WACONIA PUBLIC SCHOOLS

Independent School District #110

For the Fiscal Year Ended June 30, 2024

512 Industrial Boulevard

Waconia, MN 55387

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

PREPARED BY

BUSINESS OFFICE STAFF

WACONIA, MINNESOTA

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INDEPENDENT SCHOOL DISTRICT NO. 110
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INDEPENDENT SCHOOL DISTRICT NO. 110
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INTRODUCTORY SECTION

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2024

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Dana Geller	12/31/24	Chairperson
Luke DeBoer	12/31/24	Vice-Chairperson/ Clerk
Alycia Myers	10/31/24	Treasurer
Melanie Hagen	12/31/26	Director
Kimberly Kelzer-Breeden	12/31/26	Director
Jesse Bergstrom	12/31/26	Director
Kelly Amott	12/31/26	Director

ADMINISTRATION

Brian Gersich	Superintendent
Pamela Carman	Director of Finance and Operations
District Offices:	Independent School District No. 110 Waconia Public Schools 512 Industrial Boulevard Waconia, Minnesota 55387 952-442-0600

FINANCIAL SECTION

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 110 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – General Fund, Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – Food Service Fund, Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – Community Service Fund, 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 the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund financial statements and schedules and the Uniform Financial Accounting and Reporting Standards Compliance Table are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund financial statements and schedules and the Uniform Financial Accounting and Reporting Standards Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Report on Summarized Comparative Information

We have previously audited the District's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 8, 2023. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent in all material respects with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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

CliftonLarsonAllen LLP

Austin, Minnesota
November 20, 2024

REQUIRED SUPPLEMENTARY INFORMATION

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

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, 2024. Please read it in conjunction with the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- Total General Fund revenues were $56,740,723 as compared to $48,760,671 of expenditures and other financing uses which caused fund balance to increase by $7,980,052.
- Net position increased by $13,076,510 due to changes in the liability related to pensions, an overall decrease in expenditures.

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.

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.

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 $6,644,291 on June 30, 2024. This was an increase of 66.3% from the prior year (see Table A-1). Net pension liability decreased by approximately $1,366,000 and OPEB liability increased by approximately $278,000 all related to changes in the assumptions.

Table A-1
The District's Net Position

	Governmental Activities		Percentage
	2024	2023	Change
Assets			
Current and Other Assets	$ 40,663,988	$ 27,454,134	48.1 %
Capital Assets	122,351,097	124,952,387	(2.1)
Total Assets	163,015,085	152,406,521	7.0
Deferred Outflows of Resources	8,894,005	12,358,333	(28.0)
Liabilities			
Current Liabilities	15,114,062	14,511,848	4.1
Long-Term Liabilities	139,710,893	141,982,327	(1.6)
Total Liabilities	154,824,955	156,494,175	(1.1)
Deferred Inflows of Resources	23,728,426	27,991,480	(15.2)
Net Position			
Net Investment in Capital Assets	13,700,964	19,686,829	(30.4)
Restricted	16,529,363	6,295,222	162.6
Unrestricted	(36,874,618)	(45,702,852)	(19.3)
Total Net Position	$ (6,644,291)	$ (19,720,801)	66.3

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position

The District's total revenues were $74,032,618 for the year ended June 30, 2024. Property taxes and state formula aid accounted for $51,714,781 of total revenue for the year (see Figure A-1). Another $16,384,633 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 %
	2024	2023	Change
Revenues			
Program Revenues:			
Charges for Services	$ 4,856,029	$ 5,775,026	(15.9)%
Operating Grants and Contributions	15,817,807	12,286,354	28.7
Capital Grants and Contributions	566,826	618,504	(8.4)
General Revenues:			
Property Taxes	19,118,954	18,796,724	1.7
Unrestricted State Aid	32,595,827	31,240,117	4.3
Investment Earnings	646,779	291,428	121.9
Other	430,396	128,757	234.3
Total Revenues	74,032,618	69,136,910	7.1
Expenses			
Administration	1,517,303	1,242,947	22.1
District Support Services	1,832,239	2,063,656	(11.2)
Regular Instruction	24,701,678	23,281,034	6.1
Vocational Education Instruction	508,477	489,941	3.8
Special Education Instruction	10,300,665	9,507,273	8.3
Instructional Support Services	2,163,792	3,140,401	(31.1)
Pupil Support Services	4,630,979	4,303,148	7.6
Sites and Buildings	4,672,023	5,203,843	(10.2)
Fiscal and Other Fixed Cost Programs	387,957	286,089	35.6
Food Service	3,477,543	3,082,491	12.8
Community Service	3,891,157	3,104,624	25.3
Interest and Fiscal Charges on Long-Term Liabilities	2,872,295	2,978,597	(3.6)
Total Expenses	60,956,108	58,684,044	3.9
Change in Net Position	13,076,510	10,452,866	
Beginning Net Position	(19,720,801)	(30,173,667)	
Ending Net Position	$ (6,644,291)	$ (19,720,801)	

The total cost of all programs and services including interest and fiscal charges was $60,956,108. Total revenues exceeded expenses by $13,076,510. Charges for services increased due to an increase in community education activities. The decrease in expenses is due to moderate spending offset with an increase in spending of additional federal grants received.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

The total cost of all governmental activities this year was $60,956,108.

- Some of the cost was paid by the users of the District's programs $4,856,029.
- The federal and state governments subsidized certain programs with grants and contributions ($16,384,633).
- Most of the District's costs, however, were paid for by the District taxpayers and the taxpayers of our state.
- The portion of governmental activities was paid for with $19,118,954 in property taxes, $32,595,827 of state aid and $1,077,175 investment earnings and other general revenues.

Figure A-1
Sources of District's Revenues for Fiscal 2024

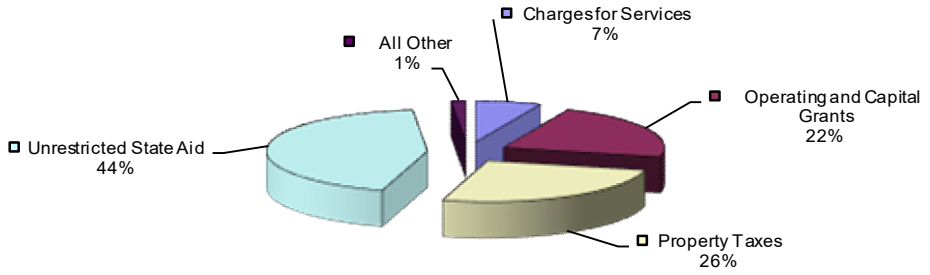
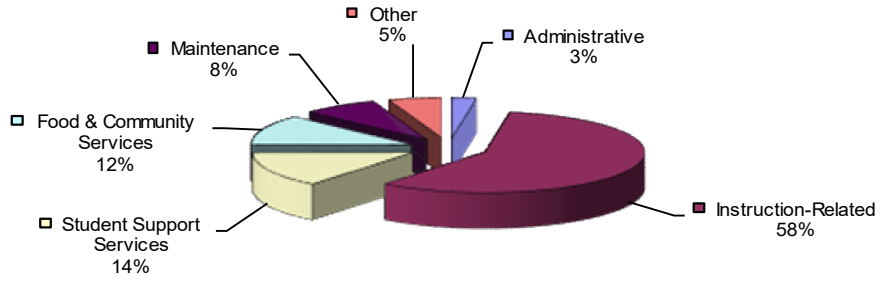


Figure A-2
District Expenses for Fiscal 2024



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	Net Cost of Services		Percentage
	2024	2023	Change	2024	2023	Change
Administration	$ 1,517,303	$ 1,242,947	22.1 %	$ 1,538,914	$ 1,231,672	24.9 %
District Support Services	1,832,239	2,063,656	(11.2)	1,831,311	2,062,564	(11.2)
Regular Instruction	24,701,678	23,281,034	6.1	21,774,789	20,340,701	7.1
Vocational Education Instruction	508,477	489,941	3.8	500,311	475,109	5.3
Special Education Instruction	10,300,665	9,507,273	8.3	(641,092)	254,345	(352.1)
Instructional Support Services	2,163,792	3,140,401	(31.1)	2,104,036	2,841,242	(25.9)
Pupil Support Services	4,630,979	4,303,148	7.6	4,483,400	4,513,248	(0.7)
Sites and Buildings	4,672,023	5,203,843	(10.2)	4,115,568	4,716,540	(12.7)
Fiscal and Other Fixed Cost Programs	387,957	286,089	35.6	387,957	286,089	35.6
Food Service	3,477,543	3,082,491	12.8	194,265	448,637	(56.7)
Community Service	3,891,157	3,104,624	25.3	553,692	(144,584)	(483.0)
Interest and Fiscal Charges on Long-Term Liabilities	2,872,295	2,978,597	(3.6)	2,872,295	2,978,597	(3.6)
Total	$ 60,956,108	$ 58,684,044	3.9	$ 39,715,446	$ 40,004,160	(0.7)

The total cost of all governmental activities for the year ended June 30, 2024 was $60,956,108.

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 $14,969,856, which is $12,472,334 more than last year's ending fund balance of $2,497,522. The increase relates to the increase in state sources and earnings on investments while also decreasing overall expenditures.

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.

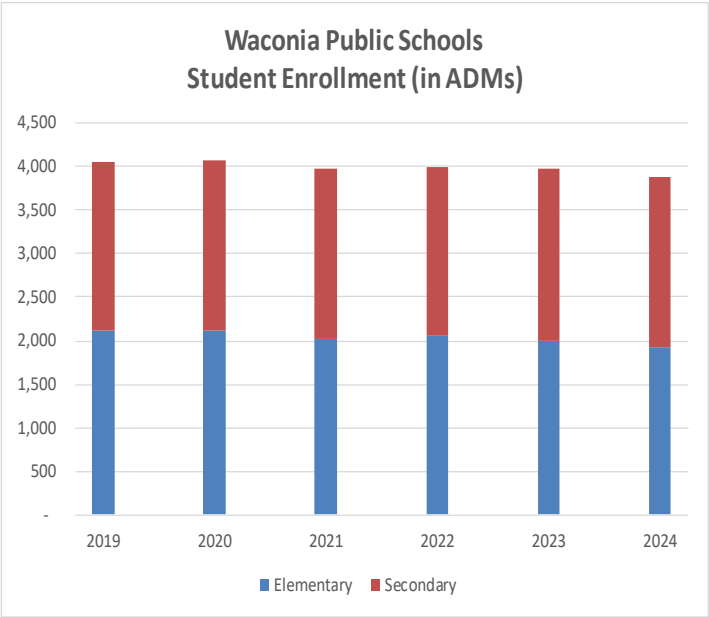
Approximately 97% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model 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 decreased slightly through school year 2023-2024.

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

	2019	2020	2021	2022	2023	2024
Elementary	2,113	2,111	2,025	2,058	2,000	1,918
Secondary	1,938	1,959	1,947	1,937	1,977	1,966
Total Students for Aid	4,051	4,070	3,972	3,995	3,977	3,884
Percent Change	0.30%	0.47%	-2.41%	0.58%	-0.45%	-2.34%



GENERAL FUND (CONTINUED)

Over the last six years, the District has experienced a decrease in average daily membership of 167 students or 4.12%. The average daily membership decreased during school year 2023-2024 and it is anticipated that the average daily membership will increase in the next five years.

The following schedule presents a summary of General Fund Revenues.

Table A-5
General Fund Revenues

Fund	Year Ended June 30, 2024	Year Ended June 30, 2023	Change Increase (Decrease)	Change Percent
Local Sources:				
Property Taxes	$ 10,257,821	$ 9,562,770	$ 695,051	7.3 %
Earnings on Investments	112,866	-	112,866	100.0
Other	1,589,605	1,381,797	207,808	15.0
State Sources	43,525,336	40,808,105	2,717,231	6.7
Federal Sources	1,255,095	1,312,610	(57,515)	(4.4)
Total General Fund Revenue	$ 56,740,723	$ 53,065,282	$ 3,675,441	6.9

Total General Fund Revenue increased by $3,675,441 or 6.9% 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. Despite a recent increase in the cross-subsidy, Special Education funding continues to fall short of covering rising program costs, creating ongoing challenges for the District's budget. District officials continue to actively engage with legislative leaders to advocate for further adjustments to Special Education funding laws to address these deficiencies and better support students' needs.

The following schedule presents a summary of General Fund Expenditures.

Table A-6
General Fund Expenditures

	Year Ended June 30, 2024	Year Ended June 30, 2023	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries	$ 27,539,450	$ 30,105,406	$ (2,565,956)	(8.5)%
Employee Benefits	10,431,334	11,428,694	(997,360)	(8.7)
Purchased Services	7,607,662	7,018,806	588,856	8.4
Supplies and Materials	1,724,993	2,109,431	(384,438)	(18.2)
Capital Expenditures	230,782	483,279	(252,497)	(52.2)
Other Expenditures	1,046,718	1,114,897	(68,179)	(6.1)
Total Expenditures	$ 48,580,939	$ 52,260,513	$ (3,679,574)	(7.0)

GENERAL FUND (CONTINUED)

Total General Fund expenditures decreased by $3,679,574 or 7.0% from the previous year. Most of this decrease was due to a decrease in salaries and employee benefits.

The unassigned fund balance for the General Fund was $304,954 as of June 30, 2024. According to Minnesota Statutes, Section 123B.81, subdivision 2, the District is required to report a year-end unreserved General Fund balance exceeding more than 2.50% of its unreserved/undesignated operating expenditures. Fiscal year 2024 is the first year out of Statutory Operating Debt (SOD) with a percentage of 2.57%. The District has come out of SOD this year primarily due to budget cuts and watching overall spending.

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 $265,876 more than expected primarily due to an increase in property taxes and other revenue. In addition, investment earnings were more than expected.

The actual expenditures were $3,281,837 less than budgeted primarily due to a decrease in salaries and employee benefits.

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.

DEBT SERVICE FUNDS

The Debt Service Fund revenues exceeded expenditures by $160,380 in FY2024. The remaining fund balance of $2,351,255 at June 30, 2024 is available for meeting future debt service obligations.

OTHER MAJOR FUNDS

Expenditures exceeded revenue in Food Service Fund by $83,736 and in the Community Education Fund revenues and other financing sources exceeded expenditures by $318,645.

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 2024, the District had invested over $201 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

	2024	2023	Percentage Change
Land	$ 5,524,742	$ 5,524,742	- %
Construction in Progress	1,981,900	-	100.0
Right-to-Use Asset	218,987	218,987	-
Land Improvements	6,034,879	6,034,879	-
Buildings and Improvements	176,251,626	176,251,626	-
Equipment	10,538,734	9,896,526	6.5
Less: Accumulated Depreciation/Amortization	(78,199,771)	(72,974,373)	7.2
Total	$ 122,351,097	$ 124,952,387	(2.1)

Facilities – Next Five Years

The District's facilities, with an average age of 27 years, are essential to providing high-quality education in safe and functional environments. While the oldest buildings, Bayview Elementary and Southview Elementary, average 48 and 43 years respectively, the newest facilities, Laketown Elementary and the Learning Center, average just 8 and 7 years. To address ongoing maintenance and modernization needs, the District partnered with SiteLogiq to develop a 10-year Long-Term Facilities Maintenance (LTFM) Plan, which prioritizes infrastructure upgrades, deferred maintenance, energy efficiency, and safety enhancements. The District's long-range facilities plan identifies a need for more significant investments beginning around 2028 to address key priorities. The plan includes key investments ensuring the District remains well-positioned to support growth and evolving educational needs while aligning projects with strategic goals and community expectations. As we continue to manage our future budgets, it is critical to keep these priorities at the forefront to maintain and enhance our facilities effectively.

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities

At year-end, the District had approximately $104,311,000 in long-term debt, a decrease of 1% from last year – as shown in Note 6 to financial statements. This is due to payments on long-term debt.

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

	2024	2023	Percentage Change
General Obligation Bonds	$ 98,010,000	$ 98,090,000	(0.1)%
Net Bond Premium and Discount	1,383,843	1,720,802	(19.6)
Certificates of Participation Payable	2,370,000	2,510,000	(5.6)
Finance Purchase Agreement	2,456,472	2,820,872	(12.9)
Lease Liability	91,068	140,680	(35.3)
Total	$ 104,311,383	$ 105,282,354	(0.9)
Long-Term Liabilities:			
Due within One Year	$ 6,856,796	$ 6,644,011	
Due in More than One Year	97,454,587	98,638,343	
Total	$ 104,311,383	$ 105,282,354	

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District has successfully exited Statutory Operating Debt, demonstrating progress in its fiscal management. However, it continues to face challenges associated with rising labor and transportation costs, along with overall operational expenses. The majority of District employee contracts have been settled through 2026-27, providing greater predictability in known contract costs. Many initial settlements were structured to provide minimal, off-schedule increases in the first two years, allowing for an immediate increase in the District's general fund balance. However, the contracts include higher cost increases in the final two years, creating a need for careful long-term planning. This structure underscores the importance of strategic decision-making now to ensure sufficient resources to meet these higher commitments in future years and reflects the collective effort to balance current needs with future obligations.

The rising costs of Special Education services continue to place pressure on the District's budget. While the state has recently increased funding to help reduce the cross-subsidy gap, the adjustments only partially offset the financial demands of providing these essential services. The District remains committed to meeting the diverse needs of its students, but the current funding model requires ongoing monitoring and creative solutions to ensure financial stability without compromising the quality of education and support provided to students with special needs.

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)

Declining enrollment presents an additional challenge for the District, necessitating careful planning to align limited resources with increasing demands in instructional services, daily maintenance and operations, transportation services, food service programming, and community education programming. The general education formula allowance has not kept pace with inflation, and the District receives less categorical funding compared to neighboring districts. As a result, the District relies heavily on local dollars to sustain its programming and maintain its longstanding commitment to providing high-quality education.

Despite these challenges, the District remains dedicated to academic excellence and educational opportunity for all students while upholding its financial responsibility. Continued strategic planning and efforts to optimize funding streams will be essential in navigating these pressures and advancing the District's goals.

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	Governmental Activities	
	2024	2023
ASSETS		
Cash and Investments	$ 24,796,767	$ 12,089,381
Receivables:		
Property Taxes	10,243,288	10,165,678
Due From Other Governments	4,334,452	3,733,484
Other	252,132	141,137
Prepaid Items	961,463	982,591
Inventories	75,886	61,663
Due from Irrevocable OPEB Trust	-	280,200
Capital Assets:		
Land and Construction in Progress	7,506,642	5,524,742
Other Capital Assets, Net of Depreciation/Amortization	114,844,455	119,427,645
Total Assets	163,015,085	152,406,521
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	8,766,881	12,104,446
OPEB Related	120,004	237,091
Loss on Refunding	7,120	16,796
Total Deferred Outflows of Resources	8,894,005	12,358,333
LIABILITIES		
Salaries Payable	5,075,366	4,992,087
Accounts and Contracts Payable	1,030,108	441,169
Accrued Interest	1,427,270	1,470,885
Due to Other Governmental Units	201,747	153,613
Unearned Revenue:		
Local Sources	251,334	496,963
Long-Term Liabilities:		
Net Pension Liability	36,342,573	37,708,313
Net OPEB Liability	5,913,733	5,635,671
Portion Due Within One Year	7,128,237	6,957,131
Portion Due in More Than One Year	97,454,587	98,638,343
Total Liabilities	154,824,955	156,494,175
DEFERRED INFLOWS OF RESOURCES		
OPEB Related	1,040,430	1,070,688
Pension Related	3,869,935	8,243,087
Property Taxes Levied for Subsequent Year	18,818,061	18,677,705
Total Deferred Inflows of Resources	23,728,426	27,991,480
NET POSITION		
Net Investment in Capital Assets	13,700,964	19,686,829
Restricted for:		
State-Mandated Restrictions	3,350,843	1,786,505
Food Service	2,283,631	2,367,367
Community Service	1,684,204	1,365,331
Debt Service	988,519	776,019
Capital Projects - Building Construction	8,222,166	-
Unrestricted	(36,874,618)	(45,702,852)
Total Net Position	$ (6,644,291)	$ (19,720,801)

See accompanying Notes to Basic Financial Statements.

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	2024 Net Revenue (Expense) and Changes in Net Position: Total Governmental Activities	2023 Net Revenue (Expense) and Changes in Net Position: Total Governmental Activities
Governmental Activities						
Administration	$ 1,517,303	$ -	$ (21,611)	$ -	$ (1,538,914)	$ (1,231,672)
District Support Services	1,832,239	-	-	928	(1,831,311)	(2,062,564)
Regular Instruction	24,701,678	955,457	1,780,545	190,887	(21,774,789)	(20,340,701)
Vocational Education Instruction	508,477	-	8,166	-	(500,311)	(475,109)
Special Education Instruction	10,300,665	279,584	10,662,173	-	641,092	(254,345)
Instructional Support Services	2,163,792	-	-	59,756	(2,104,036)	(2,841,242)
Pupil Support Services	4,630,979	-	147,579	-	(4,483,400)	(4,513,248)
Sites and Buildings	4,672,023	241,200	-	315,255	(4,115,568)	(4,716,540)
Fiscal and Other Fixed Cost Programs	387,957	-	-	-	(387,957)	(286,089)
Food Service	3,477,543	456,501	2,826,777	-	(194,265)	(448,637)
Community Service	3,891,157	2,923,287	414,178	-	(553,692)	144,584
Interest and Fiscal Charges on Long-Term Liabilities	2,872,295	-	-	-	(2,872,295)	(2,978,597)
Total Governmental Activities	$ 60,956,108	$ 4,856,029	$ 15,817,807	$ 566,826	(39,715,446)	(40,004,160)
GENERAL REVENUES						
Property Taxes Levied for:						
General Purposes					10,269,725	9,581,076
Community Service					267,442	294,572
Debt Service					8,581,787	8,921,076
State Aid Not Restricted to Specific Purposes					32,595,827	31,240,117
Earnings on Investments					646,779	291,428
Miscellaneous					430,396	128,757
Total General Revenues					52,791,956	50,457,026
CHANGE IN NET POSITION					13,076,510	10,452,866
Net Position - Beginning of Year					(19,720,801)	(30,173,667)
NET POSITION - END OF YEAR					$ (6,644,291)	$ (19,720,801)

See accompanying Notes to Basic Financial Statements.

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	Major		
	General	Food Service	Community Service
ASSETS			
Cash and Investments	$ 9,549,853	$ 2,301,222	$ 2,050,384
Receivables:			
Current Property Taxes	5,264,179	-	154,461
Delinquent Property Taxes	63,913	-	2,005
Due from Other Minnesota School Districts	1,888	-	-
Due from Minnesota Department of Education	4,034,203	36,653	62,830
Due from Federal through Minnesota Department of Education	57,231	-	-
Due from Other Governmental Units	65,493	-	2,000
Other Receivables	83,460	-	168,672
Due from Other Funds	-	-	-
Prepaid Items	861,484	28,914	34,408
Inventory	-	75,886	-
Total Assets	$ 19,981,704	$ 2,442,675	$ 2,474,760
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, RESOURCES, AND FUND BALANCES			
LIABILITIES			
Salaries Payable	$ 4,821,374	$ 85,966	$ 168,026
Accounts and Contracts Payable	636,743	14,720	130,876
Due to Other Governmental Units	198,390	3,166	191
Unearned Revenue	3,039	55,192	193,103
Total Liabilities	5,659,546	159,044	492,196
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	9,702,467	-	298,360
Unavailable Revenue - Delinquent Property Taxes	63,913	-	2,005
Total Deferred Inflows of Resources	9,766,380	-	300,365
FUND BALANCES			
Nonspendable	861,484	104,800	34,408
Restricted for:			
Student Activities	449,064	-	-
Literacy Incentive Aid	205,311	-	-
Learning and Development	1,254,488	-	-
Gifted and Talented	88,444	-	-
Basic Skills Programs	31,413	-	-
School Library Aid	70,764	-	-
Student Support Personnel	52,448	-	-
Safe Schools	227,365	-	-
Community Education Programs	-	-	1,288,135
Early Childhood and Family Educations Programs	-	-	180,303
School Readiness	-	-	159,386
Long-Term Facilities Maintenance	416,267	-	-
Medical Assistance	593,776	-	-
Other Purposes	-	2,178,831	19,967
Unassigned	304,954	-	-
Total Fund Balances	4,555,778	2,283,631	1,682,199
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 19,981,704	$ 2,442,675	$ 2,474,760

See accompanying Notes to Basic Financial Statements.

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

Funds		Total Governmental Funds	
Capital Projects	Debt Service	2024	2023
$ 4,281,033	$ 6,403,014	$ 24,585,506	$ 11,971,662
-	4,694,196	10,112,836	10,055,863
-	64,534	130,452	109,815
-	-	1,888	3,716
-	73,279	4,206,965	3,552,429
-	-	57,231	66,439
-	-	67,493	110,900
36,657	-	288,789	141,137
-	-	-	280,200
-	-	924,806	982,591
-	-	75,886	61,663
$ 4,317,690	$ 11,235,023	$ 40,451,852	$ 27,336,415
$ -	$ -	$ 5,075,366	$ 4,992,087
220,697	2,000	1,005,036	412,061
-	-	201,747	150,262
-	-	251,334	496,963
220,697	2,000	6,533,483	6,051,373
-	8,817,234	18,818,061	18,677,705
-	64,534	130,452	109,815
-	8,881,768	18,948,513	18,787,520
-	-	1,000,692	1,044,254
-	-	449,064	343,063
-	-	205,311	-
-	-	1,254,488	650,566
-	-	88,444	44,742
-	-	31,413	-
-	-	70,764	-
-	-	52,448	-
-	-	227,365	139,499
-	-	1,288,135	1,056,684
-	-	180,303	108,906
-	-	159,386	143,425
4,019,436	-	4,435,703	260,612
-	-	593,776	348,023
77,557	2,351,255	4,627,610	4,463,517
-	-	304,954	(6,105,769)
4,096,993	2,351,255	14,969,856	2,497,522
$ 4,317,690	$ 11,235,023	$ 40,451,852	$ 27,336,415

See accompanying Notes to Basic Financial Statements.

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	2024	2023
Total Fund Balance for Governmental Funds	$ 14,969,856	$ 2,497,522
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	1,981,900	-
Right-to-Use Asset, Net of Accumulated Amortization	63,195	126,391
Land Improvements, Net of Accumulated Depreciation	1,922,105	2,081,393
Buildings and Improvements, Net of Accumulated Depreciation	111,136,380	115,903,908
Equipment, Net of Accumulated Depreciation	1,722,775	1,315,953
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.	130,452	109,815
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(1,427,270)	(1,470,885)
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	(5,913,733)	(5,635,671)
Deferred Inflows of Resources - OPEB Related	(1,040,430)	(1,070,688)
Deferred Outflows of Resources - OPEB Related	120,004	237,091
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	(36,342,573)	(37,708,313)
Deferred Inflows of Resources - Pension Related	(3,869,935)	(8,243,087)
Deferred Outflows of Resources - Pension Related	8,766,881	12,104,446
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:	187,064	85,260
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	(98,010,000)	(98,090,000)
Unamortized Premiums	(1,383,843)	(1,720,802)
Certificates of Participation Payable	(2,370,000)	(2,510,000)
Unamortized Deferred Loss on Refunding	7,120	16,796
Finance Purchase Agreements	(2,456,472)	(2,820,872)
Lease Liability	(91,068)	(140,680)
Compensated Absences Payable	(271,441)	(313,120)
Total Net Position of Governmental Activities	$ (6,644,291)	$ (19,720,801)

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	Major		
	General	Food Service	Community Service
REVENUES			
Local Sources:			
Property Taxes	$ 10,257,821	$ -	$ 267,214
Earnings (Loss) on Investments	112,866	103,990	95,105
Other	1,589,605	458,080	3,249,955
State Sources	43,525,336	1,898,686	517,578
Federal Sources	1,255,095	928,091	-
Total Revenues	56,740,723	3,388,847	4,129,852
EXPENDITURES			
Current:			
Administration	1,488,735	-	-
District Support Services	1,695,004	-	-
Regular Instruction	21,564,051	-	-
Vocational Education Instruction	536,073	-	-
Special Education Instruction	10,567,636	-	-
Instructional Support Services	2,366,587	-	-
Pupil Support Services	4,956,478	-	-
Sites and Buildings	4,032,473	-	-
Fiscal and Other Fixed Cost Programs	385,977	-	-
Food Service	-	3,180,212	-
Community Service	-	-	3,889,840
Capital Outlay	230,782	289,671	2,008
Debt Service:			
Principal	544,387	2,053	7,572
Interest and Fiscal Charges	212,756	647	3,157
Total Expenditures	48,580,939	3,472,583	3,902,577
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,159,784	(83,736)	227,275
OTHER FINANCING SOURCES (USES)			
Insurance Recovery Proceeds	-	-	-
Issuance of Lease	-	-	-
Lease Purchase Agreement Proceeds	-	-	-
Bond Premium	-	-	-
Transfers In	-	-	91,370
Transfers Out	(179,732)	-	-
Total Other Financing Sources (Uses)	(179,732)	-	91,370
NET CHANGE IN FUND BALANCE	7,980,052	(83,736)	318,645
Fund Balance - Beginning of Year	(3,424,274)	2,367,367	1,363,554
FUND BALANCE - END OF YEAR	$ 4,555,778	$ 2,283,631	$ 1,682,199

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

Funds		Total Governmental Funds	
Capital Projects	Debt Service	2024	2023
$ -	$ 8,573,282	$ 19,098,317	$ 18,764,560
77,556	251,145	640,662	286,292
-	-	5,297,640	5,906,411
-	732,784	46,674,384	42,164,731
-	-	2,183,186	2,209,690
77,556	9,557,211	73,894,189	69,331,684
-	-	1,488,735	1,504,843
-	-	1,695,004	1,912,428
-	-	21,564,051	23,670,115
-	-	536,073	564,802
-	-	10,567,636	10,795,280
-	-	2,366,587	3,305,891
-	-	4,956,478	4,467,960
-	-	4,032,473	4,464,565
-	-	385,977	272,239
-	-	3,180,212	2,944,141
-	-	3,889,840	3,135,452
2,061,110	-	2,583,571	958,518
-	6,090,000	6,644,012	6,427,466
-	3,306,831	3,523,391	3,815,756
2,061,110	9,396,831	67,414,040	68,239,456
(1,983,554)	160,380	6,480,149	1,092,228
-	-	-	19,760
-	-	-	101,387
6,010,000	-	6,010,000	-
70,547	-	70,547	-
-	-	91,370	66,780
-	-	(179,732)	(66,780)
6,080,547	-	5,992,185	121,147
4,096,993	160,380	12,472,334	1,213,375
-	2,190,875	2,497,522	1,284,147
$ 4,096,993	$ 2,351,255	$ 14,969,856	$ 2,497,522

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
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024	2023
Net Change in Fund Balance-Total Governmental Funds	$ 12,472,334	$ 1,213,375
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/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays in the current period.		
Capital Outlays	2,624,108	579,592
Depreciation/Amortization Expense	(5,225,398)	(5,205,092)
Some capital asset additions are financed through finance purchase agreements. In governmental funds, a finance purchase arrangement is considered a source of financing, but in the statement of net position, the obligation is reported as a liability. Repayment of the principal is an expenditure in the governmental funds, but repayment reduces the obligation in the statement of net position.		
Principal Payments - Finance Purchase Agreements	364,400	359,258
The governmental funds report debt proceeds as financing sources, while repayment of debt 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 debt and related items is as follows:		
General Obligation Bond Proceeds	(6,010,000)	-
Bond Premium	(70,547)	-
Repayment of Bond Principal	6,090,000	5,880,000
Repayment of Certificate of Participation	140,000	140,000
Issuance of Lease	-	(101,387)
Repayment of Lease Liability Principal	49,612	48,208
Change in Accrued Interest Expense	43,615	105,254
Amortization of Bond Premium	407,506	508,679
Amortization of Loss on Refunding	(9,676)	(13,235)

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024	2023
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.	$ 20,637	$ 32,164
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 activities.	(364,891)	(403,080)
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.	2,401,327	7,441,924
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).	41,679	(10,593)
Internal service funds are used by the District to charge the costs of employee dental benefits to individual funds. The change in net position of the internal service funds is reported with governmental activities.	101,804	(122,201)
Change in Net Position of Governmental Activities	$ 13,076,510	$ 10,452,866

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	Governmental Activities - Internal Service Funds	
	2024	2023
ASSETS		
Current Assets:		
Cash and Investments	$ 211,261	$ 117,719
Due From Other MN School Districts	875	-
Total Assets	212,136	117,719
LIABILITIES		
Current Liabilities:		
Accounts Payable	25,072	29,108
Due to Other School Districts	-	3,351
Total Liabilities	25,072	32,459
NET POSITION		
Unrestricted	$ 187,064	$ 85,260

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	Governmental Activities - Internal Service Funds	
	2024	2023
OPERATING REVENUES		
Charges for Services	$ 455,902	$ 457,960
OPERATING EXPENSES		
Dental Insurance Claim Payments	448,577	585,297
OPERATING INCOME (LOSS)	7,325	(127,337)
NONOPERATING INCOME		
Earnings on Investments	6,117	5,136
Total Nonoperating Income	6,117	5,136
INCOME (LOSS) BEFORE TRANSFERS	13,442	(122,201)
TRANSFERS IN	88,362	-
CHANGE IN NET POSITION	101,804	(122,201)
Total Net Position - Beginning of Year	85,260	207,461
TOTAL NET POSITION - END OF YEAR	$ 187,064	$ 85,260

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Interfund Services Provided	$ 455,902	$ 457,960
Payments for Medical Fees and Insurance Claims	(456,839)	(573,853)
Net Cash Used by Operating Activities	(937)	(115,893)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	6,117	5,136
CASH FLOWS FROM NONCAPITAL FINANCING	88,362	-
Transfers In		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	93,542	(110,757)
Cash and Cash Equivalents - Beginning of Year	117,719	228,476
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 211,261	$ 117,719
Displayed on Combining Statement of Net Position as:		
Cash and Investments	$ 211,261	$ 117,719
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 7,325	$ (127,337)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:		
Increase (Decrease) in Due From Other School Districts	(875)	-
Increase (Decrease) in Accounts Payable	(4,036)	8,093
Increase (Decrease) in Due to Other School Districts	(3,351)	3,351
Total Adjustments	(8,262)	11,444
Net Cash Used by Operating Activities	$ (937)	$ (115,893)

See accompanying Notes to Basic Financial Statements.

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	Scholarship Custodial Fund	Irrevocable OPEB Trust
ASSETS		
Cash	$ 26,948	$ (288,422)
Investments:		
MN Trust Investment Shares Portfolio	-	535,122
Government and Municipal Securities	-	515,990
Nonnegotiable Certificate of Deposits	-	288,422
Interest Receivable	-	2,184
Total Assets	26,948	1,053,296
LIABILITIES		
Accounts Payable	-	215
NET POSITION		
Restricted for Scholarships	26,948	-
Restricted for OPEB Benefits	-	1,053,081
Total Net Position	$ 26,948	$ 1,053,081

See accompanying Notes to Basic Financial Statements.

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024

	Scholarship Custodial Fund	Irrevocable OPEB Trust
ADDITIONS		
Employer Contributions	$ -	$ 43,807
Gifts and Donations	11,250	-
Investment Income:		
Net Increase in Fair Value of Investments	-	89,787
Interest and Dividends	-	19,033
Less Investment Expense	-	(250)
Net Investment Income	-	108,570
Total Additions	11,250	152,377
DEDUCTIONS		
OPEB Health Insurance Payments	-	343,807
Administrative Expenses	-	2,360
Scholarships Awarded	4,500	-
Total Deductions	4,500	346,167
CHANGE IN NET POSITION	6,750	(193,790)
Net Position - Beginning of Year	20,198	1,246,871
NET POSITION - END OF YEAR	$ 26,948	$ 1,053,081

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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 (the 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.

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.

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.

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 Fund

The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

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.

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 a custodial capacity, 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.

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 and municipal securities, money markets, and deposits in the Minnesota Trust Investment Shares Portfolio.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed 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 2023 Pay 2024 levy, normally revenue for the 2024-2025 fiscal year, are also advance recognized at June 30, 2024, as required by state statute to match revenue with the same fiscal year as the related expenditures.

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, 2024, 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.

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The District has three types of items. The first type, *pension related,* is related to differences in actual and projected earnings on plain investments, changes in assumptions, differences in expected and actual economic experience, changes in proportionate share and contributions subsequent to the measurement date. The second type, *other postemployment benefit related,* is related to contributions subsequent to the measurement date. The third type is the loss on a bond refunding transaction that will be recognized over the life of the refunding bonds.

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.

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, 2024, a liability for vacation pay totaling $250,965 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, 2024, a liability for this sick leave bank of $12,016 is recorded in the Statement of Net Position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Accrued Employee Benefits (Continued)

1. Compensated Absences (Continued)

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 $8,460 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.

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.

The District has four types of items. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflows of resources occurs because governmental fund revenues are not recognized until available (collected no later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. The third type, *pension related,* is related to changes in assumptions, differences in actual and projected earnings on plan investments, differences in expected and actual economic experience and changes in proportionate share. The fourth type, *other postemployment benefit related,* is related to changes in assumptions and differences in expected and actual economic experience.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Balance (Continued)

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.

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 accumulated depreciation/amortization, 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

A. Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following fund at June 30, 2024.

	Budget	Expenditures	Excess
Special Revenue Funds:			
Community Service Fund	$ 3,309,668	$ 3,902,577	$ 592,909

All related expenditures were approved by the District's Board and funded by existing fund balance.

B. Transfers in/Transfers Out

	Transfer In:		
Transfer Out	Community Service Fund	Internal Service Fund	Total
General Fund	$ 91,370	$ 88,362	$ 179,732

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 General Fund to Internal Service Fund is to close out CarverLink activity.

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, 2024 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

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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
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.

At June 30, 2024 the District’s investment balances were as follows:

	Amount
MN Trust Investment Shares Portfolio	$ 14,759,926
MN Trust Term Series	3,000,000
Money Market	292,412
Mutual Funds	512,000
Total	$ 18,564,338

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.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Investments Held with Broker

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy states the District shall manage investments in a manner to attain market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements. The District's investment policy also includes structuring the investment portfolio so that funds are available to meet immediate payment requirements. Information about the sensitivity of the fair values of the District's investments to market interest rate risk fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Type	Total	6 Months or Less	7 to12 Months	13 to 36 Months	More than 36 Months
MN Trust Investment Shares Portfolio	$ 14,759,926	$ 14,759,926	$ -	$ -	$ -
MN Trust Term Series	3,000,000	-	3,000,000	-	-
Money Market	292,412	292,412	-	-	-
Mutual Funds	512,000	512,000	-	-	-
Total	$ 18,564,338	$ 15,564,338	$ 3,000,000	$ -	$ -

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	Not Rated	$ 14,759,926
MN Trust Term Series	Not Rated	3,000,000
Money Market	AAA	292,412
Mutual Funds	Not Rated	512,000
Total		$ 18,564,338

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Investments Held with Broker (Continued)

Concentration of OPEB Trust Credit Risk

The following is a list of investments under the OPEB Trust which individually comprise more than 5% of the OPEB Trust's fiduciary net position:

Type	Amount	Percentage
Goldman Sachs Gov MM	$ 288,422	27 %
Bank of the Valley	246,700	23 %
Vanguard TOT BD	254,120	24 %
Vanguard TSM IDX ETF	257,880	24 %
Total	$ 1,047,122	

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

Total Deposits	$ 7,310,489
Total Investments	18,564,338
Total	$ 25,874,827
Statement of Net Position:	
Cash and Investments	$ 24,796,767
Statement of Fiduciary Net Position:	
Trust Fund Cash and Investments	1,078,060
Total	$ 25,874,827

C. Fair Value Measurements

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

The District follows an accounting standard 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.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurement (Continued)

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.

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

Type	Level 1	Level 2	Level 3	Total
Mutual Funds	$ -	$ 512,000	$ -	$ 512,000
Investments Measured at Amortized Cost				18,052,338
Total Investments				$ 18,564,338

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 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	-	1,981,900	-	1,981,900
Total Capital Assets, Not Being Depreciated	5,524,742	1,981,900	-	7,506,642
Capital Assets, Being Depreciated:				
Land Improvements	6,034,879	-	-	6,034,879
Buildings and Improvements	176,251,626	-	-	176,251,626
Equipment	9,896,526	642,208	-	10,538,734
Total Capital Assets, Being Depreciated	192,183,031	642,208	-	192,825,239
Accumulated Depreciation for:				
Land Improvements	(3,953,486)	(159,288)	-	(4,112,774)
Buildings and Improvements	(60,347,718)	(4,767,528)	-	(65,115,246)
Equipment	(8,580,573)	(235,386)	-	(8,815,959)
Total Accumulated Depreciation	(72,881,777)	(5,162,202)	-	(78,043,979)
Total Capital Assets, Being Depreciated, Net	119,301,254	(4,519,994)	-	114,781,260
Right-to-Use Assets:				
Equipment	218,987	-	-	218,987
Less Accumulated Amortization for:				
Equipment	(92,596)	(63,196)	-	(155,792)
Total Right-to-Use Assets, Net	126,391	(63,196)	-	63,195
Governmental Activities Capital Assets, Net	$ 124,952,387	$ (2,601,290)	$ -	$ 122,351,097

Depreciation/amortization expense was charged to functions of the District as follows:

Governmental Activities:	
Administrative Services	$ 145,846
District Support Services	75,594
Regular Instruction	4,500,912
Vocational Instruction	2,069
Community Education	9,319
Instructional Support	60,072
Food Service	73,384
Sites, Buildings, and Equipment	358,202
Total Depreciation/Amortization Expense - Governmental Activities	$ 5,225,398

NOTE 5 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	Principal Outstanding Total
1/13/2015	3.00% - 5.00%	$ 17,555,000	2/1/2026	$ 3,470,000	$ 5,745,000
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	1,200,000	1,200,000
9/29/2016	3.00% - 5.00%	5,405,000	2/1/2028	845,000	1,975,000
9/14/2017	2.00% - 3.00%	5,040,000	2/1/2033	325,000	3,250,000
9/14/2017	2.00% - 4.00%	7,290,000	2/1/2033	470,000	4,830,000
3/14/2024	4.00%	6,010,000	2/1/2044	-	6,010,000
Total General Obligation Bonds				6,310,000	98,010,000
Bond Premium - Net				-	1,383,843
Certificates of Participation				145,000	2,370,000
Lease Liabilities				51,068	91,068
Finance Purchase Agreement				350,728	2,456,472
Compensated Absences Payable				271,441	271,441
Total				$ 7,128,237	$ 104,582,824

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

1. 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.

2. General Obligation Bonds

On March 14, 2024, the District issued $6,010,000 of General Obligation Facilities Maintenance & Tax Abatement Bonds, Series 2024A to provide funds for various long-term facilities maintenance projects, parking lot reconstruction projects, and to pay certain costs associated with the issuance of the Bonds. The bonds carry an interest rate of 4.0% and will mature in 2044.

3. Finance Purchase Agreements

On December 1, 2018, the District entered into a $923,000 finance 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 finance 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 finance purchase agreement for a scoreboard Payments on the agreement are due annually and commenced August 2018.

On April 15, 2019, the District entered into a $160,699 finance purchase agreement for copier equipment. Payments on the lease are due annually and commenced April 2019.

On May 15, 2020, the District entered into a $844,931 finance purchase agreement for LED lighting. Payments on the agreement are due annually and commenced July 2020.

On July 15, 2020, the District entered into a $44,665 finance purchase agreement for Drivers Ed Vehicle. Payments on the agreement are due annually and commenced July 2020.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

4. Lease Liability

On July 7, 2021, the District entered into a $117,600 lease liability agreement for Apple products and services. Payments on the agreement are due annually and commenced July 2021 with an interest rate of 1.59%.

On July 15, 2022, the District entered into a $101,387 lease liability agreement for Apple products and services. Payments on the agreement are due annually and commenced July 2022 with an interest rate of 4.75%.

B. Minimum Debt Payments

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

	General Obligation Bonds Payable		Finance Purchase Agreement	
Year Ending June 30,	Principal	Interest	Principal	Interest
2025	$ 6,310,000	$ 3,264,192	$ 350,728	$ 92,223
2026	5,650,000	3,047,206	273,637	78,974
2027	5,795,000	2,858,606	282,644	69,278
2028	5,935,000	2,696,356	292,699	59,250
2029	5,810,000	2,521,306	984,764	152,525
2030 - 2034	30,720,000	9,885,831	272,000	17,262
2035 - 2039	32,560,000	4,653,456	-	-
2040 - 2044	5,230,000	644,000	-	-
Total	$ 98,010,000	$ 29,570,953	$ 2,456,472	$ 469,512

	Certificates of Participation Payable		Lease Liability	
Year Ending June 30,	Principal	Interest	Principal	Interest
2025	$ 145,000	$ 88,963	$ 51,068	$ 3,316
2026	155,000	83,163	40,000	1,852
2027	160,000	76,963	-	-
2028	165,000	71,763	-	-
2029	170,000	66,400	-	-
2030 - 2034	930,000	251,380	-	-
2035 - 2039	645,000	65,500	-	-
Total	$ 2,370,000	$ 704,132	$ 91,068	$ 5,168

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

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.

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, 2023	Net Additions	Retirements	June 30, 2024
Bonds Payable	$ 98,090,000	$ 6,010,000	$ 6,090,000	$ 98,010,000
Bond Premium	1,720,802	70,547	407,506	1,383,843
Certificates of Participation Payable	2,510,000	-	140,000	2,370,000
Finance Purchase Agreement	2,820,872	-	364,400	2,456,472
Lease Liability	140,680	-	49,612	91,068
Compensated Absences Payable	313,120	370,890	412,569	271,441
Total	$ 105,595,474	$ 6,451,437	$ 7,464,087	$ 104,582,824

NOTE 6 RESTRICTED 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.

NOTE 6 RESTRICTED FUND BALANCE (CONTINUED)

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.
Restricted and assigned fund balances at June 30, 2024 are as follows:

A. Restricted for Student Activities

Represents available resources to be used for extracurricular activity funds raised by students.

B. Restricted for Literacy Incentive Aid

Represents the resources available to support implementation of evidence-based reading instruction.

C. Restricted for Learning and Development

Represents available resources dedicated exclusively for staff development in accordance with state statute.

D. Restricted for Gifted and Talented

Represents available resources from general education aid revenue for gifted and talented program.

E. Restricted for Basic Skills

Represents resources available for the basic skills uses.

F. Restricted School Library Aid

Represents the resources available for the school library aid uses.

G. Restricted Student Support Personnel

Represents the resources available to be used for student support personnel that are in addition to current staff levels.

H. Restricted for Safe Schools

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

I. Restricted for Community Education Programs

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

J. 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.

NOTE 6 RESTRICTED FUND BALANCE (CONTINUED)

K. 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.

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

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

M. Restricted for Medical Assistance

Represents resources available to be used for medical assistance expenditures.

N. 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 Food Service	$ 2,178,831
Restricted for Community Service	19,967
Restricted for Capital Projects	77,557
Restricted for Debt Service	2,351,255
Total Other Restricted	$ 4,627,610

NOTE 7 PENSION PLANS

A. Plan Description

1. General Employees Retirement Plan

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

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.

NOTE 7 PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

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 Defined Contribution Plan (DCP) administered by the state of Minnesota.

B. Benefits Provided

1. General Employees Plan Benefits

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

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.

NOTE 7 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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.

Tier I Benefits

Tier I	Step Rate Formula	Percentage
Basic	First 10 Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First 10 Years of Service are up to July 1, 2006	1.2% per Year
	First 10 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

NOTE 7 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

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

Tier II Benefits

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

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

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

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 2024 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, 2024, were $569,555. The District's contributions were equal to the required contributions as set by state statute.

NOTE 7 PENSION PLANS (CONTINUED)

C. Contributions (Continued)

2. TRA Contributions

Per *Minnesota Statutes*, Chapter 354 rates for the fiscal year 2024 for coordinated were 7.75% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2024 were $1,898,486. The District's contributions were equal to the required contributions for each year as set by state statue.

D. Pension Costs

1. General Employees Plan Pension Costs

At June 30, 2024, the District reported a liability of $5,703,726 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 $157,214, for a total net pension liability of $5,860,940 associated with the District. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.1020% at the end of the measurement period and 0.1086% for the beginning of the period.

For the year ended June 30, 2024, the District recognized pension expense of $709,847 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional $706 as expense (and grant revenue) for its proportionate share of the state of Minnesota's pension expense for the annual $16 million contribution.

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

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Plan Pension Costs (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 187,313	$ 39,292
Changes in Actuarial Assumptions	923,353	1,563,343
Net Difference Between Projected and Actual Earnings	-	213,300
Changes in Proportion	-	338,989
District Contributions Subsequent to the Measurement Date	569,555	-
Total	$ 1,680,221	$ 2,154,924

The $569,555 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expenses Amount
2025	$ 14,403
2026	(968,422)
2027	33,494
2028	(123,733)

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs

At June 30, 2024 the District reported a liability of $30,638,847 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to 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 0.3711% at the end of the measurement period and 0.3635% 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:

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	$ 30,638,847
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	2,146,208
Total	$ 32,785,055

For the year ended June 30, 2024, the District recognized pension expense of ($654,606). It also recognized ($212,162) as an increase to pension expense and grant revenue for the support provided by direct aid.

At June 30, 2024, 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	$ 303,736	$ 446,174
Changes in Actuarial Assumptions	3,569,258	-
Net Difference Between Projected and Actual Investment Earnings	-	113,641
Changes in Proportion	1,315,180	1,155,196
District Contributions Subsequent to the Measurement Date	1,898,486	-
Total	$ 7,086,660	$ 1,715,011

NOTE 7 PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

The $1,898,486 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expenses Amount
2025	$ 272,494
2026	(294,719)
2027	3,536,768
2028	(88,526)
2029	47,146

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	$ 5,703,726	$ 30,638,847	$ 36,342,573
Deferred Outflows of Resources	1,680,221	7,086,660	8,766,881
Deferred Inflows of Resources	2,154,924	1,715,011	3,869,935
Pension Expense	710,553	(866,768)	(156,215)

NOTE 7 PENSION PLANS (CONTINUED)

E. Long–Term Expected Return on Investment

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

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

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

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

NOTE 7 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0% for PERA and TRA. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

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

TRA pre-retirement mortality rates were based on the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale. 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.

Inflation is assumed to be 2.5% for TRA. Benefit increases after retirement are assumed to be 1.0% for January 2019 through January 2023 then increasing by 0.10% each year up to 1.5% annually.

Salary growth assumptions for TRA range in annual increments from 2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028.

NOTE 7 PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

The following changes for PERA occurred in 2023:

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 6.50% to 7.00%.

Changes in Plan Provisions

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

The following changes for TRA occurred in 2023:

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.

G. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2024 was 7.00% and 2023 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTE 7 PENSION PLANS (CONTINUED)

H. 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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
General Employees Plan Discount Rate	6.00%	7.00%	8.00%
District's Proportionate Share of the PERA Net Pension Liability	$ 10,090,349	$ 5,703,726	$ 2,095,561
Teachers Retirement Fund Discount Rate	6.00%	7.00%	8.00%
District's Proportionate share of the TRA Net Pension Liability	$ 48,866,708	$ 30,638,847	$ 15,717,124

I. 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.

NOTE 8 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 518 active participants and 45 retired participants along with 19 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.

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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. 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 2024, 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, 2024 were as follows:

Total OPEB Liability	$ 6,966,814
Plan Fiduciary Net Position	1,053,081
District's Net OPEB Liability	$ 5,913,733
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.12%

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.

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023.

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Service Graded Table
Investment Rate of Return	5.20%
Health Care Trend Rates	6.50% Grading to 5.00% Over 6 Years and Then to 4.00% Over the Next 48 Years
Dental Trend Rates	4.00%

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

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with other economic assumptions.

For the year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expenditures, was 8.50%. The money-weighted rate of return expresses investment performance, net of investment expenditures, adjusted for the changing amounts actually invested.

The municipal bond rate assumption was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the Measurement Date.

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%).

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

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	25.00 %	6.00 %
Fixed Income	70.00	5.00
Cash and Equivalents	5.00	4.00

The discount rate used to measure the total OPEB liability was 4.10%. 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 health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The post-employment subsidies for Secretaries/Clerical employees, Confidential employees, and Custodians are no longer expected to increase with trend.
- The discount rate was changed from 3.90% to 4.10%.
- The annual money-weighted rate of return of OPEB plan investments, net of OPEB plan expenditures, was changed from 4.20% to 8.50%.

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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, 2023	$ 6,882,542	$ 1,246,871	$ 5,635,671
Changes for the Year:			-
Service Cost	433,190	-	433,190
Interest	278,673	-	278,673
Assumption Changes	3,570	-	3,570
Differences Between Expected and Actual Experience	(287,354)	41,623	(328,977)
Contributions - Employer	-	43,807	(43,807)
Net Investment income	-	64,837	(64,837)
Benefit Payments	(343,807)	(343,807)	-
Administrative Expense	-	(250)	250
Net Changes	84,272	(193,790)	278,062
Balances at June 30, 2024	$ 6,966,814	$ 1,053,081	$ 5,913,733

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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Net OPEB Liability	$ 6,394,480	$ 5,913,733	$ 5,452,321

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (Medical 5.50% decreased to 4.00%, Dental 3.00%) or 1-percentage-point higher (Medical 7.50% decreasing to 6.00%, Dental 5.00%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (Medical 5.50% Decreasing to 4.00% Over 6 Years, Dental 3.00%)	Current Trend Rates (Medical 6.50% Decreasing to 5.00 Over 6 Years, Dental 4.00%)	1% Increase (Medical 7.50% Decreasing to 6.00% Over 6 Years Dental 5.00%)
Net OPEB Liability	$ 5,115,883	$ 5,913,733	$ 6,860,011

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability (Continued)

For the year ended June 30, 2024, the District recognized OPEB expense of $408,698. At June 30, 2024, 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	$ 21,479	$ 401,701
Change of Assumptions	65,187	638,729
Difference Between Projected and Actual Investment Earnings	33,338	-
Total	$ 120,004	$ 1,040,430

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
2025	$ (240,035)
2026	(257,847)
2027	(174,976)
2028	(194,705)
2029	(52,863)
Total	$ (920,426)

NOTE 9 FLEXIBLE BENEFIT PLAN

The District has a flexible benefit plan which is classified as a “cafeteria plan” under Section 125 of the IRC. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing 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.

NOTE 9 FLEXIBLE BENEFIT PLAN (CONTINUED)

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 10 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 11 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.

NOTE 12 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.

NOTE 12 DENTAL SELF-INSURANCE PLAN (CONTINUED)

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, 2024. 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 $211,261 in cash and investments at June 30, 2024 for payment of claims.

Changes in the balance of claim liabilities during fiscal years 2024 and 2023 were as follows:

	2024	2023
Beginning of Fiscal Year Liability - Beginning of Year	$ 32,459	$ 21,015
Current Year Claims, Changes in Estimates and Other Charges	448,577	585,297
Current Year Claims Paid, Including an Estimate of Claims Incurred but Not Reported (IBNR)	(456,839)	(573,853)
End of Fiscal Year Liability - End of Year	$ 24,197	$ 32,459

NOTE 13 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.

REQUIRED SUPPLEMENTARY INFORMATION

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 10,135,132	$ 10,127,969	$ 10,257,821	$ 129,852
Earnings (Loss) on Investments	25,000	25,000	112,866	87,866
Other	1,522,347	1,409,959	1,589,605	179,646
State Sources	43,795,018	43,734,427	43,525,336	(209,091)
Federal Sources	378,471	1,177,492	1,255,095	77,603
Total Revenues	55,855,968	56,474,847	56,740,723	265,876
EXPENDITURES				
Current:				
Administration	1,870,437	1,785,166	1,488,735	(296,431)
District Support Services	2,077,487	2,029,222	1,695,004	(334,218)
Elementary and Secondary Regular Instruction	21,941,858	21,717,478	21,564,051	(153,427)
Vocational Education Instruction	490,366	493,251	536,073	42,822
Special Education Instruction	11,315,489	11,041,133	10,567,636	(473,497)
Instructional Support Services	3,078,880	2,831,183	2,366,587	(464,596)
Pupil Support Services	4,517,494	5,553,100	4,956,478	(596,622)
Sites and Buildings	4,433,938	4,421,777	4,032,473	(389,304)
Fiscal and Other Fixed Cost Programs	509,850	496,000	385,977	(110,023)
Capital Outlay	460,949	652,573	230,782	(421,791)
Debt Service:				
Principal	592,893	592,893	544,387	(48,506)
Interest and Fiscal Charges	276,000	249,000	212,756	(36,244)
Total Expenditures	51,565,641	51,862,776	48,580,939	(3,281,837)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,290,327	4,612,071	8,159,784	3,547,713
OTHER FINANCING SOURCES				
Transfers Out	(63,000)	(67,000)	(179,732)	(112,732)
NET CHANGE IN FUND BALANCE	$ 4,227,327	$ 4,545,071	7,980,052	$ 3,434,981
FUND BALANCE				
Beginning of Year			(3,424,274)	
End of Year			$ 4,555,778	

See accompanying Notes to Required Supplementary Information.

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Earnings on Investments	$ 6,800	$ 93,000	$ 103,990	$ 10,990
Other - Primarily Meal Sales	431,000	1,724,176	458,080	(1,266,096)
State Sources	58,500	285,900	1,898,686	1,612,786
Federal Sources	4,223,000	882,975	928,091	45,116
Total Revenues	4,719,300	2,986,051	3,388,847	402,796
EXPENDITURES				
Current:				
Food Service	3,182,532	2,986,593	3,180,212	193,619
Capital Outlay	217,330	538,000	289,671	(248,329)
Debt Service:				
Principal	-	-	2,053	2,053
Interest and Fiscal Charges	-	-	647	647
Total Expenditures	3,399,862	3,524,593	3,472,583	(52,010)
NET CHANGE IN FUND BALANCE	$ 1,319,438	$ (538,542)	(83,736)	$ 454,806
FUND BALANCE				
Beginning of Year			2,367,367	
End of Year			$ 2,283,631	

See accompanying Notes to Required Supplementary Information.

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 311,816	$ 270,106	$ 267,214	$ (2,892)
Earnings on Investments	2,000	53,000	95,105	42,105
Other - Primarily Tuition and Fees	2,906,841	2,938,470	3,249,955	311,485
State Sources	447,202	480,741	517,578	36,837
Total Revenues	3,667,859	3,742,317	4,129,852	387,535
EXPENDITURES				
Current:				
Community Service	3,364,752	3,291,068	3,889,840	598,772
Capital Outlay	8,000	7,080	2,008	(5,072)
Debt Service:				
Principal	8,900	10,388	7,572	(2,816)
Interest and Fiscal Charges	1,400	1,132	3,157	2,025
Total Expenditures	3,383,052	3,309,668	3,902,577	592,909
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	284,807	432,649	227,275	(205,374)
OTHER FINANCING SOURCES				
Transfer In	63,000	67,000	91,370	24,370
NET CHANGE IN FUND BALANCE	$ 347,807	$ 499,649	318,645	$ (181,004)
FUND BALANCE				
Beginning of Year			1,363,554	
End of Year			$ 1,682,199	

See accompanying Notes to 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, 2024

	2024	2023	2022	2021	2020
Total OPEB Liability:					
Service Cost	$ 433,190	$ 474,745	$ 468,016	$ 608,276	$ 565,542
Interest	278,673	259,843	155,433	169,696	216,868
Assumption Changes	3,570	(38,983)	(972,179)	116,822	(193,743)
Plan Changes	-	-	-	-	272,742
Differences Between Expected and Actual Experience	(287,354)	-	37,592	-	(567,850)
Benefit Payments	(343,807)	(349,317)	(363,345)	(291,176)	(231,614)
Net Change in Total OPEB Liability	84,272	346,288	(674,483)	603,618	61,945
Total OPEB Liability - Beginning	6,882,542	6,536,254	7,210,737	6,607,119	6,545,174
Total OPEB Liability - Ending (a)	6,966,814	6,882,542	6,536,254	7,210,737	6,607,119
Plan Fiduciary Net Position:					
Contributions - Employer	43,807	73,317	133,345	41,176	42,594
Net Investment Income	64,837	76,039	73,445	39,751	37,490
Differences Between Expected and Actual Experience	41,623	(15,212)	(129,603)	(28,354)	-
Benefit Payments	(343,807)	(349,317)	(363,345)	(291,176)	(231,614)
Administrative Expenses	(250)	(250)	(250)	(250)	(251)
Net Change in Plan Fiduciary Net Position	(193,790)	(215,423)	(286,408)	(238,853)	(151,781)
Plan Fiduciary Net Position - Beginning	1,246,871	1,462,294	1,748,702	1,987,555	2,139,336
Plan Fiduciary Net Position - Ending (b)	1,053,081	1,246,871	1,462,294	1,748,702	1,987,555
District's Net OPEB Liability - Ending (a) - (b)	$ 5,913,733	$ 5,635,671	$ 5,073,960	$ 5,462,035	$ 4,619,564
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.12%	18.12%	22.37%	24.25%	30.08%
Covered Employee Payroll	$ 29,227,748	$ 29,858,010	$ 28,988,359	$ 29,150,902	$ 28,301,847
District's Net OPEB Liability as a Percentage of Covered Employee Payroll	20.23%	18.87%	17.50%	18.74%	16.32%

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.

See accompanying Notes to 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 (CONTINUED)
YEAR ENDED JUNE 30, 2024

2019	2018	2017
$ 531,265	$ 499,655	$ 413,072
210,296	188,177	173,853
85,058	(115,287)	-
-	-	-
-	118,049	-
(243,601)	(216,893)	(234,747)
583,018	473,701	352,178
5,962,156	5,488,455	5,136,277
6,545,174	5,962,156	5,488,455
-	66,893	84,747
46,783	48,262	43,719
(2,744)	-	-
(243,601)	(216,893)	(234,747)
(250)	-	-
(199,812)	(101,738)	(106,281)
2,339,148	2,440,886	2,547,167
2,139,336	2,339,148	2,440,886
$ 4,405,838	$ 3,623,008	$ 3,047,569
32.69%	39.23%	44.47%
$ 27,608,850	$ 26,804,709	$ 22,691,454
15.96%	13.52%	13.43%

See accompanying Notes to Required Supplementary Information.

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

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2024	8.50%
2023	4.20%
2022	-3.20%
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.

See accompanying Notes to Required Supplementary Information.

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, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021
PERA			
District's Proportion of the Net Pension Liability	0.1020%	0.1086%	0.1096%
District's Proportionate Share of the Net Pension Liability	$ 5,703,726	$ 8,601,156	$ 4,680,411
State's Proportionate Share of the Net Pension Liability Associated with District	157,214	252,197	142,997
Total District's and State's Proportionate Share of the Net Pension Liability	$ 5,860,940	$ 8,853,353	$ 4,823,408
District's Covered Payroll	$ 8,100,947	$ 8,136,080	$ 7,894,920
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	70.41%	105.72%	59.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.10%	76.70%	87.00%
TRA			
District's Proportion of the Net Pension Liability	0.3711%	0.3635%	0.3529%
District's Proportionate Share of the Net Pension Liability	$ 30,638,847	$ 29,107,157	$ 15,443,959
State's Proportionate Share of the Net Pension Liability Associated with District	2,146,208	2,158,554	1,302,522
Total District's and State's Proportionate Share of the Net Pension Liability	$ 32,785,055	$ 31,265,711	$ 16,746,481
District's Covered Payroll	$ 23,777,450	$ 22,663,885	$ 20,812,927
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	128.86%	128.43%	74.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.42%	76.17%	86.63%

See accompanying Notes to Required Supplementary Information.

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

Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
0.1104%	0.1117%	0.1117%	0.1085%	0.1014%	0.0987%	0.1038%
$ 6,618,985	$ 6,175,643	$ 6,196,658	$ 6,926,568	$ 8,233,177	$ 5,115,146	$ 4,876,004
204,098	191,992	203,325	87,118	107,503	-	-
$ 6,823,083	$ 6,367,635	$ 6,399,983	$ 7,013,686	$ 8,340,680	$ 5,115,146	$ 4,876,004
$ 7,894,467	$ 7,911,760	$ 7,576,040	$ 7,031,866	$ 6,288,093	$ 5,810,167	$ 5,449,166
83.84%	78.06%	81.79%	98.50%	130.93%	88.04%	89.48%
79.06%	80.20%	79.53%	75.90%	68.91%	78.20%	78.70%
0.3661%	0.3792%	0.3751%	0.3578%	0.3408%	0.3228%	0.3445%
$ 27,047,959	$ 24,170,288	$ 23,556,918	$ 71,423,370	$ 81,288,931	$ 19,968,372	$ 15,874,310
2,266,697	2,138,997	2,213,237	6,904,490	8,159,126	2,449,348	1,116,630
$ 29,314,656	$ 26,309,285	$ 25,770,155	$ 78,327,860	$ 89,448,057	$ 22,417,720	$ 16,990,940
$ 21,359,861	$ 21,699,857	$ 20,716,507	$ 21,137,307	$ 17,834,400	$ 16,526,173	$ 15,726,289
126.63%	111.38%	113.71%	337.90%	455.80%	120.83%	100.94%
75.48%	78.07%	78.07%	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'S CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021
PERA				
Contractually Required Contribution	$ 569,555	$ 607,571	$ 610,206	$ 592,119
Contributions in Relation to the Contractually Required Contribution	(569,555)	(607,571)	(610,206)	(592,119)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 7,594,067	$ 8,100,947	$ 8,136,080	$ 7,894,920
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%
TRA				
Contractually Required Contribution	$ 1,898,486	$ 2,032,972	$ 1,890,168	$ 1,692,091
Contributions in Relation to the Contractually Required Contribution	(1,898,486)	(2,032,972)	(1,890,168)	(1,692,091)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 21,696,983	$ 23,777,450	$ 22,663,885	$ 20,812,927
Contributions as a Percentage of Covered Payroll	8.75%	8.55%	8.34%	8.13%

See accompanying Notes to Required Supplementary Information.

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

2020	2019	2018	2017	2016	2015
$ 592,085	$ 593,382	$ 568,203	$ 527,390	$ 471,607	$ 429,356
(592,085)	(593,382)	(568,203)	(527,390)	(471,607)	(429,356)
$ -	$ -	$ -	$ -	$ -	$ -
$ 7,894,467	$ 7,911,760	$ 7,576,040	$ 7,031,866	$ 6,288,093	$ 5,810,167
7.50%	7.50%	7.50%	7.50%	7.50%	7.39%
$ 1,691,701	$ 1,673,059	$ 1,553,738	$ 1,585,298	$ 1,337,580	$ 1,239,458
(1,691,701)	(1,673,059)	(1,553,738)	(1,585,298)	(1,337,580)	(1,239,458)
$ -	$ -	$ -	$ -	$ -	$ -
$ 21,359,861	$ 21,699,857	$ 20,716,507	$ 21,137,307	$ 17,834,400	$ 16,526,173
7.92%	7.71%	7.50%	7.50%	7.50%	7.50%

See accompanying Notes to Required Supplementary Information.

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:

2023

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 6.50% to 7.00%.

Changes in Plan Provisions

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

2022

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

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.

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

2020 (Continued)

Changes in Actuarial Assumptions (Continued)

- 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.

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.

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

2018 (Continued)

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 ration 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.

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.

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

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:

2023

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.

2022

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.50% to 7.00%

Changes in Plan Provisions

- There have been no changes since the prior valuation.

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

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 five years and female rates set back seven 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.

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.

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

2018 (Continued)

Changes in Plan Provisions (Continued)

- 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.

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.

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

2016 (Continued)

Changes in Actuarial Assumptions (Continued)

- 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.

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.

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

2024
- The discount rate was changed from 3.90% to 4.10%.
- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The post-employment subsidies for Secretaries/Clerical employees, Confidential employees, and Custodians are no longer expected to increase with trend.
- The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expenditures, was changed from 4.20% to 8.50%.

2023
- The discount rate was changed from 3.80% to 3.90%.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.

2022
- The discount rate was changed from 2.10% to 3.80%.
- The expected long-term rate of return was changed from 2.00% to 4.20%.
- The inflation rate was changed from 2.00% to 2.50%.

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%.

NOTE 3 COMPLIANCE - BUDGET

The budget and the actual amounts are both prepared on the modified accrual basis of accounting in accordance with GAAP.

In the following funds, expenditures exceeded the appropriations during the year ended June 30, 2024:

	Budget	Expenditures	Excess
Special Revenue Funds:			
Community Service Fund	$ 3,309,668	$ 3,902,577	$ 592,909

The overages above were considered by District management to be the result of necessary expenditures critical to operations.

SUPPLEMENTARY INFORMATION

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
GENERAL FUND
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	2024	2023
ASSETS		
Cash and Investments	$ 9,549,853	$ 1,502,632
Receivables:		
Current Taxes	5,264,179	5,175,983
Delinquent Taxes	63,913	52,009
Accounts Receivable	83,460	31,772
Due from Other Funds	-	280,200
Due from Other Minnesota School Districts	1,888	3,716
Due from Minnesota Department of Education	4,034,203	3,420,140
Due from Federal through the Minnesota Department of Education	57,231	59,564
Due from Other Governmental Units	65,493	110,900
Prepaid Items	861,484	885,964
Total Assets	$ 19,981,704	$ 11,522,880
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Salaries Payable	$ 4,821,374	$ 4,822,086
Accounts and Contracts Payable	636,743	305,734
Due to Other Minnesota School Districts	177,107	114,633
Due to Other Governmental Units	21,283	20,749
Unearned Revenue	3,039	91,414
Total Liabilities	5,659,546	5,354,616
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	9,702,467	9,540,529
Unavailable Revenue - Delinquent Property Taxes	63,913	52,009
Total Deferred Inflows of Resources	9,766,380	9,592,538
FUND BALANCE		
Nonspendable	861,484	885,964
Restricted for:		
Student Activities	449,064	343,063
Literacy Incentive Aid	205,311	-
Learning and Development	1,254,488	650,566
Gifted and Talented	88,444	44,742
Basic Skills Programs	31,413	-
School Library Aid	70,764	-
Student Support Personnel	52,448	-
Safe Schools	227,365	139,499
Long-Term Facilities Maintenance	416,267	260,612
Medical Assistance	593,776	348,023
Unassigned	304,954	(6,096,743)
Total Fund Balance	4,555,778	(3,424,274)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 19,981,704	$ 11,522,880

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	$ 10,127,969	$ 10,257,821	$ 129,852	$ 9,562,770
Earnings on Investments	25,000	112,866	87,866	-
Other	1,409,959	1,589,605	179,646	1,381,797
State Sources	43,734,427	43,525,336	(209,091)	40,808,105
Federal Sources	1,177,492	1,255,095	77,603	1,312,610
Total Revenues	56,474,847	56,740,723	265,876	53,065,282
EXPENDITURES				
Current:				
Administration:				
Salaries	1,028,560	947,424	(81,136)	995,988
Employee Benefits	631,051	379,874	(251,177)	370,315
Purchased Services	53,063	82,842	29,779	71,955
Supplies and Materials	34,502	37,538	3,036	31,900
Other Expenditures	37,990	41,057	3,067	34,685
Total Administration	1,785,166	1,488,735	(296,431)	1,504,843
District Support Services:				
Salaries	1,140,155	1,012,441	(127,714)	1,147,074
Employee Benefits	564,186	376,223	(187,963)	426,660
Purchased Services	243,751	254,099	10,348	252,226
Supplies and Materials	69,690	48,001	(21,689)	77,653
Capital Expenditures	1,500	-	(1,500)	-
Other Expenditures	11,440	4,240	(7,200)	8,815
Total District Support Services	2,030,722	1,695,004	(335,718)	1,912,428
Elementary and Secondary Regular Instruction:				
Salaries	14,966,742	14,660,721	(306,021)	16,045,431
Employee Benefits	4,872,850	5,082,537	209,687	5,544,235
Purchased Services	1,139,128	1,199,768	60,640	1,149,982
Supplies and Materials	613,376	498,834	(114,542)	797,176
Capital Expenditures	110,574	58,042	(52,532)	75,400
Other Expenditures	125,382	122,191	(3,191)	133,291
Total Elementary and Secondary Regular Instruction	21,828,052	21,622,093	(205,959)	23,745,515

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Vocational Education Instruction:				
Salaries	$ 288,813	$ 282,931	$ (5,882)	$ 308,772
Employee Benefits	85,894	97,981	12,087	107,972
Purchased Services	87,796	124,963	37,167	119,068
Supplies and Materials	30,728	30,177	(551)	28,990
Other Expenditures	20	21	1	-
Total Vocational Education Instruction	493,251	536,073	42,822	564,802
Special Education Instruction:				
Salaries	7,354,388	7,109,988	(244,400)	7,227,229
Employee Benefits	3,288,496	3,105,789	(182,707)	3,228,535
Purchased Services	238,324	244,646	6,322	263,670
Supplies and Materials	153,225	97,916	(55,309)	62,604
Capital Expenditures	1,300	-	(1,300)	922
Other Expenditures	6,700	9,297	2,597	13,242
Total Special Education Instruction	11,042,433	10,567,636	(474,797)	10,796,202
Instructional Support Services:				
Salaries	1,472,159	1,319,933	(152,226)	1,987,813
Employee Benefits	770,797	499,752	(271,045)	817,188
Purchased Services	309,310	187,079	(122,231)	238,617
Supplies and Materials	277,147	359,054	81,907	259,706
Capital Expenditures	105,000	51,037	(53,963)	221,070
Other Expenditures	1,770	769	(1,001)	2,567
Total Instructional Support Services	2,936,183	2,417,624	(518,559)	3,526,961
Pupil Support Services:				
Salaries	982,340	853,920	(128,420)	909,963
Employee Benefits	351,918	375,559	23,641	352,641
Purchased Services	4,172,065	3,684,350	(487,715)	3,128,709
Supplies and Materials	42,685	37,136	(5,549)	71,828
Capital Expenditures	3,500	1,959	(1,541)	1,555
Other Expenditures	4,092	5,513	1,421	4,819
Total Pupil Support Services	5,556,600	4,958,437	(598,163)	4,469,515

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Sites and Buildings:				
Salaries	$ 1,433,830	$ 1,352,092	$ (81,738)	$ 1,483,136
Employee Benefits	816,060	513,619	(302,441)	581,148
Purchased Services	1,393,931	1,443,938	50,007	1,520,984
Supplies and Materials	676,239	616,337	(59,902)	779,574
Capital Expenditures	430,699	119,744	(310,955)	185,688
Other Expenditures	101,717	106,487	4,770	99,723
Total Sites and Buildings	4,852,476	4,152,217	(700,259)	4,650,253
Fiscal and Other Fixed Cost Programs:				
Employee Benefits	106,000	-	(106,000)	-
Purchased Services	390,000	385,977	(4,023)	272,239
Total Fiscal and Other Fixed Costs Programs	496,000	385,977	(110,023)	272,239
Debt Service:				
Principal	592,893	544,387	(48,506)	539,314
Interest and Fiscal Charges	249,000	212,756	(36,244)	278,441
Total Debt Service	841,893	757,143	(84,750)	817,755
Total Expenditures	51,862,776	48,580,939	(3,281,837)	52,260,513
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,612,071	8,159,784	3,547,713	804,769
OTHER FINANCING SOURCES (USES)				
Insurance Recovery Proceeds	-	-	-	19,760
Loan Redemption	-	-	-	101,387
Transfers Out	(67,000)	(179,732)	(112,732)	(66,780)
Total Other Financing Sources	(67,000)	(179,732)	(112,732)	54,367
NET CHANGE IN FUND BALANCE	$ 4,545,071	7,980,052	$ 3,434,981	859,136
FUND BALANCE				
Beginning of Year		(3,424,274)		(4,283,410)
End of Year		$ 4,555,778		$ (3,424,274)

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	2024	2023
ASSETS		
Cash and Investments	$ 2,301,222	$ 2,430,349
Receivables:		
Accounts Receivable	-	1,675
Due from Minnesota Department of Education	36,653	-
Inventory	75,886	61,663
Prepaid Items	28,914	33,062
Total Assets	$ 2,442,675	$ 2,526,749
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Salaries Payable	$ 85,966	$ 80,224
Accounts and Contracts Payable	14,720	12,747
Due to Other Governmental Unit	3,166	9,329
Unearned Revenue	55,192	57,082
Total Liabilities	159,044	159,382
FUND BALANCE		
Nonspendable	104,800	94,725
Restricted for Food Service	2,178,831	2,272,642
Total Fund Balance	2,283,631	2,367,367
Total Liabilities and Fund Balance	$ 2,442,675	$ 2,526,749

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Earnings on Investments	$ 93,000	$ 103,990	$ 10,990	$ 92,742
Other - Primarily Meal Sales	1,724,176	458,080	(1,266,096)	1,646,617
State Sources	285,900	1,898,686	1,612,786	99,100
Federal Sources	882,975	928,091	45,116	890,205
Total Revenues	2,986,051	3,388,847	402,796	2,728,664
EXPENDITURES				
Current:				
Salaries	954,881	1,151,587	196,706	940,770
Employee Benefits	496,377	480,427	(15,950)	494,682
Purchased Services	225,445	223,630	(1,815)	259,881
Supplies and Materials	1,308,800	1,322,136	13,336	1,247,704
Other Expenditures	1,090	2,432	1,342	1,104
Capital Outlay	538,000	289,671	(248,329)	467,804
Debt Service:				
Principal	-	2,053	2,053	1,417
Interest and Fiscal Charges	-	647	647	383
Total Expenditures	3,524,593	3,472,583	(52,010)	3,413,745
NET CHANGE IN FUND BALANCE	$ (538,542)	(83,736)	$ 454,806	(685,081)
FUND BALANCE				
Beginning of Year		2,367,367		3,052,448
End of Year		$ 2,283,631		$ 2,367,367

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	2024	2023
ASSETS		
Cash and Investments	$ 2,050,384	$ 1,796,453
Receivables:		
Current Taxes	154,461	139,883
Delinquent Taxes	2,005	1,777
Accounts Receivable	168,672	107,690
Due from Minnesota Department of Education	62,830	53,010
Due from Federal Government through the Minnesota Department of Education	-	6,875
Due from Other Governmental Units	2,000	-
Prepaid Items	34,408	63,565
Total Assets	$ 2,474,760	$ 2,169,253
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Salaries Payable	$ 168,026	$ 89,777
Accounts and Contracts Payable	130,876	91,580
Due to Other Governmental Units	191	5,551
Unearned Revenue	193,103	348,467
Total Liabilities	492,196	535,375
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	298,360	268,547
Unavailable Revenue - Delinquent Taxes	2,005	1,777
Total Deferred Inflows of Resources	300,365	270,324
FUND BALANCE		
Nonspendable	34,408	63,565
Restricted for Community Education Programs	1,288,135	1,056,684
Restricted for Early Childhood and Family Education Programs	180,303	108,906
Restricted for School Readiness	159,386	143,425
Restricted for Community Service	19,967	-
Unassigned	-	(9,026)
Total Fund Balance	1,682,199	1,363,554
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 2,474,760	$ 2,169,253

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	$ 270,106	$ 267,214	$ (2,892)	$ 294,116
Earnings on Investments	53,000	95,105	42,105	52,917
Other - Primarily Tuition and Fees	2,938,470	3,249,955	311,485	2,877,997
State Sources	480,741	517,578	36,837	464,665
Federal Sources	-	-	-	6,875
Total Revenues	3,742,317	4,129,852	387,535	3,696,570
EXPENDITURES				
Current:				
Salaries	1,739,515	2,000,262	260,747	1,705,070
Employee Benefits	541,355	622,202	80,847	534,337
Purchased Services	781,920	1,004,086	222,166	682,903
Supplies and Materials	221,670	255,295	33,625	206,533
Other Expenditures	6,608	7,995	1,387	6,609
Capital Outlay	7,080	2,008	(5,072)	6,079
Debt Service:				
Principal	10,388	7,572	(2,816)	6,735
Interest and Fiscal Charges	1,132	3,157	2,025	2,951
Total Expenditures	3,309,668	3,902,577	592,909	3,151,217
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	432,649	227,275	(205,374)	545,353
OTHER FINANCING SOURCES				
Transfer in	67,000	91,370	24,370	66,780
NET CHANGE IN FUND BALANCE	$ 499,649	318,645	$ (181,004)	612,133
FUND BALANCE				
Beginning of Year		1,363,554		751,421
End of Year		$ 1,682,199		$ 1,363,554

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	2024	2023
ASSETS		
Cash and Investments	$ 6,403,014	$ 6,242,228
Receivables:		
Current Taxes	4,694,196	4,739,997
Delinquent Taxes	64,534	56,029
Due from Minnesota Department of Education	73,279	79,279
Total Assets	$ 11,235,023	$ 11,117,533
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts and Contracts Payable	$ 2,000	$ 2,000
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	8,817,234	8,868,629
Unavailable Revenue - Delinquent Taxes	64,534	56,029
Total Deferred Inflows of Resources	8,881,768	8,924,658
FUND BALANCE		
Restricted for Debt Service	2,351,255	2,190,875
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 11,235,023	$ 11,117,533

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, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Final Budgeted Amounts	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Tax	$ 8,699,080	$ 8,573,282	$ (125,798)	$ 8,907,674
Earnings on Investments	141,000	251,145	110,145	140,633
State Sources	732,783	732,784	1	792,861
Total Revenues	9,572,863	9,557,211	(15,652)	9,841,168
EXPENDITURES				
Debt Service:				
Bond Principal	5,880,000	6,090,000	210,000	5,880,000
Bond Interest	3,632,869	3,306,831	(326,038)	3,533,981
Total Expenditures	9,512,869	9,396,831	(116,038)	9,413,981
NET CHANGE IN FUND BALANCE	$ 59,994	160,380	$ 100,386	427,187
Fund Balance - Beginning of Year		2,190,875		1,763,688
FUND BALANCE - END OF YEAR		$ 2,351,255		$ 2,190,875

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	2024	2023
ASSETS		
Cash and Investments	$ 4,281,033	$ -
Other Receivables:		
Accounts and Interest Receivable	36,657	-
Total Assets	$ 4,317,690	$ -
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts and Contracts Payable	$ 220,697	$ -
FUND BALANCE		
Restricted for Other	77,557	-
Restricted for Long-Term Facilities Maintenance	4,019,436	-
Total Fund Balance	4,096,993	-
Total Fund Liabilities and Fund Balance	$ 4,317,690	$ -

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL JUNE 30, 2024
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Final Budgeted Amounts	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Earnings on Investments	$ -	$ 77,556	$ 77,556	$ -
EXPENDITURES				
Capital Outlay	850,000	2,061,110	1,211,110	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(850,000)	(1,983,554)	(1,133,554)	-
OTHER FINANCING SOURCES				
Lease Purchase Agreement Proceeds	6,200,000	6,010,000	(190,000)	-
Bond Premium	-	70,547	70,547	-
Total Other Financing Sources	6,200,000	6,080,547	(119,453)	-
NET CHANGE IN FUND BALANCE	$ 5,350,000	4,096,993	$ (1,253,007)	-
FUND BALANCE				
Beginning of Year		-		-
End of Year		$ 4,096,993		$ -

WACONIA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 110
UNIFORM FINANCIAL ACOCUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
JUNE 30, 2024

01 GENERAL FUND	Audit	UFARS	Difference
Total Revenues	$ 56,740,723	$ 56,740,722	$ 1
Total Expenditures	$ 48,580,939	$ 48,580,939	$ -
Nonspendable:			
460 Nonspendable	$ 861,484	$ 861,484	$ -
Restricted:			
401 Student Activities	$ 449,064	$ 449,064	$ -
403 Staff Development	$ -	$ -	$ -
405 Deferred Maintenance	$ -	$ -	$ -
406 Health & Safety	$ -	$ -	$ -
412 Literacy Incentive Aid	$ 205,311	$ 205,311	$ -
414 Operating Debt	$ -	$ -	$ -
416 Levy Reduction	$ -	$ -	$ -
423 Certain Teacher Programs	$ -	$ -	$ -
424 Operating Capital	$ -	$ -	$ -
426 $25 Taconite	$ -	$ -	$ -
427 Disabled Accessibility	$ -	$ -	$ -
428 Learning & Development	$ 1,254,488	$ 1,254,488	$ -
434 Area Learning Center	$ -	$ -	$ -
435 Contracted Alt. Programs	$ -	$ -	$ -
436 St. Approved Alt. Prog.	$ -	$ -	$ -
438 Gifted & Talented	$ 88,444	$ 88,444	$ -
441 Basic Skills	$ 31,413	$ 31,413	$ -
443 School Library Aid	$ 70,764	$ 70,764	$ -
446 First Grade Preparedness	$ -	$ -	$ -
449 Safe Schools Levy	$ 227,365	$ 227,365	$ -
450 Pre-Kindergarten	$ -	$ -	$ -
451 QZAB Payments	$ -	$ -	$ -
452 OPEB Liab Not In Trust	$ -	$ -	$ -
453 Unfunded Sev & Retirement Levy	$ -	$ -	$ -
464 Other Purposes	$ -	$ -	$ -
467 LTFM	$ 416,267	$ 416,267	$ -
671 Student Support Personnel	$ 52,448	$ 52,448	$ -
472 Medical Assistance	$ 593,776	$ 593,776	$ -
Committed:			
418 Committed for Severance	$ -	$ -	$ -
461 Committed	$ -	$ -	$ -
Assigned:			
462 Assigned	$ -	$ -	$ -
Unassigned:		$ -	
422 Unassigned	$ 304,954	$ 304,953	$ 1

02 FOOD SERVICE			
Total Revenues	$ 3,388,847	$ 3,388,847	$ -
Total Expenditures	$ 3,472,583	$ 3,472,583	$ -
Nonspendable:			
460 Nonspendable	$ 104,800	$ 104,800	$ -
Restricted:			
452 OPEB Liability Not In Trust	$ -	$ -	$ -
464 Other Purposes	$ 2,178,831	$ 2,178,831	$ -
Unassigned:			
463 Unassigned	$ -	$ -	$ -

04 COMMUNITY SERVICE			
Total Revenues	$ 4,129,852	$ 4,129,852	$ -
Total Expenditures	$ 3,902,577	$ 3,902,578	$ (1)
Nonspendable:			
460 Nonspendable	$ 34,408	$ 34,408	$ -
Restricted:			
426 $25 Taconite	$ -	$ -	$ -
431 Community Education	$ 1,288,135	$ 1,288,135	$ -
432 E.C.F.E.	$ 180,303	$ 180,303	$ -
444 School Readiness	$ 159,386	$ 159,386	$ -
447 Adult Basic Education	$ -	$ -	$ -
452 OPEB Liability Not In Trust	$ -	$ -	$ -
464 Other Purposes	$ 19,967	$ 19,967	$ -
Unassigned:			
463 Unassigned	$ -	$ -	$ -

06 BUILDING CONSTRUCTION	Audit	UFARS	Difference
Total Revenues	$ 77,556	$ 77,557	$ (1)
Total Expenditures	$ 2,061,110	$ 2,061,110	$ -
Nonspendable:			
460 Nonspendable	$ -	$ -	$ -
Restricted:			
407 Capital Projects Levy	$ -	$ -	$ -
409 Alternative Fac. Program	$ -	$ -	$ -
413 Project Funded by COP	$ -	$ -	$ -
467 LTFM	$ 4,019,436	$ 4,019,436	$ -
464 Other Purposes	$ 77,557	$ 77,557	$ -
Unassigned:			
463 Unassigned	$ -	$ -	$ -

07 DEBT SERVICE			
Total Revenues	$ 9,557,211	$ 9,557,211	$ -
Total Expenditures	$ 9,396,831	$ 9,396,831	$ -
Restricted/Reserved:			
425 Bond Refundings	$ -	$ -	$ -
451 QZAB Payments	$ -	$ -	$ -
464 Other Purposes	$ 2,351,255	$ 2,351,255	$ -
Unassigned:			
463 Unassigned	$ -	$ -	$ -

08 TRUST			
Total Revenues	$ 11,250	$ 11,250	$ -
Total Expenditures	$ 4,500	$ 4,500	$ -
Unassigned:			
402 Scholarships	$ 26,948	$ 26,948	$ -

09 AGENCY			
Unassigned: Should Always Be -0-			
422 Unassigned	$ -	$ -	$ -

20 INTERNAL SERVICE			
Total Revenues	$ 462,019	$ 462,019	$ -
Total Expenditures	$ 448,577	$ 448,577	$ -
Unassigned:			
422 Unassigned	$ 187,064	$ 187,064	$ -

25 OPEB REVOCABLE TRUST			
Total Revenues	$ -	$ -	$ -
Total Expenditures	$ -	$ -	$ -
Unassigned:			
422 Unassigned	$ -	$ -	$ -

45 OPEB IRREVOCABLE TRUST			
Total Revenues	$ 152,627	$ 152,627	$ -
Total Expenditures	$ 346,417	$ 346,417	$ -
Unassigned:			
422 Unassigned	$ 1,053,081	$ 1,053,081	$ -

47 OPEB DEBT SERVICE			
Total Revenues	$ -	$ -	$ -
Total Expenditures	$ -	$ -	$ -
Restricted:			
464 Other Purposes	$ -	$ -	$ -
Unassigned:			
463 Unassigned	$ -	$ -	$ -