Independent School District No. 284
Wayzata Public Schools
Wayzata, Minnesota

Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2024

Prepared by the

Department of Finance and Business Services

WAYZATA PUBLIC SCHOOLS

Excellence. For each and every student.

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

INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA, MINNESOTA

13305 12th Avenue N.
Plymouth, MN 55441

Prepared by the
Department of Finance and Business Services

Scott LeSage • Executive Director of Finance and Operations

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INDEPENDENT SCHOOL DISTRICT NO. 284

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SECTION I

INTRODUCTORY SECTION

WAYZATA PUBLIC SCHOOLS

District Service Center
13305 12th Ave N | Plymouth, MN 55441
763-745-5000 | www.wayzataschools.org

December 2, 2024

To: Citizens of the District
Board of Education
Dr. Chace B. Anderson, Superintendent of Schools

INTRODUCTION

We respectfully submit the Annual Comprehensive Financial Report (ACFR) of Independent School District No. 284, Wayzata, Minnesota (the District), for the fiscal year ended June 30, 2024. Responsibility for the entire financial report rests with district management. The report contains all funds of the District in conformity with accounting principles generally accepted in the United States of America for defining the reporting entity.

The Governmental Accounting Standards Board Statement No. 34 requires that the District includes within its ACFR a management's discussion and analysis (MD&A) report, which allows the District to explain, in layman's terms, its financial position and results of operations for the past fiscal year.

The ACFR is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

The introductory section includes a list of principal officials, an organizational chart, awards and acknowledgements, and this transmittal letter. The financial section includes the basic financial statements, individual fund statements and related schedules, and required supplementary information. The independent auditor's report is also included in the financial section. The notes to basic financial statements are provided to enhance the reader's understanding of the District's accounting policies and procedures. The statistical section includes selected financial and general information presented on a multiyear comparative basis.

ECONOMIC CONDITION AND OUTLOOK

The District is a public educational system serving a 38 square-mile area located in the western portion of Hennepin County, Minnesota. The District is governed by its Board of Education (School Board), who are elected by voters residing within the District's boundaries. The District's boundaries encompass either the entire geographic area or portions of the communities of Corcoran, Maple Grove, Medicine Lake, Medina, Minnetonka, Orono, Plymouth, and Wayzata.

For 2023–2024, district facilities included nine elementary schools, three middle schools, a senior high school, a transition school, a district service center building, a district meeting and training facility, an early learning center, a central services facility, and district warehouse.

Enrollment for the 2023–2024 school year was 12,499 pupils in adjusted average daily membership, which represents an increase of 251 students from the prior year. Demographic forecasts project an increase in enrollment for the next several years. Projected enrollment for the near future per an independent demographer hired by the District is:

Fiscal Year	Enrollment
2025	12,700
2026	12,875
2027	13,050

The tax base of the District increased 16.9 percent during the past year. The market value of all taxable property in the District in fiscal year 2024 was $19,229,146,613, compared to $16,443,824,055 in fiscal year 2023.

The net tax capacity of the District for fiscal year 2024 was $217,667,832, an increase of 19.0 percent over the prior year value of $182,970,236.

The state fiscal disparities law provides for the pooling of 40.0 percent of all new commercial/industrial property valuation added since 1971 in the seven-county Minneapolis-Saint Paul metropolitan area. The pooled valuation is redistributed among the taxing jurisdictions according to population and a ratio measuring relative fiscal capacity. Local tax rates reflect the net contribution/distribution of fiscal disparities valuation. The District has been a net contributor to the fiscal disparities pool in recent years. The District contributed $23,570,607 in fiscal year 2024 and $24,126,014 in fiscal year 2023.

FINANCIAL INFORMATION

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal controls and segregation of duties. These controls are designed to provide reasonable assurance regarding the safeguarding of district assets and the reliability of financial records used in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that the costs of internal controls should not exceed the benefits likely to be derived, and that the value of costs and benefits requires estimates and judgments by management.

The legal level of budgetary control is demonstrated through an annual budget adopted by the School Board for the General, Special Revenue, Capital Projects – Building Construction, and Debt Service Funds. The Finance and Business Services Department maintains budgetary control district-wide. The administration and School Board review financial reports on a monthly basis. Annually, the original budget is adopted by the School Board prior to the fiscal year beginning on July 1. The administration presents mid-year budget revision recommendations based upon audited results of the prior year, enrollment changes, the effects of changes to employment contracts, or other new information impacting revenues or expenditures. All revisions to the budget during the fiscal year are also adopted by the School Board.

Users of the District's financial statements are directed to the MD&A report for a more in depth look at the General Fund and other financial information.

DISTRICT FACILITIES

The District's educational facilities consist of 14 buildings originally constructed from 1949 to 2019. Each building has had numerous additions and improvements over the years. Despite the age of the facilities, all school buildings are maintained in a state of good repair, with building components modernized and updated on a systematic basis through the District's long-term facilities maintenance plan. Because of the continual improvement, all educational facilities will effectively serve district operations for many years. During fiscal year 2021, the District opened the Wayzata Early Learning School, an addition to the existing Oakwood Elementary building. In the start of the 2024 school year, Wayzata Public Schools relocated the Wayzata Transition program to the previous District Administration Building to allow for future growth of the program and its students. The District acquired a new building that houses the majority of the District's administration, along with the District Welcome Center, and is a centrally-located building for all administrative staff. The total district square footage for educational facilities is 2,099,969. The District owns four additional buildings for administrative purposes.

LOOKING FORWARD

The District's commitment to fiscal responsibility has enabled the District to maintain positive fund balances in recent years. Currently, the General Fund has an unassigned fund balance (excluding restricted account deficits) of approximately $17.0 million, which represents 8.3 percent of total General Fund expenditures, with the School Board policy minimum fund balance of 5.0–7.0 percent of expenditures. The District has an additional $8.6 million of assigned fund balance for specific purposes.

In 2017, district voters approved an operating referendum to increase annual operating revenues, up to the maximum amount of $2,000 per pupil plus inflation, expiring in fiscal year 2028. Voters also approved two capital projects levies to fund technology costs for existing technology infrastructure, as well as new services and equipment. The capital projects levies expire in fiscal years 2026 and 2030, respectively. In May of 2023, Legislators provided school boards with the authority to renew a voter-approved operating referendum one time for a maximum of 10 years without voter approval.

An indicator of continued financial health is the tremendous level of new private investment within the District's boundaries. The City of Plymouth (the City) is the largest municipality within the District. The City's levy payable 2023 total estimated market value was $16,664,562,200, an increase of $2,290,540,400 from 2022. The increase in total market value between payable 2022 and payable 2023 was 15.9 percent. The City's population increased 29.0 percent from 1990 to 2000; 7.0 percent from 2000 to 2010; and 13.0 percent from 2010 to 2019. As of 2023, the population is 81,026.

The state's support in the current economic environment, combined with additional local property tax support approved by residents of the District means the District's financial outlook is stable. The District maintained similar staff ratios and programs for fiscal year 2024 that support the District's operational and financial requirements as prescribed by the District's strategic plan.

Below are some facts about the 2024–2025 budget:

- Due to the COVID-19 pandemic, the District experienced a decrease in enrollment in fiscal years 2020–2021 and 2021–2022, but has realized an increase in the 2022–2023 and 2023–2024 enrollment.
- Based on a December 2022 Demographic Study and a more recent Demographic Study in the summer of 2024, the District expects the enrollment growth to continue. In fiscal year 2024–2025 district administration projected enrollment at 12,700.
- To maintain an unassigned fund balance within the School Board's parameters of 5.0–7.0 percent, the District implemented cost containment measures of approximately $2.6 million.

Revenues:

- General Fund revenue is projected to increase by approximately $6.7 million to $217.4 million.
- The basic per pupil funding amount from the state is $7,281 for fiscal year 2025, an increase of 2.0 percent.
- The voter-approved referendum levy is approximately $2,073 per pupil unit.
- Effective fiscal year 2023–2024, new legislation provides improvement to the special education cross-subsidy reimbursement rate. The new legislation increases the cross-subsidy aid factor to 44.0 percent in fiscal years 2024 through 2026 and 50.0 percent in fiscal year 2027 and later. The District will continue to use its General Fund resources in order to fully fund the required portion of the costs that are not reimbursed by either the state and federal government.

Expenditures:

- General Fund expenditures are expected to be $220.3 million that includes cost containment measures as noted above.
- The capital projects (technology) levy will increase from $9.1 million to $10.9 million.
- District salaries are anticipated to increase approximately 2.0 to 3.0 percent.
- Health insurance premiums are expected to increase by 7.0 percent. Dental insurance premiums are expected to increase by 3.0 percent.
- District transportation costs are estimated to increase by 4.5 percent.

Construction Projects:

- The District continues to access long-term facilities maintenance pay-as-you-go district levy dollars to make improvements in the areas of deferred maintenance and health and safety. The project costs of approximately $12–$18 million per year are utilized for roof repairs, paving projects, boiler and chiller replacements, windows, doors, painting, flooring, and a variety of other deferred maintenance projects.

OTHER INFORMATION

State law requires an annual audit by independent certified public accountants. The accounting firm of Malloy, Montague, Karnowski, Radosevich & Co. P.A. was selected by the School Board to conduct the annual audit for the fiscal year ended June 30, 2024. In addition to meeting the requirements set forth by state law, the audit also was designed to meet the requirements of the federal Single Audit Act as amended in 1996, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* (Uniform Guidance). The independent auditor's report on the financial statements is included in the financial section of this report. The independent auditor's reports related specifically to the Single Audit are issued as a separate report, which is available from the District upon request.

This report has been prepared following guidelines recommended by the Association of School Business Officials (ASBO) International and its Certificate of Excellence in Financial Reporting program. Achieving recognition by this program is a clear indication of the District's establishment of high standards in financial reporting and accountability. The District was awarded the ASBO International Certificate of Excellence in Financial Reporting for its 2023 ACFR, the District's 40th consecutive year receiving the award. We believe our current report continues to conform to ASBO International's Certificate of Excellence program requirements.

The District's continued commitment to excellent financial stewardship and robust local tax base has resulted in Moody's Investor Services reaffirming the District's Aaa credit rating, which is the highest rating possible. Fewer than 100 public K–12 school districts across the country hold a Aaa rating, underscoring the significance of the achievement.

We acknowledge the efforts of the entire accounting staff in providing complete and accurate data for the fiscal year 2024 ACFR. Credit is also due to the School Board for its governance and unfailing support of maintaining the highest standards of stewardship of the District's finances.

Respectfully submitted,

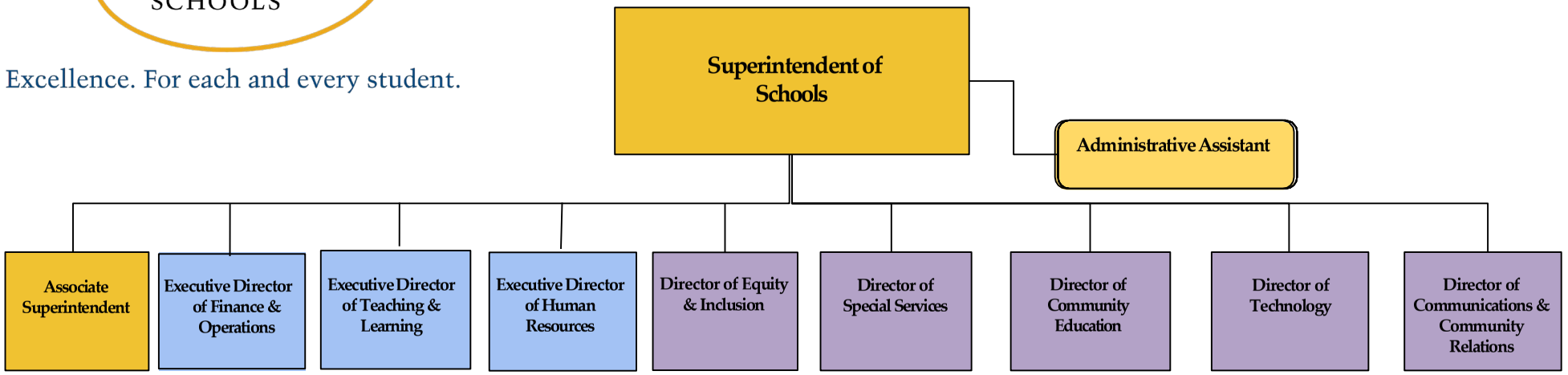


Scott LeSage
Executive Director of Finance and Operations

WAYZATA PUBLIC SCHOOLS

Excellence. For each and every student.

Wayzata Leadership Organizational Chart 2023-2024



INDEPENDENT SCHOOL DISTRICT NO. 284

School Board and Administration
Year Ended June 30, 2024

SCHOOL BOARD

	Board Position
Dr. Milind Sohoni	Chairperson
Ms. Heidi Kader	Vice Chairperson
Ms. Sarah Johansen	Treasurer
Ms. Sheila Prior	Clerk
Mr. Paras Bhende	Director
Ms. Valentina Eyres	Director
Mr. Dan Ginestra	Director

ADMINISTRATION

Dr. Chace B. Anderson	Superintendent
Mr. Scott LeSage	Executive Director of Finance and Operations
Ms. Dana Miller	Executive Director of Teaching and Learning
Ms. Stacie Vos	Executive Director of Human Resources

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Independent School District No. 284

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

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

SECTION II

FINANCIAL SECTION

MMKR
CERTIFIED PUBLIC ACCOUNTANTS

PRINCIPALS
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

BASIS FOR OPINIONS

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

EMPHASIS OF MATTER

Change in Accounting Principle

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

(continued)

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
5353 Wayzata Boulevard • Suite 410 • Minneapolis, MN 55416 • Phone: 952-545-0424 • Fax: 952-545-0569 • www.mmkr.com

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

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

PRIOR YEAR COMPARATIVE INFORMATION

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 5, 2023. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
December 2, 2024

This section of Independent School District No. 284's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the other components of the District's ACFR.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2024 by $15,191,777 (net position deficit). The District's total net position increased by $39,197,433 during the fiscal year ended June 30, 2024.

- Government-wide revenues totaled $258,349,823 and were $35,618,121 more than expenses of $222,731,702.

- The District adopted new accounting guidance for capital assets in the current year, which increased beginning net position by $3,579,312. This change is further described in Note 1 of the notes to basic financial statements.

- The General Fund's total fund balance (under the governmental fund presentation) increased $11,720,141 from the prior year, compared to an increase of $2,203,773 planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

FUND FINANCIAL STATEMENTS

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

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

The District maintains the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1
Summary Statement of Net Position
as of June 30, 2024 and 2023

	2024	2023
Assets		
Current and other assets	$ 174,945,822	$ 157,653,779
Capital assets, net of depreciation/amortization	264,757,413	250,519,688
Total assets	$ 439,703,235	$ 408,173,467
Deferred outflows of resources		
Deferred charge on refunding	$ 5,913,576	$ 6,406,374
Pension plan deferments	32,270,711	46,751,258
OPEB plan deferments	2,457,041	4,632,480
Total deferred outflows of resources	$ 40,641,328	$ 57,790,112
Liabilities		
Current and other liabilities	$ 15,800,449	$ 12,626,125
Long-term liabilities, including due within one year	369,327,629	387,941,781
Total liabilities	$ 385,128,078	$ 400,567,906
Deferred inflows of resources		
Property taxes levied for subsequent year	$ 88,123,162	$ 83,873,177
Lease revenue for subsequent year	545,057	573,201
Pension plan deferments	11,346,693	23,733,679
OPEB plan deferments	10,393,350	11,604,826
Total deferred inflows of resources	$ 110,408,262	$ 119,784,883
Net position		
Net investment in capital assets	$ 56,426,154	$ 36,667,330
Restricted	33,131,167	25,400,096
Unrestricted	(104,749,098)	(116,456,636)
Total net position	$ (15,191,777)	$ (54,389,210)

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation/amortization amounts. A conservative versus liberal approach to depreciation and amortization estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. Another major factor in determining net position as compared to fund balances are the long-term liabilities for pension, other post-employment benefits (OPEB), and severance benefits, which are not reported in the governmental funds.

The District's increase in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, depreciated and amortized, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The District's increase in net position restricted for capital asset acquisition, food service, community service, and other state funding restrictions contributed to the change in the restricted portion of net position. The change in the District's share of the state-wide Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position. Positive operations in the General Fund also contributed to the increase in unrestricted net position.

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

Table 2
Summary Statement of Activities
as of June 30, 2024 and 2023

	2024	2023
Revenues		
Program revenues		
Charges for services	$ 15,939,516	$ 18,311,783
Operating grants and contributions	41,248,216	24,542,184
Capital grants and contributions	1,160,656	1,200,886
General revenues		
Property taxes	88,249,745	86,047,771
General grants and aids	104,649,181	99,864,411
Investment earnings	4,809,140	3,682,259
Other	2,293,369	2,577,988
Total revenues	258,349,823	236,227,282
Expenses		
Administration	6,043,652	5,747,682
District support services	6,239,323	6,294,468
Elementary and secondary regular instruction	88,673,106	76,223,157
Vocational education instruction	2,997,519	2,759,344
Special education instruction	27,325,867	21,371,825
Instructional support services	20,239,606	17,420,412
Pupil support services	19,922,400	18,480,033
Sites and buildings	21,618,947	28,343,784
Fiscal and other fixed cost programs	757,321	867,690
Food service	9,814,491	7,732,984
Community service	13,275,131	12,046,032
Interest and fiscal charges on debt	5,824,339	6,008,024
Total expenses	222,731,702	203,295,435
Change in net position	35,618,121	32,931,847
Net position – beginning, as previously reported	(54,389,210)	(87,321,057)
Change in accounting principle	3,579,312	–
Net position – beginning, as restated	(50,809,898)	(87,321,057)
Net position – ending	$ (15,191,777)	$ (54,389,210)

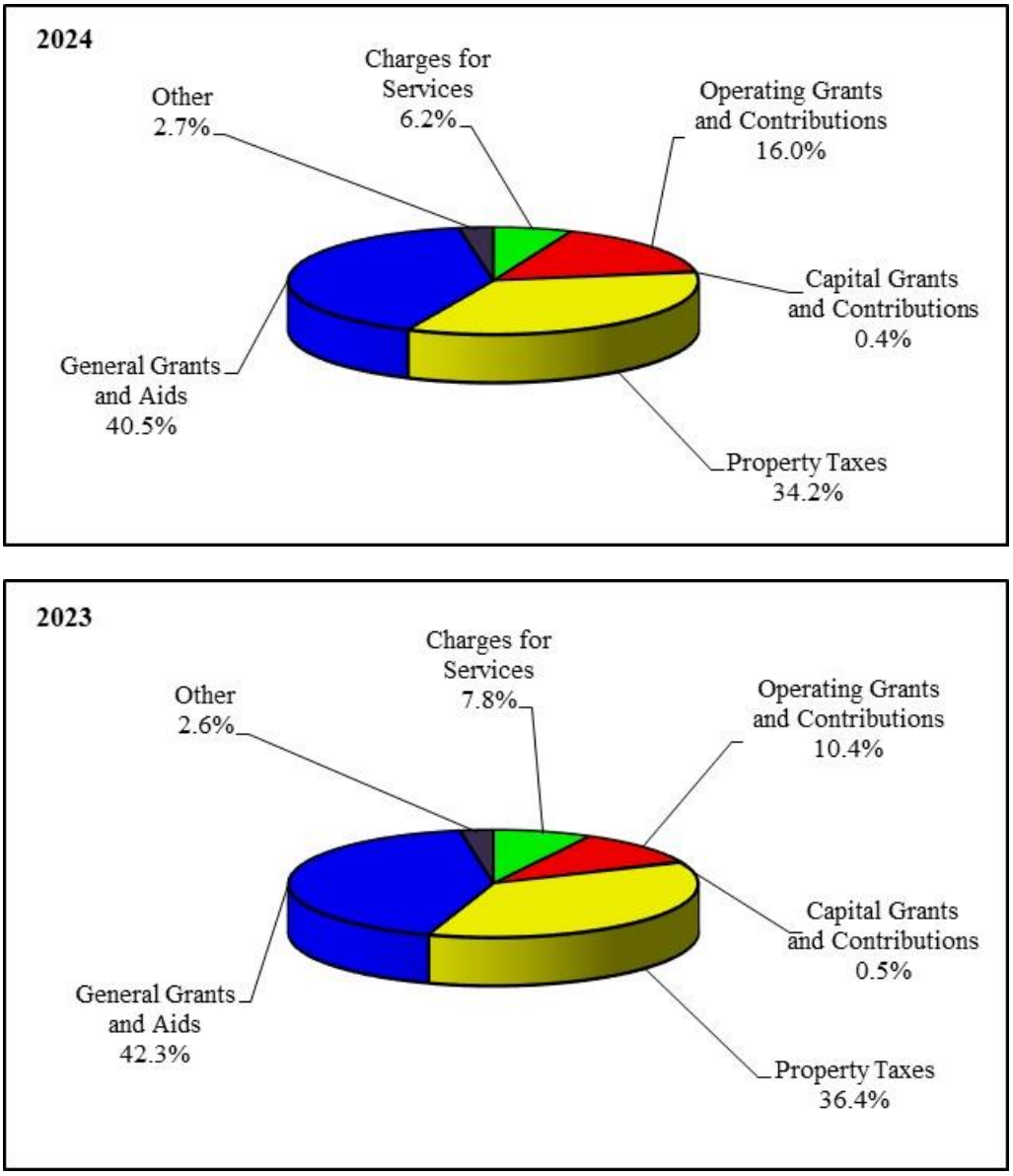
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Governmental activities revenues increased $22,122,541 (9.4 percent) from the previous year. The District recognized more special education funding and more state funding for child nutrition, contributing to the increase in operating grants and contributions. The increase in the approved levy contributed to the change in property taxes. Additional funding for the basic general education formula allowance and basic skills and increased enrollment increased general grants and aids. Investment earnings were up with improved returns on cash and investments held by the District.

Governmental activities expenses increased $19,436,267 (9.6 percent) from last year, mainly due to changes in state-wide pension plans, increased staffing, and natural inflationary increases.

Figure A shows further analysis of these revenue sources:

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

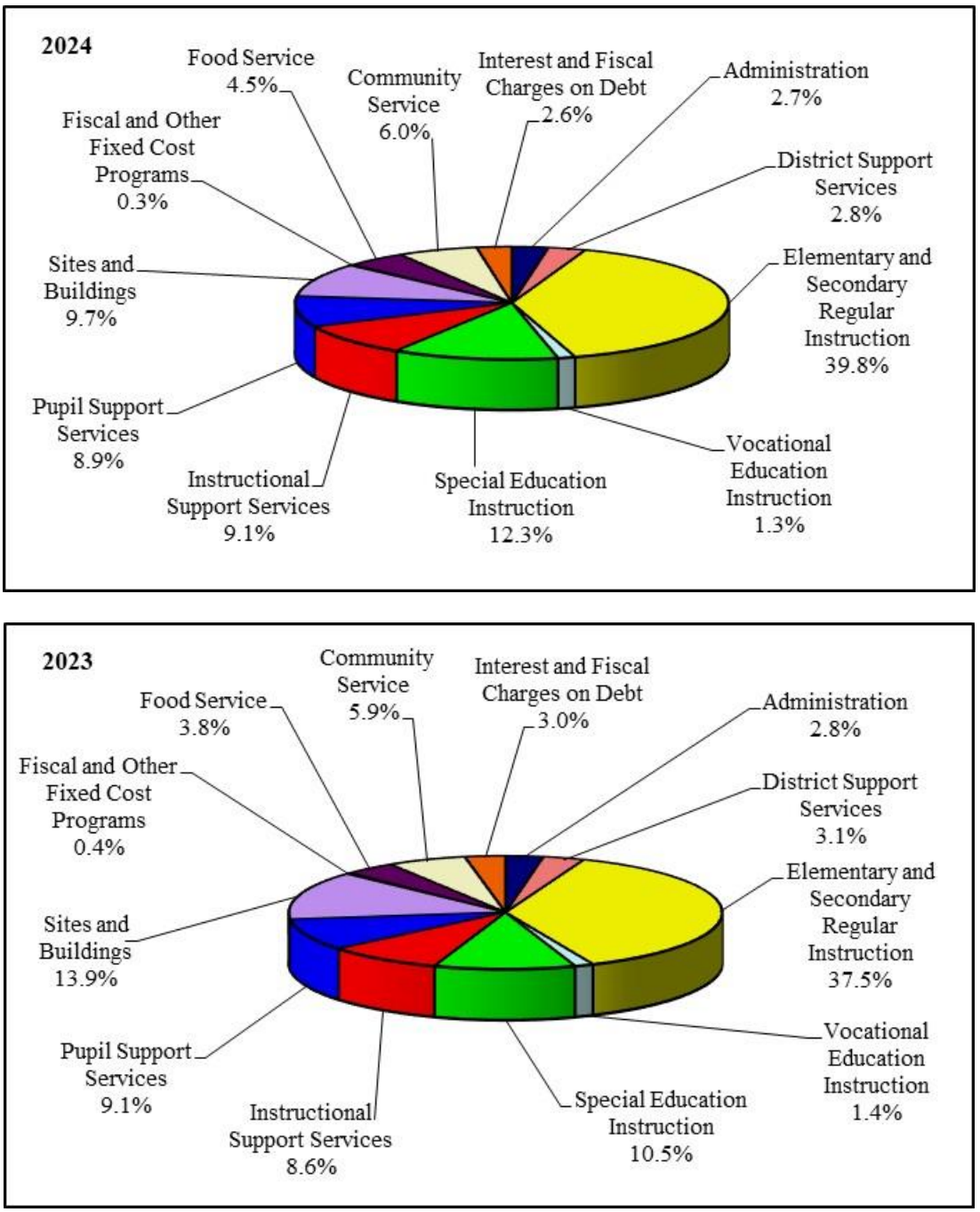


The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2024 and 2023



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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3
Governmental Fund Balances
as of June 30, 2024 and 2023

	2024	2023	Change
Major funds			
General	$ 52,673,468	$ 40,953,327	$ 11,720,141
Capital Projects – Building Construction	4,140,307	8,017,315	(3,877,008)
Debt Service	3,145,880	3,836,342	(690,462)
Nonmajor funds			
Food Service Special Revenue	2,456,931	1,577,572	879,359
Community Service Special Revenue	4,483,247	2,816,176	1,667,071
Total governmental funds	$ 66,899,833	$ 57,200,732	$ 9,699,101

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

At June 30, 2024, the District's governmental funds reported combined fund balances of $66,899,833, an increase of $9,699,101 from the prior year. Approximately 25.4 percent of this amount ($16,989,020) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either: 1) not in spendable form ($1,706,261), 2) restricted for particular purposes ($39,560,808), or 3) assigned for particular purposes ($8,643,744).

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4
General Fund
Budget

	Original Budget	Final Budget	Change	Percent Change
Revenue and other financing sources	$ 206,746,916	$ 211,802,943	$ 5,056,027	2.4%
Expenditures	$ 203,811,952	$ 209,599,170	$ 5,787,218	2.8%

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

Table 5 summarizes the operating results of the General Fund:

Table 5
General Fund
Operating Results

		Over (Under) Final Budget		Over (Under) Prior Year	
	2024 Actual	Amount	Percent	Amount	Percent
Revenue and other financing sources	$ 217,280,679	$ 5,477,736	2.6%	$ 18,850,838	9.5%
Expenditures and other financing uses	205,560,538	(4,038,632)	(1.9%)	13,010,887	6.8%
Net change in fund balances	$ 11,720,141	$ 9,516,368		$ 5,839,951	

The fund balance of the General Fund increased $11,720,141, compared to a planned increase of $2,203,773 approved in the final budget.

General Fund revenues and other financing sources for 2024 increased $18,850,838, or 9.5 percent, compared to the prior year. This was $5,477,736, or 2.6 percent, more than the budget. The largest variance to budget was in state sources, investment earnings, and other local sources. State sources were $2,538,162 over budget, mainly in special education. Investment earnings were $1,512,900 over budget, due to positive investment market performance. Other local sources (such as donations, activity fees, and local grants) were also over budget, due to conservative budgeting for these inconsistent revenue sources. The overall revenue increase from the prior year was mainly due to legislative improvements for general education and special education entitlements and an increase in enrollment. Property taxes also increased with an increase in the approved levy.

Total General Fund expenditures and other financing uses for 2024 increased $13,010,887, or 6.8 percent, from the prior year, and were $4,038,632, or 1.9 percent, under budget. The budget variance was spread across several programs and object categories of the General Fund. Purchased services costs were less than projected due to the timing of projects and fewer short-term leases and professional development training than anticipated. The increase from the prior year was mainly in capital expenditures due to increased long-term facilities maintenance projects and increased salaries and benefits, due to contractual wage and benefit increases.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. Fund balance decreased $3,877,008, as the District spent down proceeds from bonds issued in a prior year. At June 30, 2024, the District had a fund balance of $4,140,307, which is restricted for various capital projects.

Debt Service Fund

The Debt Service Fund expenditures exceeded revenues by $690,462 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue’s financing plan. The remaining fund balance of $3,145,880 at June 30, 2024 is available for meeting future debt service obligations.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with revenues and other financing sources exceeding expenditures, increasing fund balance by $879,359, compared to a planned fund balance increase of $487,007. Revenues and other financing sources were over budget by $908,866, mainly due to the District budgeting conservatively in federal sources. Expenditures exceeded budget by $516,514, mainly in capital outlay and purchased services.

The Community Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by $1,667,071, compared to a planned fund balance increase of $340,669. Revenues were over budget by $852,349, mainly in state sources and other local sources. Expenditures were under budget by $474,053, mainly in salaries and employee benefits.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains two internal service funds. These funds are used to account for the District's self-insured medical and dental insurance activity, various early retirement benefit packages for employee groups, and other employee benefits.

Operating revenues for the internal service funds, consisting of charges to the District's governmental funds, for fiscal 2024 totaled $21,263,283, an increase from the fiscal year 2023 operating revenue level of $22,453,455. Operating expenses, consisting of health claims, dental claims, and various employee benefits totaled $22,802,453, which represents an increase from fiscal year 2023 operating expenses of $23,645,590. Nonoperating revenues, consisting of investment earnings, totaled $483,310, which is a decrease from the fiscal year 2023 amount of $801,184. The net position balance for all internal service funds as of June 30, 2024 was $200,000, which is an increase of $2 from the prior year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

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

Table 6
Capital Assets

	2024	2023	Change
Land	$ 34,503,312	$ 34,135,187	$ 368,125
Construction in progress	7,119,574	739,263	6,380,311
Land improvements	11,295,043	10,221,605	1,073,438
Buildings and improvements	363,174,869	350,766,145	12,408,724
Buildings and improvements – leased	815,933	815,933	–
Equipment and transportation vehicles	24,120,443	15,306,066	8,814,377
Food service equipment	1,953,048	1,442,895	510,153
Technology subscriptions	398,925	398,925	–
Less accumulated depreciation/amortization	(178,623,734)	(163,306,331)	(15,317,403)
Total	$ 264,757,413	$ 250,519,688	$ 14,237,725
Depreciation/amortization expense	$ 12,527,707	$ 10,167,182	$ 2,360,525

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

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2024, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page. The implementation of new authoritative literature for purchases of groups of assets, as previously discussed, increased equipment and transportation vehicles in the current year.

The District defines capital assets as those with an initial, individual cost of $5,000 or more for equipment and $20,000 or more for construction and improvements, which benefit more than one fiscal year.

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

Long-Term Liabilities

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

Table 7
Outstanding Long-Term Liabilities

	2024	2023	Change
General obligation bonds payable	$ 187,700,000	$ 195,640,000	$ (7,940,000)
Certificates of participation payable	17,500,000	18,860,000	(1,360,000)
Unamortized premium	7,666,807	8,357,439	(690,632)
Finance purchase payable	4,991,690	6,150,648	(1,158,958)
Lease liability	408,157	550,957	(142,800)
Technology subscription liability	118,488	255,313	(136,825)
Net/total pension liability	135,842,484	142,925,135	(7,082,651)
Net OPEB liability	11,982,702	12,390,513	(407,811)
Severance benefits payable	2,030,394	1,923,623	106,771
Compensated absences payable	1,086,907	888,153	198,754
Total	$ 369,327,629	$ 387,941,781	$ (18,614,152)

The changes in general obligation bonds payable, certificates of participation payable, finance purchase payable, lease liability, and technology subscription liability are primarily due to the scheduled principal payments offset by the issuance of school building bonds and a finance purchase for technology in the current year. An additional year of amortization increased interest expense on the government-wide financial statements and reduced the outstanding unamortized premium balance, as reflected in the above table.

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

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 8). The District's outstanding net general obligation debt was $192,220,927 at June 30, 2024, or about 6.7 percent, of the limit.

Table 8
Limitations on Debt

District's market value	$ 19,229,146,613
Limit rate	15.0%
Legal debt limit	$ 2,884,371,992

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office, Independent School District No. 284, District Administrative Office, 13305 12th Avenue North, Plymouth, Minnesota 55441.

BASIC FINANCIAL STATEMENTS

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INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Governmental Activities	
	2024	2023
Assets		
Cash and temporary investments	$ 106,267,796	$ 92,931,800
Cash and investments held by trustee	31,481	491,680
Receivables		
Current taxes	46,295,493	43,699,563
Delinquent taxes	572,749	608,772
Accounts and interest receivable	468,421	404,553
Due from other governmental units	17,718,413	16,956,693
Due from post-employment benefits trust	1,340,151	1,593,625
Lease	545,057	573,201
Inventory	315,535	327,662
Prepaid items	1,390,726	66,230
Capital assets		
Not depreciated/amortized	41,622,886	34,874,450
Depreciated, net of accumulated depreciation/amortization	223,134,527	215,645,238
Total capital assets, net of accumulated depreciation and amortization	264,757,413	250,519,688
Total assets	439,703,235	408,173,467
Deferred outflows of resources		
Deferred charge on refunding	5,913,576	6,406,374
Pension plan deferments	32,270,711	46,751,258
OPEB plan deferments	2,457,041	4,632,480
Total deferred outflows of resources	40,641,328	57,790,112
Total assets and deferred outflows of resources	$ 480,344,563	$ 465,963,579
Liabilities		
Salaries payable	$ 644,757	$ 592,076
Accounts and contracts payable	9,622,224	5,959,613
Accrued interest payable	2,439,320	2,516,938
Due to other governmental units	191,202	629,352
Unearned revenue	1,439,275	1,652,864
Claims incurred, but not reported	1,463,671	1,275,282
Long-term liabilities		
Due within one year	17,017,499	16,428,428
Due in more than one year	352,310,130	371,513,353
Total long-term liabilities	369,327,629	387,941,781
Total liabilities	385,128,078	400,567,906
Deferred inflows of resources		
Property taxes levied for subsequent year	88,123,162	83,873,177
Lease revenue for subsequent years	545,057	573,201
Pension plan deferments	11,346,693	23,733,679
OPEB plan deferments	10,393,350	11,604,826
Total deferred inflows of resources	110,408,262	119,784,883
Net position		
Net investment in capital assets	56,426,154	36,667,330
Restricted for		
Capital asset acquisition	24,500,508	19,182,792
Debt service	765,844	1,408,626
Food service	2,445,866	1,563,550
Community service	4,390,956	2,752,700
Other purposes (state funding restrictions)	1,027,993	492,428
Unrestricted	(104,749,098)	(116,456,636)
Total net position	(15,191,777)	(54,389,210)
Total liabilities, deferred inflows of resources, and net position	$ 480,344,563	$ 465,963,579

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024			
		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Administration	$ 6,043,652	$ 14,457	$ –	$ 46,936
District support services	6,239,323	–	–	144,791
Elementary and secondary regular instruction	88,673,106	1,901,447	5,457,439	229,260
Vocational education instruction	2,997,519	–	56,165	–
Special education instruction	27,325,867	633,169	24,254,398	1,337
Instructional support services	20,239,606	9,083	–	–
Pupil support services	19,922,400	277,382	783,165	5,150
Sites and buildings	21,618,947	711,107	–	733,182
Fiscal and other fixed cost programs	757,321	–	–	–
Food service	9,814,491	1,428,966	9,076,025	–
Community service	13,275,131	10,963,905	1,621,024	–
Interest and fiscal charges	5,824,339	–	–	–
Total governmental activities	$ 222,731,702	$ 15,939,516	$ 41,248,216	$ 1,160,656
General revenue				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for community service				
Property taxes, levied for debt service				
General grants and aids				
Other general revenues				
Investment earnings				
Total general revenues				
Change in net position				
Net position – beginning, as previously reported				
Change in accounting principle				
Net position – beginning, as restated				
Net position – ending				

See notes to basic financial statements

	2023
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
$ (5,982,259)	$ (5,733,570)
(6,094,532)	(6,092,634)
(81,084,960)	(71,393,966)
(2,941,354)	(2,681,016)
(2,436,963)	(3,908,943)
(20,230,523)	(17,402,756)
(18,856,703)	(17,647,913)
(20,174,658)	(27,163,313)
(757,321)	(867,690)
690,500	212,123
(690,202)	(552,880)
(5,824,339)	(6,008,024)
(164,383,314)	(159,240,582)
70,318,741	67,527,408
2,131,568	2,094,077
15,799,436	16,426,286
104,649,181	99,864,411
2,293,369	2,577,988
4,809,140	3,682,259
200,001,435	192,172,429
35,618,121	32,931,847
(54,389,210)	(87,321,057)
3,579,312	–
(50,809,898)	(87,321,057)
$ (15,191,777)	$ (54,389,210)

INDEPENDENT SCHOOL DISTRICT NO. 284

Balance Sheet
Governmental Funds
as of June 30, 2024
(With Partial Comparative Information as of June 30, 2023)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Assets			
Cash and temporary investments	$ 70,898,450	$ 4,343,802	$ 11,949,499
Cash and investments held by trustee	–	31,481	–
Receivables			
Current taxes	36,394,352	–	8,886,725
Delinquent taxes	455,448	–	104,030
Accounts and interest	375,457	–	–
Due from other governmental units	16,284,642	–	910
Due from other funds	6,567,287	–	–
Lease	545,057	–	–
Inventory	122,842	–	–
Prepaid items	1,389,361	–	–
Total assets	$ 133,032,896	$ 4,375,283	$ 20,941,164
Liabilities			
Salaries payable	$ 306,086	$ –	$ –
Accounts and contracts payable	8,501,759	234,976	–
Due to other governmental units	191,202	–	–
Due to other funds	1,670,080	–	–
Unearned revenue	510,134	–	–
Total liabilities	11,179,261	234,976	–
Deferred inflows of resources			
Property taxes levied for subsequent year	68,362,570	–	17,736,000
Lease revenue for subsequent years	545,057	–	–
Unavailable revenue – delinquent taxes	272,540	–	59,284
Total deferred inflows of resources	69,180,167	–	17,795,284
Fund balances			
Nonspendable	1,512,203	–	–
Restricted	25,528,501	4,140,307	3,145,880
Assigned	8,643,744	–	–
Unassigned	16,989,020	–	–
Total fund balances	52,673,468	4,140,307	3,145,880
Total liabilities, deferred inflows of resources, and fund balances	$ 133,032,896	$ 4,375,283	$ 20,941,164

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds 2024	2023
$ 8,360,939	$ 95,552,690	$ 82,062,316
–	31,481	491,680
1,014,416	46,295,493	43,699,563
13,271	572,749	608,772
82,322	457,779	404,553
1,432,861	17,718,413	16,956,693
–	6,567,287	7,499,036
–	545,057	573,201
192,693	315,535	327,662
1,365	1,390,726	66,230
$ 11,097,867	$ 169,447,210	$ 152,689,706
$ 338,671	$ 644,757	$ 592,076
858,036	9,594,771	5,943,783
–	191,202	629,352
–	1,670,080	1,732,838
929,141	1,439,275	1,652,864
2,125,848	13,540,085	10,550,913
2,024,592	88,123,162	83,873,177
–	545,057	573,201
7,249	339,073	491,683
2,031,841	89,007,292	84,938,061
194,058	1,706,261	393,892
6,746,120	39,560,808	35,725,095
–	8,643,744	8,002,652
–	16,989,020	13,079,093
6,940,178	66,899,833	57,200,732
$ 11,097,867	$ 169,447,210	$ 152,689,706

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INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024	2023
Total fund balances – governmental funds	$ 66,899,833	$ 57,200,732
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	443,381,147	413,826,019
Accumulated depreciation/amortization	(178,623,734)	(163,306,331)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance.		
General obligation bonds payable	(187,700,000)	(195,640,000)
Certificates of participation payable	(17,500,000)	(18,860,000)
Unamortized premium	(7,666,807)	(8,357,439)
Finance purchase payable	(4,991,690)	(6,150,648)
Lease liability	(408,157)	(550,957)
Technology subscription liability	(118,488)	(255,313)
Net pension liability	(132,287,851)	(139,475,594)
Net OPEB liability	(11,982,702)	(12,390,513)
Compensated absences payable	(1,086,907)	(888,153)
Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	200,000	199,998
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(2,439,320)	(2,516,938)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – deferred charge on refunding	5,913,576	6,406,374
Deferred outflows of resources – pension plan deferments	31,982,354	46,372,069
Deferred outflows of resources – OPEB plan deferments	2,457,041	4,632,480
Deferred inflows of resources – pension plan deferments	(11,165,795)	(23,521,853)
Deferred inflows of resources – OPEB plan deferments	(10,393,350)	(11,604,826)
Deferred inflows of resources – delinquent property taxes	339,073	491,683
Total net position – governmental activities	$ (15,191,777)	$ (54,389,210)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Revenue			
Local sources			
Property taxes	$ 70,437,283	$ –	$ 15,829,374
Investment earnings	3,812,900	512,930	–
Other	5,657,883	110	–
State sources	130,897,250	–	9,102
Federal sources	4,923,284	–	–
Total revenue	215,728,600	513,040	15,838,476
Expenditures			
Current			
Administration	5,947,788	–	–
District support services	5,910,159	–	–
Elementary and secondary regular instruction	87,877,605	–	–
Vocational education instruction	3,114,979	–	–
Special education instruction	27,821,384	–	–
Instructional support services	19,926,594	–	–
Pupil support services	19,974,710	–	–
Sites and buildings	28,281,722	–	–
Fiscal and other fixed cost programs	757,321	–	–
Food service	–	–	–
Community service	8,270	–	–
Capital outlay	–	7,555,014	–
Debt service			
Principal	3,900,143	–	11,045,000
Interest and fiscal charges	674,555	70,652	5,483,938
Total expenditures	204,195,230	7,625,666	16,528,938
Excess (deficiency) of revenue over expenditures	11,533,370	(7,112,626)	(690,462)
Other financing sources (uses)			
Bonds issued	–	3,105,000	–
Premium on bonds issued	–	130,618	–
Finance purchase issued	1,117,052	–	–
Technology subscription issued	–	–	–
Insurance recovery	125,581	–	–
Transfers in	309,446	–	–
Transfers (out)	(1,365,308)	–	–
Total other financing sources (uses)	186,771	3,235,618	–
Net change in fund balances	11,720,141	(3,877,008)	(690,462)
Fund balances			
Beginning of year	40,953,327	8,017,315	3,836,342
End of year	$ 52,673,468	$ 4,140,307	$ 3,145,880

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds 2024	2023
$ 2,135,698	$ 88,402,355	$ 86,018,437
–	4,325,830	2,881,075
12,392,871	18,050,864	20,858,552
7,399,755	138,306,107	117,192,391
3,297,294	8,220,578	7,751,132
25,225,618	257,305,734	234,701,587
–	5,947,788	6,184,834
–	5,910,159	6,178,953
–	87,877,605	86,970,728
–	3,114,979	3,300,153
–	27,821,384	24,337,265
–	19,926,594	18,432,426
–	19,974,710	19,192,005
–	28,281,722	22,440,027
–	757,321	867,690
9,135,033	9,135,033	7,610,322
13,004,188	13,012,458	11,767,021
579,651	8,134,665	2,103,663
15,492	14,960,635	13,715,658
1,264	6,230,409	6,625,993
22,735,628	251,085,462	229,726,738
2,489,990	6,220,272	4,974,849
–	3,105,000	–
–	130,618	–
–	1,117,052	1,181,850
–	–	398,925
56,440	182,021	31,219
–	309,446	622,962
–	(1,365,308)	–
56,440	3,478,829	2,234,956
2,546,430	9,699,101	7,209,805
4,393,748	57,200,732	49,990,927
$ 6,940,178	$ 66,899,833	$ 57,200,732

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INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024	2023
Total net change in fund balances – governmental funds	$ 9,699,101	$ 7,209,805
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation and amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	23,186,120	2,873,131
Depreciation/amortization expense	(12,527,707)	(10,167,182)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	(3,105,000)	–
Finance purchase payable	(1,117,052)	(1,181,850)
Technology subscription liability	–	(398,925)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	2	(1,013,913)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	11,045,000	9,780,000
Certificates of participation payable	1,360,000	1,320,000
Finance purchase payable	2,276,010	2,336,818
Lease liability	142,800	135,228
Technology subscription liability	136,825	143,612
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	77,618	191,172
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	690,632	919,595
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	7,187,743	(63,284,344)
Net OPEB liability	407,811	2,674,875
Compensated absences payable	(198,754)	(16,512)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – deferred charge on refunding	(492,798)	(492,798)
Deferred outflows of resources – pension plan deferments	(14,389,715)	(6,799,518)
Deferred outflows of resources – OPEB plan deferments	(2,175,439)	(834,466)
Deferred inflows of resources – pension plan deferments	12,356,058	92,180,247
Deferred inflows of resources – OPEB plan deferments	1,211,476	(2,672,462)
Deferred inflows of resources – delinquent property taxes	(152,610)	29,334
Change in net position – governmental activities	$ 35,618,121	$ 32,931,847

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Local sources				
Property taxes	$ 69,973,663	$ 69,973,664	$ 70,437,283	$ 463,619
Investment earnings	1,500,000	2,300,000	3,812,900	1,512,900
Other	4,402,130	4,402,130	5,657,883	1,255,753
State sources	123,948,038	128,359,088	130,897,250	2,538,162
Federal sources	5,806,033	5,651,009	4,923,284	(727,725)
Total revenue	205,629,864	210,685,891	215,728,600	5,042,709
Expenditures				
Current				
Administration	6,453,660	5,752,900	5,947,788	194,888
District support services	7,040,478	6,959,549	5,910,159	(1,049,390)
Elementary and secondary regular instruction	84,459,091	88,382,508	87,877,605	(504,903)
Vocational education instruction	3,170,568	3,153,872	3,114,979	(38,893)
Special education instruction	26,362,611	26,940,906	27,821,384	880,478
Community education and services	–	–	8,270	8,270
Instructional support services	19,975,908	21,504,024	19,926,594	(1,577,430)
Pupil support services	20,062,401	20,287,649	19,974,710	(312,939)
Sites and buildings	30,854,077	31,184,604	28,281,722	(2,902,882)
Fiscal and other fixed cost programs	828,000	828,000	757,321	(70,679)
Debt service				
Principal	3,953,912	3,953,912	3,900,143	(53,769)
Interest and fiscal charges	651,246	651,246	674,555	23,309
Total expenditures	203,811,952	209,599,170	204,195,230	(5,403,940)
Excess of revenue over expenditures	1,817,912	1,086,721	11,533,370	10,446,649
Other financing sources (uses)				
Finance purchase issued	1,117,052	1,117,052	1,117,052	–
Insurance recovery	–	–	125,581	125,581
Transfers in	–	–	309,446	309,446
Transfers out	–	–	(1,365,308)	(1,365,308)
Total other financing sources (uses)	1,117,052	1,117,052	186,771	(930,281)
Net change in fund balances	$ 2,934,964	$ 2,203,773	11,720,141	$ 9,516,368
Fund balances				
Beginning of year			40,953,327	
End of year			$ 52,673,468	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024	2023
Assets		
Current assets		
Investments	$ 10,715,106	$ 10,869,484
Receivables		
Accounts and interest	10,642	–
Due from other funds	3,010,231	1,732,838
Total current assets	13,735,979	12,602,322
Deferred outflows of resources		
Pension plan deferments	288,357	379,189
Liabilities		
Current liabilities		
Accounts and contracts payable	27,453	15,830
Due to other funds	6,567,287	5,905,411
Claims incurred, but not reported	1,463,671	1,275,282
Severance benefits payable	201,524	318,643
Total pension liability	393,980	633,347
Total current liabilities	8,653,915	8,148,513
Long-term liabilities		
Severance benefits payable	1,828,870	1,604,980
Total pension liability	3,160,653	2,816,194
Total long-term liabilities	4,989,523	4,421,174
Total liabilities	13,643,438	12,569,687
Deferred inflows of resources		
Pension plan deferments	180,898	211,826
Net position		
Unrestricted	$ 200,000	$ 199,998

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024	2023
Operating revenue		
Charges for services	$ 21,263,283	$ 22,453,455
Operating expenses		
Dental benefit claims	1,610,032	1,525,481
Health benefit claims	20,542,871	21,712,975
Early retirement incentive and sick leave benefits	649,550	407,134
Total operating expenses	22,802,453	23,645,590
Operating income (loss)	(1,539,170)	(1,192,135)
Nonoperating revenue		
Investment earnings	483,310	801,184
Income (loss) before transfers	(1,055,860)	(390,951)
Transfers in	1,365,308	–
Transfers (out)	(309,446)	(622,962)
Change in net position	2	(1,013,913)
Net position		
Beginning of year	199,998	1,213,911
End of year	$ 200,000	$ 199,998

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024	2023
Cash flows from operating activities		
Charges for services	$ 21,315,399	$ 22,414,255
Payments for health and dental claims	(21,952,891)	(23,951,131)
Payments for retirement benefits	(377,783)	(1,572,186)
Net cash flows from operating activities	(1,015,275)	(3,109,062)
Cash flows from noncapital financing activities		
Cash received from other funds	309,250	4,367,714
Cash paid to other funds	(987,525)	–
Purchase of investments	–	(635,690)
Sale of investments	637,688	–
Transfers in	1,365,308	–
Transfers out	(309,446)	(622,962)
Net cash flows from noncapital financing activities	1,015,275	3,109,062
Net change in cash and cash equivalents	–	–
Cash and cash equivalents		
Beginning of year	–	–
End of year	$ –	$ –
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	$ (1,539,170)	$ (1,192,135)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets		
Accounts and interest receivable	(10,642)	–
Due from other funds	62,758	(39,200)
Deferred outflows of resources – pension plan deferments	90,832	(101,346)
Changes in liabilities and deferred inflows		
Accounts and contracts payable	11,623	15,822
Claims incurred, but not reported	188,389	(728,497)
Severance benefits payable	106,771	(748,291)
Total pension liability	105,092	(295,769)
Deferred inflows of resources – pension plan deferments	(30,928)	(19,646)
Net cash flows from operating activities	$ (1,015,275)	$ (3,109,062)
Noncash investing, capital, and financing activities		
Market value adjustment on investments in life insurance contracts	$ 483,310	$ 801,184

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Fiduciary Net Position
as of June 30, 2024

	Post-Employment Benefits Trust Fund
Assets	
Investments held by trustee, at fair value	
U.S. treasuries	$ 2,537,500
Mutual funds	35,375,943
Total assets	37,913,443
Liabilities	
Current liabilities	
Due to district governmental funds	1,340,151
Net position	
Restricted for OPEB	$ 36,573,292

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

	Post-Employment Benefits Trust Fund
Additions	
Investment earnings	
Total investment earnings	$ 4,176,190
Less investment expense	107,357
Net investment earnings	4,068,833
Deductions	
Benefits to plan members	1,340,151
Change in net position	2,728,682
Net position	
Beginning of year	33,844,610
End of year	$ 36,573,292

See notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 284 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A School Board elected by the voters of the District governs the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The accompanying financial statements include all funds, departments, agencies, boards, commissions, and other organizations that comprise the District, along with any component units.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no organizations considered to be component units of the District.

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. Generally, the effect of material interfund activity has been removed from the government-wide financial statements. Transactions representing interfund services provided and used are not eliminated in the consolidation process to the government-wide financial statements.

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

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

Depreciation and amortization expense are included as a direct expense in the functional areas that utilize the related capital assets. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt and acquisitions under leases and subscription-based information technology arrangements (SBITAs) are reported as other financing sources.

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds

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

Major Governmental Funds

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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

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

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program.

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

Proprietary Funds

Internal Service Funds – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District has established two internal service funds to account for the District's liabilities for self-insured benefits and early retirement benefits.

Fiduciary Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Expenditures in the Food Service Special Revenue and the Capital Projects – Building Construction Funds exceeded budgeted appropriations by $516,514 and $3,432,184, respectively, during the year ended June 30, 2024. Revenues in excess of budget, along with available fund balance, financed these variances.

F. Use of Estimates

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

G. Cash and Temporary Investments

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Bond proceeds recorded in the Capital Projects – Building Construction Fund are not pooled, and earnings on these proceeds are allocated directly to the fund.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the General Fund and Capital Projects – Building Construction Fund, this represents assets held in escrow for specific purposes. In the Post-Employment Benefits Trust Fund, this represents assets contributed to an irrevocable trust established to finance the District's liability for post-employment insurance benefits. Interest earned on these investments is allocated directly to the escrow accounts.

For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments with an original maturity from the time of purchase by the District of three months or less to be cash equivalent. The proprietary fund's equity in the government-wide cash and investment management pool is considered to be cash equivalent.

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Receivables

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

At year-end, the District reported the following receivables due from other governmental units:

Due from the MDE	$ 16,536,519
Due from other Minnesota school districts	75,993
Due from Hennepin County	783,195
Due from other local governments	322,706
Total due from other governmental units	$ 17,718,413

I. Inventories

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

J. Prepaid Items

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

K. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes $4,272,334 of the property tax levy collectible in 2024 as revenue to the District in fiscal year 2023–2024. The remaining portion of the taxes collectible in 2024 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Subscription-Based Information Technology Arrangements (SBITAs)

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

M. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Lease capital assets are recorded based on the measurement of payments applicable to the lease term. SBITA capital assets are recorded based on the measurement of any subscription liability plus the payments due to a SBITA vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard. The District defines capital assets as those with an initial, individual cost of $5,000 or more for equipment and $20,000 or more for construction and improvements, which benefit more than one fiscal year. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is considered significant in the aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings and improvements and 5 to 15 years for equipment and vehicles. Lease assets are amortized over the term of the lease or over the useful life of the applicable asset class previously described, if future ownership is anticipated. SBITAs are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. Land and construction in progress are not depreciated.

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

N. Long-Term Obligations

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Employee Benefits

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

2. **Severance Benefits** – The District provides lump sum severance benefits to eligible employees in accordance with provisions in certain collectively bargained contracts. Eligibility for these benefits is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary.

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

3. **Early Retirement Incentive** – The District provides early retirement incentive benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. No individual can receive benefits in excess of one year's salary. See the Defined Benefit Pension Plan – District note for further information.

4. **Other Post-Employment Benefits (OPEB) Plan** – For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and certain investments that have a maturity at the time of purchase of one year or less, which may be reported at amortized cost. See the Other Post-Employment Benefits (OPEB) Plan note for further information.

5. **State-Wide Pension Plans** – District employees participate in cost-sharing, multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA), to which the District contributes. See the Defined Benefit Pension Plans – State-Wide note for further information.

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

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

P. Risk Management and Self-Insurance

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage during the current year.

2. **Self-Insurance** – The District has established an Internal Service Fund to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the Internal Service Fund provides coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

   The District makes premium payments that include both employer and employee contributions to the Internal Service Fund on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

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

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2023	$ 2,003,779	$ 23,238,456	$ 23,966,953	$ 1,275,282
2024	$ 1,275,282	$ 22,152,903	$ 21,964,514	$ 1,463,671

Q. Deferred Outflows/Inflows of Resources

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

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

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

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

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

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.

R. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, reduced by any outstanding debt attributable to acquire capital assets.

- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- **Unrestricted Net Position** – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.

- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board policy, the District's superintendent and executive director of finance and operations are authorized to establish assignments of fund balance.

- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

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

T. Prior Period Comparative Financial Information/Reclassification

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Change in Accounting Principle

During the year ended June 30, 2024, the District implemented new accounting guidance for capitalizing purchases of groups of similar assets. This recent change in authoritative literature, which provides new guidance on accounting and financial reporting for capital assets, requires a government to capitalize groups of similar assets purchased at or near the same time, that are individually below the District's capitalization threshold, if the aggregate cost is significant. In prior periods, the District only capitalized assets whose individual cost exceeded the capitalization policy threshold. Certain amounts necessary to fully restate prior fiscal years financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new guidance resulted in the District reporting certain groups of similar capital assets acquired in previous years and accumulated depreciation thereon, increasing beginning net position by $3,579,312 in the government-wide financial statements in the current year. See Note 4 for additional details on this change in the current year.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	$ 289,499
Investments	143,923,221
Total	$ 144,212,720

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

Statement of Net Position	
Cash and temporary investments	$ 106,267,796
Cash and investments held by trustee	31,481
Statement of Fiduciary Net Position	
Investments held by trustee	
Post-Employment Benefits Trust Fund	37,913,443
Total	$ 144,212,720

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits

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

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

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

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

At year-end, the carrying amount of the District's deposits was $289,499, while the balance on the bank records was $297,089. At year-end, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name.

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk Rating	Credit Risk Agency	Fair Value Measurements Using	Interest Risk – Maturity Duration	Total
U.S. treasury securities	N/A	N/A	Level 1	Less Than 1 Year	$ 2,537,500
Life insurance contracts	Not Rated		N/A	N/A	39,333,042
Investment pools/mutual funds					
First American Government Obligation Fund	AAA	S&P	Level 1	N/A	403,885
Mutual funds – fixed income	Not Rated		Level 1	N/A	13,748,756
Mutual funds – equities	Not Rated		Level 1	N/A	21,226,278
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized Cost	N/A	112,634
Minnesota School District Liquid Asset Fund	AAA	S&P	Amortized Cost	N/A	66,561,126
Total investments					$ 143,923,221

N/A – Not Applicable

Investments in life insurance contracts are reported at cash surrender value and are not subject to fair value reporting standards.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The MNTrust Investment Shares Portfolio and Minnesota School District Liquid Asset Fund (MSDLAF) are external investment pools not registered with the Securities and Exchange Commission regulated by Minnesota Statutes. The District's investments in these investment pools are measured at the net asset value per share provided by the pools, which are based on an amortized cost method that approximates fair value. For these investment pools, there are no unfunded commitments, redemption frequency is daily, there is no redemption notice for the MNTrust investments or the MSDLAF Liquid Class, and the redemption notice period is 14 days for the MSDLAF MAX Class.

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

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

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

Concentration Risk – This is the risk associated with investing a significant portion of the District's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District's investment policies do not address concentration risk. At June 30, 2024, the District's investment portfolio includes the following percentages of specific issuers:

Guaranteed investment contract – Mass Mutual	7.3%
Guaranteed investment contract – Northwestern Mutual	20.1%

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

NOTE 3 – LEASE RECEIVABLE

The District has entered into lease receivable agreements for cell tower rental space on district property and space lease. These leases are reported using an incremental rate of 3.00 percent with a final maturity in fiscal 2062. During the current year, the District received principal and interest payments on these leases of $45,003.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the current year ended is as follows:

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized						
Land	$ 34,135,187	$ –	$ 368,125	$ –	$ –	$ 34,503,312
Construction in progress	739,263	–	11,598,703	–	(5,218,392)	7,119,574
Total capital assets, not depreciated/amortized	34,874,450	–	11,966,828	–	(5,218,392)	41,622,886
Capital assets, depreciated/amortized						
Land improvements	10,221,605	–	1,073,438	–	–	11,295,043
Buildings and improvements	350,766,145	–	7,190,332	–	5,218,392	363,174,869
Buildings and improvements – leased	815,933	–	–	–	–	815,933
Equipment and transportation vehicles	15,306,066	6,369,008	2,445,369	–	–	24,120,443
Food service equipment	1,442,895	–	510,153	–	–	1,953,048
Technology subscriptions	398,925	–	–	–	–	398,925
Total capital assets, depreciated/amortized	378,951,569	6,369,008	11,219,292	–	5,218,392	401,758,261
Less accumulated depreciation/amortization for						
Land improvements	(8,772,691)	–	(241,584)	–	–	(9,014,275)
Buildings and improvements	(140,041,841)	–	(9,414,009)	–	–	(149,455,850)
Buildings and improvements – leased	(287,726)	–	(143,863)	–	–	(431,589)
Equipment and transportation vehicles	(13,078,959)	(2,789,696)	(2,513,068)	–	–	(18,381,723)
Food service equipment	(982,864)	–	(72,933)	–	–	(1,055,797)
Technology subscriptions	(142,250)	–	(142,250)	–	–	(284,500)
Total accumulated depreciation/amortization	(163,306,331)	(2,789,696)	(12,527,707)	–	–	(178,623,734)
Net capital assets, depreciated/amortized	215,645,238	3,579,312	(1,308,415)	–	5,218,392	223,134,527
Total capital assets, net	$ 250,519,688	$ 3,579,312	$ 10,658,413	$ –	$ –	$ 264,757,413

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

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

Administration	$ 8,771
District support services	126,130
Elementary and secondary regular instruction	3,836,548
Instructional support services	2,118,854
Pupil support services	111,834
Sites and buildings	6,309,450
Food service	16,120
Total depreciation/amortization expense	$ 12,527,707

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
General obligation bonds payable					
School building bonds	02/15/2018	3.00–5.00%	$ 66,895,000	02/01/2038	$ 56,165,000
Tax abatement bonds	11/07/2019	2.00–4.00%	$ 7,455,000	02/01/2035	5,875,000
Refunding bonds	07/22/2021	1.65–3.00%	$ 132,865,000	02/01/2036	122,555,000
School building bonds	10/05/2023	5.00%	$ 3,105,000	02/01/2027	3,105,000
Total general obligation bonds payable					$ 187,700,000

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

B. Certificates of Participation Payable

The District currently has the following certificates of participation payable outstanding:

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2013A Certificates of Participation	02/27/2013	2.00–2.60%	$ 9,980,000	10/01/2027	$ 2,920,000
2019B Certificates of Participation	11/14/2019	2.25–4.00%	$ 17,000,000	02/01/2040	14,580,000
Total certificates of participation payable					$ 17,500,000

These certificates of participation were issued to finance construction of capital facilities. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on these certificates. These certificates of participation are being paid by the General Fund. The debt is secured by the original property purchased and includes terms that upon default all payments may become due and payable. The debtor also may repossess the property and seek full recovery of any losses upon default.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

C. Finance Purchase Payable

On October 26, 2012, the District entered into a master purchase agreement with Apple, Inc. for iPads. The District acquires equipment from time to time under this master agreement as needed. Each debt schedule added under this master agreement adds equipment and carries its own debt terms and payment schedule. The debt schedules have interest rates ranging from zero percent to 0.89 percent and mature in fiscal year 2026. Upon payment in full of all scheduled debt payments, the debtor's (Apple, Inc.'s) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The General Fund will be used to liquidate this liability. In the event of default, the debtor may do any of the following: a) provide written notice to debtee of the event of default; b) declare due and payable any and all amounts which may then be due and payable under the agreement, plus all payments remaining through the end of the then current fiscal period; c) with or without terminating the debt term under such agreement, i) enter the premises where the equipment is located and retake possession of such equipment or require debtee at debtee's expense to promptly return any or all of such equipment to the possession of debtor and ii) at debtee's expense, sell or lease such equipment, or sublease such equipment continuing to hold debtee liable for the difference between the debt payment payable by debtee and net proceeds or any such sale, lease, or sublease.

The District entered into a finance purchase agreement to finance the construction of a turf field. The finance purchase has an effective interest rate of 2.28 percent and calls for annual principal and interest payments through February 1, 2026. The finance purchase is being paid through the General Fund.

The District entered into a finance purchase agreement to finance the construction of a building addition to Meadow Ridge Elementary School. The finance purchase has an effective interest rate of 2.24 percent and calls for semiannual principal and interest payments through April 1, 2032. The finance purchase is being paid through the General Fund.

D. Lease Liability

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

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Hanus bus garage	3.00%	08/01/2016	07/31/2024	$ 10,028
Life Time locker room	3.00%	09/01/2003	03/03/2036	398,129
Total lease liability				$ 408,157

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

E. Subscription Liability

The District entered into agreements to finance the use of software, which calls for annual principal and interest payments through June 2025. These agreements are paid by the General and Food Service Special Revenue Funds. The total amount of the underlying technology subscription assets and the related accumulated amortization is presented in Note 4 of the notes to basic financial statements.

Subscription Description	Interest Rate	Date	Final Maturity	Principal Outstanding
ECMECC Infosec	4.00%	07/01/2022	07/01/2025	$ 4,447
Instructure	4.00%	07/01/2022	07/01/2025	83,904
Nutrislice	4.00%	07/01/2022	07/01/2025	16,112
Turnitin	4.00%	07/18/2022	07/18/2025	14,025
Total subscription liability				$ 118,488

F. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including compensated absences, severance benefits, pension benefits, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are paid primarily from the General Fund.

District employees participate in several pension plans described later in these notes, including two state-wide, cost-sharing, multiple-employer defined benefit plans administered by the PERA and the TRA, one single-employer defined benefit plan administered by the District, and one single-employer defined contribution plan administered by the District. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans for the current year:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Defined benefit plans				
State-wide, multiple-employer – PERA	$ 20,242,635	$ 6,458,172	$ 7,271,209	$ 2,922,157
State-wide, multiple-employer – TRA	112,045,216	25,524,182	3,894,586	3,029,854
Single-employer – District	3,554,633	288,357	180,898	316,575
Defined contribution plan				
Single-employer – District	–	–	–	182,891
Total	$ 135,842,484	$ 32,270,711	$ 11,346,693	$ 6,451,477

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

G. Minimum Debt Payments

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

Year Ending	General Obligation Bonds		Certificates of Participation		Finance Purchase		Lease		Technology Subscription	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 12,235,000	$ 5,273,500	$ 1,400,000	$ 509,881	$ 1,542,876	$ 82,291	$ 38,724	$ 11,576	$ 118,488	$ 4,740
2026	13,620,000	4,789,175	1,445,000	466,046	1,166,594	64,623	29,569	10,679	–	–
2027	13,900,000	4,293,575	1,495,000	419,701	359,506	49,120	30,468	9,779	–	–
2028	13,225,000	3,789,075	1,540,000	370,621	367,604	41,022	31,395	8,853	–	–
2029	13,695,000	3,324,525	815,000	329,406	375,885	32,741	32,350	7,898	–	–
2030–2034	73,665,000	11,468,999	4,535,000	1,179,850	1,179,225	46,655	177,119	24,117	–	–
2035–2039	47,360,000	3,318,344	5,155,000	558,494	–	–	68,532	1,900	–	–
2040	–	–	1,115,000	30,663	–	–	–	–	–	–
	$ 187,700,000	$ 36,257,193	$ 17,500,000	$ 3,864,662	$ 4,991,690	$ 316,452	$ 408,157	$ 74,802	$ 118,488	$ 4,740

H. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds payable	$ 195,640,000	$ 3,105,000	$ 11,045,000	$ 187,700,000	$ 12,235,000
Certificates of participation payable	18,860,000	–	1,360,000	17,500,000	1,400,000
Unamortized premium	8,357,439	130,618	821,250	7,666,807	–
Total bonds and certificates payable	222,857,439	3,235,618	13,226,250	212,866,807	13,635,000
Finance purchase payable	6,150,648	1,117,052	2,276,010	4,991,690	1,542,876
Lease liability	550,957	–	142,800	408,157	38,724
Technology subscription liability	255,313	–	136,825	118,488	118,488
Net/total pension liability	142,925,135	20,362,328	27,444,979	135,842,484	393,980
Net OPEB liability	12,390,513	1,046,809	1,454,620	11,982,702	–
Severance benefits payable	1,923,623	167,634	60,863	2,030,394	201,524
Compensated absences payable	888,153	1,882,841	1,684,087	1,086,907	1,086,907
	$ 387,941,781	$ 27,812,282	$ 46,426,434	$ 369,327,629	$ 17,017,499

NOTE 6 – NET POSITION/FUND BALANCES

A. Net Investment in Capital Assets

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

Net investment in capital assets	
Capital assets	
Not depreciated/amortized	$ 41,622,886
Depreciated/amortized, net of accumulated depreciation/amortization	223,134,527
Less capital related long-term debt outstanding	(218,385,142)
Add debt adjustment for deferred charge	5,913,576
Add debt adjustment for unspent debt proceeds	4,375,283
Less capital-related accounts/contracts payable	(234,976)
Total net investment in capital assets	$ 56,426,154

NOTE 6 – NET POSITION/FUND BALANCES (CONTINUED)

B. Governmental Fund Balance Classifications

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

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	$ 122,842	$ –	$ –	$ 192,693	$ 315,535
Prepaid items	1,389,361	–	–	1,365	1,390,726
Total nonspendable	1,512,203	–	–	194,058	1,706,261
Restricted					
Scholarships	229,077	–	–	–	229,077
Capital projects levy	4,691,588	–	–	–	4,691,588
Literacy incentive aid	385,894	–	–	–	385,894
American Indian education aid	9,457	–	–	–	9,457
Operating capital	3,596,279	–	–	–	3,596,279
Long-term facilities maintenance	16,212,641	–	–	–	16,212,641
Student support personnel	46,244	–	–	–	46,244
Medical Assistance	357,321	–	–	–	357,321
Capital projects	–	4,140,307	–	–	4,140,307
Debt service	–	–	3,145,880	–	3,145,880
Food service	–	–	–	2,264,238	2,264,238
Community education programs	–	–	–	3,881,983	3,881,983
Early childhood family education programs	–	–	–	233,309	233,309
School readiness	–	–	–	213,585	213,585
Community service	–	–	–	153,005	153,005
Total restricted	25,528,501	4,140,307	3,145,880	6,746,120	39,560,808
Assigned					
Local collaborative time study	556,535	–	–	–	556,535
Reemployment insurance and PFLPT	1,275,000	–	–	–	1,275,000
Site carryover	822,052	–	–	–	822,052
Q compensation	664,260	–	–	–	664,260
School opening and planning costs	1,432,328	–	–	–	1,432,328
Workers' compensation escrow	70,000	–	–	–	70,000
Post-employment obligations	1,792,340	–	–	–	1,792,340
Enrollment	2,031,229	–	–	–	2,031,229
Total assigned	8,643,744	–	–	–	8,643,744
Unassigned					
Unassigned	16,989,020	–	–	–	16,989,020
Total	$ 52,673,468	$ 4,140,307	$ 3,145,880	$ 6,940,178	$ 66,899,833

NOTE 6 – NET POSITION/FUND BALANCES (CONTINUED)

C. Minimum Unassigned Fund Balance Policy

The District's adopted fund balance policy for the General Fund establishes a year-end minimum unassigned fund balance of 5.0–7.0 percent of expenditures. At June 30, 2024, the unassigned fund balance of the General Fund, excluding restricted account deficits, was 8.3 percent of fiscal 2024 expenditures.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

B. Benefits Provided

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

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

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

1. GERF Benefits

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. TRA Benefits

The TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statutes and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

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

Tier I Benefits

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

With these provisions:

(a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.

(b) Three percent per year early retirement reduction factor for all years under normal retirement age.

(c) Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Tier II Benefits

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

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2024, were $2,227,124. The District's contributions were equal to the required contributions as set by state statutes.

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

2. TRA Contributions

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

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

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2024, were $7,760,457. The District's contributions were equal to the required contributions for each year as set by state statutes.

The following is a reconciliation of employer contributions in the TRA's fiscal year 2023 Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position to the employer contributions used in the Schedule of Employer and Nonemployer Pension Allocations:

	in thousands
Employer contributions reported in the TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	$ 508,764
Add employer contributions not related to future contribution efforts	(87)
Deduct the TRA's contributions not included in allocation	(643)
Total employer contributions	508,034
Total nonemployer contributions	35,587
Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations	$ 543,621

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

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2024, the District reported a liability of $20,242,635 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled $558,051. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.3620 percent at the end of the measurement period and 0.3738 percent for the beginning of the period.

District's proportionate share of the net pension liability	$ 20,242,635
State's proportionate share of the net pension liability associated with the District	558,051
Total	$ 20,800,686

For the year ended June 30, 2024, the District recognized pension expense of $2,919,649 for its proportionate share of the GERF's pension expense. The District also recognized an additional $2,508 as pension expense and grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual $16 million contribution.

At June 30, 2024, the District reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 669,980	$ 138,601
Changes in actuarial assumptions	3,262,137	5,548,334
Net collective difference between projected and actual investment earnings on pension plan investments	–	417,205
Changes in proportion	298,931	1,167,069
District's contributions to the GERF subsequent to the measurement date	2,227,124	–
Total	$ 6,458,172	$ 7,271,209

The $2,227,124 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	$ 82,079
2026	$ (3,006,603)
2027	$ 323,495
2028	$ (439,132)

2. TRA Pension Costs

At June 30, 2024, the District reported a liability of $112,045,216 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 1.3571 percent at the end of the measurement period and 1.3721 percent for the beginning of the period.

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

District's proportionate share of the net pension liability	$ 112,045,216
State's proportionate share of the net pension liability associated with the District	7,848,810
Total	$ 119,894,026

For the year ended June 30, 2024, the District recognized pension expense of $1,924,680. It also recognized $1,105,174 as an increase to pension expense for the support provided by direct aid.

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

At June 30, 2024, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,116,458	$ 1,635,578
Changes in actuarial assumptions	13,367,477	–
Net collective difference between projected and actual investment earnings on pension plan investments	–	738,753
Changes in proportion	3,279,790	1,520,255
District's contributions to the TRA subsequent to the measurement date	7,760,457	–
Total	$ 25,524,182	$ 3,894,586

A total of $7,760,457 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2025	$ 2,870,305
2026	$ 115,612
2027	$ 12,990,516
2028	$ (1,702,032)
2029	$ (405,262)

E. Long-Term Expected Return on Investment

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.50 %	5.10 %
International equity	16.50	5.30 %
Private markets	25.00	5.90 %
Fixed income	25.00	0.75 %
Total	100.00 %	

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

F. Actuarial Methods and Assumptions

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

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

1. GERF

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

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

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

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

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

2. TRA

Salary increases were based on a service-related table.

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

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

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

The following changes in plan provisions and actuarial assumptions occurred in 2023:

1. GERF

CHANGES IN PLAN PROVISIONS

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

CHANGES IN ACTUARIAL ASSUMPTIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

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

G. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2023 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2023 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate.

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

H. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed on the preceding page, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.00%	7.00%	8.00%
District's proportionate share of the GERF net pension liability	$ 35,810,846	$ 20,242,635	$ 7,437,189
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 178,703,878	$ 112,045,216	$ 57,476,985

I. Pension Plan Fiduciary Net Position

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible individuals and contract groups through its Defined Benefit Pension Plan, a single-employer defined benefit plan administered by the District. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing district employees and are renegotiated each two-year bargaining period. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

These benefits are summarized as follows:

Teacher Pension Benefits – For eligible full-time teachers with at least 20 years of in-district service (or 15 years with the District and 25 years of teaching in the state of Minnesota), hired before July 1, 1997 and at least Step 5 before July 1, 1998, and at least 55 years of age, the District pays a pension benefit equal to 80 days' pay.

Specialists and Wayzata Kids Site Managers Pension Benefits – For eligible specialists and site managers with at least 20 years of service (or 10 years in-district specialist/manager capacity with a total of 20 years of in-district service, or 25 years of directly related service with 15 of the years in the District), hired before July 1, 2003 for specialists and July 1, 2004 for site managers and not participating in the early retirement incentive matching contribution program, and at least 55 years of age, the District pays a benefit equal to 75 days' pay.

Secretaries and Paraprofessionals Pension Benefits – For eligible secretaries and paraprofessionals with at least 15 years of service, hired before June 30, 2018, and at least 55 years of age, the District pays a pension benefit equal to 80 days' pay (or 100 days' pay for secretaries and paraprofessionals with 20 years of service).

Support Staff and Food Service Pension Benefits – For eligible support staff and food service employees with at least 20 years of in-district service, hired before June 30, 2018, and at least 55 years of age, the District pays a pension benefit equal to 100 days' pay.

Custodians Pension Benefits – For eligible custodians with at least 15 years of service, hired before June 30, 2018, and at least 55 years of age, the District pays a pension benefit equal to 80 days' pay.

B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. There are no invested plan assets accumulated for payment of future benefits. The operating funds are used for the funding of all pension/retirement benefits, which are accounted for in an Internal Service Fund. The District has not established a trust fund to finance these pension benefits.

C. Membership

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

Retirees and beneficiaries receiving benefits	21
Active plan members	321
Total members	342

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of July 1, 2022, and update procedures were used to roll forward the total pension liability to the measurement date. The total pension liability was measured as of June 30, 2024, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.10%
20-year municipal bond yield	4.10%
Inflation rate	2.50%
Salary increases	Service graded table

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

E. Discount Rate

The discount rate used to measure the total pension liability was 4.10 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due. The District discount rate used in the prior measurement date was 3.90 percent.

F. Changes in the Total Pension Liability

	Total Pension Liability
Beginning balance – July 1, 2023	$ 3,449,541
Changes for the year	
Service cost	141,939
Interest	137,140
Assumption changes	(22,408)
Benefit payments	(151,579)
Total net changes	105,092
Ending balance – June 30, 2024	$ 3,554,633

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.90 percent to 4.10 percent.

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

G. Total Pension Liability Sensitivity to Discount Rate Changes

The following presents the total pension liability of the District, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Pension discount rate	3.10%	4.10%	5.10%
Total pension liability	$ 3,691,439	$ 3,554,633	$ 3,422,258

H. Pension Expense and Related Deferred Outflows and Deferred Inflows of Resources

For the current year ended, the District recognized pension expense of $316,575. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 231,835	$ –
Changes in actuarial assumptions	56,522	180,898
Total	$ 288,357	$ 180,898

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

Year Ending June 30,	Pension Expense Amount
2025	$ 37,500
2026	$ 51,885
2027	$ 12,858
2028	$ (11,483)
2029	$ 19,895
Thereafter	$ (3,196)

NOTE 9 – DEFINED CONTRIBUTION PENSION PLAN – DISTRICT

On July 1, 2015, the District established a single-employer defined contribution pension plan administered by the District. The plan is offered to all administrators. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing district employees and are renegotiated each bargaining period. Eligibility for these benefits is based on years of service and/or minimum age requirements. Annual employer contributions are equal to five percent of the eligible employees' annual salary as of June 30th of each year, paid annually for the 10 fiscal years prior to the employee reaching the eligibility requirements for retirement pay benefits as set forth in their respective contracts.

Employer contributions are payable within 60 days following June 30th of each of the 10 years the employee is eligible to receive the benefits, and are deposited into the Minnesota State Retirement System Healthcare Savings Plan and an IRC § 403(b) retirement account. All employer contributions are tax deferred until the time of withdrawal. At June 30, 2024, there were 11 active plan participants. The District has not established a trust fund to finance these pension benefits.

Total contributions made by the District during the fiscal year ended June 30, 2024 were $182,891, which is equal to the required contributions and has been recognized as pension expense in the Early Retirement Accounts Internal Service Fund.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

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

The District has established the Post-Employment Benefits Trust Fund to account for the assets of the plan and finance these obligations. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan. The plan does not issue a publicly available financial report.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Benefits Provided

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

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has established the Post-Employment Benefits Trust Fund to finance these obligations.

D. Membership

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

Retirees and beneficiaries receiving benefits	156
Active plan members	1,530
Total members	1,686

E. Net OPEB Liability of the District

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

Total OPEB liability	$ 48,555,994
Plan fiduciary net position	(36,573,292)
District's net OPEB liability	$ 11,982,702
Plan fiduciary net position as a percentage of the total OPEB liability	75.3%

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.90%
Expected long-term investment return	6.20% (net of investment expenses)
20-year municipal bond yield	4.10%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.00% grading to 5.00% over 6 years, then to 4.00% over the next 48 years
Dental trend rate	4.00%

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

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

The District's policy regarding the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statutes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The long-term expected rate of return on OPEB 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 OPEB 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	39.00 %	7.50 %
International equity	21.00	7.10 %
Fixed income	36.00	4.70 %
Cash	4.00	2.70 %
Total	100.00 %	6.20 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 12.0 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

H. Discount Rate

The discount rate used to measure the total OPEB liability was 4.90 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been taken into account. The District discount rate used in the prior measurement date was 4.70 percent.

I. Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning balance – July 1, 2023	$ 46,235,123	$ 33,844,610	$ 12,390,513
Changes for the year			
Service cost	2,426,803	–	2,426,803
Interest	2,244,581	–	2,244,581
Assumption changes	(519,705)	–	(519,705)
Contributions – paid through operating funds	–	490,657	(490,657)
Projected investment return	–	2,098,366	(2,098,366)
Difference between expected and actual experience	–	1,970,467	(1,970,467)
Benefit payments – paid through trust	(1,340,151)	(1,340,151)	–
Benefit payments – paid through operating funds	(490,657)	(490,657)	–
Total net changes	2,320,871	2,728,682	(407,811)
Ending balance – June 30, 2024	$ 48,555,994	$ 36,573,292	$ 11,982,702

Assumption changes since the prior measurement date include the following:

- The expected long-term investment return was changed from 6.30 percent to 6.20 percent.
- The discount rate was changed from 4.70 percent to 4.90 percent.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB discount rate	3.90%	4.90%	5.90%
Net OPEB liability	$ 15,052,510	$ 11,982,702	$ 9,065,516

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

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB medical trend rate	5.00% decreasing to 4.00% then 3.00%	6.00% decreasing to 5.00% then 4.00%	7.00% decreasing to 6.00% then 5.00%
OPEB dental trend rate	3.00%	4.00%	5.00%
Net OPEB liability	$ 8,945,262	$ 11,982,702	$ 15,492,238

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

For the current year ended, the District recognized OPEB expense of $1,046,809. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 970,595	$ 4,418,169
Changes in actuarial assumptions	1,449,126	5,975,181
Net collective differences between projected and actual investment earnings on OPEB plan investments	37,320	–
Total	$ 2,457,041	$ 10,393,350

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

Year Ending June 30,	OPEB Expense Amount
2025	$ (1,401,216)
2026	$ (127,345)
2027	$ (1,525,895)
2028	$ (1,449,437)
2029	$ (1,346,642)
Thereafter	$ (2,085,774)

NOTE 11 – FLEXIBLE BENEFIT PLAN

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

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

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

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

NOTE 12 – INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Receivables and Payables

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

	Due From Other Funds	Due To Other Funds
General Fund	$ 6,567,287	$ 1,670,080
Internal Service Fund	3,010,231	6,567,287
Post-Employment Benefits Trust Fund	–	1,340,151
	$ 9,577,518	$ 9,577,518

As of June 30, 2024, the District had interfund receivables in the General Fund of $3,052,164 and $3,515,123, respectively, due from the Self-Insurance Accounts and Early Retirement Accounts Internal Service Fund to eliminate temporary cash balance deficits.

As of June 30, 2024, the District's Internal Service Fund had interfund receivables of $1,670,080 due from the General Fund for medical and dental insurance premiums and $1,340,151 due from the Post-Employment Benefits Trust Fund to reimburse post-employment benefit costs.

Such interfund balances are reported in the fund financial statements, but are eliminated as necessary in the government-wide financial statements.

B. Interfund Transfers

The General Fund transferred $1,365,308 to the Early Retirement Accounts Internal Service Fund to allocate additional resources to the fund.

The Self-Insurance Accounts Internal Service Fund transferred $309,446 to the General Fund to allocate contributions to the appropriate fund.

Such interfund transfers are reported in the fund financial statements, but are eliminated in the government-wide financial statements.

NOTE 13 – STEWARDSHIP AND ACCOUNTABILITY

As of June 30, 2024, the District's Early Retirement Accounts Internal Service Fund had a deficit net position of $3,060,226. This deficit is expected to be eliminated through future charges for services.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

A. Legal Claims

The District has the usual and customary types of miscellaneous legal claims pending at year-end, mostly of a minor nature and usually covered by insurance carried for that purpose. Although the outcomes of these claims are not presently determinable, the District believes that the resolution of these matters will not have a material adverse effect on its financial position.

B. Federal and State Revenues

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

C. Construction Contracts

At June 30, 2024, the District had commitments totaling $8,161,693 under various construction contracts for which the work was not yet completed.

NOTE 15 – SUBSEQUENT EVENTS

In July 2024, the District entered into a finance purchase agreement for technology equipment totaling $1,409,436 with an interest rate of zero percent and payments over three years. The lease matures in July 2026.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 284

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2024

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.4010%	$ 18,836,971	$ –	$ 18,836,971	$ 21,580,149	87.29%	78.70%
06/30/2016	06/30/2015	0.3690%	$ 19,123,495	$ –	$ 19,123,495	$ 21,662,426	88.28%	78.20%
06/30/2017	06/30/2016	0.3669%	$ 29,790,460	$ 388,978	$ 30,179,438	$ 22,576,588	131.95%	68.90%
06/30/2018	06/30/2017	0.3681%	$ 23,499,261	$ 295,505	$ 23,794,766	$ 23,723,555	99.05%	75.90%
06/30/2019	06/30/2018	0.3717%	$ 20,620,393	$ 676,399	$ 21,296,792	$ 24,982,890	82.54%	79.50%
06/30/2020	06/30/2019	0.3687%	$ 20,384,597	$ 633,639	$ 21,018,236	$ 26,067,142	78.20%	80.20%
06/30/2021	06/30/2020	0.3909%	$ 23,436,241	$ 722,773	$ 24,159,014	$ 27,873,561	84.08%	79.10%
06/30/2022	06/30/2021	0.3598%	$ 15,365,070	$ 469,233	$ 15,834,303	$ 25,899,722	59.33%	87.00%
06/30/2023	06/30/2022	0.3738%	$ 29,605,084	$ 868,026	$ 30,473,110	$ 28,005,478	105.71%	76.70%
06/30/2024	06/30/2023	0.3620%	$ 20,242,635	$ 558,051	$ 20,800,686	$ 28,793,555	70.30%	83.10%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 1,591,536	$ 1,591,536	$ –	$ 21,662,426	7.35%
06/30/2016	$ 1,693,427	$ 1,693,427	$ –	$ 22,576,588	7.50%
06/30/2017	$ 1,778,667	$ 1,778,667	$ –	$ 23,723,555	7.50%
06/30/2018	$ 1,874,024	$ 1,874,024	$ –	$ 24,982,890	7.50%
06/30/2019	$ 1,957,080	$ 1,957,080	$ –	$ 26,067,142	7.51%
06/30/2020	$ 2,090,441	$ 2,090,441	$ –	$ 27,873,561	7.50%
06/30/2021	$ 1,942,777	$ 1,942,777	$ –	$ 25,899,722	7.50%
06/30/2022	$ 2,100,130	$ 2,100,130	$ –	$ 28,005,478	7.50%
06/30/2023	$ 2,159,318	$ 2,159,318	$ –	$ 28,793,555	7.50%
06/30/2024	$ 2,227,124	$ 2,227,124	$ –	$ 29,694,331	7.50%

INDEPENDENT SCHOOL DISTRICT NO. 284

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2024

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.2442%	$ 57,331,835	$ 4,033,134	$ 61,364,969	$ 59,468,413	96.41%	81.50%
06/30/2016	06/30/2015	1.1745%	$ 72,654,441	$ 8,912,006	$ 81,566,447	$ 59,480,901	122.15%	76.80%
06/30/2017	06/30/2016	1.1661%	$278,142,672	$ 27,917,266	$306,059,938	$ 60,632,426	458.74%	44.88%
06/30/2018	06/30/2017	1.1747%	$234,491,429	$ 22,668,335	$257,159,764	$ 63,155,618	371.29%	51.57%
06/30/2019	06/30/2018	1.2131%	$ 76,194,035	$ 7,158,801	$ 83,352,836	$ 66,998,054	113.73%	78.07%
06/30/2020	06/30/2019	1.2994%	$ 82,824,029	$ 7,329,713	$ 90,153,742	$ 73,710,617	112.36%	78.21%
06/30/2021	06/30/2020	1.3610%	$100,552,504	$ 8,426,843	$108,979,347	$ 79,018,615	127.25%	75.48%
06/30/2022	06/30/2021	1.3899%	$ 60,826,180	$ 5,129,930	$ 65,956,110	$ 83,120,796	73.18%	86.63%
06/30/2023	06/30/2022	1.3721%	$109,870,510	$ 8,148,129	$118,018,639	$ 85,090,593	129.12%	76.17%
06/30/2024	06/30/2023	1.3571%	$112,045,216	$ 7,848,810	$119,894,026	$ 86,754,771	129.15%	76.42%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 4,460,131	$ 4,460,131	$ –	$ 59,480,901	7.50%
06/30/2016	$ 4,549,049	$ 4,549,049	$ –	$ 60,632,426	7.50%
06/30/2017	$ 4,742,705	$ 4,742,705	$ –	$ 63,155,618	7.51%
06/30/2018	$ 5,026,531	$ 5,026,531	$ –	$ 66,998,054	7.50%
06/30/2019	$ 5,687,795	$ 5,687,795	$ –	$ 73,710,617	7.72%
06/30/2020	$ 6,263,877	$ 6,263,877	$ –	$ 79,018,615	7.93%
06/30/2021	$ 6,762,053	$ 6,762,053	$ –	$ 83,120,796	8.14%
06/30/2022	$ 7,072,897	$ 7,072,897	$ –	$ 85,090,593	8.31%
06/30/2023	$ 7,378,530	$ 7,378,530	$ –	$ 86,754,771	8.51%
06/30/2024	$ 7,760,457	$ 7,760,457	$ –	$ 88,686,963	8.75%

INDEPENDENT SCHOOL DISTRICT NO. 284

Defined Benefit Pension Plan
Schedule of Changes in the District's Total
Pension Liability and Related Ratios
Year Ended June 30, 2024

	District Fiscal Year-End Date							
	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability								
Service cost	$ 252,269	$ 235,778	$ 211,666	$ 241,804	$ 214,722	$ 170,908	$ 142,123	$ 141,939
Interest	177,900	178,321	211,234	140,881	103,701	85,986	133,916	137,140
Assumption changes	–	(115,172)	56,141	83,005	26,516	(219,666)	(30,488)	(22,408)
Plan changes	–	–	(1,726,541)	–	(2,433)	–	–	–
Difference between expected and actual experience	–	–	256,067	–	71,297	–	192,179	–
Benefit payments	(512,772)	(283,900)	(495,456)	(563,410)	(761,355)	(428,943)	(733,499)	(151,579)
Net change in total pension liability	(82,603)	15,027	(1,486,889)	(97,720)	(347,552)	(391,715)	(295,769)	105,092
Total pension liability – beginning of year	6,136,762	6,054,159	6,069,186	4,582,297	4,484,577	4,137,025	3,745,310	3,449,541
Total pension liability – end of year	$ 6,054,159	$ 6,069,186	$ 4,582,297	$ 4,484,577	$ 4,137,025	$ 3,745,310	$ 3,449,541	$ 3,554,633
Covered-employee payroll	$28,004,800	$28,844,944	$19,728,311	$20,320,160	$16,542,845	$17,039,131	$ 14,779,450	$ 15,222,834
Total pension liability as a percentage of covered-employee payroll	21.62%	21.04%	23.23%	22.07%	25.01%	21.98%	23.34%	23.35%

Note 1: The District has not established a trust fund to finance GASB Statement No. 73 related benefits.

Note 2: The District implemented GASB Statement No. 73 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	District Fiscal Year-End Date							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost	$ 2,551,063	$ 2,390,402	$ 2,693,689	$ 3,223,065	$ 3,011,908	$ 2,745,593	$ 2,432,691	$ 2,426,803
Interest	1,454,492	1,513,499	1,677,230	1,731,921	1,473,157	1,703,045	2,177,662	2,244,581
Assumption changes	–	(1,204,821)	851,818	2,621,680	(5,116,533)	(2,794,384)	(282,213)	(519,705)
Plan changes	–	(1,097,125)	871,345	–	24,568	–	–	–
Difference between expected and actual experience	–	–	(1,008,111)	–	(1,535,825)	1,386,566	(4,063,685)	–
Benefit payments	(1,993,798)	(2,327,031)	(1,956,000)	(1,665,554)	(1,452,227)	(1,642,420)	(2,154,712)	(1,830,808)
Net change in total OPEB liability	2,011,757	(725,076)	3,129,971	5,911,112	(3,594,952)	1,398,400	(1,890,257)	2,320,871
Total OPEB liability – beginning of year	39,994,168	42,005,925	41,280,849	44,410,820	50,321,932	46,726,980	48,125,380	46,235,123
Total OPEB liability – end of year	42,005,925	41,280,849	44,410,820	50,321,932	46,726,980	48,125,380	46,235,123	48,555,994
Plan fiduciary net position								
Contributions – employer	293,798	27,031	–	65,554	102,227	142,420	561,087	490,657
Projected investment return	1,366,041	1,456,650	1,648,705	1,290,620	1,949,067	2,416,355	2,082,779	2,098,366
Difference between expected and actual experience	1,657,592	1,002,046	300,328	624,945	6,369,376	(7,662,109)	295,464	1,970,467
Benefit payments	(1,993,798)	(2,327,031)	(1,956,000)	(1,665,554)	(1,452,227)	(1,642,420)	(2,154,712)	(1,830,808)
Net change in plan fiduciary net position	1,323,633	158,696	(6,967)	315,565	6,968,443	(6,745,754)	784,618	2,728,682
Plan fiduciary net position – beginning of year	31,046,376	32,370,009	32,528,705	32,521,738	32,837,303	39,805,746	33,059,992	33,844,610
Plan fiduciary net position – end of year	32,370,009	32,528,705	32,521,738	32,837,303	39,805,746	33,059,992	33,844,610	36,573,292
Net OPEB liability	$ 9,635,916	$ 8,752,144	$ 11,889,082	$ 17,484,629	$ 6,921,234	$ 15,065,388	$ 12,390,513	$ 11,982,702
Fiduciary net position as a percentage of the total OPEB liability	77.06%	78.80%	73.23%	65.25%	85.19%	68.70%	73.20%	75.32%
Covered-employee payroll	$ 82,333,402	$ 84,803,404	$ 91,067,372	$ 93,799,393	$ 101,974,315	$ 105,033,544	$ 108,624,104	$ 111,882,827
Net OPEB liability as a percentage of covered-employee payroll	11.70%	10.32%	13.06%	18.64%	6.79%	14.34%	11.41%	10.71%

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

INDEPENDENT SCHOOL DISTRICT NO. 284

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

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	9.7%
2018	7.6%
2019	6.0%
2020	5.9%
2021	25.7%
2022	(13.1%)
2023	7.2%
2024	12.0%

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2023 CHANGES IN PLAN PROVISIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

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

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.90 percent to 4.10 percent.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for nonteachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- The discount rate was changed from 3.80 percent to 3.90 percent.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.10 percent to 3.80 percent.

PENSION BENEFITS PLAN (CONTINUED)

2021 CHANGES IN PLAN PROVISIONS

- Wayzata Kids site managers are covered by the specialists' contract. Therefore, the Governmental Accounting Standards Board (GASB) Statement No. 73 benefit for employees who meet the eligibility requirements is now 75.00 percent of 100 days (instead of 100.00 percent of 80 days) multiplied by the daily rate of pay, which is paid as a lump sum to a 403(b) plan. The remaining 25.00 percent is paid to a Healthcare Savings Plan and is included under GASB Statement No. 75.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.10 percent to 2.40 percent.

2019 CHANGES IN PLAN PROVISIONS

- A sunset date of June 30, 2018 was added for custodians, food service employees, paraprofessionals, secretaries, and support staff. Only employees hired before this date are eligible for GASB Statement No. 73 benefits.
- Secretaries and paraprofessionals with 15 years of service no longer need to retire by June 30, 2018 in order to receive a GASB Statement No. 73 benefit.
- GASB Statement No. 73 benefits were only valued for teachers who attained Step 5 or greater by July 1, 1998. Previously, all teachers hired by July 1, 1998 were assumed to receive a GASB Statement No. 73 benefit.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.50 percent to 3.10 percent.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.90 percent to 3.50 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and retirement table (only for employees eligible to retire with Rule of 90) were also updated.
- The discount rate was changed from 4.00 percent to 2.90 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.30 percent to 6.20 percent.
- The discount rate was changed from 4.70 percent to 4.90 percent.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for nonteachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- The discount rate was changed from 4.40 percent to 4.70 percent.
- The expected long-term investment return was changed from 6.10 percent to 6.30 percent.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.30 percent to 6.10 percent.
- The discount rate was changed from 3.50 percent to 4.40 percent.

2021 CHANGES IN PLAN PROVISIONS

- The superintendent's eligibility for GASB Statement No. 75 post-employment subsidies changed from age 55 with 9 years of service to age 55 with 10 years of service. The district-paid life insurance subsidy (based on $750,000) now ends at age 70 rather than age 65.
- Wayzata Kids site managers are now covered by the specialists' contract. Therefore, 25.00 percent of the 100 days of pay severance benefit is now paid to a Healthcare Savings Plan and is included in this valuation. The other 75.00 percent is paid to a 403(b) plan and is included under GASB Statement No. 73. The District also paid a dental subsidy up to $120 per month instead of the full single premium amount.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.
- The expected long-term investment return was changed from 4.00 percent to 6.30 percent.
- The discount rate was changed from 2.80 percent to 3.50 percent.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 5.10 percent to 4.00 percent.
- The discount rate was changed from 3.70 percent to 2.80 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2019 CHANGES IN PLAN PROVISIONS

- A sunset date of June 30, 2018 was added for custodians, food service employees, Home Base site managers, paraprofessionals, secretaries, specialists, and support staff. Only employees hired before this date are eligible for GASB Statement No. 75 post-employment subsidies.
- The teachers' limits on post-employment medical subsidies were increased from $920 to $980 per month for employees and an additional increase of $490 to $540 per month for spouses.
- Post-employment subsidies were changed for Home Base site managers, specialists, and support staff. They now receive $1,000 per month toward medical insurance and up to $120 per month toward dental insurance (with the exception of Home Base site managers who will receive full single dental premiums while retired) payable from retirement until age 65, but calculated at retirement and paid as a lump sum to a Healthcare Savings Plan.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 4.50 percent to 5.10 percent.
- The discount rate was changed from 3.90 percent to 3.70 percent.

2018 CHANGES IN PLAN PROVISIONS

- A hire by date of July 30, 2018 was added in order to be eligible for post-employment medical, dental, and life insurance subsidies for administrators, executive directors, and principals.
- For administrators, executive directors, and principals, the District's post-employment medical contributions were changed to equal $1,000 per month, payable from retirement until age 65. The District's post-employment dental contributions were changed to equal the full employee and spouse premiums, but limited to $120 per month. These subsidies will be calculated at retirement and will be paid as lump sums to a Healthcare Savings Plan within 60 days of retirement.
- The post-employment life insurance premium subsidies were updated to equal full salary at retirement payable until age 70 and $25,000 thereafter for the administrators, executive directors, and principals.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 4.40 percent to 4.50 percent.
- The discount rate was changed from 3.50 percent to 3.90 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 were also updated.
- The discount rate was changed from 6.00 percent to 3.50 percent.
- The percentage of future retirees who are assumed to continue on one of the District's medical plans, post-employment, was reduced from 50.00 percent to 10.00 percent for part-time custodians, food service employees, and paraprofessionals.

SUPPLEMENTARY INFORMATION

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GOVERNMENTAL FUNDS

Governmental funds reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The governmental fund category for the District includes the General Fund, Capital Projects – Building Construction Fund, Debt Service Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund.

The statements and schedules that follow are to provide further detail and support additional analysis for the District's major and nonmajor governmental funds.

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	$ 1,786,045	$ 6,574,894	$ 8,360,939
Receivables			
Current taxes	–	1,014,416	1,014,416
Delinquent taxes	–	13,271	13,271
Accounts and interest	7,800	74,522	82,322
Due from other governmental units	1,193,961	238,900	1,432,861
Inventory	192,693	–	192,693
Prepaid items	–	1,365	1,365
Total assets	$ 3,180,499	$ 7,917,368	$ 11,097,867
Liabilities			
Salaries payable	$ 10,097	$ 328,574	$ 338,671
Accounts and contracts payable	389,924	468,112	858,036
Unearned revenue	323,547	605,594	929,141
Total liabilities	723,568	1,402,280	2,125,848
Deferred inflows of resources			
Property taxes levied for subsequent year	–	2,024,592	2,024,592
Unavailable revenue – delinquent taxes	–	7,249	7,249
Total deferred inflows of resources	–	2,031,841	2,031,841
Fund balances			
Nonspendable	192,693	1,365	194,058
Restricted	2,264,238	4,481,882	6,746,120
Total fund balances	2,456,931	4,483,247	6,940,178
Total liabilities, deferred inflows of resources, and fund balances	$ 3,180,499	$ 7,917,368	$ 11,097,867

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	$ –	$ 2,135,698	$ 2,135,698
Other	1,428,966	10,963,905	12,392,871
State sources	5,778,731	1,621,024	7,399,755
Federal sources	3,297,294	–	3,297,294
Total revenue	10,504,991	14,720,627	25,225,618
Expenditures			
Current			
Food service	9,135,033	–	9,135,033
Community service	–	13,004,188	13,004,188
Capital outlay	530,283	49,368	579,651
Debt service			
Principal	15,492	–	15,492
Interest and fiscal charges	1,264	–	1,264
Total expenditures	9,682,072	13,053,556	22,735,628
Excess of revenue over expenditures	822,919	1,667,071	2,489,990
Other financing sources			
Insurance recovery	56,440	–	56,440
Net change in fund balances	879,359	1,667,071	2,546,430
Fund balances			
Beginning of year	1,577,572	2,816,176	4,393,748
End of year	$ 2,456,931	$ 4,483,247	$ 6,940,178

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024	2023
Assets		
Cash and temporary investments	$ 70,898,450	$ 55,515,238
Cash and investments held by trustee	–	462,000
Receivables		
Current taxes	36,394,352	34,709,711
Delinquent taxes	455,448	480,307
Accounts and interest	375,457	332,025
Due from other governmental units	16,284,642	16,720,080
Due from other funds	6,567,287	7,499,036
Lease	545,057	573,201
Inventory	122,842	130,132
Prepaid items	1,389,361	66,230
Total assets	$ 133,032,896	$ 116,487,960
Liabilities		
Salaries payable	$ 306,086	$ 315,278
Accounts and contracts payable	8,501,759	5,613,297
Due to other governmental units	191,202	629,352
Due to other funds	1,670,080	1,732,838
Unearned revenue	510,134	530,241
Total liabilities	11,179,261	8,821,006
Deferred inflows of resources		
Property taxes levied for subsequent year	68,362,570	65,749,344
Lease revenue for subsequent years	545,057	573,201
Unavailable revenue – delinquent taxes	272,540	391,082
Total deferred inflows of resources	69,180,167	66,713,627
Fund balances		
Nonspendable for inventory	122,842	130,132
Nonspendable for prepaid items	1,389,361	66,230
Restricted for scholarships	229,077	228,306
Restricted for capital projects levy	4,691,588	4,352,487
Restricted for literacy incentive aid	385,894	–
Restricted for American Indian education aid	9,457	–
Restricted for operating capital	3,596,279	2,688,608
Restricted for long-term facilities maintenance	16,212,641	12,141,697
Restricted for student support personnel	46,244	–
Restricted for Medical Assistance	357,321	264,122
Assigned for local collaborative time study	556,535	702,431
Assigned for reemployment insurance and PFLPT	1,275,000	837,800
Assigned for site carryover	822,052	752,355
Assigned for Q compensation	664,260	384,169
Assigned for school opening and planning costs	1,432,328	695,305
Assigned for workers' compensation escrow	70,000	70,000
Assigned for post-employment obligations	1,792,340	1,792,340
Assigned for enrollment	2,031,229	2,768,252
Unassigned	16,989,020	13,079,093
Total fund balances	52,673,468	40,953,327
Total liabilities, deferred inflows of resources, and fund balances	$ 133,032,896	$ 116,487,960

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 69,973,664	$ 70,437,283	$ 463,619	$ 67,500,322
Investment earnings	2,300,000	3,812,900	1,512,900	2,415,083
Other	4,402,130	5,657,883	1,255,753	5,727,947
State sources	128,359,088	130,897,250	2,538,162	115,837,133
Federal sources	5,651,009	4,923,284	(727,725)	4,762,760
Total revenue	210,685,891	215,728,600	5,042,709	196,243,245
Expenditures				
Current				
Administration				
Salaries	4,076,695	4,138,667	61,972	4,371,526
Employee benefits	1,410,059	1,475,524	65,465	1,531,504
Purchased services	144,546	121,917	(22,629)	120,156
Supplies and materials	56,170	83,199	27,029	59,530
Capital expenditures	11,280	94,301	83,021	28,469
Other expenditures	54,150	34,180	(19,970)	73,649
Total administration	5,752,900	5,947,788	194,888	6,184,834
District support services				
Salaries	3,401,593	3,396,373	(5,220)	3,365,173
Employee benefits	1,116,331	1,408,308	291,977	1,368,064
Purchased services	1,972,004	814,090	(1,157,914)	858,780
Supplies and materials	255,394	278,519	23,125	186,237
Capital expenditures	201,370	5,919	(195,451)	393,441
Other expenditures	12,857	6,950	(5,907)	7,258
Total district support services	6,959,549	5,910,159	(1,049,390)	6,178,953
Elementary and secondary regular instruction				
Salaries	61,338,642	61,511,224	172,582	60,711,429
Employee benefits	21,106,429	20,035,983	(1,070,446)	19,378,756
Purchased services	2,436,419	3,257,872	821,453	3,532,070
Supplies and materials	2,543,205	2,243,551	(299,654)	2,313,644
Capital expenditures	214,461	203,556	(10,905)	387,726
Other expenditures	743,352	625,419	(117,933)	647,103
Total elementary and secondary regular instruction	88,382,508	87,877,605	(504,903)	86,970,728

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	1,911,156	2,012,175	101,019	2,157,536
Employee benefits	806,103	687,699	(118,404)	728,369
Purchased services	321,721	342,190	20,469	326,291
Supplies and materials	83,752	32,887	(50,865)	48,168
Capital expenditures	7,140	20,429	13,289	19,006
Other expenditures	24,000	19,599	(4,401)	20,783
Total vocational education instruction	3,153,872	3,114,979	(38,893)	3,300,153
Special education instruction				
Salaries	18,841,238	18,735,694	(105,544)	17,166,314
Employee benefits	7,002,985	6,636,372	(366,613)	6,074,715
Purchased services	590,177	2,111,743	1,521,566	740,120
Supplies and materials	484,866	168,662	(316,204)	192,537
Capital expenditures	19,265	15,795	(3,470)	6,334
Other expenditures	2,375	153,118	150,743	157,245
Total special education instruction	26,940,906	27,821,384	880,478	24,337,265
Community education and services				
Employee benefits	–	8,270	8,270	–
Instructional support services				
Salaries	9,542,995	9,472,724	(70,271)	9,118,093
Employee benefits	4,214,472	4,214,427	(45)	4,124,222
Purchased services	2,890,742	974,496	(1,916,246)	1,253,440
Supplies and materials	2,177,113	1,912,372	(264,741)	2,458,639
Capital expenditures	2,654,152	3,324,463	670,311	1,450,106
Other expenditures	24,550	28,112	3,562	27,926
Total instructional support services	21,504,024	19,926,594	(1,577,430)	18,432,426
Pupil support services				
Salaries	4,199,003	4,379,367	180,364	4,149,242
Employee benefits	1,499,331	1,482,589	(16,742)	1,353,754
Purchased services	14,175,514	13,807,183	(368,331)	13,229,366
Supplies and materials	340,301	266,223	(74,078)	408,109
Capital expenditures	72,500	37,035	(35,465)	49,620
Other expenditures	1,000	2,313	1,313	1,914
Total pupil support services	20,287,649	19,974,710	(312,939)	19,192,005

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	5,942,049	5,813,292	(128,757)	5,867,046
Employee benefits	2,658,104	2,174,261	(483,843)	2,192,169
Purchased services	9,670,626	6,430,522	(3,240,104)	9,220,643
Supplies and materials	977,500	1,630,052	652,552	1,533,651
Capital expenditures	11,762,075	12,226,533	464,458	3,570,088
Other expenditures	174,250	7,062	(167,188)	56,430
Total sites and buildings	31,184,604	28,281,722	(2,902,882)	22,440,027
Fiscal and other fixed cost programs				
Purchased services	828,000	719,122	(108,878)	825,125
Other expenditures	–	38,199	38,199	42,565
Total fiscal and other fixed cost programs	828,000	757,321	(70,679)	867,690
Debt service				
Principal	3,953,912	3,900,143	(53,769)	3,918,902
Interest and fiscal charges	651,246	674,555	23,309	726,668
Total debt service	4,605,158	4,574,698	(30,460)	4,645,570
Total expenditures	209,599,170	204,195,230	(5,403,940)	192,549,651
Excess of revenue over expenditures	1,086,721	11,533,370	10,446,649	3,693,594
Other financing sources (uses)				
Finance purchase issued	1,117,052	1,117,052	–	1,181,850
Technology subscription issued	–	–	–	350,565
Insurance recovery	–	125,581	125,581	31,219
Transfers in	–	309,446	309,446	622,962
Transfers (out)	–	(1,365,308)	(1,365,308)	–
Total other financing sources (uses)	1,117,052	186,771	(930,281)	2,186,596
Net change in fund balances	$ 2,203,773	11,720,141	$ 9,516,368	5,880,190
Fund balances				
Beginning of year		40,953,327		35,073,137
End of year		$ 52,673,468		$ 40,953,327

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024	2023
Assets		
Cash and temporary investments	$ 1,786,045	$ 1,899,670
Receivables		
Accounts and interest	7,800	265
Due from other governmental units	1,193,961	62,801
Inventory	192,693	197,530
Total assets	$ 3,180,499	$ 2,160,266
Liabilities		
Salaries payable	$ 10,097	$ 27,741
Accounts and contracts payable	389,924	72,241
Unearned revenue	323,547	482,712
Total liabilities	723,568	582,694
Fund balances		
Nonspendable for inventory	192,693	197,530
Restricted for food service	2,264,238	1,380,042
Total fund balances	2,456,931	1,577,572
Total liabilities and fund balances	$ 3,180,499	$ 2,160,266

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other – primarily meal sales	$ 1,297,720	$ 1,428,966	$ 131,246	$ 5,069,270
State sources	5,749,300	5,778,731	29,431	303,176
Federal sources	2,605,545	3,297,294	691,749	2,572,661
Total revenue	9,652,565	10,504,991	852,426	7,945,107
Expenditures				
Current				
Salaries	2,698,270	2,810,618	112,348	2,467,033
Employee benefits	1,064,043	979,136	(84,907)	888,784
Purchased services	177,800	348,545	170,745	297,637
Supplies and materials	4,932,945	4,970,460	37,515	3,941,281
Other expenditures	18,000	26,274	8,274	15,587
Capital outlay	274,500	530,283	255,783	91,916
Debt service				
Principal	–	15,492	15,492	16,756
Interest and fiscal charges	–	1,264	1,264	–
Total expenditures	9,165,558	9,682,072	516,514	7,718,994
Excess of revenue over expenditures	487,007	822,919	335,912	226,113
Other financing sources				
Technology subscription issued	–	–	–	48,360
Insurance recovery	–	56,440	56,440	–
Total other financing sources	–	56,440	56,440	48,360
Net change in fund balances	$ 487,007	879,359	$ 392,352	274,473
Fund balances				
Beginning of year		1,577,572		1,303,099
End of year		$ 2,456,931		$ 1,577,572

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024	2023
Assets		
Cash and temporary investments	$ 6,574,894	$ 4,738,455
Receivables		
Current taxes	1,014,416	1,068,557
Delinquent taxes	13,271	14,342
Accounts and interest	74,522	69,865
Due from other governmental units	238,900	172,754
Prepaid items	1,365	–
Total assets	$ 7,917,368	$ 6,063,973
Liabilities		
Salaries payable	$ 328,574	$ 249,057
Accounts and contracts payable	468,112	193,197
Unearned revenue	605,594	639,911
Total liabilities	1,402,280	1,082,165
Deferred inflows of resources		
Property taxes levied for subsequent year	2,024,592	2,154,253
Unavailable revenue – delinquent taxes	7,249	11,379
Total deferred inflows of resources	2,031,841	2,165,632
Fund balances		
Nonspendable for prepaid items	1,365	–
Restricted for community education programs	3,881,983	2,418,323
Restricted for early childhood family education programs	233,309	53,322
Restricted for school readiness	213,585	181,519
Restricted for community service	153,005	163,012
Total fund balances	4,483,247	2,816,176
Total liabilities, deferred inflows of resources, and fund balances	$ 7,917,368	$ 6,063,973

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 2,153,956	$ 2,135,698	$ (18,258)	$ 2,092,123
Other – primarily tuition and fees	10,620,537	10,963,905	343,368	10,035,942
State sources	1,093,785	1,621,024	527,239	1,041,499
Federal sources	–	–	–	415,711
Total revenue	13,868,278	14,720,627	852,349	13,585,275
Expenditures				
Current				
Salaries	8,539,765	7,990,960	(548,805)	7,439,970
Employee benefits	2,903,262	2,550,023	(353,239)	2,376,933
Purchased services	1,352,282	1,752,566	400,284	1,397,236
Supplies and materials	648,643	705,226	56,583	548,993
Other expenditures	5,500	5,413	(87)	3,889
Capital outlay	78,157	49,368	(28,789)	105,195
Total expenditures	13,527,609	13,053,556	(474,053)	11,872,216
Net change in fund balances	$ 340,669	1,667,071	$ 1,326,402	1,713,059
Fund balances				
Beginning of year		2,816,176		1,103,117
End of year		$ 4,483,247		$ 2,816,176

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2024 and 2023

	2024	2023
Assets		
Cash and temporary investments	$ 4,343,802	$ 8,050,285
Cash and investments held by trustee	31,481	29,680
Receivables		
Accounts and interest	–	2,398
Total assets	$ 4,375,283	$ 8,082,363
Liabilities		
Accounts and contracts payable	$ 234,976	$ 65,048
Fund balances		
Restricted for capital projects	4,140,307	8,017,315
Total liabilities and fund balances	$ 4,375,283	$ 8,082,363

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	$ 291,000	$ 512,930	$ 221,930	$ 465,992
Other	–	110	110	25,393
Total revenue	291,000	513,040	222,040	491,385
Expenditures				
Capital outlay				
Salaries	–	–	–	20,000
Employee benefits	–	–	–	2,945
Purchased services	–	78,900	78,900	367,951
Capital expenditures	4,193,482	7,476,114	3,282,632	1,515,656
Debt service				
Fiscal charges and other	–	70,652	70,652	–
Total expenditures	4,193,482	7,625,666	3,432,184	1,906,552
Excess (deficiency) of revenue over expenditures	(3,902,482)	(7,112,626)	(3,210,144)	(1,415,167)
Other financing sources				
Bonds issued	–	3,105,000	3,105,000	–
Premium on bonds issued	–	130,618	130,618	–
Total other financing sources	–	3,235,618	3,235,618	–
Net change in fund balances	$ (3,902,482)	(3,877,008)	$ 25,474	(1,415,167)
Fund balances				
Beginning of year		8,017,315		9,432,482
End of year		$ 4,140,307		$ 8,017,315

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024	2023
Assets		
Cash and temporary investments	$ 11,949,499	$ 11,858,668
Receivables		
Current taxes	8,886,725	7,921,295
Delinquent taxes	104,030	114,123
Due from other governmental units	910	1,058
Total assets	$ 20,941,164	$ 19,895,144
Deferred inflows of resources		
Property taxes levied for subsequent year	$ 17,736,000	$ 15,969,580
Unavailable revenue – delinquent taxes	59,284	89,222
Total deferred inflows of resources	17,795,284	16,058,802
Fund balances		
Restricted for debt service	3,145,880	3,836,342
Total deferred inflows of resources and fund balances	$ 20,941,164	$ 19,895,144

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	2024			2023
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 15,968,503	$ 15,829,374	$ (139,129)	$ 16,425,992
State sources	9,000	9,102	102	10,583
Total revenue	15,977,503	15,838,476	(139,027)	16,436,575
Expenditures				
Debt service				
Principal	11,045,000	11,045,000	–	9,780,000
Interest	5,482,275	5,482,275	–	5,896,475
Fiscal charges and other	2,900	1,663	(1,237)	2,850
Total expenditures	16,530,175	16,528,938	(1,237)	15,679,325
Net change in fund balances	$ (552,672)	(690,462)	$ (137,790)	757,250
Fund balances				
Beginning of year		3,836,342		3,079,092
End of year		$ 3,145,880		$ 3,836,342

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INTERNAL SERVICE FUNDS

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

The statements that follow are to provide further detail and support additional analysis for the District's internal service funds.

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Self-Insurance Accounts	Early Retirement Accounts	Totals 2024	Totals 2023
Assets				
Current assets				
Investments	$ 4,782,641	$ 5,932,465	$ 10,715,106	$ 10,869,484
Receivables				
Accounts and interest	10,642	–	10,642	–
Due from other funds	3,010,231	–	3,010,231	1,732,838
Total current assets	7,803,514	5,932,465	13,735,979	12,602,322
Deferred outflows of resources				
Pension plan deferments	–	288,357	288,357	379,189
Liabilities				
Current liabilities				
Accounts and contracts payable	27,453	–	27,453	15,830
Due to other funds	3,052,164	3,515,123	6,567,287	5,905,411
Claims incurred, but not reported	1,463,671	–	1,463,671	1,275,282
Severance benefits payable	–	201,524	201,524	318,643
Total pension liability	–	393,980	393,980	633,347
Total current liabilities	4,543,288	4,110,627	8,653,915	8,148,513
Long-term liabilities				
Severance benefits payable	–	1,828,870	1,828,870	1,604,980
Total pension liability	–	3,160,653	3,160,653	2,816,194
Total long-term liabilities	–	4,989,523	4,989,523	4,421,174
Total liabilities	4,543,288	9,100,150	13,643,438	12,569,687
Deferred inflows of resources				
Pension plan deferments	–	180,898	180,898	211,826
Net position				
Unrestricted	$ 3,260,226	$ (3,060,226)	$ 200,000	$ 199,998

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Self-Insurance Accounts	Early Retirement Accounts	Totals 2024	Totals 2023
Operating revenue				
Charges for services	$ 21,263,283	$ –	$ 21,263,283	$ 22,453,455
Operating expenses				
Dental benefit claims	1,610,032	–	1,610,032	1,525,481
Health benefit claims	20,542,871	–	20,542,871	21,712,975
Early retirement incentive and sick leave benefits	–	649,550	649,550	407,134
Total operating expenses	22,152,903	649,550	22,802,453	23,645,590
Operating income (loss)	(889,620)	(649,550)	(1,539,170)	(1,192,135)
Nonoperating revenue				
Investment earnings	223,365	259,945	483,310	801,184
Income (loss) before transfers	(666,255)	(389,605)	(1,055,860)	(390,951)
Transfers in	–	1,365,308	1,365,308	–
Transfers out	(309,446)	–	(309,446)	(622,962)
Change in net position	(975,701)	975,703	2	(1,013,913)
Net position				
Beginning of year	4,235,927	(4,035,929)	199,998	1,213,911
End of year	$ 3,260,226	$ (3,060,226)	$ 200,000	$ 199,998

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Self-Insurance Accounts	Early Retirement Accounts	Totals 2024	Totals 2023
Cash flows from operating activities				
Charges for services	$ 21,315,399	$ –	$ 21,315,399	$ 22,414,255
Payments for health and dental claims	(21,952,891)	–	(21,952,891)	(23,951,131)
Payments for retirement benefits	–	(377,783)	(377,783)	(1,572,186)
Net cash flows from operating activities	(637,492)	(377,783)	(1,015,275)	(3,109,062)
Cash flows from noncapital financing activities				
Cash received from other funds	309,250	–	309,250	4,367,714
Cash paid to other funds	–	(987,525)	(987,525)	–
Purchase of investments	–	–	–	(635,690)
Sale of investments	637,688	–	637,688	–
Transfers in	–	1,365,308	1,365,308	–
Transfers out	(309,446)	–	(309,446)	(622,962)
Net cash flows from noncapital financing activities	637,492	377,783	1,015,275	3,109,062
Net change in cash and cash equivalents	–	–	–	–
Cash and cash equivalents				
Beginning of year	–	–	–	–
End of year	$ –	$ –	$ –	$ –
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	$ (889,620)	$ (649,550)	$ (1,539,170)	$ (1,192,135)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets				
Accounts and interest receivable	(10,642)	–	(10,642)	–
Due from other funds	62,758	–	62,758	(39,200)
Deferred outflows of resources – pension plan deferments	–	90,832	90,832	(101,346)
Changes in liabilities and deferred inflows				
Accounts and contracts payable	11,623	–	11,623	15,822
Claims incurred, but not reported	188,389	–	188,389	(728,497)
Severance benefits payable	–	106,771	106,771	(748,291)
Total pension liability	–	105,092	105,092	(295,769)
Deferred inflows of resources – pension plan deferments	–	(30,928)	(30,928)	(19,646)
Net cash flows from operating activities	$ (637,492)	$ (377,783)	$ (1,015,275)	$ (3,109,062)
Noncash investing, capital, and financing activities				
Market value adjustment on investments in life insurance contracts	$ 223,365	$ 259,945	$ 483,310	$ 801,184

SECTION III

STATISTICAL SECTION

(UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 284's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Indicators

These schedules contain service and infrastructure data to help the reader understand how the information in the District's ACFR relates to the services the District provides, and the activities it performs.

Source: Unless otherwise noted, the information presented is derived from the District's ACFR for the relevant year.

INDEPENDENT SCHOOL DISTRICT NO. 284

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	$ 65,253,780	$ 31,901,934	$ 40,112,576	$ 37,679,712
Restricted	13,091,641	13,662,842	7,822,506	10,695,169
Unrestricted	(50,117,797)	(46,927,869)	(122,259,148)	(158,453,974)
Total governmental activities net position	$ 28,227,624	$ (1,363,093)	$ (74,324,066)	$(110,079,093)

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased net position by approximately $87.5 million. Prior year amounts have not been restated.

Note 2: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately $29.9 million. Prior year amounts have not been restated.

Note 3: The District implemented GASB Statement No. 84 in fiscal 2020, reported as a change in accounting principle as a result of implementing this standard, which increased net position by approximately $1.2 million. Prior year amounts have not been restated.

Note 4: In fiscal 2024, the District reported a change in accounting principle for a change in reporting certain groups of similar capital assets acquired in prior years, that increased net position by $3,579,312.

2019	2020	2021	2022	2023	2024
$ 37,050,317	$ 27,572,468	$ 29,989,500	$ 33,227,426	$ 36,667,330	$ 56,426,154
10,648,975	9,472,475	3,126,677	11,224,124	25,400,096	33,131,167
(122,967,598)	(133,667,103)	(139,295,623)	(131,772,607)	(116,456,636)	(104,749,098)
$ (75,268,306)	$ (96,622,160)	$(106,179,446)	$ (87,321,057)	$ (54,389,210)	$ (15,191,777)

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Expenses				
Administration	$ 3,839,848	$ 4,817,133	$ 6,700,296	$ 6,052,169
District support services	4,577,951	5,033,300	6,114,326	5,347,446
Elementary and secondary regular instruction	67,230,737	68,238,658	97,927,589	98,324,381
Vocational education instruction	2,922,503	2,804,948	3,737,593	3,782,104
Special education instruction	16,695,866	17,678,829	23,736,177	23,646,291
Instructional support services	9,267,077	10,313,332	13,276,121	18,777,288
Pupil support services	11,997,753	12,363,815	14,566,050	14,370,024
Sites and buildings	16,373,431	31,109,967	35,215,528	23,723,765
Fiscal and other fixed cost programs	385,547	417,879	566,951	281,446
Food service	5,619,154	5,896,122	6,484,275	6,469,883
Community service	7,512,257	8,207,904	9,811,345	10,971,816
Interest and fiscal charges	5,748,064	5,134,248	5,326,192	6,692,718
Total governmental activities expenses	152,170,188	172,016,135	223,462,443	218,439,331
Program revenues				
Charges for services				
Administration	166,265	215,357	57,422	39,922
Elementary and secondary regular instruction	1,159,389	1,262,298	1,287,405	1,323,071
Special education instruction	247,585	322,586	350,928	498,813
Instructional support services	9,493	7,808	6,703	15,338
Pupil support services	28,178	25,773	22,018	152,731
Sites and buildings	512,766	575,910	558,826	628,772
Food service	4,222,938	4,447,648	5,067,696	5,357,091
Community service	5,556,600	6,382,167	7,410,890	8,164,553
Operating grants and contributions	15,216,756	16,140,494	17,625,350	16,357,459
Capital grants and contributions	910,167	911,502	1,351,039	2,870,495
Total governmental activities program revenues	28,030,137	30,291,543	33,738,277	35,408,245
Net (expense) revenue	(124,140,051)	(141,724,592)	(189,724,166)	(183,031,086)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	38,153,378	38,434,705	42,239,180	52,196,919
Property taxes, levied for community service	1,524,385	1,244,109	1,096,913	993,672
Property taxes, levied for debt service	11,401,371	15,673,366	14,587,642	8,274,499
General grants and aids	72,170,101	74,485,371	83,119,553	81,977,981
Other general revenues	1,376,993	1,240,454	2,001,619	1,672,313
Investment earnings	1,185,644	1,162,703	1,886,224	2,160,675
Special item	–	–	–	–
Total general revenues and other changes in net position	125,811,872	132,240,708	144,931,131	147,276,059
Change in net position	$ 1,671,821	$ (9,483,884)	$ (44,793,035)	$ (35,755,027)

Note: The District implemented GASB Statement No. 68 in fiscal 2015, GASB Statement Nos. 73, 74, and 75 in fiscal 2017, and GASB Statement No. 84 in fiscal 2020.

2019	2020	2021	2022	2023	2024
$ 4,265,884	$ 5,744,321	$ 5,749,982	$ 5,580,376	$ 5,747,682	$ 6,043,652
5,961,373	7,124,303	5,397,237	6,003,506	6,294,468	6,239,323
57,568,978	94,447,134	94,959,700	87,857,642	76,223,157	88,673,106
2,163,529	3,448,696	3,897,753	3,731,676	2,759,344	2,997,519
15,166,922	22,972,019	24,080,587	21,614,577	21,371,825	27,325,867
13,281,310	20,521,549	18,730,543	18,462,776	17,420,412	20,239,606
12,799,455	15,297,882	16,167,678	17,624,546	18,480,033	19,922,400
21,884,093	31,256,979	30,193,336	25,596,931	28,343,784	21,618,947
541,321	539,743	420,778	895,025	867,690	757,321
6,943,797	6,743,253	5,743,363	8,047,821	7,732,984	9,814,491
10,774,854	11,509,169	9,728,339	10,984,506	12,046,032	13,275,131
7,556,619	8,353,500	7,878,465	4,683,351	6,008,024	5,824,339
158,908,135	227,958,548	222,947,761	211,082,733	203,295,435	222,731,702
117,202	1,566	215	9,582	14,112	14,457
1,339,296	1,435,317	776,860	1,622,069	1,661,240	1,901,447
307,962	431,278	437,583	670,258	597,917	633,169
14,469	12,733	11,952	14,287	17,656	9,083
148,244	185,197	172,328	192,904	230,392	277,382
591,360	454,390	326,747	687,156	685,254	711,107
5,318,392	4,000,966	273,566	1,121,098	5,069,270	1,428,966
8,933,531	7,775,972	4,837,454	9,440,594	10,035,942	10,963,905
16,952,023	20,694,796	24,733,862	30,187,591	24,542,184	41,248,216
1,534,850	1,517,914	1,389,335	1,171,004	1,200,886	1,160,656
35,257,329	36,510,129	32,959,902	45,116,543	44,054,853	58,348,388
(123,650,806)	(191,448,419)	(189,987,859)	(165,966,190)	(159,240,582)	(164,383,314)
55,461,620	58,866,293	64,000,234	67,563,040	67,527,408	70,318,741
1,222,047	1,537,423	1,884,647	2,186,740	2,094,077	2,131,568
12,085,201	12,427,460	14,575,929	15,150,556	16,426,286	15,799,436
82,036,235	90,978,084	96,793,030	94,871,042	99,864,411	104,649,181
1,429,838	2,621,106	1,499,701	2,902,407	2,577,988	2,293,369
3,191,342	2,476,239	1,677,032	2,150,794	3,682,259	4,809,140
3,035,310	–	–	–	–	–
158,461,593	168,906,605	180,430,573	184,824,579	192,172,429	200,001,435
$ 34,810,787	$ (22,541,814)	$ (9,557,286)	$ 18,858,389	$ 32,931,847	$ 35,618,121

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	$ 170,070	$ 196,566	$ 355,711	$ 287,085
Restricted	6,549,824	5,838,351	2,824,355	5,770,694
Committed	2,889,790	2,889,790	–	–
Assigned	2,508,237	5,482,867	4,918,059	5,712,743
Unassigned	9,306,757	9,347,456	8,050,979	8,304,664
Total General Fund	$ 21,424,678	$ 23,755,030	$ 16,149,104	$ 20,075,186
All other governmental funds				
Nonspendable				
Special revenue funds	$ 90,176	$ 94,839	$ 100,667	$ 108,812
Capital Projects –				
Building Construction Fund	29,382	3,795	370,688	357,895
Restricted				
Special revenue funds	2,763,831	2,777,607	3,131,609	2,824,021
Capital Projects –				
Building Construction Fund	94,734,895	25,480,370	8,669,298	68,914,606
Debt Service Fund	2,044,497	2,618,143	2,475,932	2,606,958
Unassigned				
Special revenue funds	–	–	–	–
Capital Projects –				
Building Construction Fund	–	–	(528,128)	–
Total all other governmental funds	$ 99,662,781	$ 30,974,754	$ 14,220,066	$ 74,812,292
Total all governmental funds	$ 121,087,459	$ 54,729,784	$ 30,369,170	$ 94,887,478

2019	2020	2021	2022	2023	2024
$ 316,399	$ 611,106	$ 608,414	$ 155,695	$ 196,362	$ 1,512,203
7,600,701	6,775,773	2,976,949	8,513,378	19,675,220	25,528,501
–	–	–	–	–	–
5,369,294	5,529,336	7,775,597	11,348,017	8,002,652	8,643,744
12,681,756	19,030,745	15,496,057	15,056,047	13,079,093	16,989,020
$ 25,968,150	$ 31,946,960	$ 26,857,017	$ 35,073,137	$ 40,953,327	$ 52,673,468
$ 87,830	$ 138,321	$ 110,760	$ 54,380	$ 197,530	$ 194,058
19,169	–	–	–	–	–
2,479,699	854,097	243,867	2,351,836	4,196,218	6,746,120
33,749,841	23,516,237	13,926,905	9,432,482	8,017,315	4,140,307
2,833,280	2,683,374	2,799,411	3,079,092	3,836,342	3,145,880
–	(137,471)	(1,393,729)	–	–	–
(1,219,341)	(4,611,885)	–	–	–	–
$ 37,950,478	$ 22,442,673	$ 15,687,214	$ 14,917,790	$ 16,247,405	$ 14,226,365
$ 63,918,628	$ 54,389,633	$ 42,544,231	$ 49,990,927	$ 57,200,732	$ 66,899,833

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Local sources				
Taxes	$ 51,053,987	$ 55,577,523	$ 57,642,494	$ 61,547,600
Investment earnings	144,163	135,329	538,191	838,461
Other	13,280,276	14,480,001	17,174,010	17,856,126
State sources	84,196,712	87,767,205	93,888,892	96,910,458
Federal sources	4,100,243	3,770,162	4,239,619	4,329,494
Total revenues	152,775,381	161,730,220	173,483,206	181,482,139
Expenditures				
Current				
Administration	3,882,636	3,960,854	4,307,817	4,380,862
District support services	3,831,038	4,214,722	4,856,373	4,807,590
Elementary and secondary regular instruction	61,261,179	61,793,156	64,754,485	68,352,055
Vocational education instruction	2,898,253	2,775,891	2,782,707	2,953,500
Special education instruction	16,675,799	17,390,283	17,738,153	18,658,389
Instructional support services	9,518,374	10,107,948	9,841,449	15,992,693
Pupil support services	12,151,446	12,289,246	13,117,743	13,098,157
Sites and buildings	10,212,586	10,577,248	18,089,426	17,692,885
Fiscal and other fixed cost programs	385,547	417,879	566,951	281,446
Food service	5,574,751	5,705,994	6,173,350	6,403,380
Community service	7,537,839	8,008,491	8,912,116	10,298,600
Capital outlay	37,044,922	82,087,300	26,537,306	18,646,356
Debt service				
Principal	11,526,756	11,364,273	11,554,610	5,789,891
Interest and fiscal charges	5,410,994	6,467,926	6,023,460	6,081,787
Total expenditures	187,912,120	237,161,211	195,255,946	193,437,591
Excess of revenues over (under) expenditures	(35,136,739)	(75,430,991)	(21,772,740)	(11,955,452)
Other financing sources (uses)				
Sale of equipment	–	–	21,653	–
Sale of real property	–	–	–	–
Insurance recovery proceeds	–	–	–	–
Bonds issued	10,255,000	1,820,000	–	66,895,000
Certificates of participation issued	–	–	–	–
Premium on debt issued	867,145	57,459	–	3,406,305
Finance purchase issued	1,099,078	6,750,775	767,400	6,172,455
Technology subscription issued	–	–	–	–
Payment to refunded bond escrow agent	(11,055,000)	(1,835,000)	–	–
Transfers in	6,901,900	9,709,564	13,006,244	6,779,299
Transfers out	(6,901,900)	(7,429,482)	(13,117,868)	(6,779,299)
Total other financing sources (uses)	1,166,223	9,073,316	677,429	76,473,760
Net change in fund balances	$ (33,970,516)	$ (66,357,675)	$ (21,095,311)	$ 64,518,308
Debt service as a percentage of noncapital expenditures	11.2%	10.3%	9.7%	6.7%

2019	2020	2021	2022	2023	2024
$ 68,770,016	$ 72,813,330	$ 80,433,919	$ 84,873,103	$ 86,018,437	$ 88,402,355
2,770,330	2,197,147	1,305,933	1,674,000	2,881,075	4,325,830
18,202,110	16,918,525	8,336,406	16,450,029	20,858,552	18,050,864
101,283,833	107,226,242	108,577,224	111,439,713	117,192,391	138,306,107
4,609,793	5,924,132	14,093,576	15,439,120	7,751,132	8,220,578
195,636,082	205,079,376	212,747,058	229,875,965	234,701,587	257,305,734
4,785,410	5,067,908	5,083,452	5,483,945	6,184,834	5,947,788
5,445,961	6,694,187	5,096,001	5,935,170	6,178,953	5,910,159
76,186,117	81,936,301	83,152,766	84,858,958	86,970,728	87,877,605
3,043,470	3,272,414	3,670,138	3,796,628	3,300,153	3,114,979
20,099,837	21,779,719	22,445,977	22,174,862	24,337,265	27,821,384
16,158,133	19,718,543	18,149,211	18,826,900	18,432,426	19,926,594
14,067,489	15,049,233	15,855,236	17,625,696	19,192,005	19,974,710
14,265,340	14,028,350	25,477,618	20,344,916	22,440,027	28,281,722
541,321	539,743	420,778	895,025	867,690	757,321
6,737,168	6,657,150	5,601,859	8,086,232	7,610,322	9,135,033
11,073,210	11,322,610	9,602,128	11,107,228	11,767,021	13,012,458
40,253,946	47,880,501	9,634,742	5,195,897	2,103,663	8,134,665
6,547,836	7,992,578	9,337,680	13,954,352	13,715,658	14,960,635
7,937,194	8,371,309	8,761,139	6,546,015	6,625,993	6,230,409
227,142,432	250,310,546	222,288,725	224,831,824	229,726,738	251,085,462
(31,506,350)	(45,231,170)	(9,541,667)	5,044,141	4,974,849	6,220,272
–	–	–	–	–	–
–	6,251,000	–	–	–	–
–	–	–	210,326	31,219	182,021
–	7,455,000	8,340,000	132,865,000	–	3,105,000
–	17,000,000	–	–	–	–
–	1,690,099	951,055	4,923,285	–	130,618
537,500	1,824,796	1,350,145	2,251,230	1,181,850	1,117,052
–	–	–	–	398,925	–
–	–	(9,200,000)	(136,886,511)	–	–
2,042,900	8,667,013	4,611,885	–	622,962	309,446
(2,042,900)	(8,373,693)	(8,356,820)	(960,775)	–	(1,365,308)
537,500	34,514,215	(2,303,735)	2,402,555	2,234,956	3,478,829
$ (30,968,850)	$ (10,716,955)	$ (11,845,402)	$ 7,446,696	$ 7,209,805	$ 9,699,101
7.6%	7.6%	8.6%	9.3%	9.0%	9.3%

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INDEPENDENT SCHOOL DISTRICT NO. 284

Tax Capacities and Market Values
Last Ten Fiscal Years

Fiscal Year	Net Tax Capacity	Taxable Market Value	Percent Tax Capacity of Estimated Market Value
2015	$ 111,197,389	$ 9,846,198,999	1.1 %
2016	119,387,105	10,688,657,739	1.1
2017	127,889,211	11,410,014,227	1.1
2018	137,065,114	12,249,671,471	1.1
2019	146,188,244	13,028,383,691	1.1
2020	156,060,319	13,916,257,860	1.1
2021	166,478,303	14,839,903,276	1.1
2022	176,520,258	15,755,769,997	1.1
2023	182,970,236	16,443,824,055	1.1
2024	217,667,832	19,229,146,613	1.1

Note: Per the Hennepin County Taxpayer Services Division, reliable information for the breakdown of assessed and actual residential, commercial, and industrial property values is not available.

Source: Hennepin County Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

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

Fiscal Year	ISD No. 284	Corcoran	Maple Grove	Medicine Lake	Medina
2015	24.571%	49.743%	42.463%	37.508%	25.501%
2016	26.252%	45.311%	39.831%	34.127%	23.577%
2017	26.106%	45.691%	39.196%	40.413%	23.301%
2018	26.290%	45.994%	38.245%	35.525%	22.270%
2019	25.464%	45.357%	36.709%	45.247%	21.521%
2020	24.833%	45.160%	34.746%	42.765%	21.529%
2021	26.681%	45.013%	32.756%	48.696%	22.493%
2022	26.912%	43.522%	31.911%	46.388%	22.468%
2023	23.848%	42.122%	26.902%	41.635%	22.559%
2024	19.834%	42.410%	27.280%	37.834%	20.357%
County Auditor's Gross Spread Levies					
2015	$ 49,995,136	$ 100,000	$ 2,699,999	$ 350,000	$ 3,149,999
2016	55,954,344	167,872	3,189,576	391,702	3,749,151
2017	58,429,819	233,740	3,272,362	409,045	4,090,453
2018	68,605,225	304,340	3,226,004	426,076	4,199,892
2019	72,641,789	480,237	3,567,472	480,237	4,802,366
2020	79,769,816	797,649	3,828,717	558,355	5,344,251
2021	83,771,787	921,490	3,853,502	586,403	5,612,710
2022	85,835,162	1,201,692	4,034,253	515,011	6,008,461
2023	88,096,119	1,409,538	4,580,998	616,673	6,342,920
2024	92,385,480	1,662,939	4,711,659	646,698	6,928,911

Note: Above tax rates are used to levy city, county, and school district taxes.

Source: Hennepin County Taxpayer Services Division

Minnetonka	Orono	Plymouth	Wayzata	Hennepin County	Special Districts
38.194%	17.815%	30.114%	26.311%	49.959%	8.858%
37.089%	17.387%	28.374%	25.705%	46.398%	9.785%
35.674%	17.325%	27.330%	24.673%	45.356%	9.530%
36.378%	16.759%	26.482%	23.352%	44.087%	9.319%
35.710%	16.555%	26.344%	21.749%	42.808%	8.973%
34.676%	16.406%	25.920%	21.672%	41.861%	8.550%
36.574%	16.512%	25.796%	21.055%	41.084%	8.219%
35.556%	16.780%	26.119%	20.644%	38.535%	8.176%
33.922%	16.569%	24.307%	19.468%	38.535%	7.148%
34.958%	16.349%	24.775%	19.224%	34.681%	8.405%
$ 8,399,998	$ 550,000	$ 27,499,994	$ 7,249,998	$ 681,253,275	$ 127,112,287
9,177,027	615,532	30,832,572	7,834,047	695,586,226	129,960,888
9,641,782	584,350	32,022,403	8,180,906	726,763,726	135,429,950
9,556,277	608,680	33,903,780	8,643,257	759,408,857	142,541,391
10,771,020	686,052	37,870,083	9,947,758	788,559,712	147,240,760
11,964,741	717,884	45,226,722	11,326,622	829,555,042	154,800,273
12,565,768	753,946	47,749,919	11,728,050	868,958,906	156,344,726
12,703,604	772,516	48,754,372	11,845,252	899,375,132	162,053,155
12,157,264	792,865	50,038,596	12,157,265	930,849,945	166,557,210
12,379,654	831,469	52,013,025	13,211,124	991,309,287	179,657,718

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INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Property	2024 Net Tax Capacity	2024 Rank	2024 Percentage of Tax Capacity Value	2015 Net Tax Capacity	2015 Rank	2015 Percentage of Tax Capacity Value
Ridgedale Center LLC	Commercial	$ 1,724,970	1	0.79 %	$ 2,397,574	1	2.16 %
GEP XI Minnetonka, LLC	Commercial	1,482,713	2	0.68	–	–	–
IRET Prosperities	Commercial	1,397,263	3	0.64	–	–	–
CP6 Carlson, LLC	Commercial	1,359,375	4	0.62	–	–	–
Medica Health Plans	Commercial	1,312,150	5	0.60	1,389,446	2	1.25
AX 601 Tower L.P.	Commercial	1,202,430	6	0.55	982,408	3	0.88
WHQ, LLC	Commercial	1,146,170	7	0.53	909,064	4	0.82
TFO Reva Wildamere PCC, LLC	Commercial	1,131,690	8	0.52	–	–	–
Pembroke TCM Atria LLC	Apartment	975,250	9	0.45	–	–	–
CVIII Vicksburg Village LLC	Apartment	943,750	10	0.43	–	–	–
Talcott III Atria LLC	Commercial	–	–	–	865,942	5	0.78
RREEF America Reit II Corp.	Commercial	–	–	–	678,125	6	0.61
Greystar	Apartment	–	–	–	640,625	7	0.58
AEW LT Vicksburg LLC	Apartment	–	–	–	531,179	8	0.48
Plymouth Corp.	Apartment	–	–	–	475,076	9	0.43
Center DE LLC	Industrial	–	–	–	475,076	9	0.43
Total		$ 12,675,761		5.81 %	$ 9,344,515		8.42 %

Sources: Fiscal year 2024 information: obtained from the District's bond agents, Ehlers Public Finance Advisors (prepared by Ehlers and Associates, Inc.)

Fiscal year 2015 information: Hennepin County Department of Property Tax and Public Records

INDEPENDENT SCHOOL DISTRICT NO. 284

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

For Taxes Collectible	Taxes Levied for the Fiscal Year			First Year Levy Recognized		Collections Received in Subsequent Years
	Operating Tax Levy	Debt Tax Levy	Total	Amount	Percentage of Levy	
2015	$ 38,442,757	$ 11,552,379	$ 49,995,136	$ 49,855,092	99.7 %	$ 140,044
2016	40,225,448	15,728,896	55,954,344	55,775,065	99.7	179,279
2017	43,779,692	14,650,127	58,429,819	58,223,020	99.6	206,799
2018	56,479,703	12,125,522	68,605,225	68,580,763	100.0	(52,477)
2019	60,211,031	12,430,758	72,641,789	72,441,691	99.7	184,311
2020	65,159,083	14,610,733	79,769,816	79,555,962	99.7	182,811
2021	68,682,875	15,092,146	83,775,021	83,456,658	99.6	278,023
2022	69,309,760	16,528,296	85,838,056	85,445,760	99.5	329,212
2023	72,129,983	15,969,580	88,099,563	87,754,007	99.6	–
2024	74,659,493	17,736,000	92,395,493	46,100,000	49.9	–

Note: Collections received in subsequent years includes adjustments and abatements.

Source: Minnesota Department of Education School Tax Reports and Hennepin County Tax Settlement

Total to Date		Uncollected Taxes Receivable as of June 30, 2024			
		Delinquent		Current	
Amount	Percentage of Levy	Amount	Percent	Amount	Percent
$ 49,995,136	100.0 %	$ –	– %	$ –	– %
55,954,344	100.0	–	–	–	–
58,429,819	100.0	–	–	–	–
68,528,286	99.9	76,939	0.1	–	–
72,626,002	100.0	15,787	–	–	–
79,738,773	100.0	31,043	–	–	–
83,734,681	100.0	40,340	–	–	–
85,774,972	99.9	63,084	0.1	–	–
87,754,007	99.6	345,556	0.4	–	–
46,100,000	49.9	–	–	46,295,493	50.1
		$ 572,749		$ 46,295,493	

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Premium (Discount) on Bonds	Certificates of Participation	Finance Purchase	Lease	Technology Subscription	Total Primary Government		
2015	$174,070,000	$ 4,359,617	$ 9,220,000	$ 1,182,787	$ –	$ –	$188,832,404	4.9 %	$ 2,982
2016	165,110,000	3,625,490	8,495,000	6,239,289	–	–	183,469,779	4.5	2,826
2017	156,210,000	3,120,929	7,755,000	5,092,079	–	–	172,178,008	N/A	2,588
2018	220,160,000	6,208,464	7,000,000	9,174,643	–	–	242,543,107	N/A	3,646
2019	215,880,000	5,790,352	6,225,000	8,219,307	–	–	236,114,659	N/A	3,421
2020	218,020,000	7,035,999	22,590,000	8,001,525	–	–	255,647,524	N/A	3,600
2021	210,715,000	7,229,090	21,460,000	7,588,990	–	–	246,993,080	N/A	3,383
2022	205,420,000	9,277,034	20,180,000	7,305,616	686,185	–	242,868,835	N/A	3,318
2023	195,640,000	8,357,439	18,860,000	6,150,648	550,957	255,313	229,814,357	N/A	3,140
2024	187,700,000	7,666,807	17,500,000	4,991,690	408,157	118,488	218,385,142	N/A	2,951

N/A – Not Available

(1) See Demographic and Economic Statistics table for population and personal income.

Source: The District's outstanding debt can be found in the notes to basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratio of Net General Obligation Bonded Debt
to Tax Capacity and Net General Obligation Bonded Debt
per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Net Tax Capacity	Percent of Net Debt to Net Tax Capacity	Estimated Population (1)	Net Bonded Debt per Capita
2015	$ 178,429,617	$ 2,044,497	$ 176,385,120	$ 111,197,389	158.62 %	63,317	$ 2,786
2016	168,735,490	2,618,143	166,117,347	119,387,105	139.14	64,917	2,559
2017	159,330,929	2,475,932	156,854,997	127,889,211	122.65	66,517	2,358
2018	226,368,464	2,606,958	223,761,506	137,065,114	163.25	66,517	3,364
2019	221,670,352	2,833,280	218,837,072	146,188,244	149.70	69,017	3,171
2020	225,055,999	2,683,374	222,372,625	156,060,319	142.49	71,017	3,131
2021	217,944,090	2,799,411	215,144,679	166,478,303	129.23	73,017	2,947
2022	214,697,034	3,079,092	211,617,942	176,520,258	119.88	73,197	2,891
2023	203,997,439	3,836,342	200,161,097	182,970,236	109.40	73,197	2,735
2024	195,366,807	3,145,880	192,220,927	217,667,832	88.31	74,015	2,597

(1) See Demographic and Economic Statistics table for population.

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INDEPENDENT SCHOOL DISTRICT NO. 284

Direct and Overlapping Debt
as of June 30, 2024

Governmental Unit	Tax Collection Calendar Year – 2024 Taxable Net Tax Capacity	General Obligation Debt (1)	Debt Applicable to Tax Capacity in ISD No. 284 (2)	
			Percent	Amount
Direct debt				
Independent School District No. 284	$ 241,115,748	$ 218,385,142	100.00 %	$ 218,385,142
Overlapping debt				
Hennepin County	2,859,451,218	1,463,480,000	6.28	91,949,628
Cities				
Corcoran	19,881,089	36,730,000	21.03	7,722,887
Maple Grove	162,579,655	82,980,000	7.22	5,993,888
Medicine Lake	1,673,687	910,000	98.24	893,987
Medina	29,253,929	8,520,000	59.32	5,054,114
Minnetonka	148,514,633	57,680,000	20.91	12,061,679
Orono	57,673,615	17,110,000	3.64	622,700
Plymouth	204,750,465	58,855,000	63.68	37,479,852
Wayzata	33,571,623	24,035,000	98.29	23,622,923
Other				
Metropolitan Council	2,867,585,325	1,193,534,000	8.41	100,356,157
Three Rivers Park District	2,052,772,775	59,870,000	11.75	7,032,244
Total overlapping debt				292,790,059
Total direct and overlapping debt				$ 511,175,201

(1) Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does not include nongeneral obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

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

Source: Hennepin County Department of General Services – Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Debt limit	$ 1,504,001,884	$ 1,603,298,661	$ 1,711,502,134	$ 1,837,450,721
Total net debt applicable to the limit	170,174,267	166,117,347	156,854,997	223,761,506
Legal debt margin	$ 1,333,827,617	$ 1,437,181,314	$ 1,554,647,137	$ 1,613,689,215
Total net debt applicable to the limit as a percentage of debt limit	11.31%	10.36%	9.16%	12.18%

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

Source: State of Minnesota School Tax Report

2019	2020	2021	2022	2023	2024
$ 1,954,257,554	$ 2,087,438,679	$ 2,225,985,491	$ 2,363,365,500	$ 2,466,573,608	$ 2,884,371,992
218,837,072	222,372,625	215,144,679	211,617,942	200,161,097	192,220,927
$ 1,735,420,482	$ 1,865,066,054	$ 2,010,840,812	$ 2,151,747,558	$ 2,266,412,511	$ 2,692,151,065
11.20%	10.65%	9.67%	8.95%	8.11%	6.66%

Legal Debt Margin Calculation for Fiscal Year 2024

Market value	$19,229,146,613
Debt limit (15% of market value)	2,884,371,992
Debt applicable to the limit	
General obligation bonds	195,366,807
Less amount set aside for repayment of general obligation debt	(3,145,880)
Total net debt applicable to the limit	192,220,927
Legal debt margin	$ 2,692,151,065

INDEPENDENT SCHOOL DISTRICT NO. 284

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2015	63,317	$ 3,893,488,964	$ 61,492	10,762	3.7 %
2016	64,917	4,103,857,989	63,217	10,858	3.7
2017	66,517	N/A	N/A	11,330	3.5
2018	66,517	N/A	N/A	11,642	2.8
2019	69,017	N/A	N/A	11,912	3.2
2020	71,017	N/A	N/A	12,134	9.8
2021	73,017	N/A	N/A	11,909	4.7
2022	73,197	N/A	N/A	11,841	2.2
2023	73,197	N/A	N/A	12,248	3.2
2024	74,015	N/A	N/A	12,499	3.9

N/A – Not Available

Sources: Population data based on information from property developers and cities; methodology approved by the State Demographer's Office.

Per capita personal income data is for the state of Minnesota and is obtained from the United States Census Bureau.

Enrollment information from district records.

Unemployment rates are for Hennepin County as of June and is obtained from the Minnesota Department of Employment and Economic Development.

INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2024 Employees	2024 Rank	2015 Employees	2015 Rank
Carlson Companies	4,500	1	4,500	1
Independent School District No. 284	1,448	2	1,510	3
Medica Health	1,300	3	1,300	4
Sioux Falls Leased Housing	1,000	4	–	–
Abbott Laboratories	800	5	–	–
CWT	400	6	–	–
Wagner Spray Tech Corporation	400	6	–	–
Life Time	325	8	–	–
Turck, Inc.	300	9	–	–
Crown Plaza Minneapolis West	281	10	–	–
Cargill, Inc.	–	–	4,000	2
United Health Group	–	–	–	–
Aimia	–	–	1,000	5
TCF National Bank	–	–	1,000	5
St. Jude Medical	–	–	800	7
US Foods	–	–	550	8
Nilfisk-Advance, Inc.	–	–	450	9
Deltak LLC	–	–	330	10
Total	10,754		15,440	
Demographic and Economic Statistics	74,015		63,317	
Percent of principal employers to total ISD No. 284 population	14.53%		24.39%	

Sources: Fiscal year 2024 information was obtained from the Official Statement associated with the District's General Obligation School Buildings Bonds, Series 2023A (prepared by Ehlers and Associates, Inc.)

INDEPENDENT SCHOOL DISTRICT NO. 284

Employees by Classification
Last Ten Fiscal Years

Employees	Fiscal Year 2015	2016	2017	2018
Administration				
Principals	12.0	12.0	12.0	12.0
Associate principals	8.0	6.0	6.0	6.0
Unaffiliated	37.2	36.1	38.2	39.1
Total administration	57.2	54.1	56.2	57.1
Instructional administrators				
High school classroom teachers	157.5	153.0	155.7	155.4
Middle school classroom teachers	134.6	131.7	133.4	137.2
Elementary classroom teachers	213.0	203.0	219.0	230.0
High school – area learning center	8.0	6.3	7.7	6.7
Middle school – area learning center	2.0	1.5	1.5	1.0
Community education – early childhood family education	3.8	5.5	3.5	3.5
Special services	77.0	66.0	68.6	96.6
Elementary specialists and intervention	65.6	64.7	72.2	82.7
Total instructional administrators	661.5	631.7	661.5	713.1
Student services				
Curriculum and instruction – resource, peer, alt comp	20.0	21.0	15.5	16.5
Media centers – elementary	7.0	7.0	8.0	7.9
High school – professional development	0.3	0.3	0.3	0.3
High school – counselors, media, Vision 21, intervention	13.0	17.0	18.7	18.5
Middle schools – counselors, media, Vision 21, intervention	14.0	15.5	18.2	19.3
Technology	3.0	3.0	3.0	3.0
Special services – social workers, psychologists, nurses, etc.	46.2	59.2	54.9	38.3
Total student services	103.5	123.0	118.6	103.8
Support services				
Clerical/secretarial/administrative professional	49.9	50.9	50.9	49.9
Custodial	73.0	75.0	83.5	85.5
Food service	44.9	46.2	48.8	49.4
Paraprofessionals	244.6	246.9	238.6	239.7
Unaffiliated specialists	22.8	22.8	20.9	21.9
Unaffiliated support staff	4.0	4.0	4.8	5.7
Total support services	439.2	445.8	447.5	452.1
District-wide totals	1,261.4	1,254.6	1,283.8	1,326.1

Note: All full-time equivalents are based on an 8-hour day.

Source: The District's Human Resources Department

2019	2020	2021	2022	2023	2024
13.0	13.0	13.0	13.0	13.0	13.0
7.0	7.0	8.0	8.0	8.0	8.0
43.1	43.1	45.0	44.0	43.8	44.8
63.1	63.1	66.0	65.0	64.8	65.8
157.8	162.3	163.3	161.2	157.8	152.5
139.5	139.7	149.6	151.6	137.8	133.4
241.0	250.0	248.5	239.2	230.0	225.7
6.7	6.7	7.0	6.3	7.0	7.0
3.0	3.3	1.5	0.8	1.0	0.5
3.5	3.7	4.2	4.2	4.7	5.2
92.3	88.6	103.3	105.9	105.5	124.3
87.9	93.9	102.7	93.4	86.8	79.6
731.7	748.3	780.1	762.6	730.6	728.2
23.0	25.0	21.3	17.2	18.1	19.5
8.0	9.0	9.0	9.0	4.5	4.5
0.3	–	–	–	–	–
20.4	23.0	23.0	19.0	21.8	21.5
20.0	19.4	19.8	20.3	20.5	16.0
3.0	3.0	3.0	3.0	3.0	3.0
58.6	58.9	62.9	62.3	70.7	65.1
133.3	138.3	139.0	130.8	138.6	129.6
47.9	45.7	44.7	44.6	44.1	45.1
86.0	88.2	89.2	88.7	88.1	93.1
57.0	55.0	50.2	56.6	51.8	61.8
228.2	243.7	208.2	209.2	215.5	216.4
20.5	29.1	26.0	14.0	21.7	21.6
6.7	10.4	15.0	8.0	11.8	12.8
446.3	472.1	433.3	421.1	433.0	450.8
1,374.4	1,421.8	1,418.4	1,379.5	1,367.0	1,374.4

INDEPENDENT SCHOOL DISTRICT NO. 284

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
2015	10,762	$133,929,448	$ 12,445	0.3 %	505	21.3	13.0 %
2016	10,858	136,420,224	12,564	1.0	488	22.3	13.9
2017	11,330	143,803,361	12,692	1.0	508	22.3	14.0
2018	11,642	154,352,148	13,258	4.5	523	22.3	12.0
2019	11,912	167,080,676	14,026	5.8	538	22.1	12.0
2020	12,134	178,135,010	14,681	4.7	552	22.0	11.5
2021	11,909	179,341,831	15,059	2.6	561	21.2	10.3
2022	11,841	185,223,767	15,643	3.9	552	21.5	9.6
2023	12,248	196,731,064	16,062	2.7	526	23.3	15.6
2024	12,499	205,831,722	16,468	2.5	512	24.4	16.9

Note: Operating expenditures are total expenditures less debt service, capital outlays, and capital expenditures in the General Fund which are reported within each function.

Source: Nonfinancial information from district records

INDEPENDENT SCHOOL DISTRICT NO. 284

Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Elementary schools										
Birchview (1969)										
Square feet	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720
Capacity	592	592	550	550	550	550	550	550	550	550
Enrollment	622	586	481	499	474	447	415	395	433	452
Gleason Lake (1988)										
Square feet	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710
Capacity	690	690	690	690	690	690	690	690	690	690
Enrollment	636	622	571	568	586	634	602	573	568	589
Greenwood (1964)										
Square feet	88,016	88,016	88,016	88,016	88,016	88,016	88,016	88,016	88,016	88,016
Capacity	820	820	780	780	780	780	780	780	780	780
Enrollment	863	856	747	794	813	775	722	779	824	810
Kimberly Lane (1991)										
Square feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Capacity	690	690	710	710	710	710	710	710	710	710
Enrollment	764	718	649	760	778	628	571	571	526	531
Meadow Ridge (2016)										
Square feet	–	–	85,208	102,508	102,508	102,508	102,508	102,508	102,508	102,508
Capacity	–	–	710	828	828	828	828	828	828	828
Enrollment	–	–	758	853	869	768	769	783	769	755
North Woods (2020)										
Square feet	–	–	–	–	–	104,611	104,611	104,611	104,611	104,611
Capacity	–	–	–	–	–	760	760	760	760	760
Enrollment	–	–	–	–	–	569	601	691	775	809
Oakwood (1957)										
Square feet	95,476	95,476	95,476	95,476	95,476	95,476	139,570	139,570	139,570	139,570
Capacity	690	690	640	640	640	640	640	640	640	640
Enrollment	576	675	475	515	562	494	458	424	418	448
Plymouth Creek (1988)										
Square feet	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000
Capacity	690	690	710	710	710	710	710	710	710	710
Enrollment	747	762	669	690	714	675	629	603	588	659
Sunset Hill (1963)										
Square feet	73,598	73,598	73,598	73,598	73,598	73,598	73,598	73,598	73,598	73,598
Capacity	690	690	660	660	660	660	660	660	660	660
Enrollment	581	596	664	681	681	682	621	635	675	706
Middle schools										
East (1967)										
Square feet	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111
Capacity	800	800	850	850	850	850	850	850	850	850
Enrollment	771	743	780	733	747	690	677	648	648	674
West (1949)										
Square feet	167,000	167,525	167,525	167,525	167,525	167,525	167,525	167,525	167,525	167,525
Capacity	900	900	850	850	850	850	850	850	850	850
Enrollment	745	772	791	771	758	748	723	684	680	714
Central (1961)										
Square feet	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568
Capacity (1)	1,700	1,700	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,036	1,118	1,209	1,268	1,320	1,316	1,401	1,412	1,532	1,546
High school										
Peony (1997)										
Square feet	487,432	487,432	656,432	656,432	656,432	656,432	656,432	656,432	656,432	656,432
Capacity	3,200	3,200	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Enrollment	3,305	3,334	3,410	3,453	3,558	3,669	3,685	3,685	3,687	3,711
Transition School (2023)										
Square feet	–	–	–	–	–	4,000	4,000	4,000	4,000	8,600
Capacity	–	–	–	–	–	30	30	30	30	75
Enrollment	–	–	–	–	–	15	30	30	48	39

(1) Through fiscal 2016, Central Middle School capacity includes space for 1,400 middle school students and 300 birth-to-kindergarten students.

Source: Information was obtained from district records. Enrollment data is as of October 1 of the fiscal year.

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