



MINNETONKA
PUBLIC SCHOOLS

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025



Minnetonka Independent School District #276

Minnetonka, Minnesota

minnetonkaschools.org/finances
952.401.5000

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT OF

MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276

YEAR ENDED JUNE 30, 2025**

**PREPARED BY THE
BUSINESS SERVICES DEPARTMENT**

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MINNETONKA, MINNESOTA

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INDEPENDENT SCHOOL DISTRICT NO. 276
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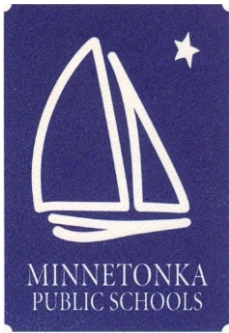
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INTRODUCTORY SECTION



Minnetonka Public Schools
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(952) 401-5000
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December 1, 2025

SERVING THE

COMMUNITIES OF:

MINNETONKA

CHANHASSEN

DEEPHAVEN

EDEN PRAIRIE

EXCELSIOR

GREENWOOD

SHOREWOOD

TONKA BAY

VICTORIA

WOODLAND

To: Citizens of the District
School Board
Employees of the District

PREFACE

The Annual Comprehensive Financial Report of Minnetonka Independent School District No. 276 (District) is submitted for the fiscal year (FY) ended June 30, 2025. The District Administration accepts full responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. The report includes all funds of the District reported in compliance with Generally Accepted Accounting Principles (GAAP).

Minnetonka Independent School District No. 276, also known as Minnetonka Public Schools, is a public corporation of the state of Minnesota per Minnesota Statute #123A-55 established to function as an educational institution. The elected School Board is responsible for legislative and fiscal control of the Minnetonka School District. A Superintendent is appointed by the Board and is responsible for administrative control of the District. There are no other entities for which the District is considered financially accountable.

The Annual Comprehensive Financial Report is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

The introductory section includes a list of principal officials, an organizational chart, and this transmittal letter. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A), basic financial statements, individual fund statements, and related schedules. The statistical section includes selected financial and demographic information generally presented on a multiyear comparative basis.

Management is required to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the District can be found immediately following the report of the independent auditors.

Governmental Accounting Standards Board (GASB) established five broad objectives which are used to organize the Statistical Section: 1) Financial trends; 2) Revenue capacity; 3) Debt capacity 4) Demographics and economics; and 5) Operations.

DISTRICT OPERATIONS

The District is required to undergo an annual audit of its federal financial assistance (single audit) in accordance with *Government Auditing Standards*, as issued by the Comptroller General of The United States, and the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the Single Audit is issued separately and is not included in this report.

Since its inception in 1952, the Minnetonka School District has been preparing students to be thoughtful, contributing members of society. During that time, our district has deservedly earned a reputation for excellent teaching, exceptional student achievement, and outstanding fiscal management.

Ensuring that this legacy of success continues is the primary responsibility of the School Board as elected officials. Toward that end, during the 2002-2003 school year, the School Board commissioned significant planning efforts, including articulating their Vision for our schools. The Vision, Strategic Plan, and Accountability Plan adopted in August 2003 and amended in June 2006 and June 2009 has propelled Minnetonka schools to become a world-class public school system.

In articulating their vision, the School Board acknowledged the significant contributions of students, teachers, administrators, support staff, past school board members, parents, and other community members who built Minnetonka's first half-century of success. To review the Board's Vision in its entirety, please visit the District web page at www.minnetonkaschools.org/district/about/mission or call 952-401-5004 to request a copy be mailed.

Mission

A Statement of our Highest Aspirations

The mission of the Minnetonka School District, a community that transcends traditional definitions of excellence and where dreams set sail, is to ensure all students envision and pursue their highest aspirations while serving the greater good, through learning and teaching which—

- Value and nurture each individual,
- Inspire in everyone a passion to excel with confidence and hope, and
- Instill expectations that stimulate extraordinary achievement in the classroom and in life.

We, in the Minnetonka Public Schools, take the responsibility captured in our mission statement very seriously. In order to provide students and their families with the best education possible, we must continually anticipate, assess, and improve the programs and services we provide. It is a never-ending process of innovation. While focusing on student learning, we must set high and rigorous standards and always think and act creatively.

Our Objectives

Objectives are an expression of the desired measurable, observable, or demonstrable results for the organization. For a school district, objectives are restricted to student success, performance, and/or achievement.

- All students will meet or exceed District academic standards.
- All students will achieve according to their individual potential.
- All students will continually achieve their stated aspirations.
- All students will possess an enlightened view of themselves, others, and the world.

ORGANIZATIONAL INFORMATION

Highlights: Student Academic Achievements 2024-25

- Students thrive in Minnetonka Schools. The average student performs above grade level. At third grade, our average student performs at the middle of fifth grade in reading and early sixth grade in math. By fifth grade, our average student performs beyond the eleventh grade level in reading and math – six grade levels ahead of national norms based on NWEA measures of success.
- The Minnetonka High School (MHS) Class of 2025 posted an outstanding average ACT composite score of 25.6. The top 100 Minnetonka students earned an average score of 34.3. 7 students earned a top score of 36 on the ACT exam (see Figure 1 for state, national and Minnetonka comparative data from 2023-24; comparative SAT results are available in Figure 2).
- Minnetonka High School graduated 885 students on June 5, 2025 (99 percent of the Class of 2025 graduated).
- This class included 284 students who graduated Summa Cum Laude with a 4.0 or higher GPA; Magna Cum Laude, 76; Cum Laude, 72.
- Based on student self-reporting, 84% percent of Class of 2025 graduates were college-bound. Seniors submitted 5,045 total applications to 586 colleges and universities. These students went on to enroll in 206 institutions.
- In fall 2025, 28 Minnetonka High School students from the Class of 2025 were named National Merit Semifinalists and 46 were named National Merit Commended scholars.
- 78.1% of the Class of 2025 took at least one AP® exam during their high school career.
- In spring 2025, Minnetonka's AP passing rate (score of 3 or higher) was 89.9%. For the graduating classes of 2025-28, The College Board named 966 Advanced Placement (AP) Scholars from MHS for outstanding performance on AP exams. 477 are AP Scholars with Distinction; 193 are AP Scholars with Honor; and 296 are AP Scholars.
- Tonka Online serves elementary, middle and high school students as a fulltime program, in addition to its supplemental opportunities at the high school level. High school offerings include more than 50 courses, from computer science courses and AP U.S. Government and Politics to world language courses.
- Enrollment in the International Baccalaureate (IB) Diploma Programme is strong. In 2025, 34 MHS students earned the IB Diploma, which includes an extended essay, completion of the Creativity, Activity, Service component and passage of IB exams in each subject area. Of those, 13 earned an IB Bilingual Diploma in Chinese or Spanish. 721 students took a total of 1,055 IB exams, 87.4% of which were a 4 or higher.
- Offering both Spanish and Chinese, Minnetonka School District's Language Immersion Program is the state's premier program. More than 50 percent of Minnetonka parents choose language immersion for their students beginning in Kindergarten.
- Members of the Class of 2025 earned 60 Minnesota World Language Proficiency Certificates, 130 Gold Bilingual Seals, 237 Platinum Seals and seven multilingual seals.
- Minnetonka High School's VANTAGE: Minnetonka Advanced Professional Studies program continues to grow, with a new strand for Health Sciences 2 approved to launch in 2025-26. Enrollment has increased from 40 students in 2013-14 to more than 620 for 2025-26.

ORGANIZATIONAL INFORMATION (CONTINUED)

Highlights: Student Academic Achievements 2024-25 (Continued)

- Minnetonka High School's MOMENTUM: Design and Skilled Trades program continues to grow as well, now encompassing strands in construction systems, manufacturing, design and transportation, which includes aviation and automotive courses.
- 82 students enrolled in Minnetonka Research (opened fall 2016), which gives students the opportunity to conduct authentic research based on their own questions and interests. Students are under the direction of a high school science teacher with further guidance from mentor-experts from around the world. Many students took advantage of the opportunity to compete in regional, state and national science fairs in 2025. Several students advanced to the Regeneron International Science and Engineering Fair (ISEF), and more were selected as alternates.
- Minnetonka High School is a certified Project Lead the Way (PLTW) Engineering program school. Enrollment continues to grow. In spring 2025, 94% percent of Minnetonka students in the program earned college credit.
- In the Continental Math League national-level competition 4,039 students participated in meets. Grades 7 and 8 placed first, Grades 2, 4, 5, and 6 tied for first, and Grade 3 tied for fifth place. (Note: there is no longer a computer science competition).
- The MHS DECA Team sent 230 students to the state competition, which is a school record for participation.
- This year, five Minnetonka High School students were honored at the state level with Minnesota Aspirations in Computing Award.
- The MHS math team won the state championship competition.
- National Scholastic Art Awards: 7 Gold Key winners, 9 Silver Key winners, 21 Honorable Mentions.
- National Scholastic Writing Awards: 8 Gold Key winners, 6 Silver Key winners, 5 Honorable Mentions.
- A 2025 Minnetonka parent survey found that 97 percent of District parents rate the quality of education in Minnetonka Schools as excellent or good.

Figure 1. Comparative ACT Data for Minnetonka, the state of Minnesota and the U.S.

2023-2024 ACT Results	Number of Students	English	Math	Reading	Science	Composite
Minnetonka	644	25.0	24.8	26.9	26.2	25.6
Minnesota	46,367	19.2	20.4	21.4	21.1	20.7
National	1,374,791	18.6	19.0	20.1	19.6	19.4
Minnetonka Top 100	100					34.3

*most recent data available © 2024 by ACT, Inc. All rights reserved. www.act.org/research

ORGANIZATIONAL INFORMATION (CONTINUED)

Figure 2. Comparative SAT Data for Minnetonka, the state of Minnesota and the U.S.

2023-2024 SAT Results	Number of Students	EBRW	Math	Total
Minnetonka	92	680	676	1356
Minnesota	2,146	608	607	1215
National	1,973,891	519	505	1024

Strong Community Support

The well-educated population strongly supports local education through parent teacher organizations and a thriving volunteer network.

Community support is also exemplified by the November 3, 2015 special election when District voters approved a unique two-step operating referendum levy increase of \$4.0 million in fiscal year 2016, inflation increases in that amount for two years, followed by another \$4.0 million increase in fiscal year 2020, with inflation increases through fiscal year 2026. This 10-year increase in operating funds was approved by 72% of the voters. Due to new legislation in 2023, in May of 2024 the School Board was able to extend those operating funds with inflation increases for another 10 years to fund fiscal years 2027 through 2036.

Also in that November 3, 2015 special election, the voters of the district approved a 10-year extension of a \$5.3 million annual levy for technology in the District to fund fiscal years 2017 through 2026. A subsequent special election on November 7, 2023 to extend the levy for technology for \$9.2 million in annual revenue through fiscal year 2034 was approved by 64% of the voters.

These revenue streams have been approved and secured by the voters of the community to the middle of the 2030s which provides important stability to District operations.

Community support is the foundation for the District's continued ability to provide a quality education for the young people of our community.

ECONOMIC CONDITION AND OUTLOOK OF THE LOCAL ECONOMY

In March of 2024, the District opened the new 36,400 square foot VANTAGE MOMENTUM Building, which is the first newly constructed building in the District since Scenic Heights Elementary School opened in 1967. The VANTAGE MOMENTUM Building brings together several high school programs which had been housed in several disparate spaces under one roof. It also houses the MOMENTUM Aviation Program which trains students to become pilots. This building inclusive of land acquisition, design, permitting, construction and equipping was completed at a total project cost of approximately \$18.8 million with the full cost of the project funded out of District funding resources, rather than from the more traditional funding method of voter-approved bonds. Because this new facility has been funded out of existing district resources and revenue streams, it has not generated a property tax increase on the District residents. Other District educational facilities consist of 10 E-12 educational buildings originally constructed from 1929 to 1967, meaning the newest building of those facilities completed its 59th year of use in fiscal year 2025. Each building has had numerous additions over the years. In spite of the age of the facilities, all school buildings are maintained in a state of good repair, with building components modernized and updated on a systematic basis through the district's Long-Term Facilities Maintenance Plan. Because of this continual renewal, all educational facilities should be able to effectively serve the district for a minimum of 50-60 additional years. The District also owns two approximately 9,000 square foot education centers constructed originally in 1997 and 2001, purchased in 2016 and 2020, and converted to education facilities to meet additional incremental programmatic space needs. The District also owns its own ice arena. The total district square footage, including one administrative building, a technology support building, and various small support buildings on the athletic fields at the high school campus, is 1,869,344.

The Gross Domestic Product (GDP) of the State of Minnesota reached \$395.3 billion in calendar 2024, which is the highest amount ever achieved in the State's history. Growth in GDP over the last decade has been steady, increasing by \$56.7 billion or 16.75% \$338.6 billion in 2014 to \$395.3 billion in 2024. State of Minnesota tax revenues have climbed along with the growth in GDP, which is significant because Minnetonka ISD 276 receives approximately 74% of its annual revenue in the General Operating Fund from the State of Minnesota via various State Aid formulas.

ENROLLMENT

Enrollment is a critical factor in Minnesota school funding as the vast majority of funding allocations for instructional operations are based the number of students served. The following chart shows that the total number of students in FY 2025 decreased by 5 students from FY 2024.

Figure #3
Five-Year Enrollment Trend
Average Daily Membership (ADM)

Grade					
	20-21	21-22	22-23	23-24	24-25
Kdgt.	865	880	903	837	771
1-3	2,464	2,504	2,437	2,464	2,486
4-6	2,538	2,552	2,559	2,609	2,666
7-12	5,144	5,238	5,289	5,323	5,314
Total K-12	11,011	11,174	11,188	11,233	11,237
DEC/ECSE	39	49	52	53	44
Total Budget ADM	11,050	11,223	11,240	11,286	11,281
ADM Change	(37)	173	17	46	(5)
Percent Change	-0.3%	1.6%	0.2%	0.4%	0.0%
Pupil Units	12,079	12,271	12,293	12,350	12,344
WADM Change	(33)	192	22	57	(6)
Percent Change	-0.3%	1.6%	0.2%	0.5%	0.0%

ENROLLMENT (CONTINUED)

In FY2025, resident pupil enrollment decreased by 163 resident students compared to FY2024. The number of students from neighboring districts electing to enroll in Minnetonka Public Schools under the state's open enrollment program increased by 158, resulting in decline in enrollment of 5 students for FY2025. The District's educational programs continue to be attractive to students from other communities. Nonresident students attending Minnetonka has increased from 3,812 in FY2021 to 4,402 in FY2025. Resident enrollment has remained stable, with a slight downward trend due to persons of retirement age staying in their homes longer due to economic conditions related to rising home prices and elevated interest rates discouraging changeover in ownership. Construction of new houses in the District is running steadily year over year in a range of approximately 0.50% increase in taxable property each year as remaining undeveloped lots have houses constructed on them. However, the rate of new construction has not resulted in increased resident enrollment.

Figure #4
Five-Year Open Enrollment Trend

ADM	20-21	21-22	22-23	23-24	24-25
In	3,812	4,015	4,141	4,244	4,402
Out	256	238	266	313	321
Difference	3,556	3,777	3,875	3,931	4,081
Total Enrollment	11,050	11,223	11,240	11,286	11,281
Percent	32.2%	33.7%	34.5%	34.8%	36.2%
Resident Enrollment	7,238	7,208	7,099	7,042	6,879
Resident %	65.5%	64.2%	63.2%	62.4%	61.0%

MINNETONKA SCHOOLS WELCOME ACCOUNTABILITY

Minnetonka residents are encouraged to look closely at Minnetonka School District's performance. Minnetonka students perform exceedingly well, and the financial management of our school district is among the top in the State. We welcome the opportunity to be fully accountable to our community.

- In April 2010, Moody's Investor Service upgraded the District's bond rating to Aaa, the highest rating on a 23-step scale. The rating is reviewed with each new bond issue. The District has been able to maintain that rating over the intervening years. Only 90 school districts of approximately 13,600 in the country, less than 7/10 of 1%, carry a bond rating at this highest level. The District bond rating from Moody's is also higher than that of 34 states. This high bond rating allows the district to borrow money at relatively low rates.
- Student performance on state tests is consistently among the top in the State.
- Citizen's Finance & Audit Advisory Committee meets 9 to 11 times per year to review district financial records and make recommendations to the School Board.
- Recognized for Excellence in Financial Reporting twenty-nine consecutive years beginning with the 94-95 Annual Comprehensive Financial Reports. The Annual Comprehensive Financial Report is available to the public and posted to the District website annually. The Annual Budget is also posted to the District website.

MINNETONKA SCHOOLS WELCOME ACCOUNTABILITY (CONTINUED)

- **Fund Balance Policy:** The policy commits the District to maintain a minimum unassigned fund balance of 6% of annual operating budget for emergency purposes. The 6% fund balance is roughly enough to operate the school district for three weeks if state revenue payments are ever interrupted.

In fiscal year 2024, based on Minnesota Department of Education Financial Profile Reports, (most recent comparable data available), the District ranked 167 among 329 Minnesota public school districts in operating expenditures on a per pupil basis. The District has historically been funded below the median of all Minnesota school districts on a per pupil basis, and approximately 15% lower annually on a per pupil basis than the average school district in the 7-County Minneapolis-St. Paul Metropolitan Area. Local operating referendum dollars allow for expenditures approaching the state median. Absent that local support, Minnetonka Independent School District 276s would be funded on a per pupil basis at 321 of 329 Minnesota public school districts with 329 being the district with the lowest funding per pupil. Minnetonka Independent School District 276 has typically ranked in the lowest 5% in terms of State Aid per pupil.

Figure #5
COMPARISON OF MINNETONKA 22-23 SPENDING
WITH OTHER DISTRICTS
(Source: State Auditor Financial Trends 2019 to 2024)

	2018-2019 Per-Pupil Costs *	2023-2024 Per-Pupil Costs *	Dollar Change Percent Change
State Average	\$12,220	\$15,560	\$3,340 27.33%
Minnetonka	\$11,943	\$15,238	\$3,295 27.59%
Variance: State to Minnetonka	(\$277) -2.27%	(\$322) -2.07%	(\$45)

* Excludes food service costs, community education, debt service, and capital expenditures.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The District complies with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota Schools. UFARS, established in 1976, dictates a modified accrual basis of accounting. Subsequent to the June 30 year-end, audited annual financial information must be provided to the State Department of Education no later than November 30.

The District has established a system of internal controls that provide reasonable assurance that assets are safeguarded from misuse or losses. Reasonable assurance means the cost of internal control is weighed against the benefits received. Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line-item budgets when issued. Specific expenditure, revenue and detail transaction reports are available through the District's financial software system at all sites for individuals with budget responsibilities and can be printed in hard copy at all sites if needed.

To accurately track and report financial activities with a focus on site-based accounting, approximately 34,000 accounts have been defined in the District's chart of accounts. The District has also developed a system of Cost Center Accounting to track expenditures in a more detailed level than the minimum detail required by UFARS.

BUDGET INFORMATION

The District's budget and financial management practices are evidenced by the following District policies:

Fund Balance Policy: Requires the District to maintain a minimum General Fund Unassigned balance of 6% of budgeted expenditures.

Budget Administration Policy: This policy establishes lines of authority and procedures for the establishment of the school district's revenue and expenditure budgets. Budget planning is an integral part of program planning so that the annual budget will effectively express and implement school board goals and the priorities of the school district.

The District's budget process is initially based on development of a budget projection model to accurately predict resources and expenditures over a multiple-year period. The budget projection is used to create the preliminary budget. The preliminary budget determines if action must be taken by the administration and Board to contain costs prior to setting the actual budget. As a result, the budget adopted in June is based upon actions taken by the School Board and administration during the budget planning process establishing program priorities and making budget adjustments. The board resolution adopting the budget includes a provision directing the administration to update the budget to reflect board decisions made subsequent to the start of the fiscal year. The budget is revised each January to reflect actual staff hiring and other dynamics, such as employee contract settlements, or legislative changes, that have taken place subsequent to approval of the budget in June.

Budgetary control regarding the level of staffing, compensation of employees, major capital expenditures, and budgetary adjustments is maintained at the District Administration level. Budgets for the support of day-to-day operations for various supplies and smaller equipment are maintained at each school site and department within the District. Budget managers are assigned responsibility for managing accounts in the cost centers that reside in their areas of responsibility. The legal level of budgetary control is at the fund level. Budget managers must obtain approval from the Superintendent for any budget increase at the cost center level. The Superintendent can make budget amendments within each fund as necessary. Budget amendments at the fund level require School Board approval.

For FY2025, the overall fund balance of the District for all funds decreased by \$118,599. This was primarily because of the payment of approximately \$1.5 million in technology equipment lease payments due in July 2025 in fiscal year 2026 being paid in late June of fiscal year 2025, resulting in those expenditures being shifted forward into fiscal year 2025.

These results plus the results of all funds are discussed further in the accompanying Management Discussion & Analysis.

DEBT ADMINISTRATION

As of June 30, 2025, the District had approximately \$180.8 million of par value bonds outstanding. This amount equates to 8.19% of the statutory maximum allowable debt limit of \$2.034 billion established by Minnesota Statutes 475.53 at 15% of the estimated market value of all taxable property in the District.

DEBT ADMINISTRATION (CONTINUED)

The District has issued bonded debt primarily to bring the facilities of the District into a state of good repair and to keep them in a state of good repair for long-term service to the taxpayers of the District. Approximately 56% or 1,043,714 square feet of the District's facility fleet is 58 years old or older, with another 27% or 477,079 square feet approaching 30 years old. These facilities have required a measure of gradual rebuilding over the past 17 years to replace major facility components and ready the buildings for an additional 60 years of use. The District has also issued bonded debt as needed to provide additional classroom capacity as well as to provide purpose-built spaces for programmatic needs based on new curriculum development.

Resources for debt repayment are provided by property taxes and state aid revenues. School districts in Minnesota are required by statute to levy 105% of scheduled bonded debt payments to ensure sufficient resources are available to make scheduled bond payments even if there are property tax delinquencies.

Bonded debt financial management, including refunding and restructuring selected bonds as appropriate, is a key component of the overall District philosophy of affording capital improvements while keeping annual levies stable. The District constantly manages the status of all of its outstanding bond issues and seeks out refunding or restructuring opportunities by continually running simulations of potential transactions.

In FY2025, the District issued \$14,285,000 par value General Obligation bonds for long-term facilities maintenance. The District also issued \$3,805,000 par value of General Obligation Refunding Bonds to refund 2018E General Obligation Refunding Bonds to garner Net Present Value Savings of \$185,292.

In FY2025, the School Board submitted an \$85 million Building Bond Referendum proposal to the Minnesota Department of Education for Review and Comment, with approval by the Minnesota Department of Education in April 2025, thereby allowing the School Board to run a Building Bond Referendum Election on November 4, 2025 which received approval by 69% of the ballots cast.

The District will be selling the \$85 million par value General Obligation bonds in three tranches between January 2026 and June 2028 to minimize the tax impact on the voters of the District.

INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE

State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen LLP was initially selected by the School Board to conduct the annual audit for fiscal year 1998-99.

This report has been prepared following the guidelines provided by the Association of School Business Officials International (ASBO) for their Certificate of Excellence in Financial Reporting Program. Achieving recognition by this program provides a clear indication of the District's high standards for financial reporting. The District intends to submit this report, its thirtieth Annual Comprehensive Financial Report, to the ASBO Certificate Program for consideration. The District has received the ASBO Certificate of Excellence in Financial Reporting twenty-ninth consecutive years beginning with the 94-95 Annual Comprehensive Financial Reports.

ACKNOWLEDGMENTS

We acknowledge the efforts of the entire accounting staff in providing complete and accurate data for this Annual Comprehensive Financial Report.

Sincerely,

A handwritten signature in cursive script that reads "Paul Bourgeois".

Paul Bourgeois, CPA
Executive Director of Finance
and Operations

A handwritten signature in cursive script that reads "David Law".

David Law
Superintendent

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2025**

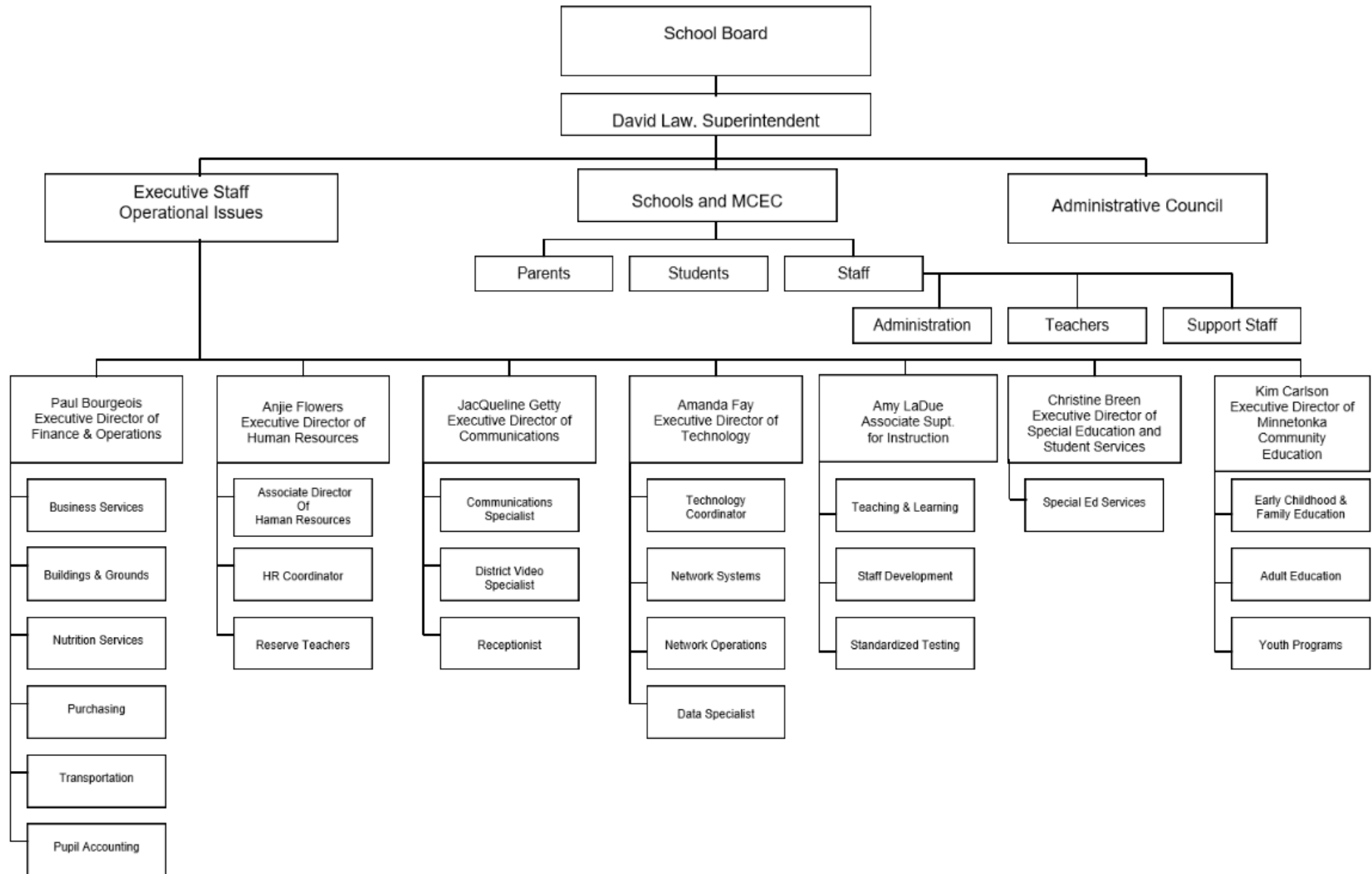
SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Meghan Selinger	01/2026	Chairperson
Patrick Lee-O'Halloran	01/2026	Vice Chairperson
Dan Olson	01/2028	Treasurer
Chris Vitale	01/2026	Clerk
Sally Browne	01/2028	Director
Kemerie Foss	01/2028	Director
Dr. Mike Remucal	01/2028	Director

ADMINISTRATION

David Law	Superintendent
Paul Bourgeois, CPA	Executive Director of Finance and Operations
Peyton Zivkovich	Coordinator of Accounting and Audit
Ashwin Muni	Coordinator of Budget and Finance Systems
District Offices:	Independent School District No. 276 Minnetonka Public Schools 5621 County Road 101 Minnetonka, MN 55345 (952) 401-5000

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
ORGANIZATIONAL CHART
JUNE 30, 2025**



MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING
JUNE 30, 2025



The Certificate of Excellence in Financial Reporting
is presented to

Minnetonka Independent School District #276

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte', written over a horizontal line.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan', written over a horizontal line.

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

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

School Board
Minnetonka Public Schools
Independent School District No. 276
Minnetonka, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minnetonka Public Schools ISD No. 276 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Minnetonka Public Schools ISD No. 276's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Minnetonka Public Schools ISD No. 276, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Minnetonka Public Schools ISD No. 276 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the District restated its beginning net position for the implementation of GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnetonka Public Schools ISD No. 276'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.

Auditors' 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 auditors' 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Minnetonka Public Schools ISD No. 276'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 Minnetonka Public Schools ISD No. 276'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's discussion and analysis, schedule of changes in the District's total OPEB liability and related ratios, budgetary comparison schedules, schedule of the District's proportionate share of net pension liabilities, and schedule of District pension contributions 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 GAAS, 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 for the year ended June 30, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Minnetonka Public Schools ISD No. 276's basic financial statements. The combining and individual fund financial statements, budgetary comparison schedules, and Uniform Financial Accounting and Reporting Standards (UFARS) compliance table are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2025, 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 GAAS. In our opinion, the combining and individual fund financial statements, budgetary comparison schedules, and UFARS compliance table are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2025.

We also previously audited, in accordance with GAAS, the basic financial statements of Minnetonka Public Schools ISD No. 276 as of and for the year ended June 30, 2024, (not presented herein), and have issued our report thereon dated November 25, 2024 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements for the year ended June 30, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2024 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2024.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of Minnetonka Public Schools ISD No. 276'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 Minnetonka Public Schools ISD No. 276's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Minnetonka Public Schools ISD No. 276's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 1, 2025

REQUIRED SUPPLEMENTARY INFORMATION

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

This section of Independent School District No. 276 Minnetonka Public Schools' annual financial report (the District) 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 transmittal letter at the front of this report and the District's financial statements, which immediately follows this section. The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year (FY2025) and the prior year (FY2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

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

- Net position of the District in total increased \$2,578,735 or 5.1% above 2024. The main reason for the increase is the decrease in the District's net pension liability that decreased from \$129,301,987 to \$99,191,009 which is a decrease of \$30,110,978. The Food Service Fund produced an operating deficit of ongoing expenditures greater than ongoing revenues and other financing sources of \$(95,256) and the Community Service Fund operated at a net surplus of \$569,655. These changes were offset by an increase in the Self-Insurance Fund of \$1.5 million, an increase in long-term liabilities of \$19.6 million, and an increase of \$4.5 million in deferred inflows of property taxes for a subsequent year.
- Final FY2025 average daily membership of 11,281 was a decrease of 5 from FY2024 average daily membership of 11,286.
- General Fund revenues increased from \$182,500,230 in FY2024 to \$188,660,236 in FY2025, an increase of \$6,160,006 or 3.4%, primarily as a result of the following:
 - \$3.03 million increase in Operating Referendum Levy Revenue
 - \$2.57 million increase in General Education Aid
- General Fund expenditures increased from \$189,082,469 in FY2024 to \$191,886,072 in FY2025, an increase of \$2,803,603 or 1.48%, primarily as the result of approximately \$6.6 million in salaries and benefits increases for staff, approximately \$1.2 million in debt service payments for payments on leased equipment due in July 2025 paid in June 2025, approximately \$838 thousand in transportation expenditures due to an increase in route rates of 8.00%, offset by approximately \$5.7 million in reduced capital outlay expenditures for equipment.
- During FY2025, the District maintained its Aaa bond rating from Moody's Investors Service, the highest rating on a 23-step scale.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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 supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the government-wide 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.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the district operates *like businesses*.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or custodian* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

Government-Wide Statements

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Except for food services and community education, property taxes and state aids finance most of these activities. Community education derives 86% of resources from services provided to patrons. Food service derives 21% of resources from services provided to patrons. This reporting format has management limitations that will be explained later in this report.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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 (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

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 government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- The District uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The District currently has two internal service funds for self-insurance of health and dental benefits and other postemployment health care benefits.
- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was \$(48,474,179) on June 30, 2025. This was an increase of 5.1% from the prior year (see Table A-1). Net position increased \$2,578,735 from current year activities.

**Table A-1
The District's Net Position**

	Governmental Activities as of June 30,		Percentage Change
	2025	2024 (As Restated)	
Current and Other Assets	\$ 154,640,065	\$ 149,277,096	3.59 %
Capital Assets	207,600,214	204,087,447	1.72
Total Assets	362,240,279	353,364,543	2.51
Deferred Outflows of Resources	34,534,482	39,821,611	(13.28)
Current Liabilities	23,743,386	23,801,035	(0.24)
Net Pension Liability	99,191,009	129,301,987	(23.29)
Long-Term Liabilities	223,653,364	220,550,706	1.41
Total Liabilities	346,587,759	373,653,728	(7.24)
Deferred Inflows of Resources	98,661,181	70,585,340	39.78
Net Position:			
Net Investment in Capital Assets	26,710,550	13,262,262	101.40
Restricted	26,756,432	27,692,249	(3.38)
Unrestricted	(101,941,161)	(92,007,425)	10.80
Total Net Position	\$ (48,474,179)	\$ (51,052,914)	(5.05)

Net position was restated as of July 1, 2024, due to the implementation of GASB Statement No. 101, *Compensated Absences*, as further discussed in Note 15 to these financial statements.

Changes in Net Position

Net position of the District in total increased \$2,578,735 or 5.1% from 2024. Capital Assets increased by a net \$3.5 million as the District completed capital replacement as part of its long-term facilities maintenance program. These changes were offset by an increase in the Self-Insurance Fund of \$1.5 million, an increase in long-term liabilities of \$21.0 million, and an increase of \$4.5 million in deferred inflows of property taxes for a subsequent year.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

The General Fund operating accounts produced an operating deficit of ongoing expenditures greater than ongoing revenues of (\$3,225,836) for FY2025 mainly because of increased employee compensation costs for salaries and benefits, as well as an increase in a significant transportation contract. Transportation cost increases are due to the effects of inflation on fuel and compensation for employees of the District's contracted transportation service provider. The Food Service Fund produced an operating deficit of ongoing expenditures greater than ongoing revenues of \$(95,256). Total revenue remained consistent with the prior year as a result of the State of Minnesota contributing revenue to fully fund free breakfast and lunch to all students. Expenses increased over the prior year mainly due to equipment replacements. The Community Education Fund operated at a surplus of \$569,655 as participation in programs continues to increase and revenues grew faster than expenditures.

Prior to GASB 34, financial operations were reported strictly on a fund basis. In Table A-2, Change in Net Position, operations are reported on an enterprise-wide basis with no reference to funds.

GASB 68 requires that the District recognize an assigned portion of the unfunded pension liabilities of the Minnesota Teachers Retirement Association (TRA) and Minnesota Public Employees Retirement Association (PERA), even though they are legal entities that are separate and distinct from the District. The combined liability that the District must record for those entities is \$99,191,009 as of June 30, 2025. Inclusion of the TRA and PERA liability is the sole reason why the District's Net Position is negative (\$48,474,179). Factoring in the related deferred inflows and outflows, under pre-GASB 68 accounting rules the District would have a positive Net Position of approximately \$49.5 million.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

**Table A-2
Change in Net Position**

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2025	2024 (As Restated)	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 18,678,172	\$ 19,584,415	(4.63)%
Operating Grants and Contributions	35,837,515	30,291,812	18.31
Capital Grants and Contributions	1,403,742	1,623,956	(13.56)
<u>General Revenues</u>			
Property Taxes	66,304,222	63,402,811	4.58
Unrestricted State Aid	98,631,529	95,490,770	3.29
Investment Earnings	5,506,575	4,572,419	20.43
Other	3,344,542	3,358,679	(0.42)
Total Revenues	229,706,297	218,324,862	5.21
Expenses			
Administration	6,114,796	5,869,357	4.18
District Support Services	7,239,526	10,081,071	(28.19)
Regular Instruction	111,675,903	117,208,798	(4.72)
Vocational Education Instruction	2,407,830	292,609	722.88
Special Education Instruction	28,563,737	26,030,109	9.73
Instructional Support Services	11,023,353	9,997,446	10.26
Pupil Support Services	7,123,674	7,274,057	(2.07)
Sites and Buildings	14,628,096	13,586,242	7.67
Fiscal and Other Fixed Cost Programs	893,862	824,575	8.40
Food Service	7,853,769	7,049,192	11.41
Community Service	15,928,376	14,687,193	8.45
Transportation	7,589,884	5,417,194	40.11
Interest and Fiscal Charges on			
Long-Term Liabilities	6,084,756	4,816,423	26.33
Total Expenses	227,127,562	223,134,266	1.79
Change in Net Position	2,578,735	(4,809,404)	
Net Position - Beginning	(51,052,914)	(46,243,510)	
Ending Net Position	<u>\$ (48,474,179)</u>	<u>\$ (51,052,914)</u>	

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

Combining the various funds, as is reported in Table A-2, infers all resources are interchangeable and can be allocated at the discretion of the District, which in actuality is not the case. Special revenue types must be used for special purposes. For example, Food Service and Community Service are special revenue funds operated on an entrepreneurial basis. If the information in Table A-2 were taken literally, an uninformed reader could conclude that resources in the Food Service program or Community Service programs are available to hire classroom teachers.

When making General Fund budget reductions in past years, one suggestion of District residents was to increase lunch prices or fees for Community Education programs to offset increased costs in the General Fund. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received, for example, in the Food Service or Community Service Fund for fiscal services to enhance classroom instruction resources. The District cannot take funds from these restricted areas and use the funds to hire teachers for instructional programs or to avoid cuts in the instructional budget.

As a result, the above schedule does not reflect the relatively small latitude delegated to the District by the state legislature to allocate resources to instruction. By pooling all expenditures, the schedule implies that the District does have equal access to all funds to impact classroom instruction. In Minnesota, that is not an option due to statutory restrictions.

Consequently, while investment houses may find value in the single statement format, it is of little value to the School Board and administration as a management tool and may confuse the general public. The statement infers a school district is one financial entity, and while that may be theoretically true, it does not reflect the laws and regulations under which a Minnesota school district must operate. Decisions made at the local level reflect the state and federal laws and regulations under which a district must operate which in Minnesota is fund based.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District is reflected in its governmental funds statement as well as the statement of activities. As noted above, Governmental Funds includes the General Fund, Food Service Fund, Community Service Fund, Capital Projects Fund, and Debt Service Fund. As of June 30, 2025, Total Governmental Funds reported a combined fund balance of \$45,135,461. The FY2025 Total Fund Balance for Governmental Funds decreased by \$118,599 compared to the FY2024 Total Fund Balance of \$45,254,060. The General Fund accounts produced an operating deficit of ongoing revenues over ongoing expenditures of (\$3,225,836) for FY2025 as a result of increased employee compensation costs for salaries and benefits as well as transportation cost increases due to the effects of inflation on fuel and compensation for employees of the District's contracted transportation service provider. The Food Service Fund produced an operating deficit of ongoing expenditures greater than ongoing revenues of \$(95,256). Total revenue remained consistent with the prior year as a result of the State of Minnesota contributing revenue to fully fund free breakfast and lunch to all students. Expenses increased over the prior year mainly due to equipment replacements. The Community Education Fund operated at a surplus of \$569,655 as participation in programs continues to increase. Revenues and other financing sources and uses in the Capital Projects Fund exceeded expenditures by \$3,144,351 as proceeds from debt instruments sold during FY2025 for specific projects were utilized in FY2025 to construct the specific capital projects for which they are intended. The Debt Service Fund had an ending fund balance of \$1,534,162 as a result of investment earnings on cash balances during the year and accumulation of the 5% over-levy required by Minnesota statutes for General Obligation Bonds.

**Table A-3
Net Change in Fund Balance - All Governmental Funds**

	Year Ended		Change
	June 30, 2025	June 30, 2024	
Revenue	\$ 224,749,832	\$ 218,750,105	\$ 5,999,727
Expenditures	241,418,946	246,867,665	(5,448,719)
Difference	(16,669,114)	(28,117,560)	11,448,446
Other Financing Sources and Uses - Net	16,550,515	18,622,553	(2,072,038)
Net Change in Fund Balance	<u>\$ (118,599)</u>	<u>\$ (9,495,007)</u>	<u>\$ 9,376,408</u>

GENERAL FUND

General Fund Revenue

General Fund revenue is one component of the previous statement on all Governmental Funds. The General Fund report does not include Food Service, Community Service, Capital Projects, or Debt Service.

Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue. Other state-authorized revenue including operating levy referendum and the property tax shift also involves an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year-to-year without a net change on total revenue.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

GENERAL FUND (CONTINUED)

General Fund Revenue (Continued)

The following schedule presents a summary of General Fund Revenues.

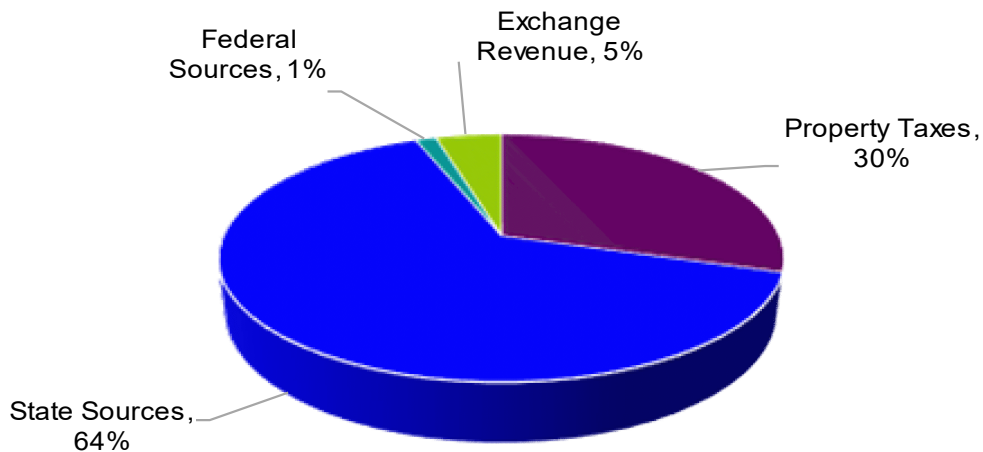
**Table A-4
General Fund Revenues**

	Year Ended		Change	
	June 30, 2025	June 30, 2024	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 55,958,033	\$ 52,836,578	\$ 3,121,455	5.9 %
Earnings on Investments	1,723,724	2,256,517	(532,793)	(23.6)
Exchange Revenue	6,767,147	8,011,928	(1,244,781)	(15.5)
State Sources	121,579,698	116,340,555	5,239,143	4.5
Federal Sources	2,631,634	3,054,652	(423,018)	(13.8)
Total General Fund Revenue	<u>\$ 188,660,236</u>	<u>\$ 182,500,230</u>	<u>\$ 6,160,006</u>	3.4

General Fund revenues increased from \$182,500,230 in FY2024 to \$188,660,236 in FY2025, an increase of \$6,160,006 or 3.4%, primarily as a result of the following:

- \$3.03 million increase in Operating Referendum Levy Revenue
- \$2.57 million increase in General Education Aid

**Figure A-1
General Fund Sources of Revenue**



**MINNETONKA PUBLIC SCHOOLS
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YEAR ENDED JUNE 30, 2025**

GENERAL FUND (CONTINUED)

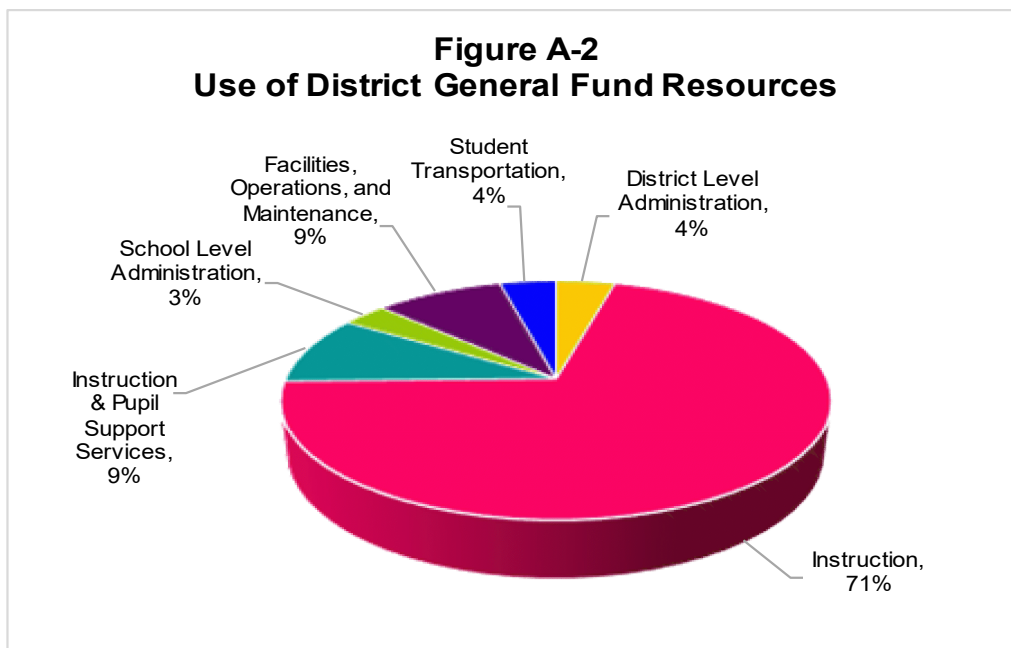
General Fund Expenditures

The following schedule presents a summary of General Fund expenditures.

**Table A-5
General Fund Expenditures**

	Year Ended June 30, 2025	Percent of Total	Year Ended June 30, 2024	Percent of Total
USES OF REVENUE				
Instruction	\$ 135,379,367	70.6 %	\$ 133,787,323	70.8 %
Instructional and Pupil Support Services	17,712,490	9.2	16,245,844	8.6
School Level Administration	6,060,938	3.2	6,169,420	3.3
Facilities, Operations, and Maintenance	17,242,124	9.0	17,521,609	9.3
Subtotal, School Level Education Services	176,394,919	91.9	173,724,196	91.9
Student Transportation	7,589,884	4.0	6,751,922	3.6
District Level Administration	7,901,269	4.1	8,606,351	4.6
Total General Fund Expenditures	<u>\$ 191,886,072</u>		<u>\$ 189,082,469</u>	

General Fund expenditures increased from \$189,082,469 in FY2024 to \$191,886,072 in FY2025, an increase of \$2,803,603 or 1.48%, primarily as the result of approximately \$6.6 million in salaries and benefits increases for staff, approximately \$1.2 million in debt service payments for payments on leased equipment due in July 2025 paid in June 1025, approximately \$838 thousand in transportation expenditures due to an increase in route rates of 8.00%, offset primarily by approximately \$5.7 million in reduced capital outlay expenditures for equipment.



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GENERAL FUND (CONTINUED)

Fund Balances – General Fund

Since implementation of the Fund Balance policy, the District has maintained a consistent unassigned fund balance of above 6% in the General Fund, which is key to maintaining the Aaa Bond Rating first received from Moody's in 2010.

**Table A-6
Undesignated/Unassigned General Fund Balance**

Year	Annual Expenditures	Undesignated/* Unassigned Fund Balance	Total Fund Balance	Undesignated/* Unassigned Percent	Total Percent
2000	\$ 58,268,217	\$ 2,874,577	\$ 3,953,323	4.93 %	6.78 %
2001	69,923,852	4,334,954	6,232,140 **	6.20	8.91
2002	61,852,250	5,020,969	7,283,331	8.12	11.78
2003	64,599,368	3,737,852	6,612,274	5.79	10.24
2004	66,023,507	4,591,901	6,272,136	6.95	9.50
2005	65,858,365	5,212,284	5,593,484	7.91	8.49
2006	66,657,817	6,133,090	7,061,237	9.20	10.59
2007	72,541,392	7,172,432	7,972,292	9.89	10.99
2008	76,280,966	8,463,830	10,100,999	11.10	13.24
2009	97,336,063 ***	11,915,358	13,765,928	12.24	14.14
2010	83,554,647	13,615,163	14,815,297	16.29	17.73
2011	86,847,689	10,551,950	16,904,256	12.15	19.46
2012	92,502,185	11,400,336	15,413,235	12.32	16.66
2013	94,897,463	14,400,463	20,284,928	15.17	21.38
2014	101,910,823	14,362,441	19,266,284	14.09	18.91
2015	109,080,060	13,821,183	19,055,503	12.67	17.47
2016	115,685,326	14,054,648	18,657,653	12.15	16.13
2017	120,974,763	16,065,042	21,102,336	13.28	17.44
2018	132,318,861	17,993,045	23,092,720	13.60	17.45
2019	142,382,288	19,357,141	28,367,299	13.60	19.92
2020	145,852,403	25,304,127	32,955,275	17.35	22.59
2021	159,525,993	23,118,361	28,519,124	14.49	17.88
2022	166,400,538	19,237,087	27,489,264	11.56	16.52
2023	170,156,444	19,002,025	26,989,324	11.17	15.86
2024	189,082,469	19,411,801	24,541,266	10.27	12.98
2025	191,886,072	15,335,731	21,496,731	7.99	11.20

* For the years 2000 through 2010, prior to the implementation of GASB 54, the amounts represent Unreserved, Undesignated fund balance. For subsequent years the amounts presented represent Unassigned fund balance.

** Includes prior period adjustment

*** Includes transfers to OPEB Revocable Trust of \$17,742,555; without this transfer the Undesignated Percent would be 14.97% and the Total Percent would be 17.30%.

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FOOD SERVICE FUND

Food Service Fund Revenue and Expenditure Comparison

Fund	Revenues			Expenditures		
	2025	2024	Percent Change	2025	2024	Percent Change
Food Service	\$ 8,291,233	\$ 8,523,597	(2.73)%	\$ 8,386,489	\$ 7,935,968	5.68 %

The Food Service Fund supports 100% of the direct costs to provide nutritious meals to students and staff. Revenue consists of the following sources: \$1,756,313 (21%) local sales, \$1,630,313 (20%) federal funding, \$4,763,204 (57%) state funding, and \$141,403 (2%) interest earnings.

The Food Service Fund is self-supporting for the department's cost of kitchen personnel, purchased services, supplies, direct utilities, custodial services associated with operation of the program and for lunchroom supervision, and replacement of capital equipment. General management expenditures charged to nutrition services are based upon a thorough analysis of General Fund operations to make certain all direct nutrition services expenditures are included in the inter-department charge back calculation and remaining management costs are allocated using the federal indirect cost rate method.

Revenue decreased by \$232,364 or 2.7%, from actual revenue for FY2024. Total revenue decreased from the prior year primarily to an approximately \$340 thousand reduction in federal school lunch aid as fewer federal free and reduced lunch applications were filed compared to past years with the State of Minnesota picking up the majority of the funding for universal free breakfast and free lunch authorized by the 2023 Minnesota Legislature.

Expenditures increased by \$450,521 or 5.7% due to increased numbers of meals served plus increase in the costs of food supplies.

The Food Service Fund produced an operating deficit of ongoing expenditures greater than ongoing revenues of \$(95,256) for FY2025.

COMMUNITY SERVICE FUND

Community Service Fund Revenue and Expenditure Comparison

Fund	Revenues			Expenditures		
	2025	2024	Percent Change	2025	2024	Percent Change
Community Ed & Sv	\$ 16,708,765	\$ 16,237,214	2.90 %	\$ 16,158,607	\$ 14,550,921	11.05 %

Community Education revenue from all sources increased by \$471,551, or 2.9%, to \$16,708,765 for FY2025. Community Service Fund program offerings continue to be popular options for the community with high participation which drove the increase in revenue.

Community Education expenditures increased by \$1,607,686, or 11.0% when compared to FY2024. Employee staffing levels for all programs increased as program participation continued to rise. Instructor costs also increased along with the increase in program offerings.

As a result, the Community Service Fund had a surplus of revenues and other financing sources to expenditures of \$569,655 for FY2025.

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CAPITAL PROJECTS AND DEBT SERVICE FUNDS

The following is a summary of the Capital Projects and Debt Service Funds Revenue and Expenditures (including other financing sources and uses).

Capital Projects and Debt Service Funds Revenue and Expenditure Comparison						
<u>Fund</u>	<u>Revenues and Other Financing Sources</u>			<u>Expenditures and Other Financing Uses</u>		
	<u>2025</u>	<u>2024</u>	<u>Percent Change</u>	<u>2025</u>	<u>2024</u>	<u>Percent Change</u>
Debt Service	\$ 20,919,748	\$ 10,768,499	94.27%	\$ 21,612,562	\$ 10,571,268	104.45 %
Capital Project	16,721,273	15,181,950	10.14%	13,576,922	24,542,880	(44.68)%

In FY2025, the District performed major long-term facilities maintenance on all buildings to keep its facilities in a state of good repair in line with its rolling Ten-Year Long-Term Facilities Maintenance Plan.

The District issued the following bond issues during FY2025:

- In August 2024, the District issued \$14,285,000 G.O. Facilities Maintenance Bonds, Series 2024B. The proceeds of this issue will be used to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry replacement and various other long term maintenance replacement items as described in the District's approved ten-year long-term facility maintenance plan.
- In October 2024, the District issued \$3,805,000 G.O. Alternative Facilities Refunding Bonds, Series 2024D. The proceeds of this issue will be used to refund the G.O. Alternative Facilities Refunding Bonds, Series 2018E.

Total Gross Bonded Debt of the District as of June 30, 2025 of \$120,650,000 along with \$1,534,162 in debt service funds available resulted in a net bonded debt of \$119,115,838. The value of taxable property in the District as of December 31, 2024 was \$13,770,150,285. The ratio of Gross Bonded debt to taxable property is 0.88%.

The District undertook the following sales of Certificates of Participation in FY2025:

- The 2024C issue in the amount of \$5,615,000 were sold on November 5, 2024. The COPs were issued to refund the Refunding Certificates of Participation, Series 2019A.

Total Certificates of Participation outstanding as of June 30, 2025 was \$60,119,998.

**MINNETONKA PUBLIC SCHOOLS
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INTERNAL SERVICE FUNDS

The Internal Service Fund consists of the Other Postemployment Benefits (OPEB) Revocable Trust for retiree health benefits and the Self-Insurance Program for Health and Dental Benefits. The OPEB Revocable Trust Fund had an increase in net position of \$1,149,153. Contributing to this change in net position was the withdrawal of normal benefit payments of \$915,790, and an increase for the fiscal year on investment earnings of \$2,064,943. At June 30, 2025, the OPEB Revocable Trust Fund had net position of \$15,509,993, which was 157% of the OPEB Liability of \$9,895,959.

The Self-Insurance Program for health and dental benefits had an increase in net position of \$382,110. A premium increase of 19.8% as well as a lower incidence of serious illness claims combined to produce a slight surplus for FY2025. The Self-Insurance Program ended FY2025 with a net position of \$6,931,417, which equates to approximately 33% of operating expenses.

FUND BALANCES AND RESTRICTIONS

The General Fund Balance decreased by a net (\$3,044,535). The General Fund Operating Accounts produced an operating loss of ongoing expenditures over ongoing revenues of (\$3,225,836) for FY2025. The General Fund Balance at June 30, 2025 of \$21,496,731 is 11.2% of General Fund Expenditures for FY2025.

The Food Service Fund Balance of \$4,291,006 is retained to provide resources for the replacement of capital equipment. Any small net income margin at the end of the year is added to this restricted balance. It ensures that the Food Service Fund remains self-sufficient for revenues and expenditures so that no contribution is needed from the General Fund, thereby ensuring that General Fund revenues can be fully utilized for educational needs. Revenue decreased by \$232,364 or 2.7%, from actual revenue for FY2024. Total revenue decreased from the prior year primarily to an approximately \$340 thousand reduction in Federal School Lunch Aid as fewer Federal free and reduced lunch applications were filed compared to past years with the State of Minnesota picking up the majority of funding for universal free breakfast and free lunch authorized by the 2023 Minnesota Legislature. Expenditures increased by \$450,521 or 5.7% due primarily to replacement of equipment, rising food costs, and increased salary and benefit costs.

As a result of those factors, the Food Service Fund Balance decreased by \$95,256 in FY2025.

Capital Projects restricted fund balances totaling \$11,139,999 represent bond proceeds that have been issued and retained for specific construction or long-term facilities maintenance projects. This includes \$10,648,483 for long term maintenance projects scheduled in the District's 10-Year Long Term Facilities Maintenance Plan and \$491,516 for projects funded by Certificates of Participation. Debt Service restricted fund balances totaling \$1,534,162 represent bond proceeds held for debt refunding and property tax revenues that have been collected for the purpose of paying scheduled interest payments due on outstanding debt coupons and retiring debt principal.

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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

During FY2025, the District received approximately \$16.1 million in long-term maintenance bond proceeds to pay for long-term facilities maintenance projects ongoing throughout the various school buildings. The long-term maintenance fund also received over \$500 thousand in interest earnings on the cash balance of the bond proceeds before their use, further supporting the fund and the projects it supports. The district spent \$13,576,922 on capital expenditures, including the cost of design and project management in addition to the cost of construction and completion of the various projects. with most of the costs in the categories of land and building improvements. This is a reduction of approximately \$11 million from FY2024, mostly due to projects being completed and incurring no further costs. (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation and amortization expense for the year was approximately \$12.2 million.

**Table A-7
Capital Assets**

	2025	2024	Percentage Change
Land	\$ 4,862,809	\$ 4,450,229	9.3 %
Construction in Progress	5,778,351	6,093,256	(5.2)
Land Improvements	30,936,279	29,459,747	5.0
Buildings and Improvements	269,883,611	263,058,846	2.6
Equipment	30,297,656	35,313,839	(14.2)
Right-to-Use Lease Assets	4,054,048	3,964,973	2.2
Subscription Based Information			
Technology Arrangement Assets	739,121	627,398	17.8
Less: Accumulated Depreciation and Amortization	(138,951,661)	(138,880,841)	0.1
Total District Capital Assets	<u>\$ 207,600,214</u>	<u>\$ 204,087,447</u>	1.7

Construction – Next Five Years

As of June 30, 2025, building additions completed over the prior 18 years along with construction of the VANTAGE-MOMENTUM Building – the first all-new school building constructed in the District since Scenic Heights Elementary school in 1967 - have brought the capacity of the District's facilities to 12,000 In-Person K-12 students.

In November 2025, the District received approval from voters on an \$85 million building bond referendum. This referendum allows the district to provide support to buildings that have been identified by a task force of community stakeholders as needing additional spaces to support instructional programs. The District will be issuing the bonds in three tranches over the next 2.5 years and construction of all the projects is projected to be completed by approximately December 2028.

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CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities

At year-end June 30, 2025, the District had approximately \$180.8 million in outstanding par value of General Obligation bonds and Certificates of Participation. More detailed information about long-term liabilities can be found in Note 5 to the financial statements. The District continues to expect outstanding par value of long-term debt to decline over the long term. The total outstanding par value of General Obligation Bonds and Certificates of Participation increased by \$3,435,000 as of June 30, 2025 compared to June 30, 2024. This was due to the issuance of \$14,285,000 2024B General Obligation Long Term Facilities Maintenance Bonds, the issuance of the \$5,615,000 2024C Certificate of Participation to refund the Refunding Certificate of Participation, Series 2019A, and the issuance of \$3,805,000 G.O. Alternative Facilities Refunding Bonds, Series 2024D to refund the G.O. Alternative Facilities Refunding Bonds, Series 2018E.

In November 2025, the District received approval from voters on an \$85 million building bond referendum. This referendum allows the district to provide support to buildings that have been identified by a task force of community stakeholders as needing additional spaces to support instructional programs. The District will be issuing the bonds in three tranches over the next 2.5 years and construction of all the projects are projected to be completed by approximately December 2028.

The District estimates approximately \$9.9 million in postemployment severance and health benefits payable at June 30, 2025. The District also estimates compensated absences payable of approximately \$18.9 million due the implementation of GASB Statement No. 101, *Compensated Absences*.

Net pension liability of \$99.2 million reflects the District's assigned portion of the unfunded liabilities of the Teachers Retirement Association (TRA) and Public Employees Retirement Association (PERA) pension funds as required by GASB Statement 68.

**Table A-8
The District's Long-Term Liabilities**

	2025	2024 (As Restated)	Percentage Change
General Obligation Bonds	\$ 120,650,000	\$ 114,185,000	5.7 %
Net Bond Premium and Discount	9,422,805	8,024,360	17.4
Certificates of Participation Payable	60,119,998	63,149,998	(4.8)
Financed Purchases Payable	1,331,359	4,039,009	(67.0)
Long-Term Leases Payable	3,081,646	3,175,835	(3.0)
Promissory Note Payable	-	109,400	(100.0)
Subscriptions Payable	285,793	359,005	(20.4)
Net Pension Liability	99,191,009	129,301,987	(23.3)
Other Postemployment Benefits Payable	9,895,959	9,168,103	7.9
Severance Benefits Payable	-	422,990	(100.0)
Compensated Absences and Early Retirement Incentive Payable	18,865,804	18,339,996	2.9
Total Long-Term Liabilities	<u>\$ 322,844,373</u>	<u>\$ 350,275,683</u>	(7.8)
Bonds, Certificates of Participation, and Compensated Absences:			
Due Within One Year	\$ 14,951,292	\$ 12,657,383	
Due in More Than One Year	198,806,113	182,258,958	
Total	<u>\$ 213,757,405</u>	<u>\$ 194,916,341</u>	

**MINNETONKA PUBLIC SCHOOLS
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GENERAL FUND BUDGET

Included in this budget category are district operations, transportation, extra-curricular programs, capital, athletic equipment fees, Tonka Dome operations, Pagel Center operations, Art Center operations, and Capital Projects Levy. To provide focus to the budget management process, resources used to pay personnel costs, utilities, transportation, and supplies are separated from resources that are either restricted or committed for a specific purpose such as funds for capital, student fees collected to purchase extra-curricular equipment, funds designated to repay the other postemployment benefits commitment, and funds reserved for the Tonka Dome, Pagel Center, or Art Center facility. Those funds are reserved and not projected as available for operational expenditures. Table A-9 reflects the division of the General Fund for budget management purposes.

FY2025 Operational Budget expenditures of \$190.8 million exceeded operational revenues of \$187.8 million by \$3,055,770. Increases in employee compensation and benefits and in transportation expenditures at rates that exceeded the increases in revenue funding formulas were the primary reasons that expenditures exceeded revenues in FY2025.

**MINNETONKA PUBLIC SCHOOLS
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GENERAL FUND BUDGET (CONTINUED)

**Table A-9
General Fund - Budget v. Actual**

	2024-2025		Variance	
	Budget	Actual	Over (Under)	Percent
Operational Budgets (Includes Transportation and Extra Curricular):				
Revenue and Other Financing Sources	\$ 167,841,151	\$ 168,593,584	\$ 752,433	0.4 %
Expenditures and Other Financing Uses	170,441,234	173,006,829	2,565,595	1.5
Revenue Under Expenditures	(2,600,083)	(4,413,245)	(1,813,162)	
Reserve General Fund Budgets:				
Revenue:				
Capital Expenditures	6,026,370	6,381,140	354,770	5.9
Athletic Equipment Fees	604,194	328,229	(275,965)	(45.7)
Fiduciary Funds	1,815,351	1,904,415	89,064	4.9
Arts Center	968,278	1,092,947	124,669	12.9
Tonka Dome	419,130	392,910	(26,220)	(6.3)
Pagel Center	584,388	583,677	(711)	(0.1)
Capital Projects Levy	9,528,185	9,584,132	55,947	0.6
Total Revenue	19,945,896	20,267,450	321,554	
Expenditures:				
Capital Expenditures	5,877,621	5,516,402	(361,219)	(6.1)
Athletic Equipment Fees	604,194	391,591	(212,603)	(35.2)
Fiduciary Funds	1,815,351	1,834,190	18,839	1.0
Arts Center	968,278	1,092,947	124,669	12.9
Tonka Dome	382,710	392,910	10,200	2.7
Pagel Center	722,724	667,540	(55,184)	(7.6)
Capital Projects Levy	10,053,784	9,003,160	(1,050,624)	(10.5)
Total Expenditures	20,424,662	18,898,740	(1,525,922)	
Net Change in Fund Balance	(478,766)	1,368,710	1,847,476	
Summary:				
Total Revenues	187,787,047	188,861,034	1,073,987	0.6
Total Expenditures	190,865,896	191,905,569	1,039,673	0.5
Change in Fund Balance	\$ (3,078,849)	\$ (3,044,535)	\$ 34,314	

* Intrafund transfers in the General Fund are shown gross in this table but netted elsewhere.

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GENERAL FUND BUDGET (CONTINUED)

The District maintains several significant separate sub-funds that are rolled into the operational General Fund results for reporting in the Annual Comprehensive Financial Report. These funds either have very specific function orientation or are utilized to fund noncapital equipment needs for various programs. As a result, they will typically maintain separate assigned fund balances and may accrue funds over several years for a specific project or purpose. As a result, it is not unusual for these funds to occasionally spend down a portion of their fund balance in addition to their annual revenues in a given year, with the expenditures going for that targeted purpose.

Under GASB 54, unassigned General Fund balances, plus General Fund assigned fund balances at the discretion of the School Board, are the best measure of school district health. The fund balances at the School Board's discretion in the assigned and unassigned categories totaled \$17,358,679 or 9.1% of FY2025 expenditures. The Board has had a fund balance policy in place since 1988 requiring maintenance of a general fund unassigned balance of a minimum 6% of expenditures.

The General Fund includes the operating expenditures incurred in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects. Management of General Fund resources is the primary focus of the School Board and administration.

With the exception of interest earnings, tickets receipts, and other miscellaneous revenue, all General Fund revenue is controlled by a complex set of state funding formulas. State formulas determine the basic level of funding by setting a uniform per pupil allowance for all Minnesota school districts. In addition, state formulas determine the amount of aid received for programs such as special education, concentrations of poverty, geographic dispersion of students, integration, English language learners, and nonpublic transportation. State formulas also set the maximum operating referendum revenue per pupil that districts may request of voters. Once the revenue is determined, another set of state formulas are used to calculate what portion of the revenue will be provided by property taxes and what portion will come from state aid.

FACTORS BEARING ON THE DISTRICT'S FUTURE

In November 2025, the District received approval from voters on an \$85 million building bond referendum. This referendum allows the district to provide support to buildings that have been identified by a task force of community stakeholders as needing additional spaces to support instructional programs. The District will be issuing the bonds in three tranches over the next 2.5 years and construction of all the projects is projected to be completed by December 2028.

For FY2024, the State of Minnesota provided funding increases including 4.00% on the main basic funding formula as the State of Minnesota had a projected budget surplus for the FY24-FY25 Biennium of over \$17 Billion. This increase was the first basic funding formula increase that exceeded 2.45% in 18 years. Assuming the state can provide annual state-provided revenues without any proration reductions, the major factor influencing the District's future will be the District's commitment to managing expenditures so that they do not exceed available resources. The District received approval from the voters of the District on November 3, 2015, for an operating referendum revenue extension and increase of \$340 per pupil for FY2017 and an increase of \$340 per pupil in FY2020. With the approval, additional ongoing revenue per pupil was generated in the amount of approximately \$4.3 million in FY2017 and approximately \$4.8 million in FY2020. The approval rate was 72%. This important revenue source increases slightly with inflation each year.

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FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)

The approval of the Operating Referendum increases per pupil on November 3, 2015 put the District's Operating Referendum per pupil at the maximum amount per pupil that is allowed under Minnesota Statutes for FY2020. As a result, the District will not be able to ask the voters of the District for any additional amounts per pupil in the future unless there are Legislature-approved changes to the statutes that govern school district funding.

The District will always be able ask the voters of the District to renew the Operating Referendum at the maximum amount per pupil. However, under current statutes, the District was not able to ask voters to increase the amount per pupil at the November 2023 election. However, statutory changes by the 2023 Legislature now allow school districts to extend an Operating Referendum one time for 10 years by a vote of the School Board if the extension is for the existing amount plus inflation. The Minnetonka ISD 276 School Board did enact that 10-year extension through FY2036 on May 30, 2024.

However, the current restrictive cap on the amount of the Operating Referendum makes it impossible for the amount per pupil to be increased by any amount greater than inflation. This restriction, if not changed by Legislative action in calendar 2025, will have a great impact on future operations, as expenditure levels tend to rise faster than revenue levels absent any periodic additional Operating Referendum revenue per pupil.

If the District is not able to ask for additional Operating Referendum Funds in November 2026 to provide additional revenue for Fiscal Year 2028, which starts on July 1, 2027, there will be a round of significant budget reductions that will be necessary to balance the General Operating Fund Budget. If they are needed, these budget reductions will be the third round of budget reductions in four fiscal years, following prior reductions for Fiscal Year 2025 and Fiscal Year 2026. Prior to Fiscal Year 2024, the District was able to not have budget reductions for 19 years from Fiscal Year 2007 through Fiscal Year 2025.

If the Legislature is supportive of increasing the Operating Referendum Cap, it will be possible for the District to start another string of years of no budget reductions. As it stands as of the issue date of this Annual Comprehensive Financial Report, however, while the District General Operating Fund is projected to be in balance for Fiscal Year 2027, another round of budget reductions will be necessary for Fiscal Year 2028.

The District received approval from the voters of the District for an extension of the Capital Projects (Technology) referendum revenue on November 7, 2023. This levy generates approximately \$10.4 million annually. The extension is through the 32 Pay 33 Levy for Fiscal Year 2034. The approval rate was 64%.

This revenue is based on the value of all property in the District, so it generally rises with increasing property values. In times of economic difficulty, this revenue can fall.

There is no maximum limit on the amount of revenue from this source that the District can ask the taxpayers to approve, so it could be increased in the future. However, use of the revenue is restricted to very specific uses identified in Minnesota Statutes.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)

The District projects enrollment growth to stop naturally at between 11,500 and 11,600 if the School Board approves the additional students. With the opening of the VANTAGE MOMENTUM building, the district has the room for 11,900 students. The current Board-approved enrollment cap is 11,250 in-person students. The District also operates a comprehensive e-learning program that has the ability to serve between 120 and 150 students with additional overhead costs for administrative, clerical and technical support staff.

Primary drivers of the District General Fund expenditure budget continue to be personnel related:

- Staffing salaries and benefits comprise over 82% of total General Fund expenditures
- The cost of collectively-bargained contracts with employee groups and unions
- Health insurance costs that increase approximately in the mid-single digits on an annual basis

Finances will continue to be monitored very closely into the future, as if revenue increases per pupil continue to be restricted, it will be necessary at some point for the School Board to realign annual General Fund expenditures with the slower-growing General Fund revenues.

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 Business Office, Independent School District 276, District Service Center, 5621 County Highway #101, Minnetonka, Minnesota 55345.

Bond Ratings

The District's bonds presently carry a Moody's "Aaa" rating.

Limitations on Debt

The state limits the amount of general obligation debt the District can issue to 15% of the assessed value of all taxable property within the District's corporate limits. Our outstanding debt is significantly below this limit – which is currently over \$2.0 billion.

BASIC FINANCIAL STATEMENTS

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 98,894,621
Cash with Fiscal Agent	1,985,545
Receivables:	
Property Taxes	35,427,008
Other Governments	15,283,335
Leases Receivable	209,082
Other	613,241
Prepaid Items	1,863,171
Inventories	364,062
Capital Assets:	
Land and Construction in Progress	10,641,160
Other Capital Assets, Net of Depreciation and Amortization	196,959,054
Total Assets	<u>362,240,279</u>
DEFERRED OUTFLOWS OF RESOURCES	
Losses on Debt Refunding	(1,627)
Deferred Outflows - Pension Payments	33,960,795
Deferred Outflows - Other Postemployment Benefits	575,314
Total Deferred Outflows of Resources	<u>34,534,482</u>
LIABILITIES	
Salaries Payable	9,426,709
Accounts and Contracts Payable	6,547,981
Accrued Interest	2,712,516
Due to Other Governmental Units	135,244
Unearned Revenue	4,920,936
Long-Term Liabilities:	
Net Pension Liability	99,191,009
Other Postemployment Benefits Due Within One Year	887,385
Other Postemployment Benefits Liability Due in More Than One Year	9,008,574
Other Long-Term Liabilities Due Within One Year	14,951,292
Other Long-Term Liabilities Due in More Than One Year	198,806,113
Total Liabilities	<u>346,587,759</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	65,712,710
Lease Receivable	172,342
Deferred Inflows - Pensions	32,749,046
Deferred Inflows - Other Postemployment Benefits	27,083
Total Deferred Inflows of Resources	<u>98,661,181</u>
NET POSITION	
Net Investment in Capital Assets	26,710,550
Restricted for:	
General Operating Capital Purposes	1,101,975
State-Mandated Reserves	85,000
Food Service	4,127,888
Community Service	6,843,035
Capital Projects	13,647,905
Other Purposes	950,629
Unrestricted	(101,941,161)
Total Net Position	<u><u>\$ (48,474,179)</u></u>

See accompanying Notes to Basic Financial Statements.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Change in
			Contributions	Contributions	Net Position
					Total
					Governmental
					Activities
GOVERNMENTAL ACTIVITIES					
Administration	\$ 6,114,796	\$ 13,704	\$ 263,087	\$ 82,929	\$ (5,755,076)
District Support Services	7,239,526	-	80,150	-	(7,159,376)
Regular Instruction	111,675,903	2,189,161	3,005,748	16,828	(106,464,166)
Vocational Education Instruction	2,407,830	-	66,732	-	(2,341,098)
Special Education Instruction	28,563,737	3,648	24,630,071	-	(3,930,018)
Instructional Support Services	11,023,353	218,007	156,213	-	(10,649,133)
Pupil Support Services	7,123,674	226,169	118,826	-	(6,778,679)
Sites and Buildings	14,628,096	389,104	112,972	1,302,621	(12,823,399)
Fiscal and Other Fixed Cost Programs	893,862	-	-	-	(893,862)
Food Service	7,853,769	1,754,573	5,927,842	-	(171,354)
Community Service	15,928,376	13,883,806	1,127,331	1,363	(915,876)
Transportation	7,589,884	-	348,543	-	(7,241,341)
Interest and Fiscal Charges on					
Long-Term Liabilities	6,084,756	-	-	-	(6,084,756)
Total School District	<u>\$ 227,127,562</u>	<u>\$ 18,678,172</u>	<u>\$ 35,837,515</u>	<u>\$ 1,403,742</u>	(171,208,133)
GENERAL REVENUES					
Property Taxes Levied for:					
General Purposes					55,982,686
Community Service					1,015,166
Debt Service					9,306,370
State Aid Not Restricted to Specific Purposes					98,631,529
Earnings on Investments					5,506,575
Miscellaneous					3,344,542
Total General Revenues					<u>173,786,868</u>
CHANGE IN NET POSITION					2,578,735
Net Position - Beginning, As Originally Reported					(34,586,652)
Restatement, - See Note 15					(16,466,262)
Net Position - Beginning, as Restated					<u>(51,052,914)</u>
NET POSITION - ENDING					<u>\$ (48,474,179)</u>

See accompanying Notes to Basic Financial Statements.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Major Funds					Total Governmental Funds
	General	Food Service	Community Service	Capital Projects	Debt Service	
ASSETS						
Cash and Investments	\$ 37,498,267	\$ 3,401,137	\$ 9,052,652	\$ 13,423,117	\$ 6,740,804	\$ 70,115,977
Cash with Fiscal Agent	609,251	-	-	491,522	884,772	1,985,545
Receivables:						
Current Property Taxes	28,385,549	-	538,210	-	6,248,969	35,172,728
Delinquent Property Taxes	215,731	-	3,766	-	34,783	254,280
Accounts and Interest Receivable	284,861	110,935	131,636	-	29,635	557,067
Due from Other Minnesota School Districts	101,600	-	108,299	-	-	209,899
Due from Minnesota Department of Education	11,647,571	760,634	47,176	-	95,404	12,550,785
Due from Federal through Minnesota Department of Education	1,851,184	186,737	-	-	-	2,037,921
Due from Other Governmental Units	484,730	-	-	-	-	484,730
Due from Other Funds	899,138	-	-	-	-	899,138
Leases Receivable	209,082	-	-	-	-	209,082
Inventory	218,477	145,585	-	-	-	364,062
Prepays	1,781,971	17,533	35,818	27,849	-	1,863,171
Total Assets	<u>\$ 84,187,412</u>	<u>\$ 4,622,561</u>	<u>\$ 9,917,557</u>	<u>\$ 13,942,488</u>	<u>\$ 14,034,367</u>	<u>\$ 126,704,385</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Salaries and Compensated Absences Payable	\$ 5,480,267	\$ -	\$ 523,697	\$ 4,585	\$ -	\$ 6,008,549
Payroll Deductions and Employer Contributions Payable	3,403,723	462	13,975	-	-	3,418,160
Accounts and Contracts Payable	775,180	23,995	248,242	2,999,428	-	4,046,845
Due to Other Governmental Units	135,244	-	-	-	-	135,244
Unearned Revenue	441,554	307,098	1,179,150	-	-	1,927,802
Total Liabilities	10,235,968	331,555	1,965,064	3,004,013	-	15,536,600
Deferred Inflows of Resources:						
Levied for Subsequent Year	52,173,648	-	1,073,640	-	12,465,422	65,712,710
Unavailable Revenue - Delinquent Property Taxes	108,723	-	3,766	-	34,783	147,272
Leases Receivable	172,342	-	-	-	-	172,342
Total Deferred Inflows of Resources	52,454,713	-	1,077,406	-	12,500,205	66,032,324
Fund Balances:						
Nonspendable:						
Inventory	218,477	145,585	-	-	-	364,062
Prepays	1,781,971	17,533	35,818	27,849	-	1,863,171
Restricted for:						
Student Activities	25,630	-	-	-	-	25,630
Scholarships	216,864	-	-	-	-	216,864
Q Comp	238,418	-	-	-	-	238,418
Capital Projects Levy	469,717	-	-	-	-	469,717
Projects Funded by Certificates of Participation	-	-	-	491,516	-	491,516
Operating Capital	1,101,975	-	-	-	-	1,101,975
Community Education	-	-	5,861,784	-	-	5,861,784
Early Childhood and Family Education	-	-	658,418	-	-	658,418
School Readiness	-	-	304,543	-	-	304,543
Adult Basic Education	-	-	14,524	-	-	14,524
Long-Term Facilities Maintenance	-	-	-	10,648,483	-	10,648,483
Food Service	-	4,127,888	-	-	-	4,127,888
Debt Service	-	-	-	-	1,534,162	1,534,162
Medical Assistance	85,000	-	-	-	-	85,000
Assigned for:						
Athletic Equipment	455,546	-	-	-	-	455,546
Special Purposes	1,567,402	-	-	-	-	1,567,402
Unassigned	15,335,731	-	-	(229,373)	-	15,106,358
Total Fund Balances	21,496,731	4,291,006	6,875,087	10,938,475	1,534,162	45,135,461
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 84,187,412</u>	<u>\$ 4,622,561</u>	<u>\$ 9,917,557</u>	<u>\$ 13,942,488</u>	<u>\$ 14,034,367</u>	<u>\$ 126,704,385</u>

See accompanying Notes to Basic Financial Statements.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balance for Governmental Funds \$ 45,135,461

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	4,862,809
Construction in Progress	5,778,351
Land Improvements, Net of Accumulated Depreciation	15,613,926
Buildings and Improvements, Net of Accumulated Depreciation	166,028,236
Equipment, Net of Accumulated Depreciation	12,180,372
Right-to-Use Assets, Net of Accumulated Amortization	3,136,520

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unearned revenue in the funds.

147,272

When a bond defeasance occurs the difference between the amount paid to the refunded bond escrow and the principal of the defeased debt is expensed in the governmental funds. These expenditures are capitalized on the statement of net position as deferred charges.

(1,627)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

(2,712,516)

The District's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

Net Pension Liability	(99,191,009)
Deferred Inflows of Resources - Pensions	(32,749,046)
Deferred Outflows of Resources - Pensions	33,960,795

The District's OPEB liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year end are:

Other Postemployment Benefits Liability	(9,895,959)
Deferred Inflows of Resources - Other Postemployment Benefits	(27,083)
Deferred Inflows of Resources - Other Postemployment Benefits	575,314

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:

Bonds Payable	(120,650,000)
Unamortized Premiums	(9,422,805)
Certificates of Participation Payable	(60,119,998)
Obligations Under Financed Purchases	(1,331,359)
Leases Payable	(3,081,646)
Subscriptions Payable	(285,793)
Compensated Absences Payable	(18,829,204)
Early Retirement Incentive Payable	(36,600)

Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:

22,441,410

Total Net Position of Governmental Activities

\$ (48,474,179)

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	Major Funds					Total Governmental Funds
	General	Food Service	Community Service	Capital Projects	Debt Service	
REVENUES						
Local Sources:						
Property Taxes	\$ 55,958,033	\$ -	\$ 1,015,871	\$ -	\$ 9,315,357	\$ 66,289,261
Earnings and Investments	1,723,724	141,403	297,122	558,973	217,123	2,938,345
Exchange Revenue	6,767,147	1,756,313	14,405,757	-	-	22,929,217
Other	-	-	-	45,000	-	45,000
State Sources	121,579,698	4,763,204	637,500	-	953,145	127,933,547
Federal Sources	2,631,634	1,630,313	352,515	-	-	4,614,462
Total Revenues	188,660,236	8,291,233	16,708,765	603,973	10,485,625	224,749,832
EXPENDITURES						
Current:						
Administration	5,940,923	-	-	-	-	5,940,923
District Support Services	7,403,076	-	-	-	-	7,403,076
Elementary and Secondary Regular Instruction	101,699,412	-	-	-	-	101,699,412
Vocational Education Instruction	1,796,458	-	-	-	-	1,796,458
Special Education Instruction	28,237,901	-	-	-	-	28,237,901
Instructional Support Services	10,768,458	-	-	-	-	10,768,458
Pupil Support Services	6,832,628	-	-	-	-	6,832,628
Sites and Buildings	10,494,390	-	-	-	-	10,494,390
Fiscal and Other Fixed Cost Programs	893,862	-	-	-	-	893,862
Food Service	-	7,799,211	-	-	-	7,799,211
Community Service	-	-	16,056,848	-	-	16,056,848
Transportation	7,589,884	-	-	-	-	7,589,884
Capital Outlay	2,137,870	587,278	99,872	13,345,911	-	16,170,931
Debt Service:						
Principal	5,708,362	-	1,887	-	7,420,000	13,130,249
Interest and Fiscal Charges	2,382,848	-	-	231,011	3,990,856	6,604,715
Total Expenditures	191,886,072	8,386,489	16,158,607	13,576,922	11,410,856	241,418,946
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,225,836)	(95,256)	550,158	(12,972,949)	(925,231)	(16,669,114)
OTHER FINANCING SOURCES (USES)						
Issuance of Bonds	-	-	-	14,285,000	3,805,000	18,090,000
Bond Premium	-	-	-	1,832,300	430,994	2,263,294
Issuance of Certificates of Participation	-	-	-	-	5,615,000	5,615,000
Premium on Certificates of Participation	-	-	-	-	583,129	583,129
Issuance of Long-Term Leases	89,075	-	-	-	-	89,075
Issuance of Subscriptions Payable	111,723	-	-	-	-	111,723
Payment to Refunded Bond Escrow Agent	-	-	-	-	(10,201,706)	(10,201,706)
Transfers In	-	-	19,497	-	-	19,497
Transfers Out	(19,497)	-	-	-	-	(19,497)
Total Other Financing Sources (Uses)	181,301	-	19,497	16,117,300	232,417	16,550,515
NET CHANGE IN FUND BALANCE	(3,044,535)	(95,256)	569,655	3,144,351	(692,814)	(118,599)
FUND BALANCES						
Beginning of Year	24,541,266	4,386,262	6,305,432	7,794,124	2,226,976	45,254,060
End of Year	\$ 21,496,731	\$ 4,291,006	\$ 6,875,087	\$ 10,938,475	\$ 1,534,162	\$ 45,135,461

See accompanying Notes to Basic Financial Statements.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balance - Total Governmental Funds **\$ (118,599)**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation or amortization expense. The amount which capital outlays exceeded depreciation and amortization in the current period:

Capital Outlays	15,671,485
Loss on Disposal of Capital Assets	1,825
Depreciation and Amortization Expense	(12,160,543)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unearned in the governmental funds.	14,961
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Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	1,892,630
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In the statement of activities, certain operating expenses - severance benefits, compensated absences, and retirement incentives - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).	(525,808)
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Payments to the District's OPEB liability are recognized as expenditures at the fund level while the change in the OPEB obligation and the related deferred inflows and outflows of resources are recognized as expenses in the statement of net position.	(597,161)
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The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases 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 when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in treatment is as follows:

General Obligation Bonds and Certificates of Participation Issued	(23,705,000)
Bond Premium or Discount	(2,846,423)
Issuance of Long-Term Leases	(89,075)
Issuance of Subscriptions Payable	(111,723)
Refunding Payments of Bonds and Certificates of Participation Payable	10,325,000
Repayment of Bond Principal	7,420,000
Repayment of Certificates of Participation Payable	2,525,000
Repayment of Financed Purchases	2,707,650
Repayment of Promissory Note	109,400
Repayment of Long-Term Leases	183,264
Repayment of Subscriptions Payable	184,935
Change in Accrued Interest Payable	(478,533)
Amortization of Bond Premium	1,447,978
Amortization of Deferred Charges on Refunding Bonds	(803,791)

Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.	1,531,263
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Total Governmental Activities Statement of Net Position	<u><u>\$ 2,578,735</u></u>
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See accompanying Notes to Basic Financial Statements.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND
JUNE 30, 2025**

	Governmental Activities - Internal Service Funds
CURRENT ASSETS	
Cash and Investments	\$ 28,778,644
Interest Receivable	56,174
Total Assets	<u>28,834,818</u>
CURRENT LIABILITIES	
Accounts Payable	9,736
Claims Payable - Medical	2,491,400
Due to Other Funds	899,138
Unearned Revenue	2,993,134
Total Current Liabilities	<u>6,393,408</u>
NET POSITION	
Unrestricted	<u><u>\$ 22,441,410</u></u>

See accompanying Notes to Basic Financial Statements.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN
NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2025**

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for Services:	
Health Insurance Premiums	\$ 19,750,517
Dental Insurance Premiums	1,373,242
Total Operating Revenues	<u>21,123,759</u>
OPERATING EXPENSES	
Salaries	183,284
VEBA Contributions	1,434,292
Wellness Payments	40,770
Health Insurance Claim Payments	17,221,227
Dental Insurance Claim Payments	1,387,414
OPEB Payments	915,790
General Administration Fees	977,949
Total Operating Expenses	<u>22,160,726</u>
OPERATING INCOME (LOSS)	(1,036,967)
NONOPERATING INCOME	
Earnings on Investments	<u>2,568,230</u>
CHANGE IN NET POSITION	1,531,263
Net Position - Beginning	<u>20,910,147</u>
NET POSITION - ENDING	<u><u>\$ 22,441,410</u></u>

See accompanying Notes to Basic Financial Statements.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2025**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Interfund Services Provided	\$ 21,236,756
Payments for Administrative Costs	(977,949)
Payments for Salaries	(183,284)
Payments for Medical Fees and Insurance Claims	(18,499,336)
Payments for Wellness	(40,770)
Payments to Employee VEBA Accounts	(1,434,292)
Payments for Retirement Benefits	(806,010)
Net Cash Used by Operating Activities	<u>(704,885)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	2,568,230
Purchases of Investments	<u>(1,258,933)</u>
Net Cash Provided by Investing Activities	<u>1,309,297</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	604,412
Cash and Cash Equivalents - Beginning	<u>11,765,101</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>\$ 12,369,513</u></u>
Total Cash and Investments per Statement of Net Position	\$ 28,778,644
Less: Investments Included in Cash and Investments	<u>(16,409,131)</u>
Total Cash and Cash Equivalents	<u><u>\$ 12,369,513</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Loss	\$ (1,036,967)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Interest Receivable	48,495
Increase (Decrease) in Accounts Payable	7,905
Increase (Decrease) in Claims Payable	101,400
Increase (Decrease) in Due to Other Funds	109,780
Increase (Decrease) in Unearned Revenue	64,502
Total Adjustments	<u>332,082</u>
Net Cash Used by Operating Activities	<u><u>\$ (704,885)</u></u>
NONCASH INVESTING ACTIVITIES	
Increase (Decrease) in Fair Value of Investments	<u><u>\$ 1,863,345</u></u>

See accompanying Notes to Basic Financial Statements.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	<u>Custodial Funds</u>
ASSETS	
Cash and Investments	<u>\$ 351,488</u>
LIABILITIES	
Accounts and Contracts Payable	<u> 5,890</u>
NET POSITION	
Restricted	<u><u>\$ 345,598</u></u>

See accompanying Notes to Basic Financial Statements.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025**

	<u>Custodial Funds</u>
ADDITIONS	
Gifts and Donations	<u>\$ 148,918</u>
DEDUCTIONS	
Miscellaneous	<u>376,971</u>
CHANGE IN NET POSITION	(228,053)
Net Position - Beginning of Year	<u>573,651</u>
NET POSITION - END OF YEAR	<u><u>\$ 345,598</u></u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 276 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Financial Reporting Entity

Independent School District No. 276 (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.

GAAP require that the District's financial statements include all funds, 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. There are no other entities for which the District is financially accountable.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside 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. In accordance with Minnesota state statutes, the District's student activity accounts are included in these financial statements as part of the General Fund.

C. Basic Financial Statement Presentation

The government-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. The Fiduciary Funds are only reported in the statements of fiduciary net position at the fund financial statement level.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position are available. 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 interfund activity has been removed from the government-wide financial statements.

Separate Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: custodial funds. Since by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. Internal payments received in the internal service funds are eliminated on the government-wide statements as reductions to expenses and the net cost of these services is reported in the appropriate functional activity.

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

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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

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

1. Revenue Recognition

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month period of availability is generally used for other fund revenue.

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

The District reports unearned revenue on its statement of net position and balance sheet. Unearned revenues arise when resources are received by the District before it has a legal claim to them. In subsequent periods when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and balance sheet and revenue is recognized.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

2. Recording of Expenditures (Continued)

Description of Funds

The existence of the various District funds has been established by the state of Minnesota, Department of Education. The accounts of the district are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

Major Governmental Funds

General Fund

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

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues recorded in this fund include meal sales to pupils along with state and federal reimbursements for meals.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services. Revenues recorded in this fund include property taxes restricted for Community Service purposes and tuition and fees charged for Community Education.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. The fund was established for building construction activity authorized by specific voter-approved bond issues.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs. The regular debt service account is used for all general obligation bond debt service, except for refunding bond issues, for which a separate refunding bond trust account has been established. Additionally, during fiscal year 2009, the District established a debt service fund to account for proceeds of taxable Other Postemployment Benefits bonds.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Proprietary Fund

Internal Service Fund

The Internal Service Fund accounts for financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District's Internal Service Fund includes its self-insured health and dental insurance plan for its employees. In fiscal year 2009, the District also established a revocable trust to account for cash and other assets held by the District for the payment of Other Postemployment Benefits, which is accounted for as an internal service fund.

Fiduciary Fund

The District maintains a custodial fund which is used to account for money held by the District in the capacity of custodian, where both the principal and interest may be spent. Activity within this fund consists of grants which are awarded to individuals by external entities as well as funds related to Local Collaborative Time Study (LCTS) grant funds. The District receives these funds from the LCTS and disburses them to members at the determination and discretion of the LCTS.

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Capital Projects – Buildings Construction, and Debt Service Funds. The approved budget is published in electronic form to the District's website. 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. Individual amendments were not material in relation to the original appropriations.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

The Capital Projects Fund and Debt Service Fund had expenditures in excess of budgeted amounts for fiscal year 2025, as shown below. Overages were the result of timing differences in contributions to projects that spanned fiscal years. The expenditures in excess of budget were funded by revenues, which also exceeded budget, and existing fund balance.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Capital Projects Fund	\$ 12,908,003	\$ 13,576,922	\$ 668,919
Debt Service Fund	11,180,235	11,410,856	230,621

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

At the end of each fiscal year, if the General Fund has a net unreserved deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain reserves specified in Minnesota Statutes, exceeding 2.5% of expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

F. Cash and Investments

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

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment which meet the criteria included in GASB Statement No. 79 are measured at amortized cost.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. 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. The only receivables not expected to be collected within one year are current property taxes receivable.

H. Inventories

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed in the periods benefitted.

J. 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 and are responsible for spreading all levies over taxable property. Such taxes become a lien on January 1. Taxes are generally due on May 15 and October 15 and counties generally remit taxes to the Districts at periodic intervals as they are collected. A portion of property taxes levied is paid through state 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 a deferred inflow (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. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift."

In accordance with State law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$3,991,124) advance recognized as revenue in fiscal 2025 with no corresponding state aid adjustment. Certain other portions of the District's 2024 pay 2025 levy, normally revenue for the 2025-26 fiscal year, are also advance recognized as June 30, 2025, as required by state statute to match revenue with the same fiscal year as the related expenditures.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

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 shown as a deferred inflow 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.

K. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the Government-wide financial statement but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements, buildings, and building improvements, and 5 to 15 years for equipment.

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

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

Right-to-use lease assets are initially measured at the net present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Useful lives vary from 3 to 50 years for right-to-use lease assets.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

Subscription based information technology arrangements (SBITA) assets are initially measured as the sum of the net present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. Useful lives vary from 3 to 8 years for SBITA assets.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This 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 three types of items that qualify for reporting in this category. When refunding debt issuances, the difference between the reacquisition price of the refunded debt and the net carrying amount of that debt (net of any unamortized premium or discount) is considered a deferred outflow of resources and amortized as a component of interest expense over the shorter of the remaining life of the refunded debt or the life of the new refunding debt. The District also reports deferred outflows of resources related to pensions and other postemployment benefits. See Notes 8 and 12 for additional detail.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition 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 five types of items which occur related to revenue recognition. 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 inflow 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 of deferred inflows is related to long-term lease receivables. The fourth and fifth types of deferred inflows reported are related to pensions and other postemployment benefits. See Notes 8 and 12 for additional detail.

M. Long-Term Obligations

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

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations (Continued)

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

N. Accrued Employee Benefits

The liability for compensated absences reported in the government-wide statement consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

1. Convertible Sick Leave

Certain bargaining unit members are eligible to be compensated for unused accumulated sick leave upon termination subject to certain conditions. If convertible sick leave payments are owed at year-end, an accrual is made in the governmental fund incurring the liability. The amount of convertible sick leave is recorded as a liability in the long-term debt as it is earned and when it becomes probable that it will vest at some point in the future.

During fiscal year 2025, the District's expenditures for convertible sick leave totaled approximately \$596,645. At June 30, 2025, the long-term portion of the convertible sick leave liability is included as part of long-term debt and represents \$1,156,056 of the total severance and health benefits payable amount.

2. Postemployment Health Care Benefits

In addition to retirement benefits, the District provides postretirement medical insurance benefits to teachers, administrators, principals, food service workers, custodians, and clerical employees, in accordance with their respective master employment agreements. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. See Note 12 for further information.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Accrued Employee Benefits (Continued)

3. 403(b) Plan

Members of certain employee groups may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan established under IRC Section 403(b).

O. 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 PERA and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Teachers Retirement Association (TRA) and additions to/deductions from TRA's fiduciary net position have been determined on the same basis as they are reported by TRA.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. This 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 in 2015.

PERA has a special funding situation created by direct aid contributions made by the state of Minnesota for the merger of the Minneapolis Employees Retirement Fund into GERF in fiscal year 2006.

P. Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments with an original maturity from the time of purchase by the District of three months or less to be cash equivalents. The Proprietary Fund's equity in the Government-wide cash and investment management pool is considered to be cash equivalents. Amounts invested in the OPEB trust included in the proprietary fund are not considered to be cash and cash equivalents.

Q. Restricted Assets

Restricted assets are cash and investments whose use is limited by legal requirements such as a bond indenture. Restricted assets in these financial statements are labeled "Cash with Fiscal Agent".

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Balance

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

Nonspendable – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

Restricted – funds are constrained by outside parties (statute, grantors, contributors, bond agreements, etc.).

Committed – funds are established and modified by a resolution approved by the Board of Education.

Assigned – consists of internally imposed constraints. The Board of Education passed a resolution authorizing the Superintendent and Director of Business Affairs to assign fund balances and their intended uses.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts.

The District formally adopted a fund balance policy for the General Fund. The policy establishes a year-end minimum unassigned fund balance of 6% of the annual budget.

S. 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. Workers' compensation is provided by SFM Insurance with property and casualty insurance provided by Lloyds of London/Brit Syndicate. Workers compensation is serviced through a local agent and property and casualty is serviced through ALPS, a consortium of seven local school districts, who assist in the annual review of coverage. In addition, safety specialists from SFM Insurance visit the District annually to inspect the work environment in an effort to assist District staff to identify unsafe work conditions. There were no insurance settlements exceeding claims in any of the previous three years and there has been no reduction in coverage.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the Government-wide, Proprietary Fund, and Fiduciary Fund financial statements. Net investment in capital assets consists of capital assets, net of accumulation 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 statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Investments." In accordance with Minnesota Statutes, the District maintains deposits at financial institutions which are authorized by the School District's Board.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral includes: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

At June 30, 2025, the District's deposits had a bank balance of \$4,771,069 and a carrying amount of \$2,157,039. At June 30, 2025, the District's petty cash fund totaled \$5,501. The District's deposits in banks at June 30, 2025 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

The District may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less.
- General obligations rated “A” or better; revenue obligations rated “AA” or better.
- General obligations of the Minnesota Housing Finance Agency rated “A” or better.
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories.
- Repurchase or reverse purchase agreement and securities lending agreements 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.
- Investments related to the OPEB Revocable Trust Fund may be invested in accordance with Minnesota Statute 356A.06.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

At June 30, 2025, the District's investment balances were as follows:

<u>Investments Measured at Fair Value</u>	<u>Fair Value</u>
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 1,557,260
Federal National Mortgage Association	842,790
Federal National Mortgage Association	750,475
Other Mortgage-Backed Securities	259,851
Corporate Bonds	1,869,907
Equities	8,637,026
Real Estate Investment Trusts	27,435
Real Asset Funds	436,475
Total Investments at Fair Value	<u>\$ 14,381,219</u>
<u>Investments Measured at Amortized Cost</u>	<u>Amortized Cost</u>
MSDLAF+ Liquid Class	\$ 19,722,526
MSDLAF+ Term Series	12,000,000
MSDLAF + Max Class	7,017,042
MSDLAF CD Program	11,468,000
MN Trust Investment Shares	31,419,928
Money Markets	3,060,399
Total Investments at Amortized Cost	<u>\$ 84,687,895</u>

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policies do not limit the maturities of investments; however, when purchasing investments, the District considers such things as interest rates and cash flow needs.

The credit ratings and maturities of the District's investments are as follows:

Type	Total	Maturity Duration in Years				No Maturities	Rating
		Less Than 1	1 to 5	6 to 10	More Than 10		
U.S. Treasury Notes	\$ 1,557,260	\$ 50,313	\$ 576,237	\$ 501,009	\$ 429,701	\$ -	NR
Real Estate Investment Trusts	27,435	-	-	-	-	27,435	NR
Federal Home Loan Mortgage Corp.	842,790	-	-	-	842,790	-	NR
Federal National Mortgage Assn.	750,475	-	-	56,158	694,317	-	NR
Other Mortgage Backed Securities	259,851	-	-	-	259,851	-	AAA
Real Asset Funds	436,475	-	-	-	-	436,475	NR
Equities	8,637,026	-	-	-	-	8,637,026	NR
Corporate Bonds	1,869,907	74,970	612,821	767,637	414,479	-	BBB to AA+
MSDLAF+ Liquid Class	19,722,526	-	-	-	-	19,722,526	AAAf
MSDLAF+ Term Series	12,000,000	-	-	-	-	12,000,000	AAAf
MSDLAF + Max Series	7,017,042	-	-	-	-	7,017,042	AAAf
MN Trust Investment Shares	42,887,928	11,468,000	-	-	-	31,419,928	AAAm
Money Market Funds	3,060,399	-	-	-	-	3,060,399	AAA
Total	<u>\$ 99,069,114</u>	<u>\$ 11,593,283</u>	<u>\$ 1,189,058</u>	<u>\$ 1,324,804</u>	<u>\$ 2,641,138</u>	<u>\$ 82,320,831</u>	AAA

Concentration of Credit Risk – The District places no limit on the amount that the District may invest in any one issuer. The District had no investments at June 30, 2025 which individually comprised more than 5% of total investments.

The deposits and investments are presented in the financial statements as follows:

Cash and Investments - Statement of Net Position	\$ 98,894,621
Cash with Fiscal Agent - Statement of Net Position	1,985,545
Cash and Investments - Statement of Fiduciary Net Position	351,488
Total Cash and Investments	<u>\$ 101,231,654</u>

Cash and Investments Held by Trustee – Cash and investments held by trustee are held by an escrow agent in accordance with escrow agreements established with the sale of various refunding bonds and capitalized interest.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard which defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quotes prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

Assets of the District measured at fair value on a recurring basis:

Measured at Fair Value Investment	Level 1	Level 2	Level 3	Total
U.S. Treasuries with Maturities at				
Purchase of Greater Than 1 Year	\$ 1,557,260	\$ -	\$ -	\$ 1,557,260
Federal Home Loan Mortgage Corporation	-	842,790	-	842,790
Federal National Mortgage Association	259,851	750,475	-	1,010,326
Corporate Bonds	-	1,869,907	-	1,869,907
Mutual Funds	8,637,026	-	-	8,637,026
Real Estate Investment Trusts	27,435	-	-	27,435
Real Asset Funds	-	436,475	-	436,475
Total	<u>\$ 10,481,572</u>	<u>\$ 3,899,647</u>	<u>\$ -</u>	<u>14,381,219</u>
Investments Measured at Amortized Cost				84,687,895
Total				<u>\$ 99,069,114</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated					
Land	\$ 4,450,229	\$ 412,580	\$ -	\$ -	\$ 4,862,809
Construction in Progress	6,093,256	10,827,903		(11,142,808)	5,778,351
Total Capital Assets, Not Being Depreciated	10,543,485	11,240,483	-	(11,142,808)	10,641,160
Capital Assets, Being Depreciated					
Land Improvements	29,459,747	469,678	(1,224,696)	2,231,550	30,936,279
Buildings and Improvements	263,058,846	1,411,747	(3,498,240)	8,911,258	269,883,611
Equipment	35,313,839	2,348,779	(7,364,962)	-	30,297,656
Total Capital Assets, Being Depreciated	327,832,432	4,230,204	(12,087,898)	11,142,808	331,117,546
Right-to-Use Lease Assets:					
Buildings and Improvements	3,517,325	-	-	-	3,517,325
Equipment	447,648	89,075	-	-	536,723
Total Right-to-Use Lease Assets	3,964,973	89,075	-	-	4,054,048
Subscription Based Information Technology Arrangement Assets	627,398	111,723	-	-	739,121
Accumulated Depreciation for:					
Land Improvements	(15,042,562)	(1,504,487)	1,224,696	-	(15,322,353)
Buildings and Improvements	(100,413,310)	(6,940,305)	3,498,240	-	(103,855,375)
Equipment	(22,211,023)	(3,273,048)	7,366,787	-	(18,117,284)
Total Accumulated Depreciation	(137,666,895)	(11,717,840)	12,089,723	-	(137,295,012)
Accumulated Amortization for:					
Right-to-Use Lease Assets:					
Buildings and Improvements	(817,655)	(154,785)	-	-	(972,440)
Equipment	(216,193)	(104,597)	-	-	(320,790)
Subscription Based Information Technology Arrangement Assets	(180,098)	(183,321)	-	-	(363,419)
Total Accumulated Amortization	(1,213,946)	(442,703)	-	-	(1,656,649)
Total Capital Assets, Being Depreciated and Amortized, Net	193,543,962	(7,729,541)	1,825	11,142,808	196,959,054
Governmental Activities Capital Assets, Net	<u>\$ 204,087,447</u>	<u>\$ 3,510,942</u>	<u>\$ 1,825</u>	<u>\$ -</u>	<u>\$ 207,600,214</u>

Depreciation and Amortization expense was charged to functions of the District as follows:

Governmental Activities	
Administration	\$ 8,413
District Support Services	370,828
Regular Instruction	10,046,404
Vocational Education Instruction	568,110
Special Education Instruction	12,085
Instructional Support Services	155,205
Pupil Support Services	3,217
Sites and Buildings	699,399
Food Service	226,836
Community Service	70,046
Total Depreciation and Amortization Expense, Governmental Activities	<u>\$ 12,160,543</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 LEASE RECEIVABLES

The District, acting as lessor, leases facilities space under long-term, non-cancelable lease agreements. The lease carry discount rates of 4.00% expire at various dates through 2029. During the year ended June 30, 2025, the District recognized \$57,447 and \$10,257 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Long-Term Leases Receivable</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 49,237	\$ 8,363
2027	51,206	6,394
2028	53,254	4,346
2029	55,385	2,215
Total	<u>\$ 209,082</u>	<u>\$ 21,318</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 LONG-TERM LIABILITIES

The District has issued general obligation school building bonds and lease purchase obligations to finance the construction of capital facilities or to refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies are dedicated for the retirement of these bonds and loans. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

A. Components of Long-Term Debt

Issue Date	Net Interest Rate	Series Number	Original Issue	Maturities	Principal Outstanding	
					Due Within One Year	Total
2/11/2015	3.0% - 4.0%	2015B	\$ 1,765,000	2015-2034	\$ 155,000	\$ 1,615,000
3/2/2016	1.2% - 3.3%	2016J	1,420,000	2019-2031	110,000	705,000
7/6/2016	2.0% - 3.0%	2016M	5,785,000	2017-2037	275,000	3,880,000
10/23/2017	3.0% - 5.0%	2017B	14,415,000	2019-2038	705,000	10,365,000
1/10/2019	3.0% - 5.0%	2019B	2,000,000	2020-2038	90,000	1,605,000
3/6/2019	3.375% - 5.0%	2019C	5,370,000	2020-2039	225,000	4,270,000
7/8/2019	3.0% - 5.0%	2019D	2,710,000	2020-2039	125,000	2,210,000
10/3/2019	3.0%	2019F	1,955,000	2021-2040	85,000	1,585,000
1/31/2020	3.0% - 4.0%	2020A	1,175,000	2021-2030	120,000	635,000
2/26/2020	1.66% - 2.25%	2020C	1,245,000	2021-2030	125,000	650,000
7/1/2020	2.0% - 4.0%	2020E	1,975,000	2020-2040	100,000	1,475,000
10/6/2020	2.125% - 3.0%	2020F	2,070,000	2020-2044	75,000	1,720,000
10/6/2020	2.0% - 3.0%	2020G	4,870,000	2020-2041	215,000	4,105,000
11/3/2020	3.0%	2020H	655,000	2020-2027	120,000	245,000
2/1/2021	1.05% - 2.0%	2021A	19,855,000	2021-2038	1,085,000	15,575,000
7/1/2021	2.00% - 4.00%	2021F	770,000	2023 - 2034	50,000	590,000
10/4/2021	2.75% - 5.00%	2021G	6,245,000	2023 - 2042	260,000	5,600,000
10/4/2021	2.00% - 4.00%	2021H	2,665,000	2023 - 2035	200,000	2,100,000
10/28/2021	1.45% - 2.45%	2021I	14,545,000	2022 - 2038	975,000	11,335,000
10/28/2021	1.45% - 2.05%	2021J	14,570,000	2022 - 2035	1,075,000	11,675,000
7/28/2022	3.375% - 6.00%	2022B	8,985,000	2023 - 2043	305,000	8,595,000
11/3/2022	6.0%	2022C	3,725,000	2024 - 2026	1,315,000	1,315,000
8/9/2023	3%-6.5%	2023B	10,785,000	2025 - 2044	345,000	10,710,000
8/21/2024	4.0% - 6.0%	2024B	14,285,000	2026 - 2045	105,000	14,285,000
11/5/2024	5.0%	2024D	3,805,000	2026 - 2040	140,000	3,805,000
Total General Obligation Bonds					<u>\$ 8,380,000</u>	<u>\$ 120,650,000</u>
Bond Premiums					<u>\$ -</u>	<u>\$ 9,422,805</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

	Principal Outstanding	
	Due Within	
<u>Certificates of Participation</u>	<u>One Year</u>	<u>Total</u>
Certificates of Participation 2016C	\$ 90,000	\$ 1,400,000
Certificates of Participation 2016G	50,000	640,000
Certificates of Participation 2016H	120,000	1,960,000
Certificates of Participation 2016K	135,000	555,000
Certificates of Participation 2016L	100,000	1,365,000
Certificates of Participation 2016N	60,000	800,000
Certificates of Participation 2016O	80,000	1,060,000
Certificates of Participation 2017A	95,000	2,505,000
Certificates of Participation 2017C	100,000	1,650,000
Certificates of Participation 2018B	45,000	775,000
Certificates of Participation 2018D	45,000	1,030,000
Certificates of Participation 2019E	180,000	3,245,000
Certificates of Participation 2020D	150,000	635,000
Certificates of Participation 2020I	50,000	1,070,000
Certificates of Participation 2021B	110,000	2,165,000
Certificates of Participation 2021C	85,000	1,960,000
Certificates of Participation 2021D	30,000	1,150,000
Certificates of Participation 2021E	65,000	2,580,000
Certificates of Participation 2021K	85,000	1,755,000
Certificates of Participation 2021L	115,000	2,905,000
Certificates of Participation 2021M	115,000	3,415,000
Certificates of Participation 2021N	30,000	665,000
Certificates of Participation 2022A	140,000	6,865,000
Certificates of Participation 2023A	25,000	1,800,000
Certificates of Participation 2024A	-	1,764,998
Certificates of Participation 2024C	175,000	5,615,000
Total Certificates of Participation	2,520,000	60,119,998
Financed Purchases	-	1,331,359
Long-Term Leases	155,857	3,081,646
Subscriptions	107,651	285,793
Compensated Absences Payable	3,751,184	18,829,204
Early Retirement Incentive Payable	36,600	36,600
Total	<u>\$ 14,951,292</u>	<u>\$ 213,757,405</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments

Minimum annual principal and interest payments required to retire long-term debt, not including severance and health benefits payable are as follows:

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable	
	Principal	Interest	Principal	Interest
2026	\$ 8,380,000	\$ 4,354,195	\$ 2,520,000	\$ 2,161,154
2027	7,640,000	3,686,031	2,660,000	1,993,900
2028	7,770,000	3,452,331	2,775,000	1,891,199
2029	8,015,000	3,191,411	2,880,000	1,783,216
2030	8,255,000	2,955,154	2,772,118	1,733,581
2031-2035	42,305,000	11,026,179	15,456,278	7,252,420
2036-2040	26,685,000	5,152,456	17,454,825	5,136,648
2041-2045	11,600,000	1,374,375	8,801,777	2,915,314
2046-2050	-	-	3,300,000	710,338
2051-2055	-	-	1,500,000	110,548
Total	<u>\$ 120,650,000</u>	<u>\$ 35,192,132</u>	<u>\$ 60,119,998</u>	<u>\$ 25,688,318</u>

Year Ending June 30,	Financed Purchases		Leases Payable		Subscriptions Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ -	\$ -	\$ 155,857	\$ 121,319	\$ 107,651	\$ 7,411	\$ 11,163,508	\$ 6,644,079
2027	1,331,359	3,051	142,136	114,286	76,490	4,620	11,849,985	5,801,888
2028	-	-	129,504	108,581	33,024	2,626	10,707,528	5,454,737
2029	-	-	81,071	104,430	33,877	1,773	11,009,948	5,080,830
2030	-	-	65,794	101,668	34,751	898	11,127,663	4,791,300
2031-2035	-	-	406,643	464,199	-	-	58,167,921	18,742,798
2036-2040	-	-	596,504	364,975	-	-	44,736,329	10,654,079
2041-2045	-	-	838,732	222,819	-	-	21,240,509	4,512,508
2046-2050	-	-	665,405	43,370	-	-	3,965,405	753,708
2051-2055	-	-	-	-	-	-	1,500,000	110,548
Total	<u>\$ 1,331,359</u>	<u>\$ 3,051</u>	<u>\$ 3,081,646</u>	<u>\$ 1,645,647</u>	<u>\$ 285,793</u>	<u>\$ 17,328</u>	<u>\$ 185,468,796</u>	<u>\$ 62,546,476</u>

C. Description of Long-Term Debt

General Obligation School Building Bonds

These bonds were issued to finance acquisitions and/or construction of capital facilities. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated to the retirement of these bonds. Total deferred tax levies are available to retire bond principal and interest payable. These levies are subject to reduction if fund balances exceed limitations imposed by Minnesota law. In addition, assets are available in an escrow account to be used for the repayment of certain refunded bonds.

In February 2015, the District issued \$1,765,000 General Obligation Alternative Facilities Refunding bonds, Series 2015B. The proceeds of this issue were used to refund and pay the principal and interest due on the February 1, 2015 maturity of the Series 2008B.

In July 2016, the District issued \$5,785,000 General Obligation Facilities Maintenance Bonds, Series 2016M. The proceeds of this issue were used to finance projects including the replacement of major school building infrastructure components including such items as roofing systems, ceiling grid, heating, ventilation and cooling systems, flooring, doors, wall tile systems, and exterior window systems.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

General Obligation School Building Bonds (Continued)

In October 2017, the District issued \$14,415,000 General Obligation Refunding Bonds, Series 2017B. The proceeds of this issue were used to refund and pay the principal and interest due on the February 1, 2020 through 2023 maturities of the 2008A bonds, the February 1, 2019 through 2024 maturities of the 2008B bonds, the February 1, 2019 and 2020 maturities of the 2010A bonds, and the February 1, 2019 through 2021 maturities of the 2010D bonds.

In January 2019, the District issued \$2,000,000 General Obligation Facilities Maintenance Bonds, Series 2019B. The proceeds of this issue were used to finance projects including the partial re-roofing of four schools, repaving projects at four schools, synthetic turf replacement at Minnetonka High School, and various other deferred maintenance projects.

In March 2019, the District issued \$5,370,000 General Obligation Alternative Facilities Refunding Bonds, Series 2019C. The proceeds of this issue were used to refund and pay the principal and interest due on the July 1, 2020 through 2026 maturities of the 2009F bonds.

In July 2019, the District issued \$2,710,000 General Obligation Facilities Maintenance Bonds, Series 2019D. The proceeds of this issue were used to finance partial re-roofing projects at four schools, repaving projects at four schools, synthetic turf replacement at Minnetonka High School, mechanical systems component replacement at all schools and various deferred maintenance projects.

In October 2019, the District issued \$1,955,000 General Obligation Facilities Maintenance Bonds, Series 2019F. The proceeds of this issue were used to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry replacement and various other long-term maintenance replacement items.

In January 2020, the District issued \$1,175,000 General Obligation Alternative Facilities Refunding Bonds, Series 2020A. The proceeds of this issue were used to refund the March 1, 2021 through 2033 maturities of the 2012B bonds. The refunding resulted in a cash flow savings of \$115,586 and a net present value gain of \$81,349.

In February 2020, the District issued \$1,245,000 Taxable General Obligation Refunding Bonds, 2020C. The proceeds of this issue were used to refund the February 1, 2025 through 2034 maturities of the 2015C bonds. The refunding resulted in a cash flow savings of \$147,130 and a net present value savings of \$80,530.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

General Obligation School Building Bonds (Continued)

In July 2020, the District issued \$1,975,000 General Obligation Maintenance Bonds, Series 2020E. The proceeds of this issue were used to finance roofing replacement, paving, replacement, mechanical systems replace, cabinetry replacement and various other long term maintenance replacement items.

In October 2020, the District issued \$2,070,000 General Obligation Maintenance Bonds, Series 2020F. The proceeds of this issue were used to refund the January 1, 2021 through 2033 maturities of the 2012C bonds, and the January 1, 2021 through 2034 maturities of the 2014A Bonds. The refunding resulted in a cash flow loss of \$39,118 and a net present value savings of \$140,128.

In October 2020, the District issued \$4,870,000 General Obligation Facilities Maintenance Bonds, Series 2020G. The proceeds of this issue were used to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry and various other long term maintenance replacement items.

In November 2020, the District issued \$655,000 General Obligation Alternative Facilities Refunding Bonds, Series 2020H. The proceeds of this issue were used to refund the 2022 through 2029 maturities of the Series 2013F Bonds.

In July 2021, the District issued \$770,000 General Obligation Alternative Facilities Refunding Bonds, Series 2021F. The proceeds of this issue were used to refund the 2023 through 2033 maturities of the District's 2021G bonds. The refunding resulted in a cash flow savings of \$57,464 and a net present value savings of \$53,052.

In October 2021, the District issued \$6,245,000 Taxable General Obligation Facilities Maintenance Bonds, Series 2021G. The proceeds of this issue were used to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry replacement, and various other long-term maintenance replacement items.

In October 2021, the District issued \$2,665,000 General Obligation Alternative Facilities Refunding Bonds, Series 2021H. The proceeds of this issue were used to refund the 2024 through 2034 maturities of the District's 2013B bonds and the 2023 through 2035 maturities of the District's 2014D bonds.

In October 2021, the District issued \$14,545,000 Taxable General Obligation Refunding Bonds, Series 2021I. The proceeds of this issue were used to refund the 2022 through 2035 maturities of the District's 2015A bonds, the 2024 through 2035 maturities of the District's 2015E bonds, the 2025 through 2038 maturities of the District's 2016A bonds, the 2022 through 2038 maturities of the District's 2016B bonds, and the 2022 through 2036 maturities of the Districts 2016E bonds.

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INDEPENDENT SCHOOL DISTRICT NO. 276
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JUNE 30, 2025**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

General Obligation School Building Bonds (Continued)

In October 2021, the District issued \$14,570,000 Taxable General Obligation Refunding Bonds, Series 2021J. The proceeds of this issue were used to refund the 2022 through 2038 maturities of the District's 2016I bonds.

In August 2022, the District issued \$8,985,000 G.O. Facilities Maintenance Bonds, Series 2022B. The proceeds of this issue will be used to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry replacement and various other long term maintenance replacement items as described in the District's approved ten-year facility plan.

In November 2022, the Districted issued \$3,725,000 G.O. Refunding Bonds, Series 2022C. The proceeds from this issue will be used to refund in advance of maturity and prepay on February 1, 2023, the 2024 through 2026 maturities of the G. O. Refunding Bonds, Series 2013H. The refunding resulted in a cash flow of \$24,839 and a net present value savings of \$8,871.

In August 2023, the District issued \$10,785,000 G.O. Facilities Maintenance Bonds, Series 2023B. The proceeds from this issue will be used to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry replacement and various other long term capital maintenance replacement items as described in the District's ten-year facility plan.

In August 2024, the District issued \$14,285,000 G.O. Facilities Maintenance Bonds, Series 2024B. The proceeds from this issue will be used to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry replacement and various other long term capital maintenance replacement items as described in the District's ten-year facility plan.

In November 2024, the District issued \$3,805,000 of G.O. Refunding Bonds, Series 2024D. The proceeds from this issue will be used to refund and pay the principal and interest due on February 1, 2026 through 2041 maturities on the 2018E bonds. This refunding transaction will result in a cash savings over the life of the bond of \$236,437 and having a present value of \$185,293.

Certificates of Participation Payable

The District raised funds through the issuance of Certificates of Participation during various fiscal years.

The 2016C issue, in the amount of \$2,120,000 and sold on January 12, 2016, and the 2016D issue, in the amount of \$2,115,000 and sold on January 12, 2016, were issued to refund the 2008F and 2008G Certificates.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
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JUNE 30, 2025**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

Certificates of Participation Payable (Continued)

The 2016G issue, in the amount of \$1,000,000 and sold on February 2, 2016, was issued to finance the construction of two parking lots at Minnetonka High School.

The 2016H issue, in the amount of \$2,975,000 and sold on February 2, 2016, was issued to refund the 2008C Certificates.

The 2016K issue, in the amount of \$1,620,000 and sold on March 30, 2016, was issued to refund the 2008D Certificates.

The 2016L issue, in the amount of \$2,125,000 and sold on April 20, 2016, was issued to refund the 2013C Certificates.

The 2016N issue, in the amount of \$1,190,000 and sold on September 30, 2016, was issued to finance the Groveland Land and Parking Project.

The 2016O issue, in the amount of \$1,585,000 and sold on September 30, 2016, was issued to finance the Minnetonka High School Instructional Venue Project.

The 2017A issue, in the amount of \$3,000,000 and sold on August 23, 2017, were issued to finance the construction of a new gymnasium at Groveland Elementary School.

The 2017C issue, in the amount of \$2,250,000 and sold on October 25, 2017, were issued to refund the 2010E certificates.

The 2018B issue, in the amount of \$1,000,000 and sold on July 2, 2018, were issued to refund the 2008H Certificates.

The 2018D issue, in the amount of \$1,265,000 and sold on October 9, 2018, were issued to refund the 2011B Certificates.

The 2019E issue, in the amount of \$4,045,000 and sold on July 8, 2019, were issued to refund the 2010B Certificates. The 2020B issue, in the amount of \$8,140,000 and sold on February 26, 2020, were issued to refund the 2018A and 2018C Certificates.

The 2020D issue, in the amount of \$1,160,000 and sold on June 29, 2020 were issued to finance the acquisition of a tract of land to serve as a site for a future school building, the demolition of existing buildings, structures, and improvements on the land.

The 2020I issue, in the amount of \$1,290,000 and sold on November 2, 2020, were issued to refund the 2014B Certificates.

The 2021B issue, in the amount of \$2,495,000 and sold on March 16, 2021, were issued to refund the 2013A Certificates.

**MINNETONKA PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

Certificates of Participation Payable (Continued)

The 2021C issue, in the amount of \$2,200,000 and sold on May 6, 2021 were issued to finance the acquisition of the Shorewood Building and real property and improvement for school purpose.

The 2021D issue, in the amount of \$1,230,000 and sold on June 29, 2021, were issued to finance the construction of classroom addition for the trades at Minnetonka High School.

The 2021E issue, in the amount of \$2,725,000 and sold on July 1, 2021, were issued to finance the construction of an approximately 10,300 square foot classroom addition for the trades at Minnetonka High School.

The 2021K issue in the amount of \$2,495,000 and sold on November 3, 2021, were issued to refund the 2012A Certificates.

The 2021L issue in the amount of \$3,200,000 and sold on November 3, 2021, were issued to refund the 2014C Certificates.

The 2021M issue in the amount of \$3,705,000 and sold on November 3, 2021, were issued to refund the 2016F Certificates. This resulted in a cash flow loss of \$532,870 and a net present value savings of \$76,771.

The 2021N issue in the amount of \$745,000 and sold on December 1, 2021, were issued to refund the 2013D Certificates.

The 2022A issue, in the amount of \$7,000,000 and sold on March 8, 2022, were issued to finance the construction of a new building to house Career Technical Education (CTE) programming on district-owned property adjacent to Clear Springs Elementary.

The 2023A issue, in the amount of \$1,850,000 and sold on January 4, 2023, were issued to finance interior building modifications and parking lot reconfigurations at sites and facilities in the school district.

The 2024A issue, in the amount of \$1,764,998 and sold on January 3, 2024, were issued to finance the renovation of school building classrooms for the District's Pilot Training Program.

The 2024C issue, in the amount of \$5,615,000 and sold on November 5, 2024, were issued to refund the 2019A Certificates. The 2024C issue bears interest at 5% and is payable in 2026 through 2041. This refunding transaction will result in a cash savings over the life of the bond of \$632,480 and having a present value of \$486,118.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

General Obligation Taxable OPEB Bonds

The District raised funds for Other Postemployment Benefits through the issuance of General Obligation Taxable Bonds beginning in fiscal year 2009.

In March 2016, the District issued \$1,420,000 of General Obligation OPEB Refunding Bonds, Series 2016J. The proceeds from this issue were paid into an irrevocable escrow to pay the 2019 through 2031 maturities of the 2010F Bonds.

In February 2021, the District issued \$19,855,000 Taxable General Obligation OPEB Refunding Bonds, Series 2021A. The proceeds from this issue were used to refund the 2022 through 2031 maturities of the 2013E OPEB Refunding Bonds.

Severance and Health Benefits Payable

Severance and health benefits payable consist of convertible sick leave, other severance pay, and postretirement health insurance benefits payable to employees upon retirement. Severance and health benefits are paid by the General and Special Revenue Funds. Annual payments to retire the severance and health benefits liability have not been determined and will depend on actual employee turnover. Resources for the payment of severance and compensated absences payable included in long-term debt will be provided primarily by the General Fund.

During fiscal 2004, the District initiated a Health Reimbursement Plan. The purpose of the Plan is to provide certain employees with an opportunity to receive reimbursement for certain health care expenses as provided in the Plan. It is the intention of the Adopting Employer that the benefits payable under this Plan be eligible for exclusion from the gross income of participants as provided by Sections 105(b) and 106 of the Code. In addition, it is the intention of the adopting employer that the Plan qualify as a Health Reimbursement Arrangement (HRA) under IRS Revenue Ruling 2002-41 (June 26, 2002) and IRS Notice 2002-45 (June 26, 2002). As part of this plan, the District implemented a Voluntary Employees' Benefit Association (VEBA) as a component of this program whereby the District contributes retirement benefits and other contributions as specified by contract to the VEBA.

Arbitrage Rebate Liability

The Tax Reform Act of 1986 requires school districts and other governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986.

Certain bond issues of the District are subject to the arbitrage rebate requirements. However, management does not expect to incur any significant arbitrage rebate liability.

Financed Purchase Payable

The District entered into various lease-purchase agreements for computer equipment.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

Leases Payable

The District leases various equipment under long-term, noncancelable lease agreements. The right-to-use lease assets and the related accumulated amortization are detailed in Note 3.

Subscriptions Payable

The District has entered into subscription based-information technology arrangements (SBITAs) for various software. The SBITA assets and the related accumulated amortization are detailed in Note 3.

D. Changes in Long-Term Debt

	June 30, 2024	Additions	Retirements	Modifications	June 30, 2025	Due Within One Year
Bonds Payable	\$ 114,185,000	\$ 18,090,000	\$ 7,420,000	\$ (4,205,000)	\$ 120,650,000	\$ 8,380,000
Unamortized Premiums	8,024,360	2,846,423	1,447,978	-	9,422,805	-
Certificates of Participation	63,149,998	5,615,000	2,525,000	(6,120,000)	60,119,998	2,520,000
Financed Purchases Payable	4,039,009	-	2,707,650	-	1,331,359	-
Notes from Direct Borrowings:						
Promissory Note	109,400	-	109,400	-	-	-
Leases Payable	3,175,835	89,075	183,264	-	3,081,646	155,857
Subscriptions Payable	359,005	111,723	184,935	-	285,793	107,651
Early Retirement Incentive Payable	36,600	-	-	-	36,600	36,600
Compensated Absences Payable *	18,303,396	525,808	-	-	18,829,204	3,751,184
Total	<u>\$ 211,382,603</u>	<u>\$ 27,278,029</u>	<u>\$ 14,578,227</u>	<u>\$ (10,325,000)</u>	<u>\$ 213,757,405</u>	<u>\$ 14,951,292</u>

The modifications to long-term debt were a result of the refunding of long-term debt. The change in the compensated absence liability is presented as a net change.

E. Debt Issued Subsequent to Year-End

On July 1, 2025, the District issued \$2,200,000 General Obligation Capital Equipment Notes, Series 2025A, to finance the costs of acquisition of certain technological equipment.

On July 1, 2025, the District issued \$1,950,000 Certificates of Participation, Series 2025B, to finance the acquisition of a tract of land adjacent to the District's High School on Highway 7 in Minnetonka, and for the demolition of existing buildings, structures and improvements on the land and the construction of a parking lot.

On July 1, 2025, the District issued \$1,300,000 Certificates of Participation, Series 2025C, to finance the replacement of a large retaining wall located along the left-field area of the Veterans Field baseball park at 18403 Highway 7, in Minnetonka.

On September 3, 2025, the District issued \$14,285,000 General Obligation Facilities Maintenance Bonds, Series 2025D, to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry and window replacement and various other long term capital maintenance replacement items as described in the District's ten-year facility plan.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 FUND BALANCES

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. A description of deficit balance restrictions is included herein since the District has specific statutory authority to levy taxes for such deficits.

Restricted, Committed, and Assigned fund balances at June 30, 2025 are as follows:

- A. Restricted for Student Activities
 Represents resources available for the extracurricular activity funds raised by students.
- B. Restricted for Scholarships
 Represents accumulated resources available for scholarship funds.
- C. Restricted for Q Comp
 Represents dollars restricted for the Quality Compensation – Alternative Teacher Professional Pay program.
- D. Restricted for Capital Projects Levy
 Represents amounts which are restricted for capital project expenditures.
- E. Restricted for Projects Funded by Certificates of Participation
 Represents resources available from issuance of certificates of participation.
- F. Restricted for Operating Capital

The District levies taxes and receives state aid to be used for the purchase of equipment, books, and vehicles and to purchase, rent, improve and repair school facilities as allowed by state statute. The cumulative excess of such revenues over equipment and facilities expenditures is reported as a restriction of fund balance in the General Fund.

- G. Restricted for Community Education Programs
 Represents accumulated resources available to provide general community education programming.
- H. Restricted for Early Childhood and Family Education
 Represents accumulated resources available to provide for services for early childhood family education programming.
- I. Restricted for School Readiness
 Represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.
- J. Restricted for Adult Basic Education
 Represents accumulated resources available to provide adult basic education services.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 FUND BALANCES (CONTINUED)

- K. Restricted for Long-Term Facilities Maintenance
Represents resources received from the capital projects levy to be used for long-term facilities maintenance.
- L. Restricted for Food Service
Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation related to the Food Service Fund.
- M. Restricted for Debt Service
Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation for the payment of debt service obligations.
- N. Restricted for Medical Assistance
Represents available resources to be used for medical assistance expenditures.
- O. Assigned for Athletic Equipment
Represents dollars assigned for Athletic Fees and Athletic Equipment.
- P. Assigned for Special Purposes
Represents amounts which were either donated to the District or funds to be utilized for specific purposes.

NOTE 7 INTERFUND BALANCES AND OPERATING TRANSFERS

The District had the following interfund receivable and payable at June 30, 2025:

	Due from Other Fund	Due to Other Fund
General Fund	\$ 899,138	\$ -
Internal Service Fund:		
OPEB Revocable Trust	-	899,138
Total	<u>\$ 899,138</u>	<u>\$ 899,138</u>

The purpose of these interfund balances is as follows:

The Revocable Trust Fund owes the General Fund \$899,138 for OPEB payments which the General Fund has made. These interfund balances are expected to be paid within the next twelve months.

The District had the following interfund transfers at June 30, 2025:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 19,497
Special Revenue Funds:		
Community Service Fund	19,497	-
Total	<u>\$ 19,497</u>	<u>\$ 19,497</u>

The transfers between the General Fund to the Community Service Fund are to fund preschool screening in the Community Service Fund.

**MINNETONKA PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS

Teachers' Retirement Association (TRA)

A. Plan Description

The Teachers Retirement Association (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.

B. Benefits Provided

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 1 Benefits

Tier I	Step Rate Formula	Percentage
Basic	First Ten Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First Ten Years if Service Years Are Up to July 1, 2006	1.2% per Year
	First Ten Years if Service Years Are July 1, 2006 or After	1.4% per Year
	All Other Years of Service if Service Years Are Up to July 1, 2006	1.7% per Year
	All Other Years of Service if Service Years Are July 1, 2006 or After	1.9% per Year

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Teachers' Retirement Association (TRA) (Continued)

B. Benefits Provided (Continued)

Tier 1 Benefits (Continued)

With these provisions:

- Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- 3% per year early retirement reduction factor for all years under normal retirement age.
- Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Or

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9% per year for coordinated members and 2.7% per year 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 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.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Teachers' Retirement Association (TRA) (Continued)

C. Contribution Rate

Per Minnesota Statute Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2023, June 30, 2024, and June 30, 2025, were:

	June 30, 2023		June 30, 2024		June 30, 2025	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.0%	12.34%	11.00%	12.55%	11.25%	12.75%
Coordinate	7.5%	8.34%	7.50%	8.55%	7.75%	8.75%

The District's contributions to TRA for the plan's fiscal year ended June 30, 2025 were \$8,376,695. The District's contributions were equal to the required contributions for each year as set by the state statute.

D. Actuarial Assumptions

The total pension liability in the June 30, 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 Increase	2.85% to 8.85 before July 1, 2028 and 3.25 to 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.
Disabled Retirees	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.

**The assumptions prescribed are based on the experience study dated August 2, 2023. For GASB 67 purposes, the long-term rate of return assumptions is selected by TRA management in consultation with actuary.*

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Teachers' Retirement Association (TRA) (Continued)

D. Actuarial Assumptions (Continued)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.50 %	5.10%
International Equity	16.50	5.30
Private Markets	25.00	5.90
Fixed Income	25.00	0.75
Total	<u>100.00 %</u>	

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.

E. Discount Rate

The discount rate used to measure the total pension liability was 7%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 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.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Teachers' Retirement Association (TRA) (Continued)

F. Net Pension Liability

On June 30, 2025, the District reported a liability of \$86,704,710 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 that date. 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. District proportionate share was 1.3645% at the end of the measurement period and 1.3357% for the beginning of the year.

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 the TRA Net Pension Liability	\$ 86,704,710
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>5,670,986</u>
Total	<u><u>\$ 92,375,696</u></u>

For the year ended June 30, 2025, the District recognized pension expense of \$10,773,008. It also recognized \$69,374 as a 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 \$2,403,793 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.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Teachers' Retirement Association (TRA) (Continued)

F. Net Pension Liability (Continued)

On June 30, 2025, the District had deferred resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 4,133,525	\$ 1,123,656
Changes in Actuarial Assumptions	8,744,151	10,339,772
Net Difference Between Projected and Actual Earnings on Plan Investments	-	12,271,984
Changes in Proportion	8,766,840	-
District Contributions Subsequent to the Measurement Date	8,376,695	-
Total	<u>\$ 30,021,211</u>	<u>\$ 23,735,412</u>

The \$8,376,695 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) will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ (2,252,368)
2027	10,268,322
2028	(4,689,494)
2029	(4,402,452)
2030	(1,014,904)
Thereafter	-

**MINNETONKA PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Teachers' Retirement Association (TRA) (Continued)

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) and 1-percentage-point higher (8.0%) than the current rate.

<u>Description</u>	<u>One Percent Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>One Percent Increase in Discount Rate</u>
TRA Discount Rate	6.00%	7.00%	8.00%
District's Proportionate Share of the TRA Net Pension Liability	\$ 152,692,066	\$ 86,704,710	\$ 32,395,550

H. Pension Plan Fiduciary Net Position

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

A. Plan Description

Public Employees' Retirement Association (PERA)

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the 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 plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

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.

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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (PERA) (Continued)

B. Benefits Provided

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.

General Employees Plan Benefits

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. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% 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% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% 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% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. 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 prorated increase.

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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (PERA) (Continued)

C. Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2025, were \$2,263,598. The District's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At June 30, 2025, the District reported a liability of \$12,486,299 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$322,870.

District's Proportionate Share of the General Net	
Employees Plan's Net Pension Liability	\$ 12,486,299
State of Minnesota's Proportionate Share of the Net	
Pension Liability Associated with the District	322,870
Total	<u><u>\$ 12,809,169</u></u>

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 0.3377% at the end of the measurement period and 0.3402% for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$919,027 for its proportionate share of the General Employees Plan's pension expense. Included in this amount, the District recognized an additional \$4,000 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (PERA) (Continued)

D. Pension Costs (Continued)

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 \$574,485 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.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual		
Economic Experience	\$ 1,174,039	\$ -
Changes in Actuarial Assumptions	60,963	4,725,859
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	3,625,918
Changes in Proportion	440,984	661,857
District Contributions Subsequent to the		
Measurement Date	2,263,598	-
Total	<u>\$ 3,939,584</u>	<u>\$ 9,013,634</u>

The \$2,263,598 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 inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ (4,315,076)
2027	(497,206)
2028	(1,568,365)
2029	(957,001)
Thereafter	-

**MINNETONKA PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (PERA) (Continued)

E. 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.50 %	5.10%
International Equity	16.50	5.30
Private Markets	25.00	5.90
Fixed Income	25.00	0.75
Total	<u>100.00 %</u>	

F. Actuarial Methods and 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% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023, actuarial valuation. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (PERA) (Continued)

F. Actuarial Methods and Assumptions (Continued)

The following changes in 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.

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position 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.

H. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding 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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

<u>Description</u>	<u>One Percent Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>One Percent Increase in Discount Rate</u>
General Employees Plan Discount Rate	6.00%	7.00%	8.00%
District's Proportionate Share of the GERP Net Pension Liability	\$ 27,272,087	\$ 12,486,299	\$ 323,640

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (PERA) (Continued)

I. Pension Plan Fiduciary Net Position

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

NOTE 9 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 employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing 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 January 1 to December 31, 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 plan, whether or not such contributions have been made. Payments of insurance premiums (health and dental) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund.

Amounts withheld for medical reimbursement and dependent care are deposited into the District checking account on a monthly basis. All assets of the plan are held in the District bank account. The plan is administered by Further, a third-party administrator. Payments are made by Further to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the participant. Further submits a monthly ACH to the District bank account for the total employee reimbursements and administrative fees.

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 and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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

B. Construction Commitments

At June 30, 2025, the District had committed to approximately \$12,647,220 of contracts in progress.

NOTE 11 SELF INSURANCE

A. Health Self-Insurance Plan

The District maintains an Internal Service Fund to account for and finance a self-insurance program for health benefits. Accordingly, the District has not purchased outside insurance for the risks of losses to which it is exposed for amounts under its stop-loss limit of \$250,000 at which point reinsurance coverage is available. The District also has aggregate stop-loss coverage in place which limits the District's liability to 125% of the prior years' claims. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for health expenses.

Participants in the program make premium payments to the fund based on the insurance premium. The excess amount received above current year claims is used to establish a reserve for future claims. At June 30, 2025, there is a reserve of \$6,931,417.

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

There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$12,369,513 in cash and investments at June 30, 2025, for payment of claims.

**MINNETONKA PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 SELF-INSURANCE (CONTINUED)

B. General Liability and Property Insurance

As of July 1, 2014, the District entered into an intergovernmental agreement with two other Minnesota school districts to create the Alliance for Liability and Property Services (ALPS) to jointly provide or obtain casualty, property, employer liability, general liability, risk management, professional liability, and group coverages and other protections for the Member Districts so as to effectively manage and contain costs for insurance coverage and related administration. Annual payment amounts into the plan for each District are based on its pro rata share of insurance costs for mandatory and optional coverage and are to be determined at least 60 days prior to the start of each fiscal year. For fiscal year 2025, the District's payment into the plan totaled \$861,624.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PAYABLE

A. Plan Description

The District operates a single-employer retiree benefit plan (the Plan) that provides health and dental insurance to eligible employees and their spouses through the District's health insurance plan. There are 70 active participants and 138 retired participants. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

B. Funding Policy

Contribution requirements are also negotiated between the District and union representatives. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. For the year ended June 30, 2025, the District paid \$915,790 to the plan for covered benefits.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PAYABLE

C. Actuarial Methods and Assumptions

The District's OPEB liability was measured as of June 30, 2025, and the total used to calculate the OPEB liability was determined by an actuarial valuation as of July 1, 2024 using the following actuarial assumptions, applied to all periods included in the measurement, unless specified otherwise:

Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	N/A
20-Year Municipal Bond Yield	4.21%
Health Care Trend Rates	7.25% Decreasing to 4.5% Over 12 Years

The mortality assumption is the most recent PUB-2010 headcount-weighted table from the Society of Actuaries with any collar adjustments selected based on the actuary's experience with plans of a similar size, plan design, workforce composition, and discussions with the employer. The most recent fully-generational MP improvement scale is used to reflect future mortality improvements.

The discount rate used to measure the total OPEB liability was 4.21 percent. The discount rate is the single rate that reflects (1) the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payments of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return, and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met.

Changes in Actuarial Assumptions:

- Immediate trend for the self-insured Health Partners plans was increased from 7.00% to 7.25% to reflect recent increases and current industry trend.
- Immediate trend for the fully-insured Ucare Medicare Advantage plans was decreased to 5.25%. An additional 8.8% load was applied to the immediate trend rate to reflect the expected impact of the Inflation Reduction Act on the Prescription Drug Plan.
- Per-capita costs were updated to reflect experience since the previous valuation.

Changes in Plan Provisions:

- HP Medical premium equivalent rates were increased 21%, on average, to reflect experience since the previous valuation.
- The UCare – High option premium was increased 3% for calendar year 2025.
- Term life insurance premium was reduced from \$0.998 to \$0.78 per month per \$1,000 of coverage.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

D. Changes in the OPEB Liability

The following table shows the components of the changes in the District's OPEB liability:

	Total OPEB Liability
Balances at July 1, 2024	\$ 9,168,103
Changes for the Year:	
Service Cost	61,836
Interest Cost	417,714
Differences Between Expected and Actual Experience	1,215,187
Changes of Assumptions	(51,091)
Benefit Payments	(915,790)
Net Changes	727,856
Balances at June 30, 2025	<u>\$ 9,895,959</u>

E. OPEB Liability Costs

For the year ended June 30, 2025, the District recognized OPEB expense of \$597,161. At June 30, 2025, the District also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ -	\$ 27,083
Difference Between Expected and Actual Experience	575,314	
Total	<u>\$ 575,314</u>	<u>\$ 27,083</u>

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

<u>Year Ending June 30,</u>	Future Recognition
2026	\$ 548,231
2027	-
Total	<u>\$ 548,231</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

F. OPEB Liability Sensitivity

The following presents the OPEB liability of the District, as well as what the District's OPEB 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:

	One Percent Decrease (3.21%)	Discount Rate (4.21%)	One Percent Increase (5.21%)
OPEB Liability (Asset)	<u>\$ 10,972,829</u>	<u>\$ 9,895,959</u>	<u>\$ 8,996,017</u>

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

	Healthcare Cost		
	One Percent Decrease (6.25% Decreasing to 3.5% Over 13 Years)	Current Trend Rates (7.25% Decreasing to 4.5% Over 13 Years)	One Percent Increase (8.25% Decreasing to 5.5% Over 13 Years)
OPEB Liability (Asset)	<u>\$ 9,003,514</u>	<u>\$ 9,895,959</u>	<u>\$ 10,956,405</u>

NOTE 13 DEFINED CONTRIBUTION PLAN

The District provides eligible employees future retirement benefits through the District's 403(b) Plan (the Plan). Employees of the District are eligible to participate in the Plan commencing on the date of their employment. Eligible employees may elect to have a percentage of their pay contributed to the Plan. Some employees are eligible to receive a District match of employee contributions up to the qualifying amount set forth in their respective bargaining agreements. Contributions are invested in tax-deferred annuities selected and owned by Plan participants. The District contributions were \$1,802,790 for the year ended June 30, 2025.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 NET INVESTMENT IN CAPITAL ASSETS

The District's net investment in capital assets as of June 30, 2025 is calculated as follows:

Capital Assets, Net of Depreciation and Amortization	\$ 207,600,214
Bonds Payable	(120,650,000)
Certificates of Participation and Financed Purchases Payable	(61,451,357)
Add Back: OPEB Bonds Payable (Noncapital)	16,280,000
Unspent Bond and Certificate of Participation Proceeds	491,522
Deferred Outflows - Deferred Loss on Bond Refundings	(1,627)
Unamortized Premiums and Discounts	(9,422,805)
Add Back: OPEB Bonds Unamortized Premiums and Discounts	231,470
Long-Term Leases Payable	(3,081,646)
Subscriptions Payable	(285,793)
Contracts Payable	(2,999,428)
Net Investment in Capital Assets	<u>\$ 26,710,550</u>

NOTE 15 RESTATEMENT OF BEGINNING NET POSITION

During the year ended June 30, 2025, beginning net position of the governmental activities was restated for the implementation of GASB Statement No. 101 to record the change in the recognition and measurement of the compensated absences liability. The restatements are as follows:

	<u>Governmental Activities</u>
Net Position, as Previously Reported at June 30, 2024	\$ (34,586,652)
Implementation of GASB Statement No. 101	<u>(16,466,262)</u>
Net Position, as Restated, at July 1, 2024	<u>\$ (51,052,914)</u>

A. Change in Accounting Principle

Effective July 1, 2024, The District implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was understated by \$16.5 million in the governmental activities. The effect of the implementation of this standard is shown above.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 16 CONCENTRATIONS AND OTHER RISKS

B. Concentration of Workforce Covered by Collective Bargaining Agreements

The District depends on its workforce to deliver education services. All of the District's teachers are covered by a collective bargaining agreement with the Minnetonka Teachers Association that expires on June 30, 2025, and a labor disruption that decreases education services could disrupt the normal functioning of the District's operations.

REQUIRED SUPPLEMENTARY INFORMATION

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2025**

Measurement Date	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	\$ 61,836	\$ 69,323	\$ 75,885	\$ 122,175	\$ 120,430	\$ 113,277	\$ 99,496	\$ 130,550
Interest	417,714	384,408	382,166	235,794	293,573	372,784	328,857	304,284
Ad Hoc Postemployment Benefit Changes	-	-	-	-	-	-	458,026	-
Difference Between Expected and Actual Experience	1,215,187	388,781	372,057	(173,581)	(160,214)	419,644	41,757	-
Changes of Assumptions	(51,091)	(13,388)	576,781	(1,873,307)	383,848	1,342,909	(115,591)	(341,415)
Benefit Payments	(915,790)	(789,358)	(815,037)	(754,419)	(750,607)	(794,338)	(707,637)	(627,570)
NET CHANGE IN TOTAL OPEB LIABILITY	727,856	39,766	591,852	(2,443,338)	(112,970)	1,454,276	104,908	(534,151)
Total OPEB Liability - Beginning	<u>9,168,103</u>	<u>9,128,337</u>	<u>8,536,485</u>	<u>10,979,823</u>	<u>11,092,793</u>	<u>9,638,517</u>	<u>9,533,609</u>	<u>10,067,760</u>
TOTAL OPEB LIABILITY - ENDING	\$ 9,895,959	\$ 9,168,103	\$ 9,128,337	\$ 8,536,485	\$ 10,979,823	\$ 11,092,793	\$ 9,638,517	\$ 9,533,609
Covered-Employee Payroll	<u>\$ 141,675,648</u>	<u>\$ 135,364,908</u>	<u>\$ 118,455,866</u>	<u>\$ 118,303,910</u>	<u>\$ 108,380,165</u>	<u>\$ 102,593,652</u>	<u>\$ 96,909,091</u>	<u>\$ 94,184,524</u>

NOTE: The District implemented GASB Statement No. 75 in fiscal year 2018, the above table will be expanded to 10 years of information as the information becomes available.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	\$ 55,660,347	\$ 55,276,020	\$ 55,958,033	\$ 682,013
Earnings and Investments	2,500,000	2,000,000	1,723,724	(276,276)
Exchange Revenue	6,360,181	6,020,471	6,767,147	746,676
State Sources	119,420,566	121,394,857	121,579,698	184,841
Federal Sources	2,981,697	3,090,699	2,631,634	(459,065)
Total Revenues	186,922,791	187,782,047	188,660,236	878,189
EXPENDITURES				
Current:				
Administration	5,963,009	6,205,279	5,940,923	(264,356)
District Support Services	8,836,711	7,472,396	7,403,076	(69,320)
Elementary and Secondary Regular Instruction	99,864,621	101,515,371	101,699,412	184,041
Vocational Education Instruction	1,706,501	1,749,084	1,796,458	47,374
Special Education Instruction	28,806,957	28,931,854	28,237,901	(693,953)
Instructional Support Services	9,476,467	10,406,113	10,768,458	362,345
Pupil Support Services	6,477,006	6,554,680	6,832,628	277,948
Sites and Buildings	9,435,911	9,460,031	10,494,390	1,034,359
Fiscal and Other Fixed Cost Programs	792,868	1,025,231	893,862	(131,369)
Transportation	7,362,710	7,397,690	7,589,884	192,194
Capital Outlay	2,593,768	3,207,103	2,137,870	(1,069,233)
Debt Service:				
Principal	4,416,053	4,586,053	5,708,362	1,122,309
Interest and Fiscal Charges	2,229,328	2,326,932	2,382,848	55,916
Total Expenditures	187,961,910	190,837,817	191,886,072	1,048,255
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,039,119)	(3,055,770)	(3,225,836)	(170,066)
OTHER FINANCING SOURCES (USES)				
Issuance of Long-Term Leases	-	-	89,075	89,075
Issuance of Subscriptions Payable	-	-	111,723	111,723
Issuance of Financed Purchase	5,000	5,000	-	(5,000)
Transfers Out	(28,079)	(28,079)	(19,497)	8,582
Total Other Financing Sources (Uses)	(23,079)	(23,079)	181,301	204,380
NET CHANGE IN FUND BALANCE	<u>\$ (1,062,198)</u>	<u>\$ (3,078,849)</u>	(3,044,535)	<u>\$ 34,314</u>
FUND BALANCE				
Beginning of Year			24,541,266	
End of Year			<u>\$ 21,496,731</u>	

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
BUDGETARY COMPARISON SCHEDULE – MAJOR FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Earnings and Investments	\$ 116,998	\$ 116,998	\$ 141,403	\$ 24,405
Exchange Revenue	1,800,550	1,800,550	1,756,313	(44,237)
State Sources	5,683,675	5,683,675	4,763,204	(920,471)
Federal Sources	1,837,377	1,837,377	1,630,313	(207,064)
Total Revenues	9,438,600	9,438,600	8,291,233	(1,147,367)
EXPENDITURES				
Current:				
Food Service	7,938,442	7,957,052	7,799,211	(157,841)
Capital Outlay	1,039,000	1,039,000	587,278	(451,722)
Total Expenditures	8,977,442	8,996,052	8,386,489	(609,563)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	461,158	442,548	(95,256)	(537,804)
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	10,000	10,000	-	(10,000)
NET CHANGE IN FUND BALANCE	<u>\$ 471,158</u>	<u>\$ 452,548</u>	(95,256)	<u>\$ (547,804)</u>
FUND BALANCE				
Beginning of Year			4,386,262	
End of Year			<u>\$ 4,291,006</u>	

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
BUDGETARY COMPARISON SCHEDULE – MAJOR COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	\$ 1,015,167	\$ 1,015,167	\$ 1,015,871	\$ 704
Earnings and Investments	150,000	150,000	297,122	147,122
Exchange Revenue	14,341,994	14,349,118	14,405,757	56,639
State Sources	628,257	638,058	637,500	(558)
Federal Sources	377,000	377,000	352,515	(24,485)
Total Revenues	16,512,418	16,529,343	16,708,765	179,422
EXPENDITURES				
Current:				
Community Service	16,821,015	17,217,637	16,056,848	(1,160,789)
Capital Outlay	173,000	173,000	99,872	(73,128)
Debt Service				
Principal	5,000	5,000	1,887	(3,113)
Total Expenditures	16,999,015	17,395,637	16,158,607	(1,237,030)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(486,597)	(866,294)	550,158	1,416,452
OTHER FINANCING SOURCES				
Transfers In	28,079	28,079	19,497	(8,582)
NET CHANGE IN FUND BALANCE	<u>\$ (458,518)</u>	<u>\$ (838,215)</u>	569,655	<u>\$ 1,407,870</u>
FUND BALANCE				
Beginning of Year			6,305,432	
End of Year			<u>\$ 6,875,087</u>	

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN MEASUREMENT PERIODS**

**TRA Schedule of the District's Proportionate Share of the
Net Pension Liability**

	Measurement Date June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	1.3645%	1.3357%	1.2975%	1.2463%	1.2043%	1.1598%	1.1537%	1.1109%	1.0785%	1.0517%
District's Proportionate Share of the Net Pension Liability	\$ 86,704,710	\$ 110,278,384	\$ 103,896,936	\$ 54,541,815	\$ 88,975,298	\$ 73,925,896	\$ 72,465,539	\$ 221,755,792	\$ 257,247,983	\$ 65,058,046
State's Proportionate Share of the Net Pension Liability										
Associated with District	5,670,986	7,724,846	7,704,878	4,599,952	7,456,251	6,542,018	6,808,170	21,436,647	25,822,002	7,979,983
Total	<u>\$ 92,375,696</u>	<u>\$ 118,003,230</u>	<u>\$ 111,601,814</u>	<u>\$ 59,141,767</u>	<u>\$ 96,431,549</u>	<u>\$ 80,467,914</u>	<u>\$ 79,273,709</u>	<u>\$ 243,192,439</u>	<u>\$ 283,069,985</u>	<u>\$ 73,038,029</u>
District's Covered Payroll	<u>\$ 90,846,103</u>	<u>\$ 83,375,006</u>	<u>\$ 80,740,719</u>	<u>\$ 75,531,661</u>	<u>\$ 70,754,040</u>	<u>\$ 67,360,661</u>	<u>\$ 64,247,960</u>	<u>\$ 59,980,707</u>	<u>\$ 56,489,813</u>	<u>\$ 53,376,373</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	95.44%	132.27%	128.68%	72.21%	125.75%	109.75%	112.79%	369.71%	455.39%	121.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.07%	76.42%	76.17%	86.63%	75.48%	78.21%	78.07%	51.57%	44.88%	76.80%

**General Employees Fund Schedule of the District's
Proportionate Share of the Net Pension Liability**

	Measurement Date June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.3377%	0.3402%	0.3256%	0.3649%	0.3530%	0.3346%	0.3326%	0.3232%	0.3198%	0.3254%
District's Proportionate Share of the Net Pension Liability	\$ 12,486,299	\$ 19,023,603	\$ 25,787,627	\$ 15,582,865	\$ 21,163,963	\$ 18,499,284	\$ 18,451,284	\$ 20,632,875	\$ 25,966,174	\$ 16,863,917
State's Proportionate Share of the Net Pension Liability										
Associated with District	322,870	524,297	755,913	475,814	652,648	574,974	605,218	259,463	339,152	-
Total	<u>\$ 12,809,169</u>	<u>\$ 19,547,900</u>	<u>\$ 26,543,540</u>	<u>\$ 16,058,679</u>	<u>\$ 21,816,611</u>	<u>\$ 19,074,258</u>	<u>\$ 19,056,502</u>	<u>\$ 20,892,338</u>	<u>\$ 26,305,326</u>	<u>\$ 16,863,917</u>
District's Covered Payroll	<u>\$ 28,654,693</u>	<u>\$ 26,346,253</u>	<u>\$ 24,425,880</u>	<u>\$ 26,337,307</u>	<u>\$ 25,339,667</u>	<u>\$ 23,681,587</u>	<u>\$ 22,374,387</u>	<u>\$ 20,876,400</u>	<u>\$ 19,945,773</u>	<u>\$ 19,127,119</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	43.58%	72.21%	105.58%	59.17%	83.52%	78.12%	82.47%	98.83%	130.18%	88.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.08%	83.10%	76.77%	87.00%	79.06%	80.23%	79.50%	75.90%	68.90%	78.20%

See accompanying Notes to Required Supplementary Information.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST TEN FISCAL YEARS**

**TRA Schedule of District Contributions
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution	\$ 8,376,695	\$ 7,949,034	\$ 7,128,563	\$ 6,733,776	\$ 6,140,724	\$ 5,603,720	\$ 5,193,507	\$ 4,818,597	\$ 4,498,553	\$ 4,236,736
Contributions in Relation to the Statutorily Required Contribution	(8,376,695)	(7,949,034)	(7,128,563)	(6,733,776)	(6,140,724)	(5,603,720)	(5,193,507)	(4,818,597)	(4,498,553)	(4,236,736)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 85,389,348</u>	<u>\$ 90,846,103</u>	<u>\$ 83,375,006</u>	<u>\$ 80,740,719</u>	<u>\$ 75,531,661</u>	<u>\$ 70,754,040</u>	<u>\$ 67,360,661</u>	<u>\$ 64,247,960</u>	<u>\$ 59,980,707</u>	<u>\$ 56,489,813</u>
Contributions as a Percentage of Covered Payroll	9.81%	8.75%	8.55%	8.34%	8.13%	7.92%	7.71%	7.50%	7.50%	7.50%

**General Employees Fund Schedule of District Contributions
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution	\$ 2,263,598	\$ 2,149,102	\$ 1,975,969	\$ 1,831,941	\$ 1,975,298	\$ 1,900,475	\$ 1,776,119	\$ 1,678,079	\$ 1,565,730	\$ 1,495,933
Contributions in Relation to the Statutorily Required Contribution	(2,263,598)	(2,149,102)	(1,975,969)	(1,831,941)	(1,975,298)	(1,900,475)	(1,776,119)	(1,678,079)	(1,565,730)	(1,495,933)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 30,181,307</u>	<u>\$ 28,654,693</u>	<u>\$ 26,346,253</u>	<u>\$ 24,425,880</u>	<u>\$ 26,337,307</u>	<u>\$ 25,339,667</u>	<u>\$ 23,681,587</u>	<u>\$ 22,374,387</u>	<u>\$ 20,876,400</u>	<u>\$ 19,945,773</u>
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

See accompanying Notes to Required Supplementary Information.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the years ended June 30:

General Employees Fund

2024 Changes

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.

2023 Changes

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS
(CONTINUED)**

2021 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS
(CONTINUED)**

2020 Changes (Continued)

Changes in Plan Provisions (Continued):

- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100 percent Joint & Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.0 percent for the period July 1, 2020 through December 31, 2023 and 0.0 percent after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS
(CONTINUED)**

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00% for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.

Changes in Plan Provisions:

- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50% per year thereafter.
- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2015 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS
(CONTINUED)**

The following changes were reflected in the valuation performed on behalf of the Teachers Retirement Association for the years ended June 30:

2024 Changes

Changes in Actuarial Assumptions:

- 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 Pub-2010 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.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2023 Changes

Changes in Actuarial Assumptions:

- There were no changes in actuarial assumptions for financial reporting purposes.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2022 Changes

Changes in Actuarial Assumptions:

- There were no changes in actuarial assumptions for financial reporting purposes.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2021 Changes

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 7.5 percent to 7.0 percent.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS
(CONTINUED)**

2020 Changes

Changes in Actuarial Assumptions

- The COLA was reduced from 2.0 percent each January 1 to 1.0 percent effective January 2019. Beginning January 1, 2024, the COLA will increase 0.1 percent each year until reaching the ultimate rate of 1.5 percent in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5 percent if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0 percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0 percent to 3.0 percent, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5 percent to 7.5 percent, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next four years, (7.92 percent in 2019, 8.13 percent in 2021, 8.55 percent in 2022, and 8.75 percent in 2023). In addition, the employee contribution rate will increase from 7.50 percent to 7.75 percent on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2019 Changes

Changes in Actuarial Assumptions:

- There have been no changes since the prior valuation.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2018 Changes

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 8.5 percent to 7.5 percent.
- The price inflation assumption was lowered from 3.0 percent to 2.5 percent.
- The payroll growth assumption was lowered from 3.5 percent to 3.0 percent.
- The wage inflation assumption (above price inflation) was reduced from 0.75 percent to 0.35 percent for the next 10 years, and 0.75 percent thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the Unfunded Actuarial Accrual Liability (UAAL) was reset to June 30, 2048 (30 years).
- The mechanism in the law that provided the TRA Board with some authority is set contribution rates was eliminated.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS
(CONTINUED)**

2018 Changes (Continued)

Changes in Plan Provisions

- The COLA was reduced from 2.0 percent each January 1 to 1.0 percent, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1 percent each year until reaching the ultimate rate of 1.5 percent in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5 percent if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0 percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0 percent to 3.0 percent, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5 percent to 7.5 percent, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next five years, (7.92 percent in 2019, 8.13 percent in 2020, 8.34 percent in 2021, 8.55 percent in 2022, and 8.75 percent in 2023). In addition, the employee contribution rate will increase from 7.50 percent to 7.75 percent on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 Changes

Changes in Actuarial Assumptions:

- The cost of living adjustment (COLA) was assumed to increase from 2.0 percent annually to 2.5 percent annually on July 1, 2045.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4 percent to 0.0 percent, the vested inactive load increased from 4.0 percent to 7.0 percent and the nonvested inactive load increased from 4.0 percent to 9.0 percent.
- The investment return assumption was changed from 8.0 percent to 7.5 percent.
- The COLA was not assumed to increase to 2.5 percent but remain at 2.0 percent for all future years.
- The price inflation assumption was lowered from 2.75 percent to 2.5 percent.
- The payroll growth assumption was lowered from 3.5 percent to 3.0 percent.
- The general wage growth assumption was lowered from 3.5 percent to 2.85 percent for 10 years followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS
(CONTINUED)**

2016 Changes

Changes in Actuarial Assumptions:

- The cost of living adjustment was not assumed to increase (it remained at 2.0 percent for all future years).
- The price inflation assumption was lowered from 3.0 percent to 2.75 percent.
- The general wage growth and payroll growth assumptions were lowered from 3.75 percent to 3.5 percent.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back six years, and female rates set back five years. Generational projection uses the MP-2015 scale.
- The postretirement mortality assumption was changed to the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustments.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

2015 Changes

Changes in Actuarial Assumptions:

- The cost of living adjustment was assumed to increase from 2.0 percent annually to 2.5 percent annually on July 1, 2037.
- The investment return assumption was changed from 8.25 percent to 8.0 percent.

Changes in Plan Provisions:

- The Duluth Teachers Retirement Fund Association was merged into TRA on June 30, 2015. This also resulted in a state-provided contribution stream of \$14.377 million until the System becomes fully funded.

2014 Changes

Changes in Actuarial Assumptions:

- The cost of living adjustment was assumed to increase from 2.0 percent annually to 2.5 percent annually once the legally specified criteria was met. This was estimated to occur July 1, 2031.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS
(CONTINUED)**

2014 Changes (Continued)

Changes in Plan Provisions:

- The increase in the postretirement benefit adjustment (COLA) will be made once the System is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

The following changes were reflected in the valuation performed on behalf of the District's Postemployment Benefits Plan for the years ended June 30:

2024

Changes in Actuarial Assumptions:

- Immediate trend for the self-insured Health Partners plans was increased from 7.00% to 7.25% to reflect recent increases and current industry trend.
- Immediate trend for the fully-insured UCare Medicare Advantage plans was decreased to 5.25%. An additional 8.8% load was applied to the immediate trend rate to reflect the expected impact of the Inflation Reduction Act on the Prescription Drug Plan.
- Per-capita costs were updated to reflect experience since the previous valuation.

Changes in Plan Provisions:

- HP Medical premium equivalent rates were increased 21%, on average, to reflect experience since the previous valuation.
- The UCare – High option premium was increased 3% for calendar year 2025.
- Term life insurance premium was reduced from \$0.998 to \$0.78 per month per \$1,000 of coverage.

2023

Changes in Actuarial Assumptions:

- Discount rate was increased from 4.13 percent to 4.21 percent, per changes in high-quality municipal bond yield rates
- Per-capita costs were updated to reflect experience since the previous valuation.
- Rates of morbidity used to age-adjust the average per capita claims costs were updated to a smoothed, unisex table based on the Society of Actuaries' 2013 study *Health Care Costs – From Birth to Death*.
- Future retiree medical plan election percentages were updated to reflect recent election patterns.

Changes in Plan Provisions:

- HP Medical premium equivalent rates were updated to reflect current rates.
- Term life insurance premium was reduced from \$0.998 to \$0.78 per month per \$1,000 of coverage.

2022

Changes in Actuarial Assumptions:

- Discount rate was decreased from 4.09 percent to 4.13 percent.
- Medical trend assumption was shifted to maintain the same immediate rate of 7.25 percent.
- The mortality improvement scale was updated from MP-2020 to MP-2021.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS
(CONTINUED)**

2022 (Continued)

- Per-capita claims and fixed costs were updated to reflect experience since previous valuation.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2021

Changes in Actuarial Assumptions:

- Discount rate was decreased from 3.36 percent to 2.66 percent.
- Per-capita costs were updated to reflect experience since the previous valuation.
- Future retiree medical plan election for pre-Medicare coverage was changed from 100% Base plan to 75% Base and 25% VEBA HRA plan.
- Mortality improvement scale was updated from MP-2019 to MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2020

Changes in Actuarial Assumptions:

- Discount rate was decreased from 3.45 percent to 3.36 percent.
- The adjustments to healthcare trend to estimate the impact of future excise taxes on "Cadillac" benefits were removed as said taxes have been repealed.
- Per-capita costs were updated to reflect experience since the previous valuation.
- Mortality assumption was updated from the RP-200 White-Collar tables with various adjustments, to the Pub 2010 Headcount Weighted Mortality tables for Teachers and General employees, with mortality improvement projected fully generationally with Scale MP-2019.
- Retirement and Withdrawal assumptions were updated to match the current Minnesota TRA and PERA actuarial assumptions.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2019

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.70 percent to 3.50 percent.

Changes in Plan Provisions:

- There were no changes in plan provisions for financial reporting purposes.

2018

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS
(CONTINUED)**

2018 (Continued)

- The mortality table was updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.
- The expected long-term investment return was changed from 3.40 percent to 3.70 percent.
- For the discount rate was changed from 3.40 percent to 3.70 percent.

SUPPLEMENTARY INFORMATION

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
GENERAL FUND
BALANCE SHEET
JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)**

	2025	2024
ASSETS		
Cash and Investments	\$ 37,498,267	\$ 39,745,147
Cash with Fiscal Agent	609,251	616,344
Receivables:		
Current Taxes	28,385,549	27,754,148
Delinquent Taxes	215,731	238,423
Accounts and Interest Receivable	284,861	489,059
Due from Other Minnesota School Districts	101,600	76,415
Due from Minnesota Department of Education	11,647,571	11,286,024
Due from Federal Through the Minnesota Department of Education	1,851,184	2,075,398
Due from Other Governmental Units	484,730	415,207
Due from Other Funds	899,138	789,358
Leases Receivable	209,082	256,425
Inventory	218,477	205,356
Prepays	1,781,971	1,485,837
Total Assets	\$ 84,187,412	\$ 85,433,141
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 5,480,267	\$ 4,972,453
Payroll Deductions and Employer Contributions Payable	3,403,723	3,168,081
Accounts and Contracts Payable	775,180	1,182,960
Due to Other Minnesota School Districts	135,244	21,460
Unearned Revenue	441,554	371,129
Total Liabilities	10,235,968	9,716,083
Deferred Inflows of Resources:		
Unavailable Revenue - Property Taxes Levied for Subsequent Year	52,173,648	50,861,933
Unavailable Revenue - Delinquent Taxes	108,723	84,070
Leases Receivable	172,342	229,789
Total Deferred Inflows of Resources	52,454,713	51,175,792
Fund Balance:		
Nonspendable:		
Inventory	218,477	205,356
Prepays	1,781,971	1,485,837
Restricted for:		
Student Activities	25,630	3,595
Scholarships	216,864	232,364
Q Comp	238,418	-
Capital Projects Levy	469,717	255,968
Operating Capital	1,101,975	387,237
Medical Assistance	85,000	85,000
Assigned for:		
Q Comp	-	453,803
Athletic Equipment	455,546	518,908
Special Purposes	1,567,402	1,501,397
Unassigned	15,335,731	19,411,801
Total Fund Balance	21,496,731	24,541,266
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 84,187,412	\$ 85,433,141

MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2024)

		2025		2024
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 55,276,020	\$ 55,958,033	\$ 682,013	\$ 52,836,578
Earnings and Investments	2,000,000	1,723,724	(276,276)	2,256,517
Exchange Revenue	6,020,471	6,767,147	746,676	8,011,928
State Sources	121,394,857	121,579,698	184,841	116,340,555
Federal Sources	3,090,699	2,631,634	(459,065)	3,054,652
Total Revenues	187,782,047	188,660,236	878,189	182,500,230
EXPENDITURES				
Current:				
Administration:				
Salaries	4,362,549	4,319,387	(43,162)	4,307,708
Employee Benefits	1,313,230	1,292,795	(20,435)	1,229,693
Purchased Services	145,690	70,612	(75,078)	88,158
Supplies and Materials	301,636	172,493	(129,143)	232,125
Other Expenditures	82,174	85,636	3,462	101,149
Total Administration	6,205,279	5,940,923	(264,356)	5,958,833
District Support Services:				
Salaries	4,895,511	4,787,765	(107,746)	4,293,094
Employee Benefits	1,682,819	1,687,606	4,787	1,595,762
Purchased Services	(42,333)	123,518	165,851	303,158
Supplies and Materials	1,085,190	930,536	(154,654)	1,007,008
Other Expenditures	(148,791)	(126,349)	22,442	(138,319)
Total District Support Services	7,472,396	7,403,076	(69,320)	7,060,703
Elementary and Secondary Regular Instruction:				
Salaries	69,949,777	70,574,897	625,120	69,088,677
Employee Benefits	22,362,250	22,464,689	102,439	21,735,212
Purchased Services	2,989,215	3,993,976	1,004,761	3,701,460
Supplies and Materials	5,244,763	4,263,846	(980,917)	4,151,351
Other Expenditures	969,366	402,004	(567,362)	483,397
Total Elementary and Secondary Regular Instruction	101,515,371	101,699,412	184,041	99,160,097

MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2024)

		2025		2024
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 1,242,215	\$ 1,250,090	\$ 7,875	\$ 1,161,600
Employee Benefits	362,567	367,663	5,096	349,628
Purchased Services	108,717	141,744	33,027	67,379
Supplies and Materials	22,074	30,772	8,698	28,471
Other Expenditures	13,511	6,189	(7,322)	5,440
Total Vocational Education Instruction	1,749,084	1,796,458	47,374	1,612,518
Special Education Instruction:				
Salaries	20,758,393	20,495,574	(262,819)	19,082,905
Employee Benefits	6,396,895	6,679,251	282,356	6,185,674
Purchased Services	963,635	573,452	(390,183)	1,060,257
Supplies and Materials	543,734	204,566	(339,168)	235,757
Other Expenditures	269,197	285,058	15,861	197,098
Total Special Education Instruction	28,931,854	28,237,901	(693,953)	26,761,691
Instructional Support Services:				
Salaries	7,715,204	8,085,927	370,723	7,414,079
Employee Benefits	1,944,534	2,025,005	80,471	1,815,921
Purchased Services	96,256	20,919	(75,337)	326,817
Supplies and Materials	580,398	560,103	(20,295)	615,947
Other Expenditures	69,721	76,504	6,783	49,080
Total Instructional Support Services	10,406,113	10,768,458	362,345	10,221,844
Pupil Support Services:				
Salaries	4,707,627	4,719,632	12,005	4,392,867
Employee Benefits	1,435,234	1,439,209	3,975	1,340,312
Purchased Services	222,791	598,268	375,477	201,642
Supplies and Materials	140,493	50,736	(89,757)	44,799
Other Expenditures	48,535	24,783	(23,752)	22,164
Total Pupil Support Services	6,554,680	6,832,628	277,948	6,001,784
Sites and Buildings:				
Salaries	4,511,060	4,419,576	(91,484)	4,124,558
Employee Benefits	1,511,836	1,484,952	(26,884)	1,376,360
Purchased Services	2,088,430	3,273,195	1,184,765	3,275,077
Supplies and Materials	1,536,754	1,418,178	(118,576)	1,325,629
Other Expenditures	(188,049)	(101,511)	86,538	(49,303)
Total Sites and Buildings	9,460,031	10,494,390	1,034,359	10,052,321

MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2024)

		2025		2024
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
EXPENDITURES (Continued)				
Fiscal and Other Fixed Costs:				
Purchased Services	\$ 792,868	\$ 865,532	\$ 72,664	\$ 796,775
Other Expenditures	232,363	28,330	(204,033)	27,800
Total Fiscal and Other Fixed Costs	1,025,231	893,862	(131,369)	824,575
Transportation:				
Salaries	276,167	269,641	(6,526)	267,453
Employee Benefits	107,953	105,714	(2,239)	95,637
Purchased Services	6,987,548	7,182,231	194,683	6,384,012
Supplies and Materials	25,822	32,298	6,476	4,340
Other Expenditures	200	-	(200)	480
Total Transportation	7,397,690	7,589,884	192,194	6,751,922
Capital Outlay:				
Administration	125,165	120,015	(5,150)	210,587
District Support Services	323,000	404,633	81,633	1,458,936
Regular Instruction	1,022,952	696,527	(326,425)	4,502,697
Vocational Education Instruction	11,000	3,298	(7,702)	13,241
Special Education Instruction	35,474	5,402	(30,072)	29,762
Instructional Support Services	7,705	4,731	(2,974)	20,384
Pupil Support Services	7,000	106,673	99,673	9,590
Sites and Buildings	1,674,807	796,591	(878,216)	1,612,209
Total Capital Outlay	3,207,103	2,137,870	(1,069,233)	7,857,406
Debt Service:				
Principal	4,586,053	5,708,362	1,122,309	4,373,761
Interest and Fiscal Charges	2,326,932	2,382,848	55,916	2,445,014
Total Debt Service	6,912,985	8,091,210	1,178,225	6,818,775
Total Expenditures	190,837,817	191,886,072	1,048,255	189,082,469
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,055,770)	(3,225,836)	(170,066)	(6,582,239)
OTHER FINANCING SOURCES (USES)				
Issuance of Long-Term Leases	-	89,075	89,075	56,058
Issuance of Subscriptions Payable	-	111,723	111,723	120,095
Issuance of Financed Purchase	5,000	-	(5,000)	3,985,015
Transfers Out	(28,079)	(19,497)	8,582	(26,987)
Total Other Financing Sources (Uses)	(23,079)	181,301	204,380	4,134,181
NET CHANGE IN FUND BALANCE	<u>\$ (3,078,849)</u>	(3,044,535)	<u>\$ 34,314</u>	(2,448,058)
FUND BALANCE				
Beginning of Year		24,541,266		26,989,324
End of Year		<u>\$ 21,496,731</u>		<u>\$ 24,541,266</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)**

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Investments	\$ 3,401,137	\$ 3,597,105
Receivables:		
Accounts and Interest Receivable	110,935	95,103
Due from Minnesota Department of Education	760,634	713,974
Due from Federal Through the Minnesota Department of Education	186,737	181,689
Inventory	145,585	117,610
Prepays	<u>17,533</u>	<u>17,829</u>
 Total Assets	 <u><u>\$ 4,622,561</u></u>	 <u><u>\$ 4,723,310</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ -	\$ 26,179
Payroll Deductions and Employer Contributions Payable	462	498
Accounts and Contracts Payable	23,995	23,346
Unearned Revenue	<u>307,098</u>	<u>287,025</u>
Total Liabilities	331,555	337,048
 Fund Balance:		
Nonspendable:		
Inventory	145,585	117,610
Prepays	17,533	17,829
Restricted for:		
Food Service	<u>4,127,888</u>	<u>4,250,823</u>
Total Fund Balance	<u><u>4,291,006</u></u>	<u><u>4,386,262</u></u>
 Total Liabilities and Fund Balance	 <u><u>\$ 4,622,561</u></u>	 <u><u>\$ 4,723,310</u></u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
FOOD SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2024)**

	2025			2024
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Earnings and Investments	\$ 116,998	\$ 141,403	\$ 24,405	\$ 145,970
Exchange Revenue	1,800,550	1,756,313	(44,237)	1,817,752
State Sources	5,683,675	4,763,204	(920,471)	4,589,084
Federal Sources	1,837,377	1,630,313	(207,064)	1,970,791
Total Revenues	<u>9,438,600</u>	<u>8,291,233</u>	<u>(1,147,367)</u>	<u>8,523,597</u>
EXPENDITURES				
Current:				
Salaries	2,011,686	1,660,039	(351,647)	1,615,359
Employee Benefits	786,304	679,404	(106,900)	603,342
Purchased Services	494,508	511,832	17,324	491,175
Supplies and Materials	4,380,115	4,656,422	276,307	4,107,706
Other Expenditures	284,439	291,514	7,075	207,231
Capital Outlay	<u>1,039,000</u>	<u>587,278</u>	<u>(451,722)</u>	<u>911,155</u>
Total Expenditures	<u>8,996,052</u>	<u>8,386,489</u>	<u>(609,563)</u>	<u>7,935,968</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	442,548	(95,256)	(537,804)	587,629
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 452,548</u>	<u>(95,256)</u>	<u>\$ (547,804)</u>	<u>587,629</u>
FUND BALANCE				
Beginning of Year		4,386,262		3,798,633
End of Year		<u>\$ 4,291,006</u>		<u>\$ 4,386,262</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)**

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Investments	\$ 9,052,652	\$ 8,472,664
Receivables:		
Current Taxes	538,210	507,150
Delinquent Taxes	3,766	4,471
Accounts and Interest Receivable	131,636	86,588
Due from Other Minnesota School Districts	108,299	64,647
Due from Minnesota Department of Education	47,176	48,248
Prepays	<u>35,818</u>	<u>15,478</u>
Total Assets	<u><u>\$ 9,917,557</u></u>	<u><u>\$ 9,250,788</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 523,697	\$ 445,793
Payroll Deductions and Employer Contributions Payable	13,975	1,417
Accounts and Contracts Payable	248,242	267,727
Unearned Revenue	<u>1,179,150</u>	<u>1,210,780</u>
Total Liabilities	<u>1,965,064</u>	<u>1,925,717</u>
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	1,073,640	1,015,168
Unavailable Revenue - Delinquent Taxes	<u>3,766</u>	<u>4,471</u>
Total Deferred Inflows of Resources	<u>1,077,406</u>	<u>1,019,639</u>
Fund Balance:		
Nonspendable:		
Prepays	35,818	15,478
Restricted for:		
Community Education	5,861,784	5,312,463
Early Childhood and Family Education	658,418	640,497
School Readiness	304,543	322,470
Adult Basic Education	<u>14,524</u>	<u>14,524</u>
Total Fund Balance	<u>6,875,087</u>	<u>6,305,432</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 9,917,557</u></u>	<u><u>\$ 9,250,788</u></u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
COMMUNITY SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2024)**

	2025			2024
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 1,015,167	\$ 1,015,871	\$ 704	\$ 1,010,859
Earnings and Investments	150,000	297,122	147,122	364,531
Exchange Revenue	14,349,118	14,405,757	56,639	13,867,868
State Sources	638,058	637,500	(558)	614,536
Federal Sources	377,000	352,515	(24,485)	379,420
Total Revenues	16,529,343	16,708,765	179,422	16,237,214
EXPENDITURES				
Current:				
Salaries	9,173,913	8,265,056	(908,857)	7,341,915
Employee Benefits	2,607,455	2,244,480	(362,975)	1,909,486
Purchased Services	4,215,755	4,525,927	310,172	4,200,216
Supplies and Materials	1,128,825	932,706	(196,119)	947,981
Other Expenditures	91,689	88,679	(3,010)	80,726
Capital Outlay	173,000	99,872	(73,128)	66,311
Debt Service				
Principal	5,000	1,887	(3,113)	3,892
Interest and Fiscal Charges	-	-	-	394
Total Expenditures	17,395,637	16,158,607	(1,237,030)	14,550,921
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(866,294)	550,158	1,416,452	1,686,293
OTHER FINANCING SOURCES				
Transfers In	28,079	19,497	(8,582)	26,987
NET CHANGE IN FUND BALANCE	<u>\$ (838,215)</u>	569,655	<u>\$ 1,407,870</u>	1,713,280
FUND BALANCE				
Beginning of Year		6,305,432		4,592,152
End of Year		<u>\$ 6,875,087</u>		<u>\$ 6,305,432</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)**

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Investments	\$ 13,423,117	\$ 10,301,159
Cash with Fiscal Agent	491,522	1,760,706
Prepays	<u>27,849</u>	<u>-</u>
Total Assets	<u><u>\$ 13,942,488</u></u>	<u><u>\$ 12,061,865</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 4,585	\$ -
Accounts and Contracts Payable	<u>2,999,428</u>	<u>4,267,741</u>
Total Liabilities	3,004,013	4,267,741
Fund Balance:		
Nonspendable:		
Prepays	27,849	-
Restricted for:		
Projects Funded by Certificates of Participation	491,516	826,438
Long-Term Facilities Maintenance	10,648,483	6,099,801
Capital Projects	-	867,885
Unassigned	<u>(229,373)</u>	<u>-</u>
Total Fund Balance	<u><u>10,938,475</u></u>	<u><u>7,794,124</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 13,942,488</u></u>	<u><u>\$ 12,061,865</u></u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2024)**

	2025			2024
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Earnings and Investments	\$ -	\$ 558,973	\$ 558,973	\$ 673,621
Other	-	45,000	45,000	46,944
Total Revenues	-	603,973	603,973	720,565
EXPENDITURES				
Current:				
Salaries	134,729	63,636	(71,093)	187,245
Employee Benefits	32,086	11,364	(20,722)	29,418
Purchased Services	346,789	567,011	220,222	508,197
Supplies and Materials	15,000	-	(15,000)	-
Capital Outlay	12,379,399	12,703,900	324,501	23,818,020
Debt Service:				
Interest and Fiscal Charges	-	231,011	231,011	184,159
Total Expenditures	12,908,003	13,576,922	668,919	24,727,039
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(12,908,003)	(12,972,949)	(64,946)	(24,006,474)
OTHER FINANCING SOURCES				
Issuance of Bonds	14,285,000	14,285,000	-	10,785,000
Bond Premium	1,832,300	1,832,300	-	1,390,649
Issuance of Certificates of Participation	-	-	-	1,764,998
Premium on Certificates of Participation	-	-	-	520,738
Total Other Financing Sources	16,117,300	16,117,300	-	14,461,385
NET CHANGE IN FUND BALANCE	<u>\$ 3,209,297</u>	3,144,351	<u>\$ (64,946)</u>	(9,545,089)
FUND BALANCE				
Beginning of Year		7,794,124		17,339,213
End of Year		<u>\$ 10,938,475</u>		<u>\$ 7,794,124</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)**

	Regular Debt Service	OPEB Debt Service	Totals	
			2025	2024
ASSETS				
Cash and Investments	\$ 5,655,810	\$ 1,084,994	\$ 6,740,804	\$ 5,847,095
Cash with Fiscal Agent	741,855	142,917	884,772	887,648
Receivables:				
Current Taxes	5,507,063	741,906	6,248,969	4,649,461
Delinquent Taxes	29,569	5,214	34,783	43,770
Accounts and Interest Receivable	29,635	-	29,635	55,114
Due from Minnesota Department of Education	95,404	-	95,404	94,294
Total Assets	<u>\$ 12,059,336</u>	<u>\$ 1,975,031</u>	<u>\$ 14,034,367</u>	<u>\$ 11,577,382</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Deferred Inflows of Resources:				
Property Taxes Levied for Subsequent Year	\$ 10,985,441	\$ 1,479,981	\$ 12,465,422	\$ 9,306,636
Unavailable Revenue - Delinquent Taxes	29,569	5,214	34,783	43,770
Total Deferred Inflows of Resources	<u>11,015,010</u>	<u>1,485,195</u>	<u>12,500,205</u>	<u>9,350,406</u>
Fund Balance:				
Restricted for:				
Debt Service	<u>1,044,326</u>	<u>489,836</u>	<u>1,534,162</u>	<u>2,226,976</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 12,059,336</u>	<u>\$ 1,975,031</u>	<u>\$ 14,034,367</u>	<u>\$ 11,577,382</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2024)**

	2025				2024	
	Final	Regular	OPEB	Total	Over (Under)	
	Budgeted	Debt	Debt	Actual	Final	Actual
	Amounts	Service	Service	Amounts	Budget	Amounts
REVENUES						
Local Sources:						
Property Taxes	\$ 9,306,636	\$ 7,827,232	\$ 1,488,125	\$ 9,315,357	\$ 8,721	\$ 9,586,835
Earnings and Investments	97,615	217,123	-	217,123	119,508	234,512
State Sources	942,694	953,143	2	953,145	10,451	947,152
Total Revenues	10,346,945	8,997,498	1,488,127	10,485,625	138,680	10,768,499
EXPENDITURES						
Debt Service:						
Bond Principal	7,420,000	6,245,000	1,175,000	7,420,000	-	6,675,000
Bond Interest	3,760,235	3,427,203	297,578	3,724,781	(35,454)	3,896,268
Paying Agent Fees and Other	-	266,075	-	266,075	266,075	-
Total Expenditures	11,180,235	9,938,278	1,472,578	11,410,856	230,621	10,571,268
EXCESS (DEFICIENCY) OF REVENUES						
OVER (UNDER) EXPENDITURES	(833,290)	(940,780)	15,549	(925,231)	(91,941)	197,231
OTHER FINANCING SOURCES (USES)						
Issuance of Bonds	-	3,805,000	-	3,805,000	3,805,000	-
Bond Premium	-	430,994	-	430,994	430,994	-
Issuance of Certificates of Participation	-	5,615,000	-	5,615,000	5,615,000	-
Premium on Certificates of Participation	-	583,129	-	583,129	583,129	-
Payment to Refunded Bond Escrow Agent	-	(10,201,706)	-	(10,201,706)	(10,201,706)	-
Total Other Financing Sources (Uses)	-	232,417	-	232,417	232,417	-
NET CHANGE IN FUND BALANCE						
	<u>\$ (833,290)</u>	(708,363)	15,549	(692,814)	<u>\$ 140,476</u>	197,231
FUND BALANCE						
Beginning of Year		1,752,689	474,287	2,226,976		2,029,745
End of Year		<u>\$ 1,044,326</u>	<u>\$ 489,836</u>	<u>\$ 1,534,162</u>		<u>\$ 2,226,976</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)**

	Self- Insurance Accounts	OPEB Revocable Trust	Totals	
			2025	2024
ASSETS				
Cash and Investments	\$ 12,369,513	\$ 16,409,131	\$ 28,778,644	\$ 26,915,299
Interest Receivable	56,174	-	56,174	104,669
Total Assets	12,425,687	16,409,131	28,834,818	27,019,968
LIABILITIES				
Accounts Payable	9,736	-	9,736	1,831
Claims Payable - Medical	2,491,400	-	2,491,400	2,390,000
Due to Other Funds	-	899,138	899,138	789,358
Unearned Revenue	2,993,134	-	2,993,134	2,928,632
Total Liabilities	5,494,270	899,138	6,393,408	6,109,821
NET POSITION				
Unrestricted	\$ 6,931,417	\$ 15,509,993	\$ 22,441,410	\$ 20,910,147

MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2024)

	Self- Insurance Accounts	OPEB Revocable Trust	Totals	
			2025	2024
OPERATING REVENUES				
Charges for Services:				
Health Insurance Premiums	\$ 19,750,517	\$ -	\$ 19,750,517	\$ 16,949,044
Dental Insurance Premiums	1,373,242	-	1,373,242	1,249,050
Total Operating Revenues	21,123,759	-	21,123,759	18,198,094
OPERATING EXPENSES				
Salaries	183,284	-	183,284	338,233
VEBA Contributions	1,434,292	-	1,434,292	1,340,333
Wellness Payments	40,770	-	40,770	41,160
Health Insurance Claim Payments	17,221,227	-	17,221,227	16,786,360
Dental Insurance Claim Payments	1,387,414	-	1,387,414	1,357,286
OPEB Payments	-	915,790	915,790	789,358
General Administration Fees	977,949	-	977,949	1,062,376
Total Operating Expenses	21,244,936	915,790	22,160,726	21,715,106
OPERATING INCOME (LOSS)	(121,177)	(915,790)	(1,036,967)	(3,517,012)
NONOPERATING INCOME (EXPENSES)				
Earnings on Investments	503,287	2,064,943	2,568,230	897,268
CHANGE IN NET POSITION	382,110	1,149,153	1,531,263	(2,619,744)
Net Position - Beginning	6,549,307	14,360,840	20,910,147	23,529,891
NET POSITION - ENDING	<u>\$ 6,931,417</u>	<u>\$ 15,509,993</u>	<u>\$ 22,441,410</u>	<u>\$ 20,910,147</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2024)**

	Self- Insurance Accounts	OPEB Revocable Trust	Totals	
			2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Interfund Services Provided	\$ 21,236,756	\$ -	\$ 21,236,756	\$ 18,830,592
Payments for Administrative Costs	(977,949)	-	(977,949)	(1,062,376)
Payments for Salaries	(183,284)	-	(183,284)	(338,233)
Payments for Medical Fees and Insurance Claims	(18,499,336)	-	(18,499,336)	(17,932,002)
Payments for Wellness	(40,770)	-	(40,770)	(41,160)
Payments to Employee VEBA Accounts	(1,434,292)	-	(1,434,292)	(1,340,333)
Payments for Retirement Benefits	-	(806,010)	(806,010)	(815,037)
Net Cash Provided (Used) by Operating Activities	101,125	(806,010)	(704,885)	(2,698,549)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	503,287	2,064,943	2,568,230	897,268
Purchases of Investments	-	(1,258,933)	(1,258,933)	393,565
Net Cash Provided by Investing Activities	503,287	806,010	1,309,297	1,290,833
Net Increase (Decrease) in Cash and Cash Equivalents	604,412	-	604,412	(1,407,716)
Cash and Cash Equivalents - Beginning	11,765,101	-	11,765,101	13,172,817
Cash and Cash Equivalents - Ending	<u>\$ 12,369,513</u>	<u>\$ -</u>	<u>\$ 12,369,513</u>	<u>\$ 11,765,101</u>
Total Cash and Investments per Statement of Net Position	\$ 12,369,513	\$ 16,409,131	\$ 28,778,644	\$ 26,915,299
Less: Investments Included in Cash and Investments	-	(16,409,131)	(16,409,131)	(15,150,198)
Total Cash and Cash Equivalents	<u>\$ 12,369,513</u>	<u>\$ -</u>	<u>\$ 12,369,513</u>	<u>\$ 11,765,101</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (121,177)	\$ (915,790)	\$ (1,036,967)	\$ (3,517,012)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
(Increase) Decrease in Interest Receivable	48,495	-	48,495	130,626
Increase (Decrease) in Accounts Payable	7,905	-	7,905	44
Increase (Decrease) in Claims Payable	101,400	-	101,400	211,600
Increase (Decrease) in Due to Other Funds	-	109,780	109,780	(25,679)
Increase (Decrease) in Unearned Revenue	64,502	-	64,502	501,872
Total Adjustments	222,302	109,780	332,082	818,463
Net Cash Provided (Used) by Operating Activities	<u>\$ 101,125</u>	<u>\$ (806,010)</u>	<u>\$ (704,885)</u>	<u>\$ (2,698,549)</u>
NONCASH INVESTING ACTIVITIES				
Increase (Decrease) in Fair Value of Investments	<u>\$ 604,412</u>	<u>\$ 1,258,933</u>	<u>\$ 1,863,345</u>	<u>\$ (1,801,281)</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
UNIFORM FINANCIAL ACCOUNTING AND REPORTING
STANDARDS COMPLIANCE TABLE
JUNE 30, 2025**

	AUDIT	UFARS	DIFFERENCE		AUDIT	UFARS	DIFFERENCE
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$ 188,660,236	\$ 188,660,238	\$ (2)	Total Revenue	\$ 603,973	\$ 603,974	\$ (1)
Total Expenditures	191,886,072	191,886,059	13	Total Expenditures	13,576,922	13,576,922	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	2,000,448	2,000,448	-	460 Nonspendable Fund Balance	27,849	27,849	-
<i>Restricted:</i>				<i>Restricted:</i>			
401 Student Activities	25,630	25,630	-	407 Capital Projects Levy	-	-	-
402 Scholarships	216,864	216,864	-	409 Alternative Facility Program	-	-	-
403 Staff Development	-	-	-	413 Projects Funded by COP	491,516	491,516	-
407 Capital Project Levy	469,717	469,717	-	467 LTFM	10,648,483	10,648,480	3
408 Cooperative Revenue	-	-	-	464 Restricted Fund Balance	-	-	-
412 Literacy Incentive Aid	-	-	-	<i>Unassigned:</i>			
414 Operating Debt	-	-	-	463 Unassigned Fund Balance	(229,373)	(229,369)	(4)
416 Levy Reduction	-	-	-				
417 Taconite Building Maintenance	-	-	-	07 DEBT SERVICE			
420 American Indian Ed Aid	-	-	-	Total Revenue	8,997,498	8,997,500	(2)
424 Operating Capital	1,101,975	1,101,975	-	Total Expenditures	9,938,278	9,750,916	187,362
426 \$25 Taconite	-	-	-	<i>Nonspendable:</i>			
427 Disabled Accessibility	-	-	-	460 Nonspendable Fund Balance	-	-	-
428 Learning and Development	-	-	-	<i>Restricted:</i>			
434 Area Learning Center	-	-	-	425 Bond Refunding	-	-	-
435 Contracted Alternative Programs	-	-	-	451 QZAB and QSCB Payments	-	-	-
436 State-Approved Alternative Programs	-	-	-	464 Restricted Fund Balance	1,044,326	1,044,328	(2)
437 Q Comp	238,418	238,418	-	<i>Unassigned:</i>			
438 Gifted and Talented	-	-	-	463 Unassigned Fund Balance	-	-	-
440 Teacher Development and Evaluations	-	-	-				
441 Basic Skills Programs	-	-	-	08 TRUST			
445 Career and Technical Programs	-	-	-	Total Revenue	-	-	-
448 Achievement and Integration	-	-	-	Total Expenditures	-	-	-
449 Sage Schools Crime Levy	-	-	-	<i>Restricted:</i>			
451 QZAB Payments	-	-	-	401 Student Activities	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-	402 Scholarships	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-	422 Restricted	-	-	-
467 LTFM	-	-	-				
472 Medical Assistance	85,000	85,000	-	18 CUSTODIAL			
<i>Restricted:</i>				Total Revenue	148,918	148,918	-
464 Restricted Fund Balance	-	-	-	Total Expenditures	376,971	376,971	-
<i>Committed:</i>				<i>Restricted:</i>			
418 Committed for Separation	-	-	-	401 Student Activities	-	-	-
461 Committed Fund Balance	-	-	-	402 Scholarships	-	-	-
<i>Assigned:</i>				448 Achievement and Integration	-	-	-
462 Assigned Fund Balance	2,022,948	2,022,948	-	464 Restricted	345,598	345,598	-
<i>Unassigned:</i>							
422 Unassigned Fund Balance	15,335,731	15,335,732	(1)	20 INTERNAL SERVICE			
02 FOOD SERVICE				Total Revenue	21,627,046	21,627,045	1
Total Revenue	8,291,233	8,291,234	(1)	Total Expenditures	21,244,936	21,244,936	-
Total Expenditures	8,386,489	8,386,489	-	<i>Net Position:</i>			
<i>Nonspendable:</i>				422 Net Position	6,931,417	6,931,417	-
460 Nonspendable Fund Balance	163,118	163,118	-	25 OPEB REVOCABLE TRUST			
<i>Restricted:</i>				Total Revenue	2,064,943	2,064,943	-
452 OPEB Liability Not Held in Trust	-	-	-	Total Expenditures	915,790	915,790	-
464 Restricted Fund Balance	4,127,888	4,127,889	(1)	<i>Net Position:</i>			
<i>Unassigned:</i>				422 Net Position	15,509,993	15,509,993	-
463 Unassigned Fund Balance	-	-	-				
04 COMMUNITY SERVICE				45 OPEB IRREVOCABLE TRUST			
Total Revenue	16,708,765	16,708,766	(1)	Total Revenue	-	-	-
Total Expenditures	16,158,607	16,158,608	(1)	Total Expenditures	-	-	-
<i>Nonspendable:</i>				<i>Net Position:</i>			
460 Nonspendable Fund Balance	35,818	35,818	-	422 Net Position	-	-	-
<i>Restricted:</i>				47 OPEB DEBT SERVICE			
426 \$25 Taconite	-	-	-	Total Revenue	1,488,127	1,488,128	(1)
431 Community Education	5,615,765	5,615,765	-	Total Expenditures	1,472,578	1,472,579	(1)
432 E.C.F.E.	658,418	658,418	-	<i>Nonspendable:</i>			
440 Teacher Development and Evaluations	-	-	-	460 Nonspendable Fund Balance	-	-	-
444 School Readiness	304,543	304,543	-	<i>Restricted:</i>			
447 Adult Basic Education	14,524	14,524	-	425 Bond Refunding	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-	464 Restricted Fund Balance	489,836	489,836	-
464 Restricted Fund Balance	246,019	246,019	-	<i>Unassigned:</i>			
<i>Unassigned:</i>				463 Unassigned Fund Balance	-	-	-
463 Unassigned Fund Balance	-	-	-				

STATISTICAL SECTION (UNAUDITED)

This section of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	137
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.	144
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	150
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	155
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to services the District provides and the activities it performs.	158

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ 18,430,241	\$ 14,644,246	\$ 13,441,105	\$ 12,846,900	\$ 16,960,040	\$ 17,088,790	\$ 16,182,044	\$ 13,262,262	\$ 27,060,338	\$ 26,710,550
Restricted	7,074,898	6,808,222	7,245,813	9,970,960	6,057,675	9,057,960	20,826,373	27,730,141	21,554,603	26,756,432
Unrestricted	(57,419,114)	(85,657,524)	(129,067,503)	(97,023,252)	(99,319,271)	(107,013,615)	(111,696,070)	(87,235,913)	(83,201,593)	(101,941,161)
Total Governmental Activities										
Net Position	<u>\$ (31,913,975)</u>	<u>\$ (64,205,056)</u>	<u>\$ (108,380,585)</u>	<u>\$ (74,205,392)</u>	<u>\$ (76,301,556)</u>	<u>\$ (80,866,865)</u>	<u>\$ (74,687,653)</u>	<u>\$ (46,243,510)</u>	<u>\$ (34,586,652)</u>	<u>\$ (48,474,179)</u>

Source: District's financial records.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental Activities:				
Administration	\$ 4,132,706	\$ 5,605,071	\$ 5,455,522	\$ 3,682,577
District Support Services	3,811,676	4,145,220	5,572,269	6,105,416
Regular Instruction	67,818,975	96,960,340	104,554,124	61,855,919
Vocational Education Instruction	562,427	1,108,400	866,784	382,774
Special Education Instruction	16,064,977	22,481,202	23,574,526	14,936,738
Instructional Support Services	6,018,678	8,066,439	8,647,660	5,192,665
Pupil Support Services	7,822,508	9,606,299	10,078,121	8,171,436
Sites and Buildings	16,084,512	19,441,992	10,542,688	10,323,572
Fiscal and Other Fixed Cost Programs	262,090	258,901	232,382	243,794
Food Service	5,406,639	5,632,435	5,634,791	5,615,714
Community Service	9,682,970	11,634,698	12,538,445	11,544,294
Interest on Long-Term Debt	6,521,940	5,603,309	6,138,422	6,318,176
Total Governmental Activities Expenses	<u>\$ 144,190,098</u>	<u>\$ 190,544,306</u>	<u>\$ 193,835,734</u>	<u>\$ 134,373,075</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Administration	\$ -	\$ -	\$ -	\$ -
District Support Services	-	-	-	-
Regular Instruction	1,309,999	1,403,750	1,481,610	1,466,906
Special Education Instruction	-	-	-	-
Instructional Support Services	222,990	195,169	196,370	207,151
Pupil Support Services	252,275	239,780	253,070	253,665
Sites and Buildings	-	-	-	-
Food Service	4,628,754	4,806,658	4,988,142	5,134,896
Community Service	8,768,689	9,474,151	10,387,741	11,209,114
Operating Grants and Contributions	17,222,701	22,145,571	19,259,894	17,935,361
Capital Grants and Contributions	1,293,101	1,335,854	1,640,719	1,821,327
Total Governmental Activities Program Revenue	<u>\$ 33,698,509</u>	<u>\$ 39,600,933</u>	<u>\$ 38,207,546</u>	<u>\$ 38,028,420</u>
Net Expense				
Governmental Activities	<u>\$ (110,491,589)</u>	<u>\$ (150,943,373)</u>	<u>\$ (155,628,188)</u>	<u>\$ (96,344,655)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes:				
General Purposes and Capital Projects	\$ 31,079,686	\$ 35,766,057	\$ 35,987,087	\$ 37,897,822
Community Service	948,638	914,505	918,485	954,512
Debt Service	8,041,734	6,616,212	7,706,340	9,016,279
Unrestricted Grants and Contributions	70,294,970	72,666,001	76,233,324	79,580,441
Unrestricted Investment Earnings	(25,408)	2,310,084	2,022,260	2,382,078
Miscellaneous	537,033	379,433	1,191,246	688,716
Total Governmental Activities	<u>\$ 110,876,653</u>	<u>\$ 118,652,292</u>	<u>\$ 124,058,742</u>	<u>\$ 130,519,848</u>
Change in Net Position	\$ 385,064	\$ (32,291,081)	\$ (31,569,446)	\$ 34,175,193
Net Position - Beginning	(32,299,039)	(31,913,975)	(64,205,056)	(108,380,585)
Prior Period Adjustment	-	-	(12,606,083)	-
Net Position - Ending	<u>\$ (31,913,975)</u>	<u>\$ (64,205,056)</u>	<u>\$ (108,380,585)</u>	<u>\$ (74,205,392)</u>

Source: District's financial records.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 4,936,009	\$ 4,871,261	\$ 5,417,704	\$ 5,185,595	\$ 5,869,357	\$ 6,114,796
6,450,685	7,037,501	6,757,832	9,000,333	10,081,071	7,239,526
92,016,508	103,058,556	94,700,911	80,799,407	100,742,536	111,675,903
961,154	1,161,390	1,219,336	1,117,707	292,609	2,407,830
21,594,998	22,838,072	22,240,745	20,535,892	26,030,109	28,563,737
6,914,441	7,323,885	7,105,307	7,281,335	10,009,932	11,023,353
10,011,843	10,047,034	10,988,000	10,411,341	12,702,627	14,713,558
11,665,056	10,967,118	12,140,549	12,301,189	13,586,242	14,628,096
247,710	445,203	609,346	603,594	824,575	893,862
4,933,756	3,423,531	4,821,519	5,304,336	7,049,192	7,853,769
12,207,091	9,166,519	11,120,173	13,114,900	14,687,193	15,928,376
5,965,431	6,211,392	5,802,801	4,919,048	4,816,423	6,084,756
<u>\$ 177,904,682</u>	<u>\$ 186,551,462</u>	<u>\$ 182,924,223</u>	<u>\$ 170,574,677</u>	<u>\$ 206,691,866</u>	<u>\$ 227,127,562</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,461,721	\$ 13,704
-	24,645	32,302	35,369	20,280	-
1,264,150	1,225,228	2,026,635	2,046,489	2,032,782	2,189,161
-	-	-	24,123	47,584	3,648
141,938	42,524	219,356	217,469	217,315	218,007
180,757	147,386	195,367	241,021	228,692	226,169
-	-	-	-	-	389,104
3,702,981	438,418	1,293,199	4,401,702	1,784,331	1,754,573
9,330,529	6,777,586	10,668,633	12,348,940	13,246,370	13,883,806
22,465,001	27,198,343	30,236,788	26,985,185	33,668,697	35,837,515
1,809,399	1,742,405	1,694,513	1,649,751	1,623,956	1,403,742
<u>\$ 38,894,755</u>	<u>\$ 37,596,535</u>	<u>\$ 46,366,793</u>	<u>\$ 47,950,049</u>	<u>\$ 54,331,728</u>	<u>\$ 55,919,429</u>
<u>\$ (139,009,927)</u>	<u>\$ (148,954,927)</u>	<u>\$ (136,557,430)</u>	<u>\$ (122,624,628)</u>	<u>\$ (152,360,138)</u>	<u>\$ (171,208,133)</u>
\$ 42,493,968	\$ 44,827,510	\$ 45,906,033	\$ 46,677,956	\$ 52,814,918	\$ 55,982,686
942,780	956,817	966,046	980,044	1,009,673	1,015,166
8,329,244	8,727,580	9,002,056	9,433,638	9,578,220	9,306,370
82,544,597	83,977,491	87,219,564	89,649,603	95,490,770	98,631,529
2,056,107	5,354,173	(1,814,251)	3,671,730	4,572,419	5,506,575
547,067	546,047	1,457,194	655,800	550,996	3,344,542
<u>\$ 136,913,763</u>	<u>\$ 144,389,618</u>	<u>\$ 142,736,642</u>	<u>\$ 151,068,771</u>	<u>\$ 164,016,996</u>	<u>\$ 173,786,868</u>
\$ (2,096,164)	\$ (4,565,309)	\$ 6,179,212	\$ 28,444,143	\$ 11,656,858	\$ 2,578,735
(74,205,392)	(76,301,556)	(80,866,865)	(74,687,653)	(46,243,510)	(34,586,652)
-	-	-	-	-	(16,466,262)
<u>\$ (76,301,556)</u>	<u>\$ (80,866,865)</u>	<u>\$ (74,687,653)</u>	<u>\$ (46,243,510)</u>	<u>\$ (34,586,652)</u>	<u>\$ (48,474,179)</u>

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 779,705	\$ 1,168,168	\$ 1,677,381	\$ 2,434,164
Restricted	628,474	469,509	227,459	3,735,197
Assigned	3,194,826	3,399,617	3,194,835	2,840,797
Unassigned	14,054,648	16,065,042	17,993,045	19,357,141
Total General Fund	18,657,653	21,102,336	23,092,720	28,367,299
All Other Governmental Funds				
Nonspendable	905,977	1,228,773	1,129,474	1,075,240
Restricted, Reported in:				
Food Service Fund	493,812	735,438	1,192,036	1,814,668
Community Service Fund	2,804,355	3,484,248	4,026,146	1,841,486
Capital Projects Fund	8,724,062	5,418,769	2,650,289	3,462,797
Debt Service Funds	6,070,506	4,332,850	1,183,399	2,400,628
Unassigned, Reported in:				
Community Service Fund	(67,795)	(65,259)	-	-
Capital Projects Fund	-	-	-	(453,751)
Debt Service Funds	(223,082)	-	(58,988)	-
All Other Governmental Funds	18,707,835	15,134,819	10,122,356	10,141,068
Total All Funds	\$ 37,365,488	\$ 36,237,155	\$ 33,215,076	\$ 38,508,367

Source: District's financial records

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 1,830,729	\$ 2,458,993	\$ 1,599,827	\$ 2,478,777	\$ 1,691,193	\$ 2,000,448
3,302,331	544,401	1,196,475	531,895	964,164	2,137,604
2,518,088	2,397,369	5,455,875	4,981,550	2,474,108	2,022,948
25,304,127	23,118,361	19,237,087	18,997,102	19,411,801	15,335,731
32,955,275	28,519,124	27,489,264	26,989,324	24,541,266	21,496,731
1,297,070	1,149,314	1,081,281	1,029,400	150,917	226,785
1,401,528	1,354,312	3,098,219	3,703,387	4,520,823	4,127,888
1,082,126	818,813	2,760,448	4,569,255	6,289,954	6,839,269
2,188,316	8,436,401	21,927,108	17,339,213	7,794,124	11,139,999
1,409,797	1,182,442	897,113	1,118,488	2,226,976	1,534,162
-	-	-	-	-	-
(878,398)	(2,785,813)	-	-	-	(229,373)
-	-	-	-	-	-
6,500,439	10,155,469	29,764,169	27,759,743	20,982,794	23,638,730
\$ 39,455,714	\$ 38,674,593	\$ 57,253,433	\$ 54,749,067	\$ 45,524,060	\$ 45,135,461

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Local Sources:				
Property Taxes	\$ 40,114,162	\$ 43,346,798	\$ 44,683,902	\$ 47,752,873
Earnings on Investments	176,546	153,497	368,240	923,943
Exchange Revenue	18,936,072	20,252,145	22,216,292	22,890,979
Other	274,516	113,971	136,667	532,400
State Sources	82,500,253	85,810,383	90,293,577	96,228,983
Federal Sources	2,819,671	2,763,275	2,969,111	2,996,291
Total Revenues	144,821,220	152,440,069	160,667,789	171,325,469
Expenditures				
Current:				
Administration	3,943,877	4,040,778	4,124,131	4,270,151
District Support Services	3,763,882	3,753,805	5,814,329	6,150,430
Regular Instruction	63,494,232	66,724,212	72,455,135	76,259,944
Vocational Education Instruction	549,081	834,722	624,342	582,801
Special Education Instruction	15,985,969	16,562,003	18,158,328	19,606,480
Instructional Support Services	5,831,692	6,051,941	6,939,347	6,738,998
Pupil Support Services	7,703,284	8,222,140	8,866,622	9,009,289
Sites and Buildings	7,273,494	7,712,195	7,342,946	8,481,626
Fiscal and Other Fixed Cost Programs	262,090	258,901	232,382	243,794
Food Service	5,365,527	5,537,865	5,499,699	5,491,043
Community Service Fund	9,613,374	10,467,031	11,357,592	11,986,244
Capital Outlay	15,657,282	19,849,561	12,230,881	13,558,826
Debt Service:				
Principal	7,533,187	6,924,417	10,410,000	8,556,614
Interest and Fiscal Charges	6,108,765	5,519,964	5,574,934	6,275,587
Total Expenditures	153,085,736	162,459,535	169,630,668	177,211,827
Deficiency of Revenues Under Expenditures	(8,264,516)	(10,019,466)	(8,962,879)	(5,886,358)
Other Financing Sources (Uses)				
Sale of Equipment	-	-	-	-
Other Loan Proceeds	-	-	-	-
Issuance of Bonds and Certificates of Participation	46,260,000	8,560,000	21,565,000	26,795,000
Premiums on Bonds and Certificates of Participation	1,956,415	331,133	2,269,375	2,282,496
Issuance of Long-Term Leases	-	-	-	-
Issuance of Subscriptions Payable	-	-	-	2,521,614
Issuance of Finance Purchase	-	-	-	-
Payment to Refunded Bond Escrow Agent	(36,633,911)	-	(17,893,575)	(20,419,461)
Transfers In	621,368	445,061	192,076	3,566,280
Transfers Out	(621,368)	(445,061)	(192,076)	(3,566,280)
Total Other Financing Sources (Uses)	11,582,504	8,891,133	5,940,800	11,179,649
Net Change in Fund Balances	3,317,988	(1,128,333)	(3,022,079)	5,293,291
Fund Balance - Beginning	34,047,500	37,365,488	36,237,155	33,215,076
Fund Balance - Ending	\$ 37,365,488	\$ 36,237,155	\$ 33,215,076	\$ 38,508,367
Debt Service as a Percentage of Noncapital Expenditures	9.40%	8.23%	9.94%	8.81%

Sources: District's financial records

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 51,743,003	\$ 54,560,896	\$ 55,879,476	\$ 57,033,681	\$ 63,434,272	\$ 66,289,261
847,553	480,508	336,618	2,196,764	3,675,151	2,938,345
18,981,921	11,745,250	20,018,513	23,986,208	23,697,548	22,929,217
37,500	20,000	20,891	116,500	46,944	45,000
99,770,611	101,768,804	105,628,435	109,830,427	122,491,327	127,933,547
3,115,200	8,301,974	10,249,583	6,855,762	5,404,863	4,614,462
174,495,788	176,877,432	192,133,516	200,019,342	218,750,105	224,749,832
4,443,920	4,445,113	5,394,361	5,511,161	5,958,833	5,940,923
6,343,341	6,978,156	6,505,745	6,052,503	7,060,703	7,403,076
80,321,434	88,480,898	89,872,882	91,887,919	99,160,097	101,699,412
896,121	1,091,521	1,207,168	1,298,299	1,612,518	1,796,458
20,421,959	21,516,900	22,906,881	23,991,847	26,761,691	28,237,901
6,499,566	7,371,669	7,312,674	8,263,830	10,221,844	10,768,458
9,631,457	9,961,806	11,094,754	11,245,535	12,753,706	14,422,512
8,734,327	8,917,838	9,262,975	9,523,086	10,052,321	10,494,390
247,710	445,203	609,346	603,594	824,575	893,862
4,878,178	3,379,971	4,966,851	5,193,492	7,024,813	7,799,211
12,012,110	9,196,975	11,243,290	12,966,756	14,480,324	16,056,848
11,712,783	11,757,079	16,643,386	21,909,214	33,561,911	16,170,931
7,982,599	9,369,143	11,184,195	11,921,899	11,052,653	13,130,249
6,241,167	6,064,297	5,963,617	5,850,839	6,341,676	6,604,715
180,366,672	188,976,569	204,168,125	216,219,974	246,867,665	241,418,946
(5,870,884)	(12,099,137)	(12,034,609)	(16,200,632)	(28,117,560)	(16,669,114)
-	-	-	16,771	-	-
547,000	-	-	-	-	-
20,430,000	36,640,000	58,155,000	14,560,000	12,549,998	23,705,000
776,257	1,177,394	2,154,927	1,104,731	1,911,387	2,846,423
-	-	2,919,343	124,848	56,058	89,075
-	-	-	1,548,604	120,095	111,723
-	-	-	231,386	3,985,015	-
(14,935,026)	(26,499,378)	(42,465,821)	(3,890,074)	-	(10,201,706)
373,717	8,850	9,889,770	24,707	26,987	19,497
(373,717)	(8,850)	(39,770)	(24,707)	(26,987)	(19,497)
6,818,231	11,318,016	30,613,449	13,696,266	18,622,553	16,550,515
947,347	(781,121)	18,578,840	(2,504,366)	(9,495,007)	(118,599)
38,508,367	39,455,714	38,674,593	57,253,433	54,749,067	45,254,060
\$ 39,455,714	\$ 38,674,593	\$ 57,253,433	\$ 54,749,067	\$ 45,254,060	\$ 45,135,461
8.31%	8.66%	9.00%	8.90%	8.24%	8.74%

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)**

Payable Year	Hennepin County Residential Property	Carver County Residential Property	Hennepin County Commercial Property	Carver County Commercial Property	Hennepin County Industrial Property
2016	6,101,387,100	1,386,241,207	774,298,100	4,305,860	19,312,000
2017	6,279,630,658	1,469,462,080	787,395,300	4,448,120	20,046,900
2018	6,692,151,700	1,572,785,318	795,547,500	4,523,840	21,437,000
2019	7,068,589,600	1,657,952,075	803,185,500	5,490,252	23,969,000
2020	7,384,381,200	1,699,405,100	825,842,600	4,549,800	26,435,200
2021	7,777,973,500	1,689,534,300	806,415,500	4,549,800	31,612,000
2022	8,132,893,500	1,759,320,300	710,226,700	4,794,500	35,796,600
2023	9,878,334,900	2,066,593,700	848,767,600	4,709,500	40,992,300
2024	10,726,755,200	1,819,240,200	896,844,800	4,713,200	43,021,000
2025	11,113,028,200	1,830,336,800	952,011,800	10,996,200	43,562,600

Source: Hennepin County Taxpayer Services Department & Carver County Assessors Office

Notes:

- (1) The tax capacity (assessed taxable value) of the property is calculated by applying a statutory formula to the estimated market value of the property.
- (2) Carver County - Tax-Exempt Property is already deducted from each category.
- (3) The estimated actual value of property is not available as the Counties do not provide this information to the District.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY (CONTINUED)
LAST TEN YEARS
(UNAUDITED)**

Carver County Industrial Property	Hennepin County Less Tax-Exempt Property	Hennepin County Assessed Value	Carver County Assessed Value	Total Direct School Tax Rate
7,165,133	469,804,000	6,425,193,200	1,397,712,200	22.89
6,630,400	469,804,000	6,617,268,858	1,480,540,600	22.77
6,767,633	469,804,000	7,039,332,200	1,584,076,791	23.13
7,444,400	469,804,000	7,425,940,100	1,670,886,727	21.21
7,101,900	469,804,000	7,766,855,000	1,711,056,800	21.17
7,101,900	444,491,400	8,171,509,600	1,701,186,000	20.92
7,989,500	336,858,600	8,542,058,200	1,772,104,300	21.00
8,069,500	464,419,500	10,303,675,300	2,079,372,700	17.72
8,804,300	472,256,600	11,194,364,400	1,832,757,700	17.82
9,143,700	499,671,100	11,608,931,500	1,850,476,700	19.94

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

Tax Collection Year	ISD 276 Direct Rate			Overlapping Rates				
	Basic Rate	General Obligation		Municipalities				
		Debt Service	ISD No. 276	Chanhasen	Deephaven	Eden Prairie	Excelsior	Greenwood
2016	16.543	6.344	22.887	24.253	16.338	32.137	30.253	18.963
2017	16.028	6.742	22.770	23.856	15.664	32.480	28.802	17.033
2018	15.379	7.754	23.133	22.667	15.316	32.348	27.133	16.102
2019	14.472	6.737	21.209	21.105	14.840	31.521	27.124	15.590
2020	14.480	6.687	21.167	21.176	16.821	31.513	28.492	14.316
2021	14.339	6.584	20.923	22.113	17.032	31.432	29.256	13.621
2022	14.200	6.802	21.002	22.414	17.741	32.322	30.311	12.469
2023	11.906	5.814	17.720	20.196	15.105	28.904	27.712	10.371
2024	12.715	5.108	17.823	20.956	15.997	28.470	26.542	10.127
2025	13.146	6.797	19.943	21.799	16.755	30.587	25.757	11.989

(1) Special District includes Metropolitan Council Transit Operations, Metropolitan Mosquito Control, Metropolitan Council, Parks/Museum.

Source: Hennepin County Auditor Office
Carver County Auditor Office

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Overlapping Rates									Total Direct & Overlapping Tax Rate
Municipalities						Counties		Special District (1)	
Minnetonka	Orono	Shorewood	Tonka Bay	Victoria	Woodland	Carver	Hennepin		
35.674	17.325	30.227	18.117	31.520	10.692	22.887	45.356	7.212	363.841
36.378	16.759	29.450	17.685	31.432	10.169	22.770	44.087	6.897	356.232
35.710	16.555	28.635	17.025	31.495	10.148	23.133	42.808	6.554	348.762
34.676	16.406	28.539	17.560	31.271	10.125	21.209	41.861	6.208	339.244
36.574	16.512	29.008	17.229	31.043	10.534	21.167	41.084	6.030	342.666
35.556	16.780	27.660	16.216	32.226	10.045	20.915	38.210	5.768	337.753
36.763	16.820	27.328	15.630	31.249	10.163	21.002	38.535	5.749	339.498
33.922	16.569	22.417	14.063	27.375	8.694	17.720	34.452	5.093	300.313
34.513	16.349	22.360	13.972	28.438	9.113	17.823	34.681	4.946	302.110
37.125	16.361	23.088	15.276	30.406	9.769	19.943	37.081	5.244	321.123

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2025			2016		
	Net Tax Capacity	Rank	Percentage of Total Tax Capacity #####	Net Tax Capacity	Rank	Percentage of Tax Capacity 85,981,360.00
Tonka Village Partners LLC	\$ 488,375	1	0.35%	\$ 245,438	3	0.29%
Target Corporation	359,110	2	0.26%	349,250	1	0.41%
Brixmor Spe 5 LLC	318,870	3	0.23%	273,424	2	0.32%
MMB Medical Partners LLC	309,250	4	0.22%			
2770 Gale Road Trust	283,703	5	0.20%			
DMA Investments, LLC	271,461	6	0.19%			
PHS Shorewood LLC	269,325	7	0.19%			
ORP Stratford Wood LLC	266,125	8	0.19%			
Gopher (Minnetonka) LLC	257,675	9	0.18%			
The Waters of Excelsior	241,525	10	0.17%			
Xcel Energy				185,810	4	0.22%
Minnesota Associates LTD				145,360	5	0.17%
Individual				139,650	6	0.16%
Big Box One LLC				130,310	7	0.15%
Haug Investment Properties LTD				109,504	8	0.13%
Minco Realty Partners				102,250	9	0.12%
Stratford Woods II				99,015	10	0.12%
Total	<u>\$ 3,065,419</u>		2.18%	<u>\$ 1,534,573</u>		2.07%

Source: Hennepin County Property Tax Division

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Tax Collection Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy		Collections in Subsequent Years (1)	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Current Tax Collection	Percentage of Levy		Total Tax Collection	Percentage of Levy		
2016	36,460,412	6,626,471	43,086,884	42,769,714	99.3%	317,169	43,086,884	100.0%	-	0.0%
2017	36,793,440	7,727,838	44,521,278	43,850,177	98.5%	671,101	44,521,278	100.0%	-	0.0%
2018	38,588,794	9,016,785	47,605,579	47,145,809	99.0%	459,770	47,605,579	100.0%	(54,720)	-0.1%
2019	43,361,908	8,333,895	51,695,803	51,147,764	98.9%	545,022	51,692,787	100.0%	3,430	0.0%
2020	45,471,610	8,732,611	54,204,221	53,608,652	98.9%	589,228	54,197,880	100.0%	3,107	0.0%
2021	46,257,584	8,987,774	55,245,359	54,576,046	98.8%	662,972	55,239,018	100.0%	11,736	0.0%
2022	47,041,015	9,433,843	56,474,858	55,873,473	98.9%	567,926	56,441,399	99.9%	55,305	0.1%
2023	53,035,375	9,578,418	62,613,793	62,309,024	99.5%	254,072	62,563,096	99.9%	267,806	0.4%
2024	56,571,062	9,306,636	65,877,698	65,036,365	98.7%	594,630	65,630,995	99.6%	218,891	0.3%
2025	57,698,194	12,465,421	70,163,615	34,396,256	49.0%	45,810	34,396,256	49.0%	35,178,978	50.1%

Notes:

(1) Includes Abatements

Source: Tax Receivables Report from County Treasurer

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Governmental Activities							Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Improvement Loans	Certificates of Participation	Financed Purchases	Long-Term Leases	Subscriptions Payable	Resources Restricted for Repayment			
2016	114,387,683	-	50,155,000	-	-	-	(6,546,006)	157,996,677	{a}	3,951
2017	118,111,979	-	51,462,261	-	-	-	(5,332,649)	164,241,591	{a}	4,108
2018	115,237,322	-	54,540,771	-	-	-	(2,051,914)	167,726,179	{a}	4,195
2019	111,914,067	-	57,891,319	1,800,000	-	-	(3,201,622)	168,403,764	{a}	4,212
2020	111,144,166	547,000	57,576,841	902,401	-	-	(2,495,990)	167,674,418	{a}	4,194
2021	112,699,107	445,258	58,879,224	775,990	3,792,141	-	(2,159,977)	174,431,743	{a}	4,363
2022	112,590,079	342,648	67,048,371	2,679,837	3,591,637	-	(1,881,724)	184,370,848	{a}	4,371
2023	113,987,733	123,848	66,745,485	1,572,639	3,420,038	2,724,458	(2,029,745)	186,544,456	{a}	4,422
2024	118,900,202	109,400	66,459,156	4,039,009	3,175,835	359,005	(2,226,976)	190,815,631	{a}	4,524
2025	126,770,540	-	63,422,263	1,331,359	3,081,646	285,793	(1,534,162)	193,357,439	{a}	4,584

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

{a} Due to personal income information being unavailable for the school district, the percentage of personal income is not available.
See the Demographic and economic Statistics schedule for population data of the school district.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
RATIO OF NET GENERAL OBLIGATIONS BONDED DEBT
TO TAX CAPACITY AND NET OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Market Value of Taxable Property	Percent Net Debt to Market Value	Percent of Estimated Actual Market Value of Property (1)	Estimated Population	Net Bonded Debt per Capita
2016	114,387,683	-	114,387,683	7,738,688,845	1.39%	1.38 %	39,984	2,697
2017	118,111,979	-	118,111,979	8,021,915,058	1.41%	1.39 %	39,984	2,821
2018	115,237,322	-	115,237,322	8,451,010,768	1.34%	1.31 %	39,984	2,831
2019	111,914,067	-	111,914,067	8,953,757,649	1.21%	1.20 %	39,984	2,719
2020	111,144,166	-	111,144,166	9,386,134,354	1.13%	1.12 %	39,984	2,645
2021	112,699,107	2,159,977	110,539,130	9,825,605,959	1.13%	1.12 %	39,984	2,765
2022	111,152,184	1,881,724	109,270,460	10,265,559,107	1.06%	1.06 %	42,181	2,591
2023	110,535,000	2,029,744	108,505,256	12,351,040,418	0.88%	0.88 %	42,181	2,572
2024	114,185,000	2,226,976	111,958,024	13,346,066,520	0.84%	0.86 %	42,181	2,654
2025	120,650,000	1,534,162	119,115,838	13,770,150,285	0.87%	0.89 %	42,181	2,824

Source: Annual school district census, U.S. census and Minnesota Department of Education levy limitation and certification reports

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
(UNAUDITED)**

<u>Taxing Unit (a)</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u> (b)	<u>Estimated Share of Overlapping Debt</u>
<u>Direct Debt:</u>			
ISD #276	\$ 120,650,000	100.00%	\$ 120,650,000
<u>Overlapping Debt:</u>			
Carver County	13,464,000	10.63%	1,431,223
Hennepin County	1,071,970,000	4.48%	48,024,256
Three Rivers Park District	54,570,000	6.24%	3,405,168
Hennepin County Railroad Authority	81,665,000	4.48%	3,658,592
Cities:			
Chanhassen	3,015,000	29.76%	897,264
Eden Prairie	3,546,000	2.25%	79,785
Excelsior	17,570,000	100.00%	17,570,000
Minnetonka	23,345,000	24.34%	5,682,173
Orono	16,315,000	0.54%	88,101
Shorewood	21,145,000	95.31%	20,153,300
Tonka Bay	3,865,000	100.00%	3,865,000
Victoria	14,875,000	14.97%	2,226,788
Metropolitan Council	5,025,000	4.49%	225,623
Metropolitan Transit	186,410,000	4.77%	8,891,757
Total Overlapping Debt			<u>116,199,029</u>
Total Debt			<u><u>\$ 236,849,029</u></u>

(a) Only those taxing units with general obligation debt outstanding are included here.

(b) Excludes general obligation debt supported by revenues and revenue debt.

Source: District's financial advisor

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 1,210,739,461	\$ 1,214,671,419	\$ 1,293,511,349	\$ 1,364,524,024	\$ 1,421,686,770
Total Net Debt Applicable to Limit	<u>138,497,683</u>	<u>146,757,683</u>	<u>147,039,201</u>	<u>141,445,000</u>	<u>143,390,000</u>
Legal Debt Margin	<u>\$ 1,072,241,778</u>	<u>\$ 1,067,913,736</u>	<u>\$ 1,146,472,148</u>	<u>\$ 1,223,079,024</u>	<u>\$ 1,278,296,770</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.44%	12.08%	11.37%	10.37%	10.09%

Source: District's financial records.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Market Value	\$ 14,705,779,560
Legal Debt Limit	2,205,866,934
Net Debt Applicable to Limit	171,599,998
Legal Debt Margin	<u><u>\$ 2,034,266,936</u></u>

Fiscal Year				
2021	2022	2023	2024	2025
\$ 1,480,904,340	\$ 1,547,124,375	\$ 1,857,457,200	\$ 1,954,068,315	\$ 2,205,866,934
<u>147,780,000</u>	<u>153,370,000</u>	<u>161,435,000</u>	<u>166,994,998</u>	<u>171,599,998</u>
<u><u>\$ 1,333,124,340</u></u>	<u><u>\$ 1,393,754,375</u></u>	<u><u>\$ 696,022,200</u></u>	<u><u>\$ 1,787,073,317</u></u>	<u><u>\$ 2,034,266,936</u></u>
9.98%	9.91%	8.69%	8.55%	7.78%

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Population</u> (1)	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2016	39,984	{a}	{a}	10,131	{b}
2017	39,984	{a}	{a}	10,521	{b}
2018	39,984	{a}	{a}	10,774	{b}
2019	39,984	{a}	{a}	10,927	{b}
2020	39,984	{a}	{a}	11,088	{b}
2021	39,984	{a}	{a}	11,050	{b}
2022	42,181	{a}	{a}	11,223	{b}
2023	42,181	{a}	{a}	11,214	{b}
2024	42,181	{a}	{a}	11,286	{b}
2025	42,181	{a}	{a}	11,281	{b}

Notes:

(1) Per the U.S. Census.

{a} Information from State Demographers Office (Bureau of Economic Analysis Report) not available for the school district.

{b} Information from Jobs Training Research Statistics Department not available for the school district.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

Taxpayer	2025			2016		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
United Health Group	4,678	1	19.65%	4,678	1	19.67%
Eden Prairie Center	2,424	2	10.18%	2,424	2	10.18%
Cargill, Inc.	2,350	3	9.87%	2,350	3	9.87%
ISD #276 Minnetonka Schools	1,671	4	7.02%	1,671	4	7.02%
Emerson Process Mgmt-Rosemount, Inc.	1,600	5	6.72%	1,600	5	6.72%
C.H. Robinson	1,517	6	6.37%	1,517	6	6.37%
ISD #272 Eden Prairie Schools	1,500	7	6.30%	1,500	7	6.30%
Starkey Laboratories	1,440	8	6.05%	1,436	8	6.03%
Allina Health System/Medica	1,200	9	5.04%	1,200	9	5.04%
St. Jude Medical, Inc.	1,100	10	4.62%	1,100	10	4.62%
Carlson Companies	1,005	11	4.22%	1,005	11	4.22%
GE Capital Fleet Services	900	12	3.78%	900	12	3.78%
HSBC Bank Nevada, N.A.	900	13	3.78%	900	13	3.78%
SuperValu Stores, Inc.	850	14	3.57%	1,260	14	3.57%
Deli Express	673	15	2.83%	673	15	2.83%
Total	<u>23,808</u>		<u>100.00%</u>	<u>24,214</u>		<u>100.00%</u>

Source: District's Financial Advisor

*Total Employment based on MN Employment and Economic Development Labor Force for Minnetonka, Hennepin Area

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Elementary Teachers (K-5)	302.64	304.85	315.76	323.75	329.85	348.71	332.40	335.22	330.94	320.29
Secondary Teachers (6-12)	266.47	276.43	294.51	297.97	312.60	323.49	327.80	330.03	330.99	318.22
Special Education Teachers	99.61	103.32	111.03	118.10	120.84	125.54	126.61	130.99	134.60	138.14
ECFE Teachers	9.83	9.14	12.08	10.85	10.82	10.13	10.85	11.43	10.83	11.48
Guidance Counselors	14.80	17.20	18.20	18.70	20.20	20.20	19.90	20.70	21.75	24.60
Social Workers	7.10	5.20	5.70	6.20	7.60	6.20	7.30	7.30	7.00	6.00
Psychologists	4.00	4.20	4.70	5.00	4.85	6.10	8.65	11.35	11.95	11.65
Librarians	8.50	8.50	7.00	7.00	7.00	7.00	7.03	7.74	8.50	8.20
Total Teaching Staff	712.95	728.84	768.98	787.57	813.76	847.37	840.54	854.76	856.56	838.58
Administrators	29.00	29.00	32.00	34.60	37.00	31.60	31.60	31.60	33.08	34.33
Principals & Asst. Principals	13.00	13.00	14.00	14.00	14.00	14.00	22.75	22.75	26.65	25.00
Total Administration Staff	42.00	42.00	46.00	48.60	51.00	45.60	51.53	54.35	59.73	59.33
Non-Licensed Support Staff	30.76	26.34	26.70	26.52	24.47	31.37	31.56	33.83	35.12	38.34
Paraprofessionals	207.61	216.44	238.64	263.43	282.20	396.92	295.11	301.49	302.89	277.96
Clerical	65.99	65.73	67.99	67.30	65.01	61.90	61.50	62.55	62.91	61.99
Custodial	66.00	66.00	67.00	70.00	70.00	70.00	70.00	68.00	68.75	70.00
Service Worker - Technology Support	11.80	11.80	12.80	12.80	12.80	12.80	12.95	13.00	12.86	13.00
Service Worker - Food Service	54.79	54.79	57.25	57.08	56.21	44.68	45.56	40.44	60.25	60.25
Total Support Staff	436.95	441.10	470.38	497.13	510.69	617.66	516.68	519.31	542.78	521.54
	1,191.90	1,211.93	1,285.36	1,333.30	1,375.45	1,510.62	1,408.75	1,428.42	1,459.07	1,419.45

Source: District Records

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil- Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Federal Meals</u>	<u>Student Attendance Percentage</u>
2016	10,131	130,815,453	12,912	5.36%	713	14.2	7.26%	94.42
2017	10,521	137,258,400	13,046	4.93%	729	14.4	6.98%	94.52
2018	10,774	149,670,793	13,892	9.04%	769	14.0	6.92%	94.24
2019	10,927	160,050,491	14,647	6.94%	788	13.9	6.22%	93.85
2020	11,088	163,060,229	14,706	1.88%	814	13.6	6.08%	95.40
2021	11,050	172,106,160	15,575	5.55%	847	13.0	5.02%	94.36
2022	11,223	182,669,292	16,276	6.14%	841	13.4	4.20%	93.72
2023	11,241	187,772,294	16,705	2.79%	855	13.2	10.40%	91.04
2024	11,286	208,056,022	18,435	10.80%	857	13.2	10.40%	95.53
2025	11,281	216,431,168	19,185	4.03%	839	13.4	9.77%	99.30

Source: Nonfinancial and financial information from district records.

Notes: Operating expenditures include General Fund, Food Service and Community Service Funds

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
School										
Elementary										
Clear Springs										
Square feet	100,155	100,155	100,155	108,420	108,420	108,420	108,420	108,420	108,420	108,420
Capacity	850	880	880	920	1,120	1,120	1,120	1,120	1,120	1,120
Enrollment	824	860	864	879	882	868	852	869	860	883
Deephaven										
Square feet	79,241	79,241	79,241	79,241	79,241	79,241	79,241	79,241	79,241	79,241
Capacity	700	700	700	745	892	892	892	892	892	892
Enrollment	652	669	668	665	656	659	651	675	679	717
Excelsior										
Square feet	128,200	128,200	128,200	128,200	128,200	128,200	128,200	128,200	128,200	128,200
Capacity	850	850	850	901	1,046	1,046	1,046	1,046	1,046	1,046
Enrollment	773	802	806	808	816	782	738	749	732	730
Groveland										
Square feet	101,639	101,639	110,039	110,039	110,039	110,039	110,039	110,039	110,039	110,039
Capacity	850	880	880	912	1,160	1,160	1,160	1,160	1,160	1,160
Enrollment	825	843	857	861	897	922	892	884	910	916
Minnewashta										
Square feet	117,648	117,648	117,648	117,648	117,648	117,648	117,648	117,648	117,648	117,648
Capacity	900	900	900	1,024	1,262	1,262	1,262	1,262	1,262	1,262
Enrollment	868	894	893	929	950	898	896	913	911	895
Scenic Heights										
Square feet	98,260	98,260	98,260	107,086	107,086	107,086	107,086	107,086	107,086	107,086
Capacity	850	900	900	963	1,170	1,170	1,170	1,170	1,170	1,170
Enrollment	842	870	878	876	905	900	896	907	928	947
Middle										
Middle School East										
Square feet	206,009	206,009	206,009	206,009	206,009	206,009	206,009	206,009	206,009	206,009
Capacity	1,200	1,250	1,250	1,300	1,580	1,580	1,610	1,610	1,610	1,610
Enrollment	1,235	1,255	1,265	1,307	1,321	1,311	1,248	1,292	1,307	1,341
Middle School West										
Square feet	189,317	189,317	189,317	189,317	189,317	189,317	189,317	189,317	189,317	189,317
Capacity	1,200	1,250	1,250	1,300	1,592	1,592	1,622	1,622	1,622	1,622
Enrollment	1,077	1,182	1,226	1,276	1,245	1,259	1,252	1,275	1,276	1,317
High										
Minnetonka High School										
Square feet	577,065	577,065	577,065	577,065	577,065	577,065	583,300	583,300	583,300	583,300
Capacity	3,400	3,400	3,400	3,500	4,190	4,190	4,190	4,190	4,190	4,190
Enrollment	3,017	3,103	3,240	3,261	3,364	3,412	3,476	3,488	3,431	3,582
High										
Vantage Momentum										
Square feet									37,400	37,400
Capacity									300	300
Other										
Deephaven Education Center										
Square feet	70,730	70,730	70,730	70,730	77,051	77,051	77,082	77,082	77,082	77,082
District Service Center										
Square feet	24,108	24,108	24,108	24,108	24,108	24,108	24,108	24,108	24,108	24,108
Warehouse and Technology Center										
Square feet	7,760	7,760	7,760	7,760	7,760	7,760	7,760	7,760	7,760	7,760
Activity Center										
Square feet	63,365	63,365	63,365	63,365	63,365	73,687	73,687	73,687	73,687	73,687
Capacity							47	47	47	47
Shorewood Ed Center										
Square Feet							8,149	8,149	8,149	8,149
Capacity							40	40	40	40
Highway 7 Building										
Square feet		9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170	9,170
Capacity							120	120	120	120
Tonka Dome Mechanical										
Square Feet							3,728	3,728	3,728	3,728
GRAND TOTAL SQUARE FEET	1,763,497	1,772,667	1,781,067	1,798,158	1,804,479	1,814,801	1,832,944	1,832,944	1,870,344	1,870,344

Source: District records.

Notes: The Deephaven Education Center is operated by Minnetonka Community Education serving both adult and youth programs.

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
CAPITAL ASSETS
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Schools</u>										
Elementary										
Buildings	6	6	6	6	6	6	6	6	6	6
Square feet	625,143	625,143	633,543	650,634	650,634	650,634	650,634	650,634	650,634	650,634
Capacity	5,000	5,110	5,110	5,465	6,650	6,650	6,650	6,650	6,650	6,650
Enrollment	4,784	4,938	4,966	5,018	5,106	5,029	4,925	5,049	5,058	5,088
Middle										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	395,326	395,326	395,326	395,326	395,326	395,326	395,326	395,326	395,326	395,326
Capacity	2,400	2,500	2,500	2,600	3,172	3,172	3,232	3,232	3,232	3,232
Enrollment	2,312	2,437	2,491	2,583	2,566	2,570	2,500	2,606	2,626	2,658
High										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	577,065	577,065	577,065	577,065	577,065	577,065	583,300	620,700	583,300	583,300
Capacity	3,400	3,400	3,400	3,500	4,190	4,190	4,190	4,490	4,190	4,190
Enrollment	3,017	3,103	3,240	3,261	3,364	3,412	3,476	3,547	3,494	3,582
Other										
Buildings	3	4	4	4	4	4	5	5	5	5
Square feet	141,855	141,855	141,855	151,025	157,346	167,668	175,848	175,848	175,848	175,848
<u>Administrative</u>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	24,108	24,108	24,108	24,108	24,108	24,108	24,108	24,108	24,108	24,108
<u>Athletics</u>										
Football fields	3	3	3	3	3	3	3	3	3	3
Soccer fields	6	6	6	6	6	6	6	6	6	6
Running tracks	3	3	3	3	3	3	3	3	3	3
Baseball/softball	7	7	7	7	7	7	7	7	7	7
Swimming pools	2	2	2	2	2	2	2	2	2	2
Playgrounds	8	8	8	8	8	8	8	8	8	8
TOTAL CAPACITY	10,800	11,010	11,010	11,565	14,012	11,608	11,608	11,608	11,608	11,608

Source: District records.

Notes:

Capacity is based on 25 students per classroom grades K-12, allowing space for special education programs and other special programs.