

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021



WACONIA PUBLIC SCHOOLS

Independent School District #110

512 Industrial Boulevard

Waconia, MN 55387

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021

PREPARED BY

BUSINESS OFFICE STAFF

WACONIA, MINNESOTA

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INDEPENDENT SCHOOL DISTRICT NO. 110
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INTRODUCTORY SECTION



December 3, 2021

To: Citizens of Independent School District 110 / Waconia Public Schools
Members of the Board of Education
Employees of the District

INTRODUCTION

The Annual Comprehensive Financial Report of Waconia Public Schools – Independent School District No. 110 (District) is submitted for the fiscal year (FY) ended June 30, 2021. The enclosed information is accurate in all material respects and reported in a manner that fairly presents the District's financial position and results of operations. The District Administration accepts full responsibility for the accuracy, completeness and fairness of this presentation.

This report is prepared in conformance with United States Generally Accepted Accounting Principles (GAAP). This report is also consistent with legal reporting requirements of the State of Minnesota. In addition to meeting legal requirements, this report is intended to present a comprehensive summary of significant financial data to meet the needs of citizens, taxpayers, employees, financial institutions, and the School Board.

Accounting principles generally accepted in the United States of America require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the District can be found immediately following the report of the independent auditors.

REPORT FORMAT

The annual comprehensive financial report is presented in three sections.

Introductory Section - includes this letter of transmittal, an organization chart, and a list of School Board members and administrative personnel. The Introductory Section is not audited.

Financial Section - includes the independent auditors' report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to the financial statements, required supplementary information, and supplementary information.

Statistical Section - includes selected financial, demographic, and economic information, generally presented on a multi-year comparative basis. The Statistical Section is not audited.

REPORTING ENTITY AND ITS SERVICES

Independent School District No. 110 also known as the Waconia Public Schools, is an instrumentality of the State of Minnesota established to function as an educational institution. The District is an independent entity governed by an elected seven member School Board. The School Board has the power and duty to set budgets, certify tax levies, issue debt, and perform other tasks necessary to the operation of the District. The District is subject to the oversight of the Minnesota Department of Education. The District does not have any component units.

The District, an outer ring Minneapolis suburban school district, serves a general population of approximately 22,738 and covers an area of about 99 square miles. The District owns and operates all of its facilities in the city of Waconia. The District has one high school, one middle school, one alternative school, three elementary schools, and one multi-purpose facility which serve slightly over 4,000 students.

The Waconia Public Schools end of the year average daily membership for FY21 was 3,972. Over the last six years, the District has experienced an increase in enrollment of 112 students or 2.9%. This trend is expected to continue for at least the next six years. More detailed enrollment information is included in the Financial Section in the MD&A.

The District provides a full range of public education services appropriate to our students in grade levels ranging from pre-kindergarten through grade 12. These services include regular and enriched academic education, special education and career/vocational education. Food service and transportation are provided as supporting programs. The District's community education program includes Early Childhood and Family Education programs, Adult Basic Education programs, School Readiness, and a wide variety of classes for lifelong learning experiences for children and adults.

ECONOMIC CONDITION AND OUTLOOK

The District is situated primarily in Carver County with a small portion in south-western Hennepin County. The District has a current estimated population of 22,738 compared with a population of 20,764 as determined by the 2010 census compared with a population of 12,674 from the 2000 census. The school district grew from 3,339 students in FY 2011 to 3,972 in FY 2021 for a growth rate of 19.0%. The decline in enrollment in FY2021 was mostly due to the COVID-19 pandemic. Enrollment in FY2022 has rebounded to slightly over 4,070 students on October 1, 2021. With the many homes currently being built and planned for in the City of Waconia, District staff is expecting a growth rate of 3% to 5% annually over the next five years.

The District is located in an ideal area for growth in the western metropolitan area. Growth in the District is expected to continue at a similar pace over the next ten years. According to the City of Waconia's Land Use Activity and Development Report for 2020 a total of 43 new home units were built in 2020. By comparison, a total of 72 new home units were constructed in 2019 and a total of 67 new home units were constructed in 2018. There are a number of larger developments in various stages of the planning cycle with the city which could lead to a very rapid growth cycle. The potential to add over 1,500 housing units in the next five years is a very real possibility.

FINANCIAL AND BUDGETARY CONTROL

The District complies with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota schools. UFARS, established in 1976, dictates a modified accrual basis of accounting. An audited annual financial report is required to be provided to the Minnesota Department of Education by December 31, subsequent to the year end on June 30.

The District has established and maintained internal controls designed to ensure that the assets of the District are protected from theft, misuse or losses. These controls are also designed to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) and Minnesota UFARS. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of the costs and benefits requires estimates and judgments by management.

Minnesota school finance law requires that the budget fiscal year begin July 1 and end June 30. The District develops a General Fund Budget, Food Service Fund Budget, Community Service Fund Budget, Debt Service Budget and other necessary budgets on an annual basis.

The budget process is comprised of five phases - planning, preparation, adoption, implementation, and evaluation. Planning and preparation for the FY 2021 budget began in December of 2019 with approval of the budget development plan and analysis of the student enrollment trend. The current enrollment status provided the data to update allocations for site non-payroll budgets. Expenditure estimates were updated both on a site basis and district-wide basis in the spring. An enrollment projection was developed in early April and provided the key data for the budget's revenue projection. The FY 2021 Budget was adopted in June of 2020 and implemented on July 1, 2020. The District completes a budget revision during the fiscal year normally in February and again in June.

To accurately track and report financial activities, with a focus on site responsibility, over 10,000 account codes have been defined in the District's chart of accounts.

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

Fund Balance Policy #714: The School District will strive to maintain a minimum unassigned general fund balance of not less than 5% and not more than 25% of the General Fund Operating Budget. The policy created new fund balance classifications to allow for more useful fund balance reporting and for compliance with the reporting guidelines specified in Statement No. 54 of the Governmental Accounting Standards Board (GASB). The fund balance categories are nonspendable, restricted, committed, assigned, and unassigned.

Fund Balance Policy #701.1: Establishes procedures for the modification of the School Districts adopted revenue and expenditure budgets.

Unassigned fund balance is the single best measure of overall financial health. The unassigned fund balance was (\$5,207,470) as of June 30, 2021. This means, according to Minnesota Statutes, Section 123B.81, subdivision 2, the District is currently in Statutory Operating Debt (SOD). This occurred because the District is reporting a year-end Net Negative Unreserved General Fund Balance exceeding more than 2.5% of its unreserved/undesignated operating expenditures. The fund balance was (\$6,258,625) as of June 30, 2020 so the District has taken some initial steps towards both a positive unassigned fund balance and regaining a positive fund balance.

District staff along with the school board worked in collaboration with representatives of the state of Minnesota's Department of Education to put together a long-term plan to correct the fund balance deficiency. That plan was presented to the board at its January 31, 2021 meeting for approval.

District voters approved an operating levy of \$410 per student in the fall of 2020 which will take effect in the 2021-2022 school year. This increase in funding of approximately \$1.8 million per year will significantly assist the District as it begins to grow its fund balance to meet board policy requirements.

The District encourages constituents to look closely at the financial performance and management. The District welcomes the opportunity to be fully accountable to the School Board, Staff and Community.

The District has received the Association of School Business Officials' Certificate of Excellence in Financial Reporting in FY 2011 through FY 2020. District staff is very proud to have achieved this national award for ten straight years.

Waconia Public Schools Mission, Vision, Core Values, & Theory of Action

MISSION STATEMENT- Our Core Purpose

ISD 110 empowers students to explore their passions and create their success by providing opportunities for academic, social, and emotional growth.

VISION STATEMENT - What We Commit to Create

ISD 110 students will:

- ✓ **Achieve academic success** - through choice, rigor, and relevance
- ✓ **Be inspired** - to explore who they are and who they will become
- ✓ **Feel they belong** - in school and in the community – **WEareONE10!**

CORE VALUES - Drivers of Our Words and Actions

- ✓ **Respect**- We honor the perspectives of others and we own our individual actions.
- ✓ **Collaboration**- We work and learn together.
- ✓ **Inclusiveness**- We reach beyond ourselves to value and connect with others.
- ✓ **Empathy**- We respond to others with authentic care.
- ✓ **Resilience** - We work through challenges and setbacks with courage, persistence, and optimism.

THEORY OF ACTION - Our Commitment to Continuous Learning

If we ...

- ✓ **Believe** all students have the ability to learn and achieve to their potential, and
- ✓ **Create** an environment of safety and belonging, and
- ✓ **Respond** to our students' social, emotional, and academic needs, and
- ✓ **Build** trust and genuine partnerships with students, parents, and colleagues, and
- ✓ **Achieve** learning through high expectations, effective instruction, and established outcomes, and
- ✓ **Inspire and engage** students through a shared responsibility for learning, and
- ✓ **Commit** to continuous learning and improvement, **then students will ...**

EXPLORE THEIR PASSIONS AND CREATE THEIR SUCCESS!

Student Achievement

In order to have our mission become a reality, academic standards of the Waconia Public Schools are high. We use the Minnesota state standards in Mathematics, English Language Arts, Social Studies, Science and Art as the core of our curriculum. We use national or international standards in Business, Industrial Technology, Agriculture, World Languages, Health, Physical Education, and Music.

Teaching our students to become contributing members of our society is also a high priority. Students, teachers, and support staff participate in many community-building initiatives, such as service clubs and volunteer activities. Service learning is an integrated and important part of the education of all students.

Our high school offers Advanced Placement (AP) and College in the Schools (CIS) opportunities in numerous subject areas. All students in grades 2 – 8 take the FAST Bridge Learning exams three times a year in reading and mathematics. Growth is measured individually, as well as by classroom and district. Opportunities for remediation and acceleration are available. In addition to national standardized tests and state assessments, formative and summative assessments are an expectation for all classroom teachers and for all students.

The federal No Child Left Behind (NCLB) law requires schools to demonstrate that students are meeting Adequate Yearly Progress (AYP) goals. This progress is measured by the Minnesota Comprehensive Assessments (MCA). The District continues to operate all-day, everyday kindergarten for all students as a way to assist in closing the achievement gap early in a child's learning experience.

Student Achievement Programs & Improvements:

- Continue to offer all-day, everyday kindergarten to better serve the needs our young learners as well as to attempt to close the achievement gap early.
- Continue to use FAST testing in math and reading in grades 2-10 as a means of assessing student growth, as well as program and instructional quality.
- Maintain and update a comprehensive strategic work plan that addresses goals and objectives for all District sites.
- Expand foreign language opportunities for students in grades 1-12.
- Curriculum maps are developed according to the curriculum review cycle. They are available on the District website. This provides public awareness of curriculum content, assessment and implementation of standards.
- Continue to offer Project Lead The Way during the 2020-21 school year. Staff continues to be trained in this pre-engineering course of study.
- Maintain an active Curriculum Advisory Committee comprised of interested community members, parents and students.
- Provide Targeted Services summer and after-school programming for students needing academic and social development. Enrollment in the program is very strong.
- The District Site Council is involved in staff development activities and the funding of teacher-generated "Best Practices" initiatives.
- Gifted and Talented Education dollars are used for enrichment activities at the building level. This allows the District to provide additional opportunities for students needing acceleration and enrichments.
- Capitalize on volunteers, foundations, and the Parent-Teacher-Student-Association's willingness to bring value added opportunities to students via curriculum enhancements, student life enhancements, and hundreds of hours of assistance in the classroom.

BUILDING AGE

The District currently owns and operates seven major school facilities. Bayview Elementary was originally constructed in 1918, has a capacity for 640 students, and has undergone significant remodeling over the years with the most recent being a complete remodeling occurring in 2008. Southview Elementary was originally built in 1961, has a capacity for 650 students and underwent significant remodeling in 2008 as well. Laketown Elementary was added in the fall of 2016 as a third elementary school. Waconia Middle School was original built in 1994 as Waconia High School, with a capacity for 800 students, and was added on to in 2008 increasing its capacity to 1,066. It was then remodeled in 2017 to convert it into a middle school with a capacity for 1,082 students. Waconia High School was originally built in 2001 as a middle school, with a capacity for 800 students, and was added on to in 2008 increasing its capacity to 1,066. It was then significantly remodeled and added on to in 2017 increasing its capacity to 1,600 students. In addition, approximately 60 acres of land directly west of the new high school has been purchased and turned into athletic fields. District facilities are generally perceived as being in excellent condition.

INDEPENDENT AUDIT

District policy and state statutes require an annual financial audit by independent certified public accountants. The District engaged CliftonLarsonAllen LLP to conduct the annual audit. The District also engaged CliftonLarsonAllen LLP to perform the audit of its federal programs in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The District's federal programs are discussed in a report separate from the annual comprehensive financial report.

ACKNOWLEDGEMENTS

Preparation of this report could not have been accomplished without the efficient and dedicated services of the Business Office staff. We very much appreciate the hard work and expertise from our auditors, CliftonLarsonAllen LLP. Their work has been instrumental in the preparation of this document.

We would like to express our appreciation to the Board of Education for the interest and support in planning and conducting the operations of the District in a responsible and progressive manner.

Sincerely,



Patrick Devine
Superintendent



Todd Swanson
Director of Finance and Operations



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Waconia Public Schools ISD 110

for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.

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



W. Edward Chabal

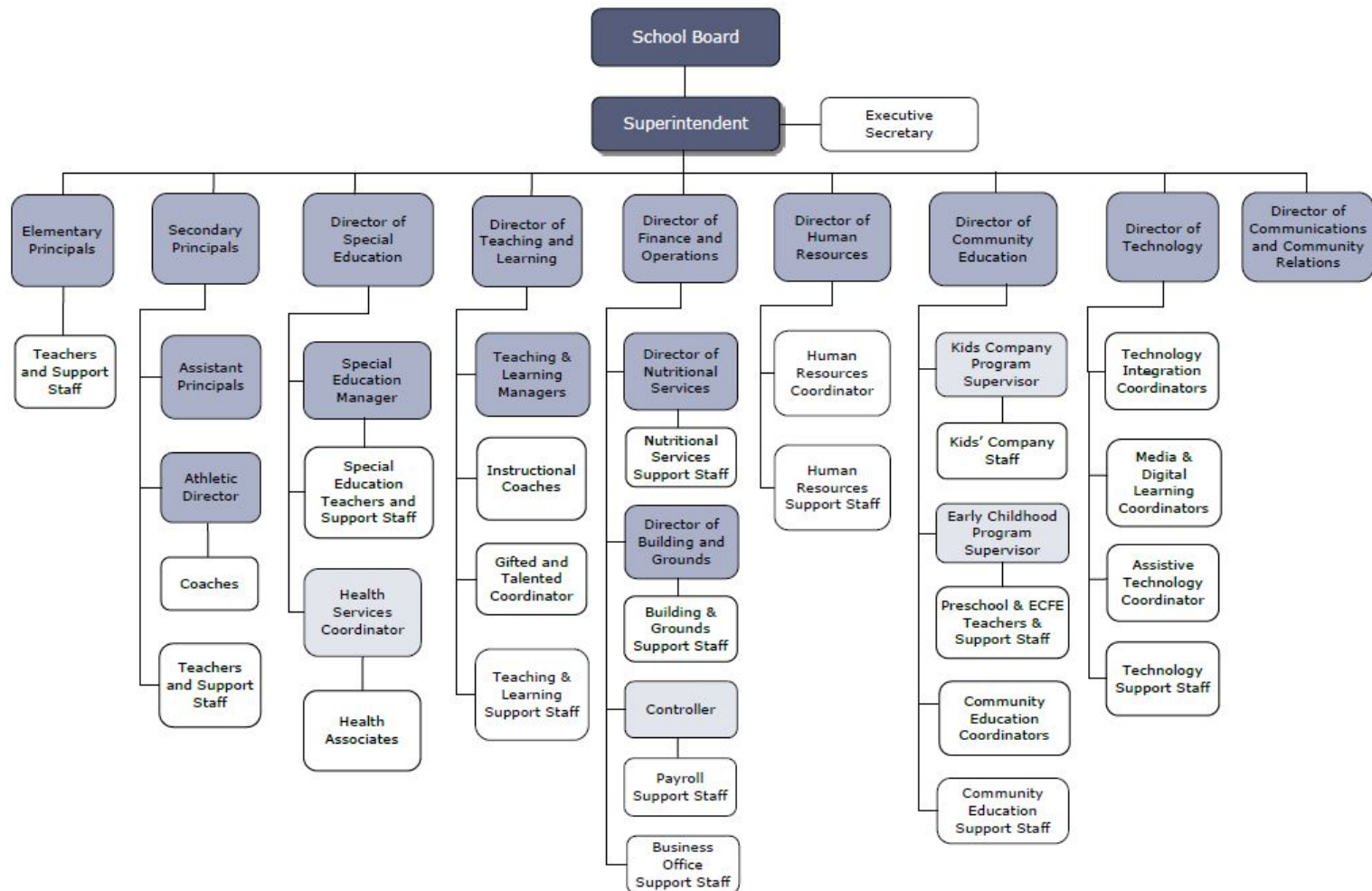
W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
ORGANIZATIONAL CHART
JUNE 30, 2021**

District 110 Organizational Chart



**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2021**

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Dana Geller	12/31/24	Chairperson
Jackie Johnson	12/31/22	Vice-Chairperson/ Clerk
Mike Bullis	12/31/22	Director
Rachel Myers	12/31/22	Director
John Weinand	12/31/22	Treasurer
Luke DeBoer	12/31/24	Director
Alycia Myers	12/31/24	Director

ADMINISTRATION

Patrick Devine	Superintendent
Todd Swanson	Director of Finance and Operations
Jessica Kilian	Clerk
District Offices:	Independent School District No. 110 Waconia Public Schools 512 Industrial Boulevard Waconia, Minnesota 55387 952-442-0600

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Education
Independent School District No. 110
Waconia Public Schools
Waconia, Minnesota

Report on the Financial Statements

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. 110 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and respective budgetary comparisons for the General Fund, Food Service Fund, and Community Service Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the District's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Other Information

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, individual fund financial statements and schedules, the Uniform Financial Accounting and Reporting Standards Compliance Table, and the statistical section as listed in the table of contents, for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules and Uniform Financial Accounting and Reporting Standards Compliance Table are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021, 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,

Other Information (Continued)

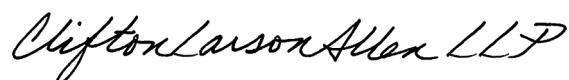
and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules and the Uniform Financial Accounting and Reporting Standards Compliance Table are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated November 11, 2020 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the FY2020 financial statements. The individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the FY2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



CliftonLarsonAllen LLP

Austin, Minnesota
December 3, 2021

REQUIRED SUPPLEMENTARY INFORMATION

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

This section of Waconia Schools – Independent School District 110's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year include the following:

- Total General Fund revenues and other financing sources were \$49,349,506 as compared to \$48,096,406 of expenditures and other financing uses which caused fund balance to increase by \$1,253,100.
- Net position increased by \$116,042 due to changes in the liability related to pensions.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-Wide Statements

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Statements (Continued)

The two government-wide statements report the District's net position and how they have 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 is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has three kinds of funds:

- Governmental Funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationship or differences.
- Proprietary Funds – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.
 - The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has one Internal Service Fund for self-insurance of dental benefits.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

- **Fiduciary Funds** – The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was (\$36,928,990) on June 30, 2021. This was an increase of 0.3% from the prior year (see Table A-1). Deferred outflows of resources decreased by approximately \$10,585,000, net pension liability increased by approximately \$3,321,000, deferred inflows of resources decreased by \$9,141,000, and OPEB liability increased by approximately \$842,000 all related to changes in the assumptions.

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

	Governmental Activities		Percentage
	2021	2020	Change
Current and Other Assets	\$ 31,090,141	\$ 24,803,665	25.3 %
Capital Assets	134,463,966	139,401,106	(3.5)
Total Assets	<u>165,554,107</u>	<u>164,204,771</u>	0.8
Deferred Outflows of Resources	15,390,367	25,975,764	(40.8)
Current Liabilities	22,155,713	20,165,539	9.9
Long-Term Liabilities	152,455,535	154,656,711	(1.4)
Total Liabilities	<u>174,611,248</u>	<u>174,822,250</u>	(0.1)
Deferred Inflows of Resources	<u>43,262,216</u>	<u>52,403,317</u>	(17.4)
Net Position:			
Net Investment in			
Capital Assets	15,005,980	13,856,029	8.3
Restricted	2,233,144	1,196,338	86.7
Unrestricted	(54,168,114)	(52,097,399)	4.0
Total Net Position	<u>\$ (36,928,990)</u>	<u>\$ (37,045,032)</u>	(0.3)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position

The District's total revenues were \$64,774,985 for the year ended June 30, 2021. Property taxes and state formula aid accounted for 73% of total revenue for the year (see Figure A-1). Another 23% came from operating and capital grants. The remainder came from charges for services, other general revenues combined with investment earnings, and program revenues.

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

	Governmental Activities for the Fiscal Year Ended June 30,		Total %
	2021	2020	Change
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 2,730,086	\$ 4,080,039	(33.1)%
Operating Grants and Contributions	15,164,667	10,744,917	41.1
Capital Grants and Contributions	668,106	871,774	(23.4)
<u>General Revenues</u>			
Property Taxes	16,153,936	15,390,092	5.0
Unrestricted State Aid	29,806,650	29,522,767	1.0
Investment Earnings	63,554	157,250	(59.6)
Other	187,986	191,731	(2.0)
Total Revenues	<u>64,774,985</u>	<u>60,958,570</u>	6.3
Expenses			
Administration	1,718,787	1,727,419	(0.5)
District Support Services	2,115,275	1,978,334	6.9
Regular Instruction	28,790,957	28,868,573	(0.3)
Vocational Education Instruction	634,772	732,344	(13.3)
Special Education Instruction	10,680,519	10,279,492	3.9
Instructional Support Services	3,286,539	3,261,940	0.8
Pupil Support Services	3,910,399	4,276,406	(8.6)
Sites and Buildings	4,920,182	5,152,061	(4.5)
Fiscal and Other Fixed Cost Programs	257,708	95,320	170.4
Food Service	2,100,954	2,315,111	(9.3)
Community Service	2,835,711	3,088,355	(8.2)
Interest and Fiscal Charges on Long-Term Liabilities	3,407,140	3,830,421	(11.1)
Total Expenses	<u>64,658,943</u>	<u>65,605,776</u>	(1.4)
Change in Net Position	116,042	(4,647,206)	
Beginning Net Position	(37,045,032)	(32,397,826)	
Ending Net Position	<u>\$ (36,928,990)</u>	<u>\$ (37,045,032)</u>	

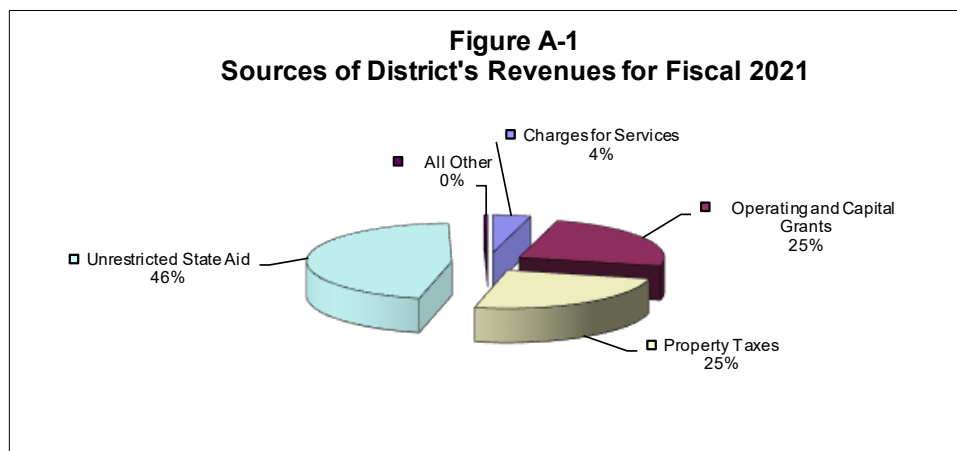
The total cost of all programs and services including interest and fiscal charges was \$64,658,943. Total revenues exceeded expenses by \$116,042. Charges for services decreased due to a change in funding which caused an increase in operating grants and contributions. The decrease in expenses is due to moderate spending offset with an increase in spending of additional federal grants received.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

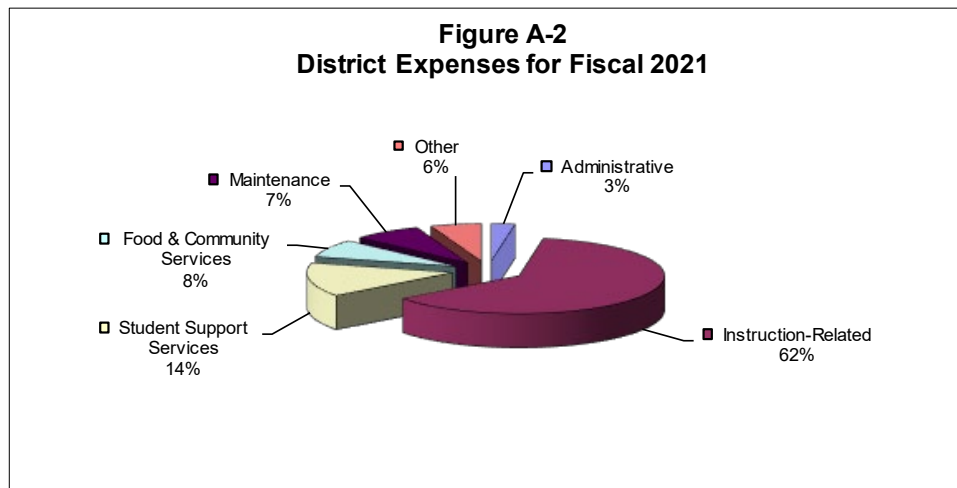
The total revenue for all governmental activities this year was \$64,774,985 as depicted in Figure A-1 below.

- Some of the revenue was paid by the users of the District's programs of 4%.
- The federal and state governments subsidized certain programs with grants and contributions of 25%.
- The remainder of the District's revenue came from the District taxpayers, 25%, and the taxpayers of our state, 46%, through unrestricted state aids.
- The remaining less than 1% is other revenue.



The total cost of all programs and services were \$64,658,943 as depicted in Figure A-2 below.

- Instruction Related Costs incur 62% of expenses.
- Student Support Services incur another 14% of expenses.
- Food Service and Community Services incur 8% of expenses.
- Maintenance costs incur 7% of expenses.
- Administrative costs account for 3% of expenses.
- The remaining 6% is other expenses.



**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Typically, the District does not include in an analysis of all governmental funds a breakout of expenses as depicted in Figure A-2. To do so distorts the latitude available to the District to allocate resources to instruction. All governmental funds include not only funds received for the general operation of the district, which are used for classroom instruction, but also includes resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance classroom instruction resources. The District cannot take funds from these restricted areas and use the funds to hire teachers to enhance instruction. The above graph, by pooling all expenses, implies that the District does have equal access to all funds to impact classroom instruction. In Minnesota, that is simply not an option.

The total cost of governmental activities, as well as the net cost of these activities, is represented in Table A-3. The net cost represents total cost less program revenues applicable to each category.

**Table A-3
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2021	2020		2021	2020	
Administration	\$ 1,718,787	\$ 1,727,419	(0.5)%	\$ 1,704,306	\$ 1,721,110	(1.0)%
District Support Services	2,115,275	1,978,334	6.9	2,113,891	1,898,224	11.4
Regular Instruction	28,790,957	28,868,573	(0.3)	24,790,028	25,764,171	(3.8)
Vocational Education Instruction	634,772	732,344	(13.3)	622,475	575,253	8.2
Special Education Instruction	10,680,519	10,279,492	3.9	2,456,825	3,294,640	(25.4)
Instructional Support Services	3,286,539	3,261,940	0.8	3,200,830	3,178,576	0.7
Pupil Support Services	3,910,399	4,276,406	(8.6)	3,755,375	4,144,282	(9.4)
Sites and Buildings	4,920,182	5,152,061	(4.5)	4,330,552	4,480,724	(3.4)
Fiscal and Other Fixed						
Cost Programs	257,708	95,320	170.4	257,708	95,320	170.4
Food Service	2,100,954	2,315,111	(9.3)	(1,029,510)	199,245	(616.7)
Community Service	2,835,711	3,088,355	(8.2)	486,464	727,080	(33.1)
Interest and Fiscal Charges on Long-Term Liabilities	3,407,140	3,830,421	(11.1)	3,407,140	3,830,421	(11.1)
Total	<u>\$ 64,658,943</u>	<u>\$ 65,605,776</u>	(1.4)	<u>\$ 46,096,084</u>	<u>\$ 49,909,046</u>	(7.6)

The total cost of all governmental activities for the year ended June 30, 2021 was \$64,658,943.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of (\$1,342,051), which is \$2,449,623 more than last year's ending fund balance of (\$3,791,674). The increase relates to the increase in state and federal sources of revenue while keeping expenditures consistent.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

GENERAL FUND

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

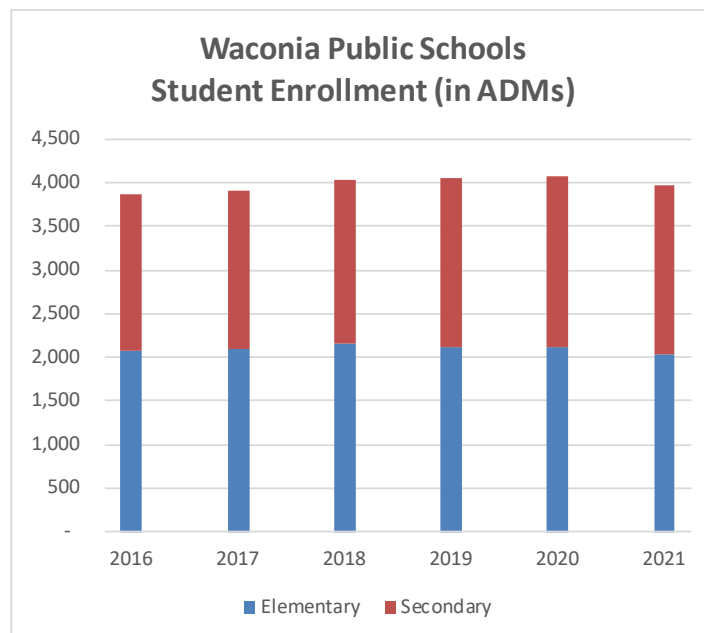
Approximately 97% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model which used to provide approximately 68%, but which has dropped to provide less than 60% of personnel expenditures. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid.

ENROLLMENT

Enrollment is a critical factor in determining revenue with approximately 95% of General Fund revenue being determined by enrollment. The following chart shows that the number of students has increased slightly over the last five years.

**Table A-4
Six-Year Enrollment Trend
Average Daily Membership (ADM)**

	2016	2017	2018	2019	2020	2021
Elementary	2,072	2,102	2,148	2,113	2,111	2,024
Secondary	1,788	1,797	1,891	1,938	1,959	1,948
Total Students for Aid	3,860	3,899	4,039	4,051	4,070	3,972
Percent Change	3.47%	1.01%	3.59%	0.30%	0.47%	-2.42%



**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

GENERAL FUND (CONTINUED)

Over the last five years, the District has experienced an increase in average daily membership of 73 students or 1.9%. It is anticipated that this trend will continue for the next five years.

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 7,225,981	\$ 6,872,050	\$ 353,931	5.2 %
Earnings on Investments	60,057	63,196	(3,139)	(5.0)
Other	855,969	1,005,463	(149,494)	(14.9)
State Sources	38,867,353	37,757,831	1,109,522	2.9
Federal Sources	2,073,894	865,974	1,207,920	139.5
Total General Fund Revenue	<u>\$ 49,083,254</u>	<u>\$ 46,564,514</u>	<u>\$ 2,518,740</u>	5.4

Total General Fund Revenue increased by \$2,518,740 or 5.4% over the previous year. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year to year without any net change in total revenue. The state basic general education revenue formula per student increased compared to the prior year. State aid for special education increased compared to the prior year. However, Special Education funding is falling well short in recent years of the funding needed to cover the increases in costs in the program. The District's recent financial downturn can be traced back to the changes in Special Education funding at the state level in recent years. District officials have begun discussions with lawmakers to get adjustments made to the Special Education funding laws to help correct these funding deficiencies.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2021	June 30, 2020		
Salaries	\$ 27,577,386	\$ 27,402,738	\$ 174,648	0.6 %
Employee Benefits	10,680,704	10,012,565	668,139	6.7
Purchased Services	5,875,415	5,804,235	71,180	1.2
Supplies and Materials	1,976,683	1,424,463	552,220	38.8
Capital Expenditures	797,907	1,453,537	(655,630)	(45.1)
Other Expenditures	1,126,351	593,176	533,175	89.9
Total Expenditures	<u>\$ 48,034,446</u>	<u>\$ 46,690,714</u>	<u>\$ 1,343,732</u>	2.9

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

GENERAL FUND (CONTINUED)

Total General Fund expenditures increased by \$1,343,732 or 2.9% from the previous year. Most of this increase was due to an increase in principal and interest and fiscal charges for debt services, along with an increase in spending of additional federal grants received.

The unassigned fund balance for the General Fund was (\$5,207,470) as of June 30, 2021. This means, according to Minnesota Statutes, Section 123B.81, subdivision 2, the District is currently in Statutory Operating Debt (SOD). This occurred because the District is reporting a year-end net negative unreserved General Fund fund balance exceeding more than 2.5% of its unreserved/undesignated operating expenditures. The unassigned fund balance was (\$5,207,470) as of June 30, 2021 as compared to an unassigned fund balance of (\$6,258,625) as of June 30, 2020. This means that the District has made some positive initial steps at reducing the negative fund balance on its way towards emerging from Statutory Operating Debt (SOD).

General Fund Budgetary Highlights

Following approval of the budget prior to the beginning of the fiscal year, the District revises the annual operating budget in mid-year. These budget amendments typically fall into two categories:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating unexpended funds being carried over, and budgeting for student population increases.
- Legislation passes subsequent to budget adoption, changes necessitated by collective bargaining agreements, and increases in appropriations for significant unbudgeted costs.

Actual revenues were \$84,779 less than expected primarily due to a decrease in revenue budgeted for students with special needs. This, combined with adjustments for lower than expected enrollment of general education students, resulted in a decrease in state aid.

The actual expenditures were \$381,312 less than budgeted primarily due to an decrease in regular instruction costs along with an increase in pupil support services.

District staff works with the school board, along with representatives from the State of Minnesota in developing a long-term plan to correct its fund balance deficiency. That plan is updated and presented to the board for its approval by January 31st annually.

District voters approved an operating levy of \$410 per student in the fall of 2020 which will take effect in the 2021-2022 school year. This increase in funding of approximately \$1.8 million per year will significantly assist the District as it begins to grow its fund balance to meet board policy requirements.

DEBT SERVICE FUNDS

The Debt Service Fund revenues and other financing sources exceeded expenditures by \$309,397 in FY2021. The remaining fund balance of \$1,492,365 at June 30, 2021 is available for meeting future debt service obligations.

The OPEB Debt Service Fund was established to make the debt service payment related to the OPEB bonds. The OPEB bonds were paid off and the fund was subsequently closed during FY2021 since there are no longer OPEB bonds outstanding.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

CAPITAL PROJECTS FUND

The Capital Projects Fund was closed out in FY2021.

OTHER MAJOR FUNDS

Revenue exceeded expenditures in Food Service Fund by \$935,855 and in the Community Education Fund revenues and other financing sources exceeded expenditures by \$947.

From the standpoint of maintaining current operating expenditures within the range of annual revenue and maintaining a sound fund balance, both the Community Service and Food Service Funds continue to operate on a sound financial basis.

INTERNAL SERVICE FUND

Proprietary funds such as the Internal Service Fund are reported using the economic resources measurement focus and the accrual basis of accounting.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021, the District had invested over \$197 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.)

**Table A-7
The District's Capital Assets**

	2021	2020	Percentage Change
Land	\$ 5,524,742	\$ 5,524,742	-
Construction in Progress	-	2,396,564	N/A
Land Improvements	5,954,452	4,215,464	41.3
Buildings and Improvements	176,157,957	175,108,846	0.6
Equipment	9,582,805	9,529,949	0.6
Less: Accumulated Depreciation	(62,755,990)	(57,374,459)	9.4
Total	<u>\$ 134,463,966</u>	<u>\$ 139,401,106</u>	(3.5)

Facilities – Next Five Years

The District has most recently finished construction of a new High School campus. This new campus will go a long way towards providing for the needs of the students attending the District well into the future. The District has also finished the remodeling of the old high school campus into a middle school campus which also has quite a bit of room for growth and is functioning very well for grades 6-8 utilizing the facility. The addition of the new Laketown Elementary School in the fall of 2016 gives the District three K-5 elementary schools. There is currently room for growth at all of our school campuses and the District is in a great position to handle any growth which may come its way in the near future.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities

At year-end, the District had approximately \$119,407,000 in long-term debt, a decrease of 5% from last year – as shown in Note 6 to financial statements. This is due to payments on bonds that were slightly offset by new capital leases.

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

	2021	2020	Percentage Change
General Obligation Bonds	\$ 109,570,000	\$ 114,755,000	(4.5)%
Net Bond Premium and Discount	3,526,426	4,102,461	(14.0)
Certificates of Participation Payable	2,785,000	2,915,000	(4.5)
Obligations Under Capital Leases	881,189	738,019	19.4
Obligations Under Lease Purchase Agreement	2,644,339	2,864,440	(7.7)
Total	<u>\$ 119,406,954</u>	<u>\$ 125,374,920</u>	(4.8)
Long-Term Liabilities:			
Due within One Year	\$ 6,080,398	\$ 5,683,704	
Due in More than One Year	<u>113,326,556</u>	<u>119,691,216</u>	
Total	<u>\$ 119,406,954</u>	<u>\$ 125,374,920</u>	

FACTORS BEARING ON THE DISTRICT'S FUTURE

Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation. The District is currently in negotiations with all of its bargaining units. The future revenues of the District and other Minnesota school districts will depend heavily on the future actions of the legislature. The rising costs of Special Education services coupled with a new funding formula adopted by the state that does not adequately address those rising costs is a significant factor in the long term financial health of the District. The COVID-19 pandemic continues to have major impacts to many aspects of the District including instruction, enrollment, daily maintenance and operations, transportation services, food service programming, and community education programming. District staff will be working closely with State representatives in the coming months to address these issues. There is a great deal of growth in the housing market in and around the communities' the district serves. This growth will need to be carefully monitored and adjusted for in the coming months and years. Additional capacity at the preschool and elementary level will likely need to be brought on line first as a consequence of this growth. The planning for this future growth will be a major challenge for the District for both the immediate future and for the longer term as well. This challenge comes with new revenue sources but will also bring capacity issues as well.

The District will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District 110, 512 Industrial Boulevard, Waconia, Minnesota 55387.

BASIC FINANCIAL STATEMENTS

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	Governmental Activities	
	2021	2020
ASSETS		
Cash and Investments	\$ 16,006,949	\$ 11,224,978
Receivables:		
Property Taxes	9,913,019	9,040,225
Due From Other Governments	4,853,500	4,032,486
Other	114,837	411,733
Prepaid Items	147,074	40,535
Inventories	54,762	53,708
Capital Assets:		
Land and Construction in Progress	5,524,742	7,921,306
Other Capital Assets, Net of Depreciation	128,939,224	131,479,800
Total Assets	<u>165,554,107</u>	<u>164,204,771</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	15,161,583	25,837,475
OPEB Related	228,784	138,289
Total Deferred Outflows of Resources	<u>15,390,367</u>	<u>25,975,764</u>
LIABILITIES		
Short Term Indebtedness	7,000,000	7,000,000
Salaries Payable	3,687,384	3,614,048
Accounts and Contracts Payable	409,527	490,041
Accrued Interest	1,746,116	1,886,478
Due to Other Governmental Units	2,175,921	274,463
Unearned Revenue:		
Local Sources	690,775	857,078
Long-Term Liabilities:		
Net Pension Liability	33,666,944	30,345,931
Net OPEB Liability	5,462,035	4,619,564
Portion Due Within One Year	6,445,990	6,043,431
Portion Due in More Than One Year	113,326,556	119,691,216
Total Liabilities	<u>174,611,248</u>	<u>174,822,250</u>
DEFERRED INFLOWS OF RESOURCES		
Gain on Refunding	51,032	85,712
OPEB Related	593,401	718,670
Pension Related	24,556,449	35,766,274
Property Taxes Levied for Subsequent Year	18,061,334	15,832,661
Total Deferred Inflows of Resources	<u>43,262,216</u>	<u>52,403,317</u>
NET POSITION		
Net Investment in Capital Assets	15,005,980	13,856,029
Restricted for:		
Operating Capital Purposes	190,411	187,218
State-Mandated Restrictions	123,793	27,227
Food Service	1,520,911	585,056
Community Service	398,029	396,837
Unrestricted	(54,168,114)	(52,097,399)
Total Net Position	<u>\$ (36,928,990)</u>	<u>\$ (37,045,032)</u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF ACTIVITIES
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

Functions	2021				2020	
	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Governmental Activities
Governmental Activities						
Administration	\$ 1,718,787	\$ -	\$ 14,481	\$ -	\$ (1,704,306)	\$ (1,721,110)
District Support Services	2,115,275	-	-	1,384	(2,113,891)	(1,898,224)
Regular Instruction	28,790,957	340,281	3,513,282	147,366	(24,790,028)	(25,764,171)
Vocational Education Instruction	634,772	-	12,297	-	(622,475)	(575,253)
Special Education Instruction	10,680,519	186,948	8,036,746	-	(2,456,825)	(3,294,640)
Instructional Support Services	3,286,539	-	10,873	74,836	(3,200,830)	(3,178,576)
Pupil Support Services	3,910,399	-	155,024	-	(3,755,375)	(4,144,282)
Sites and Buildings	4,920,182	145,110	-	444,520	(4,330,552)	(4,480,724)
Fiscal and Other Fixed Cost Programs	257,708	-	-	-	(257,708)	(95,320)
Food Service	2,100,954	152,824	2,977,640	-	1,029,510	(199,245)
Community Service	2,835,711	1,904,923	444,324	-	(486,464)	(727,080)
Interest and Fiscal Charges on Long-Term Liabilities	3,407,140	-	-	-	(3,407,140)	(3,830,421)
Total School District	<u>\$ 64,658,943</u>	<u>\$ 2,730,086</u>	<u>\$ 15,164,667</u>	<u>\$ 668,106</u>	(46,096,084)	(49,909,046)
General Revenues						
Property Taxes Levied for:						
General Purposes					7,213,033	6,874,968
Community Service					271,953	232,533
Debt Service					8,668,950	8,282,591
State Aid Not Restricted to Specific Purposes					29,806,650	29,522,767
Earnings on Investments					63,554	157,250
Gain on Sale of Capital Assets					-	200
Miscellaneous					187,986	191,531
Total General Revenues					46,212,126	45,261,840
Change in Net Position					116,042	(4,647,206)
Net Position - Beginning of Year					(37,045,032)	(32,397,826)
Net Position - End of Year					<u>\$ (36,928,990)</u>	<u>\$ (37,045,032)</u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	General	Major Food Service	Community Service
ASSETS			
Cash and Investments	\$ 6,479,498	\$ 2,855,586	\$ 746,192
Receivables:			
Current Property Taxes	4,754,370	-	144,974
Delinquent Property Taxes	52,885	-	2,311
Due from Other Minnesota School Districts	9,730	-	-
Due from Minnesota Department of Education	3,752,736	4,615	43,260
Due from Federal through Minnesota Department of Education	338,480	554,980	-
Due from Other Governmental Units	77,239	-	-
Other Receivables	25,648	893	88,316
Prepaid Items	142,221	2,630	2,203
Inventory	-	54,762	-
Total Assets	<u>\$ 15,632,807</u>	<u>\$ 3,473,466</u>	<u>\$ 1,027,256</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Salaries Payable	\$ 3,539,496	\$ 56,362	\$ 91,526
Accounts and Contracts Payable	270,111	54,433	68,604
Due to Other Governmental Units	446,055	1,727,074	2,792
Accrued Interest Payable	66,719	-	-
Short Term Indebtedness	7,000,000	-	-
Unearned Revenue	387,654	114,686	188,435
Total Liabilities	<u>11,710,035</u>	<u>1,952,555</u>	<u>351,357</u>
Deferred Inflows of Resources:			
Property Taxes Levied for Subsequent Year	8,649,882	-	277,870
Unavailable Revenue - Delinquent Property Taxes	23,935	-	2,311
Total Deferred Inflows of Resources	<u>8,673,817</u>	<u>-</u>	<u>280,181</u>
Fund Balance:			
Nonspendable	142,221	57,392	2,203
Restricted for:			
Area Learning Center	2,728	-	-
Operating Capital	190,411	-	-
Safe Schools	16,468	-	-
Community Education Programs	-	-	147,026
Early Childhood and Family Educations Programs	-	-	118,720
School Readiness	-	-	67,611
Long-Term Facilities Maintenance	27,512	-	-
Medical Assistance	63,767	-	-
Other Purposes	13,318	1,463,519	60,158
Unassigned	(5,207,470)	-	-
Total Fund Balance	<u>(4,751,045)</u>	<u>1,520,911</u>	<u>395,718</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 15,632,807</u>	<u>\$ 3,473,466</u>	<u>\$ 1,027,256</u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

Capital Projects	Funds		Total Governmental Funds	
	Debt Service	OPEB Debt Service	2021	2020
\$ -	\$ 5,667,244	\$ -	\$ 15,748,520	\$ 10,919,769
-	4,886,243	-	9,785,587	8,925,019
-	72,236	-	127,432	115,206
-	-	-	9,730	-
-	72,460	-	3,873,071	3,560,822
-	-	-	893,460	266,510
-	-	-	77,239	64,500
-	-	-	114,857	411,733
-	-	-	147,054	40,535
-	-	-	54,762	53,708
<u>\$ -</u>	<u>\$ 10,698,183</u>	<u>\$ -</u>	<u>\$ 30,831,712</u>	<u>\$ 24,357,802</u>
\$ -	\$ -	\$ -	\$ 3,687,384	\$ 3,614,048
-	-	-	393,148	476,863
-	-	-	2,175,921	133,809
-	-	-	66,719	129,205
-	-	-	7,000,000	7,000,000
-	-	-	690,775	857,078
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,013,947</u>	<u>12,211,003</u>
-	9,133,582	-	18,061,334	15,832,661
-	72,236	-	98,482	105,812
<u>-</u>	<u>9,205,818</u>	<u>-</u>	<u>18,159,816</u>	<u>15,938,473</u>
-	-	-	201,816	94,243
-	-	-	2,728	-
-	-	-	190,411	187,218
-	-	-	16,468	15,664
-	-	-	147,026	197,305
-	-	-	118,720	83,345
-	-	-	67,611	57,291
-	-	-	27,512	2,980
-	-	-	63,767	8,583
-	1,492,365	-	3,029,360	1,844,354
-	-	-	(5,207,470)	(6,282,657)
<u>-</u>	<u>1,492,365</u>	<u>-</u>	<u>(1,342,051)</u>	<u>(3,791,674)</u>
<u>\$ -</u>	<u>\$ 10,698,183</u>	<u>\$ -</u>	<u>\$ 30,831,712</u>	<u>\$ 24,357,802</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	2021	2020
Total Fund Balance for Governmental Funds	\$ (1,342,051)	\$ (3,791,674)
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	5,524,742	5,524,742
Construction in Progress	-	2,396,564
Land Improvements, Net of Accumulated Depreciation	2,360,759	834,879
Buildings and Improvements, Net of Accumulated Depreciation	125,359,347	129,065,524
Equipment, Net of Accumulated Depreciation	1,219,118	1,579,397
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current-period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.		
	98,482	105,812
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(1,679,397)	(1,757,273)
The District's Other Post Employment Benefit (OPEB) Liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
Net OPEB Liability	(5,462,035)	(4,619,564)
Deferred Inflows of Resources - OPEB Related	(593,401)	(718,670)
Deferred Outflows of Resources - OPEB Related	228,784	138,289
The District's Net Pension Liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
Net Pension Liability	(33,666,944)	(30,345,931)
Deferred Inflows of Resources - Pension Related	(24,556,449)	(35,766,274)
Deferred Outflows of Resources - Pension Related	15,161,583	25,837,475
Internal service funds are used by management to charge the costs of dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. Internal service fund net position at year-end is:		
	242,050	292,031
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at year-end are:		
Bonds Payable	(109,570,000)	(114,755,000)
Unamortized Premiums	(3,526,426)	(4,102,461)
Certificates of Participation Payable	(2,785,000)	(2,915,000)
Unamortized Deferred Gain on Refunding	(51,032)	(85,712)
Obligations Under Capital Leases	(881,189)	(738,019)
Obligations Under Lease Purchase Agreement	(2,644,339)	(2,864,440)
Compensated Absences Payable	(365,592)	(359,727)
Total Net Position of Governmental Activities	\$ (36,928,990)	\$ (37,045,032)

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	General	Major Food Service	Community Service
REVENUES			
Local Sources:			
Property Taxes	\$ 7,225,981	\$ -	\$ 271,708
Earnings on Investments	60,057	778	302
Other	855,969	152,824	1,905,303
State Sources	38,867,353	58,467	433,148
Federal Sources	2,073,894	2,919,173	85,230
Total Revenues	49,083,254	3,131,242	2,695,691
EXPENDITURES			
Current:			
Administration	1,441,547	-	-
District Support Services	1,811,376	-	-
Regular Instruction	21,488,593	-	-
Vocational Education Instruction	584,008	-	-
Special Education Instruction	9,801,402	-	-
Instructional Support Services	2,940,473	-	-
Pupil Support Services	3,795,866	-	-
Sites and Buildings	4,273,449	-	-
Fiscal and Other Fixed Cost Programs	243,338	-	-
Food Service	-	2,082,447	-
Community Service	-	-	2,737,365
Capital Outlay	797,907	112,940	52,929
Debt Service:			
Principal	498,257	-	10,135
Interest and Fiscal Charges	358,230	-	940
Total Expenditures	48,034,446	2,195,387	2,801,369
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,048,808	935,855	(105,678)
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	-	-	-
Insurance Recovery Proceeds	9,456	-	-
Issuance of Capital Lease	256,796	-	44,665
Transfers In	-	-	61,960
Transfers Out	(61,960)	-	-
Total Other Financing Sources (Uses)	204,292	-	106,625
NET CHANGE IN FUND BALANCE	1,253,100	935,855	947
Fund Balance - Beginning of Year	(6,004,145)	585,056	394,771
FUND BALANCE - END OF YEAR	\$ (4,751,045)	\$ 1,520,911	\$ 395,718

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

Capital Projects	Funds		Total Governmental Funds	
	Debt Service	OPEB Debt Service	2021	2020
\$ -	\$ 8,663,364	\$ 213	\$ 16,161,266	\$ 15,377,972
-	2,234	36	63,407	153,371
24,032	-	-	2,938,128	4,459,502
-	724,599	-	40,083,567	38,906,212
-	-	-	5,078,297	1,624,712
24,032	9,390,197	249	64,324,665	60,521,769
-	-	-	1,441,547	1,401,450
-	-	-	1,811,376	1,839,197
-	-	-	21,488,593	21,084,273
-	-	-	584,008	668,291
-	-	-	9,801,402	9,102,769
-	-	-	2,940,473	2,823,710
-	-	-	3,795,866	4,084,113
-	-	-	4,273,449	3,778,256
-	-	-	243,338	128,183
-	-	-	2,082,447	2,291,668
-	-	-	2,737,365	2,938,839
-	-	-	963,776	2,593,006
-	5,185,000	-	5,693,392	5,037,844
-	3,969,757	-	4,328,927	4,550,597
-	9,154,757	-	62,185,959	62,322,196
24,032	235,440	249	2,138,706	(1,800,427)
-	-	-	-	200
-	-	-	9,456	5,245
-	-	-	301,461	588,136
-	73,957	-	135,917	62,578
-	-	(73,957)	(135,917)	(62,578)
-	73,957	(73,957)	310,917	593,581
24,032	309,397	(73,708)	2,449,623	(1,206,846)
(24,032)	1,182,968	73,708	(3,791,674)	(2,584,828)
\$ -	\$ 1,492,365	\$ -	\$ (1,342,051)	\$ (3,791,674)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	2021	2020
Net Change in Fund Balance-Total Governmental Funds	\$ 2,449,623	\$ (1,206,846)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	444,391	1,597,662
Depreciation Expense	(5,381,531)	(5,380,356)

Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the Statement of Net Position.

Other Financing Source - Capital Lease	(301,461)	(588,136)
Principal Payments - Capital Leases	158,291	55,571

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the Statement of Activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment of Bond Principal	5,185,000	4,795,000
Repayment of Certificate of Participation	130,000	125,000
Repayment of Lease Purchase Principal	220,101	62,273
Change in Accrued Interest Expense - General Obligation Bonds	77,876	104,591
Amortization of Bond Premium	576,035	576,035
Amortization of Gain (Loss) on Refunding	34,680	16,244

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current-period's expenditures and, therefore, are unavailable in the funds.

\$	(7,330)	\$ 12,120
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Payment of OPEB benefits are recognized as expenditures at the fund level while the change in the Net OPEB obligation and the related deferred inflows and outflows of resources is recognized in the Statement of Net Position.

(626,707)	(885,550)
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Pension expenditures on the governmental funds are measured by current year employee contributions. Pension expenses on the Statement of Activities is measured by the change in Net Pension Liability and the related deferred inflows and outflows of resources.

(2,787,080)	(3,945,234)
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In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

(5,865)	9,493
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Internal service funds are used by the District to charge the costs of employee dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.

(49,981)	4,927
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Change in Net Position of Governmental Activities

\$ 116,042	\$ (4,647,206)
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**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final	Amounts	
REVENUES				
Local Sources:				
Property Taxes	\$ 7,107,868	\$ 7,130,893	\$ 7,225,981	\$ 95,088
Earnings on Investments	80,000	50,000	60,057	10,057
Other	954,374	790,115	855,969	65,854
State Sources	39,644,927	39,022,999	38,867,353	(155,646)
Federal Sources	847,976	2,174,026	2,073,894	(100,132)
Total Revenues	48,635,145	49,168,033	49,083,254	(84,779)
EXPENDITURES				
Current:				
Administration	1,370,188	1,426,043	1,441,547	15,504
District Support Services	1,841,180	1,831,778	1,811,376	(20,402)
Elementary and Secondary Regular Instruction	21,414,445	22,079,389	21,488,593	(590,796)
Vocational Education Instruction	565,571	551,062	584,008	32,946
Special Education Instruction	9,650,692	9,263,913	9,801,402	537,489
Instructional Support Services	3,008,442	2,983,305	2,940,473	(42,832)
Pupil Support Services	4,423,963	4,295,880	3,795,866	(500,014)
Sites and Buildings	3,878,753	4,295,198	4,273,449	(21,749)
Fiscal and Other Fixed Cost Programs	339,287	243,500	243,338	(162)
Capital Outlay	375,752	625,608	797,907	172,299
Debt Service:				
Principal	514,779	530,882	498,257	(32,625)
Interest and Fiscal Charges	15,000	289,200	358,230	69,030
Total Expenditures	47,398,052	48,415,758	48,034,446	(381,312)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,237,093	752,275	1,048,808	296,533
OTHER FINANCING SOURCES				
Sale of Capital Assets	200	200	-	(200)
Insurance Recovery Proceeds	-	9,455	9,456	1
Issuance of Capital Lease	-	-	256,796	256,796
Transfers Out	(75,000)	(62,000)	(61,960)	40
Total Other Financing Sources	(74,800)	(52,345)	204,292	256,637
NET CHANGE IN FUND BALANCE	<u>\$ 1,162,293</u>	<u>\$ 699,930</u>	1,253,100	<u>\$ 553,170</u>
FUND BALANCE				
Beginning of Year			(6,004,145)	
End of Year			<u>\$ (4,751,045)</u>	

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Earnings on Investments	\$ 15,000	\$ 10,000	\$ 778	\$ (9,222)
Other - Primarily Meal Sales	1,762,850	5,500	152,824	147,324
State Sources	120,850	60,000	58,467	(1,533)
Federal Sources	515,150	2,927,450	2,919,173	(8,277)
Total Revenues	2,413,850	3,002,950	3,131,242	128,292
EXPENDITURES				
Current:				
Food Service	2,410,591	2,296,847	2,082,447	(214,400)
Capital Outlay	-	120,000	112,940	(7,060)
Total Expenditures	2,410,591	2,416,847	2,195,387	(221,460)
NET CHANGE IN FUND BALANCE	\$ 3,259	\$ 586,103	935,855	\$ 349,752
FUND BALANCE				
Beginning of Year			585,056	
End of Year			\$ 1,520,911	

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	\$ 276,779	\$ 276,779	\$ 271,708	\$ (5,071)
Earnings on Investments	15,000	10,000	302	(9,698)
Other - Primarily Tuition and Fees	2,525,150	1,841,000	1,905,303	64,303
State Sources	398,230	406,163	433,148	26,985
Federal Sources	-	85,230	85,230	-
Total Revenues	3,215,159	2,619,172	2,695,691	76,519
EXPENDITURES				
Current:				
Community Service	3,193,508	2,762,100	2,737,365	(24,735)
Capital Outlay	3,000	8,500	52,929	44,429
Debt Service:				
Principal	3,000	3,000	10,135	7,135
Interest and Fiscal Charges	-	-	940	940
Total Expenditures	3,199,508	2,773,600	2,801,369	27,769
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,651	(154,428)	(105,678)	48,750
OTHER FINANCING SOURCES				
Issuance of Capital Lease	-	-	44,665	44,665
Transfer In	70,000	62,000	61,960	(40)
Total Other Financing Sources	70,000	62,000	106,625	44,625
NET CHANGE IN FUND BALANCE	<u>\$ 85,651</u>	<u>\$ (92,428)</u>	947	<u>\$ 93,375</u>
FUND BALANCE				
Beginning of Year			394,771	
End of Year			<u>\$ 395,718</u>	

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	Governmental Activities - Internal Service Funds	
	2021	2020
ASSETS		
Current Assets:		
Cash and Investments	\$ 258,429	\$ 305,209
LIABILITIES		
Current Liabilities:		
Accounts Payable	16,379	13,178
NET POSITION		
Unrestricted	\$ 242,050	\$ 292,031

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	Governmental Activities - Internal Service Funds	
	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for Services	\$ 370,688	\$ 387,715
OPERATING EXPENSES		
Dental Insurance Claim Payments	<u>420,816</u>	<u>386,667</u>
OPERATING INCOME	(50,128)	1,048
NONOPERATING INCOME		
Earnings on Investments	<u>147</u>	<u>3,879</u>
CHANGE IN NET POSITION	(49,981)	4,927
Total Net Position - Beginning of Year	<u>292,031</u>	<u>287,104</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 242,050</u></u>	<u><u>\$ 292,031</u></u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Interfund Services Provided	\$ 370,688	\$ 387,715
Payments for Medical Fees and Insurance Claims	<u>(417,615)</u>	<u>(384,901)</u>
Net Cash Provided (Used) by Operating Activities	(46,927)	2,814
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>147</u>	<u>3,879</u>
Net Increase in Cash and Cash Equivalents	(46,780)	6,693
Cash and Cash Equivalents - Beginning of Year	<u>305,209</u>	<u>298,516</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 258,429</u></u>	<u><u>\$ 305,209</u></u>
Displayed on Combining Statement of Net Assets as:		
Cash and Investments	<u><u>\$ 258,429</u></u>	<u><u>\$ 305,209</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	\$ (50,128)	\$ 1,048
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Increase (Decrease) in Accounts Payable	3,201	1,766
Total Adjustments	<u>3,201</u>	<u>1,766</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (46,927)</u></u>	<u><u>\$ 2,814</u></u>

See accompanying Notes to Basic Financial Statements.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

	Scholarship Custodial Fund	Irrevocable OPEB Trust
ASSETS		
Cash	\$ 27,100	\$ 351,127
Nonnegotiable Certificate of Deposits	-	1,394,500
Interest Receivable	-	3,075
Total Assets	<u>27,100</u>	<u>1,748,702</u>
NET POSITION		
Restricted for Scholarships	27,100	-
Restricted for OPEB Benefits	<u>-</u>	<u>1,748,702</u>
Total Net Position	<u><u>\$ 27,100</u></u>	<u><u>\$ 1,748,702</u></u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

	Scholarship Custodial Fund	Irrevocable OPEB Trust
ADDITIONS		
Employer Contributions	\$ -	\$ 41,176
Gifts and Donations	9,000	-
Investment Income:		
Net Increase (Decrease) in Fair Value of Investments	-	8,609
Interest and Dividends	49	2,788
Less Investment Expense	-	(250)
Net Investment Income	<u>49</u>	<u>11,147</u>
Total Additions	9,049	52,323
DEDUCTIONS		
OPEB Health Insurance Payments	-	291,176
Scholarships Awarded	92,143	-
Total Deductions	<u>92,143</u>	<u>291,176</u>
CHANGE IN NET POSITION	(83,094)	(238,853)
Net Position - Beginning of Year	<u>110,194</u>	<u>1,987,555</u>
NET POSITION - END OF YEAR	<u><u>\$ 27,100</u></u>	<u><u>\$ 1,748,702</u></u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 110 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments.

B. Financial Reporting Entity

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

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

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. These financial statements include all funds of the District. There are no other entities for which the District is financially accountable.

Student activities of the District are under the School Board's control, therefore, activity is included within the General Fund.

C. Basic Financial Statement Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation (Continued)

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

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

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

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

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

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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

1. Revenue Recognition

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

2. Recording of Expenditures

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

Description of Funds

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

Major Governmental Funds

General Fund

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Major Governmental Funds (Continued)

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues consist of user fees, and state and federal reimbursements restricted for the Food Service Fund.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services. Revenues consist of local property taxes, state tax credits, user fees, and state aids restricted for the Community Service 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. The Fund was established for building construction activity authorized by specific voter-approved bond issues.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs.

Other Postemployment Benefits Debt Service Fund

The Other Postemployment Benefits (OPEB) Debt Service Fund is used to account for the accumulation of resources for, and payment of, OPEB obligation bond principal, interest, and related costs.

Proprietary Fund

Internal Service Fund

The Internal Service Fund accounts for financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District's Internal Service Fund includes its self-insured dental insurance plan for its employees.

Fiduciary Funds

Scholarship Custodial Fund

The Scholarship Custodial Fund is used to account for money held by the District in the capacity of trustee or custodian, where both the principal and interest may be spent.

Other Postemployment Benefits Irrevocable Trust Fund

The Other Postemployment Benefits Irrevocable Fund is used for reporting resources set aside and held in an irrevocable trust arrangement for postemployment benefits.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper by October 1 of each year. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board. Individual amendments were not material in relation to the original appropriations.

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

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

F. Cash and Investments

Cash and investments consist of interest bearing accounts, certificates of deposit, government agency investments, and deposits in the Minnesota Trust Investment Shares Portfolio. The external investment pool of Minnesota Trust Investment Shares Portfolio is recorded at amortized cost.

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

G. Accounts Receivable

Represents amounts receivable from MDE and other governments for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary. The only receivables not expected to be collected within one year are property taxes receivable.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed during the periods benefitted. Prepaid items are recorded using the consumption method of accounting.

J. Property Taxes

Property tax levies are established by the School Board in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes and are responsible for spreading all levies over taxable property. Such taxes become a lien on January 1. Taxes are generally due on May 15 and October 15, and counties generally remit taxes to Districts at periodic intervals as they are collected. A portion of property taxes levied is paid through state credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as unavailable revenue (property taxes levied for subsequent year). The majority of District revenue in the General Fund (and to a lesser extent in the District's Community Service Special Revenue Fund) is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift." In the Debt Service Fund, all property taxes collected in a calendar year are recorded as revenue in the fiscal year which begins July 1 of that calendar year.

In accordance with state law, the current tax shift consists of an amount equal to 31% of the operating levy that was in place for the District's 2000 Pay 2001 levy, which is frozen at \$310,967. Certain other portions of the District's 2020 Pay 2021 levy, normally revenue for the 2021-2022 fiscal year, are also advance recognized at June 30, 2021, as required by state statute to match revenue with the same fiscal year as the related expenditures.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is unavailable because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the State which will be recognized as revenue in the next fiscal year beginning July 1, 2021, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

K. Capital Assets

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

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

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

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

L. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period. The District will not recognize the related outflows until a future event occurs.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations (Continued)

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

N. Accrued Employee Benefits

1. Compensated Absences

Vacation Pay and Sick Leave

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. These benefits are reported as liabilities in the government-wide financial statements and as expenditures when taken in the fund financial statements. At June 30, 2021, a liability for vacation pay totaling \$314,452 is recorded in the Statement of Net Position.

The District has a sick leave bank to which employees contribute earned sick leave. Participating employees use sick leave from this bank upon depletion of their own sick leave balances. At June 30, 2021, a liability for this sick leave bank of \$46,133 is recorded in the Statement of Net Position.

Severance Payable

Various bargaining groups, other than teachers, have contract language providing for severance benefits upon meeting the defined requirements. The amount paid varies based on years of service and is based on accumulated sick leave. The vested amount for all eligible employees at year-end totals \$5,007 and is recorded as a liability on the government-wide financial statements.

2. Other Postemployment Benefits

Under the terms of certain collectively bargained employment contracts, including the teachers' and administrators' contracts, the District is required to pay fixed amounts (generally \$350 per month) toward the health insurance premiums of retired employees until they reach specified age requirements such as Medicare eligibility.

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at amortized cost.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time.

P. Pensions

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

Q. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with an original maturity from the time of purchase by the District of three months or less to be cash equivalents.

R. Fund Balance

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance related to prepaids and inventory. Restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Education. The District currently does not report any committed fund balance. The Board of Education passed a resolution authorizing the Director of Finance and Operations the ability to assign fund balances and its intended uses. Unassigned fund balance is considered the remaining amounts, usually in the General Fund only. A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned for those purposes.

In accordance with the District's fund balance policy, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned and unassigned fund balance is available, it is the District's policy to use committed first, then assigned and finally unassigned fund balance.

The District has a minimum fund balance policy, which identifies a minimum unassigned fund balance in the General Fund of no less than 5% and not more than 25% of the general fund operating budgeted expenditures.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide, Proprietary Fund, and Fiduciary Fund financial statements. Net investment in capital assets, consists of capital assets, net of accumulation depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

T. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level required for a presentation in conformity with accounting principles generally accepted in the United States of America.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

A. Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following fund at June 30, 2021.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds			
Community Service Fund	\$ 2,773,600	\$ 2,801,369	\$ 27,769

All related expenditures were approved by the District's Board.

B. Transfers in/Transfers Out

<u>Transfer Out:</u>	Transfer In:		<u>Total</u>
	Community Service Fund	Debt Service Fund	
General Fund	\$ 61,960	\$ -	\$ 61,960
OPEB Debt Service Fund	-	73,957	73,957
Total	<u>\$ 61,960</u>	<u>\$ 73,957</u>	<u>\$ 135,917</u>

The transfer from General Fund to the Community Service Fund is related to the expenditures associated with Special Education reimbursing pre-school for spots in the pre-school that are held for ECSE students.

The transfer from the OPEB Debt Service Fund to the Debt Service Fund is related to the OPEB Debt Service Fund being closed in FY2021 due to the OPEB bonds being paid off during the year.

C. Deficit Fund Balance

The General Fund had a deficit fund balance of \$4,751,045 as of the end of the year. This deficit will be eliminated through a decrease in expenditures and an increase in revenues.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS

A. Deposits

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

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a specific deposit policy for custodial credit risk but rather follows Minnesota Statutes for deposits.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository.

The District's deposits in banks at June 30, 2021 were entirely covered by federal depository insurance or by collateral in accordance with Minnesota Statutes.

B. Investments

The District does not have an investment policy and invests its idle funds as authorized by Minnesota Statutes as follows:

- 1) Direct obligations or obligations guaranteed by the United States or its agencies
- 2) Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less
- 3) General obligations rated "A" or better; revenue obligations rated "AA" or better
- 4) General obligations of the Minnesota Housing Finance Agency rate "A" or better
- 5) Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System
- 6) Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- 7) Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- 8) Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

In addition, investments held by the OPEB Irrevocable Trust Fund may be invested as authorized by Minnesota State Statute Section 356A.06, Subdivision 7.

External Investment Pools -

	<u>Amount</u>
MN Trust Investment Shares Portfolio	\$ 10,965,814
MN Trust Term Series	<u>4,900,000</u>
Total	<u><u>\$ 15,865,814</u></u>

MN Trust is an external investment pool (Pool). The Pool is regulated by Minnesota statutes and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The MN Trust Investment Series and Term Series is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The Pool elects to measure its investments at amortized cost in accordance with accounting statements issued by the Governmental Accounting Standards Board. The MN Trust Term Series withdraws requires a seven-day notice of redemption and would likely carry a penalty. The MN Trust Investment Series withdrawals may only be made on the third Wednesday of each month upon advance written notice, with no penalties assessed.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Investments Held with Broker –

Custodial Credit Risk –

For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's bond documents require insurance covering all balances held in each investment account.

Credit Risk –

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for the District's investments as rated by Moody's Investors Service:

Type	Credit Quality Rating	Amount
MN Trust Investment Shares Portfolio	AAAm	\$ 10,965,814
MN Trust Term Series	Not Rated	4,900,000
Total		<u>\$ 15,865,814</u>

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

Total Deposits	\$ 1,913,862
MN Trust Shares Portfolio	10,965,814
MN Trust Term Series	4,900,000
Total	<u>\$ 17,779,676</u>
Statement of Net Position	
Cash and Investments	\$ 16,006,949
Trust Fund Cash and Investments	1,772,727
	<u>\$ 17,779,676</u>

C. Fair Value Measurements

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

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

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

- *Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.
- *Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.
- *Level 3* – Financial asset and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use a pricing the asset.

There were no assets measured at fair value on a recurring basis for 2021.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,524,742	\$ -	\$ -	\$ 5,524,742
Construction in Progress	2,396,564	228,760	(2,625,324)	-
Total Capital Assets, Not Being Depreciated	7,921,306	228,760	(2,625,324)	5,524,742
Capital Assets, Being Depreciated:				
Land Improvements	4,215,464	1,738,988	-	5,954,452
Buildings and Improvements	175,108,846	1,049,111	-	176,157,957
Equipment	9,529,949	52,856	-	9,582,805
Total Capital Assets, Being Depreciated	188,854,259	2,840,955	-	191,695,214
Accumulated Depreciation for:				
Land Improvements	(3,380,585)	(213,108)	-	(3,593,693)
Buildings and Improvements	(46,043,322)	(4,755,288)	-	(50,798,610)
Equipment	(7,950,552)	(413,135)	-	(8,363,687)
Total Accumulated Depreciation	(57,374,459)	(5,381,531)	-	(62,755,990)
Total Capital Assets, Being Depreciated, Net	131,479,800	(2,540,576)	-	128,939,224
Governmental Activities Capital Assets, Net	<u>\$ 139,401,106</u>	<u>\$ (2,311,816)</u>	<u>\$ (2,625,324)</u>	<u>\$ 134,463,966</u>

Depreciation expense, which includes capital lease amortization, was charged to functions of the District as follows:

Governmental Activities	
Administrative Services	\$ 145,846
District Support Services	46,954
Regular Instruction	4,729,506
Vocational Instruction	2,581
Community Education	9,319
Instructional Support	47,401
Food Service	28,879
Sites, Buildings, and Equipment	371,045
Total Depreciation Expense, Governmental Activities	<u>\$ 5,381,531</u>

NOTE 5 AID ANTICIPATION CERTIFICATES

On September 30, 2020, the District Sold General Obligation Aid Anticipation Certificates, Series 2020A in the amount of \$7,000,000 at an interest rate of 1.25%. These Certificates mature September 30, 2021 and will have interest expense of \$88,958.

	2020	Additions	Retirements	2021
2019B Aid Anticipation Certificate	\$ 3,300,000	\$ -	\$ 3,300,000	\$ -
2019C Aid Anticipation Certificate	3,700,000	-	3,700,000	-
2020 Aid Anticipation Certificate	-	7,000,000	-	7,000,000
	<u>\$ 7,000,000</u>	<u>\$ 7,000,000</u>	<u>\$ 7,000,000</u>	<u>\$ 7,000,000</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 LONG-TERM LIABILITIES

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

A. Components of Long-Term Debt

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
				Due Within One Year	Total
5/1/2013	2.00% - 2.13%	1,435,000	2/1/2024	\$ 135,000	\$ 410,000
1/13/2015	3.00% - 5.00%	17,555,000	2/1/2026	1,970,000	14,170,000
2/18/2015	3.00% - 5.00%	75,000,000	2/1/2039	-	75,000,000
12/30/2015	2.50% - 4.00%	6,830,000	2/1/2025	775,000	4,315,000
9/29/2016	3.00% - 5.00%	5,405,000	2/1/2028	780,000	4,120,000
9/14/2017	2.00% - 3.00%	5,040,000	2/1/2033	310,000	4,195,000
9/14/2017	2.00% - 4.00%	7,290,000	2/1/2033	425,000	6,155,000
10/22/2018	5.00%	7,105,000	2/1/2022	1,205,000	1,205,000
Total General Obligation Bonds				5,600,000	109,570,000
Bond Premium - Net				-	3,526,426
Certificates of Participation				135,000	2,785,000
Lease Purchase Obligations				229,057	2,644,339
Capital Lease Obligations				116,341	881,189
Total Leases Purchase Obligations					
Compensated Absences Payable				365,592	365,592
Total				<u>\$ 6,445,990</u>	<u>\$ 119,772,546</u>

1. General Obligation School Building Bonds

On February 18, 2015, the District issued \$75,000,000 General Obligation School Bonds, Series 2015B. These bonds were issued to finance acquisition and betterment of school sites and facilities.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

2. General Obligation Capital Facilities Bonds

On May 1, 2013, the District issued \$1,435,000 of General Obligation Capital Facilities Bonds, Series 2013A. These bonds were issued to finance acquisition and/or construction/improvement of capital facilities.

On September 29, 2016, the District issued \$5,405,000 General Obligation Facility Series 2016A. These bonds were issued for general maintenance projects.

On September 14, 2017, the District issued \$7,290,000 General Obligation Facilities Bonds, Series 2017C. These bonds were issued to finance construction/improvement of capital facilities.

3. General Obligation Refunding Bonds

On January 13, 2015, the District issued \$17,555,000 of General Obligation School Building Refunding Bonds, Series 2015A to advance refund the General Obligation School Building Bonds, Series 2005A dated July 1, 2005.

On December 30, 2015, the District issued \$6,830,000 of General Obligation School Building Refunding Bonds, Series 2015C to advance refund the General Obligation School Building Bonds, Series 2006A dated April 26, 2006.

On October 22, 2018, the District issued \$7,105,000 of General Obligation School Building Refunding Bonds, Series 2018A to advance refund the General Obligation School Building Refunding Bonds, Series 2009A dated February 19, 2009.

4. General Obligation Tax Abatement Bonds

On September 14, 2017, the District issued \$5,040,000 General Obligation Tax Abatement Bonds, Series 2017B. These bonds were issued to finance future tax abatement obligations.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

5. Certificates of Participation

On June 29, 2017, the District issued \$3,160,000 Certificates of Participation, Series 2017A. This certificate was issued to finance acquisition and betterment of school sites and facilities.

6. Lease Purchase Agreements

On December 1, 2018, the District entered into a \$923,000 lease purchase agreement for the acquisition and improvement of real property. Payments on the agreement are due annually and commenced February 2021.

On May 1, 2019, the District entered into a \$1,585,000 lease purchase agreement for the construction of a tennis court complex and outdoor ice rink. Payments on the agreement are due annually and commenced February 2021.

On August 1, 2018, the District entered into a \$500,000 lease purchase agreement for a scoreboard. Payments on the agreement are due annually and commenced August 2018.

7. Capital Leases

On May 15, 2020, the District entered into a lease for LED lighting. Payments on the lease are due annually and commenced July 2020. Capital assets relating to the lease had a cost of \$844,931, current year depreciation of \$25,798, and accumulated depreciation of \$25,798 at June 30, 2021.

On April 15, 2019, the District entered into a lease for copier equipment. Payments on the lease are due quarterly and commenced in April 2019. Capital assets relating to the lease had a cost of \$160,699, current year depreciation of \$32,140, and accumulated depreciation of \$64,280 at June 30, 2021.

On May 3, 2017, the District entered into a lease for Apple products and services. Payments on the lease are due annually and commenced July 2017. Capital assets relating to the lease had a cost of \$107,280 and are fully depreciated for the year ended June 30, 2021.

On July 15, 2020, the District entered into a lease for Drivers Ed Vehicle. Payments on the lease are due annually and commenced July 2020. Capital assets relating to the lease had a cost of \$44,665, current year depreciation of \$6,488, and accumulated depreciation of \$6,488.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments

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

<u>Year Ending June 30,</u>	General Obligation Bonds Payable		Lease Purchase Agreement	
	Principal	Interest	Principal	Interest
2022	\$ 5,600,000	\$ 3,858,419	\$ 229,057	\$ 110,912
2023	5,880,000	3,627,369	239,148	100,961
2024	6,090,000	3,396,494	249,378	90,569
2025	6,310,000	3,141,469	259,756	79,734
2026	5,650,000	2,889,969	190,000	68,445
2027 - 2031	29,685,000	11,721,356	955,000	220,773
2032 - 2036	30,610,000	6,909,255	522,000	55,987
2036 - 2039	19,745,000	1,422,150	-	-
Total	<u>\$ 109,570,000</u>	<u>\$ 36,966,481</u>	<u>\$ 2,644,339</u>	<u>\$ 727,381</u>

<u>Year Ending June 30,</u>	Capital Leases Payable		Certificates of Participation Payable	
	Principal	Interest	Principal	Interest
2022	\$ 116,341	\$ 22,018	\$ 135,000	\$ 102,813
2023	120,110	18,595	140,000	98,763
2024	115,022	15,049	140,000	94,563
2025	90,972	12,489	145,000	88,963
2026	83,637	10,529	155,000	83,163
2027 - 2031	355,107	21,556	850,000	332,475
2032 - 2036	-	-	995,000	188,280
2036 - 2039	-	-	225,000	11,250
Total	<u>\$ 881,189</u>	<u>\$ 100,236</u>	<u>\$ 2,785,000</u>	<u>\$ 1,000,270</u>

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2021:

Capital Leases	
<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 138,359
2023	138,705
2024	130,071
2025	103,461
2026	94,166
2027 - 2031	376,663
Total Minimum Lease Payments	981,425
Less: Amounts Representing Interest	(100,236)
Present Value of Net Minimum Lease Payments	<u>\$ 881,189</u>

C. Description of Long-Term Debt

Compensated Absences Payable

Compensated absences payable consists of unused vacation, sick leave bank and severance benefits payable to employees upon retirement. All benefits are paid by the General and Special Revenue Funds. Annual payments to retire the severance benefits liability have not been determined and will depend on actual employee turnover. Resources for the payment of compensated absences benefits payable included in long-term liabilities will be provided primarily by the General Fund.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

Arbitrage Rebate Liability

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

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

D. Changes in Long-Term Debt

	June 30, 2020	Net Additions	Retirements	June 30, 2021
Bonds Payable	\$ 114,755,000	\$ -	\$ 5,185,000	\$ 109,570,000
Bond Premium	4,102,461	-	576,035	3,526,426
Certificates of Participation				
Payable	2,915,000	-	130,000	2,785,000
Lease Purchase Agreement	2,864,440	-	220,101	2,644,339
Capital Lease Obligations				
Payable	738,019	301,461	158,291	881,189
Compensated Absences				
Payable	359,727	350,032	344,167	365,592
Total	<u>\$ 125,734,647</u>	<u>\$ 651,493</u>	<u>\$ 6,613,594</u>	<u>\$ 119,772,546</u>

NOTE 7 RESTRICTED AND ASSIGNED FUND BALANCE

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. Any such "restrictions" which have an accumulated deficit rather than a positive balance at June 30 are reported as a deficit balance because there is specific revenue authority under state accounting guidelines which will be utilized to eliminate the deficit. A description of these "deficit balance restrictions" is included herein since the District has specific statutory authority to levy taxes for such deficits.

Certain portions of fund balance are assigned as determined by Director of Finance and Operations. The authority to assign fund balance was provided by the Board of Education to the Director of Finance and Operations.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 RESTRICTED AND ASSIGNED FUND BALANCE (CONTINUED)

Restricted and assigned fund balances at June 30, 2021 are as follows:

A. Restricted for Area Learning Center

Restricted for Area Learning Center represents the amounts restricted for students attending area learning centers.

B. Restricted for Operating Capital

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

C. Restricted for Safe Schools

Restricted for Safe Schools represents the unspent resources available from the safe schools levy.

D. Restricted for Community Education Programs

Restricted for Community Education Programs represents accumulated resources available to provide general community education programming.

E. Restricted for Early Childhood and Family Education Programs

Restricted for Early Childhood and Family Education Programs represents accumulated resources available to provide services for early childhood and family education programming.

F. Restricted for School Readiness

Restricted for School Readiness represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.

G. Restricted for Long-Term Facilities Maintenance (LTFM)

Represents available resources to be used for LTFM capital projects in accordance with the 10- year plan.

H. Restricted for Medical Assistance

Represents resources available to be used for medical assistance expenditures.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 RESTRICTED AND ASSIGNED FUND BALANCE (CONTINUED)

I. Restricted for Other Purposes

Restricted for Other Purposes represents amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation, such as building expenditures, community service, and debt payments.

Other Restricted:

Restricted for General Fund	\$ 13,318
Restricted for Food Service	1,463,519
Restricted for Community Service	60,158
Restricted for Bond Payments	1,492,365
Total Other Restricted	<u>\$ 3,029,360</u>

NOTE 8 PENSION PLANS

A. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA) and Teachers Retirement Fund (TRA). PERA's and TRA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's and TRA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

All full-time and certain part-time employees of the District, other than teachers, are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Teachers Retirement Fund (TRA)

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

Educators employed in Minnesota's public elementary and secondary 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 schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Define Contribution Plan (DCR) administered by the State of Minnesota.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 PENSION PLANS (CONTINUED)

B. Benefits Provided

PERA and TRA provide retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

General Employees Plan 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 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 members is 1.2% of average salary for each of the first 10 years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary 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 66.

Benefits increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost of living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. TRA Benefits

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier I Benefits

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

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) 3.0% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

Tier II Benefits

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 PENSION PLANS (CONTINUED)

C. Contributions

1. General Employees Plan Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2021, were \$592,119. The District's contributions were equal to the required contributions as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 rates for the fiscal year for coordinated were 7.5% for the employee and 8.13% for the employer. Basic rates were 11.00% for the employee and 12.13% for the employer for the year ended June 30, 2021. The District's contributions to TRA for the plan's fiscal year ended June 30, 2021 were \$1,692,091. The District's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

1. General Employees Plan Pension Costs

At June 30, 2021, the District reported a liability of \$6,618,985 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 \$204,098, for a total net pension liability of \$6,823,083 associated with the District. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.1104% at the end of the measurement period and 0.1117% for the beginning of the period.

For the year ended June 30, 2021, the District recognized pension expense of \$401,215 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$17,763 as grant revenue for its proportionate share of the state of Minnesota's contribution.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
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JUNE 30, 2021**

NOTE 8 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Plan Pension Costs (Continued)

At June 30, 2021, the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 60,349	\$ 25,043
Changes in Actuarial Assumptions	-	245,391
Net Difference Between Projected and Actual Earnings	114,347	-
Changes in Proportion	51,524	62,113
District Contributions Subsequent to the Measurement Date	592,119	-
Total	<u>\$ 818,339</u>	<u>\$ 332,547</u>

\$592,119 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expenses Amount</u>
2022	\$ (344,493)
2023	(26,891)
2024	105,139
2025	159,918

2. TRA Pension Costs

At June 30, 2021 the District reported a liability of \$27,047,959 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.3661% at the end of the measurement period and 0.3792% at the beginning of the period.

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

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NOTE 8 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	\$ 27,047,959
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	2,266,697
Total	<u>\$ 29,314,656</u>

For the year ended June 30, 2021, the District recognized pension expense of \$2,538,746. It also recognized \$207,655 as an increase to pension expense for the support provided by direct aid.

At June 30, 2021, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 542,421	\$ 409,984
Changes in Actuarial Assumptions	9,704,827	22,706,087
Net Difference Between Projected and Actual Investment Earnings	418,823	-
Changes in Proportion	1,985,082	1,107,831
District Contributions Subsequent to the Measurement Date	1,692,091	-
Total	<u>\$ 14,343,244</u>	<u>\$ 24,223,902</u>

\$1,692,091 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 Expenses Amount
2022	\$ 1,167,564
2023	(7,710,264)
2024	(5,372,467)
2025	451,430
2026	(109,012)

**WACONIA PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 8 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

3. Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the District's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated.

	General Employees Fund	Teachers Retirement Fund	Total
Net Pension Liability	\$ 6,618,985	\$ 27,047,959	\$ 33,666,944
Deferred Outflows of Resources	818,339	14,343,244	15,161,583
Deferred Inflows of Resources	332,547	24,223,902	24,556,449
Pension Expense	418,978	2,746,401	3,165,379

E. Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	PERA	TRA
Inflation	2.25% per Year	2.50%
Salary Growth	3.00% per Year	2.85% for 10 years and 3.25%, thereafter
Investment Rate of Return	7.50%	7.50%

PERA Salary increases were based on a service-related table. PERA mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for males or females, as appropriate, with slight adjustments to fit PERA's experience. PERA cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

TRA pre-retirement mortality rates were based on the RP-2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale. Postretirement mortality rates were based on the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

**WACONIA PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions and plan provisions for PERA occurred in 2020:

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**WACONIA PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions for TRA occurred in 2020:

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 5 years and female rates set back 7 years.
- Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

The State Board of Investment, which manages the investments of PERA and 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	35.5 %	5.10 %
International Equity	17.5	5.30
Fixed Income	20.0	0.75
Private Markets	25.0	5.90
Cash	2.0	-
Totals	100.0 %	

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 PENSION PLANS (CONTINUED)

F. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at rates set in Minnesota Statutes. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the TRA pension liability was 7.50%. There was no change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the fiscal year 2020 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 (SEIR).

G. Pension Liability Sensitivity

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

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
General Employees Plan Discount Rate	6.50%	7.50%	8.50%
District's Proportionate Share of the PERA Net Pension Liability	\$ 10,607,936	\$ 6,618,985	\$ 3,328,420
Teachers Retirement Fund Discount Rate	6.50%	7.50%	8.50%
District's Proportionate Share of the TRA Net Pension Liability	\$ 41,410,138	\$ 27,047,959	\$ 15,214,248

H. Pension Plan Fiduciary Net Position

Detailed information about General Employees Plan's fiduciary's net position is available in a separately-issued PERA financial report. That report may be obtained on the Internet at www.mnpera.org.

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling 651- 296-2409 or 1-800-657-3669.

**WACONIA PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN

A. Plan Description

The District operates and administers a single-employer defined benefit other postemployment benefit plan (the Plan) that provides health and dental insurance to retired and active eligible employees and their spouses through the District's health insurance plan. There are 547 active participants and 36 retired participants along with 12 retired spouses. Benefit and eligibility provisions are established through negotiations between the District and various unions representing the District's employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report.

B. Funding Policy

The District has assets restricted for OPEB. These assets are in a qualified irrevocable trust which are included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 3. The District is assumed to make no future contributions to the trust. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust. Contribution requirements are also negotiated between the District and union representatives. The District contributes \$-0- to \$4,200 of the cost of current-year premiums for eligible retired plan members and their spouses. For fiscal year 2021, the District contributed \$-0- to the plan.

C. Net OPEB Liability of the District

The components of the net OPEB liability of the District at June 30, 2021, were as follows:

Total OPEB Liability	\$ 7,210,737
Plan Fiduciary Net Position	<u>1,748,702</u>
District's Net OPEB Liability	<u><u>\$ 5,462,035</u></u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.25%
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D. Actuarial Methods and Assumptions

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

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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	2.00%
	6.25% grading to 5.00% over 5 years
Health Care Trend Rates	4.00%
Dental Trend Rates	

Mortality rates were based on the Pub-2010 mortality tables with projected mortality improvements based on scale MP-2018, and other adjustments.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2014.

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 asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (or target allocation), if available) and by adding expected inflation (2.50%).

Best estimates of geometric real and nominal rates of return for each major asset class included in the OPEB plan's assets allocation as of the measurement date are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic Equity	0.00%	0.00%
International Equity	0.00%	0.00%
Fixed Income	100.00%	2.00%
Real Estate and Alternatives	0.00%	0.00%
Cash and Equivalents	0.00%	1.00%
Net Assumed Investment Return (Weighted Avg, Rounded to 1/4%)	0.00%	2.00%

**WACONIA PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 0.6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The discount rate used to measure the total OPEB liability was 2.10%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trusts' long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate was applied to the remaining expected benefit payments.

The expected employer asset return is based on the long-term expected return on short-term/cash equivalent assets using our capital market assumption model.

Since the most recent GASB 74/75 valuation, the following changes have been made:

- The discount rate was changed from 2.40% to 2.10%.

E. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 6,607,119	\$ 1,987,555	\$ 4,619,564
Changes for the Year:			
Service Cost	608,276	-	608,276
Interest	169,696	-	169,696
Assumption Changes	116,822	-	116,822
Plan Changes	-	-	-
Differences Between Expected and Actual Experience	-	(28,354)	28,354
Contributions-Employer	-	41,176	(41,176)
Net Investment income	-	39,751	(39,751)
Benefit Payments	(291,176)	(291,176)	-
Administrative Expense	-	(250)	250
Net Changes	603,618	(238,853)	842,471
Balances at June 30, 2021	\$ 7,210,737	\$ 1,748,702	\$ 5,462,035

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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability (Continued)

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 one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (1.10%)	Discount Rate (2.10%)	1% Increase (3.10%)
Net OPEB Liability	\$ 5,945,596	\$ 5,462,035	\$ 4,989,365

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% point lower (Medical 5.25% decreased to 4.00%, Dental 3.00%) or 1% point higher (Medical 7.25% decreasing to 6.00%, Dental 5.00%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (Medical 5.25% decreasing to 4.00% over 5 years, Dental 3.00%)	Current Trend Rates (Medical 6.25% decreasing to 5.00% over 5 years, Dental 4.00%)	1% Increase (Medical 7.25% decreasing to 6.00% over 5 years, Dental 5.00%)
Net OPEB Liability	\$ 4,476,698	\$ 5,462,035	\$ 6,659,436

For the year ended June 30, 2021, the District recognized OPEB expense of \$672,120. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	\$ 50,589	\$ 405,606
Change of Assumptions	148,735	187,795
Net Difference Between Projected and Actual Investment Earnings	29,460	-
Total	<u>\$ 228,784</u>	<u>\$ 593,401</u>

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,	Future Recognition
2022	\$ (69,782)
2023	(72,285)
2024	(72,838)
2025	(74,295)
2026	(92,105)
Thereafter	16,688
	<u>\$ (364,617)</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 FLEXIBLE BENEFIT PLAN

The District has a flexible benefit plan which is classified as a “cafeteria plan” under Section 125 of the Internal Revenue Code. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the plan for health care and dependent care benefits.

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

Payments of insurance premiums (health and dental) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund.

Amounts withheld for medical reimbursement and dependent care are deposited into a separate District checking account on a monthly basis. All assets of the plan are held in a separate bank account, administered by an employee of the District. Payments are made by the District to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the participant.

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

NOTE 11 JOINTLY GOVERNED ORGANIZATION

The Carver-Scott Educational Cooperative (Organization) was established in 1976. The educational cooperative provides, by a cooperative effort, programming and services from prenatal care through adult education. The education cooperative has eight member districts. Each member district shares in the cost of the programming and other charges for services. The cooperative is able to recover the cost of its programming through the previously mentioned revenue sources. The jointly governed Organization’s financial statements are audited and available for inspection.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Federal and State Programs

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 DENTAL SELF-INSURANCE PLAN

The District maintains an Internal Service Fund to account for and finance a self-insurance program for dental benefits. Accordingly, the District has not purchased outside insurance for the risks of losses to which it is exposed. Instead, the District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for dental expenses. Participants in the program make premium payments to the fund based on the insurance premium.

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

There were no liabilities in excess of claims paid at June 30, 2021. There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$258,429 in cash and investments at June 30, 2021 for payment of claims.

Changes in the balance of claim liabilities during fiscal year 2021 and 2020 were as follows:

	Year Ended	
	2021	2020
Beginning of Fiscal Year Liability - Beginning of Year	\$ 13,178	\$ 11,412
Current Year Claims, Changes in Estimates and Other Charges	420,816	386,667
Current Year Claims Paid, Including an Estimate of Claims Incurred but Not Reported (IBNR)	(417,615)	(384,901)
End of Fiscal Year Liability - End of Year	<u>\$ 16,379</u>	<u>\$ 13,178</u>

NOTE 14 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters and workers compensation. The District is self-insured for employee related dental. The District is self-insured for property and casualty insurance through Minnesota Insurance Scholastic Trust.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 15 SUBSEQUENT EVENTS

Subsequent to year-end the District sold General Obligation Aid Anticipation Certificates of Indebtedness, Series 2022A in the amount of \$3,000,000 at an interest rate of 3.00% and it set to mature on May 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2021**

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 608,276	\$ 565,542	\$ 531,265	\$ 499,655	\$ 413,072
Interest	169,696	216,868	210,296	188,177	173,853
Assumption Changes	116,822	(193,743)	85,058	(115,287)	-
Plan Changes	-	272,742	-	-	-
Differences Between Expected and Actual Experience	-	(567,850)	-	118,049	-
Benefit Payments	(291,176)	(231,614)	(243,601)	(216,893)	(234,747)
Net Change in Total OPEB Liability	603,618	61,945	583,018	473,701	352,178
Total OPEB Liability - Beginning	6,607,119	6,545,174	5,962,156	5,488,455	5,136,277
Total OPEB Liability - Ending (a)	\$ 7,210,737	\$ 6,607,119	\$ 6,545,174	\$ 5,962,156	\$ 5,488,455
 Plan Fiduciary Net Position					
Contributions - Employer	\$ -	\$ -	\$ -	\$ 66,893	\$ 84,747
Net Investment Income	39,751	37,490	46,783	48,262	43,719
Employer Contributions	41,176	42,594	-	-	-
Differences Between Expected and Actual Experience	(28,354)	-	(2,744)	-	-
Benefit Payments	(291,176)	(231,614)	(243,601)	(216,893)	(234,747)
Administrative Expenses	(250)	(251)	(250)	-	-
Net Change in Plan Fiduciary Net Position	(238,853)	(151,781)	(199,812)	(101,738)	(106,281)
Plan Fiduciary Net Position - Beginning	1,987,555	2,139,336	2,339,148	2,440,886	2,547,167
Plan Fiduciary Net Position - Ending (b)	\$ 1,748,702	\$ 1,987,555	\$ 2,139,336	\$ 2,339,148	\$ 2,440,886
 District's Net OPEB Liability - Ending (a) - (b)	\$ 5,462,035	\$ 4,619,564	\$ 4,405,838	\$ 3,623,008	\$ 3,047,569
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.25%	30.08%	32.69%	39.23%	44.47%
 Covered Employee Payroll	\$ 29,150,902	\$ 28,301,847	\$ 27,608,850	\$ 26,804,709	\$ 22,691,454
 District's Net OPEB Liability as a Percentage of Covered Employee Payroll	18.74%	16.32%	15.96%	13.52%	13.43%

The District implemented GASB Statement Nos 74 and 75 in fiscal year 2017, and the above table will be expanded to 10 years of information as the information becomes available.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF MONEY WEIGHTED RATE OF RETURN ON PLAN ASSETS
LAST TEN YEARS**

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2021	0.60%
2020	1.80%
2019	2.00%
2018	2.00%
2017	1.70%

The District implemented GASB Statement Nos 74 and 75 in fiscal year 2017, and the above table will be expanded to 10 years of information as the information becomes available.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN MEASUREMENT DATES**

	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018
PERA			
District's Proportion of the Net Pension Liability	0.1104%	0.1117%	0.1117%
District's Proportionate Share of the Net Pension Liability	\$ 6,618,985	\$ 6,175,643	\$ 6,196,658
State's Proportionate Share of the Net Pension Liability Associated with District	204,098	191,992	203,325
Pension Liability	\$ 6,823,083	\$ 6,367,635	\$ 6,399,983
District's Covered Payroll	\$ 7,894,467	\$ 7,911,760	\$ 7,576,040
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	83.84%	78.06%	81.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.06%	80.20%	79.53%
TRA			
District's Proportion of the Net Pension Liability	0.3661%	0.3792%	0.3751%
District's Proportionate Share of the Net Pension Liability	\$ 27,047,959	\$ 24,170,288	\$ 23,556,918
State's Proportionate Share of the Net Pension Liability Associated with District	2,266,697	2,138,997	2,213,237
Total District's and State's Proportionate Share of the Net Pension Liability	\$ 29,314,656	\$ 26,309,285	\$ 25,770,155
District's Covered Payroll	\$ 21,359,861	\$ 21,699,857	\$ 20,716,507
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	126.63%	111.38%	113.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.48%	78.07%	78.07%

Note: Information is presented prospectively and an accumulation of 10 years will be provided.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN MEASUREMENT DATES**

Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
0.1085%	0.1014%	0.0987%	0.1038%
\$ 6,926,568	\$ 8,233,177	\$ 5,115,146	\$ 4,876,004
87,118	107,503	-	-
\$ 7,013,686	\$ 8,340,680	\$ 5,115,146	\$ 4,876,004
\$ 7,031,866	\$ 6,288,093	\$ 5,810,167	\$ 5,449,166
98.50%	130.93%	88.04%	89.48%
75.90%	68.91%	78.20%	78.70%
0.3578%	0.3408%	0.3228%	0.3445%
\$ 71,423,370	\$ 81,288,931	\$ 19,968,372	\$ 15,874,310
6,904,490	8,159,126	2,449,348	1,116,630
\$ 78,327,860	\$ 89,448,057	\$ 22,417,720	\$ 16,990,940
\$ 21,137,307	\$ 17,834,400	\$ 16,526,173	\$ 15,726,289
337.90%	455.80%	120.83%	100.94%
51.57%	44.88%	76.80%	81.50%

See accompanying Notes to Required Supplementary Information.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
PERA			
Contractually Required Contribution	\$ 592,119	\$ 592,085	\$ 593,382
Contributions in Relation to the Contractually Required Contribution	<u>(592,119)</u>	<u>(592,085)</u>	<u>(593,382)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 District's Covered Payroll	 \$ 7,894,920	 \$ 7,894,467	 \$ 7,911,760
 Contributions as a Percentage of Covered Payroll	 7.50%	 7.50%	 7.50%
 TRA			
Contractually Required Contribution	\$ 1,692,091	\$ 1,691,701	\$ 1,673,059
Contributions in Relation to the Contractually Required Contribution	<u>(1,692,091)</u>	<u>(1,691,701)</u>	<u>(1,673,059)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 District's Covered Payroll	 \$ 20,812,927	 \$ 21,359,861	 \$ 21,699,857
 Contributions as a Percentage of Covered Payroll	 8.13%	 7.92%	 7.71%

Note: Information is presented prospectively and an accumulation of 10 years will be provided.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
LAST TEN FISCAL YEARS**

2018	2017	2016	2015	2014
\$ 568,203	\$ 527,390	\$ 471,607	\$ 429,356	\$ 395,064
(568,203)	(527,390)	(471,607)	(429,356)	(395,064)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,576,040	\$ 7,031,866	\$ 6,288,093	\$ 5,810,167	\$ 5,449,166
7.50%	7.50%	7.50%	7.39%	7.25%
\$ 1,553,738	\$ 1,585,298	\$ 1,337,580	\$ 1,239,458	\$ 1,100,834
(1,553,738)	(1,585,298)	(1,337,580)	(1,239,458)	(1,100,834)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20,716,507	\$ 21,137,307	\$ 17,834,400	\$ 16,526,173	\$ 15,726,289
7.50%	7.50%	7.50%	7.50%	7.00%

See accompanying Notes to Required Supplementary Information.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS

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

2020

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

Changes in Actuarial Assumptions

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2019 (Continued)

Changes in Plan Provisions

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

2018

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90.0% funding ratio to 50.0% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5 % per year thereafter.

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.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2016

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- 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% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

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

2020

Changes in Actuarial Assumptions

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 5 years and female rates set back 7 years.
- Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2017

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

- The cost of living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back six years, and female rates set back five years. Generational projection uses the MP-2015 scale.
- The postretirement mortality assumption was changed to the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustments.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2014

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

**NOTE 2 CHANGES IN SIGNIFICANT OTHER POSTEMPLOYMENT BENEFIT PLAN PROVISION,
ACTUARIAL METHODS, AND ASSUMPTIONS**

2021

- The discount rate was changed from 2.40% to 2.10%.

2020

- An early retirement incentive for teachers were added.
- The health care trend rates, mortality tables, and salary increase rates were updated.
- The discount rate was changed from 3.1% to 2.4%.

2019

- The expected long-term investment return was changed from 2.50% to 2.00%.
- The discount rate was changed from 3.30% to 3.10%.

2018

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality table was updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.
- The expected long-term investment return was changed from 2.40% to 2.50%.
- The discount rate was changed from 3.20% to 3.30%.

SUPPLEMENTARY INFORMATION

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
GENERAL FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	2021	2020
ASSETS		
Cash and Investments	\$ 6,479,498	\$ 4,520,971
Receivables:		
Current Taxes	4,754,370	3,827,810
Delinquent Taxes	52,885	46,277
Accounts Receivable	25,628	279,345
Due from Other Minnesota School Districts	9,730	-
Due from Minnesota Department of Education	3,752,736	3,431,250
Due from Federal through the Minnesota Department of Education	338,480	35,740
Due from Other Governmental Units	77,239	64,500
Interest Receivable	20	-
Prepaid Items	142,221	40,035
	<u>\$ 15,632,807</u>	<u>\$ 12,245,928</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries Payable	\$ 3,539,496	\$ 3,472,614
Accounts and Contracts Payable	270,111	251,357
Due to Other Minnesota School Districts	439,767	77,211
Interest Payable	66,719	129,205
Due to Other Governmental Units	6,288	56,598
Short Term Indebtedness	7,000,000	7,000,000
Unearned Revenue	387,654	619,508
Total Liabilities	11,710,035	11,606,493
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	8,649,882	6,606,697
Unavailable Revenue - Delinquent Property Taxes	23,935	36,883
Total Deferred Inflows of Resources	8,673,817	6,643,580
Fund Balance:		
Nonspendable	142,221	40,035
Restricted for:		
Area Learning Center	2,728	-
Operating Capital	190,411	187,218
Other	13,318	-
Safe Schools	16,468	15,664
Long-Term Facilities Maintenance	27,512	2,980
Medical Assistance	63,767	8,583
Assigned for:		
Unassigned	(5,207,470)	(6,258,625)
Total Fund Balance	(4,751,045)	(6,004,145)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 15,632,807</u>	<u>\$ 12,245,928</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 7,130,893	\$ 7,225,981	\$ 95,088	\$ 6,872,050
Earnings on Investments	50,000	60,057	10,057	63,196
Other	790,115	855,969	65,854	1,005,463
State Sources	39,022,999	38,867,353	(155,646)	37,757,831
Federal Sources	2,174,026	2,073,894	(100,132)	865,974
Total Revenues	49,168,033	49,083,254	(84,779)	46,564,514
EXPENDITURES				
Current:				
Administration:				
Salaries	956,717	980,047	23,330	954,564
Employee Benefits	371,763	370,091	(1,672)	375,395
Purchased Services	36,355	40,671	4,316	26,763
Supplies and Materials	26,884	14,850	(12,034)	9,190
Capital Expenditures	-	964	964	-
Other Expenditures	34,324	35,888	1,564	35,538
Total Administration	1,426,043	1,442,511	16,468	1,401,450
District Support Services:				
Salaries	1,076,051	1,067,230	(8,821)	1,090,358
Employee Benefits	446,492	425,013	(21,479)	444,467
Purchased Services	253,900	247,740	(6,160)	233,940
Supplies and Materials	47,010	62,379	15,369	57,383
Capital Expenditures	3,530	-	(3,530)	-
Other Expenditures	8,325	9,014	689	13,049
Total District Support Services	1,835,308	1,811,376	(23,932)	1,839,197
Elementary and Secondary Regular Instruction:				
Salaries	15,371,443	14,920,645	(450,798)	14,791,676
Employee Benefits	5,165,231	5,302,852	137,621	4,938,027
Purchased Services	710,476	645,277	(65,199)	717,687
Supplies and Materials	685,189	489,032	(196,157)	510,378
Capital Expenditures	109,512	65,576	(43,936)	91,793
Other Expenditures	147,050	130,787	(16,263)	126,505
Total Elementary and Secondary Regular Instruction	22,188,901	21,554,169	(634,732)	21,176,066

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	2021		Over (Under)	2020
	Final Budget	Actual Amounts	Final Budget	Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 284,190	\$ 315,576	\$ 31,386	\$ 368,213
Employee Benefits	103,830	118,508	14,678	128,626
Purchased Services	130,200	123,379	(6,821)	140,244
Supplies and Materials	30,955	26,545	(4,410)	31,208
Other Expenditures	1,887	-	(1,887)	-
Total Vocational Education Instruction	551,062	584,008	32,946	668,291
Special Education Instruction:				
Salaries	6,162,333	6,362,905	200,572	6,207,451
Employee Benefits	2,796,231	2,847,500	51,269	2,578,002
Purchased Services	208,735	538,495	329,760	272,964
Supplies and Materials	88,524	50,386	(38,138)	36,381
Capital Expenditures	10,351	9,231	(1,120)	7,433
Other Expenditures	8,090	2,116	(5,974)	7,971
Total Special Education Instruction	9,274,264	9,810,633	536,369	9,110,202
Instructional Support Services:				
Salaries	1,564,899	1,598,475	33,576	1,743,954
Employee Benefits	690,495	681,515	(8,980)	689,963
Purchased Services	277,660	243,983	(33,677)	169,726
Supplies and Materials	434,437	408,723	(25,714)	208,534
Capital Expenditures	152,065	129,662	(22,403)	98,240
Other Expenditures	15,814	7,777	(8,037)	11,533
Total Instructional Support Services	3,135,370	3,070,135	(65,235)	2,921,950
Pupil Support Services:				
Salaries	905,026	865,863	(39,163)	814,726
Employee Benefits	377,139	332,204	(44,935)	301,431
Purchased Services	2,948,205	2,558,721	(389,484)	2,896,210
Supplies and Materials	60,800	34,734	(26,066)	67,942
Capital Expenditures	5,000	219	(4,781)	1,856
Other Expenditures	4,710	4,344	(366)	3,804
Total Pupil Support Services	4,300,880	3,796,085	(504,795)	4,085,969

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Sites and Buildings:				
Salaries	\$ 1,424,009	\$ 1,466,645	\$ 42,636	\$ 1,431,796
Employee Benefits	600,078	603,021	2,943	556,654
Purchased Services	1,170,584	1,233,811	63,227	1,217,162
Supplies and Materials	1,021,302	890,034	(131,268)	503,447
Capital Expenditures	345,150	592,255	247,105	1,255,571
Other Expenditures	79,225	79,938	713	69,197
Total Sites and Buildings	4,640,348	4,865,704	225,356	5,033,827
Fiscal and Other Fixed Cost Programs:				
Purchased Services	243,500	243,338	(162)	128,183
Debt Service:				
Principal	530,882	498,257	(32,625)	116,641
Interest and Fiscal Charges	289,200	358,230	69,030	208,938
Total Debt Service	820,082	856,487	36,405	325,579
Total Expenditures	48,415,758	48,034,446	(381,312)	46,690,714
Excess (Deficiency) of Revenues Over (Under) Expenditures	752,275	1,048,808	296,533	(126,200)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	200	-	(200)	200
Insurance Recovery Proceeds	9,455	9,456	1	5,245
Loan Redemption	-	-	-	588,136
Issuance of Capital Lease	-	256,796	256,796	-
Transfers Out	(62,000)	(61,960)	40	(62,578)
Total Other Financing Sources	(52,345)	204,292	256,637	531,003
Net Change in Fund Balance	\$ 699,930	1,253,100	\$ 553,170	404,803
FUND BALANCE				
Beginning of Year		(6,004,145)		(6,408,948)
End of Year		\$ (4,751,045)		\$ (6,004,145)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Investments	\$ 2,855,586	\$ 453,297
Receivables:		
Accounts Receivable	893	9,293
Due from Minnesota Department of Education	4,615	19,052
Due from Federal through the Minnesota Department of Education	554,980	230,770
Inventory	54,762	53,708
Prepaid Items	<u>2,630</u>	<u>-</u>
Total Assets	<u><u>\$ 3,473,466</u></u>	<u><u>\$ 766,120</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Salaries Payable	\$ 56,362	\$ 55,400
Accounts and Contracts Payable	54,433	7,509
Due to Other Governmental Unit	1,727,074	-
Unearned Revenue	<u>114,686</u>	<u>118,155</u>
Total Liabilities	1,952,555	181,064
Fund Balance:		
Nonspendable	57,392	53,708
Restricted for Food Service	<u>1,463,519</u>	<u>531,348</u>
Total Fund Balance	<u>1,520,911</u>	<u>585,056</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,473,466</u></u>	<u><u>\$ 766,120</u></u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
FOOD SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Earnings on Investments	\$ 10,000	\$ 778	\$ (9,222)	\$ 9,740
Other - Primarily Meal Sales	5,500	152,824	147,324	1,243,381
State Sources	60,000	58,467	(1,533)	116,247
Federal Sources	2,927,450	2,919,173	(8,277)	758,738
Total Revenues	<u>3,002,950</u>	<u>3,131,242</u>	<u>128,292</u>	<u>2,128,106</u>
EXPENDITURES				
Current:				
Salaries	809,964	771,120	(38,844)	864,298
Employee Benefits	444,608	433,542	(11,066)	429,566
Purchased Services	118,525	88,581	(29,944)	131,202
Supplies and Materials	923,250	788,903	(134,347)	859,562
Other Expenditures	500	301	(199)	7,040
Capital Outlay	120,000	112,940	(7,060)	26,657
Total Expenditures	<u>2,416,847</u>	<u>2,195,387</u>	<u>(221,460)</u>	<u>2,318,325</u>
Net Change in Fund Balance	<u>\$ 586,103</u>	935,855	<u>\$ 349,752</u>	(190,219)
FUND BALANCE				
Beginning of Year		<u>585,056</u>		<u>775,275</u>
End of Year		<u>\$ 1,520,911</u>		<u>\$ 585,056</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Investments	\$ 746,192	\$ 689,376
Receivables:		
Current Taxes	144,974	149,667
Delinquent Taxes	2,311	2,066
Accounts Receivable	88,316	123,095
Due from Minnesota Department of Education	43,260	47,913
Prepaid Items	<u>2,203</u>	<u>500</u>
Total Assets	<u><u>\$ 1,027,256</u></u>	<u><u>\$ 1,012,617</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries Payable	\$ 91,526	\$ 86,034
Accounts and Contracts Payable	68,604	133,552
Due to Other Governmental Units	2,792	-
Unearned Revenue	<u>188,435</u>	<u>119,415</u>
Total Liabilities	351,357	339,001
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	277,870	276,779
Unavailable Revenue - Delinquent Taxes	<u>2,311</u>	<u>2,066</u>
Total Deferred Inflows of Resources	280,181	278,845
Fund Balance:		
Nonspendable	2,203	500
Restricted for Community Education Programs	147,026	197,305
Restricted for Early Childhood and Family Education Programs	118,720	83,345
Restricted for School Readiness	67,611	57,291
Restricted for Community Service	<u>60,158</u>	<u>56,330</u>
Total Fund Balance	<u>395,718</u>	<u>394,771</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 1,027,256</u></u>	<u><u>\$ 1,012,617</u></u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
COMMUNITY SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 276,779	\$ 271,708	\$ (5,071)	\$ 232,305
Earnings on Investments	10,000	302	(9,698)	11,425
Other - Primarily Tuition and Fees	1,841,000	1,905,303	64,303	2,022,064
State Sources	406,163	433,148	26,985	406,078
Federal Sources	85,230	85,230	-	-
Total Revenues	<u>2,619,172</u>	<u>2,695,691</u>	<u>76,519</u>	<u>2,671,872</u>
EXPENDITURES				
Current:				
Salaries	1,660,991	1,639,175	(21,816)	1,735,694
Employee Benefits	572,126	536,871	(35,255)	570,468
Purchased Services	375,500	412,420	36,920	452,753
Supplies and Materials	149,183	145,405	(3,778)	176,780
Other Expenditures	4,300	3,494	(806)	3,144
Capital Outlay	8,500	52,929	44,429	2,285
Debt Service:				
Principal	3,000	10,135	7,135	1,203
Interest and Fiscal Charges	-	940	940	184
Total Expenditures	<u>2,773,600</u>	<u>2,801,369</u>	<u>27,769</u>	<u>2,942,511</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(154,428)	(105,678)	48,750	(270,639)
OTHER FINANCING SOURCES				
Issuance of Capital Lease	-	44,665	44,665	-
Transfer in	<u>62,000</u>	<u>61,960</u>	<u>(40)</u>	<u>62,578</u>
Net Change in Fund Balance	<u>\$ (92,428)</u>	947	<u>\$ 93,375</u>	(208,061)
FUND BALANCE				
Beginning of Year		<u>394,771</u>		<u>602,832</u>
End of Year		<u>\$ 395,718</u>		<u>\$ 394,771</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Investments	\$ -	\$ 60,413
Due from Other Governmental Units	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ -</u></u>	<u><u>\$ 60,413</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts and Contracts Payable	\$ -	\$ 84,445
Due to Other Governmental Units	<u>-</u>	<u>-</u>
Total Liabilities	-	84,445
Fund Balance		
Unassigned Fund Balance	<u>-</u>	<u>(24,032)</u>
Total Fund Balance	<u>-</u>	<u>(24,032)</u>
Total Fund Liabilities and Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ 60,413</u></u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	2021			2020
	Final Budgeted Amounts	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Earnings on Investments	\$ -	\$ -	\$ -	\$ 506
Other	-	24,032	24,032	188,594
Total Revenues	-	24,032	24,032	189,100
EXPENDITURES				
Current:				
Sights and Buildings	-	-	-	74,459
Capital Outlay	-	-	-	1,034,712
Total Expenditures	-	-	-	1,109,171
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	24,032	24,032	(920,071)
OTHER FINANCING SOURCES (USES)				
Lease Purchase Agreement Proceeds	24,032	-	(24,032)	-
Net Change in Fund Balance	\$ 24,032	24,032	\$ -	(920,071)
Beginning of Year		(24,032)		896,039
End of Year		\$ -		\$ (24,032)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Investments	\$ 5,667,244	\$ 5,122,004
Receivables:		
Current Taxes	4,886,243	4,947,542
Delinquent Taxes	72,236	65,213
Due from Minnesota Department of Education	<u>72,460</u>	<u>62,607</u>
 Total Assets	 <u><u>\$ 10,698,183</u></u>	 <u><u>\$ 10,197,366</u></u>
 DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	\$ 9,133,582	\$ 8,949,185
Unavailable Revenue - Delinquent Taxes	<u>72,236</u>	<u>65,213</u>
Total Deferred Inflows of Resources	9,205,818	9,014,398
 Fund Balance:		
Restricted for Debt Service	<u>1,492,365</u>	<u>1,182,968</u>
 Total Deferred Inflows of Resources and Fund Balance	 <u><u>\$ 10,698,183</u></u>	 <u><u>\$ 10,197,366</u></u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)**

	2021			2020
	Final Budgeted Amounts	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Tax	\$ 8,661,850	\$ 8,663,364	\$ 1,514	\$ 8,273,617
Earnings on Investments	40,000	2,234	(37,766)	67,647
State Sources	724,601	724,599	(2)	626,056
Total Revenues	9,426,451	9,390,197	(36,254)	8,967,320
EXPENDITURES				
Debt Service:				
Bond Principal	5,185,000	5,185,000	-	4,920,000
Bond Interest	3,969,756	3,969,757	1	4,246,890
Bond Issuance Costs	-	-	-	94,585
Total Expenditures	9,154,756	9,154,757	1	9,261,475
Excess (Deficiency) of Revenues Over (Under) Expenditures	271,695	235,440	(36,255)	(294,155)
OTHER FINANCING SOURCES				
Transfers In	-	73,957	73,957	-
Total Other Financing Sources	-	73,957	73,957	-
Net Change in Fund Balance	<u>\$ 271,695</u>	309,397	<u>\$ 37,702</u>	(294,155)
Fund Balance - Beginning of Year		1,182,968		1,477,123
FUND BALANCE - END OF YEAR		<u>\$ 1,492,365</u>		<u>\$ 1,182,968</u>

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
YEAR ENDED JUNE 30, 2021**

01 GENERAL FUND	Audit	UFARS	Difference	06 BUILDING CONSTRUCTION	Audit	UFARS	Difference
Total Revenues	\$ 49,092,710	\$ 49,092,708	\$ 2	Total Revenues	\$ 24,032	\$ 24,033	\$ (1)
Total Expenditures	\$ 48,034,446	\$ 48,034,442	\$ 4	Total Expenditures	\$ -	\$ -	\$ -
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable	\$ 142,221	\$ 142,221	\$ -	460 Nonspendable	\$ -	\$ -	\$ -
<i>Restricted:</i>				<i>Restricted:</i>			
403 Staff Development	\$ -	\$ -	\$ -	407 Capital Projects Levy	\$ -	\$ -	\$ -
405 Deferred Maintenance	\$ -	\$ -	\$ -	409 Alternative Fac. Program	\$ -	\$ -	\$ -
406 Health & Safety *	\$ -	\$ -	\$ -	413 Project Funded by COP	\$ -	\$ -	\$ -
407 Capital Project Levy	\$ -	\$ -	\$ -	467 LTFM *	\$ -	\$ -	\$ -
408 Cooperative Rev.	\$ -	\$ -	\$ -	464 Other Purposes	\$ -	\$ -	\$ -
414 Operating Debt	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
416 Levy Reduction	\$ -	\$ -	\$ -	463 Unassigned	\$ -	\$ -	\$ -
423 Certain Teacher Programs	\$ -	\$ -	\$ -				
424 Operating Capital	\$ 190,411	\$ 190,411	\$ -	07 DEBT SERVICE			
426 \$25 Taconite	\$ -	\$ -	\$ -	Total Revenues	\$ 9,390,197	\$ 9,390,197	\$ -
427 Disabled Accessibility	\$ -	\$ -	\$ -	Total Expenditures	\$ 9,154,757	\$ 9,154,756	\$ 1
428 Learning & Development	\$ -	\$ -	\$ -	<i>Restricted/Reserved:</i>			
434 Area Learning Center	\$ 2,728	\$ 2,728	\$ -	425 Bond Refundings	\$ -	\$ -	\$ -
435 Contracted Alt. Programs	\$ -	\$ -	\$ -	451 QZAB Payments	\$ -	\$ -	\$ -
436 St. Approved Alt. Prog.	\$ -	\$ -	\$ -	464 Other Purposes	\$ 1,492,365	\$ 1,492,365	\$ -
438 Gifted & Talented	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
441 Basic Skills	\$ -	\$ -	\$ -	463 Unassigned	\$ -	\$ -	\$ -
445 Career and Tech. Programs	\$ -	\$ -	\$ -				
446 First Grade Preparedness	\$ -	\$ -	\$ -	08 TRUST			
449 Safe Schools Levy	\$ 16,468	\$ 16,468	\$ -	Total Revenues	\$ 9,049	\$ 9,049	\$ -
450 Pre-Kindergarten	\$ -	\$ -	\$ -	Total Expenditures	\$ 92,143	\$ 92,142	\$ 1
451 QZAB Payments	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -	422 Unassigned	\$ 27,100	\$ 27,101	\$ (1)
453 Unfunded Sev & Retirement Levy	\$ -	\$ -	\$ -				
464 Other Purposes	\$ 13,318	\$ 13,318	\$ -	09 AGENCY			
467 LTFM	\$ 27,512	\$ 27,512	\$ -	<i>Unassigned: Should Always Be -0-</i>			
472 Medical Assistance	\$ 63,767	\$ 63,767	\$ -	422 Unassigned	\$ -	\$ -	\$ -
<i>Committed:</i>							
418 Committed for Severance	\$ -	\$ -	\$ -	20 INTERNAL SERVICE			
461 Committed	\$ -	\$ -	\$ -	Total Revenues	\$ 370,835	\$ 370,835	\$ -
<i>Assigned:</i>				Total Expenditures	\$ 420,816	\$ 420,816	\$ -
462 Assigned	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
<i>Unassigned:</i>				422 Unassigned	\$ 242,050	\$ 242,050	\$ -
422 Unassigned *	\$ (5,207,470)	\$ (5,207,471)	\$ 1				
02 FOOD SERVICE				25 OPEB REVOCABLE TRUST			
Total Revenues	\$ 3,131,242	\$ 3,131,241	\$ 1	Total Revenues	\$ -	\$ -	\$ -
Total Expenditures	\$ 2,195,387	\$ 2,195,386	\$ 1	Total Expenditures	\$ -	\$ -	\$ -
<i>Nonspendable:</i>				<i>Unassigned:</i>			
460 Nonspendable	\$ 57,392	\$ 57,392	\$ -	422 Unassigned	\$ -	\$ -	\$ -
<i>Restricted:</i>							
452 OPEB Liability Not In Trust	\$ -	\$ -	\$ -	45 OPEB IRREVOCABLE TRUST			
464 Other Purposes	\$ 1,463,519	\$ 1,463,520	\$ (1)	Total Revenues	\$ 52,573	\$ 52,573	\$ -
<i>Unassigned:</i>				Total Expenditures	\$ 291,426	\$ 291,426	\$ -
463 Unassigned	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
				422 Unassigned	\$ 1,748,702	\$ 1,748,702	\$ -
04 COMMUNITY SERVICE							
Total Revenues	\$ 2,695,691	\$ 2,695,688	\$ 3	47 OPEB DEBT SERVICE			
Total Expenditures	\$ 2,801,369	\$ 2,801,365	\$ 4	Total Revenues	\$ 249	\$ 248	\$ 1
<i>Nonspendable:</i>				Total Expenditures	\$ -	\$ -	\$ -
460 Nonspendable	\$ 2,203	\$ 2,203	\$ -	<i>Restricted:</i>			
<i>Restricted:</i>				464 Other Purposes	\$ -	\$ -	\$ -
426 \$25 Taconite	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
431 Community Education	\$ 147,026	\$ 147,026	\$ -	463 Unassigned	\$ -	\$ -	\$ -
432 E.C.F.E.	\$ 118,720	\$ 118,720	\$ -				
444 School Readiness	\$ 67,611	\$ 67,611	\$ -				
447 Adult Basic Education	\$ -	\$ -	\$ -				
452 OPEB Liability Not In Trust	\$ -	\$ -	\$ -				
464 Other Purposes	\$ 60,158	\$ 60,160	\$ (2)				
<i>Unassigned:</i>							
463 Unassigned	\$ -	\$ -	\$ -				

STATISTICAL SECTION



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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the School District's financial information and well-being have changed over time.</i>	97
Revenue Capacity <i>These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.</i>	101
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.</i>	104
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.</i>	109
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.</i>	111

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

		Fiscal Year									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities											
Net Investment in											
Capital Assets	\$	8,822,028	\$ 10,007,409	\$ 11,389,031	\$ 11,321,128	\$ 11,479,331	\$ 5,807,583	\$ 9,332,523	\$ 13,506,358	\$ 13,856,029	\$ 15,005,980
Restricted		3,953,961	4,093,260	4,328,408	4,204,312	4,285,034	9,227,653	3,754,280	2,324,638	1,196,338	2,233,144
Unrestricted		6,266,080	5,998,858	4,637,153	(18,140,747)	(18,469,465)	(35,151,274)	(51,338,107)	(48,228,822)	(52,097,399)	(54,168,114)
Total Net Position	\$	19,042,069	\$ 20,099,527	\$ 20,354,592	\$ (2,615,307)	\$ (2,705,100)	\$ (20,116,038)	\$ (38,251,304)	\$ (32,397,826)	\$ (37,045,032)	\$ (36,928,990)

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
Administration	\$ 1,105,937	\$ 1,185,292	\$ 1,579,237	\$ 1,256,052	\$ 1,350,014	\$ 1,852,247	\$ 1,939,952	\$ 1,088,388	\$ 1,727,419	\$ 1,718,787
District Support Services	939,357	1,047,117	1,440,407	1,398,057	1,660,958	1,758,135	2,046,209	2,027,108	1,978,334	2,115,275
Regular Instruction	16,503,443	17,594,355	19,036,578	20,273,422	21,900,480	32,057,885	33,078,753	20,240,223	28,868,573	28,790,957
Vocational Education Instruction	346,349	413,364	408,882	362,110	417,813	735,232	910,035	388,526	732,344	634,772
Special Education Instruction	4,882,438	5,056,191	5,606,463	5,836,488	6,795,348	9,590,186	11,130,575	7,324,225	10,279,492	10,680,519
Instructional Support Services	2,225,156	2,859,057	2,567,694	2,495,627	3,712,399	4,233,473	3,997,066	1,782,424	3,261,940	3,286,539
Pupil Support Services	2,884,822	2,839,968	2,944,890	3,050,299	3,263,934	3,848,279	4,042,178	3,965,866	4,276,406	3,910,399
Sites and Buildings	3,106,461	3,353,103	3,516,280	3,671,230	2,520,701	3,941,604	4,395,830	4,573,584	5,152,061	4,920,182
Fiscal and Other Fixed Cost Programs	70,967	87,149	89,735	93,455	89,127	94,107	102,927	108,415	95,320	257,708
Food Service	1,596,415	1,668,132	1,817,156	1,807,800	1,973,210	2,436,628	2,454,281	2,403,003	2,315,111	2,100,954
Community Service	2,326,715	2,429,624	2,719,357	2,639,812	2,726,005	3,144,737	3,448,464	3,117,378	3,088,355	2,835,711
Interest and Fiscal Charges on										
Long-Term Liabilities	2,256,513	2,198,818	2,207,947	4,335,993	4,046,110	3,680,423	3,776,533	4,675,200	3,830,421	3,407,140
Total Governmental Activities Expenses	<u>\$ 38,244,573</u>	<u>\$ 40,732,170</u>	<u>\$ 43,934,626</u>	<u>\$ 47,220,345</u>	<u>\$ 50,456,099</u>	<u>\$ 67,372,936</u>	<u>\$ 71,322,803</u>	<u>\$ 51,694,340</u>	<u>\$ 65,605,776</u>	<u>\$ 64,658,943</u>
Program Revenues										
Governmental Activities										
Charges for Services:										
Food Service	\$ 1,189,315	\$ 1,281,673	\$ 1,352,011	\$ 1,393,706	\$ 1,415,847	\$ 1,496,562	\$ 1,621,940	\$ 1,691,815	\$ 1,240,881	\$ 152,824
Community Service	1,979,716	2,004,843	2,270,370	1,971,744	2,075,431	2,253,114	2,467,907	2,602,932	2,021,364	1,904,923
Other	674,943	739,164	762,736	800,970	862,260	914,096	857,144	1,146,296	817,794	672,339
Operating Grants and Contributions	4,939,508	6,075,020	6,216,007	7,102,480	7,922,878	8,208,183	8,332,639	7,952,867	10,744,917	15,164,667
Capital Grants and Contributions	297,358	376,121	413,101	585,575	577,212	589,518	671,772	705,430	871,774	668,106
Total Program Revenues - Governmental Activities	<u>\$ 9,080,840</u>	<u>\$ 10,476,821</u>	<u>\$ 11,014,225</u>	<u>\$ 11,854,475</u>	<u>\$ 12,853,628</u>	<u>\$ 13,461,473</u>	<u>\$ 13,951,402</u>	<u>\$ 14,099,340</u>	<u>\$ 15,696,730</u>	<u>\$ 18,562,859</u>
Net (Expense) Revenue - Governmental Activities	<u>\$ (29,163,733)</u>	<u>\$ (30,255,349)</u>	<u>\$ (32,920,401)</u>	<u>\$ (35,365,870)</u>	<u>\$ (37,602,471)</u>	<u>\$ (53,911,463)</u>	<u>\$ (57,371,401)</u>	<u>\$ (37,595,000)</u>	<u>\$ (49,909,046)</u>	<u>\$ (46,096,084)</u>
General Revenues										
Governmental Activities										
Property Taxes:										
General Purposes	\$ 4,498,275	\$ 4,414,769	\$ 2,726,754	\$ 4,112,294	\$ 3,887,676	\$ 3,959,064	\$ 3,866,547	\$ 4,657,153	\$ 6,874,968	\$ 7,213,033
Community Service	277,905	287,475	151,055	261,112	269,568	247,167	251,468	219,673	232,533	271,953
Debt Service	5,129,084	5,540,861	5,744,570	6,038,486	6,839,549	6,971,121	7,144,236	7,394,571	8,282,591	8,668,950
Unrestricted Grants and Contributions	20,541,626	20,950,725	24,248,424	24,551,090	26,062,381	28,649,861	27,613,061	28,968,648	29,522,767	29,806,650
Unrestricted Investment Earnings	9,920	15,896	21,596	45,007	263,181	304,783	233,724	136,444	157,250	63,554
Gain on Sale of Capital Assets	3,300	-	-	-	2,800	2,150	12,450	3,604	200	-
Miscellaneous	100,954	103,083	283,067	123,958	187,523	131,764	114,649	45,330	191,531	187,986
Total General Revenues - Governmental Activities	<u>\$ 30,561,064</u>	<u>\$ 31,312,809</u>	<u>\$ 33,175,466</u>	<u>\$ 35,131,947</u>	<u>\$ 37,512,678</u>	<u>\$ 40,265,910</u>	<u>\$ 39,236,135</u>	<u>\$ 41,425,423</u>	<u>\$ 45,261,840</u>	<u>\$ 46,212,126</u>
Change in Net Position	\$ 1,397,331	\$ 1,057,460	\$ 255,065	\$ (233,923)	\$ (89,793)	\$ (13,645,553)	\$ (18,135,266)	\$ 3,830,423	\$ (4,647,206)	\$ 116,042
Net Position - Beginning of Year	17,644,736	19,042,067	20,099,527	20,354,592	(2,615,307)	(2,705,100)	(20,116,038)	(38,251,304)	(32,397,826)	(37,045,032)
Prior Period Restatement	-	-	-	-	-	(1,111,887)	-	2,023,055	-	-
Change in Accounting Principle	-	-	-	(22,735,976)	-	(2,653,498)	-	-	-	-
Net Position - End of Year	<u>\$ 19,042,067</u>	<u>\$ 20,099,527</u>	<u>\$ 20,354,592</u>	<u>\$ (2,615,307)</u>	<u>\$ (2,705,100)</u>	<u>\$ (20,116,038)</u>	<u>\$ (38,251,304)</u>	<u>\$ (32,397,826)</u>	<u>\$ (37,045,032)</u>	<u>\$ (36,928,990)</u>

Source: District Financial Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 11,462	\$ 7,411	\$ 30,797	\$ 29,399	\$ 21,030	\$ 92,523	\$ 51,369	\$ 90,882	\$ 40,035	\$ 142,221
Restricted	2,396,543	2,173,758	2,371,508	2,553,214	2,374,590	2,167,880	2,023,502	26,616	214,445	314,204
Assigned	1,076,930	1,025,180	678,866	626,930	453,109	250,000	-	-	-	-
Unassigned	4,807,434	4,504,155	3,785,963	3,683,372	3,369,412	2,033,058	(1,803,304)	(6,526,446)	(6,258,625)	(5,207,470)
Total General Fund	<u>8,292,369</u>	<u>7,710,504</u>	<u>6,867,134</u>	<u>6,892,915</u>	<u>6,218,141</u>	<u>4,543,461</u>	<u>271,567</u>	<u>(6,408,948)</u>	<u>(6,004,145)</u>	<u>(4,751,045)</u>
All Other Governmental Funds										
Nonspendable	72,251	65,833	72,828	37,272	41,854	29,500	8,357	24,544	54,208	59,595
Restricted For:										
Food Service Fund	724,002	831,220	920,715	1,033,440	1,065,404	861,207	785,253	753,863	531,348	1,463,519
Community Service Fund	418,366	533,101	602,181	615,885	570,345	568,447	577,560	599,700	394,271	393,515
Capital Projects Fund	-	353,591	22,306	68,507,316	41,094,378	10,154,422	-	896,039	-	-
Debt Service Fund	1,036,200	1,166,346	1,032,370	1,139,801	1,457,167	1,835,588	1,976,207	1,477,123	1,182,968	1,492,365
OPEB Debt Service Fund	64,072	77,432	78,279	83,570	84,677	76,438	73,387	72,851	73,708	-
Unassigned	-	-	-	-	(1,001,368)	-	(126,014)	-	(24,032)	-
Total Other Funds	<u>2,314,891</u>	<u>3,027,523</u>	<u>2,728,679</u>	<u>71,417,284</u>	<u>43,312,457</u>	<u>13,525,602</u>	<u>3,294,750</u>	<u>3,824,120</u>	<u>2,212,471</u>	<u>3,408,994</u>
Total All Funds	<u>\$ 10,607,260</u>	<u>\$ 10,738,027</u>	<u>\$ 9,595,813</u>	<u>\$ 78,310,199</u>	<u>\$ 49,530,598</u>	<u>\$ 18,069,063</u>	<u>\$ 3,566,317</u>	<u>\$ (2,584,828)</u>	<u>\$ (3,791,674)</u>	<u>\$ (1,342,051)</u>

Source: District Financial Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Local Sources:										
Property Taxes	\$ 9,908,566	\$ 10,272,700	\$ 8,707,235	\$ 10,436,307	\$ 11,016,257	\$ 11,177,391	\$ 11,269,111	\$ 12,219,836	\$ 15,377,972	\$ 16,161,266
Earnings on Investments	9,700	15,582	21,182	44,555	261,954	302,534	228,324	129,831	153,371	63,407
Other	3,950,052	4,155,371	4,696,441	4,304,684	4,546,702	4,815,133	5,064,200	5,498,498	4,459,502	2,938,128
State Sources	24,549,861	26,204,247	29,689,450	30,991,185	32,885,187	34,654,150	34,834,094	37,144,877	38,906,212	40,083,567
Federal Sources	1,228,631	1,166,407	1,156,870	936,799	1,391,504	1,422,817	1,446,504	1,427,188	1,624,712	5,078,297
Total Revenues	<u>39,646,810</u>	<u>41,814,307</u>	<u>44,271,178</u>	<u>46,713,530</u>	<u>50,101,604</u>	<u>52,372,025</u>	<u>52,842,233</u>	<u>56,420,230</u>	<u>60,521,769</u>	<u>64,324,665</u>
Expenditures										
Current:										
Administration	993,502	1,035,149	1,092,204	1,130,873	1,197,254	1,239,950	1,303,289	1,358,490	1,401,450	1,441,547
District Support Services	906,629	1,005,467	1,371,248	1,426,491	1,556,443	1,770,509	1,925,605	1,983,132	1,839,197	1,811,376
Regular Instruction	13,799,078	14,904,458	16,141,927	17,431,103	18,652,690	19,844,921	20,802,447	21,752,173	21,084,273	21,488,593
Vocational Education Instruction	351,926	411,202	401,909	350,479	407,835	562,394	711,686	588,221	668,291	584,008
Special Education Instruction	4,898,550	5,048,730	5,577,461	5,726,449	6,639,325	7,633,556	8,527,165	9,129,068	9,102,769	9,801,402
Instructional Support Services	1,899,754	2,003,611	2,096,528	2,346,130	2,494,787	2,715,986	2,923,134	2,933,530	2,823,710	2,940,473
Pupil Support Services	2,874,658	2,836,515	2,940,686	3,050,469	3,223,789	3,488,037	3,719,856	4,203,476	4,084,113	3,795,866
Sites and Buildings	2,429,479	3,063,647	3,184,939	3,143,645	3,290,769	3,794,790	3,868,754	4,157,649	3,778,256	4,273,449
Fiscal and Other Fixed Cost Programs	70,967	87,149	89,735	93,455	89,127	94,107	102,927	108,415	128,183	243,338
Food Service	1,520,520	1,631,378	1,769,267	1,799,296	1,916,419	2,238,850	2,326,242	2,384,528	2,291,668	2,082,447
Community Service	2,297,532	2,394,753	2,697,221	2,524,264	2,686,815	2,860,741	3,151,633	3,286,611	2,938,839	2,737,365
Capital Outlay	1,419,387	3,447,552	2,055,557	7,252,922	27,943,691	38,753,620	23,414,733	5,020,346	2,593,006	963,776
Debt Service:										
Principal	3,186,567	3,654,532	4,316,620	4,464,683	4,805,808	2,930,067	3,290,498	4,355,897	5,037,844	5,693,392
Interest and Fiscal Charges	2,407,744	2,331,607	2,249,541	4,195,008	4,396,256	3,997,347	4,001,264	4,557,799	4,550,597	4,328,927
Bond Issuance Costs	-	-	-	294,269	48,955	137,322	179,507	94,585	-	-
Total Expenditures	<u>39,056,293</u>	<u>43,855,750</u>	<u>45,984,843</u>	<u>55,229,536</u>	<u>79,349,963</u>	<u>92,062,197</u>	<u>80,248,740</u>	<u>65,913,920</u>	<u>62,322,196</u>	<u>62,185,959</u>
Excess (Deficiency) of Revenues Over Expenditures	590,517	(2,041,443)	(1,713,665)	(8,516,006)	(29,248,359)	(39,690,172)	(27,406,507)	(9,493,690)	(1,800,427)	2,138,706
Other Financing Sources (Uses)										
Sale of Equipment Proceeds	3,300	-	6,381	2,839	2,800	2,150	12,450	3,604	200	-
Sale of Real Property Proceeds	-	-	-	-	-	-	-	-	-	-
Insurance Recovery Proceeds	-	4,604	2,955	-	-	-	-	-	5,245	9,456
Issuance of Bonds	-	1,435,000	-	75,000,000	-	8,565,000	12,330,000	7,105,000	-	-
Issuance of Refunding Bonds	-	-	-	17,555,000	6,830,000	-	-	-	-	-
Issuance of Capital Lease	-	698,428	221,015	42,462	-	399,154	-	160,699	588,136	301,461
Lease Purchase Agreement Proceeds	-	-	-	-	-	-	-	3,008,000	-	-
Bond Premium	-	34,178	341,100	4,915,091	595,958	374,220	561,311	305,242	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	(20,285,000)	(6,960,000)	-	-	(7,240,000)	-	-
Transfers In	-	32,889	-	22,316	-	-	74,515	70,621	62,578	135,917
Transfers Out	-	(32,889)	-	(22,316)	-	-	(74,515)	(70,621)	(62,578)	(135,917)
Total Other Financings Sources (Uses)	<u>3,300</u>	<u>2,172,210</u>	<u>571,451</u>	<u>77,230,392</u>	<u>468,758</u>	<u>9,340,524</u>	<u>12,903,761</u>	<u>3,342,545</u>	<u>593,581</u>	<u>310,917</u>
Net Change in Fund Balances	593,817	130,767	(1,142,214)	68,714,386	(28,779,601)	(30,349,648)	(14,502,746)	(6,151,145)	(1,206,846)	2,449,623
Fund Balance - Beginning of Year	10,013,443	10,607,260	10,738,027	9,595,813	78,310,199	49,530,598	18,069,063	3,566,317	(2,584,828)	(3,791,674)
Prior Period Restatement	-	-	-	-	-	(1,111,887)	-	-	-	-
Fund Balance - Beginning of Year, As Restated	<u>10,013,443</u>	<u>10,607,260</u>	<u>10,738,027</u>	<u>9,595,813</u>	<u>78,310,199</u>	<u>48,418,711</u>	<u>18,069,063</u>	<u>3,566,317</u>	<u>(2,584,828)</u>	<u>(3,791,674)</u>
Fund Balance - End of Year	<u>\$ 10,607,260</u>	<u>\$ 10,738,027</u>	<u>\$ 9,595,813</u>	<u>\$ 78,310,199</u>	<u>\$ 49,530,598</u>	<u>\$ 18,069,063</u>	<u>\$ 3,566,317</u>	<u>\$ (2,584,828)</u>	<u>\$ (3,791,674)</u>	<u>\$ (1,342,051)</u>
Debt Service as a Percentage of Noncapital Expenditures	15.4%	15.6%	14.9%	16.4%	17.9%	13.0%	12.8%	14.8%	15.8%	16.5%

Source: District Financial Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Payable Year	Tax Capacity Valuation						Referendum Taxable Market Value	Tax Capacity as a Percentage of Market Value	Total Direct Tax Rate
	Agricultural Property	Non Agricultural Property	Personal Property	Tax Increment Property	Fiscal Disparities Program	Total Taxable			
2012	\$ 1,707,109	\$ 19,565,682	\$ 341,130	\$ (123,976)	\$ 362,054	\$ 21,851,999	\$ 1,845,055,600	1.18 %	34.38 %
2013	1,842,076	17,964,750	367,764	(107,544)	374,330	20,441,376	1,707,374,400	1.20	38.50
2014	2,095,462	18,389,803	375,380	(228,320)	387,952	21,020,277	1,782,697,550	1.18	36.31
2015	2,196,803	20,653,626	419,878	(254,853)	430,858	23,446,312	2,005,291,250	1.17	35.25
2016	2,176,839	22,153,658	477,026	(281,244)	419,288	24,945,567	2,144,821,250	1.16	33.23
2017	2,189,162	23,061,834	559,156	(299,378)	600,524	26,111,298	2,223,889,450	1.17	31.24
2018	2,227,680	24,792,705	618,412	(279,894)	612,250	27,971,153	2,382,642,150	1.17	33.49
2019	2,218,418	26,420,240	634,578	(288,407)	790,768	29,775,597	2,523,728,850	1.18	33.80
2020	2,257,364	29,102,807	605,778	(323,813)	971,797	32,613,933	2,751,255,700	1.19	33.80
2021	2,268,096	30,447,378	648,520	(176,681)	922,915	34,110,228	2,863,100,800	1.19	32.37

Source: State of Minnesota School Tax Report, Carver County Auditor

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
GOVERNMENTAL UNIT										
ISD No. 110 (Waconia)	34.382%	38.504%	36.307%	35.252%	33.233%	31.235%	33.492%	33.800%	32.269%	32.367%
ISD No. 110 (Waconia) Referendum Value	0.134	0.160	0.137	0.124	0.125	0.126	0.119	0.206	0.189	0.244
Overlapping Governments:										
Carver County	43.562	46.115	45.211	40.488	38.880	38.851	37.436	36.488	35.179	34.634
Hennepin County	48.231	49.461	49.959	46.398	45.356	44.087	42.808	41.861	41.084	38.210
City of Waconia	44.218	49.433	49.423	48.780	49.267	52.805	52.836	52.500	46.713	46.140
City of Minnetrista	27.440	29.551	29.761	28.448	28.792	26.590	25.742	24.915	24.735	23.681
City of St. Bonifacius	34.716	35.166	30.637	30.478	28.973	27.163	26.784	27.260	24.981	25.526
City of New Germany (Rural)	-	-	-	18.275	38.663	34.773	33.654	32.164	37.518	35.590
City of New Germany (Urban)	76.510	76.455	118.059	73.636	111.294	99.887	98.750	97.651	95.862	93.705
Benton Township	15.990	14.346	12.786	12.621	12.279	11.419	13.191	12.809	14.184	15.821
Laketown Township	16.400	18.765	18.120	16.803	16.144	16.057	15.546	14.684	14.140	13.430
Waconia Township	9.720	9.736	9.096	8.361	8.060	12.277	11.546	10.705	11.766	11.011
Carver County CDA	-	1.799	1.759	1.589	1.701	1.731	1.640	1.626	1.598	1.664
Carver County Rail Authority	-	0.121	0.114	0.097	0.110	0.105	0.114	0.104	0.101	0.099
Carver County WMO	-	1.019	1.016	0.891	0.912	0.919	0.967	0.927	0.893	0.875
Metropolitan Mosquito	0.537	0.556	0.563	0.492	0.478	0.473	0.446	0.423	0.395	0.382
Metropolitan Council	0.940	0.997	1.048	0.947	0.914	0.877	0.827	0.650	0.590	0.628

The state information for 2011-2021 is unavailable.

Source: Carver & Hennepin Counties

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TEN LARGEST TAXPAYERS – CARVER COUNTY
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Percent of Total		Percent of Total	
	2021 Net Tax Capacity	Rank	Net Tax Capacity	Net Tax Capacity
			\$ 34,110,226	\$ 18,402,862
Northern States Power Co	\$ 327,300	1	0.96 %	\$ -
Ridgeview Real Estate LLC	322,932	2	0.95	-
Great River Energy	270,916	3	0.79	-
JE Waconia 2018 LLC	213,966	4	0.63	-
Centerpoint Energy Minnegasco	210,556	5	0.62	-
ACPI Wood Products LLC	176,952	6	0.52	-
Target Corporation	157,838	7	0.46	-
Lakeview Clinic Building, Corp.	139,006	8	0.41	-
Auburn Meadows LLC	117,757	9	0.35	-
Northern Natural Gas Co.	113,922	10	0.33	-
Great River Energy	-			221,206 1 1.20 %
Target Corporation	-			204,462 2 1.11
Ridgeview Real Estate LLC	-			155,350 3 0.84
Jerry's Enterprises Inc.	-			139,912 4 0.76
Northern States Power Co.	-			128,642 5 0.70
Elkay Wood Products Company	-			121,272 6 0.66
Lakeview Clinic Bldg. Corp.	-			113,684 7 0.62
Centerpoint Energy Minnegasco	-			87,014 8 0.47
Nothern Natural Gas Company	-			83,844 9 0.46
MMC Property LLC	-			76,860 10 0.42
Total	\$ 2,051,145		6.01 %	\$ 1,332,246 7.24 %

Source: Carver and Hennepin County Auditors

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

For Taxes Collectible	Net Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (1)	Percent of Levy		Amount	Percent of Levy
2012	\$ 10,112,742	\$ 10,014,047	99.0	\$ 93,709	\$ 10,107,756	100.0%
2013	10,631,233	10,555,589	99.3	75,144	10,630,733	100.0%
2014	10,428,870	10,366,167	99.4	42,871	10,409,038	99.8%
2015	11,029,353	10,966,161	99.4	65,407	11,031,568	100.0%
2016	11,261,392	11,163,182	99.1	70,625	11,233,807	99.8%
2017	11,266,658	11,221,635	99.6	36,378	11,258,013	99.9%
2018	12,423,204	12,273,021	98.8	129,934	12,402,955	99.8%
2019	15,553,559	15,493,781	99.6	36,291	15,530,072	99.8%
2020	16,033,667	15,970,982	99.6	39,851	16,010,833	99.9%
2021	18,254,942	9,487,487	52.0	-	9,487,487	52.0%

(1) Notes: Includes abatements and any property tax credits paid through state aids included in the collections.

Source: State of Minnesota School Taxes Receivable Report, Carver and Hennepin County Auditor

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2021

Estimated Market Value	\$ 3,075,715,174
Debt Limit (15% of Estimated Market Value)	461,357,276
Debt applicable to limit	105,375,000
Legal debt margin	<u><u>\$ 355,982,276</u></u>

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 293,841,863	\$ 274,035,443	\$ 291,879,427	\$ 328,612,012	\$ 350,190,195	\$ 409,711,495	\$ 426,048,907	\$ 469,562,961	\$ 460,952,970	\$ 461,357,276
Total Debt Applicable to the Limit	<u>52,680,000</u>	<u>50,725,000</u>	<u>46,785,000</u>	<u>114,875,000</u>	<u>111,825,000</u>	<u>124,265,000</u>	<u>126,475,000</u>	<u>119,550,000</u>	<u>114,755,000</u>	<u>105,375,000</u>
Legal Debt Margin	<u><u>\$ 241,161,863</u></u>	<u><u>\$ 223,310,443</u></u>	<u><u>\$ 245,094,427</u></u>	<u><u>\$ 213,737,012</u></u>	<u><u>\$ 238,365,195</u></u>	<u><u>\$ 285,446,495</u></u>	<u><u>\$ 299,573,907</u></u>	<u><u>\$ 350,012,961</u></u>	<u><u>\$ 346,197,970</u></u>	<u><u>\$ 355,982,276</u></u>
Total Debt Applicable to the Limit as a % of Debt Limit	17.93%	18.51%	16.03%	34.96%	31.93%	30.33%	29.69%	25.46%	24.90%	22.84%

Note: Minnesota Statutes, Section 475.53, subdivision 4, presently limits the "net debt" of a school district to 15% of its actual market value. The actual market value of property within a district on which its debt limit is based, is (a) the value certified by the county auditors, or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value. The percentages listed above represent the percentage of the legal debt limit used. Anything over 100% would indicate that the

Source: District Financial Records and Minnesota Department of Education

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Fiscal Year	Bonded Debt	Certificates of Participation	Capital Lease	Lease Purchase Obligations	Total Primary Government	Estimated Population	Net Bonded Debt Per Capita	Percent of Personal Income
2012	\$ 53,186,964	\$ -	\$ -	\$ 1,654,414	\$ 54,841,378	19,242	2,850	1.0
2013	51,188,853	-	22,629	2,065,681	53,277,163	19,242	2,769	0.9
2014	47,171,975	-	224,917	2,048,888	49,445,780	19,242	2,570	0.8
2015	119,633,209	-	113,682	1,917,902	121,664,793	20,764	5,859	1.9
2016	116,804,912		145,776	-	116,950,688	20,764	5,632	1.8
2017	119,353,054	3,160,000	389,863	-	122,902,917	20,764	5,919	1.8
2018	128,684,170	3,160,000	209,365	-	132,053,535	21,750	6,071	1.8
2019	124,228,496	3,040,000	205,454	2,926,713	130,400,663	22,738	5,735	1.7
2020	118,857,461	2,915,000	738,019	2,864,440	125,374,920	22,738	5,514	1.6
2021	109,570,000	2,785,000	881,189	3,107,145	116,343,334	22,738	5,117	N/A

Note 1: Details regarding the District's current outstanding debt can be found in the notes to the basic financial statements.

Source: District Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

Fiscal Year	Bonded Debt	Resources Restricted for Repayment	Net Bonded Debt	Tax Capacity	Percentage of Estimated Actual Taxable Value of Property	Estimated Population	Net Bonded Debt Per Capita
2012	\$ 52,680,000	\$ (1,036,200)	\$ 51,643,800	\$ 1,845,055,600	2.80	19,242	2,684
2013	50,725,000	(1,166,346)	49,558,654	1,707,374,400	2.90	19,242	2,576
2014	46,785,000	(1,032,370)	45,752,630	1,782,697,550	2.57	19,242	2,378
2015	114,875,000	(1,139,801)	113,735,199	2,005,291,250	5.67	20,764	5,478
2016	111,825,000	(1,457,167)	110,367,833	2,144,821,250	5.15	20,764	5,315
2017	114,455,000	(1,835,588)	112,619,412	2,223,889,450	5.06	20,764	5,424
2018	128,684,170	(1,976,207)	126,707,963	2,382,642,150	5.32	21,750	5,826
2019	124,228,496	(1,477,123)	122,751,373	2,523,728,850	4.86	22,738	5,399
2020	118,857,461	(1,182,968)	117,674,493	2,751,255,700	4.28	22,738	5,175
2021	109,570,000	(1,492,365)	108,077,635	2,863,100,800	3.77	22,738	4,753

Note 1: Details regarding the District's current outstanding debt can be found in the notes to the basic financial statements.

Source: District Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
COMPUTATION OF DIRECT AND OVERLAPPING BOND DEBT
JUNE 30, 2021**

	2020-2021 Adjusted Taxable Net <u>Tax Capacity</u>	Debt <u>Outstanding</u>	Estimated Percentage <u>Applicable</u>	Estimated Share of Overlapping <u>Debt</u>
Overlapping:				
Carver County	\$ 174,372,048	\$ 10,650,000	16.20%	\$ 1,725,300
Hennepin County	2,261,068,019	1,481,010,000	0.26%	3,840,608
Cities:				
Minnetrista	21,499,860	20,426,364	13.98%	2,855,669
New Germany	476,347	1,770,000	100.00%	1,770,000
St. Bonifacius	2,857,736	1,895,000	100.00%	1,895,000
Victoria	19,718,216	21,830,000	6.91%	1,508,911
Waconia	18,631,574	22,575,000	100.00%	22,575,000
Laketown Township	3,859,290	900,000	69.42%	624,818
Waconia Township	2,894,611	165,000	92.51%	152,649
Metropolitan Transit	2,150,849,639	361,740,000	0.27%	986,148
Metropolitan Council	2,325,221,687	1,572,265,662	1.47%	23,064,614
Three Rivers Park District	1,563,969,505	58,525,000	0.37%	219,416
Hennepin County Regional Railroad Authority	2,261,068,019	94,705,000	0.26%	245,592
Total Overlapping				<u>61,463,727</u>
Direct:				
Waconia ISD No. 110	39,470,458	109,570,000	100.00%	<u>109,570,000</u>
Total Direct and Overlapping Bonded Debt:				<u><u>\$ 171,033,727</u></u>

Sources: Taxable value data used to estimate applicable percentages and Debt outstanding data provided by the District's financial advisor, Ehlers.

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Carver County			
	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2012	93,859	\$ 5,499,669,000	\$ 58,595	5.2 %
2013	95,610	5,610,153,000	58,677	4.3
2014	97,343	6,038,631,000	62,035	2.9
2015	98,596	6,359,013,000	64,496	2.8
2016	100,327	6,577,482,000	65,560	2.9
2017	102,119	6,911,379,000	67,680	2.6
2018	103,551	7,388,388,000	71,350	1.9
2019	105,089	7,673,914,047	73,023	2.4
2020	107,179	8,070,573,665	75,677	4.5
2021	108,201	N.A.	N.A.	2.3

N.A. - Not Available

Source: Bureau of Economic Analysis - U. S. Department of Commerce
Bureau of Labor Statistics - U.S. Department of Labor
United States Census Bureau
Minnesota Department of Employment and Economic Development

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	Type of Business/Product	2021			2012		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ridgeview Medical Center	Hospital and Medical Clinics	1,500	1	12.92 %	1,500	1	17.07 %
Storm Aviation, Inc.	Aircraft Dealer	1,001	2	8.62			
I.S.D. No. 110 (Waconia)	Elementary and Secondary Education	515	3	4.44	377	3	4.29
Medallion Cabinetry, Inc.	Wooden Kitchen and Vanity Cabinets	500	4	4.31	575	2	6.55
Yorktown Cabinetry	Cabinet Manufacturer	250	5	2.15			
Mackenthun's Fine Foods	Retail Grocery Store	200	6	1.72	220	4	2.50
Physicians Service Network	Offices of Physicians	200	7	1.72			
Ridgeview Home Support Service	Home Health Care Services	175	8	1.51	175	6	1.99
Crown College	Education	160	9	1.38			
Target	Department Store	150	10	1.29	150	7	1.71
Good Samaritan Society, Waconia	Nursing Home	130	11	1.12	220	5	2.50
Lakeview Clinic Ltd.	Offices of Physicians	120	12	1.03	120	9	1.37
Ridgeview Rehab Specialties	Home Health Care Services	120	13	1.03	120	8	1.37
Auburn Homes Assisted Living	Home Health Care Services	100	14	0.86			
Community Education	Home Health Care Services	100	15	0.86			
Milltronics Manufacturing Co.	Machine Tools, Metal Cutting Types	100	16	0.86	100	10	1.14
Total Employees		<u>5,321</u>		45.87 %	<u>3,557</u>		40.47 %

Source: District Financial Advisor, Reference USA

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
FULL-TIME EQUIVALENT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Teachers	227.1	233.24	248.36	250.23	272.62	289.4	289.75	289.32	287.01	286.63
Support										
Principals/Directors	17.56	18.00	18.00	18.00	19.00	20.00	21.00	21.00	21.00	21.00
Secretary/Clerical	10.69	11.21	11.69	12.00	12.00	14.00	13.00	13.00	13.00	13.00
Confidential	5.00	5.00	5.00	5.00	6.00	5.00	5.00	5.00	4.17	4.00
ParaEducators	75.35	83.39	83.42	101.88	101.88	113.63	114.81	118.86	117.61	124.26
Food Service	15.00	18.00	18.10	19.14	19.14	24.86	27.00	30.00	25.00	25.00
Custodians	23.02	23.75	24.40	25.00	25.00	29.00	33.97	33.75	28.00	31.97
Community Education	6.50	6.50	7.50	7.50	7.50	8.50	8.00	9.00	9.00	9.00
Total Support	153.12	165.85	168.11	188.52	190.52	214.99	222.78	230.61	217.78	228.23
Total	380.22	399.09	416.47	438.75	463.14	504.39	512.53	519.93	504.79	514.86

Source: District Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil- Teacher Ratio</u>	<u>Percent of Students Receiving Free or Reduced Priced Meals</u>	<u>Student Attendance Percentage</u>
2012	3,443	\$ 33,800,752	\$ 9,817	7.68%	227	15.17%	11.64%	96.30%
2013	3,575	37,270,770	10,425	5.90	233	15.34	11.98	95.70
2014	3,699	39,681,068	10,728	2.94	248	14.92	12.32	96.10
2015	3,759	40,437,678	10,758	(0.18)	250	15.04	12.60	95.50
2016	3,860	43,631,445	11,303	5.07	273	14.14	12.57	96.38
2017	3,899	47,309,965	12,134	7.76	289	13.49	11.46	96.55
2018	4,039	49,819,332	12,335	1.87	290	13.93	11.17	95.50
2019	4,051	55,801,111	13,775	10.80	289	14.02	11.40	95.70
2020	4,071	51,425,846	12,632	(8.15)	287	14.18	9.06	96.26
2021	3,988	51,154,140	12,827	4.91	287	13.90	5.75	93.40

Source: District Records and Minnesota Department of Education

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

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
TEACHER SALARIES
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
2012	\$ 36,177	\$ 73,125
2013	36,901	74,588
2014	37,455	78,652
2015	38,017	79,831
2016	38,777	81,746
2017	39,553	83,381
2018	40,443	85,669
2019	41,353	87,597
2020	41,560	88,247
2021	41,768	88,688

Note: Amounts do not include fringe benefits such as pension, health insurance, disability, and etc.

Source: District Financial Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHOOL BUILDING INFORMATION – OWNED BUILDINGS
LAST TEN FISCAL YEARS**

School	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bayview Elementary (1918, 1936, 1955, 1961, 1969, 2008)										
Square Feet	90,919	90,919	90,919	90,919	90,919	90,919	94,500	94,500	94,500	94,500
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	687	694	723	763	752	619	628	606	577	551
Acres	30	30	30	30	30	30	30	30	30	30
Laketown Elementary (2017)										
Square Feet						85,000	86,000	86,000	86,000	86,000
Capacity						600	600	600	600	600
Enrollment						503	564	582	583	517
Acres						59	59	59	59	59
Southview Elementary (1961, 1969, 2008)										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,500	85,500	85,500	85,500
Capacity	650	650	650	650	650	650	650	670	670	670
Enrollment	636	638	662	651	698	646	628	638	610	632
Acres	7	7	7	7	7	7	7	7	7	7
Waconia Middle School (1994, 2017)										
Square Feet	244,000	244,000	244,000	244,000	244,000	244,000	235,000	235,000	235,000	235,000
Capacity	1,066	1,066	1,066	1,066	1,066	1,066	1,082	1,082	1,082	1,082
Enrollment	1,053	1,099	1,136	1,176	1,181	877	956	986	956	928
Acres	30	30	30	30	30	30	30	30	30	30
Waconia High School (2001, 2004, 2017)										
Square Feet	232,000	232,000	232,000	232,000	232,000	232,000	395,000	395,000	395,000	395,000
Capacity	1,082	1,082	1,082	1,082	1,082	1,082	1,600	1,600	1,600	1,600
Enrollment	1,035	1,076	1,101	1,103	1,156	1,198	1,307	1,333	1,281	1,234
Acres	57	57	57	57	57	57	115	115	115	115
Waconia Learning Center (2018)										
Square Feet							11,000	11,000	11,000	11,000
Capacity							100	100	100	100
Enrollment							45	62	59	52
Acres							5	5	5	5
Educational Service Center (2015)										
Square Feet					42,400	42,400	42,400	42,400	42,400	42,400
Capacity					120	120	120	120	120	120
Enrollment					120	120	120	120	120	120
Acres					2	2	2	2	2	2

Note: Bayview Elementary School Capacity numbers prior to 2006 are estimates for the School portion of the building. Prior to 2006, the building was partially used for Community Education and other administrative functions. In addition, portions of the building were not available for student use due to their condition.

In 2018 the District turned the middle school into a high school. The existing high school was then turned into a grades 6-8 from grades 5-8 middle school.

Source: District Records

**WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHEDULE OF INSURANCE COVERAGE
YEAR ENDED JUNE 30, 2021**

Insurable Risk	Insured through Agent and Insurance Company or Risk Pool	Policy Period	Coverage Limits	Deductible
Blanket Real and Personal Property	Minnesota Insurance Scholastic Trust	7/1/20 to 6/30/21	Varies by Class of Property	\$5,000
Inland Marine	Minnesota Insurance Scholastic Trust	7/1/20 to 6/30/21	Varies by Class of Property	\$5,000
Crime	Minnesota Insurance Scholastic Trust	7/1/20 to 6/30/21	\$50,000 / \$1,000,000 Excess	\$2,500
General Liability	Minnesota Insurance Scholastic Trust	7/1/20 to 6/30/21	Each Occ. - \$2,000,000 Annual Agg. - \$4,000,000	\$1,000/ea.
School Leaders	Minnesota Insurance Scholastic Trust	7/1/20 to 6/30/21	Each Wrongful Act - \$4,000,000 Aggregate - \$8,000,000	NA
Automobile	Minnesota Insurance Scholastic Trust	7/1/20 to 6/30/21	Uninsured - \$1,000,000 Underinsured - \$1,000,000	\$1,000/ea.
Workers Compensation	SFM Mutual Insurance Companies	7/1/20 to 6/30/21	Disease - \$500,000 Disease - \$500,000/ee Accident - \$500,000/ee	NA
Excess Liability	Minnesota Insurance Scholastic Trust	7/1/20 to 6/30/21	Each Occurrence - \$4,000,000	NA

NA - Not Applicable

Source: District Records

