned	9,137,032	7,753,286	7,852,065	4,215,589
Total General Fund	<u>\$ 14,001,714</u>	<u>\$ 16,160,123</u>	<u>\$ 21,291,257</u>	<u>\$ 20,038,644</u>
All other governmental funds				
Nonspendable	\$ 70,214	\$ 69,555	\$ 43,739	\$ 73,814
Restricted	3,560,116	90,781,630	27,083,056	13,787,952
Unassigned	(586,713)	—	—	—
Total all other governmental funds	<u>\$ 3,043,617</u>	<u>\$ 90,851,185</u>	<u>\$ 27,126,795</u>	<u>\$ 13,861,766</u>
Total all governmental funds	<u>\$ 17,045,331</u>	<u>\$ 107,011,308</u>	<u>\$ 48,418,052</u>	<u>\$ 33,900,410</u>

2019	2020	2021	2022	2023	2024
\$ 133,500	\$ 176,979	\$ 59,842	\$ 148,874	\$ 127,118	\$ 77,565
12,387,032	14,738,965	14,232,268	16,310,327	6,954,021	4,683,142
983,815	983,815	—	—	—	—
1,416,490	2,423,807	2,845,311	2,471,741	2,472,209	2,424,582
6,078,702	10,393,558	4,426,645	2,463,162	1,572,844	1,653,023
<u>\$ 20,999,539</u>	<u>\$ 28,717,124</u>	<u>\$ 21,564,066</u>	<u>\$ 21,394,104</u>	<u>\$ 11,126,192</u>	<u>\$ 8,838,312</u>
\$ 53,360	\$ 76,202	\$ 42,902	\$ 95,955	\$ 73,868	\$ 85,041
9,679,032	5,875,326	13,082,785	15,668,288	14,253,849	120,005,485
—	—	—	(690,541)	(726,361)	(766,222)
<u>\$ 9,732,392</u>	<u>\$ 5,951,528</u>	<u>\$ 13,125,687</u>	<u>\$ 15,073,702</u>	<u>\$ 13,601,356</u>	<u>\$119,324,304</u>
<u>\$ 30,731,931</u>	<u>\$ 34,668,652</u>	<u>\$ 34,689,753</u>	<u>\$ 36,467,806</u>	<u>\$ 24,727,548</u>	<u>\$128,162,616</u>

## INDEPENDENT SCHOOL DISTRICT NO. 834

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

	Fiscal Year			
	2015	2016	2017	2018
Revenue				
Local sources				
Property taxes	\$ 35,304,525	\$ 36,717,544	\$ 36,882,419	\$ 37,672,798
Investment earnings	28,739	400,302	499,727	690,063
Other	8,659,024	9,929,234	10,451,023	11,582,255
State sources	67,778,735	69,753,786	72,643,686	74,119,502
Federal sources	3,961,017	3,786,748	3,689,765	3,041,466
Total revenue	115,732,040	120,587,614	124,166,620	127,106,084
Expenditures				
Current				
Administration	3,315,207	3,730,271	3,687,102	3,544,839
District support services	2,799,843	4,988,023	4,273,631	4,580,746
Elementary and secondary regular instruction	44,369,591	44,391,220	45,818,551	46,326,515
Vocational education instruction	1,118,757	1,269,046	1,178,394	1,418,503
Special education instruction	16,053,961	16,718,523	17,660,774	18,706,782
Instructional support services	6,006,701	5,579,197	7,055,599	7,170,917
Pupil support services	9,466,764	9,827,309	11,098,053	11,854,935
Sites and buildings	8,515,322	16,709,425	8,813,285	12,572,733
Fiscal and other fixed cost programs	188,265	263,329	238,724	282,149
Food service	3,730,236	3,728,962	3,851,332	3,958,441
Community service	4,418,275	4,650,156	5,313,353	6,127,808
Capital outlay	9,013,201	16,748,548	59,322,612	14,443,268
Debt service				
Principal	8,570,000	8,825,000	9,595,000	6,255,000
Interest and fiscal charges	1,818,709	2,212,828	6,391,505	4,447,910
Total expenditures	119,384,832	139,641,837	184,297,915	141,690,546
Excess of revenues over (under) expenditures	(3,652,792)	(19,054,223)	(60,131,295)	(14,584,462)
Other financing sources (uses)				
Debt issued	—	90,565,000	—	—
Refunding debt issued	—	14,695,000	—	—
Premium (discount) on debt issued	—	9,381,096	—	—
Insurance recovery	—	—	—	—
Sale of capital assets	7,213	5,333	1,538,039	66,820
Transfers in	453,548	—	—	—
Transfers out	(453,548)	—	—	—
Payments to refunded bond escrow agent	—	(14,545,000)	—	—
Total other financing sources (uses)	7,213	100,101,429	1,538,039	66,820
Net change in fund balances before special item	(3,645,579)	81,047,206	(58,593,256)	(14,517,642)
Special item – joint school proceeds	—	8,918,771	—	—
Net change in fund balances	\$ (3,645,579)	\$ 89,965,977	\$ (58,593,256)	\$ (14,517,642)
Debt service as a percentage of noncapital expenditures	9.2%	9.6%	12.6%	8.3%

2019	2020	2021	2022	2023	2024
\$ 38,196,912	\$ 39,871,369	\$ 38,645,741	\$ 40,241,343	\$ 48,204,764	\$ 51,482,231
917,736	697,984	124,847	40,983	1,387,174	4,232,634
12,180,612	10,088,143	5,884,158	9,967,948	12,911,708	12,468,258
77,697,741	80,108,815	80,072,065	79,815,806	84,185,836	98,160,467
3,218,497	3,234,460	7,933,018	10,236,292	8,353,583	5,841,148
132,211,498	134,000,771	132,659,829	140,302,372	155,043,065	172,184,738
3,628,235	3,596,442	4,097,721	3,622,133	3,775,598	3,828,091
3,774,731	3,641,489	6,536,079	4,149,920	8,508,773	7,110,066
46,434,301	45,094,688	50,819,375	50,609,133	52,583,218	57,235,938
1,370,650	1,380,782	1,572,498	1,588,110	1,645,397	1,634,106
19,527,685	20,222,013	21,209,377	22,697,664	24,506,861	26,336,100
7,248,996	6,454,349	6,881,669	6,947,450	8,666,051	9,310,663
12,112,530	12,089,424	12,830,283	12,122,290	17,987,073	18,534,808
14,766,990	9,265,654	10,911,152	11,536,233	24,359,464	17,909,088
298,619	418,172	497,990	484,668	610,378	820,342
3,931,222	3,666,975	3,250,397	4,682,019	5,638,611	6,488,594
7,021,549	6,998,035	5,839,448	7,498,242	7,875,149	8,740,479
5,495,558	7,219,599	4,438,117	10,485,524	2,256,872	17,188,335
6,325,000	6,715,000	7,065,000	7,437,325	8,346,444	8,787,887
4,344,823	4,319,771	3,882,187	3,834,296	3,605,380	4,246,102
136,280,889	131,082,393	139,831,293	147,695,007	170,365,269	188,170,599
(4,069,391)	2,918,378	(7,171,464)	(7,392,635)	(15,322,204)	(15,985,861)
—	—	—	7,265,000	2,429,429	105,715,000
—	5,630,000	6,670,000	—	—	54,715,000
—	424,079	522,665	104,660	—	19,349,694
—	—	—	—	1,152,102	16,137
900,912	1,134	—	1,780,217	115	5,098
—	—	—	21,111	—	—
—	—	—	—	—	—
—	(5,970,000)	—	—	—	(60,380,000)
900,912	85,213	7,192,665	9,170,988	3,581,646	119,420,929
(3,168,479)	3,003,591	21,201	1,778,353	(11,740,558)	103,435,068
—	—	—	—	—	—
\$ (3,168,479)	\$ 3,003,591	\$ 21,201	\$ 1,778,353	\$ (11,740,558)	\$ 103,435,068
8.4%	8.8%	8.2%	8.3%	7.8%	8.0%

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INDEPENDENT SCHOOL DISTRICT NO. 834

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

Fiscal Year	Property Tax				Total
	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Community Service Special Revenue Fund	
2015	\$ 21,228,874	\$ 3,556,087	\$ 9,626,968	\$ 892,596	\$ 35,304,525
2016	21,894,121	3,504,044	10,437,895	881,484	36,717,544
2017	26,092,174	–	9,865,167	925,078	36,882,419
2018	26,718,149	–	10,016,080	938,569	37,672,798
2019	27,016,038	–	10,239,037	941,837	38,196,912
2020	29,103,776	–	9,830,382	937,211	39,871,369
2021	27,443,738	–	10,237,264	964,739	38,645,741
2022	30,197,880	–	9,045,107	998,356	40,241,343
2023	37,746,806	–	9,466,992	990,966	48,204,764
2024	40,783,144	–	9,644,098	1,054,989	51,482,231

INDEPENDENT SCHOOL DISTRICT NO. 834

Tax Capacities and Market Values  
Last Ten Fiscal Years

For Taxes Collectible	Tax Capacity Valuation			
	Agricultural	Nonagricultural	Fiscal Disparities	
			Contribution	Distribution
2015	\$ 2,601,918	\$ 90,112,548	\$ (7,063,639)	\$ 5,859,176
2016	2,600,534	92,862,246	(7,156,893)	5,841,005
2017	2,593,669	95,774,839	(7,588,432)	6,408,262
2018	2,613,556	102,233,253	(7,966,063)	6,782,970
2019	2,731,036	108,532,963	(8,572,046)	7,316,060
2020	2,825,150	118,614,081	(8,853,224)	8,019,195
2021	3,096,361	123,238,863	(9,043,983)	8,119,895
2022	2,991,935	131,060,064	(9,840,554)	8,868,220
2023	3,472,835	159,185,573	(10,504,452)	8,635,209
2024	4,100,709	181,020,789	(11,210,522)	9,092,624

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

Source: State of Minnesota School Tax Report



<u>Tax Increment</u>	<u>Total Taxable</u>	<u>Total Direct Tax Rate</u>	<u>Taxable Market Value</u>	<u>Tax Capacity as a Percentage of Market Value</u>
\$ (1,615,626)	\$ 89,894,377	21.12 %	\$ 8,025,467,500	1.12 %
(1,610,290)	92,536,602	19.85	8,263,498,200	1.12
(1,603,853)	95,584,485	20.39	8,487,566,000	1.13
(1,750,111)	101,913,605	19.35	9,031,232,600	1.13
(2,005,329)	108,002,684	18.44	9,583,871,800	1.13
(2,530,386)	118,074,816	15.32	10,474,238,500	1.13
(2,680,161)	122,730,975	17.28	10,855,805,400	1.13
(2,852,184)	130,227,481	19.50	11,512,758,100	1.13
(2,843,948)	157,945,217	17.14	13,921,994,800	1.13
(3,382,941)	179,620,659	22.03	15,630,118,700	1.15

INDEPENDENT SCHOOL DISTRICT NO. 834

Property Tax Rates – Direct and Overlapping Governments  
Last Ten Fiscal Years

Rate	Tax Collection Calendar Year	ISD No. 834	Overlapping Rates Municipalities (1)				
			Stillwater	Oak Park Heights	Bayport	Marine	Afton
Tax capacity rate	2015	21.124%	54.916%	56.804%	40.468%	55.427%	27.737%
Market value rate	2015	0.19995%	–	–	–	–	–
Tax capacity rate	2016	19.849%	57.016%	57.726%	37.107%	56.752%	29.373%
Market value rate	2016	0.20618%	–	–	–	–	–
Tax capacity rate	2017	20.390%	56.927%	56.143%	39.410%	60.678%	32.300%
Market value rate	2017	0.19504%	–	–	–	–	–
Tax capacity rate	2018	19.349%	53.421%	54.462%	36.017%	55.060%	32.255%
Market value rate	2018	0.18938%	–	–	–	–	–
Tax capacity rate	2019	18.442%	54.288%	50.031%	33.954%	56.705%	32.983%
Market value rate	2019	0.19352%	–	–	–	–	–
Tax capacity rate	2020	15.321%	53.474%	50.176%	31.644%	56.338%	32.983%
Market value rate	2020	0.17594%	–	–	–	–	–
Tax capacity rate	2021	17.278%	52.486%	50.838%	33.792%	56.172%	30.795%
Market value rate	2021	0.16640%	–	–	–	–	–
Tax capacity rate	2022	19.502%	52.152%	51.753%	33.463%	59.002%	32.025%
Market value rate	2022	0.18360%	–	–	–	–	–
Tax capacity rate	2023	17.143%	49.146%	48.985%	28.965%	42.747%	32.007%
Market value rate	2023	0.15164%	–	–	–	–	–
Tax capacity rate	2024	22.033%	46.862%	49.502%	27.725%	47.855%	23.533%
Market value rate	2024	0.14128%	–	–	–	–	–

(1) Municipalities listed include those with district learning sites (current and former).

(2) The miscellaneous other levy includes the Washington County HRA, Metropolitan Council, Metropolitan Mosquito, Transit District, Valley Branch Watershed, Rice Creek Watershed, Carnelian-Marine Watershed, South Washington Watershed, Browns Creek Watershed, Woodbury HRA, and Regional Rail Authority.

Source: Washington County

Lake Elmo	Lakeland	Woodbury	Washington County	Miscellaneous Other (2)	Total Stillwater Resident
23.798%	43.489%	34.657%	28.441%	16.640%	121.122%
—	—	0.01308%	—	—	0.19995%
23.121%	42.451%	35.287%	28.745%	16.586%	122.196%
—	—	0.01216%	—	—	0.20618%
20.018%	44.213%	35.122%	28.697%	15.025%	121.039%
—	—	0.01187%	—	—	0.19504%
22.442%	36.540%	33.670%	28.994%	17.723%	119.487%
—	—	0.01111%	—	—	0.18938%
22.927%	31.800%	33.177%	28.661%	19.659%	121.050%
—	—	0.00664%	—	—	0.19352%
23.477%	36.149%	32.489%	27.770%	18.916%	115.481%
—	—	0.00615%	—	—	0.17594%
23.638%	33.408%	32.298%	26.533%	19.210%	115.507%
—	—	0.00584%	—	—	0.16640%
30.546%	29.525%	32.217%	26.737%	18.518%	116.909%
—	—	0.00551%	—	—	0.18360%
24.064%	26.189%	28.599%	22.955%	15.696%	104.940%
—	—	0.00466%	—	—	0.15164%
24.631%	30.360%	27.601%	21.355%	14.838%	105.088%
—	—	0.00419%	—	—	0.14128%

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INDEPENDENT SCHOOL DISTRICT NO. 834

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Xcel Energy	\$ 6,763,658	1	3.77 %	\$ 8,013,302	1	8.91 %
City Walk TIC I, LLC Etal	1,310,689	2	0.73	457,121	10	0.51
VSSA Boutwells Landing, LLC	1,264,714	3	0.70	712,670	3	0.79
Ryan Woodbury, LLC	986,210	4	0.55	—	—	—
Wal-Mart Real Estate Business Trust	915,316	5	0.51	950,331	2	1.06
Continental 483 Fund, LLC	763,560	6	0.43	—	—	—
11200 Hudson, LLC	756,654	7	0.42	—	—	—
Stillwater Health System	745,107	8	0.41	528,290	5	0.59
Andersen Corporation	658,911	9	0.37	612,190	4	0.68
Crossroads Commerce Center, LLC	656,836	10	0.37	510,690	6	0.57
Rivertown Trading Company	—	—	—	482,905	7	0.54
Target Corporation	—	—	—	481,886	8	0.54
Inland Woodbury Commons, LLC	—	—	—	458,577	9	0.51
Total	<u>\$ 14,821,655</u>		<u>8.25 %</u>	<u>\$ 13,207,962</u>		<u>14.69 %</u>

Source: Washington County

INDEPENDENT SCHOOL DISTRICT NO. 834

Property Tax Levies, Collections, and Receivables  
Last Ten Fiscal Years

For Taxes Collectible	Original Levy				Collections	
	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread	First Year Levy Recognized Amount	Percentage of Levy
2015	\$ 33,800,881	\$ 2,642,422	\$ —	\$ 36,443,303	\$ 36,086,850	99.0 %
2016	34,215,394	2,349,208	—	36,564,602	36,332,635	99.4
2017	34,736,744	2,531,306	—	37,268,050	37,108,753	99.6
2018	35,455,695	2,642,264	—	38,097,959	37,885,063	99.4
2019	37,019,474	2,730,961	101,861	39,852,296	39,787,011	99.8
2020	35,176,324	2,956,006	114,318	38,246,648	37,981,535	99.3
2021	37,752,403	2,603,730	113,534	40,469,667	40,319,810	99.6
2022	44,725,526	2,929,929	115,404	47,770,859	47,464,320	99.4
2023	46,618,505	3,188,041	120,605	49,927,151	49,629,095	99.4
2024	59,483,461	2,844,390	207,652	62,535,503	31,103,476	49.7

Note 1: A portion of the total spread levy is paid through various property tax credits, which are paid through state aids and have been included in collections. Legislative changes have adjusted the amount of tax credits paid through state aids for the years presented above.

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

Source: State of Minnesota School Tax Report

Uncollected Taxes Receivable as of June 30, 2024										
Received in Subsequent Years		Total to Date		Delinquent		Current				
		Amount	Percentage of Levy	Amount	Percent	Amount	Percent			
\$	356,453	\$	36,443,303	100.0 %	\$	—	— %	\$	—	
	231,967		36,564,602	100.0		—	—		—	
	159,297		37,268,050	100.0		—	—		—	
	154,798		38,039,861	99.8		58,098	0.2		—	
	60,618		39,847,629	100.0		4,667	—		—	
	244,319		38,225,854	99.9		20,794	0.1		—	
	132,563		40,452,373	100.0		17,294	—		—	
	247,574		47,711,894	99.9		58,965	0.1		—	
	—		49,629,095	99.4		298,056	0.6		—	
	—		31,103,476	49.7		—	—		31,432,027	
						\$	457,874		\$	31,432,027

INDEPENDENT SCHOOL DISTRICT NO. 834

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Premium (Discount) on Bonds	Certificates of Participation	Leases and Subscriptions Payable	Total Primary Government		
2015	\$ 31,605,000	\$ 847,879	\$ 8,570,000	\$ —	\$ 41,022,879	3.57 %	\$ 649
2016	113,990,000	9,637,255	8,075,000	—	131,702,255	12.85	2,062
2017	104,900,000	9,090,910	7,570,000	—	121,560,910	9.67	1,898
2018	99,165,000	8,598,598	7,050,000	—	114,813,598	9.05	1,793
2019	93,370,000	8,106,286	6,520,000	—	107,996,286	8.23	1,639
2020	87,205,000	7,816,244	5,630,000	—	100,651,244	8.00	1,469
2021	80,735,000	7,823,860	11,705,000	—	100,263,860	8.12	1,463
2022	81,265,000	4,808,949	11,155,000	—	97,228,949	6.51	1,422
2023	74,620,000	3,992,881	10,235,000	1,734,602	90,582,483	5.84	1,325
2024	167,695,000	19,566,934	9,275,000	881,715	197,418,649	N/A	2,850

N/A – Not Available

(1) See the Schedule of Demographic and Economic Statistics for personal income and total ISD No. 834 population data.

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



INDEPENDENT SCHOOL DISTRICT NO. 834

Ratio of Net General Obligation Bonded Debt  
to Market Value and Net General Obligation Bonded Debt  
per Capita  
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Market Value	Percent of Net Debt to Market Value	Estimated Population	Net Bonded Debt per Capita
2015	\$ 32,452,879	\$ 1,772,888	\$ 30,679,991	\$ 8,025,467,500	0.38 %	63,225	\$ 485
2016	123,627,255	7,341,354	116,285,901	8,263,498,200	1.41	63,865	1,821
2017	113,990,910	2,151,560	111,839,350	8,487,566,000	1.32	64,046	1,746
2018	107,763,598	2,379,053	105,384,545	9,031,232,600	1.17	64,046	1,645
2019	101,476,286	2,962,013	98,514,273	9,583,871,800	1.03	65,883	1,495
2020	95,021,244	2,860,179	92,161,065	10,474,238,500	0.88	68,534	1,345
2021	88,558,860	3,240,252	85,318,608	10,855,805,400	0.79	68,534	1,245
2022	86,073,949	2,311,281	83,762,668	11,512,758,100	0.73	68,357	1,225
2023	78,612,881	2,226,079	76,386,802	13,921,994,800	0.55	68,357	1,117
2024	187,261,934	2,613,340	184,648,594	15,630,118,700	1.18	69,269	2,666

Source: Annual school district census and U.S. Census

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# INDEPENDENT SCHOOL DISTRICT NO. 834

## Direct and Overlapping Debt as of June 30, 2024

Governmental Unit	2023-2024 Taxable Net Tax Capacity	Bonded Debt	Percent Allocable to ISD No. 834	Portion Allocable to ISD No. 834
Independent School District No. 834	\$ 179,620,659	\$ 187,261,934	100.00 %	\$ 187,261,934
Overlapping debt				
City of Afton	11,600,021	4,825,000	93.94	4,532,605
City of Bayport	6,246,889	1,925,000	100.00	1,925,000
City of Hugo	34,229,714	15,735,000	4.54	714,369
City of Lake Elmo	36,260,575	59,540,000	75.30	44,833,620
City of Lakeland	3,835,098	490,000	100.00	490,000
City of Marine	2,164,877	780,000	100.00	780,000
City of Oak Park Heights	13,494,804	3,240,000	100.00	3,240,000
City of Scandia	11,226,048	2,780,000	0.32	8,896
City of Stillwater	40,315,236	31,165,000	100.00	31,165,000
City of Woodbury	172,589,125	43,060,000	16.27	7,005,862
Northeast Metropolitan Intermediate School District No. 916	589,460,409	69,450,000	30.47	21,161,415
South Washington Watershed District	236,575,387	2,195,000	9.95	218,403
Washington County	515,896,113	98,060,000	34.82	34,144,492
Total overlapping debt				<u>150,219,662</u>
Total direct and overlapping debt				<u>\$ 337,481,596</u>

Note 1: The percentage of overlapping debt applicable is estimated using taxable net tax capacity values. Applicable percentages were estimated by determining the portion of the overlapping entity's taxable net tax capacity value that is within the District's boundaries and dividing it by the overlapping government's total taxable net tax capacity value.

Note 2: The Washington County HRA, Metropolitan Council, and Metropolitan Airports Commission are governmental units with overlapping debt applicable to the District. Overlapping debt information for these units of government applicable to the District was not readily available.

Source: Washington County

INDEPENDENT SCHOOL DISTRICT NO. 834

Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Debt limit	\$ 1,203,820,125	\$ 1,239,524,730	\$ 1,273,134,900	\$ 1,354,684,890
Total net debt applicable to limit	29,832,112	106,648,646	102,748,440	96,785,947
Legal debt margin	<u>\$ 1,173,988,013</u>	<u>\$ 1,132,876,084</u>	<u>\$ 1,170,386,460</u>	<u>\$ 1,257,898,943</u>
Total net debt applicable to limit as a percentage of debt limit	2.48%	8.60%	8.07%	7.14%

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

Source: State of Minnesota School Tax Report

2019	2020	2021	2022	2023	2024
\$ 1,437,580,770	\$ 1,571,135,775	\$ 1,628,370,810	\$ 1,726,913,715	\$ 2,088,299,220	\$ 2,344,517,805
90,407,987	84,344,821	77,494,748	78,953,719	72,393,921	165,081,660
<u>\$ 1,347,172,783</u>	<u>\$ 1,486,790,954</u>	<u>\$ 1,550,876,062</u>	<u>\$ 1,647,959,996</u>	<u>\$ 2,015,905,299</u>	<u>\$ 2,179,436,145</u>
6.29%	5.37%	4.76%	4.57%	3.47%	7.04%

Legal Debt Margin Calculation for Fiscal Year 2024

Market value	\$15,630,118,700
Debt limit (15% of market value)	2,344,517,805
Debt applicable to limit	
General obligation bonds	167,695,000
Less amount set aside for repayment of general obligation debt	<u>(2,613,340)</u>
Total net debt applicable to limit	<u>165,081,660</u>
Legal debt margin	<u>\$ 2,179,436,145</u>

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INDEPENDENT SCHOOL DISTRICT NO. 834

Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	City of Stillwater			Total ISD No. 834 Population (3)	School Enrollment (4)	Washington County Unemployment Rate (5)
	Population (1)	Personal Income (1)	Per Capita Personal Income (2)			
2015	19,754	\$ 1,148,952,000	\$ 58,163	63,225	8,439	3.2 %
2016	19,693	1,025,218,000	52,060	63,865	8,352	3.3
2017	19,748	1,257,572,000	63,681	64,046	8,450	3.0
2018	19,915	1,268,207,000	63,681	64,046	8,342	2.6
2019	20,600	1,311,829,000	63,681	65,883	8,433	2.9
2020	19,767	1,258,782,000	63,681	68,534	8,451	5.7
2021	19,394	1,235,029,000	63,681	68,534	8,181	3.2
2022	19,464	1,493,531,000	76,733	68,357	8,098	2.2
2023	19,425	1,550,387,000	79,814	68,357	8,152	2.2
2024	N/A	N/A	N/A	69,269	8,268	2.9

N/A – Not Available

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

Note 2: Unemployment rate for 2024 is an average through July 2024.

Sources:

- (1) City of Stillwater's ACFR for the year ended December 31, 2023
- (2) The per capita personal income used is for that of Washington County, in which the City of Stillwater resides
- (3) Annual school district census and U.S. Census
- (4) The District
- (5) Minnesota Department of Employment and Economic Development

INDEPENDENT SCHOOL DISTRICT NO. 834

Employees by Classification  
Last Ten Fiscal Years

Employees (1)	Fiscal Year			
	2015	2016	2017	2018
District directors/superintendent	11	12	12	14
Principals	17	18	19	17
Teachers	523	522	524	566
Coordinators, supervisors, specialists, and technical support	105	99	105	116
Paraprofessionals	191	205	208	177
Food service	72	68	68	66
Custodians	52	53	52	56
Community education leads and assistants	59	72	88	85
Total	<u>1,030</u>	<u>1,049</u>	<u>1,076</u>	<u>1,097</u>

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

Source: The District's Human Resources Department



2019	2020	2021	2022	2023	2024
14	13	14	14	14	14
17	17	17	17	17	18
564	568	592	596	594	598
111	109	112	113	119	132
187	196	199	190	190	177
70	78	69	72	73	78
56	53	56	64	55	58
124	115	74	101	99	100
1,143	1,149	1,133	1,167	1,161	1,175

INDEPENDENT SCHOOL DISTRICT NO. 834

Teacher Data  
Year Ended June 30, 2024

	Salary Schedule				
	BA	BA + 15	BA + 30	BA + 45	BA + 60
Low range	\$ 49,421	\$ 51,250	\$ 53,103	\$ 54,994	\$ 56,917
High range	\$ 73,741	\$ 76,799	\$ 82,994	\$ 86,550	\$ 94,628
Number of teachers	42	8	9	10	37
Average salary	\$ 89,665				
Average education	MA + 30				

N/A – Not Applicable

Source: The District's Human Resources Department

MA		MA + 15		MA + 30		MA + 45		MA + 60		PhD / Doc		Total
\$	56,917	\$	57,860	\$	58,810	\$	59,758	\$	60,719	\$	61,680	N/A
\$	94,628	\$	96,765	\$	98,474	\$	100,210	\$	101,955	\$	103,699	N/A
	112		32		56		44		232		11	593

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# INDEPENDENT SCHOOL DISTRICT NO. 834

## Student to Staff Ratios Last Ten Fiscal Years

Fiscal Year	ISD No. 834 Student to Teacher Ratios (1)	Minnesota Department of Education Student to Staff Ratio (2)		
		ISD No. 834	Washington County Average	State Average
2015	18.99	15.75	14.21	12.56
2016	19.25	16.00	14.42	12.69
2017	18.53	15.37	13.66	12.49
2018	18.01	14.90	13.92	12.45
2019	18.36	15.17	14.07	12.36
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A

N/A – Not Available (MDE data)

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

Source: Minnesota Department of Education

## INDEPENDENT SCHOOL DISTRICT NO. 834

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

	Fiscal Year				
	2015	2016	2017	2018	2019 (2)
Standardized tests					
MCA Reading (1)					
Grade 3	73 %	68 %	68 %	63 %	59 %
Grade 5	76	81	75	80	77
Grade 7	70	70	68	64	70
Grade 10	72	67	71	73	73
MCA Math (1)					
Grade 3	83	83	80	76	73
Grade 5	65	68	66	59	57
Grade 7	68	68	65	64	68
Grade 11	60	52	62	58	51
ACT					
Average composite score (2)	24.7	22.6	22.4	22.3	22.5
Graduation data (3)					
ISD No. 834's graduation rate	87	86	89	92	N/A
State graduation rate	82	83	83	83	N/A
Post-graduation student survey					
Four-year college/university	73	73	75	73	70
Two-year college	16	15	16	15	17
Employment	4	5	2	5	4
Military	3	2	6	2	3
No response/undecided	5	5	1	5	6
Gap year	—	—	—	—	—
Bridge Transition Program	—	—	—	—	—
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

N/A – Not Available

- (1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test (II).
- (2) For 2019, Grade 11 only.
- (3) No testing in 2020 due to COVID-19, also due to distance learning, there was not sufficient data for the student survey.

Source: Minnesota Department of Education, the District's Testing Department, and the District's Registrar and ACT Corporation

2020 (3)	2021	2022	2023	2024
N/A %	52 %	51 %	49 %	56 %
N/A	63	58	70	68
N/A	57	57	50	52
N/A	67	59	57	62
N/A	66	68	65	72
N/A	39	46	45	46
N/A	52	54	51	57
N/A	55	42	40	47
23.1	23.9	24.1	21.8	21.9
94	91	93	92	96
84	83	84	83	N/A
N/A	70	69	68	67
N/A	14	14	13	16
N/A	4	4	3	5
N/A	3	2	2	2
N/A	9	11	10	3
—	—	—	4	5
—	—	—	—	2
— %	100 %	100 %	100 %	100 %

INDEPENDENT SCHOOL DISTRICT NO. 834

School Facilities  
as of June 30, 2024

Facility	Use	Constructed	Acres	Classrooms	Square Footage	Capacity	Enrollment (1)
Afton Lakeland Elementary	School	1951/1954/1965 1968/1980/2001	17.00	24	63,368	525	457
Andersen Elementary	School	1919/1937/1946 1980/1997/2014	1.13	16	49,830	375	327
Brookview Elementary	School	2017/2022	20.00	28	86,960	700	570
Central Services	Office/ warehouse	1975	6.50	N/A	16,139	N/A	N/A
Early Childhood Family Center	School	2012	2.00	17	45,685	255	N/A
Lake Elmo Elementary	School	1920/1952/1954 1959/1963/1969 1976/1987/1988 1996/2010	8.70	36	82,570	725	628
Lily Lake Elementary	School	1963/1966/1969 1990/1993	12.00	31	73,088	650	417
Oak Park Learning Center	School/ office	1956/1963/1975 1996/2001/2014	12.70	26	65,781	500	N/A
Oak-Land Middle	School	1967/1969/2016	40.00	45	135,238	1,050	936
Rutherford Elementary	School	1998	16.00	29	106,998	725	560
Stillwater Area High	School	1993/2001/2017	131.88	110	491,125	3,300	2,824
Stillwater Middle	School	1959/1965/1969 1979/1993/2014	40.00	51	212,924	1,530	988
Stonebridge Elementary	School	1971/1997	12.00	28	65,089	650	435
Transportation Facility	Office/ maintenance	2001	11.00	N/A	17,100	N/A	N/A

N/A – Not Available

(1) Enrollment data from October 2, 2023.

Source: The District's Operations and Maintenance Department and Enrollment Department, and MDE school ADM served report



INDEPENDENT SCHOOL DISTRICT NO. 834

Food Service  
School Lunch Program Data  
Last Ten Fiscal Years

Fiscal Year	Total Lunches Served	Days	Average Daily Participation	Free Lunch		Reduced Lunch	
				Number Served	Percent of Total	Number Served	Percent of Total
2015	762,295	173	4,406	134,115	17.59	46,416	6.09
2016	750,615	173	4,344	131,892	17.57	40,893	5.45
2017	718,089	171	4,199	131,214	18.27	39,860	5.55
2018	685,616	171	4,009	128,479	18.74	43,997	6.42
2019	695,879	167	4,167	125,912	18.09	46,955	6.75
2020	581,250	218	2,666	174,770	30.07	38,819	6.68
2021	184,901	199	929	184,901	100.00	—	—
2022	819,229	172	4,763	819,229	100.00	—	—
2023	771,586	168	4,593	173,847	22.53	38,279	4.96
2024	932,219	172	5,420	191,982	20.59	35,444	3.80

Note: In fiscal 2021 and 2022, all student meals served through the District's child nutrition program were reimbursed through pandemic-related federal awards. The state-wide Free School Meals for Kids Program began July 1, 2023.

Source: The District's Food Service Department

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INDEPENDENT SCHOOL DISTRICT NO. 834

Student Enrollment  
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					Total Pupil Units
	Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2015	84.74	601.07	3,694.85	4,058.48	8,439.14	9,250.82
2016	79.07	547.88	3,657.63	4,067.90	8,352.48	9,166.06
2017	89.47	550.02	3,648.54	4,161.82	8,449.85	9,282.13
2018	99.76	540.62	3,522.57	4,179.34	8,342.29	9,178.17
2019	103.84	581.26	3,530.51	4,217.51	8,433.12	9,276.43
2020	105.78	575.50	3,619.35	4,150.19	8,450.82	9,280.87
2021	104.95	518.01	3,470.88	4,086.94	8,180.78	8,998.17
2022	104.90	533.88	3,416.09	4,042.96	8,097.83	8,906.40
2023	105.08	577.66	3,501.92	3,966.96	8,151.62	8,945.02
2024	118.28	512.07	3,598.79	4,038.46	8,267.60	9,075.30

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

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

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

Source: Minnesota Department of Education student reporting system

INDEPENDENT SCHOOL DISTRICT NO. 834

Expenditures per Student  
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Expenditures per student (ADM) (1)				
General Fund				
District level administration	\$ 424	\$ 473	\$ 599	\$ 675
School level administration	355	394	407	387
Regular instruction	4,885	4,970	5,099	5,217
Career and technical instruction	132	151	138	169
Special education	1,884	1,990	2,074	2,226
Student activities/athletics	225	237	237	249
Instructional support services	607	573	718	754
Pupil support services	373	389	441	490
Operations, maintenance, and other	812	804	824	939
Student transportation	740	780	866	924
Equipment	226	1,443	166	274
Land and buildings	239	224	263	468
Total General Fund expenditures	<u>\$ 10,902</u>	<u>\$ 12,429</u>	<u>\$ 11,832</u>	<u>\$ 12,772</u>
ADM used per profile model format	<u>8,499</u>	<u>8,392</u>	<u>8,482</u>	<u>8,376</u>

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

Note: The increase in 2016 equipment expenditures per student was due to a one-time special item reported in that year.

Source: Minnesota Department of Education School District Profiles Report

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 557	\$ 558	\$ 988	\$ 631	\$ 885	\$ 982
399	396	415	436	446	474
5,190	5,042	5,917	5,910	6,057	6,553
161	162	203	195	201	196
2,298	2,379	2,576	2,784	2,975	3,164
253	258	245	292	329	323
751	658	727	739	938	987
523	507	546	617	734	691
958	902	1,110	1,181	1,195	1,137
907	918	1,016	873	1,464	1,542
553	484	497	550	163	149
415	337	390	386	1,972	1,229
<u>\$ 12,965</u>	<u>\$ 12,601</u>	<u>\$ 14,630</u>	<u>\$ 14,595</u>	<u>\$ 17,358</u>	<u>\$ 17,427</u>
<u>8,463</u>	<u>8,474</u>	<u>8,206</u>	<u>8,127</u>	<u>8,180</u>	<u>8,292</u>

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