

Financial Statements
June 30, 2025

Independent School District No. 717
Jordan, Minnesota

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Independent School District No. 717
Jordan, Minnesota
List of Elected School Officials and Administration (Unaudited)
June 30, 2025

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
School Board		
Deb Pauly	Chairperson	2026
Molly Monyok	Vice Chairperson	2028
Laruen Pederson	Clerk	2028
Corinne Hennen	Treasurer	2026
Matt Bertrang	Director	2026
Jenny Kusske	Director	2026
Christina Olson	Director	2028
Administration		
Ranae Case Evenson	Superintendent	
Amy Hafemann	Finance Director	



Independent Auditor's Report

The School Board of
Independent School District No. 717
Jordan, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 717 ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Independent School District No. 717, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Notes 1 and 8 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year then ended June 30, 2025. Accordingly, a restatement has been made to the Governmental Activities net position as of July 1, 2024 to restate beginning net position. 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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; schedule of employer's share of net pension liability; and schedule of employer's 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of changes in UFARS fund balances-general fund; combining balance sheet – nonmajor governmental funds; combining schedule of revenues, expenditures, and changes in fund balances – nonmajor governmental funds; and uniform financial accounting and reporting standards 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 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 schedule of changes in UFARS fund balances-general fund; combining balance sheet – nonmajor governmental funds; combining schedule of revenues, expenditures, and changes in fund balances – nonmajor governmental funds; and uniform financial accounting and reporting standards compliance table are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Legal Compliance Audit Guide prepared by the Office of the State Auditor pursuant to Minn. Stat. §6.65, we have also issued a report dated December 4, 2025 on our consideration of the District's compliance with aspects of the provisions of the Minnesota Legal Compliance Audit Guide for School Districts. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not directed primarily toward obtaining knowledge of noncompliance. That report is an integral part of procedures performed in accordance with Office of the State Auditor's Minnesota Legal Compliance Audit Guide for School Districts in considering the District's compliance with certain regulatory requirements pursuant to Minn. Stat. §6.65.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Mankato, Minnesota
December 4, 2025

**INDEPENDENT SCHOOL DISTRICT #717
JORDAN PUBLIC SCHOOLS
JORDAN, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

This section of Independent School District No. 717 – Jordan Public Schools’ annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the District’s financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

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

- Overall government-wide revenues were \$36,234,052, while overall expenses totaled \$36,193,306, resulting in an ending net deficit of \$1,869,634. Also included in the government-wide statements is a net \$16,127,710 of deferred outflows, deferred inflows, and liabilities related to OPEB and net pension liability. Excluding the reporting of those, ending net position would be \$14,258,076.
- The district’s overall fund balance (includes all funds – 01, 02, 04, 06, 07, and 27) decreased by \$22,506,899. This is due primarily to expenditures for the building construction project.
- The District’s net outstanding long-term liabilities decreased by \$2,185,652, or 3.12 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

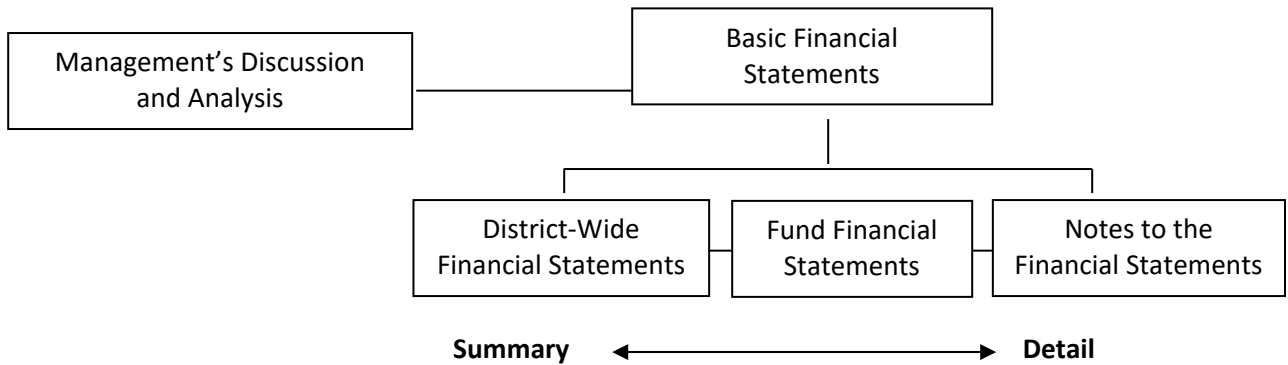
- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District’s overall financial status.
- The remaining statements are *fund-financial statements* that focus on individual parts of the District, reporting the District’s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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The diagram below shows how the various parts of this annual report are arranged and relate to one another.

**INDEPENDENT SCHOOL DISTRICT #717
JORDAN PUBLIC SCHOOLS
JORDAN, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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



Fund Financial Statements			
	District Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> •Statement of Net Position •Statement of Activities 	<ul style="list-style-type: none"> •Balance Sheet •Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> •Statement of fiduciary net position
Accounting basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**INDEPENDENT SCHOOL DISTRICT #717
JORDAN PUBLIC SCHOOLS
JORDAN, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

District-wide Statements

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

The two District-wide statements report the District’s net position and how they have changed. Net position – the difference between the District’s assets, deferred outflows/inflows of resources, and liabilities – are one way to measure the District’s financial health or position.

Over time, increases or decreases in the District’s net position is an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities.

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

- Governmental activities – Most of the District’s basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of the activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds – focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information following the governmental funds statements that explains the relationship (or difference) between them.

**INDEPENDENT SCHOOL DISTRICT #717
JORDAN PUBLIC SCHOOLS
JORDAN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Internal Service funds – The District’s internal service funds are used to report and account for the District’s self-insured dental plan. These funds are accounted for in a separate section in the audit report to provide accounting methods similar to those used by private sector companies. Consequently, the internal service funds statements provide a short-term view that helps to determine whether their programs are beneficial to the members.

Fiduciary funds – The District is the trustee, or fiduciary, for assets that belong to others, such as the custodial fund which is held for food shelf and backpack program. 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. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE
(DISTRICT-WIDE FINANCIAL STATEMENTS)**

Net Position

The District’s net position was a deficit of \$1,869,634 on June 30, 2025. This represents an decrease when compared to the \$1,008,891 net position balance on June 30, 2024, includes all funds.

Statement of Net Position
June 30, 2025 and 2024

	2025	2024*
Assets		
Current assets	\$ 24,503,271	\$ 49,426,273
Capital assets	72,324,607	52,839,107
Total assets	96,827,878	102,265,380
Deferred Outflows of Resources	4,098,697	4,022,469
Liabilities		
Other liabilities	6,692,180	9,353,263
Long-term liabilities	83,012,695	85,878,769
Total liabilities	89,704,875	95,232,032
Deferred Inflows of Resources	13,091,334	10,046,926
Net Position		
Net investment in capital assets	14,311,942	13,498,971
Restricted for specific purposes	528,665	28,934,560
Unrestricted	(16,710,241)	(41,424,640)
Total net position (deficit)	\$ (1,869,634)	\$ 1,008,891

*Effective July 1, 2024, the District adopted provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the District to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024, was not restated. See Note 8 to the financial statements for further information on the change in accounting principle.

**INDEPENDENT SCHOOL DISTRICT #717
JORDAN PUBLIC SCHOOLS
JORDAN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Statement of Activities
Years Ended June 30, 2025 and 2024

	2025	2024*
Revenues		
Program revenues		
Charges for service	\$ 1,985,744	\$ 2,935,379
Operating grants and contributions	7,348,912	6,669,161
Capital grants and contributions	287,592	2,568,805
General		
Property taxes	7,713,487	5,830,250
Aids and payments from state and other	17,247,922	16,312,697
Miscellaneous revenues	1,650,395	2,502,238
Total revenues	36,234,052	36,818,530
Expenses		
Administration	1,336,325	1,261,853
District support services	825,794	835,402
Regular instruction	12,802,879	10,372,803
Vocational instruction	522,166	451,488
Special education instruction	5,847,696	5,578,971
Community education and services	1,749,565	1,869,557
Instructional support services	935,553	945,115
Pupil support services	3,134,164	3,396,826
Sites and buildings	6,038,636	4,719,904
Fiscal and other fixed-cost programs	3,000,528	4,419,489
Total expenses	36,193,306	33,851,408
Change in Net Position	40,746	2,967,122
Net Position (Deficit) - Beginning, 2025 as restated	(1,910,380)	(1,958,231)
Net Position (Deficit) - Ending	\$ (1,869,634)	\$ 1,008,891

* Effective July 1, 2024, the District adopted provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the District to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024, was not restated. See Note 8 to the financial statements for further information on the change in accounting principle.

**INDEPENDENT SCHOOL DISTRICT #717
JORDAN PUBLIC SCHOOLS
JORDAN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Changes in Net Position

The District's total revenues were \$36,234,052 for the year ended June 30, 2025. Unallocated federal and state aid along with property taxes accounted for 68.89 percent of the total revenue for the year. Operating and capital grants and contributions for specific programs contributed 21.08 percent and the remaining revenue was from fees charged for services and miscellaneous sources.

The total cost of all programs and services was \$36,193,306. The District's expenses are predominantly related to student education and student educational support, 69.05 percent. The District's administrative activities accounted for 3.69 percent of the total costs. Total expenses were less than total revenues, increasing the net position \$40,746 from last year.

General Fund

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

The following schedule presents a summary of General Fund Revenues.

	Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
Local property taxes	\$ 2,763,119	\$ 2,635,253	\$ 127,866	4.85%
Other local and county sources	1,110,065	1,092,128	17,937	1.64%
State sources	22,296,409	20,459,101	1,837,308	8.98%
Federal sources	719,583	1,080,808	(361,225)	-33.42%
Interest earnings	177,293	226,048	(48,755)	-21.57%
Total General Fund revenues	\$ 27,066,469	\$ 25,493,338	\$ 1,573,131	6.17%

Total General Fund revenue increased by \$1,573,131 or 6.17% from the previous year.

Basic general education revenue is determined by a state per student funding formula and consists of an equalized mix of property tax and state aid revenue. The mix of property tax and state aid can change significantly from year to year without any net change on revenue.

The increase in revenue is due to a 2% increase in the state funding formula from \$7,138/ Adj ADM to \$7,281/Adj ADM. In FY2024-25 the district was also able to utilize VPK seats which equated to 34.55 Adjusted ADM. Even though these funds were for pre-k; these dollars flow through the general fund. The district also saw an increase in special education state aid.

**INDEPENDENT SCHOOL DISTRICT #717
JORDAN PUBLIC SCHOOLS
JORDAN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

The following schedule presents a summary of General Fund expenditures.

	Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
Salaries and benefits	\$ 20,412,290	\$ 19,093,630	\$ 1,318,660	6.91%
Purchased services	4,425,647	4,183,090	242,557	5.80%
Supplies and materials	929,277	841,452	87,825	10.44%
Capital expenditures	857,032	1,769,359	(912,327)	-51.56%
Other expenditures	520,543	336,008	184,535	54.92%
Total General Fund expenditures	\$ 27,144,789	\$ 26,223,539	\$ 921,250	3.51%

Total General Fund expenditures increased by \$921,250 or 3.51% from the previous year. The increase in expenditures is due to the salary and benefits that were negotiated for most groups. The other major increase was the high school reroof project that was completed in August of 2024; portion of the that expense was paid for using LTFM dollars that had been previously planned for. Also attributing to the increase was just the basic increase of costs; including supplies and utilities.

General Fund Budgetary Highlights

The District's general fund results when compared to the final budget are:

- Actual revenues were \$1,067,652 more than budget primarily due to conservative budgeting for state aid related to special education.
- Actual expenditures were \$794,131 more than budget due to an increase in costs, such as utilities and supplies.
- Also attributing to the comparison is the state funded portion of TRA that is not accounted for when the budget is approved by the board of education because those amounts are not known at that time.

**INDEPENDENT SCHOOL DISTRICT #717
JORDAN PUBLIC SCHOOLS
JORDAN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Debt Service Fund

The Debt Service Fund revenues were \$5,124,445 and expenditures were \$5,521,040, thereby decreasing fund balance by \$396,595. The difference is due to an increase in county abatements, which were because of some larger tax petitions processed in the fall of 2024.

Capital Project Fund

The Capital Projects Fund incurred a decrease in the fund balance for a year end fund balance of \$6,193,142. This result is due to the building construction project, for which bonds were issued in prior year. The building construction project will be completed in FY2025-2026.

Other Non-Major Funds

The Food Service Fund incurred a decrease in the fund balance of \$639,230 for a year end fund balance of \$96,686. The fund balance consists of \$23,078 in the Nonspendable Fund Balance (the cost of inventory on June 30, 2025) and restricted fund balance of \$73,608. This decrease is due to the purchase of needed cafeteria equipment in all buildings.

The Community Service Fund incurred a decrease in the fund balance of \$178,730 for a year end fund balance of \$124,052. The decrease is due to an increase in employee salary and benefits, as well as an increase in costs for needed repairs, supplies, and equipment.

**INDEPENDENT SCHOOL DISTRICT #717
JORDAN PUBLIC SCHOOLS
JORDAN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal year 2025, the District had invested \$103,008,673 in a broad range of capital assets, including school buildings, land, computer and audio-visual equipment, and other equipment for various instructional programs. Total depreciation/amortization expense for the year was \$2,397,629. More detailed information about capital assets can be found in the notes to the financial statements.

Capital Assets Governmental Activities
June 30, 2025 and 2024

	2025	2024
Land	\$ 1,896,117	\$ 1,896,117
Construction in progress	28,301,075	12,072,241
Buildings	64,595,965	60,627,870
Land improvements	3,703,276	3,786,571
Equipment	4,363,929	3,032,855
Right-to-use assets	148,311	84,784
Accumulated depreciation/amortization	(30,684,066)	(28,661,331)
Total capital assets	\$ 72,324,607	\$ 52,839,107

Long-Term Debt

At year-end the District had \$67,920,100 of long term debt consisting of bonds payable of \$61,255,000, bond premium of \$2,150,590, bond discount of \$51,840, certifications of participation payable \$780,000, leases payable of \$72,057 and compensated absences payable of \$3,714,293.

The District has \$13,069,639 in net pension liability at June 30, 2025.

The District has \$2,022,956 in total OPEB liability at June 30, 2025.

See notes to the financial statements for additional details on the District's long term debt.

**INDEPENDENT SCHOOL DISTRICT #717
JORDAN PUBLIC SCHOOLS
JORDAN, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Factors Bearing on the District's Future

- Enrollment continues to be an area of concern weighing on the District's financial future, and will continue to be monitored closely by the District's administration. Since Minnesota school districts are paid on pupil units served, any decline in enrollment results in less revenue. As of November of 2025, the District's enrollment is 1,772 students being served in Grades K-12. The district's enrollment remains steady at this time.
- The renovations at the elementary school began the spring of 2024 and will be completed in the fall of FY2025-2026.
- Labor costs account for over 80% of the District expenses. As costs of benefits continue to skyrocket, it becomes more important during the negotiations of labor contracts that the District be cognizant to this potential unknown long-term liability. The District must continue to follow enrollment trends and maintain a responsible balance between staffing and student enrollment. The District continues to monitor very closely what happens in the State's legislature. The District will also continue to monitor the expenses associated with the state's mandates; those that are partially funded, short term funded or not funded at all (i.e., unemployment and the upcoming Paid Family Leave Act which goes into effect January 1, 2026).

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers 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 any questions about this report or would like additional information, contact the District Office, ISD No. 717, 500 Sunset Drive, Suite #1, Jordan, Minnesota, 55352.

Independent School District No. 717
Jordan, Minnesota
Statement of Net Position
June 30, 2025

Assets	
Cash and investments	\$ 17,513,985
Receivables	
Current property taxes	4,076,932
Delinquent property taxes	34,928
Accounts	74,347
Interest	47,083
Due from other governmental units	2,595,754
Inventories	23,078
Prepaid items	137,164
	<u>24,503,271</u>
Capital assets not being depreciated/amortized:	
Land	1,896,117
Construction in progress	28,301,075
Capital assets, net of accumulated depreciation/amortization:	
Land improvements	1,903,840
Buildings	37,500,474
Equipment	2,657,150
Right-of-use assets	65,951
	<u>72,324,607</u>
Total capital assets	<u>72,324,607</u>
Total assets	<u>96,827,878</u>
Deferred Outflows of Resources	
Other postemployment benefits plan	219,956
Pension plans	3,878,741
	<u>4,098,697</u>
Total deferred outflows of resources	<u>4,098,697</u>
Liabilities	
Salaries payable and payroll deductions	2,183,396
Accounts payable	2,726,060
Interest payable	1,601,025
Due to other governmental units	96,464
Unearned revenue	75,755
Claims incurred but not reported	9,480
Noncurrent liabilities:	
Due within one year - other than pensions and OPEB	4,889,098
Due in more than one year - other than pensions and OPEB	63,031,002
Due in more than one year - net pension liability	13,069,639
Due in more than one year - total other postemployment obligation	2,022,956
	<u>89,704,875</u>
Total liabilities	<u>89,704,875</u>
Deferred Inflows of Resources	
Other postemployment benefits plan	521,539
Pension plans	4,612,273
Property taxes levied for subsequent year	7,957,522
	<u>13,091,334</u>
Total deferred inflows of resources	<u>13,091,334</u>
Net Position (Deficit)	
Net investment in capital assets	14,311,942
Restricted	528,665
Unrestricted	(16,710,241)
	<u>(1,869,634)</u>
Total net deficit	<u>\$ (1,869,634)</u>

The notes to the financial statements are an integral part of the financial statements

Independent School District No. 717
Jordan, Minnesota
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Administration	\$ 1,336,325	\$ -	\$ 76,278	\$ -	\$ (1,260,047)
District support services	825,794	53,460	-	-	(772,334)
Regular instruction	12,802,879	446,286	1,769,318	263,462	(10,323,813)
Vocational instruction	522,166	-	15,188	-	(506,978)
Special education instruction	5,847,696	89,776	4,691,675	-	(1,066,245)
Community education and services	1,749,565	1,225,410	267,103	-	(257,052)
Instructional support services	935,553	-	-	-	(935,553)
Pupil support services	3,134,164	153,792	529,350	-	(2,451,022)
Sites and buildings	6,038,636	17,020	-	24,130	(5,997,486)
Fiscal and other fixed cost programs	3,000,528	-	-	-	(3,000,528)
Total Governmental Activities	\$ 36,193,306	\$ 1,985,744	\$ 7,348,912	\$ 287,592	(26,571,058)
General Revenues					
Property taxes and other county sources					7,713,487
Federal aid					18,750
State aid not restricted to specific purposes					17,229,172
Interest earnings					1,021,183
Miscellaneous					629,212
Total general revenues					26,611,804
Change in Net Position					40,746
Net Position - Beginning, as previously reported					1,008,891
Adjustments (Note 8)					(2,919,271)
Net Deficit - Beginning, as restated					(1,910,380)
Net Deficit - Ending					\$ (1,869,634)

The notes to the financial statements are an integral part of the financial statements

Independent School District No. 717
Jordan, Minnesota
Balance Sheet – Governmental Funds
June 30, 2025

	General	Capital Project	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 5,039,187	\$ 8,524,052	\$ 3,412,876	\$ 450,976	\$ 17,427,091
Receivables					
Current property taxes	1,415,340	-	2,598,516	63,076	4,076,932
Delinquent property taxes	14,104	-	20,063	761	34,928
Accounts	37,906	-	-	36,441	74,347
Interest	28,533	18,550	-	-	47,083
Due from other Minnesota school districts	23,829	-	-	-	23,829
Due from Minnesota Department of Education	2,321,054	-	35,129	18,982	2,375,165
Due from federal through Minnesota Department of Education	195,509	-	-	1,251	196,760
Inventories	-	-	-	23,078	23,078
Prepaid items	133,253	-	-	3,911	137,164
Total assets	\$ 9,208,715	\$ 8,542,602	\$ 6,066,584	\$ 598,476	\$ 24,416,377
Liabilities					
Salaries payable	\$ 1,178,816	\$ -	\$ -	\$ 108,475	\$ 1,287,291
Accounts payable	312,087	2,349,460	-	64,513	2,726,060
Due to other Minnesota school districts	85,820	-	-	-	85,820
Due to other governmental units	9,920	-	-	724	10,644
Payroll deductions	894,429	-	-	1,676	896,105
Unearned revenue	5,775	-	-	69,980	75,755
Total liabilities	2,486,847	2,349,460	-	245,368	5,081,675
Deferred Inflows of Resources					
Unavailable revenue - delinquent taxes	14,104	-	20,063	761	34,928
Property taxes levied for subsequent year	2,735,367	-	5,090,546	131,609	7,957,522
Total deferred inflows of resources	2,749,471	-	5,110,609	132,370	7,992,450
Fund Balances					
Nonspendable	133,253	-	-	26,989	160,242
Restricted	790,906	6,193,142	955,975	361,985	8,302,008
Unassigned	3,048,238	-	-	(168,236)	2,880,002
Total fund balances	3,972,397	6,193,142	955,975	220,738	11,342,252
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,208,715	\$ 8,542,602	\$ 6,066,584	\$ 598,476	\$ 24,416,377

Independent School District No. 717

Jordan, Minnesota

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2025

Total Fund Balances for Governmental Funds	\$ 11,342,252
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	72,324,607
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	34,928
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(1,601,025)
The internal service fund accounts for the district's health and dental self-insurance plan. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.	77,414
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	(733,532)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.	(301,583)
Noncurrent 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 noncurrent - are reported in the statement of net position. Balances at year-end are:	
Bonds Payable	\$ 61,255,000
Bond Premium	2,150,590
Bond Discount	(51,840)
Certificates of Participation Payable	780,000
Lease Payable	72,057
Compensated Absences Payable	3,714,293
Net Pension Liability	13,069,639
Total OPEB Obligation	<u>2,022,956</u>
	<u>(83,012,695)</u>
Total Net Deficit for Governmental Activities	<u>\$ (1,869,634)</u>

Independent School District No. 717
Jordan, Minnesota

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2025

	General	Capital Project	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Revenues					
Local property tax levies	\$ 2,763,119	\$ -	\$ 4,688,501	\$ 121,765	\$ 7,573,385
Other local and county sources	1,110,065	-	-	1,424,066	2,534,131
State sources	22,296,409	-	351,287	962,367	23,610,063
Federal sources	719,583	-	-	537,586	1,257,169
Interest earnings	177,293	757,070	84,657	23,344	1,042,364
Total revenues	27,066,469	757,070	5,124,445	3,069,128	36,017,112
Expenditures					
Administration	1,336,325	-	-	-	1,336,325
District support services	792,691	-	-	-	792,691
Regular instruction	12,517,909	-	-	-	12,517,909
Vocational instruction	517,774	-	-	-	517,774
Special education instruction	5,846,186	-	-	-	5,846,186
Community education and services	-	-	-	1,723,668	1,723,668
Instructional support services	977,103	-	-	-	977,103
Pupil support services	2,077,208	-	-	1,498,622	3,575,830
Sites and buildings	1,896,971	1,665,235	-	-	3,562,206
Fiscal and other fixed cost programs	217,313	-	-	-	217,313
Capital outlay	857,032	20,376,293	-	707,975	21,941,300
Debt service:					
Principal	63,519	-	2,465,000	17,903	2,546,422
Interest and fiscal charges	44,758	-	3,056,040	4,312	3,105,110
Total expenditures	27,144,789	22,041,528	5,521,040	3,952,480	58,659,837
Deficiency of Revenues under Expenditures	(78,320)	(21,284,458)	(396,595)	(883,352)	(22,642,725)
Other Financing Sources					
Insurance recovery proceeds	69,588	-	-	-	69,588
Lease proceeds	-	-	-	63,527	63,527
Sale of assets	846	-	-	1,865	2,711
Total other financing sources	70,434	-	-	65,392	135,826
Net Change in Fund Balances	(7,886)	(21,284,458)	(396,595)	(817,960)	(22,506,899)
Fund Balances - Beginning	3,980,283	27,477,600	1,352,570	1,038,698	33,849,151
Fund Balances - Ending	\$ 3,972,397	\$ 6,193,142	\$ 955,975	\$ 220,738	\$ 11,342,252

Independent School District No. 717

Jordan, Minnesota

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Total Net Change in Fund Balances for Governmental Funds \$ (22,506,899)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. In the current period those amounts are:

Capital outlay	21,941,300
Depreciation/amortization expense	(2,397,629)

In the statement of activities, only the net gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the capital assets less the accumulated depreciation. (58,171)

In governmental funds, issuance of long-term debt is reported as a source of financing. However, in the statement of activities, a new debt issuance is not revenue, rather it constitutes a long-term liability in the statement of net position. (63,527)

The governmental funds report severance and compensated absences costs as expenditures when paid, on the other hand, the statement of activities reports severance and compensated absences costs as expenditures as the employees earn the compensated absences. In the statement of net position, the payment of severance and compensated absences results in a reduction of the liability. (426,277)

In governmental funds, OPEB liabilities are measured by the amount of resources used. However, in the statement of activities, an increase in an OPEB liability is based on the amount earned by the employees during the period. This amount is the net effect of these differences. 117,006

In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense. 611,867

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences. 129,034

The governmental funds report repayment of principal on long-term liabilities as expenditures. In the statement of net position, however, repayment of principal reduces the liability. 2,546,422

Long-term debt interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. 143,793

The internal service fund accounts for the district's health and dental self-insurance plan. The net revenue of the internal service fund is included in the governmental activities. 1,205

Property taxes levied and due in previous fiscal years that have not been received as of the end of the current fiscal year are recorded as deferred inflows - delinquent taxes (not considered available revenues) in the governmental funds. In the statement of activities, these taxes are considered revenue in the period for which they are levied. 2,622

Change in Net Position of Governmental Activities \$ 40,746

Independent School District No. 717
Jordan, Minnesota
General Fund Budgetary Comparison Schedule
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Local property tax levies	\$ 2,831,419	\$ 2,831,419	\$ 2,763,119	\$ (68,300)
Other local and county sources	813,618	872,032	1,110,065	238,033
State sources	20,498,883	21,465,056	22,296,409	831,353
Federal sources	690,349	680,066	719,583	39,517
Interest earnings	175,250	150,244	177,293	27,049
Total revenues	25,009,519	25,998,817	27,066,469	1,067,652
Expenditures				
Administration	1,175,964	1,291,087	1,336,325	(45,238)
District support services	635,065	567,714	792,691	(224,977)
Regular instruction	11,012,086	12,059,237	12,517,909	(458,672)
Vocational instruction	440,066	542,188	517,774	24,414
Special education instruction	5,071,688	5,830,138	5,846,186	(16,048)
Instructional support services	905,650	1,017,946	977,103	40,843
Pupil support services	1,685,893	1,975,632	2,077,208	(101,576)
Sites and buildings	1,999,595	1,873,771	1,896,971	(23,200)
Fiscal and other fixed cost programs	215,015	214,760	217,313	(2,553)
Capital outlay	703,979	870,097	857,032	13,065
Debt service				
Principal	67,340	68,868	63,519	5,349
Interest and fiscal charges	39,220	39,220	44,758	(5,538)
Total expenditures	23,951,561	26,350,658	27,144,789	(794,131)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,057,958	(351,841)	(78,320)	273,521
Other Financing Sources				
Insurance recovery proceeds	-	-	69,588	69,588
Sale of assets	-	1,000	846	(154)
Total Other Financing Sources	-	1,000	70,434	69,434
Net Change in Fund Balance	\$ 1,057,958	\$ (351,841)	\$ (7,886)	\$ 342,955
Fund Balance - Beginning			3,980,283	
Fund Balance - Ending			<u>\$ 3,972,397</u>	

Independent School District No. 717
Jordan, Minnesota
Statement of Net Position – Proprietary Fund
June 30, 2025

	Governmental Activities Internal Service Fund
Assets	
Cash and investments	<u>\$ 86,894</u>
Liabilities	
Claims incurred but not reported	<u> 9,480</u>
Net Position	
Unrestricted	<u><u>\$ 77,414</u></u>

Independent School District No. 717
Jordan, Minnesota
Statement of Changes in Net Position – Proprietary Fund
June 30, 2025

	Governmental Activities Internal Service Fund
Additions	
Dental insurance premiums	\$ 139,067
Interest earnings	2,948
Total additions	<u>142,015</u>
Deductions	
Dental claims	121,989
Service fee	18,821
Total deductions	<u>140,810</u>
Net Change in Net Position	1,205
Net Position - Beginning	<u>76,209</u>
Net Position - Ending	<u><u>\$ 77,414</u></u>

Independent School District No. 717
Jordan, Minnesota
Statement of Cash Flows – Proprietary Fund
June 30, 2025

	Governmental Activities Internal Service Fund
Operating Activities	
Receipts from participants	\$ 142,015
Payments of insurance claims and administration	(135,479)
Net cash provided for operating activities	6,536
Cash and Investments, July 1, 2024	80,358
Cash and Investments, June 30, 2025	\$ 86,894
Reconciliation of Operating Income to	
Net Cash provided for Operating Activities	
Operating Income	\$ 1,205
Changes in assets and liabilities	
Claims incurred but not reported	5,331
	\$ 6,536

Independent School District No. 717
Jordan, Minnesota
Statement of Fiduciary Net Position
June 30, 2025

	<u>Custodial Fund</u>
Assets	
Cash and investments	\$ 14,969
Accounts receivable	<u>90</u>
Total assets	<u>15,059</u>
Liabilities	
Accounts payable	<u>1,103</u>
Net Position	
Restricted	<u><u>\$ 13,956</u></u>

Independent School District No. 717
Jordan, Minnesota
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

	<u>Custodial Fund</u>
Additions	
Gifts and bequests	<u>\$ 18,488</u>
Deductions	
Donations	<u>12,678</u>
Change in Net Position	5,810
Net Position - Beginning	<u>8,146</u>
Net Position - Ending	<u><u>\$ 13,956</u></u>

Note 1 - Summary of Significant Accounting Policies

The Independent School District No. 717 (the District) is a school district governed by a board elected by eligible voters of the District. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant School District accounting policies are described below.

A. Financial Reporting Entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District does not have any blended or discretely presented component units.

The District is the basic level of government which has oversight responsibility and control over all activities related to the public school education in the District's area. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncements, since board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, intergovernmental revenues, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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 recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as 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. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period, except as stated below. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) commodity inventory items are recorded when received, (2) interest and principal on long-term debt are recorded when paid, and (3) claims and judgments, group health claims, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Prepaid items are recorded for approved disbursements made in advance of the year in which the item is budgeted.

Property tax revenues for all funds, which are payable by property owners in a calendar year, are recognized in the fiscal year beginning July 1 of that calendar year. State revenues are recognized in the year to which they apply according to Minnesota Statutes. Federal revenues are recorded in the year in which the related expenditure is made. If the amounts of Minnesota or Federal revenues cannot be reasonably estimated or realization is not assured, they are not recorded as revenue in the current year. Revenue from other school districts is generally recognized when related expenditures occur. All other revenue items are considered to be measurable and available as stated above.

The District reports unearned revenue on its governmental fund financial statements and government wide financial statements when resources are received by the District before the revenue has been earned. The District records unavailable revenue on its governmental fund financial statements when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the unavailable revenue is removed from the financial statements and revenue it recognized.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is receipts from participants. Operating expenses for the internal service fund includes payments for insurance claims and administration. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports the following major governmental funds:

- *General fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund is used to account for educational activities, District instructional and student support programs, expenditures for the superintendent, district administration, normal operations and maintenance, pupil transportation, capital expenditures, and legal school district expenditures not specifically designated to be accounted for in any other fund.
- *Capital projects fund* accounts for the activity of the building construction project.
- *Debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The District reports the following non-major governmental funds:

- *Food service fund* accounts for food service revenues and expenditures.
- *Community service fund* accounts for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adults or early childhood programs, extended day programs, or other similar services.

Additionally, the government reports the following fund types:

- *Internal service fund* is a proprietary fund used to account for the activities of the District's self-insured dental plan.
- *Fiduciary funds* are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.
- *Custodial fund* is used to account for the funds used food shelf and backpack program that lack the administrative involvement to be included in the general fund. These assets are used for third party authorized purposes and not to be used to support the District's own programs.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance**1. Cash and Investments**

Cash balances of the District's funds are combined (pooled) and invested to the extent available in various deposits and investments authorized by Minnesota state statutes. Each fund shares in the earnings according to its average cash and investments balance. Cash includes amounts in demand deposits as well as short-term investments with an original maturity date within three months of the date acquired by the District. Investments are reported at fair value, except for the Minnesota School District Liquid Asset Fund Plus (MSDLAF+) and MNTrust. Both are an external investment pool, which in accordance with GASB 79 are valued at amortized cost, which approximates fair value. GASB Statement No. 79 requires a comparison of the MSDLAF+ Portfolio and MNTrust investments on an amortized cost basis to fair values determined on a market value basis at least monthly.

2. Receivables

Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues treated as susceptible to accrual are: property taxes, state and federal aids, and revenue from other Minnesota school districts. All receivables are reported at their gross value and, if appropriate, reduced by the estimated portion that is expected to be uncollectible.

Interest and certain receivables are recorded as revenue in the year earned and available to pay liabilities of the current period.

On or before September 15th of each year, the School Board certifies to the county auditor the dates it has selected for its public hearing and for the continuation of its hearing, if necessary. If not certified by this date, the county auditor will assign the hearing date. All school districts must hold public hearings on their proposed property tax levies. Also, at this time the School Board certifies its proposed property tax levy to the county auditor for collection in the following year.

Beginning on November 29th and through December 20th of each year, the District is required by state law to hold its public hearing on its proposed budgets and proposed property tax levies for the taxes payable in the following year. On or before five business days after December 20th, the School Board certifies its final adopted property taxes payable the following year to the county auditor. If the District has not certified its final property tax by this time, its property tax will be the amount levied by it in the preceding year.

In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the District at that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Agricultural land taxes may be paid on May 15 and November 15. Personal property taxes may be paid on February 28 and June 30. The County provides tax settlements to Districts three times a year, in January, June, and November.

Property tax revenue is recorded under the intact levy concept whereby taxes collectible during a calendar year are recorded as revenue in the fiscal year beginning with the year of collection. Current taxes receivable represent taxes levied in 2024 which are not payable until 2025 less amounts received before June 30, 2025. Delinquent taxes receivable represent levies collectible during 2024 and prior years. Delinquent taxes are recorded as unavailable revenue. Taxes levied for subsequent years represent current taxes receivable, which are levied in 2024, but not payable until 2025 and are not expendable by the District until the 2025-2024 school year, adjusted for the property tax shift amount.

3. Inventories, Commodities, and Prepaid Items

All inventories are expensed when consumed rather than when purchased and are valued at the lower of cost or market using the first in first out (FIFO) method. United States Department of Agriculture commodities received are recorded as revenue at the net realizable value of such commodities and included in the food service fund revenue and expenditures when received. Unused commodities at year end are included in inventories of food.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the District are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment. Capital assets not being depreciated include land.

Right-of-use leased assets are recognized at the least commencement date and represent the District's right to use an underlying asset for the lease term. Right-of-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-of-use assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period is five years.

5. 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. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

In the government-wide financial statements bond premiums and discounts are deferred and amortized over the life of the bonds and issuance costs are expensed in the period incurred. In the fund financial statements, governmental fund types recognize premiums received on debt issuances 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.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the District.

6. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The District's policy permits full-time employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The District's policy permits substantially all employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists unless the employee qualifies for a severance benefit as described in the following paragraph. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Severance

Upon termination of employment, employees meeting years of service requirements are entitled to a payout of accumulated sick leave at various rates established in their employment contract.

7. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Additional information can be found in Note 4.

8. Pensions

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

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 5.

For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Deferred Outflows of Resources

In addition to assets, the statement of financial position 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The District has two items that qualify for reporting in this category on the government-wide statement of net position. Deferred outflows of resources related to other postemployment benefits consists of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenditures in future years. Deferred outflows of resources related to pension plans consists of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenses in future years.

10. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District has three types of items that qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied, and is reported as a deferred inflow of resources in both the government-wide statement of net position and the governmental funds balance sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. The third item is deferred inflows related to pension and OPEB activity as a result of various estimate differences that will be recognized as expenses in future years, reported in the government-wide statement of net position.

11. Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

12. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The District's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- Nonspendable fund balance represents a portion of fund balance that includes amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact.
- Restricted fund balance represents a portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority which is the School Board through an ordinance or resolution.
- Assigned fund balance represents amounts constrained by the District's intent to be used for specific purposes, but neither restricted nor committed. The School Board has the authority to assign a fund balance and the School Board has also delegated the authority to assign fund balances to the superintendent and business manager.
- Unassigned fund balance represents residual classification for the general fund. This classification represents fund balance not assigned to other funds and not restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it would be necessary to report a negative unassigned fund balance.

The District approved a minimum unassigned general fund balance of 12 percent of the annual budget. If resources from more than one fund balance classification could be spent, the District will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned. A majority vote of the school board is required to commit a fund balance to a specific purpose. The school board may assign fund balances to be used for specific purposes. The school board has delegated this power to the Superintendent.

E. Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses in the government-wide financial statements and fund financial statements. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

F. Property Tax Shift

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. The remaining portion of the taxes collectible in 2025 is recorded as deferred inflows of resources (property taxes levied for subsequent years).

Property tax levies are certified to the County Auditor in December of each year for collection from taxpayers in May and October of the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. The county general remits taxes to the District at periodic intervals as they are collected. A portion of the property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the financial statements.

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred in the fund financial statements because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes is considered necessary.

G. 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; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal year 2025.

H. Estimates

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

I. Adoption of New Accounting Standard

As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 8.

As of July 1, 2024 the District adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was no effect of the implementation of this standard on disclosures during the year.

Note 2 - Stewardship, Compliance, and Accountability

A. Budgetary Information

The District adopts an annual budget for all funds in accordance with Minnesota State Statutes. The budget is prepared on the modified accrual basis of accounting. Before July 1, the proposed budget is presented to the School Board for review. The School Board holds public hearings, and a final budget must be prepared and adopted no later than one week after the School Board approves the audited financial statements and has published the final budget in the local newspaper. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal yearend. The actual revenues, expenditures, and transfers for the year ended June 30, 2025, have been compared to the District's budget for the year where applicable. Variances in parentheses are unfavorable and indicate revenues are less than budget or expenditures are greater than budget. The budget is adopted through passage of a resolution. Any revisions that alter total expenditures of any fund must be approved by the School Board.

Budgetary control is maintained by fund, at the object of expenditure category level within each program, and in compliance with state requirements. Also inherent in this controlling function is the management philosophy that the existence of a particular item or appropriation in the approved budget does not automatically mean that it will be spent. The budget process has flexibility in that, where need has been properly demonstrated, an adjustment can be made within the department budget by the School Board. Therefore, there is a constant review process and expenditures are not approved until it has been determined that (1) adequate funds were appropriated; (2) the expenditure is still necessary; and (3) funds are available. Budgeted amounts are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year end. The School Board made several supplemental budgetary appropriations throughout the year.

B. Excess Expenditures over Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the general fund (the legal level of budgetary control) by \$794,131. These over expenditures were funded by greater than expected revenues and available fund balance.

Note 3 - Detailed Notes on All Funds

A. Cash and Investments

1. Cash

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the School Board. All such depositories are members of the Federal Reserve System.

The following are considered the most significant risks associated with deposits:

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

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

At June 30, 2025, all deposits were insured or collateralized by securities held by the District’s agent in the District’s name.

Custodial Credit Risk – The District maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2025, the District had approximately \$1,929,000 in excess of FDIC limits, which are properly collateralized in the District’s name.

2. Investments

As of June 30, 2025, the District had an investment in MSDLAF and MNTrust with an amortized cost of \$172,642 and \$6,846,447, respectively.

The following are considered the most significant risks associated with investments:

Credit Risk - The District may invest funds as authorized by Minnesota Statutes Section 118A.04. All funds in the MSDLAF and MNTrust are invested in accordance with Minnesota Statutes Section 475.66. Each Minnesota school district owns a pro-rata share of each investment which is held in the name of the funds. The District has no investment policy that would further limit its investment choices. As of June 30, 2025, the District’s MSDLAF and MNTrust accounts were rated AAAM and AAA, respectively, by Standard & Poor’s.

Custodial Credit Risk – The investments in the MSDLAF and MNTrust are not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement No. 40. The District does not have an investment policy for custodial credit risk.

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer. More than five percent of the District’s investments are invested with MSDLAF and MNTrust.

The following table presents the District’s deposit and investment balances at June 30, 2025:

Type	Total	Investment Maturities (in Years)	
		N/A	1 - 5
Cash and cash equivalents			
MN School District Liquid Asset Fund	\$ 172,642	\$ 172,642	\$ -
MNTrust	6,846,447	6,846,447	-
Deposits	3,979,209	3,979,209	-
Money Market	875,765	875,765	-
Investments			
Certificates of Deposit	3,844,655	-	3,844,655
Taxable Bonds	1,810,236	-	1,810,236
	<u>\$ 17,528,954</u>	<u>\$ 11,874,063</u>	<u>\$ 5,654,891</u>

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

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

Cash and investments - Statement of Net Position	\$ 17,513,985
Cash and investments - Statement of Fiduciary Net Position	<u>14,969</u>
	<u>\$ 17,528,954</u>

B. Capital Assets

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Administration	\$ 32,428
Regular instruction	500,770
Vocational instruction	193
Special education instruction	1,510
Community education and services	3,134
Instructional support services	79,712
Pupil support services	72,355
Sites and buildings	1,707,527
Total depreciation/amortization expense	<u>\$ 2,397,629</u>

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

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 1,896,117	\$ -	\$ -	\$ 1,896,117
Construction in progress	12,072,241	20,155,164	3,926,330	28,301,075
Total Capital Assets, Not Being Depreciated/Amortized	<u>13,968,358</u>	<u>20,155,164</u>	<u>3,926,330</u>	<u>30,197,192</u>
Capital Assets, Being Depreciated/Amortized:				
Land improvements	3,786,571	-	83,295	3,703,276
Buildings	60,627,870	3,977,745	9,650	64,595,965
Equipment	3,032,855	1,671,194	340,120	4,363,929
Right-of-use assets	84,784	63,527	-	148,311
Total Capital Assets, Being Depreciated/Amortized	<u>67,532,080</u>	<u>5,712,466</u>	<u>433,065</u>	<u>72,811,481</u>
Less Accumulated Depreciation/Amortization for:				
Land improvements	1,700,377	144,035	44,976	1,799,436
Buildings	25,134,228	1,967,052	5,789	27,095,491
Equipment	1,775,856	255,052	324,129	1,706,779
Right-of-use assets	50,870	31,490	-	82,360
Total Accumulated Depreciation/Amortization	<u>28,661,331</u>	<u>2,397,629</u>	<u>374,894</u>	<u>30,684,066</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>38,870,749</u>	<u>3,314,837</u>	<u>58,171</u>	<u>42,127,415</u>
Governmental Activities Capital Assets, Net	<u>\$ 52,839,107</u>	<u>\$ 23,470,001</u>	<u>\$ 3,984,501</u>	<u>\$ 72,324,607</u>

C. Long-Term Liabilities

1. Bonds

General Obligation Bonds. The District issued general obligation bonds to provide funds for the improvement and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District and are paid from the debt service fund.

The District issued General Obligation Crossover Refunding Bond, Series 2016A, during the year ended June 30, 2017. The bond was issued to advance refund a portion of the outstanding General Obligation School Building Refunding Bond, Series 2014A. The District refunded the bond to reduce the total debt service payments by \$1,414,880 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,048,484.

The District issued General Obligation Crossover Refunding Bonds, Series 2017B, during the year ended June 30, 2018. These bonds were used to refund a portion of the 2028 maturity and the entire 2029 through 2032 maturities outstanding General Obligation School Building Refunding Bond, Series 2014 on the call date of February 1, 2023. The District refunded the bond to obtain an economic gain of \$615,235.

During the year ended June 30, 2021, the District issued \$10,075,000 in General Obligation Crossover Refunding Bonds, Series 2020A. These bonds were used to crossover refund the 2024 through 2028 maturities of the outstanding General Obligation School Building Refunding Bond, Series 2014, on the call date of February 1, 2023. The District refunded the bond to reduce the total debt service payments by obtain an economic gain of \$615,235.

During the year ended June 30, 2023, the District issued General Obligation Tax Abatement Bonds, Series 2022A, in the amount of \$1,399,000. Bond proceeds will be used to finance certain parking lot improvements at District facilities. The bonds bear an interest rate of 2.85% and call for semiannual interest payments commencing August 1, 2023, and annual principal payments commencing February 1, 2024.

During the year ended June 30, 2024, the District issued General Obligation Building Bonds, Series 2023A, in the amount of \$34,990,000. Bond proceeds will be used to finance construction of school buildings. The bonds bear an interest rates of 4.00% to 5.00% and call for semiannual interest payments commencing August 1, 2024, and annual principal payments commencing February 1, 2026, through February 1, 2042.

Independent School District No. 717

Jordan, Minnesota

Notes to Financial Statements

June 30, 2025

General obligation bonds currently outstanding are as follows:

Bond Description	Final Maturities	Interest Rate	Principal Payments	Original Principal	Outstanding Balance
General Obligation Crossover Refunding Bonds of 2016A	2/1/2035	2.00% - 2.50%	\$95,000 - \$2,950,000	\$ 9,995,000	\$ 9,825,000
General Obligation Crossover Refunding Bonds of 2017B	2/1/2032	2.00% - 3.00%	\$100,000 - \$2,450,000	9,720,000	9,520,000
General Obligation Refunding Bonds of 2020A	2/1/2028	0.57% - 1.23%	\$1,990,000 - \$2,050,000	10,075,000	6,040,000
General Obligation Tax Abatement Bonds of 2022A	2/1/2028	2.50% - 3.00%	\$250,000 - \$325,000	1,399,000	880,000
General Obligation Building Bonds of 2023A	2/1/2042	4.00% - 5.00%	\$315,000 - \$4,840,000	34,990,000	34,990,000
				<u>\$ 66,179,000</u>	<u>\$ 61,255,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 2,804,000	\$ 2,224,992
2027	2,854,000	2,179,286
2028	2,902,000	2,129,522
2029	2,960,000	2,072,030
2030	3,060,000	1,973,130
2031-2035	16,850,000	8,307,680
2036-2040	20,335,000	4,823,750
2041-2042	9,490,000	573,200
Total	<u>\$ 61,255,000</u>	<u>\$ 24,283,590</u>

2. Certificates of Participation

The District issued certificates of participation in 2017 to provide funds for the purchase of land. The certificates are payable in installments through February 2037, at an interest rate ranging from 4.53 to 6.60 percent and payable in installments ranging from \$40,000 to \$85,000. Amounts are paid from the general fund. Annual debt service requirements to maturity for certificates of participation are as follows.

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 50,000	\$ 37,130
2027	50,000	35,040
2028	55,000	32,950
2029	55,000	30,393
2030	60,000	27,835
2031-2035	345,000	93,567
2036-2037	165,000	12,500
Total	<u>\$ 780,000</u>	<u>\$ 269,415</u>

3. Leases Payable

The District entered into various lease agreements as lessee for the use of technology equipment. The District is required to make principal and interest payments through July 2027. The lease liability was valued using a discount rate of 6.0% based on the District's incremental borrowing rate at the inception of the leases. The leases are paid by the general fund.

The future principal and interest lease payments as of June 30, 2025, were as follows:

Years Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 33,364	\$ 4,709
2027	21,408	2,162
2028	17,285	1,027
Total	<u>\$ 72,057</u>	<u>\$ 7,898</u>

4. Compensated Absences

Compensated absences payable consists of accrued vacation, severance, and estimated future use of sick leave as discussed in Note 1.

5. Changes in Long-Term liabilities

During the year ended June 30, 2025, the following changes occurred in liabilities reported in the government-wide financial statements:

	July 1, 2024 as restated	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Bonds Payable					
General obligation bonds	\$ 63,720,000	\$ -	\$ 2,465,000	\$ 61,255,000	\$ 2,804,000
Bond premium	2,286,104	-	135,514	2,150,590	135,513
Bond discount	(58,320)	-	(6,480)	(51,840)	(6,480)
Total bonds payable	65,947,784	-	2,594,034	63,353,750	2,933,033
Certificates of Participation Payable	830,000	-	50,000	780,000	50,000
Leases payable	39,952	63,527	31,422	72,057	33,364
Compensated Absences Payable*	3,288,016	426,277	-	3,714,293	1,872,701
	<u>\$ 70,105,752</u>	<u>\$ 489,804</u>	<u>\$ 2,675,456</u>	<u>\$ 67,920,100</u>	<u>\$ 4,889,098</u>

*Change in compensated absences payable is presented as the net change

6. Legal Debt Margin

Minnesota State Statutes do not allow net debt (as defined in Minn. Stat. Para. 475.51 subd. 4) to exceed 15 percent of the actual market value of all taxable property within the District. The District's market value per the School Tax Report 2024 Payable 2025 was \$1,703,619,900.

D. Fund Balances

Certain portions of fund balances 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.

Independent School District No. 717
Jordan, Minnesota
Notes to Financial Statements
June 30, 2025

The following is a summary of fund balances as of June 30, 2025:

	General	Capital Project	Debt Service	Total Nonmajor Funds	Totals
Nonspendable					
Inventories	\$ -	\$ -	\$ -	\$ 23,078	\$ 23,078
Prepaid items	133,253	-	-	3,911	137,164
Total nonspendable	133,253	-	-	26,989	160,242
Restricted					
Student activities	72,067	-	-	-	72,067
Scholarships	138,255	-	-	-	138,255
Staff development	14,569	-	-	-	14,569
American Indian education aid	1,077	-	-	-	1,077
Operating capital	16,427	-	-	-	16,427
Learning and development	3,592	-	-	-	3,592
Literacy incentive aid	102,787	-	-	-	102,787
Area learning center	166,299	-	-	-	166,299
Gifted and talented	22,118	-	-	-	22,118
Basic skills	172	-	-	-	172
Literacy aid	64,419	-	-	-	64,419
Long-term facilities maintenance	116,370	-	-	-	116,370
Medical assistance	72,754	-	-	-	72,754
Food service	-	-	-	73,608	73,608
Early childhood family education	-	-	-	84,706	84,706
School readiness	-	-	-	203,671	203,671
Capital projects	-	6,193,142	-	-	6,193,142
Debt service	-	-	955,975	-	955,975
Total restricted	790,906	6,193,142	955,975	361,985	8,302,008
Unassigned	3,048,238	-	-	(168,236)	2,880,002
Total fund balance	\$ 3,972,397	\$ 6,193,142	\$ 955,975	\$ 220,738	\$ 11,342,252

Independent School District No. 717

Jordan, Minnesota

Notes to Financial Statements

June 30, 2025

The UFARS fund balance reporting standards are slightly different than the reporting standards under GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). Below is a reconciliation between the fund balance reporting under GASB 54 and UFARS reporting standards:

	<u>GASB Balance</u>	<u>Reconciling Transfer</u>	<u>UFARS Balance</u>
Nonspendable			
Inventories	\$ 23,078	\$ -	\$ 23,078
Prepaid items	137,164	-	137,164
	<u>160,242</u>	<u>-</u>	<u>160,242</u>
Restricted			
Student activities	72,067	-	72,067
Scholarships	138,255	-	138,255
Staff development	14,569	-	14,569
Literacy incentive aid	102,787	-	102,787
American Indian education aid	1,077	-	1,077
Operating capital	16,427	-	16,427
Basic skills	172	-	172
Area learning center	166,299	-	166,299
Gifted and talented	22,118	-	22,118
Safe schools	-	(24,422)	(24,422)
Learning and development	3,592	-	3,592
Literacy aid	64,419	-	64,419
Long-term facilities maintenance	116,370	-	116,370
Medical assistance	72,754	-	72,754
Food service	73,608	-	73,608
Community education	-	(225,709)	(225,709)
Early childhood family education	84,706	-	84,706
School readiness	203,671	-	203,671
Community service	-	57,473	57,473
Capital projects	6,193,142	-	6,193,142
Debt service	955,975	-	955,975
	<u>8,302,008</u>	<u>(192,658)</u>	<u>8,109,350</u>
Unassigned			
General	3,048,238	24,422	3,072,660
Community service	(168,236)	168,236	-
	<u>2,880,002</u>	<u>192,658</u>	<u>3,072,660</u>
	<u>\$ 11,342,252</u>	<u>\$ -</u>	<u>\$ 11,342,252</u>

Note 4 - Other Post-Employment Benefits**A. Plan Description**

All employees are allowed upon meeting the eligibility requirements under Minn. Stat. 471.61 subd, 2b, to participate in the District's health, dental, and life insurance plans after retirement. Eligible employees include principals, teaching and learning director, special services director, teachers, and superintendent who have reached age 55 with three years of service, and all other employees who have reached age 55 with five years of service. This plan covers active and retired employees. Benefit provisions are established through negotiations between the District and the union representing District employees and are renegotiated at the end of each contract period. Medical coverage is administered by Blue Cross Blue Shield. The implicit rate subsidy is only until Medicare eligibility.

Contract groups receive other post-retirement benefits as follows:

- *Principals*– These employees reaching age 55 with 10 years of service are allowed to access the subsidized medical insurance benefit. They receive one year of District paid single medical insurance for every 4 years of service up to a maximum of 6 years or Medicare eligibility, whichever is earlier.
- *Teachers* – Teachers reaching age 55 with 25 years of service hired before March 12, 2012, are allowed access to subsidized benefits of the medical, dental and life insurance plans. See benefit details below:
 - o Medical –The benefit is the full single premium plus \$1,100 multiplied by 6 years or to Medicare eligibility, whichever is earlier. The benefit is payable in one lump sum at retirement to a VEBA account. Account credit can also be used for spouse coverage.
 - o Dental –The benefit is the full premium for single dental for 6 years or Medicare eligibility, whichever is earlier.
 - o Life – The benefit is the full premium for a \$100,000 policy for 6 years or Medicare eligibility, whichever is earlier.

The retiree health plan does not issue a publicly available financial report.

B. Benefits Provided

The contract groups have access to other post-retirement benefits listed below:

- Medical – The blended medical premiums are \$757 for single and \$1,942 for family coverage.
- Dental – The dental premiums are \$36 for single and \$109 for family coverage.
- Life – The life premiums are \$0.14 per \$1,000.

The subsidized benefits available to certain contract groups are discussed above.

C. Employees Covered by Benefit Terms

At the valuation date of July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payment:	11
Active employees	251
	262

D. Total OPEB Liability

The District’s total OPEB liability of \$2,022,956 was measured as of July 1, 2024, and was determined by an actuarial valuation as of July 1, 2024.

E. Actuarial Assumptions

The total OPEB liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50 percent
Salary increases	Service graded table, based on years of service
Discount rate	4.10 percent
Health care cost trend rate	6.50 percent in 2024, grading to 5.00 percent over 6 years, then to 4.00 percent over the next 48 years
Retiree plan participation	
Future retirees electing coverage:	
Pre-65 subsidy available	100%
Pre-65 subsidy not available	50%
Percent of married retirees electing spouse coverage	
Subsidy available	10%
Subsidy not available	10%

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-Year Municipal Bond Yield.

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

The actuarial assumptions used in the July 1, 2024, valuation were based on inputs from a variety of published sources of historical and projected future financial data. The salary scales used to value GASB 75 liabilities are similar to the tables used to value pension liabilities for Minnesota school district employees. The rates for teachers, principals and the superintendent are based on the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2014 through June 30, 2018 and a study of economic assumptions dated November 2017. The rates for other employees are based on the Public Employees Retirement Association of Minnesota most recent four-year experience study for the General Employees Plan completed in 2019 and a review of the inflation assumption. The retirement and withdrawal assumptions used to value GASB 75 liabilities are similar to those used to value pension liabilities for Minnesota school district employees. The rates are based on the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2014 through June 30, 2018.

The following change in plan provisions occurred for the year ending June 30, 2025:

- None

The following change in assumptions was made for the year ending June 30, 2025:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The discount rate was changed from 3.90% to 4.10%.

F. Changes in Total OPEB Liability

Balance at July 1, 2024	<u>\$ 2,034,344</u>
Changes from the Prior Year:	
Service Cost	120,406
Interest Cost	82,035
Assumption Changes	19,429
Differences between Expected and Actual Experience	(129,670)
Benefit Payments	<u>(103,588)</u>
Net Change	<u>(11,388)</u>
Balance at June 30, 2025	<u><u>\$ 2,022,956</u></u>

G. Sensitivity of the Total OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate one percentage point lower and one percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Discount rate	3.10%	4.10%	5.10%
Total OPEB Liability	\$ 1,836,492	\$ 2,022,956	\$ 2,237,504

The following represents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower and one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Selected Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
Medical Trend Rate	5.50%, grading to 4.00% over 6 years, then to 3.00% over the next 48 years	6.50%, grading to 5.00% over 6 years, then to 4.00% over the next 48 years	7.50%, grading to 6.00% over 6 years, then to 5.00% over the next 48 years
Total OPEB Liability	\$ 2,136,492	\$ 2,022,956	\$ 2,237,504

H. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$62,776. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability	\$ -	\$ 412,684
Changes in actuarial assumptions	40,174	108,855
District's contributions subsequent to measurement date	<u>179,782</u>	<u>-</u>
Total	<u>\$ 219,956</u>	<u>\$ 521,539</u>

The \$179,782 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026.

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

<u>Years Ended June 30,</u>	<u>OPEB Expense</u>
2026	\$ (133,213)
2027	(142,607)
2028	(83,947)
2029	(88,644)
2030	(17,207)
Thereafter	(15,747)

Note 5 - Defined Benefit Pension Plans– Statewide

Substantially all employees of the District are required by state law to belong to defined benefit, multi-employer, cost-sharing pension plans administered by the Public Employees’ Retirement Association (PERA) or the Teachers’ Retirement Association (TRA), both of which are administered on a state-wide basis.

For the year ended June 30, 2025, the District reported its proportionate share of deferred outflows of resources, net pension liabilities, deferred inflows of resources, and pension expense for each of the plans as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense (Income)
PERA	\$ 554,005	\$ 1,676,341	\$ 1,106,870	\$ 111,484
TRA	<u>3,324,736</u>	<u>11,393,298</u>	<u>3,505,403</u>	<u>886,353</u>
Total all plans	<u>\$ 3,878,741</u>	<u>\$ 13,069,639</u>	<u>\$ 4,612,273</u>	<u>\$ 997,837</u>

Disclosures relating to these plans are as follows:

1. Public Employees Retirement Association (PERA)**A. Plan Description**

The District participates in the General Employees Retirement Plan, a cost-sharing multiple-employer defined benefit pension plan 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 the plan’s financial reporting requirements. The General Employees Retirement Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

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

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

C. Contribution Rate

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 Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50 percent for General Plan members. The District’s contributions to the General Employees Fund for the year ended June 30, 2025, were \$301,553. The District’s contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

At June 30, 2025, the District reported a liability of \$1,676,341 for its proportionate share of the General Employees Fund’s net pension liability. The District’s net pension liability reflected a reduction due to the State of Minnesota’s contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state’s contribution meets the definition of a special funding situation. The State of Minnesota’s proportionate share of the net pension liability associated with the District totaled \$43,450.

District's proportionate share of net pension liability	<u>\$ 1,676,341</u>
State of Minnesota's proportionate share of the net pension liability associated with the District	<u>43,450</u>
Total	<u>\$ 1,719,791</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 proportion 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 0.0453 percent at the end of the measurement period and 0.0435 percent for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$111,484 for its proportionate share of the General Employees Plan’s pension expense. In addition, the District recognized \$1,162 as grant revenue for its proportionate share of the State of Minnesota’s pension expense for the annual \$16 million contribution.

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 \$77,127 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.

Independent School District No. 717

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Notes to Financial Statements

June 30, 2025

At June 30, 2025, the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 155,433	\$ -
Changes in actuarial assumptions	7,797	615,624
Net difference between projected and actual earnings on pension plan investments	-	490,179
Changes in proportion	89,222	1,067
Contributions paid to PERA subsequent to the measurement date	<u>301,553</u>	<u>-</u>
Total	<u>\$ 554,005</u>	<u>\$ 1,106,870</u>

The \$301,553 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ended June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ (484,548)
2027	(64,018)
2028	(177,371)
2029	(128,481)

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:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
	100.0%	

F. Actuarial Methods and Assumptions

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

Inflation is assumed to be 2.25 percent for the General Employees Plan.

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

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

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

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

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

H. Pension Liability Sensitivity

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

Sensitivity Analysis
Net Pension Liability (Asset) at Different Discount Rates

	<u>General Employees Fund</u>	
1% Lower	6.00%	\$ 3,661,399
Current Discount Rate	7.00%	\$ 1,676,341
1% Higher	8.00%	\$ 43,450

I. Pension Plan Fiduciary Net Position

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

2. Teachers Retirement Association (TRA)

A. Plan Descriptions

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 I Benefits

Tier 1	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

With these provisions:

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

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.

C. Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for the fiscal year 2025 for coordinated were 7.75% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2025 were \$1,113,726. The District's contributions were equal to the required contributions as set by state statute.

D. Actuarial Assumptions

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

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	
Experience Studies	August 2, 2023 (demographic and economic assumptions)*
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028
Projected salary 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	PubT-2010 (A) Employee Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Healthy Retirees	PubT-2010 (A) Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Beneficiaries	PubT-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	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.

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

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

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	4.36%
International Equity	16.5%	5.28%
Private Markets	20.0%	6.70%
Fixed Income	25.0%	2.03%
Unallocated Cash	5.0%	2.92%
	100.0%	

Changes in actuarial assumptions since the 2023 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 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 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.

F. Net Pension Liability

At June 30, 2025, the District reported a liability of \$11,393,298 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 0.1793 percent at the end of the measurement period and 0.1723 percent 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 net pension liability	\$ 11,393,298
State's proportionate share of the net pension liability associated with the District	<u>745,096</u>
Total	<u>\$ 12,138,394</u>

For the year ended June 30, 2025, the District recognized pension expense of \$886,353. It also recognized \$9,115 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 \$315,867 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.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 542,494	\$ 143,026
Net difference between projected and actual investment earnings on pension plan investments	-	1,645,529
Changes of assumptions	1,137,503	1,358,682
Changes in proportion	531,013	358,166
District's contributions to TRA subsequent to the measurement date	1,113,726	-
Total	\$ 3,324,736	\$ 3,505,403

The \$1,113,726 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 in the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to TRA pensions will be recognized in pension expense as follows:

Years Ended June 30,	Pension Expense Amount
2026	\$ (676,393)
2027	948,072
2028	(836,146)
2029	(636,028)
2030	(93,898)

G. Pension Liability Sensitivity

The following presents the District’s proportionate share of the net pension liability of TRA calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate.

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
TRA discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the TRA net pension liability	\$ 20,064,263	\$ 11,393,298	\$ 4,256,887

H. Pension Plan Fiduciary Net Position

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

Note 6 - Flexible Benefit Plan

The District has a flexible benefit plan which is classified as a “cafeteria plan” (the 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 healthcare and dependent care benefits.

Before the beginning of the Plan year, which is from September 1, thru August 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 medical reimbursement portion of the Plan, whether or not such contributions have been made.

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

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

Note 7 - 403(b) 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. Some employees are eligible to receive a match of employee contributions up to the qualifying amounts set forth in their Wage and Benefit Guidelines. Contributions are invested in tax deferred annuities hosted by a vendor from whom the District has obtained. The District’s contributions for the years ended June 30, 2025, 2024, and 2023, were \$188,476, \$193,413, and \$146,588, respectively. The related employee contributions were \$522,663, 463,742, and \$411,095, for the years ended June 30, 2025, 2024, and 2023, respectively.

Note 8 - Change in Accounting Principle

As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provide guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences liability was increased by \$2,919,271 as of July 1, 2024. The effect of this change in accounting principle is described in the table below.

	July 1, 2024, As Previously Reported	Change in Accounting Principle	July 1, 2024, As Restated
Government-Wide			
Governmental activities	<u>\$ 1,008,891</u>	<u>\$ (2,919,271)</u>	<u>\$ (1,910,380)</u>

Note 9 - Other Information

A. Contingent Liabilities

The District participates in a number of federal and state programs that are either partially or fully funded by grants or aids received from these agencies or other governmental units. Such programs are subject to audit by the grantor agencies which could result in requests for reimbursement to the granting agency for expenditures that are disallowed under the terms of the grant. Based on past experience, the District believes that any disallowed costs as a result of such audits will be immaterial.

B. Litigation and Potential Exposure

In the ordinary course of its operations, the District is party to legal proceedings as a plaintiff or defendant. The financial impact of remaining actions is not determinable at June 30, 2025, but, in the opinion of management and legal counsel, the ultimate disposition of any or all of these proceedings will not have a material effect on the District’s financial position.

C. Construction Commitment

The District has entered into contracts for building construction projects at the high school and elementary school. The contracts had a total value of approximately \$29,000,000. As of June 30, 2025, the District has incurred project costs in the amount of approximately \$28,300,000 and a remaining construction commitment of \$698,925 with an anticipated completion date in August 2025.

D. Tax Abatements

The District is subject to property tax abatements granted by tax increment finance (TIF) authorities within the District and negotiated abatement agreements of the City of Jordan. TIF authorities are defined in Minnesota Sections § 469.174 and include cities, housing redevelopment authorities, economic development authorities and port authorities. TIF captures the increased property taxes (increment) that a new real estate development generates to pay qualifying expenses related to the development. In many instances, the developer agrees to provide financing for the qualifying expenses. In exchange, the TIF authority agrees to annually pay a portion of the increment to the developer. These TIF agreements affect the property tax revenues of all governments that levy property taxes on the property subject to the TIF agreement. During the year ended June 30, 2025, TIF agreements and other negotiated abatement agreements of other local governments have resulted in reductions of District property tax revenues of \$138,018.

Required Supplementary Information
June 30, 2025

Independent School District No. 717
Jordan, Minnesota

Independent School District No. 717

Jordan, Minnesota

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Year Ended June 30, 2025

Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Last 10 Fiscal years *

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 120,406	\$ 134,206	\$ 132,209	\$ 184,017	\$ 170,534	\$ 161,405	\$ 147,051	\$ 143,627
Interest	82,035	77,283	52,742	56,644	79,116	80,225	74,108	70,804
Assumption changes	19,429	(10,212)	(161,041)	32,951	(33,388)	65,820	3,804	-
Plan changes	-	-	(36,024)	16,727	-	-	-	-
Differences between expected and actual experience	(129,670)	-	(339,047)	-	(377,315)	-	(48,969)	-
Benefit payments	<u>(103,588)</u>	<u>(131,737)</u>	<u>(126,055)</u>	<u>(48,613)</u>	<u>(40,176)</u>	<u>(72,709)</u>	<u>(82,909)</u>	<u>(157,845)</u>
Net change in total OPEB liability	(11,388)	69,540	(477,216)	241,726	(201,229)	234,741	93,085	56,586
Total OPEB liability - beginning	<u>2,034,344</u>	<u>1,964,804</u>	<u>2,442,020</u>	<u>2,200,294</u>	<u>2,401,523</u>	<u>2,166,782</u>	<u>2,073,697</u>	<u>2,017,111</u>
Total OPEB liability - ending	<u>\$ 2,022,956</u>	<u>\$ 2,034,344</u>	<u>\$ 1,964,804</u>	<u>\$ 2,442,020</u>	<u>\$ 2,200,294</u>	<u>\$ 2,401,523</u>	<u>\$ 2,166,782</u>	<u>\$ 2,073,697</u>
Covered payroll	\$ 15,492,084	\$ 13,973,527	\$ 13,566,531	\$ 12,887,110	\$ 12,511,757	\$ 12,696,494	\$ 12,326,693	\$ 10,480,104
Total OPEB liability as a percentage of covered payroll	13.06%	14.56%	14.48%	18.95%	17.59%	18.91%	17.58%	19.79%

*GASB Statement No. 75 require ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to the Schedule of Changes in the District's Total OPEB Liability and Related Ratios

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

2025 Changes

Benefit Changes:

- None

Assumption Changes:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The discount rate was changed from 3.90% to 4.10%.

2024 Changes

Benefit Changes:

- None

Assumption Changes:

- The discount rate was changed from 3.80% to 3.90%.

2023 Changes

Benefit Changes:

- The subsidized medical benefits for the Director of Teaching and Learning and the Special Services Director were removed.

Assumption Changes:

- The health care trend rates, mortality tables, salary increase rates for non-teachers, and withdrawal rates were updated.
- The discount rate was changed from 2.10% to 3.80%.

Independent School District No. 717
Jordan, Minnesota
Schedule of Employer's Share of Net Pension Liability
Year Ended June 30, 2025

Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years

Pension Plan	Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with District (b)	Total (d) (a+b)	Employer's Covered Payroll (e)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (d/e)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERA	6/30/24	0.0453%	\$ 1,676,341	\$ 43,450	\$ 1,719,791	\$ 3,820,707	43.9%	89.1%
	6/30/23	0.0435%	2,432,471	67,056	2,499,527	3,457,640	70.4%	83.1%
	6/30/22	0.0432%	3,421,454	100,382	3,521,836	3,230,800	105.9%	70.5%
	6/30/21	0.0433%	1,849,104	56,566	1,905,670	3,131,693	59.0%	87.0%
	6/30/20	0.0485%	2,907,797	89,674	2,997,471	3,398,760	85.6%	79.1%
	6/30/19	0.0457%	2,526,651	78,497	2,605,148	3,256,291	77.6%	80.2%
	6/30/18	0.0458%	2,540,796	83,339	2,624,135	3,087,592	82.3%	79.5%
	6/30/17	0.0473%	3,019,601	37,971	3,057,572	3,057,585	100.0%	75.9%
	6/30/16	0.0469%	3,808,047	49,721	3,857,768	2,933,615	131.5%	68.9%
	6/30/15	0.0447%	2,316,586	N/A	2,316,586	2,319,607	99.9%	78.2%
TRA	6/30/24	0.1793%	\$ 11,393,298	\$ 745,096	\$ 12,138,394	\$ 11,914,386	95.6%	82.1%
	6/30/23	0.1723%	14,225,474	996,640	15,222,114	10,984,907	129.5%	76.4%
	6/30/22	0.1745%	13,973,037	1,035,999	15,009,036	10,817,146	129.2%	76.2%
	6/30/21	0.1775%	7,767,931	655,240	8,423,171	10,698,473	72.6%	86.6%
	6/30/20	0.1798%	13,283,865	1,113,410	14,397,275	10,564,159	125.7%	75.5%
	6/30/19	0.1738%	11,078,048	980,473	12,058,521	9,941,330	111.4%	78.1%
	6/30/18	0.1738%	10,918,248	1,025,996	11,944,244	9,717,935	112.4%	78.1%
	6/30/17	0.1776%	35,452,182	3,427,611	38,879,793	9,563,987	370.7%	51.6%
	6/30/16	0.1763%	42,051,757	4,220,988	46,272,745	9,233,733	455.4%	44.9%
	6/30/15	0.1760%	10,887,341	1,335,517	12,222,858	8,567,861	127.1%	76.8%

Independent School District No. 717
Jordan, Minnesota
Schedule of Employer's Contributions
Year Ended June 30, 2025

**Schedule of Employer's Contributions
Last 10 Fiscal Years**

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
PERA	6/30/25	\$ 301,553	\$ 301,553	\$ -	\$ 4,020,707	7.5%
	6/30/24	286,553	286,553	-	3,820,707	7.5%
	6/30/23	259,323	259,323	-	3,457,640	7.5%
	6/30/22	242,310	242,310	-	3,230,800	7.5%
	6/30/21	234,877	234,877	-	3,131,693	7.5%
	6/30/20	254,907	254,907	-	3,398,760	7.5%
	6/30/19	243,010	243,010	-	3,256,291	7.5%
	6/30/18	230,462	230,462	-	3,087,592	7.5%
	6/30/17	228,238	228,238	-	3,057,585	7.5%
	6/30/16	218,931	218,931	-	2,933,615	7.5%
TRA	6/30/25	\$ 1,113,726	\$ 1,113,726	\$ -	\$ 12,728,297	8.8%
	6/30/24	1,048,466	1,048,466	-	11,914,386	8.8%
	6/30/23	944,702	944,702	-	10,984,907	8.6%
	6/30/22	902,150	902,150	-	10,817,146	8.3%
	6/30/21	863,547	863,547	-	10,698,473	8.1%
	6/30/20	836,615	836,615	-	10,564,159	7.9%
	6/30/19	767,563	767,563	-	9,941,330	7.7%
	6/30/18	725,242	725,242	-	9,717,935	7.5%
	6/30/17	717,299	717,299	-	9,563,987	7.5%
	6/30/16	692,530	692,530	-	9,233,733	7.5%

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions

PERA

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 6.50 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 since the previous valuation.

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 since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- 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% 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.
- 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.
- 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% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% 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.

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 non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- 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 percent per year thereafter.

Changes in Plan Provisions

- 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 have been no changes since the prior valuation.

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.

TRA

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 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.50% to 7.00%. This does not affect the GASB valuation which was already using the 7.00% assumption.

Changes in Plan Provisions

- Effective July 1, 2025, the normal retirement age for Tier 2 members will decrease from 66 to 65.
- The employer contribution rate will increase from 8.75% to 9.50% on July 1, 2025.
- The employer contribution rate will increase from 7.75% to 8.00% on July 1, 2025.

2022 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% 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% 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 zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% 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 have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% 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% 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.
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Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% 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 July 1, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% 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 have been no changes since the prior valuation.

2017 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 5.12% from 4.66%.
- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.

- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as 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 post-retirement 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.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Augmentation in the early retirement reduction factors is phased out o 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 form of annuity payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes of benefit terms

- The DTRFA was merged into TRA on June 30, 2015.

Changes in Actuarial Assumptions

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%. Details, if necessary, can be obtained from the TRA Comprehensive Annual Financial Report.

PERA's Comprehensive Annual Financial Report may be obtained on the PERA's website at www.mnpera.org for notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions.

Additional financial and actuarial information can be found in TRA's GASB 67-68 report. Both reports can be obtained at <https://minnesotatra.org>.

Supplementary Information
June 30, 2025

Independent School District No. 717
Jordan, Minnesota

Independent School District No. 717
Jordan, Minnesota
Schedule of Changes in UFARS Fund Balances: General Fund
June 30, 2025

	<u>Fund Balance Beginning of Year</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance (Deficit) End of Year</u>
Nonspendable	\$ 138,591	\$ (5,338)	\$ 133,253
Restricted for student activities	66,938	5,129	72,067
Restricted for scholarships	138,755	(500)	138,255
Restricted for staff development	11,912	2,657	14,569
Restricted for literacy incentive aid	41,752	61,035	102,787
Restricted for American Indian ed aid	(1,616)	2,693	1,077
Restricted for operating capital	-	16,427	16,427
Restricted for learning and development	-	3,592	3,592
Restricted for area learning center	206,335	(40,036)	166,299
Restricted for gifted and talented	27,521	(5,403)	22,118
Restricted for basic skills	-	172	172
Restricted for safe schools	40,725	(65,147)	(24,422)
Restricted for literacy aid	-	64,419	64,419
Restricted for long-term facilities maintenance	238,622	(122,252)	116,370
Restricted for medical assistance	49,069	23,685	72,754
Unassigned	<u>3,021,679</u>	<u>50,981</u>	<u>3,072,660</u>
	<u>\$ 3,980,283</u>	<u>\$ (7,886)</u>	<u>\$ 3,972,397</u>

Independent School District No. 717
Jordan, Minnesota
Combining Balance Sheet – Nonmajor Governmental Funds
Year Ended June 30, 2025

	<u>Special Revenue Funds</u>		Total Nonmajor Funds
	<u>Food Service</u>	<u>Community Service</u>	
Assets			
Cash and investments	\$ 112,508	\$ 338,468	\$ 450,976
Receivables			
Current property taxes	-	63,076	63,076
Delinquent property taxes	-	761	761
Accounts	1,070	35,371	36,441
Due from Minnesota Department of Education	939	18,043	18,982
Due from Federal through Minnesota Department of Education	1,251	-	1,251
Inventories	23,078	-	23,078
Prepaid items	-	3,911	3,911
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 138,846</u>	<u>\$ 459,630</u>	<u>\$ 598,476</u>
Liabilities			
Salaries payable	\$ 5,356	\$ 103,119	\$ 108,475
Accounts payable	34,846	29,667	64,513
Due to other governmental units	-	724	724
Payroll deductions	-	1,676	1,676
Unearned revenue	1,958	68,022	69,980
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>42,160</u>	<u>203,208</u>	<u>245,368</u>
Deferred Inflows of Resources			
Unavailable revenue - delinquent taxes	-	761	761
Property taxes levied for subsequent year	-	131,609	131,609
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>-</u>	<u>132,370</u>	<u>132,370</u>
Fund Balances			
Nonspendable	23,078	3,911	26,989
Restricted	73,608	288,377	361,985
Unassigned	-	(168,236)	(168,236)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>96,686</u>	<u>124,052</u>	<u>220,738</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 138,846</u>	<u>\$ 459,630</u>	<u>\$ 598,476</u>

Independent School District No. 717

Jordan, Minnesota

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

Year Ended June 30, 2025

	Special Revenue Funds		Total Nonmajor Funds
	Food Service	Community Service	
Revenues			
Local property tax levies	\$ -	\$ 121,765	\$ 121,765
Other local and county sources	154,482	1,269,584	1,424,066
State sources	796,904	165,463	962,367
Federal sources	537,586	-	537,586
Interest earnings	12,454	10,890	23,344
Total revenues	<u>1,501,426</u>	<u>1,567,702</u>	<u>3,069,128</u>
Expenditures			
Community education and services	-	1,723,668	1,723,668
Pupil support services	1,498,622	-	1,498,622
Capital Outlay	643,899	64,076	707,975
Debt service:			
Principal	-	17,903	17,903
Interest and fiscal charges	-	4,312	4,312
Total expenditures	<u>2,142,521</u>	<u>1,809,959</u>	<u>3,952,480</u>
Deficiency of Revenues Under Expenditures	(641,095)	(242,257)	(883,352)
Other Financing Sources			
Sale of assets	1,865	-	1,865
Lease proceeds	-	63,527	63,527
Total Other Financing Sources (Uses)	<u>1,865</u>	<u>63,527</u>	<u>65,392</u>
Net Change in Fund Balances	<u>(639,230)</u>	<u>(178,730)</u>	<u>(817,960)</u>
Fund Balances - Beginning	<u>735,916</u>	<u>302,782</u>	<u>1,038,698</u>
Fund Balances - Ending	<u>\$ 96,686</u>	<u>\$ 124,052</u>	<u>\$ 220,738</u>

Other Supplementary Information
June 30, 2025

Independent School District No. 717
Jordan, Minnesota

Independent School District No. 717
Jordan, Minnesota
Uniform Financial Accounting and Reporting Standards Compliance Table
Year Ended June 30, 2025

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$27,066,469	\$27,066,469	\$0	Total Revenue	\$757,070	\$757,071	(\$1)
Total Expenditures	\$27,144,789	\$27,144,787	\$2	Total Expenditures	\$22,041,528	\$22,041,528	\$0
Non Spendable:				Non Spendable:			
4.60 Non Spendable Fund Balance	\$133,253	\$133,253	\$0	4.60 Non Spendable Fund Balance	\$0	\$0	\$0
Restricted / Reserved:				Restricted / Reserved:			
4.01 Student Activities	\$72,087	\$72,087	\$0	4.07 Capital Projects Levy	\$0	\$0	\$0
4.02 Scholarships	\$138,255	\$138,255	\$0	4.13 Funded by COP/FP	\$0	\$0	\$0
4.03 Staff Development	\$14,569	\$14,569	\$0	4.67 LTFM	\$0	\$0	\$0
4.07 Capital Projects Levy	\$0	\$0	\$0	Restricted:			
4.08 Cooperative Revenue	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$6,193,142	\$6,193,142	\$0
4.12 Literacy Incentive Aid	\$102,787	\$102,787	\$0	Unassigned:			
4.14 Operating Debt	\$0	\$0	\$0	4.63 Unassigned Fund Balance	\$0	\$0	\$0
4.16 Levy Reduction	\$0	\$0	\$0				
4.17 Taconite Building Maint	\$0	\$0	\$0	07 DEBT SERVICE			
4.20 American Indian Education Aid	\$1,077	\$1,077	\$0	Total Revenue	\$5,124,445	\$5,124,445	\$0
4.24 Operating Capital	\$16,427	\$16,427	\$0	Total Expenditures	\$5,521,040	\$5,521,040	\$0
4.26 \$25 Taconite	\$0	\$0	\$0	Non Spendable:			
4.27 Disabled Accessibility	\$0	\$0	\$0	4.60 Non Spendable Fund Balance	\$0	\$0	\$0
4.28 Learning & Development	\$3,592	\$3,592	\$0	Restricted / Reserved:			
4.34 Area Learning Center	\$166,299	\$166,299	\$0	4.25 Bond Refundings	\$0	\$0	\$0
4.35 Contracted Alt. Programs	\$0	\$0	\$0	4.33 Maximum Effort Loan Aid	\$0	\$0	\$0
4.36 State Approved Alt. Program	\$0	\$0	\$0	4.51 QZAB Payments	\$0	\$0	\$0
4.37 Q Comp	\$0	\$0	\$0	4.67 LTFM	\$0	\$0	\$0
4.38 Gifted & Talented	\$22,118	\$22,118	\$0	Restricted:			
4.39 English Learner	\$0	\$0	\$0	4.64 Restricted Fund Balance	\$955,975	\$955,975	\$0
4.40 Teacher Development and Evaluation	\$0	\$0	\$0	Unassigned:			
4.41 Basic Skills Programs	\$172	\$172	\$0	4.63 Unassigned Fund Balance	\$0	\$0	\$0
4.43 School Library Aid	\$0	\$0	\$0				
4.48 Achievement and Integration	\$0	\$0	\$0	08 TRUST			
4.49 Safe Schools Levy	(\$24,422)	(\$24,422)	\$0	Total Revenue	\$0	\$0	\$0
4.51 QZAB Payments	\$0	\$0	\$0	Total Expenditures	\$0	\$0	\$0
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0	Restricted / Reserved:			
4.53 Unfunded Sev & Retirement Levy	\$0	\$0	\$0	4.01 Student Activities	\$0	\$0	\$0
4.56 READ Act - Literacy Aid	\$64,419	\$64,419	\$0	4.02 Scholarships	\$0	\$0	\$0
4.57 READ Act - Tohr Training Compensation	\$0	\$0	\$0	4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0	\$0
4.59 Basic Skills Extended Time	\$0	\$0	\$0				
4.67 LTFM	\$116,370	\$116,370	\$0	18 CUSTODIAL			
4.71 Student Support Personnel Aid	\$0	\$0	\$0	Total Revenue	\$18,488	\$18,488	\$0
4.72 Medical Assistance	\$72,754	\$72,754	\$0	Total Expenditures	\$12,678	\$12,678	\$0
Restricted:				Restricted / Reserved:			
4.64 Restricted Fund Balance	\$0	\$0	\$0	4.01 Student Activities	\$0	\$0	\$0
4.75 Title VII Impact Aid	\$0	\$0	\$0	4.02 Scholarships	\$0	\$0	\$0
4.76 Payments in Lieu of Taxes	\$0	\$0	\$0	4.48 Achievement and Integration	\$0	\$0	\$0
Committed:				4.64 Restricted Fund Balance	\$13,956	\$13,957	(\$1)
4.18 Committed for Separation	\$0	\$0	\$0				
4.61 Committed Fund Balance	\$0	\$0	\$0	20 INTERNAL SERVICE			
Assigned:				Total Revenue	\$142,015	\$142,015	\$0
4.62 Assigned Fund Balance	\$0	\$0	\$0	Total Expenditures	\$140,810	\$140,810	\$0
Unassigned:				4.22 Unassigned Fund Balance (Net Assets)	\$77,414	\$77,414	\$0
4.22 Unassigned Fund Balance	\$3,072,660	\$3,072,661	(\$1)				

Independent School District No. 717
 Jordan, Minnesota
 Uniform Financial Accounting and Reporting Standards Compliance Table
 Year Ended June 30, 2025

	2025	2024	2023
02 FOOD SERVICES			
Total Revenue	\$1,501,426	<u>\$1,501,426</u>	<u>\$0</u>
Total Expenditures	\$2,142,521	<u>\$2,142,520</u>	<u>\$1</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance Restricted / Reserved:	\$23,078	<u>\$23,078</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust Restricted:	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance Unassigned:	\$73,608	<u>\$73,607</u>	<u>\$1</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
04 COMMUNITY SERVICE			
Total Revenue	\$1,567,702	<u>\$1,567,702</u>	<u>\$0</u>
Total Expenditures	\$1,809,959	<u>\$1,809,958</u>	<u>\$1</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance Restricted / Reserved:	\$3,911	<u>\$3,911</u>	<u>\$0</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	(\$225,709)	<u>(\$225,709)</u>	<u>\$0</u>
4.32 E.C.F.E	\$84,706	<u>\$84,706</u>	<u>\$0</u>
4.37 Q Comp	\$0	<u>\$0</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	\$203,671	<u>\$203,671</u>	<u>\$0</u>
4.47 Adult Basic Education	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>
4.56 READ Act - Literacy Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.57 READ Act - Tchr Training Compensation Restricted:	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance Unassigned:	\$57,473	<u>\$57,474</u>	<u>(\$1)</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

25 OPEB REVOCABLE TRUST			
Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
45 OPEB IRREVOCABLE TRUST			
Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
47 OPEB DEBT SERVICE			
Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance Restricted:	\$0	<u>\$0</u>	<u>\$0</u>
4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance Unassigned:	\$0	<u>\$0</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>