INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

FINANCIAL STATEMENTS

JUNE 30, 2025

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
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BYRON, MINNESOTA
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INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

INTRODUCTORY SECTION

JUNE 30, 2025

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INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
BOARD OF EDUCATION AND ADMINISTRATION
JUNE 30, 2025

2024 - 2025

Jeremy Aagard	Chairperson
Lisa Jessen	Vice-Chairperson
David Wernimont	Treasurer
Carrie Delaney	Clerk
Kelli Crary	Director
Nadia Poluhina	Director
Alisha Eiken	Director

Superintendent

Dr. Mike Neubeck

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INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

FINANCIAL SECTION

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Independent School District #531
Byron, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District #531, as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the Independent School District #531's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District #531, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the General Fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audit contained in *Governmental 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 Independent School District #531 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.

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 the 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 Independent School District #531's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, 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 Independent School District #531'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 Independent School District #531'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.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information and Uniform Financial Accounting and Reporting Standards Compliance Table are presented for purposes of additional analysis and are not required part of the basic financial statements.

Supplementary Information (continued)

The supplementary information and Uniform Financial Accounting and Reporting Standards Compliance Table are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information and Uniform Financial Accounting and Reporting Standards Compliance Table 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 report. The other information comprises the introductory section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Report on Summarized Comparative Information

The financial statements include partial prior year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statement for the year ended June 30, 2024, from which such partial information was derived.

We have previously audited the District's 2024 financial statements and our report, dated November 26, 2024, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2025, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of the audit.

Smith, Schafer and Associates, Ltd.

Rochester, Minnesota
November 17, 2025

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Independent School District #531 – Byron Schools' annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year include the following:

- Total Assets and Deferred Outflows of Resources: $117,793,463.
- Overall revenues for the General Fund were $28,965,652 while overall expenditures totaled $27,983,340.
- The General Fund Unassigned Fund Balance is $101,225 This represents an increase of $1,000,105 from last fiscal year. The Restricted General Fund balances included State required reserves for operating capital, scholarships, student activities, etc. These balances totaled $491,252 as compared to $318,835 last fiscal year. The Assigned Fund balances totaled $382,050 compared to $278,712 in the prior year.
- The General Fund total fund balance increased by $940,159 in 2024-2025.
- The Food Service Fund total fund balance increased by $115,590 in 2024-2025.
- The Community Service Fund total fund balance increased by $286,445 in 2024-2025.
- The Building Construction fund total fund balance decreased by $1,380,630 in 2024-2025.
- The Debt Service Fund total fund balance increased by $295,525 in 2024-2025.

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information, which includes the management's discussion and analysis (this section), the basic financial statements, and other required reports. The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-wide Statements. The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and deferred outflows and liabilities and deferred inflows – are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in one category: Governmental activities. Most of the District's basic services are included here, such as elementary and secondary regular instruction, special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

Fund Financial Statements. The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by bond covenants. The District establishes other funds to control and manage money for particular purposes.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The District has three kinds of funds:

- ***Governmental funds.*** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information following the governmental funds statements that explains the relationship (or difference) between them.
- ***Proprietary funds.*** The District has one type of proprietary fund which is an *Internal Service Fund. Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for the cost of post-employment benefits of the District and to account for the self-insured dental program.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The district's combined net position from Governmental activities was a deficit of ($3,694,556) on June 30, 2025. This was a decrease in deficit of $1,487,528 primarily due to increased property tax revenues and state aids from the prior year, including the adjustment for restatement.

	Total	
	2025	2024
Assets		
Current and other assets	$ 18,660,301	$ 14,599,770
Capital assets	94,024,411	94,857,513
Total assets	112,684,712	109,457,283
Deferred Outflows of Resources		
Total deferred outflows of resources	5,108,751	5,270,388
Liabilities		
Current liabilities	6,946,508	3,536,309
Long-Term liabilities	100,336,585	106,240,667
Total liabilities	107,283,093	109,776,976
Deferred Inflows of Resources		
Total deferred inflows of resources	14,204,926	10,132,779
Net Position		
Net investment in capital assets	13,116,514	11,176,071
Restricted	1,750,583	1,054,592
Unrestricted	(18,561,653)	(17,412,747)
Total net position	$ (3,694,556)	$ (5,182,084)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

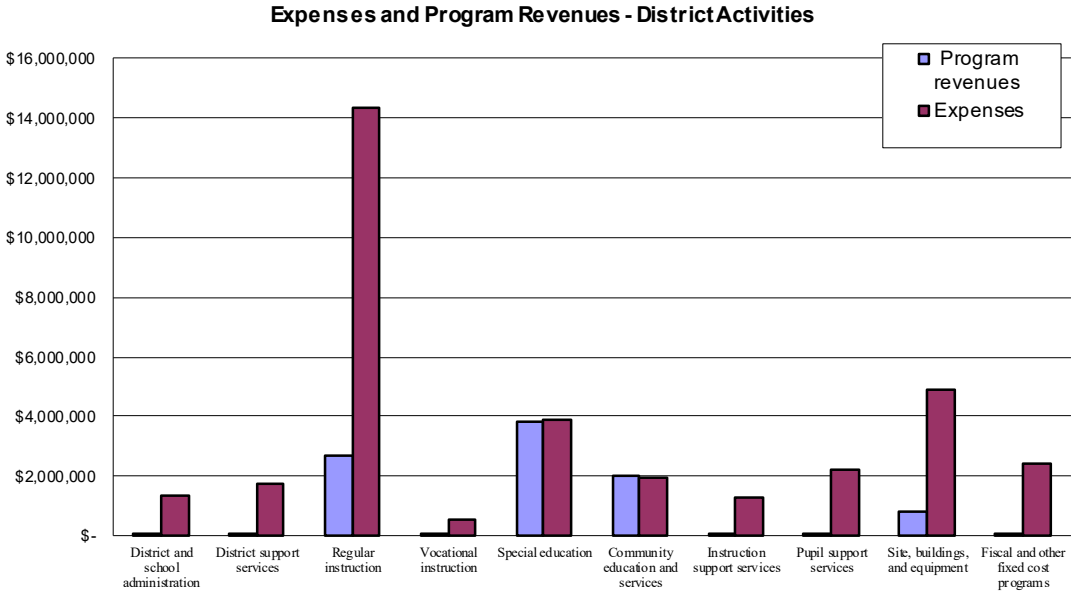
District's Revenue. The District's total revenues were $39,553,782 for the year ended June 30, 2025; compared to $38,496,860 for the year ended June 30, 2024. State sources accounted for 50 percent of total revenue for the year ended June 30, 2025 and 51 percent the previous year. Local property taxes (levies) accounted for 21 percent of total revenue the year ended June 30, 2025 compared to 21 percent for the previous year, with the remaining revenue coming from other sources.

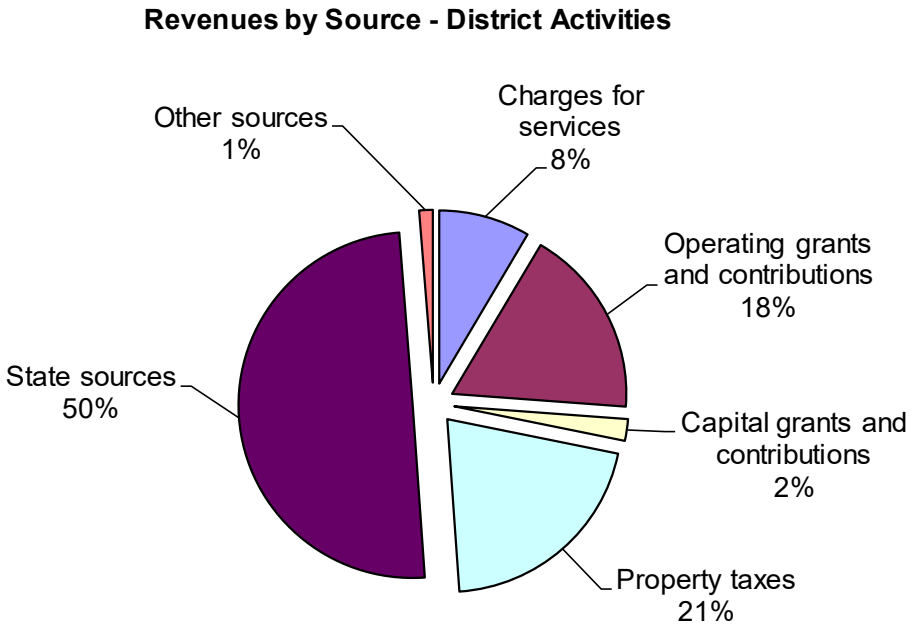
A condensed version of the Statement of Activities follows:

	Total	
	2025	2024
Revenue		
Program revenues:		
Charges for services	$ 3,358,266	$ 3,491,137
Operating grants and contributions	6,997,567	5,741,246
Capital grants and contributions	801,513	975,342
General revenues:		
Property taxes	8,187,449	8,059,788
State sources	19,715,896	19,603,840
Other sources	493,091	625,507
Total revenues	39,553,782	38,496,860
Expenses		
District and school administration	1,333,250	1,282,854
District support services	1,730,170	1,382,654
Regular instruction	14,372,614	14,113,575
Vocational instruction	563,611	532,519
Special education	3,925,134	4,018,457
Community education and services	1,934,050	1,850,093
Instruction support services	1,313,382	1,562,392
Pupil support services	2,210,285	2,574,224
Site, buildings, and equipment	4,909,240	5,673,366
Food service	1,750,209	1,657,799
Fiscal and other fixed cost programs	2,431,880	162,864
Interest and other fiscal charges		2,534,872
Total expenses	36,473,825	37,345,669
Change in net position	3,079,957	1,151,191
Net Position - beginning as originally stated	(5,182,084)	(6,333,275)
Restatement (Note 18)	(1,592,429)	
Net Position - beginning as restated	(6,774,513)	(6,333,275)
Net Position - ending	$ (3,694,556)	$ (5,182,084)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Below are specific graphs that provide comparisons of the district activities direct program revenues with their expenses. Any shortfalls in direct revenues are primarily supported by property tax levy or general state aid.





FUND BASIS FINANCIAL ANALYSIS

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its Governmental Funds reported a combined fund balance of $3,722,102. This is up $257,089 from the prior year primarily due to budgeted reductions in expenditures, increased revenues in the Community Service Fund due to increased programming and enrollment in programs, and spending down the remaining bond proceeds for the District's building projects in the Building Construction Fund.

The District experienced an overall 0.1% enrollment decrease in 2025.

History of enrollment measured by historical average daily membership (ADM):

Fiscal Year	ADM	% Change
2016	1,970.35	
2017	2,024.06	2.7%
2018	2,092.23	3.4%
2019	2,129.22	1.8%
2020	2,200.67	3.4%
2021	2,265.01	2.9%
2022	2,258.57	-0.3%
2023	2,291.76	1.5%
2024	2,327.78	1.6%
2025	2,324.38	-0.1%

General Fund. The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade twelve including pupil transportation activities and capital outlay projects.

The total General Fund revenues increased by $1,157,228 as compared to the previous year. The increase in General Fund revenue is primarily a result of an increase in special education and general education state aids. Basic general education revenue is determined by a state per student funding formula and consists of an equalized mix of property tax and state aid revenue. Other state-authorized revenue includes excess levy referendum.

Local property taxes are impacted by the state provided funds for school property tax relief. This relief was provided in two primary ways: 1) removal of the general education revenue property tax via a funding model of greater state aid; and 2) roll in of additional aid for referendum revenue into the basic formula for general education revenue.

FUND BASIS FINANCIAL ANALYSIS (Continued)

General fund revenues were as follows:

	2025	2024	Increase/ (Decrease)
Local property tax levies	$ 2,993,903	$ 3,180,306	$ (186,403)
Other local and county sources	955,749	960,815	(5,066)
Investment income	148,146	82,714	65,432
State sources	24,686,831	23,346,158	1,340,673
Federal sources	210,909	215,265	(4,356)
Sales and other conversions of assets	(29,886)	23,166	(53,052)
Total General Fund Revenues	$ 28,965,652	$ 27,808,424	$ 1,157,228

Total General Fund expenditures decreased by $1,712,627 from the previous year primarily as a result of budgeted reductions.

General fund expenditures were as follows:

	2025	2024	Increase/ (Decrease)
District and school administration	$ 1,345,429	$ 1,335,403	$ 10,026
District support services	1,370,368	1,361,139	9,229
Regular instruction	14,104,788	14,583,194	(478,406)
Vocational instruction	529,438	529,532	(94)
Special education	3,968,848	4,146,892	(178,044)
Instructional support services	1,367,750	1,604,453	(236,703)
Pupil support services	2,321,377	2,830,507	(509,130)
Site, buildings, and equipment	2,660,108	3,141,983	(481,875)
Fiscal and other fixed cost programs	315,234	162,864	152,370
Total General Fund Expenditures	$ 27,983,340	$ 29,695,967	$ (1,712,627)

The total General Fund balance on June 30, 2025, is $1,064,066 compared to $123,907 on June 30, 2024 (increase of $940,159). Of the total amount $962,841 is restricted for specific purposes by state requirements, assigned for specific purpose or nonspendable, which leaves an amount of $101,225 in the Unassigned General Fund Balance.

Food Service Fund. The Food Service Fund accounts for the activities related to providing child nutrition services to support K-12 academic programs. The fund operates with the goal that revenues exceed expenditures on day-to-day school breakfast and lunch operations so that the excess can be used to systematically replace and upgrade kitchen equipment. By operating in this manner, the child nutrition services program is self-supporting and does not rely upon resources from K-12 instruction programs other than for use of school facilities.

FUND BASIS FINANCIAL ANALYSIS (Continued)

Food Service Fund. (Continued)

The Food Service Fund Balance increased by $115,590. On June 30, 2025 the fund balance was $386,323; compared to last year's balance of $270,733.

The Food Service revenue for 2024-2025 totaled $1,746,386 compared to $1,750,137 the previous year – a decrease of $3,751. This slight decrease is due to the number of students eating meals at the school.

The Food Service expenditures for 2024-2025 totaled $1,750,209 compared to $1,657,799 the previous year – an increase in expenditures of $92,410 due to cost of food increasing.

Community Service Fund. The Community Service Fund accounts for the activities related to providing education and recreation programs for Pre-Kindergarten and Post-Grade 12 students. The fund operates on the goal of breaking even on a yearly basis so that it does not rely upon resources from K-12 instruction programs other than for use of school facilities.

The Community Service fund balance increased by $286,445.

Community Service Fund revenues for 2024-2025 totaled $2,210,433; compared to $1,913,761 in 2024. This was an increase in revenue of $296,672 from the previous year due to increased programming and enrollment in programs.

Community Service Fund expenditures for 2024-2025 totaled $1,923,988 – compared to $1,883,902 in 2024. This was an increase in expenditures of $40,086 due to increased class offerings and enrollment in programs.

Debt Service Fund. The Debt Service fund exists to service the principal and interest on long-term debt issued by the District to construct school facilities or acquire school equipment. Annual levies will provide revenue at a rate of 105% of pending debt service payments for a fiscal year.

This rate is specified in statute to ensure that principal and interest payment can be made as scheduled even if there are late property tax payments or delinquencies that may arise.

The restricted balance is $1,403,999 along with the levy and state aid is sufficient to make pending principal and interest payments on the remaining School Building General Obligation Bonds.

Internal Service Fund. The Internal Service Fund also accounts for the District's Self-insured Dental Plan established in July 2011. This Plan had negative net position of $27,476 at June 30, 2025.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District provided a Final 2025 Budget in May 2025. The Final 2025 Budget revenue was $464,215 more than the Original 2025 Budget primarily due to increased revenue from special education and general education aid increases.

The Actual 2025 revenue was $985,219 more than the Revised Budget Revenue.

The Final 2025 Budget stated expenditures are $307,251 less than the Original 2025 Budget to concerted effort to manage expenditures in light of the budget situation the district faces. The Actual expenditures were $435,319 less than projected.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2025, the District had invested $94,024,411 (net of accumulated depreciation and amortization) in a broad range of capital assets including school buildings, athletic facilities, technology equipment, and other types of equipment. Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is $5,000. Donated capital assets are recorded as their acquisition value at the date of donation. 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 District-wide financial statements, but are not reported in the Fund financial statements.

	Total	
	2025	2024
Land	$ 984,000	$ 984,000
Construction in progress		37,329,979
Land improvements	5,718,163	5,703,663
Buildings	119,170,549	80,148,178
Equipment	4,219,248	3,916,188
Right to use leased equipment	175,998	175,998
Total Capital Assets	130,267,958	128,258,006
Less accumulated depreciation	(36,102,747)	(33,294,893)
Less accumulated amortization	(140,800)	(105,600)
Total	$ 94,024,411	$ 94,857,513

Long Term Liabilities. As of June 30, 2025, the District had $81,162,019 in bonds payables outstanding at the end of the year. The District also had $113,854 in lease payables and $2,179,654 in compensated absences outstanding as of the end of the year. A summary of outstanding long-term liabilities as of June 30, 2025, is as follows:

	Total	
	2025	2024
Bonds payable	$ 81,162,019	$ 85,256,674
Capital lease payable	75,139	97,787
Lease payable	38,715	75,587
Compensated absences	2,179,654	1,592,429
Total	$ 83,455,527	$ 87,022,477

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FACTORS BEARING ON THE DISTRICT'S FUTURE

Byron Public Schools will continue to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.

The District's enrollment has flattened for the 2024-25 school year, after consistent growth over the previous several years. The District anticipates a slight decrease in enrollment for the 2025-26 school year and has budgeted accordingly.

The District went through a budget reduction process in the spring of 2025 due to the decline in the unassigned fund balance and the failed referendum in the fall of 2024. The School Board authorized the running of another operating referendum in the fall of 2025, along with a capital projects – tech levy. Both questions were successful in the fall of 2025. The District will align the strategic plan with the financial health of the District to best maximize the impact of this referendum.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and 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 District Office, Independent School District #531, ISD 531 Business Office, Byron, Minnesota 55920.

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities
Assets	
Cash and investments	$ 10,524,134
Taxes receivable	4,871,465
Other receivables	81,398
Due from other governmental units	3,088,725
Inventory	5,040
Prepaid items	89,539
Capital Assets:	
Nondepreciable	984,000
Depreciable, net	93,005,213
Right to use leased assets, net	35,198
TOTAL ASSETS	112,684,712
Deferred Outflows of Resources	
Deferred outflows from pension activity	4,476,773
Deferred outflows from OPEB activity	631,978
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,108,751
Liabilities	
Accounts payable	75,913
Due to other governmental units	77,704
Unearned revenue	23,431
Accrued liabilities	2,660,892
Short-term indebtedness	3,000,000
Accrued interest payable	1,108,568
Noncurrent liabilities:	
Due within one year:	
Lease payable	38,715
OPEB liability	148,363
Long-term liabilities	3,823,814
Due in more than one year:	
Long-term liabilities	79,592,998
OPEB liability	2,475,813
Net pension liability	14,256,882
TOTAL LIABILITIES	107,283,093
Deferred Inflows of Resources	
Deferred inflows from pension activity	4,580,483
Deferred inflows from OPEB activity	573,787
Taxes levied for subsequent year	9,050,656
TOTAL DEFERRED INFLOWS OF RESOURCES	14,204,926
Net Position	
Net investment in capital assets	13,116,514
Restricted:	
State-mandated restrictions	491,252
Food service	381,283
Community service	568,212
Debt service	309,836
Unrestricted	(18,561,653)
TOTAL NET POSITION	$ (3,694,556)

See Notes to Financial Statements

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
District and school administration	$ 1,333,250	$	$ 97	$	$ (1,333,153)
District support services	1,730,170		145		(1,730,025)
Regular instruction	14,372,614	866,782	1,834,079		(11,671,753)
Vocational instruction	563,611	2,271			(561,340)
Special education	3,925,134	84,154	3,713,925		(127,055)
Community education and services	1,934,050	1,765,030	250,532		81,512
Instruction support services	1,313,382	277	40,855		(1,272,250)
Pupil support services	2,210,285	4,817	258		(2,205,210)
Site, buildings, and equipment	4,909,240	41,257	181	801,513	(4,066,289)
Food service	1,750,209	593,678	1,136,892		(19,639)
Fiscal and other fixed cost programs	2,431,880		20,603		(2,411,277)
Total governmental activities	$ 36,473,825	$ 3,358,266	$ 6,997,567	$ 801,513	(25,316,479)
General Revenues:					
Property taxes levied for:					
General purposes					2,994,832
Community Service					133,558
Debt Service					5,059,059
State aid not restricted to specific purposes					19,715,896
Investment income					300,999
Miscellaneous					192,092
Total general revenues					28,396,436
Change in net position					3,079,957
Net Position - beginning as originally stated					(5,182,084)
Restatement (Note 18)					(1,592,429)
Net Position - beginning as restated					(6,774,513)
Net Position - ending					$ (3,694,556)

See Notes to Financial Statements

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INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025
With Comparative Data as of June 30, 2024

	General	Food Service	Community Service
Assets			
Cash and investments	$ 5,094,475	$ 393,637	$ 725,529
Current property taxes receivable	1,573,849		78,764
Delinquent property taxes receivable	7,434		344
Accounts receivable	45,192	36,206	
Due from other funds	27,476		
Due from other school districts	2,056		
Due from Minnesota Department of Education	2,734,218		16,699
Due from Federal through Minnesota Department of Education	204,962		
Inventory		5,040	
Prepaid items	89,539		
TOTAL ASSETS	$ 9,779,201	$ 434,883	$ 821,336
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts payable	$ 29,196	$ 45,129	$ 1,588
Salaries and accrued liabilities payable	2,499,049		161,843
Due to other Minnesota school districts	77,380		
Due to other government units	324		
Short-term indebtedness	3,000,000		
Accrued interest payable	54,896		
Unearned revenue	20,000	3,431	
TOTAL LIABILITIES	5,680,845	48,560	163,431
Deferred Inflows of Resources			
Unavailable revenue:			
Delinquent property taxes	7,434		344
Taxes levied for subsequent year	3,026,856		157,823
TOTAL DEFERRED INFLOWS OF RESOURCES	3,034,290		158,167
Fund Balances			
Nonspendable	89,539	5,040	
Restricted	491,252	381,283	567,868
Assigned	382,050		
Unassigned	101,225		(68,130)
TOTAL FUND BALANCES	1,064,066	386,323	499,738
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 9,779,201	$ 434,883	$ 821,336

See Notes to Financial Statements

		Total Governmental Funds	
Building Construction Fund	Debt Service	2025	2024
$ 367,976	$ 3,942,517	$ 10,524,134	$ 6,959,129
	3,196,669	4,849,282	4,334,298
	14,405	22,183	21,254
		81,398	103,508
		27,476	30,793
		2,056	
	130,790	2,881,707	2,546,479
		204,962	205,509
		5,040	4,353
		89,539	425,240
$ 367,976	$ 7,284,381	$ 18,687,777	$ 14,630,563
$	$	$ 75,913	$ 238,555
		2,660,892	2,299,461
		77,380	13,800
		324	14,735
		3,000,000	
		54,896	
		23,431	30,734
		5,892,836	2,597,285
	14,405	22,183	21,254
	5,865,977	9,050,656	8,547,011
	5,880,382	9,072,839	8,568,265
		94,579	429,593
367,976	1,403,999	3,212,378	3,728,792
		382,050	278,712
		33,095	(972,084)
367,976	1,403,999	3,722,102	3,465,013
$ 367,976	$ 7,284,381	$ 18,687,777	$ 14,630,563

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025
With Partial Comparative Data for the Year Ended June 30, 2024

	General	Food Service	Community Service
Revenues			
Local sources:			
Property tax levies	$ 2,993,903	$	$ 133,558
Other local and county sources	955,749	40,619	1,812,267
Investment income	148,146	15,816	15,174
State sources	24,686,831	759,818	249,434
Federal sources	210,909	377,074	
Sales and other conversions of assets	(29,886)	553,059	
TOTAL REVENUES	28,965,652	1,746,386	2,210,433
Expenditures			
District and school administration	1,345,429		
District support services	1,370,368		
Regular instruction	14,104,788		
Vocational instruction	529,438		
Special education	3,968,848		
Community education and services			1,923,988
Instructional support services	1,367,750		
Pupil support services	2,321,377		
Site, buildings, and equipment	2,660,108		
Food service		1,750,209	
Fiscal and other fixed cost programs	315,234		
TOTAL EXPENDITURES	27,983,340	1,750,209	1,923,988
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	982,312	(3,823)	286,445
Other Financing Sources (Uses)			
Sale of equipment			
Bond refunding payment			
Bond proceeds			
Bond premium			
Lease proceeds	77,260		
Transfers in		119,413	
Transfers out	(119,413)		
TOTAL OTHER FINANCING SOURCES (USES)	(42,153)	119,413	
NET CHANGE IN FUND BALANCES	940,159	115,590	286,445
FUND BALANCE - BEGINNING	123,907	270,733	213,293
FUND BALANCE - ENDING	$ 1,064,066	$ 386,323	$ 499,738

See Notes to Financial Statements

Building Construction Fund	Debt Service	Total Governmental Funds 2025	2024
$	$ 5,059,059	$ 8,186,520	$ 8,082,325
		2,808,635	2,465,446
74,358	47,505	300,999	564,171
	1,308,262	27,004,345	25,732,884
		587,983	691,127
		523,173	573,861
74,358	6,414,826	39,411,655	38,109,814
		1,345,429	1,335,403
		1,370,368	1,361,139
		14,104,788	14,583,194
		529,438	529,532
		3,968,848	4,146,892
		1,923,988	1,883,902
		1,367,750	1,604,453
		2,321,377	2,830,507
1,454,988		4,115,096	20,664,777
		1,750,209	1,657,799
	6,119,301	6,434,535	6,649,607
1,454,988	6,119,301	39,231,826	57,247,205
(1,380,630)	295,525	179,829	(19,137,391)
			9,086
			(25,300,000)
			24,585,000
			1,095,002
		77,260	124,960
		119,413	
		(119,413)	
		77,260	514,048
(1,380,630)	295,525	257,089	(18,623,343)
1,748,606	1,108,474	3,465,013	22,088,356
$ 367,976	$ 1,403,999	$ 3,722,102	$ 3,465,013

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
RECONCILIATION OF NET POSITION IN THE
DISTRICT-WIDE FINANCIAL STATEMENTS AND FUND BALANCES
IN THE FUND BASIS FINANCIAL STATEMENTS
June 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balances (pages 17 and 18)		$ 3,722,102
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental funds - capital assets	$ 130,267,958	
Less: Accumulated depreciation and amortization	36,243,547	
		94,024,411
Some long-term assets not available soon enough to pay for current period expenditures and, therefore, are unavailable in the funds:		
Delinquent property taxes		22,183
Internal service funds are used by management to charge the costs of dental to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		(27,476)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and long-term debt payable	(81,162,019)	
Other postemployment benefit payable	(2,565,985)	
Net pension liability	(14,360,592)	
Capital lease payable	(75,139)	
Lease payable	(38,715)	
Compensated absences	(2,179,654)	
Accrued interest	(1,053,672)	
		(101,435,776)
Net position of governmental activities (page 15)		$ (3,694,556)

See Notes to Financial Statements

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (pages 19 and 20)		$ 257,089
Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	$ 2,009,952	
Depreciation expense	(2,807,854)	
Amortization expense	(35,200)	
		(833,102)
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent property taxes		929
Internal service used to charge the cost of postemployment benefits for employees to departments. The net revenue (expense) of the internal service fund is reported as a governmental activity.		3,317
The Governmental Funds report long-term debt proceeds as financing sources, while repayment of long-term debt principal is reported as an expenditure. In the statement of net position, however, issuing long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interests is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligations bonds and related items is as follows:		
Principal retirement on long-term debt	3,555,000	
Change in accrued interest	(114,648)	
Amortization of bond premium	539,827	
Amortization of bond discount	(172)	
		3,980,007
Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.		
Principal retirement on capital lease principal		22,648
In governmental funds, a lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.		
Principal retirement on lease payable		36,872
In the statement of activities, certain operating expenses - net pension liability, and other postemployment benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		
Change in other postemployment benefit payable	(46,600)	
Change in net pension liability	246,022	
Change in compensated absences	(587,225)	
		(387,803)
Change in net position of governmental activities (pages 16)		$ 3,079,957

See Notes to Financial Statements

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2025
With Partial Comparative Data for the Year Ended June 30, 2024

	Budgeted Amounts		2025	Over (Under)	2024
	Original	Final	Actual	Final Budget	Actual
Revenues					
Local sources:					
Property tax levies	$ 2,703,036	$ 2,938,808	$ 2,993,903	$ 55,095	$ 3,180,306
Other local and county sources	675,690	802,590	955,749	153,159	960,815
Investment income	80,000	80,000	148,146	68,146	82,714
State sources	23,727,594	23,989,550	24,686,831	697,281	23,346,158
Federal sources	329,498	329,498	210,909	(118,589)	215,265
Sales and other conversions of assets	400	(160,013)	(29,886)	130,127	23,166
TOTAL REVENUES	27,516,218	27,980,433	28,965,652	985,219	27,808,424
Expenditures					
District and school administration	1,327,865	1,327,865	1,345,429	17,564	1,335,403
District support services	1,260,506	1,094,813	1,370,368	275,555	1,361,139
Regular instruction	14,417,289	14,034,980	14,104,788	69,808	14,583,194
Vocational instruction	525,534	528,099	529,438	1,339	529,532
Special education	4,263,849	4,263,849	3,968,848	(295,001)	4,146,892
Instructional support services	1,322,774	1,569,310	1,367,750	(201,560)	1,604,453
Pupil support services	2,446,297	2,437,947	2,321,377	(116,570)	2,830,507
Site, buildings, and equipment	2,894,604	2,894,604	2,660,108	(234,496)	3,141,983
Fiscal and other fixed cost programs	267,192	267,192	315,234	48,042	162,864
TOTAL EXPENDITURES	28,725,910	28,418,659	27,983,340	(435,319)	29,695,967
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,209,692)	(438,226)	982,312	1,420,538	(1,887,543)
Other Financing Sources (Uses)					
Sale of equipment	2,000	2,000		(2,000)	9,086
Capital lease proceeds			77,260	77,260	124,960
Transfers out			(119,413)	(119,413)	
TOTAL OTHER FINANCING SOURCES (USES)	2,000	2,000	(42,153)	(44,153)	134,046
NET CHANGE IN FUND BALANCE	(1,207,692)	(436,226)	940,159	1,376,385	(1,753,497)
FUND BALANCE - BEGINNING	123,907	123,907	123,907		1,877,404
FUND BALANCE - ENDING	$ (1,083,785)	$ (312,319)	$ 1,064,066	$ 1,376,385	$ 123,907

See Notes to Financial Statements

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Year Ended June 30, 2025
With Partial Comparative Data for the Year Ended June 30, 2024

	Budgeted Amounts		2025	Over (Under)	2024
	Original	Final	Actual	Final Budget	Actual
Revenues					
Local sources:					
Other local and county sources	$ 20,000	$ 20,000	$ 40,619	$ 20,619	$ 18,835
Investment income			15,816	15,816	29,751
State sources	614,800	614,800	759,818	145,018	753,131
Federal sources	275,000	275,000	377,074	102,074	397,725
Sales and other conversions of assets	638,908	638,908	553,059	(85,849)	550,695
TOTAL REVENUES	1,548,708	1,548,708	1,746,386	197,678	1,750,137
Expenditures					
Food service	1,548,708	1,548,708	1,750,209	201,501	1,657,799
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			(3,823)	(3,823)	92,338
Other Financing Sources					
Transfers in			119,413	119,413	
NET CHANGE IN FUND BALANCES			115,590	115,590	92,338
FUND BALANCES - BEGINNING	270,733	270,733	270,733		178,395
FUND BALANCES - ENDING	$ 270,733	$ 270,733	$ 386,323	$ 115,590	$ 270,733

See Notes to Financial Statements

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNITY SERVICE FUND
For the Year Ended June 30, 2025
With Partial Comparative Data for the Year Ended June 30, 2024

	Budgeted Amounts		2025	Over (Under)	2024
	Original	Final	Actual	Final Budget	Actual
Revenues					
Local sources:					
Property tax levies	$ 133,852	$ 133,852	$ 133,558	$ (294)	$ 157,375
Other local and county sources	1,396,797	1,396,797	1,812,267	415,470	1,485,796
Investment income			15,174	15,174	36,106
State sources	250,814	200,814	249,434	48,620	156,347
Federal sources					78,137
TOTAL REVENUES	1,781,463	1,731,463	2,210,433	478,970	1,913,761
Expenditures					
Community education and services	1,822,463	1,774,392	1,923,988	149,596	1,883,902
NET CHANGE IN FUND BALANCES	(41,000)	(42,929)	286,445	329,374	29,859
FUND BALANCES - BEGINNING	213,293	213,293	213,293		183,434
FUND BALANCES - ENDING	$ 172,293	$ 170,364	$ 499,738	$ 329,374	$ 213,293

See Notes to Financial Statements

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2025 and 2024

	Governmental Activities - Self-Insured Dental Internal Service Totals	
	2025	2024
Assets		
Cash and investments	$	$
Liabilities		
Due to other funds	$ 27,476	$ 30,793
Net Position		
Unrestricted	$ (27,476)	$ (30,793)
TOTAL LIABILITIES AND NET POSITION	$	$

See Notes to Financial Statements

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Years Ended June 30, 2025 and 2024

	Governmental Activities - Self-Insured Dental Internal Service	
	2025	2024
OPERATING REVENUES		
Departmental charges	$ 247,418	$ 229,522
OPERATING EXPENSES		
Dental claims	244,101	246,590
Change in Net Position	3,317	(17,068)
Net Position - Beginning	(30,793)	(13,725)
Net Position - Ending	$ (27,476)	$ (30,793)

See Notes to Financial Statements

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Years Ended June 30, 2025 and 2024

	Governmental Activities - Self-Insured Dental Internal Service	
	2025	2024
Cash Flows From Operating Activities		
Cash received from other funds	$ 244,101	$ 246,590
Cash payments for benefits	(244,101)	(246,590)
Net Cash Provided By (Used In) Operating Activities		
Cash and Cash Equivalents - Beginning		
Cash and Cash Equivalents - Ending	$	$

Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities

Operating loss	$ 3,317	$ (17,068)
Adjustments to reconcile operating income (loss) to Net Cash Provided By (Used In) Operating Activities:		
Due to other funds	(3,317)	17,068
Net Cash Provided By (Used In) Operating Activities	$	$

See Notes to Financial Statements

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INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

1. Summary of Significant Accounting Policies

Independent School District #531 was formed and operates pursuant to applicable Minnesota laws and statutes.

The governing body consists of a seven-member board elected by the voters of the District to serve four-year terms.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

Independent School District #531 (the District) is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

Accounting principles generally accepted in the United States of America (GAAP) require that the District's financial statements include all funds, account groups, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. Based on the aforementioned criteria, the District has no component units.

Student Activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside of school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities.

Basic Financial Statement Presentation

The District-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. Fiduciary funds are reported only in the Statements of Fiduciary Net Position and Changes in Fiduciary Fund Net Position at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Generally, the effect of material inter-fund activity has been removed from the District-wide financial statements.

1. Summary of Significant Accounting Policies (Continued)

Basic Financial Statement Presentation (Continued)

Separate Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds and the proprietary fund are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type. 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 District-wide statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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. State aids are recorded as revenue in the fiscal year for which the aids are designated by statute.

Governmental fund types are accounted for using the modified accrual basis of accounting. Under this method revenues are recognized when susceptible to accrual, i.e. both measurable and available to finance expenditures of the fiscal period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues susceptible to accrual are property taxes, state aids, fees, and interest. For this purpose, the District considers all revenue to be available if it is collected within 60 days after the end of the current period.

Expenditures are generally recognized using the modified accrual basis of accounting when a related fund liability is incurred. Exceptions to this rule include (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s internal service fund are charges to other funds for post-employment benefit costs. Operating expenses for internal service fund include the cost of post-employment benefits. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the District-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes are recognized in the year for which the tax is levied. Revenue form grants and donations are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements including timing requirements, which specify the year in when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it is recognized.

Unearned revenue is recorded when assets are recognized before revenue recognition criteria have been satisfied. Grants received before eligibility requirements other than time requirements are met and recorded as unearned revenue. Grants received before time requirements are met are recorded as a deferred inflow of resources.

Description of Funds

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources and transactions except those required to be accounted for in other funds.

The *food service fund* accounts for all activities associated with the preparation and serving of regular and incidental meals, lunches or snacks in connection with school activities.

The *community service fund* accounts for the resources designated for programs other than those for elementary and secondary students.

The *building construction fund* accounts for the resources designated for building construction.

The *debt service fund* accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

The District reports the following proprietary funds:

The *self-insured dental fund* is an internal service fund which accounts for the cost of employee dental insurance on a cost reimbursement basis.

1. Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Building Construction, and Debt Service Funds. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

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

Cash and Investments

Except where otherwise required, the District maintains all deposits in bank accounts in the name of the District. These deposits are invested on a short-term basis with interest income allocated to each fund based upon their relative cash balance. The balances shown in each fund represents an equity interest in the commingled pool of cash and investments, which is under the management of the District.

The District has designated cash and cash equivalents as demand deposits and all investments with an original maturity of three months or less.

Accounts Receivable

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

Use of Estimates

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

Unearned Revenue

Unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The District has reported as unearned revenue an amount equal to the amount equal to the lunch money students carry over the upcoming year.

1. Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are recorded using the consumption method of accounting and consist of food and commodities on hand at June 30, 2025. The food is recorded at the lower of cost or market. The food inventories are valued using the latest invoice cost, which approximates FIFO inventory method. Surplus commodities are stated at standardized commodities cost as determined by the Department of Agriculture.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

Property Taxes

Property tax levies are established by the School Board in December each year and are certified to the County for collection 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 January 1. Taxes are due on May 15 and October 15. The county generally remits taxes to the District at periodic intervals as they are collected. A portion of property taxes levied is paid through various state tax credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as deferred revenue (property taxes levied for subsequent year). The majority of District revenue in the General and Special Revenue Funds is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. 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 $164,488 of the property tax levy collectible in 2025 as revenue to the District is fiscal year 2024-2025. The remaining portion of the taxes collectible in 2025 is recorded as deferred inflows of resources.

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 deferred inflows of resources because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the State which will be recognized as revenue in the next fiscal year beginning July 1, 2025, are included in the Property Taxes Levied for Subsequent Year account to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a capitalization threshold level of $5,000. 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 District-wide financial statement, but are not reported in the Fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Deprecation is provided using the straight-line method applied over the following estimated useful lives of the assets.

	Useful Life in Years
Buildings	20 - 50
Land Improvements	5 - 20
Equipment	5 - 20

Capital assets not being depreciated include land.

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

Compensated Absences

The District has employee and union contracts with several different employee groups. Employee benefits under the contracts are different, but generally include provisions for sick leave, vacation leave, and personal days. Vacation, sick leave, and personal days do not vest and are accounted for as an expenditure when paid.

Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period the debt was issued.

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

1. Summary of Significant Accounting Policies (Continued)

Self-Insurance

The District is self-insured for employees' dental insurance. Claims are recorded when a determinable claim or loss has been incurred. In addition, the District records an estimated liability for claims incurred but not yet billed to the District as of the fiscal year end. The District purchases re-insurance on both an individual and aggregate basis, which limits risk to the District.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses or revenues/income initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses or revenues/income in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Comparative Data

Comparative data for the prior year has been presented in certain of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data has not been presented since the inclusion would not provide meaningful comparisons. Certain amounts in the June 30, 2024 totals column have been reclassified to conform with the current year presentation.

Concentration of Credit Risk

Financial instruments which expose the District to a concentration of credit risk consist primarily of cash and investments. Credit risk associated with cash and investments are discussed in Note 3.

Net Position

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

Deferred Outflows of Resources

In addition to assets, the financial statements will sometimes report separate section for deferred outflows of resources. This is a separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The District has two types of items. One type of deferred outflows of resources is *pension related* and the other is *OPEB related*. Both are reported in the statement of net position.

Deferred Inflows of Resources

In addition to assets, the financial statements will sometimes report separate section for deferred inflows of resources. This is a separate financial statement element, *deferred inflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three types of items. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second Type of deferred inflows of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. The third type, *pension related* and is reported in the statement of net position.

1. Summary of Significant Accounting Policies (Continued)

Pensions

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

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

Leases

For leases with term exceeding 12 months, the District recognizes a lease liability and a right to use lease asset in the government-wide financial statements.

The right to use lease asset is calculated at the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus certain initial directs costs incurred, minus any lease incentives received. Subsequently, the right to use lease asset is amortized on a straight-line basis over its useful life. The District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. Remeasurement of the right to use lease asset and lease liability occurs when certain changes occur that are likely to have a significant impact on the lease liability.

Right to use lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Implementation of New Accounting Principles

During the year, the District implemented GASB Statement No. 101, *Compensated Absences*. This Statement provides guidance on accounting and financial reporting for reporting a liability for certain types of leave (compensated absences). Under this Statement, government organizations are required to recognize a liability for employee's compensated absences if the leave is attributable to employee's services already rendered, if the leave accumulates, or if it is more likely than not to be used for time off or paid in cash upon separation. The liability is measured using an employee's rate of pay at the date of the financial statements. The liability and associated expense are reported in the government-wide statements. The Statement has been implemented, and a liability has been reported on the government-wide financial statements.

2. Stewardship and Accountability

Excess of expenditures over appropriations at the individual fund level during 2025 are as follows:

Food Service Fund	$	201,501
Community Service Fund		149,596

Excess expenditures were the result of a planned process.

The amounts due to and due from other funds as of June 30, 2025, at the individual fund level are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	$ 27,476	$
Self-Insured Dental Internal Service Fund		27,476
Totals	$ 27,476	$ 27,476

3. Cash and Investments

Summary of Cash and Investments

As of June 30, 2025, the District's cash and investments consisted of the following items, all of which are held in an internal investment pool:

Deposits	$	1,096,126
U.S. Treasuries		849,319
Mutual Funds		2,000,000
MSDLAF+ Liquid Class		369
MSDLAF+ Max Class		6,578,320
Total Cash and Investments Per Statement of Net Position	$	10,524,134

3. Cash and Investments (Continued)

Investments Authorized by Minnesota Statutes

The District is authorized by Minnesota Statues to invest idle funds as follows:

a) Direct obligations or obligations guaranteed by the United States or its agencies.
b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and 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 thirteen months or less.
c) General obligations rated “A” or better; revenue obligations rated “AA” or better.
d) General obligations of the Minnesota Housing Finance Agency rated “A” or better
e) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
f) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies and maturing in 270 days or less.
g) 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, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
h) Guaranteed Investments 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.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposit policy for custodial credit risk follows Minnesota Statutes for deposits. The District’s deposits are entirely covered by federal depository insurance or by collateral held by the District’s custodial banks in the District’s name

Minnesota Statues require that all District deposits be insured, secured by surety bonds or be collateralized. Except for notes secured by first mortgages of future maturity, the market value of collateral pledged by the custodial bank must equal 110% of the deposits not covered by insurance or surety bonds.

Authorized collateral includes certain state of local government obligations and legal investments. Minnesota Statues also require that securities pledged as collateral be held in safekeeping by the Treasurer, or in a financial institution other than the institution furnishing the collateral.

Concentration of Credit Risk

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer. Investments in any one issuer that represent 5% or more of total investments are as follows:

U.S. Treasuries	9%
Mutual Funds	21%
MSDLAF+ Max Class	70%

3. Cash and Investments (Continued)

Fair Value Measurement

Fair value measurements are determined utilizing the framework established by the Governmental Accounting Standards Board. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data. Inputs to the valuation methodology include:
    - Quoted prices for similar assets or liabilities in active markets
    - Quoted prices for identical assets or liabilities in inactive markets
    - Inputs other than quoted prices that are observable for the asset or liability
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specific (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District's Investments within the fair value hierarchy at June 30, 2025 were as follows:

	Credit Risk		Fair Value Measurements	Interest Risk - Maturity Duration in Years				
Investment Type	Rating	Agency	Using	No Maturity Date	Less Than 1	1 to 5	6 to 10	Total
MSDLAF+ Liquid Class	AAAa	S&P	N/A	$ 369	$	$	$	$ 369
MSDLAF+ Max Class	AAAa	S&P	N/A	6,578,320				6,578,320
U.S. Treasuries	AAAm	S&P	Level 1	849,319				849,319
Mutual Funds	AAAm	S&P	Level 2	2,000,000				2,000,000
Total Investments				$ 9,428,008	$	$	$	$ 9,428,008

N/A - Not applicable

4. Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2025 are as follows:

Fund	Minnesota Department of Education	Federal Government Through MDE	Other Minnesota Districts	Total
General	$ 2,734,218	$ 204,962	$ 2,056	$ 2,941,236
Community Service	16,699			16,699
Debt Service	130,790			130,790
	$ 2,881,707	$ 204,962	$ 2,056	$ 3,088,725

5. General Obligation Aid Anticipation Certificates of Indebtedness

For the purpose of providing funds to meet current expenditures of the District, General Obligation Aid Anticipation Certificates of Indebtedness were issued the aggregate principal amount of $3,000,000. Proceeds net of premium and issuance costs were $3,011,670. The Certificates were issued in January of 2025, bearing interest at the annual rate of 4.25% and mature in September of 2025.

6. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 984,000	$	$	$ 984,000
Construction in progress	37,329,979		37,329,979	
Total capital assets, not being depreciated	38,313,979		37,329,979	984,000
Capital assets, being depreciated:				
Buildings	80,148,178	39,022,371		119,170,549
Land improvements	5,703,663	14,500		5,718,163
Equipment	3,916,188	303,060		4,219,248
Capital assets, being amortized:				
Leased equipment - right to use	175,998			175,998
Total capital assets, being depreciated and amortized	89,944,027	39,339,931		129,283,958
Less accumulated depreciation and amortization for:				
Buildings	25,994,520	2,371,076		28,365,596
Land improvements	4,424,570	249,370		4,673,940
Equipment	2,875,803	187,408		3,063,211
Less accumulated amortization for:				
Lease equipment - right to use	105,600	35,200		140,800
Total accumulated depreciation and amortization	33,400,493	2,843,054		36,243,547
Total capital assets, being depreciated and amortized, net	56,543,534	36,496,877		93,040,411
Governmental activities capital assets, net	$ 94,857,513	$ 36,496,877	$ 37,329,979	$ 94,024,411

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental Activities:	
Regular instruction	$ 50,636
Vocational instruction	37,021
Special education	116
Community education	2,106
Instructional support	2,576
Pupil support services	84,440
Site, buildings and equipment	2,666,159
Total depreciation and amortization expense governmental activities	$ 2,843,054

7. Long-Term Liabilities

The long-term debt obligations outstanding and related maturities and interest rates are summarized in the following schedules. General Obligation Bonds are serviced by the Debt Service Fund. They are backed by the full faith and credit of the District.

A summary of interest rates, maturities and June 30, 2025 balances is as follows:

	Original Amount of Debt	Range of Interest	Final Maturity	Balance June 30, 2025
General Obligation Bonds:				
School Building Bonds of 2016	$ 2,410,000	2.00% - 2.75%	2031	$ 1,230,000
Facilities Maintenance Bonds of 2017	9,500,000	2.50% - 3.00%	2034	8,075,000
Facilities Maintenance Bonds of 2018	780,000	3.50%	2035	780,000
School Building Bonds of 2022	42,460,000	3.00% - 5.00%	2042	42,090,000
School Building Bonds of 2022	2,095,000	5.00%	2028	1,335,000
School Building Refunding Bonds of 2024	24,858,000	3.00% - 4.00%	2034	24,585,000
Unamortized Bond Premiums and Discounts				3,067,019
Lease Payable	144,147	5.00%	2026	38,715
Capital Lease Payable	124,960	5.15%	2028	75,139
Compensated Absences				2,179,654
Total				$ 83,455,527

7. Long-Term Liabilities (Continued)

The following is a summary of the changes in long-term debt obligations for the year ended June 30, 2025:

		Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES						
Bonds Payable:						
General Obligation Bonds:						
Facilities Maintenance Bond 2016A		$ 1,390,000	$	$ 160,000	$ 1,230,000	$ 165,000
School Building Bond 2017A		8,420,000		345,000	8,075,000	660,000
School Building Bond 2018A		780,000			780,000	
School Building Refunding Bond 2019A		2,485,000		2,485,000		
School Building Bond 2022A		42,265,000		175,000	42,090,000	170,000
School Building Bond 2022B		1,725,000		390,000	1,335,000	410,000
School Building Refunding Bond 2024A		24,585,000			24,585,000	2,395,000
Unamortized Bond Discount		(1,847)		(172)	(1,675)	
Unamortized Bond Premium		3,608,521		539,827	3,068,694	
Other Liabilities:						
Lease payable		75,587		36,872	38,715	38,715
Capital lease payable		97,787		22,648	75,139	23,814
Compensated absences	*	1,592,429	587,225		2,179,654	
Governmental Activities Long-term Liabilities		$ 87,022,477	$ 587,225	$ 4,154,175	$ 83,455,527	$ 3,862,529

*Beginning balance restated as described in Note 17.

Compensated absences are presented as the net change of increases and decreases to arrive at the presentation of the ending balance.

7. Long-Term Liabilities (Continued)

The annual requirements to amortize all long-term debt outstanding as of June 30, 2025, over the life of the debt, are summarized below:

	General Obligation Bonds		Capital Lease Payable		
Years	Principal	Interest	Principal	Interest	Total
Governmental Activities					
2026	$ 3,800,000	$ 2,528,813	$ 23,814	$ 3,870	$ 6,356,497
2027	3,985,000	2,380,500	25,041	2,643	6,393,184
2028	4,215,000	2,228,938	26,284	1,399	6,471,621
2029	3,945,000	2,091,263			6,036,263
2030	4,025,000	1,968,300			5,993,300
2031-2035	21,695,000	7,750,938			29,445,938
2036-2040	25,225,000	3,999,300			29,224,300
2041-2042	11,205,000	506,700			11,711,700
Totals	$ 78,095,000	$ 23,454,752	$ 75,139	$ 7,912	$ 101,632,803

8. Leases

Independent School District #531 incurs expenses under an operating lease for SMART Boards. This lease agreement is cancelable and expires in July 2026. Monthly payments under this lease agreement are $3,388. The District's lease expense for the year ended June 30, 2025 was $35,116

Principal and interest requirements to maturity for the lease liability at June 30, 2025 are as follows:

	Leases	
Years	Principal	Interest
2026	$ 38,715	$ 1,936

9. Fund Balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

- *Nonspendable,* such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned)
- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action by the District's School Board (the district's highest level of decision-making authority)
- *Assigned* fund balance classification includes balance amounts that are intended to be used for a specific purpose that are neither considered restricted or committed. Fund balance may be assigned by the Superintendent or Business Manager.
- *Unassigned* fund balance classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balance in other governmental funds.

Order of Fund Balance Spending Policy

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Minimum Fund Balance

The District has a formal minimum fund balance policy for the general fund unassigned fund balance to be at least eight percent of the annual budget.

Restricted Fund Balances

Restriction of fund balance indicates that a portion of the fund balance is legally segregated for a specific future use. The following is a summary of the restricted fund balances for the governmental funds:

Restricted for Community Ed - Represents available resources within the Community Service Fund for enrichment programs for any age level that are not part of the K-12 education program which are not taken for credit or required for graduation.

Restricted for Early Child/Family Ed - Represents available resources within the Community Service Fund whose focus is to improve parenting skills of new and expectant parents, and/or to provide learning experiences for parents and children.

Restricted for School Readiness - Represents the resources available to provide for services for school readiness programs.

9. Fund Balance (Continued)

Restricted for Operating Capital - Beginning in the 1996-97 year, represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted for Long-Term Facilities Maintenance - Represents available resources to be used for LTFM projects in accordance with the 10 Year Plan.

Restricted for Student Activities – Represents the resources available for the extracurricular activity funds raised by students.

Restricted for Scholarships - Represents the resources available for the scholarship funds.

The following is a summary of fund financial balances as of June 30, 2025 with comparative totals for June 30, 2024:

	General	Food Service	Community Service	Building Construction	Debt Service	2025 Totals	2024 Totals
Nonspendable							
Inventory	$	$ 5,040	$	$	$	$ 5,040	$ 4,353
Prepaid items	89,539					89,539	425,240
Total nonspendable	89,539	5,040				94,579	429,593
Restricted							
Student activities	56,489					56,489	51,323
Scholarships	148,526					148,526	224,479
Operating capital	91,325					91,325	5,308
Student support personnel	5,867					5,867	8,366
Medical assistance	90,444					90,444	27,790
Safe schools							1,569
Read act - literacy aid	15,000					15,000	
Read act - teacher compensation	83,601					83,601	
Food service fund		381,283				381,283	266,380
Community education			321,051			321,051	82,716
Early childhood and family education			240,507			240,507	195,868
Community service			6,310			6,310	7,913
Building construction				367,976		367,976	1,748,606
Debt service fund					1,403,999	1,403,999	1,108,474
Total restricted	491,252	381,283	567,868	367,976	1,403,999	3,212,378	3,728,792
Assigned							
Student activities	382,050					382,050	278,712
Unassigned	101,225		(68,130)			33,095	(972,084)
Total Fund Balance	$ 1,064,066	$ 386,323	$ 499,738	$ 367,976	$ 1,403,999	$ 3,722,102	$ 3,465,013

9. Fund Balance (Continued)

The Uniform Financial Accounting and Reporting Standards (UFARS) fund balance reporting standards are slightly different from the reporting standards under GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Below is a reconciliation between the fund balance following GASB Standards and UFARS Reporting Standards:

	GASB Balance	Reconciling Balance	2025 UFARS Balance	2024 UFARS Balance
Nonspendable				
Inventory	$ 5,040	$	$ 5,040	$ 4,353
Prepaid items	89,539		89,539	425,240
Total nonspendable	94,579		94,579	429,593
Restricted				
Long-term facilities maintenance		(611,459)	(611,459)	(876,393)
Student activities	56,489		56,489	51,323
Scholarships	148,526		148,526	224,479
Operating capital	91,325		91,325	5,308
Medical assistance	90,444		90,444	27,790
Student support personnel	5,867		5,867	8,366
Safe schools				1,569
Read act - literacy aid	15,000		15,000	
Read act - teacher compensation	83,601		83,601	
Food service fund	381,283		381,283	266,380
Community education	321,051		321,051	82,716
Early childhood and family education	240,507		240,507	195,868
School readiness		(68,130)	(68,130)	(73,204)
Community service	6,310		6,310	7,913
Building construction	367,976		367,976	1,748,606
Debt service fund	1,403,999		1,403,999	1,108,474
Total restricted	3,212,378	(679,589)	2,532,789	2,779,195
Assigned				
Student activities	382,050		382,050	278,712
Unassigned	33,095	679,589	712,684	(22,487)
Total Fund Balance	$ 3,722,102	$	$ 3,722,102	$ 3,465,013

10. Defined Benefit Pension Plans - Statewide

Plan Description

1. General Employees Retirement Plan (General Plan)

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

2. Teachers Retirement Association (TRA)

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

Educators employed in Minnesota's public elementary and secondary school, 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 schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage within one year of eligible employment or elect coverage through the Defined Contribution Retirement Plan (DCR) administered by Minnesota State. A teacher employed by Minnesota State and electing DCR plan is not a member of TRA except for purposes of social security coverage.

Benefits Provided

1. General Employees Plan Benefits

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

10. Defined Benefit Pension Plans – Statewide (Continued)

Benefits Provided (Continued)

1. General Employees Plan Benefits (Continued)

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 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. 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.

2. TRA Benefits

TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statute and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any consecutive 60 months of formula service, age and years of formula service credit at termination of service. TRA members belong to either the Basic or Coordinated Plan.

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

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

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) 3 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).

10. Defined Benefit Pension Plans – Statewide (Continued)

Benefits Provided (Continued)

Or

For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for coordinated members and 2.7 percent per year for basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for coordinated members and 2.7 percent for Basic members applies. An early retirement reduction is applied to members retiring prior to age 65. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) reduction rate applied.

Tier II Benefits

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. After July 1, 2024, the age will change to not to exceed 65. An early retirement reduction is applied to members retiring before age 66, but will be age 65 after July 1, 2024. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) early retirement reduction rate applied.

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.

Contributions

1. General Employees Fund Contributions

Minnesota Statute Chapter 353, 353E, 353G, and 356 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50 percent for General Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2025 were $330,205. The District's contributions were equal to the required contributions as set by the state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for the fiscal year 2025 for coordinated were 7.75% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to the TRA Fund for the year ended June 30, 2025 were $1,125,275. The District's contributions were equal to the required contributions as set by the state statute.

10. Defined Benefit Pension Plans – Statewide (Continued)

Pension Costs

1. General Employees Fund Pension Costs

At June 30, 2025, the District reported a liability of $1,923,145 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled $49,729.

District's proportionate share of net pension liability	$	1,923,145
State of Minnesota's proportionate share of the net pension liability associated with the district		49,729
Total	$	1,972,874

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0520 percent at the end of the measurement period and 0.0499 percent for the beginning of the period.

During the plan year ended June 30, 2024, the State of Minnesota contributed $170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the $170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized $88,452 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

For the year ended June 30, 2025, the District recognized pension expense of ($140,179) for its proportionate share of General Employees Plan's pension expense. It also recognized $1,333 as an increase to pension expense for the support provided by direct aid.

10. Defined Benefit Pension Plans – Statewide (Continued)

Pension Costs (Continued)

At June 30, 2025, the District reported 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	$ 178,385	$
Net difference between projected and actual earnings on pension plan investments		533,506
Changes in actuarial assumptions	9,006	706,216
Change in proportion	116,672	
Employer contributions subsequent to the measurement date	300,925	
Total	$ 604,988	$ 1,239,722

The $300,925 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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
2026	$ (507,106)
2027	(77,738)
2028	(203,419)
2029	(147,396)

2. TRA Pension Costs

At June 30, 2025, the District reported a liability of $12,333,737 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.1941 percent at the end of the measurement period and 0.1857 percent for the beginning of the period.

10. Defined Benefit Pension Plans – Statewide (Continued)

Pension Costs (Continued)

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

District's proportionate share of net pension liability	$	12,333,737
State's proportionate share of the net pension liability associated with the district		806,733
Total	$	13,140,470

For the year ended June 30, 2025, the District recognized pension expense of ($105,843). It also recognized $9,869 as decrease to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2024, the State of Minnesota contributed $176 million to the Fund. The State of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the $176 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized $341,616 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Fund.

On June 30, 2025, the District had 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	$ 580,492	$ 151,694
Net difference between projected and actual investment earnings on pension plan investments		1,718,235
Changes of assumption	1,154,073	1,470,832
Changes in proportion	939,265	
District contributions subsequent to the measurement date	1,197,955	
Total	$ 3,871,785	$ 3,340,761

10. Defined Benefit Pension Plans – Statewide (Continued)

Pension Costs (Continued)

The $1,197,955 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Pension Expense Amount
2026	$ (455,254)
2027	1,235,858
2028	(747,021)
2029	(621,455)
2030	(79,059)

Aggregate Pension Costs

Pension expense recognized by the District for the year ended June 30, 2025 is as follows:

General Employee Retirement Fund	$ (138,846)
TRA	(115,712)
	$ (254,558)

Long-Term Expected Return on Investment

1. General Employees Fund Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

10. Defined Benefit Pension Plans – Statewide (Continued)

2. TRA Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

Actuarial Methods and Assumptions

1. General Employees Fund Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

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

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

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation.

10. Defined Benefit Pension Plans – Statewide (Continued)

Actuarial Methods and Assumptions

1. General Employees Fund Actuarial Assumptions

The following changes in PERA actuarial assumptions and plan provisions occurred in 2024:

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

10. Defined Benefit Pension Plans – Statewide (Continued)

Actuarial Methods and Assumptions (continued)

2. TRA Actuarial Assumptions

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	
Experience Studies	August 2, 2023 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected Salary Increases	2.85% - 8.85% before July 1, 2028 and 3.25% -9.25% after June 30, 2028
Cost of Living Adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.
Mortality Assumptions:	
Pre-Retirement:	Pre-retirement mortality rates were based on the PubT-2010(A) Employee Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Post-Retirement:	Post-retirement mortality rates were based on the PubT-2010(A) Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Beneficiaries:	Beneficiary mortality rates were based on the Pub-2010(A) Contingent Survivor Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Post-disability:	Post-disability mortality rates were based on the PubNS-2010 Disabled Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.

10. Defined Benefit Pension Plans – Statewide (Continued)

Actuarial Methods and Assumptions (continued)

Changes in actuarial assumptions since the 2022 valuation:

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15% to reflect the continued lower than expected observations.

Discount Rate

1. General Employees Fund Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rates specified in Minnesota Statutes. Based on those assumptions, the fiduciary net position of the General Employees Fund 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 Discount Rate

The discount rate used to measure the total pension liability was 7.0 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 2024 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. 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.

10. Defined Benefit Pension Plans – Statewide (Continued)

Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
General Employee Retirement Fund Discount Rate	6.00%	7.00%	8.00%
District's proportionate share of the General Employee Retirement Fund net pension liability	$ 4,200,458	$ 1,923,145	$ 49,847
TRA Discount Rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 21,720,432	$ 12,333,737	$ 4,608,264

Pension Plan Fiduciary Net Position

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

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive 400, St. Paul, Minnesota, 55103-4000; or by calling (651) 296-2409 or 1-800-657-3669.

11. Commitments and Contingencies

The District participates in a number of federal and state agency assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District does not anticipate any audit adjustments or disallowed program expenditures that would-be material in relation to the general-purpose financial statements taken as a whole.

12. Flexible Benefit Plan

The District has a flexible benefit plan which is classified as a “cafeteria plan” under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the plan. Employees can elect to contribute pre-tax dollars withheld from payroll checks to the plan for health care and dependent care benefits.

Before the beginning of the plan year, which is from January 1 to August 31 for fiscal 2025 and September 1 to August 31 of each year after fiscal 2025, each participant designates a total amount of pre-tax dollars to be contributed to the plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions to the medical reimbursement portion of the plan, whether or not such contributions have been made.

Payments of insurance premiums (health, life, and disability) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the appropriate fund.

All plan property and income attributable to that property is solely the property of the District, subject to the claims of the District’s general creditors. Participants’ rights under the plan are equal to those of general creditors of the District in an amount equal to eligible health 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.

13. Other Post-Employment Benefits

The District engaged an actuary to determine the District's liability for postemployment healthcare benefits other than pensions for the year ended June 30, 2025.

Plan Description

The District provides health insurance benefits for certain retired employees under a single-employer plan. The District provides benefits for retirees as required by state statute to active employees when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and if they do not participate in any other health benefits program providing similar coverage.

The District has no assets accumulated in a trust that meet the criteria of GASB Statement No. 75.

Benefits Provided

These retirees will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the District's health benefits program. Retirees are required to pay 100% of the total premium cost. Since the premium is a blended rate determined on the entire active retiree population, the retirees are receiving an implicit rate subsidy. As of June 30, 2025 there were approximately 178 active employees electing medical coverage, 50 active employees waiving medical coverage, 5 retirees electing medical coverage, and 12 retirees with only non-medical coverage in the District's group health plan.

Funding Policy

The required contribution is based on projected pay-as-you-go method under which contributions to the plan are generally made at the same time and in the same amount as retiree benefits and expenses become due.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2024. The components of the net OPEB liability of the District at year-end were as follows:

Total OPEB liability	$ 2,624,176
Covered employee payroll	16,160,312
Net OPEB Liability as a percentage of the total OPEB Liability	16.2%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

13. Other Post-Employment Benefits (Continued)

Actuarial Methods and Assumptions (Continued)

The total OPEB liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.20%
Expected return on plan assets	N/A
Inflation rate	2.50%
Teachers	From the 2023 Teachers Retirement Association of Minnesota (TRA) actuarial valuation, mortality rates were based on the Pub-2010 teacher mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.
Non-Teachers	From the 2023 PERA of Minnesota General Employees Retirement Plan actuarial valuation, mortality rates were based on the Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.
Health care cost trend rate	8.6% for FY2025, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.

The following changes in OPEB actuarial assumptions were changed since the previous valuation:

- The discount rate was changed from 3.97% to 5.20% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality, and salary increase rates were updated from rates use din the 7/1/2022 PERA General Employees Plan and 7/1/2022 Teachers Retirement Association valuations to the rates used in the 2023 experience studies.

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Beginning Balance 6/30/2024	$ 2,688,459	$	$ 2,688,459
Changes for the Year			
Service Cost	139,453		139,453
Interest	108,699		108,699
Changes in assumptions	11,937		11,937
Difference between expected and actual experience	(144,554)		(144,554)
Contributions (employer)		179,818	(179,818)
Benefit payments	(179,818)	(179,818)	
Net Changes	(64,283)		(64,283)
Balance End of Year 6/30/2025	$ 2,624,176	$	$ 2,624,176

13. Other Post-Employment Benefits (Continued)

Net OPEB Liability Sensitivity to Discount and Health-Care 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 one percentage point lower or one percentage point higher than the current discount rate:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
1% decrease in Discount Rate (4.20%)	$ 2,844,493	$	$ 2,844,493
Current Discount Rate (5.20%)	2,624,176		2,624,176
1% increase in Discount Rate (6.20%)	2,418,999		2,418,999

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 healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
1% decrease in Trend Rates	$ 2,449,475	$	$ 2,449,475
Current Trend Rates	2,624,176		2,624,176
1% increase in Trend Rates	2,833,317		2,833,317

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

For the current year end, the District recognized OPEB expense of $46,600. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	$ 552,199	$ 303,848
Change in actuarial assumption	79,779	269,939
Total	$ 631,978	$ 573,787

13. Other Post-Employment Benefits (Continued)

OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

Year ending June 30:	OPEB Expense Amount
2026	$ (21,750)
2027	(19,122)
2028	(12,185)
2029	(10,328)
2030	23,364
Thereafter	98,212

14. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries insurance for employee health, liability, property, and automotive insurance. Settled claims resulting from these risks have not exceeded the insurance coverage in any of the past three years. There was no reduction in insurance coverage during 2025.

Some of the District's risk management activities are recorded in the Internal Service Fund. The purpose of the fund is to administer the dental program of the District on a cost reimbursement basis. This fund accounts for the risk financing activities of the District but does not constitute a transfer of risk from the District.

15. Jointly Governed Organization

The District is a member of Zumbro Education District which was established in 1988 by its six-member districts. The primary objective of this education district is to provide, by a cooperative effort, comprehensive education programs and other related services as can be effectively operated by its member districts. Each member shares in the cost of the programming, which is paid to the education district in the form of membership fees, reimbursements and other charges for services. The education district is able to recover the cost of its programming through the previously mention revenue sources. The jointly governed organization's financial statements are audited and available for inspections.

16. Bank Revolving Line of Credit

The District has a line of credit with First Security Bank bearing interest with a rate of 5.0%. The credit line is due July 31, 2025. The maximum funds available under the line of credit is $800,000. The lending line commitment is secured by substantially all assets of the District under a credit and security agreement. At June 30, 2025 and 2024 there was no outstanding on the line of credit.

17. Self-Insured Dental

The District has elected to self-insure their employee dental insurance programs. The District has entered into an agreement with an insurance company to provide claims processing and other administrative duties. The District has established an internal service fund to account for contributions from other funds for dental insurance and to establish a reserve for catastrophic losses. The amounts charged to expenses include administrative fees, claims paid and accruals for claims incurred but not paid at year end. The District recorded expense of $3,918 for the year ended June 30, 2025.

	2025
Unpaid claims, beginning of year	$
Incurred claims	244,101
Claims payments	(244,101)
Unpaid claims, end of year	$

18. Restatement

During the year, the District implemented GASB Statement No. 101, Compensated Absences. This statement provides guidance on accounting and financial reporting for reporting a liability for certain types of leave (compensated absences). Under this Statement, government organizations are required to recognize a liability for employee's compensated absences if the leave is attributable to employee's services already rendered. The liability is measured using an employee's rate of pay at the date of the financial statements. The liability and associated expense are reported in the government-wide statements. The Statement has been implemented and a liability has been reported on the government-wide financial statements.

	Net Position June 30, 2024 as Previously Reported	Restatement for Change in Accounting Standard	Net Position June 30, 2024 as Restated
Governmental Activities	$ (5,182,084)	$ (1,592,429)	$ (6,774,513)

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

REQUIRED SUPPLEMENTAL INFORMATION

JUNE 30, 2025

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

Other Post-Employment Benefits Plan
Schedule of Changes Net OPEB
Liability and Related Ratios

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability								
Service cost	$ 139,453	$ 138,144	$ 107,748	$ 147,803	$ 133,892	$ 115,998	$ 156,303	$ 151,457
Interest	108,699	102,791	74,229	43,607	53,354	64,774	89,761	86,162
Difference between expected and actual experience	(144,554)	57,276	660,423	13,621	(17,453)		(434,793)	
Changes of assumptions	11,937	(22,787)	(45,061)	(291,112)	60,163	74,078	(7,099)	(28,427)
Benefit payments	(179,818)	(223,592)	(129,197)	(137,695)	(163,072)	(165,869)	(182,099)	(182,392)
Net change in total OPEB liability	(64,283)	51,832	668,142	(223,776)	66,884	88,981	(377,927)	26,800
Total OPEB Liability - beginning of year	2,688,459	2,636,627	1,968,485	2,192,261	2,125,377	2,036,396	2,414,323	2,387,523
Total OPEB Liability - end of year	$ 2,624,176	$ 2,688,459	$ 2,636,627	$ 1,968,485	$ 2,192,261	$ 2,125,377	$ 2,036,396	$ 2,414,323
Plan Fiduciary Net Position								
Contributions	$ 179,818	$ 223,592	$ 129,197	$ 137,695	$ 135,636	$ 32,088	$	$ 66,872
Net investment income					782	2,840	4,282	5,194
Benefit payments	(179,818)	(223,592)	(129,197)	(137,695)	(163,072)	(165,869)	(182,099)	(182,392)
Net change in plan fiduciary net position					(26,654)	(130,941)	(177,817)	(110,326)
Plan Fiduciary Net Position - beginning of year					26,654	157,595	335,412	445,738
Plan Fiduciary Net Position - end of year	$	$	$	$	$	$ 26,654	$ 157,595	$ 335,412
Net OPEB Liability - End of Year	$ 2,624,176	$ 2,688,459	$ 2,636,627	$ 1,968,485	$ 2,192,261	$ 2,098,723	$ 1,878,801	$ 2,078,911
Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	7.7%	13.9%
Covered payroll	$ 16,160,312	$ 15,204,814	$ 15,354,782	$ 13,702,253	$ 14,640,713	$ 12,346,169	$ 8,859,210	$ 8,236,572
Net OPEB Liability as a Percentage of Covered-Employee payroll	16.2%	17.7%	17.2%	14.4%	15.0%	17.0%	21.2%	25.2%

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

Schedule of District's Contributions
GERF Retirement Funds
Last Ten Years (presented prospectively)

Fiscal Year Ended June 30	Pension Plan	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District Payroll	Contributions as a Percentage of Payroll
2016	PERA	$ 184,395	$ 184,395	$	$ 2,458,600	7.50%
2017	PERA	192,394	192,394		2,565,253	7.50%
2018	PERA	225,298	225,298		3,003,973	7.50%
2019	PERA	214,785	214,785		2,863,800	7.50%
2020	PERA	223,030	223,030		2,973,733	7.50%
2021	PERA	241,504	241,504		3,220,053	7.50%
2022	PERA	255,429	255,429		3,405,720	7.50%
2023	PERA	280,397	280,397		3,738,627	7.50%
2024	PERA	297,858	297,858		3,971,440	7.50%
2025	PERA	330,205	330,205		4,402,733	7.50%

Schedule of District's Contributions
TRA Retirement Funds
Last Ten Years (presented prospectively)

Fiscal Year Ended June 30	Pension Plan	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District Payroll	Contributions as a Percentage of Payroll
2016	TRA	$ 604,584	$ 604,584	$	$ 8,061,120	7.50%
2017	TRA	626,475	626,475		8,353,000	7.50%
2018	TRA	694,912	694,912		9,265,495	7.50%
2019	TRA	675,420	675,420		9,005,600	7.50%
2020	TRA	736,191	736,191		9,548,521	7.71%
2021	TRA	801,435	801,435		10,119,129	7.92%
2022	TRA	875,978	875,978		10,774,637	8.13%
2023	TRA	952,683	952,683		11,423,058	8.34%
2024	TRA	1,009,256	1,009,256		11,804,164	8.55%
2025	TRA	1,125,275	1,125,275		12,860,281	8.75%

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability
Public Employees PERA
Last Ten Years (presented prospectively)

Fiscal Year Ended June 30	District's Portion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0425%	$ 2,202,571	$	$ 2,202,571	$ 2,458,600	90%	78.20%
2016	0.0413%	3,353,355	43,860	3,397,215	2,565,253	131%	68.90%
2017	0.0466%	2,974,913	37,431	3,012,344	3,003,973	99%	75.90%
2018	0.0426%	2,363,273	77,524	2,440,797	2,863,800	83%	79.53%
2019	0.0420%	2,322,086	72,164	2,394,250	2,973,733	78%	80.23%
2020	0.0452%	2,709,947	83,397	2,793,344	3,220,053	84%	79.06%
2021	0.0473%	2,019,922	61,755	2,081,677	3,405,720	59%	87.00%
2022	0.0499%	3,952,096	115,947	4,068,043	3,738,627	106%	76.70%
2023	0.0499%	2,790,352	76,957	2,867,309	3,971,440	70%	83.10%
2024	0.0520%	1,923,145	49,729	1,972,874	4,402,733	45%	89.10%

Schedule of District's and Non-Employer Proportionate Share of Net Pension Liability
TRA
Last Ten Years (presented prospectively)

Fiscal Year Ended June 30	District's Portion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.1588%	$ 9,823,351	$ 1,205,074	$ 11,028,425	$ 8,451,126	118%	76.80%
2016	0.1606%	38,306,932	3,844,580	42,151,512	8,353,000	459%	44.90%
2017	0.1721%	34,354,282	3,320,279	37,674,561	9,265,495	371%	51.57%
2018	0.1630%	10,237,947	961,807	11,199,754	9,005,600	114%	78.07%
2019	0.1682%	10,721,103	948,862	11,669,965	9,548,521	112%	78.07%
2020	0.1741%	12,862,741	1,077,992	13,940,733	10,119,129	127%	75.48%
2021	0.1801%	7,881,714	664,770	8,546,484	10,774,637	73%	86.63%
2022	0.1848%	14,797,806	1,096,363	15,894,169	11,423,058	130%	76.17%
2023	0.1857%	15,331,808	1,073,928	16,405,736	11,804,164	130%	76.42%
2024	0.1941%	12,333,737	806,733	13,140,470	12,860,281	96%	82.07%

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

SUPPLEMENTAL INFORMATION

JUNE 30, 2025

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
COMPARATIVE BALANCE SHEET
GENERAL FUND
June 30, 2025 and 2024

	2025	2024
Assets		
Cash and investments	$ 5,094,475	$ 676,929
Current property taxes receivable	1,573,849	1,357,692
Delinquent property taxes receivable	7,434	7,824
Accounts receivable	45,192	103,508
Due from other funds	27,476	30,793
Due from other school districts	2,056	
Due from Minnesota Department of Education	2,734,218	2,383,999
Due from Federal through Minnesota Department of Education	204,962	205,509
Prepaid items	89,539	425,240
TOTAL ASSETS	$ 9,779,201	$ 5,191,494
Liabilities		
Accounts payable	$ 29,196	$ 1,152
Salaries and accrued liabilities payable	2,499,049	2,241,384
Due to other Minnesota school districts	77,380	13,800
Due to other government units	324	5,881
Short-term indebtedness	3,000,000	
Accrued interest payable	54,896	
Unearned revenue	20,000	27,000
TOTAL LIABILITIES	5,680,845	2,289,217
Deferred Inflows of Resources		
Unavailable revenue:		
Delinquent property taxes	7,434	7,824
Taxes levied for subsequent year	3,026,856	2,770,546
TOTAL DEFERRED INFLOWS OF RESOURCES	3,034,290	2,778,370
Fund Balances		
Nonspendable	89,539	425,240
Restricted:		
Operating capital	91,325	5,308
Student support personnel	5,867	8,366
Medical assistance	90,444	27,790
Read act - literacy aid	15,000	
Read act - teacher compensation	83,601	
Safe schools		1,569
Scholarships	148,526	224,479
Student activities	56,489	51,323
Assigned:		
Student activities	382,050	278,712
Unassigned - Long-term facilities maintenance restricted deficit	(611,459)	(876,393)
Unassigned	712,684	(22,487)
TOTAL FUND BALANCES	1,064,066	123,907
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 9,779,201	$ 5,191,494

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended June 30, 2025
With Partial Comparative Data for the Year Ended June 30, 2024

	Budgeted Amounts		2025	Over (Under)	2024
	Original	Final	Actual	Final Budget	Actual
Revenues					
Local sources:					
Property tax levies	$ 5,082,647	$ 5,082,647	$ 5,059,059	$ (23,588)	$ 4,744,644
Investment income			47,505		
State sources	1,031,318	1,031,318	1,308,262	276,944	1,477,248
TOTAL REVENUES	6,113,965	6,113,965	6,414,826	253,356	6,221,892
Expenditures					
Fiscal and other fixed cost programs	6,113,965	6,113,965	6,119,301	5,336	6,486,743
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			295,525	295,525	(264,851)
Other Financing Sources (Uses)					
Bond refunding payment					(25,300,000)
Bond proceeds					24,585,000
Bond premium					1,095,002
TOTAL OTHER FINANCING SOURCES (USES)					380,002
NET CHANGE IN FUND BALANCES			295,525	295,525	115,151
FUND BALANCE - BEGINNING	1,108,474	1,108,474	1,108,474		993,323
FUND BALANCE - ENDING	$ 1,108,474	$ 1,108,474	$ 1,403,999	$ 295,525	$ 1,108,474

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

TAX LEVY HISTORY

	24 Pay 25 Fiscal 26	23 Pay 24 Fiscal 25	22 Pay 23 Fiscal 24	21 Pay 22 Fiscal 23	20 Pay 21 Fiscal 22
Tax Levy*					
General Levy	$ 3,191,344	$ 2,911,256	$ 3,132,763	$ 2,644,073	$ 2,593,023
Community Service	157,823	134,751	158,602	131,887	89,177
Debt Redemption (Net)	5,865,977	5,641,712	5,218,657	5,254,524	3,708,168
TOTAL TAX LEVY	$ 9,215,144	$ 8,687,719	$ 8,510,022	$ 8,030,484	$ 6,390,368

* The tax levy includes property tax apportionments from Olmsted and Dodge Counties and state aid credits from the State of Minnesota.

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

OTHER REQUIRED REPORTS

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Independent School District #531
Byron, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the District, as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses as items 2024-002 and 2024-003 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Minnesota Legal Compliance

In connection with our audit, we noted that the District failed to comply with provisions of the depositories of public funds and public investments of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they related to accounting matters as described in the Schedule of Prior Year Findings and Responses as item 2024-005. Also, in connection with our audit, nothing come to our attention that caused us to believe that the District failed to comply with the provisions of the contracting – bid laws, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for Minnesota school districts (UFARS) sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they related to accounting matters.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control and legal compliance findings identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the provisions of the *Minnesota Legal Compliance Audit Guide for Schools Districts* and the results of that testing, and not provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. This 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. Accordingly, this communication is not suitable for any other purpose.

Smith, Schafer and Associates, Ltd.

Rochester, Minnesota
November 17, 2025

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED June 30, 2025

FINDING 2023-002: Compliance

Condition:	In accordance with the Manual for Activity Fund Accounting (MAFA), each student activity account must have a statement of purpose form completed and signed during the year. One student activity account, High School Senior Trip did not complete a statement of purpose form.
Criteria:	The District should have controls in place to ensure compliance with MAFA is monitored.
Context:	The District has informed us they will implement proper controls to ensure compliance with MAFA.
Effect:	No effect on the financial statements.
Cause:	The District does not have proper controls in place to review and ensure compliance with MAFA is monitored.
Recommendation:	We recommend that the District adopt a policy to comply with MAFA and perform a periodic internal review to ensure compliance is monitored and changes made as necessary.
Views of Responsible Officials and Planned Corrective Actions:	Management agrees with the recommendation. See corresponding Corrective Action Plan.
Current Status:	This finding did not recur in 2025.

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED June 30, 2025

FINDING 2024-001: Improper Controls Over Cash Disbursements

Condition: During out audit, it was brought to our attention that there were concerns over cash disbursements for Homeless Students. Testing of those disbursements disclosed the following:

- 5 of 19 items tested used federal funds to pay for Prom related expenditures for homeless students. This is not considered an allowable cost under Title I federal funding per the McKinney-Vento Act.
- 9 of 19 items tested did not have documentation that adequately supported which homeless student(s) received support for allowable costs. The District is required to document which students receive the benefits related to homelessness so that expenditures can be referenced to the District's homeless student(s) listing.

Criteria: All disbursements should be made for allowable costs under Title I federal funding.

All documentation supporting a disbursement should validate the student, or students, receiving benefits.

Context: In planning and performing out audit, we considered the District's internal controls over cash disbursements for designing our audit procedures for the purpose of expressing our opinion on the financial statements.

Effect: A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect cash disbursements for unallowable costs through federal funding and cash disbursements being issued without documentation properly supporting the beneficiaries of those disbursements related to homeless students.

Cause: The causes of the above-mentioned conditions are as follows:

- The disbursements that were for unallowable costs did not comply with allowable costs for homeless students under Title I federal finding per the McKinney-Vento Act.
- The disbursements that did not have adequate supporting documentation related to support for homeless students did not provide information related to which students received such support to accurately reflect that student, or students, were in fact homeless students of the District.

Recommendation: We recommend that the District's Finance Director work with the Homeless Liaison employee to ensure that the costs related to homeless students are allowable under Title I federal funding or find other ways to support the homeless students through different funding sources.

We recommend that the District's Finance Director work with the Homeless Liaison employee to ensure that proper documentation of which students are receiving the benefits from the district are properly documented.

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED June 30, 2025

FINDING 2024-001: Improper Controls Over Cash Disbursements (Continued)

Views of Responsible Officials and Planned Corrective Actions:	Management agrees with the recommendation. See corresponding Corrective Action Plan.
Current Status:	This finding did not recur in 2025.

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINDING 2024-002: Segregation of Duties

Condition:	The District does not have proper segregation of duties with regard to accounting and financial duties.
Criteria:	Generally, a system of internal control contemplates a segregation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.
Context:	In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements.
Effect:	This lack of ideal segregation of duties subjects the District to higher risk that error or fraud could occur and not be detected in a timely manner in the normal course of business.
Cause:	The internal controls over accounting and financial duties are not properly segregated is primarily caused by the limited number of the District's business office staff.
Recommendation:	We recommend that the District segregate duties as best it can within the limits of the staff available. Any modifications in internal controls in this area should be viewed from a cost/benefit perspective.
Views of Responsible Officials and Planned Corrective Actions:	Management agrees with the recommendation. See corresponding Corrective Action Plan.
Current Status:	This finding recurred in 2025.

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINDING 2024-003: Oversight of the Financial Reporting Process

Condition:	Management does not have a system of internal controls that would enable them to conclude the financial statements and related disclosures are complete and presented in accordance with U.S. generally accepted accounting principles (GAAP).
Criteria:	Auditing and financial reporting standards specify that management is responsible for establishing and maintaining internal controls for the fair presentation of the financial position and disclosures in the financial statements, in conformity with GAAP.
Context:	In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements.
Effect:	Management requested us to prepare a draft of the financial statements, including related footnote disclosures.
Cause:	There are a limited number of employees with the expertise to prepare financial statements and related disclosures.
Recommendation:	We recommend the District continue to take care when selecting and applying appropriate accounting principles to their financial records. The Board of Education should also continue to play an active role in the oversight of the District's finances.
Views of Responsible Officials and Planned Corrective Actions:	Management agrees with the recommendation. See corresponding Corrective Action Plan.
Current Status:	This finding recurred in 2025.

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINDING 2024-004: Material Audit Adjustments

Condition:	During our audit we proposed audit adjustments that resulted in material changes to the District's financial statements. These audit adjustments related to incorrect coding in various accounts, corrections of improper receivable and payable balances, and various balance sheet accounts that were not analyzed.
Criteria:	The District's finance director should review journal entries throughout the year and activity subsequent to year end to ensure that correct accounts are affected.
Context:	In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements.
Effect:	A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect misstatements of the financial statements on a timely basis. One control deficiency that typically is considered significant is identification by the auditor of a misstatement in the financial statement not initially identified by the entity's internal controls. This could affect the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.
Cause:	The condition was primarily caused by an oversight in reviewing activity in various accounts for proper coding and ending balances, and a lack of understanding in calculating year end accrual and conversion account balances.
Recommendation:	We recommend the District's finance director receive training for proper recording of transactions and proper review of account balances specifically as it relates to the year end process. The finance director should review journal entries posted to the general ledger to ensure correct UFARS account codes are being used, and review year end account balances to ensure appropriate balances. The District's finance director review financial activity subsequent to the year end in order to more properly record accounts receivable and accounts payable. We also recommend the District's finance director critically review financial variance reports to help identify accounts that have the potential of incorrect balances.
Views of Responsible Officials and Planned Corrective Actions:	Management agrees with the recommendation. See corresponding Corrective Action Plan.
Current Status:	This finding did not recur in 2025.

INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINDING 2024-005: Compliance

Condition:	In accordance with the depositories of public funds and public investments section of the *Minnesota Legal Compliance Audit Guide for School Districts*, the District did not have sufficient collateral coverage.
Criteria:	The District should have controls in place to ensure proper collateral coverage is obtained for all District bank accounts over the FDIC limit of $250,000.
Context:	In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements.
Effect:	No effect on the financial statements.
Cause:	There is not a proper review process to ensure depositories of the District have proper collateral coverage required by Minnesota Statute 118A.03 for the District's bank accounts.
Recommendation:	We recommend the District adopt a policy to comply with the *Minnesota Legal Compliance Audit Guide for School Districts* and perform internal reviews to ensure compliance is monitored and changes are made as necessary.
Views of Responsible Officials and Planned Corrective Actions:	Management agrees with the recommendation. See corresponding Corrective Action Plan.
Current Status:	This finding recurred in 2025.

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CORRECTIVE ACTION PLAN (CAP):

The Independent School District #531 respectfully submits the following corrective action plan for the year ended June 30, 2025. Audit period: July 1, 2024 - June 30, 2025.

The findings from the schedule of findings and responses are discussed below. The findings are numbered consistently with the number assigned in the schedule.

RESPONSE: FINDING 2024-002

Corrective Action Plan:

The District will review segregation of duties procedures with regard to accounting and financial duties properly segregate assigned duties to the best of its ability.

Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

Official Responsible for Ensuring CAP:

The superintendent and finance director are the officials responsible for ensuring corrective action of this deficiency.

Planned Completion Date for CAP:

Change will be done immediately.

Plan to Monitor Completion of CAP:

Nate Walbruch, Superintendent, and the Board of Education of Independent School District #531 will monitor this process.

BYRON PUBLIC SCHOOL ISD #531
801 Frontage Rd NW
Byron, MN 55920
P. 507.775.2383 F. 507.775-2385
www.bears.byron.k12.mn.us
#ByronBears

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CORRECTIVE ACTION PLAN (CAP):

The Independent School District #531 respectfully submits the following corrective action plan for the year ended June 30, 2025. Audit period: July 1, 2024 - June 30, 2025.

The findings from the schedule of findings and responses are discussed below. The findings are numbered consistently with the number assigned in the schedule.

RESPONSE: FINDING 2024-003

Corrective Action Plan:

The District will review accounting procedures in place with the goal of ensuring that oversight of the financial reporting process is maximized within the limits of the staff available with regard to accounting and financial duties properly segregate assigned duties to the best of its ability.

Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

Official Responsible for Ensuring CAP:

The superintendent and finance director are the officials responsible for ensuring corrective action of this deficiency.

Planned Completion Date for CAP:

Change will be done immediately.

Plan to Monitor Completion of CAP:

Nate Walbruch, Superintendent, and the Board of Education of Independent School District #531 will monitor this process.

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CORRECTIVE ACTION PLAN (CAP):

The Independent School District #531 respectfully submits the following corrective action plan for the year ended June 30, 2025. Audit period: July 1, 2024 - June 30, 2025.

The findings from the schedule of findings and responses are discussed below. The findings are numbered consistently with the number assigned in the schedule.

RESPONSE: FINDING 2024-005

Corrective Action Plan:

The District will adopt a policy to comply with the Minnesota Legal Compliance Audit Guide for School Districts and obtain a bond, or collateral, which is 110 percent more than the amount of excess deposits at the close of the banking day, or if Federal Home Loan Banks are used as collateral, the amount is equal to the amount of the excess deposits at the close of the banking day.

Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

Official Responsible for Ensuring CAP:

The superintendent and finance director are the officials responsible for ensuring corrective action of this deficiency.

Planned Completion Date for CAP:

Change will be done immediately.

Plan to Monitor Completion of CAP:

Nate Walbruch, Superintendent, and the Board of Education of Independent School District #531 will monitor this process.

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INDEPENDENT SCHOOL DISTRICT #531
BYRON, MINNESOTA

COMPLIANCE TABLE

JUNE 30, 2025

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Fiscal Compliance Report - 6/30/2025

District: BYRON (531-1)

01 GENERAL FUND

	Audit	UFARS	Audit - UFARS
Total Revenue	$28,965,652	$28,965,650	$2
Total Expenditures	$27,983,340	$27,983,342	($2)
Non Spendable:			
4.60 Non Spendable Fund Balance	$89,539	$89,539	$0
Restricted / Reserved:			
4.01 Student Activities	$56,489	$56,489	$0
4.02 Scholarships	$148,526	$148,526	$0
4.03 Staff Development	$0	$0	$0
4.07 Capital Projects Levy	$0	$0	$0
4.08 Cooperative Revenue	$0	$0	$0
4.12 Literacy Incentive Aid	$0	$0	$0
4.14 Operating Debt	$0	$0	$0
4.16 Levy Reduction	$0	$0	$0
4.17 Taconite Building Maint	$0	$0	$0
4.20 American Indian Education Aid	$0	$0	$0
4.24 Operating Capital	$91,325	$91,325	$0
4.26 $25 Taconite	$0	$0	$0
4.27 Disabled Accessibility	$0	$0	$0
4.28 Learning & Development	$0	$0	$0
4.34 Area Learning Center	$0	$0	$0
4.35 Contracted Alt. Programs	$0	$0	$0
4.36 State Approved Alt. Program	$0	$0	$0
4.37 Q Comp	$0	$0	$0
4.38 Gifted & Talented	$0	$0	$0
4.39 English Learner	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.41 Basic Skills Programs	$0	$0	$0
4.43 School Library Aid	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.49 Safe Schools Levy	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
4.53 Unfunded Sev & Retiremt Levy	$0	$0	$0
4.56 READ Act - Literacy Aid	$15,000	$15,000	$0
4.57 READ Act - Tchr Training Compensation	$83,601	$83,601	$0
4.59 Basic Skills Extended Time	$0	$0	$0
4.67 LTFM	($611,459)	($611,459)	$0
4.71 Student Support Personnel Aid	$5,867	$5,867	$0
4.72 Medical Assistance	$90,444	$90,444	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
4.75 Title VII Impact Aid	$0	$0	$0
4.76 Payments in Lieu of Taxes	$0	$0	$0
Committed:			
4.18 Committed for Separation	$0	$0	$0
4.61 Committed Fund Balance	$0	$0	$0
Assigned:			
4.62 Assigned Fund Balance	$382,050	$382,050	$0
Unassigned:			
4.22 Unassigned Fund Balance	$712,684	$712,684	$0

02 FOOD SERVICES

	Audit	UFARS	Audit - UFARS
Total Revenue	$1,746,386	$1,746,386	$0
Total Expenditures	$1,750,209	$1,750,210	($1)
Non Spendable:			
4.60 Non Spendable Fund Balance	$5,040	$5,040	$0
Restricted / Reserved:			
4.52 OPEB Liab Not In Trust	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$381,283	$381,282	$1
Unassigned:			
4.63 Unassigned Fund Balancee	$0	$0	$0

04 COMMUNITY SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$2,210,433	$2,210,434	($1)
Total Expenditures	$1,923,988	$1,923,987	$1
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.26 $25 Taconite	$0	$0	$0
4.31 Community Education	$321,051	$321,051	$0
4.32 E.C.F.E	$240,507	$240,507	$0
4.37 Q Comp	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.44 School Readiness	($68,130)	($68,129)	($1)
4.47 Adult Basic Education	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
4.56 READ Act - Literacy Aid	$0	$0	$0
4.57 READ Act - Tchr Training Compensation	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$6,310	$6,310	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

06 BUILDING CONSTRUCTION

	Audit	UFARS	Audit - UFARS
Total Revenue	$74,358	$74,358	$0
Total Expenditures	$1,464,988	$1,464,988	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.07 Capital Projects Levy	$0	$0	$0
4.13 Funded by COP/FP	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$367,976	$367,976	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

07 DEBT SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$6,414,826	$6,414,827	($1)
Total Expenditures	$6,119,301	$6,119,302	($1)
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.25 Bond Refundings	$0	$0	$0
4.33 Maximum Effort Loan Aid	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$1,403,999	$1,403,999	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

08 TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

18 CUSTODIAL

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0

20 INTERNAL SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$247,418	$247,418	$0
Total Expenditures	$244,101	$244,101	$0
4.22 Unassigned Fund Balance (Net Assets)	($27,476)	($27,476)	$0

25 OPEB REVOCABLE TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

45 OPEB IRREVOCABLE TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

47 OPEB DEBT SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted:			
4.25 Bond Refundings	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0