New Issue

ADDENDUM DATED MAY 1, 2025
TO PRELIMINARY OFFICIAL STATEMENT DATED MAY 1, 2025

INDEPENDENT SCHOOL DISTRICT NO. 191 (BURNSVILLE-EAGAN-SAVAGE), MINNESOTA

(Dakota and Scott Counties)

$33,635,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025A

PROPOSAL OPENING: May 15, 2025, 9:30 AM C.T.

The date printed on the cover of the Preliminary Official Statement has been revised. Following is the revised Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 1, 2025

In the opinion of Kennedy & Graven, Chartered, Bond Counsel to the District, based on present federal and Minnesota laws, regulations, rulings and judicial decisions (which exclude any pending legislation which may have a retroactive effect) and, assuming the accuracy of certain representations and continuing compliance with certain covenants set forth in the resolution approving the issuance of the Bonds, interest to be paid on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is included in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "TAX EXEMPTION" herein.

The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

Refunding Issue **Rating Application Made: Moody's Investors Service, Inc.**

INDEPENDENT SCHOOL DISTRICT NO. 191
(BURNSVILLE-EAGAN-SAVAGE), MINNESOTA
(Dakota and Scott Counties)

(Minnesota School District Credit Enhancement Program)

$33,635,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025A

PROPOSAL OPENING: May 15, 2025, 9:30 A.M., C.T.
CONSIDERATION: Not later than 11:59 P.M., C.T. on May 15, 2025 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The $33,635,000* General Obligation Refunding Bonds, Series 2025A (the "Bonds") are authorized pursuant to Minnesota Statutes, Chapter 475, as amended, including Minnesota Statutes, Section 475.67, subd. 3, as amended, by Independent School District No. 191 (Burnsville-Eagan-Savage), Minnesota (the "District"), for the purpose of effecting a current partial refunding of certain outstanding general obligations of the District as more fully described herein. The Bonds will be general obligations of the District for which its full faith and credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: June 12, 2025

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2026	$290,000	2029	$4,090,000	2032	--
2027	4,640,000	2030	4,195,000	2033	$3,660,000
2028	5,760,000	2031	4,850,000	2034	6,150,000

***MATURITY ADJUSTMENTS:** The District reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2025 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2034 and thereafter are subject to call for prior optional redemption on February 1, 2033 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: $33,365,920.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $672,700 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

ESCROW AGENT: Zions Bancorporation, National Association.

BOND COUNSEL: Kennedy & Graven, Chartered.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the District and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the District, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over $1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the District for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over $1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the District is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the District nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the District which indicates that the District does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

BURNSVILLE-EAGAN-SAVAGE
SCHOOL BOARD

		Term Expires
Anna Werb	Board Chair	January 2029
Abigail Alt	Vice Chair	January 2027
Michael Scott Hume	Clerk	January 2027
Lesley Chester	Treasurer	January 2027
Annemarie Anderson	Member	January 2029
Rachael Mikkelsen	Member	January 2029
Tyler Sachse	Member	January 2027

ADMINISTRATION

Dr. Theresa Battle, Superintendent of Schools

Stacey Sovine, Executive Director of Administrative Services

Tyler Dehne, Director of Finance

PROFESSIONAL SERVICES

Kennedy & Graven, Chartered, Bond Counsel and District Attorney, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(*Other office located in Waukesha, Wisconsin*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding Independent School District No. 191 (Burnsville-Eagan-Savage), Minnesota (the "District") and the issuance of its $33,635,000* General Obligation Refunding Bonds, Series 2025A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution ratifying the award of the issuance and sale of the Bonds ("Ratifying Resolution") to be adopted by the School Board on May 22, 2025.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the District's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 12, 2025. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2025, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2026 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Ratifying Resolution.

The District has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent") and Zions Bancorporation, National Association, Chicago, Illinois, as escrow agent (the "Escrow Agent"). BTSC and Ehlers are affiliate companies. The District will pay the charges for Paying Agent and Escrow Agent services. The District reserves the right to remove the Paying Agent and/or Escrow Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the District, the Bonds maturing on or after February 1, 2034 shall be subject to optional redemption prior to maturity on February 1, 2033 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the District. If only part of the Bonds having a common maturity date are called for redemption, then the District or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are authorized pursuant to Minnesota Statutes, Chapter 475, as amended, including Minnesota Statues, Section 475.67 subd.3, as amended, by the District, for the purpose of effecting a current partial refunding of certain maturities of the District's $64,485,000 General Obligation School Building Bonds, Series 2015A (the "Series 2015A Bonds") and effecting a current partial refunding of certain maturities of the District's $36,715,000 General Obligation Alternative Facilities Refunding Bonds, Series 2016A (the "Series 2016A Bonds") as follows:

Issue Being Refunded	**Date of Refunded Issue**		**Maturities Outstanding**	**Interest Rates**	**Principal Outstanding**	**Partial Maturities Outstanding**	**CUSIP Base 122475**
Series 2015A Bonds	5/7/15	Paid at maturity	2026	3.000%	$1,900,000		XG6
		Paid at maturity	2027	3.000%	1,960,000		XH4
		Paid at maturity	2029	3.000%	2,160,000		XK7
		Paid at maturity	2030	3.000%	2,755,000		XL5
		Paid at maturity	2032	3.125%	4,890,000		XN1
		Paid at maturity	2035	3.250%		$6,465,000	XR2
		Paid at maturity	2036	3.250%		6,670,000	XS0
			Total Maturities Outstanding		$13,665,000	$13,135,000	

Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 122475
7/17/25	Par	2028	4.000%	$2,065,000	XJ0
		2031	4.000%	4,820,000	XM3
		2033	4.000%	5,485,000	XP6
		2034	4.000%	8,150,000	XQ4
		2035	3.250%	2,110,000	XR2
		2036	3.250%	2,175,000	XS0

Total Series 2015A Bonds Being Refunded	$24,805,000

A portion of the proceeds of the Bonds will be used to redeem and prepay the maturities of the Series 2015A Bonds described above and to pay all or most of the costs of issuance. The District will continue to pay the principal of and interest due on the remaining outstanding Series 2015A Bonds that are not being refunded through their maturity from the Debt Service Fund for the Series 2015 A Bonds.

Issue Being Refunded	Date of Refunded Issue		Maturities Outstanding	Interest Rates	Principal Outstanding	CUSIP Base 122475
Series 2016A Bonds	3/15/16	Paid at maturity	2026	3.000%	$2,655,000	YB6
		Paid at maturity	2033 (term)	3.000%	7,615,000	YJ9
			Total Maturities Outstanding		$10,270,000	

Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 122475
7/17/25	Par	2027	4.000%	$2,760,000	XJ0
		2028	4.000%	2,325,000	XM3
		2029	4.000%	2,400,000	XP6
		2030	4.000%	2,480,000	XS0

Total Series 2016A Bonds Being Refunded	$9,965,000

A portion of the proceeds of the Bonds will be used to redeem and prepay the maturities of the Series 2016A Bonds described above and to pay all or most of the costs of issuance. The District will continue to pay the principal of and interest due on the remaining outstanding Series 2016A Bonds that are not being refunded through their maturity from the Debt Service Fund for the Series 2016A Bonds.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	$33,635,000	
Reoffering Premium	2,057,510	
Total Sources		**$35,692,510**
Uses		
Total Underwriter's Discount (0.800%)	$269,080	
Costs of Issuance	170,000	
Deposit to Current Refunding Fund	35,250,134	
Rounding Amount	3,296	
Total Uses		**$35,692,510**

*Preliminary, subject to change.

SECURITY

The Bonds will be general obligations of the District to which its full faith and credit and taxing powers are pledged. In accordance with Minnesota Statutes, the District will levy each year an amount not less than 105% of the debt service requirements on the Bonds. In the event funds on hand for payment of principal and interest are at any time insufficient, the District is required to levy additional taxes upon all taxable properties within its boundaries without limit as to rate or amount to make up any deficiency.

RATING

The District will be participating in the State of Minnesota Credit Enhancement Program ("MNCEP") for this issue and is requesting a credit enhanced rating from Moody's Investors Service, Inc. ("Moody's"). Moody's has a policy which assigns a minimum rating of "Aa1" to issuers participating in the MNCEP. The "Aa1" rating is based on the State of Minnesota's current "Aaa" rating from Moody's. See "STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICTS" for further details.

The District currently has a "Aa3" underlying rating from Moody's and will be requesting an underlying rating on this issue. Such rating, if any, reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the District nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICTS

By resolution adopted for this issue on March 27, 2025 (the "Resolution"), the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, as amended, which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation (herein referred to as the "State Payment Law" or the "Law"). The provisions of the State Payment Law shall be binding on the District as long as any obligations of the issue remain outstanding.

Under the State Payment Law, if the District believes it may be unable to make a principal or interest payment for this issue on the due date, it must notify the Commissioner of Education as soon as possible, but not less than 15 working days prior to the due date (which notice is to specify certain information) that it intends to exercise the provisions of the Law to guarantee payment of the principal and interest when due. The District also covenants in the Resolution to deposit with the Paying Agent for the issue three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of the payment.

The Law also requires the Paying Agent for this issue to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal and interest on these obligations, or if, on the day two business days prior to the payment date, there are insufficient funds to make the payment or deposit with the Paying Agent.
The Law also requires, after receipt of a notice which requests a payment pursuant to the Law, after consultation with the Paying Agent and District, and after verifying the accuracy of the information provided, the Commissioner of Education shall notify the Commissioner of Management and Budget of the potential default. The State Payment Law provides that "upon receipt of this notice . . . the commissioner of management and budget shall issue a payment and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the [Department of Education] from the state general fund."

The Law requires that all amounts paid by the State on behalf of any school district are required to be repaid by the district to the State with interest, either via a reduction in State aid payable to the district, or through the levy of an ad valorem tax which may be made with the approval of the Commissioner of Education.

In its Official Statement dated July 29, 2024, for General Obligation State Bonds, Series 2024A, 2024B, 2024C, 2024D and 2024E, the State of Minnesota disclosed the following information about the State Credit Enhancement Program for School Districts:

> "As of June 30, 2024, the total amount of principal on certificates of indebtedness and capital notes issued for equipment, certificates of participation and bonds, plus the interest on these obligations, through the year 2054, is approximately $19,750,000,000. Based upon these currently outstanding balances now enrolled in the program, during the Current Biennium the total amount of principal and interest outstanding as of June 30, 2024 is currently estimated at $1,500,000,000, with the maximum amount of principal and interest payable in any one month being $1,185,000,000. However, more certificates of indebtedness, capital notes, certificates of participation and bonds are expected to be enrolled in the program and these amounts are expected to increase.
>
> The State has not had to make any debt service payments on behalf of school districts or intermediate school districts under the program and does not expect to make any payments in the future. If such payments are made the State expects to recover all or substantially all of the amounts so paid pursuant to contractual agreements with the school districts and intermediate school districts."

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the District shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery of the Bonds, the District shall execute and deliver a Continuing Disclosure Certificate, under which the District will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the District are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the District to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the District believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The District has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the District.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the District ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the District; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

On the date of issuance of the Bonds, Bond Counsel will render an opinion that, at the time of issuance and delivery of the Bonds to the original purchaser, based on present federal and State of Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants set forth in the Ratifying Resolution, interest on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is excludable from the taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, interest on the Bonds is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Section 59(k) of the Code defines "applicable corporation" as any corporation (other than an S corporation), a regulated investment company, or a real estate investment trust which meets the average annual adjusted financial statement income test set forth in Section 59(k) of the Code in one or more taxable years. No opinion will be expressed by Bond Counsel regarding other federal or State of Minnesota tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinions.

Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Ratifying Resolution may result in the inclusion of interest on the Bonds in gross income (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals on alternative minimum taxable income.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Legislative proposals

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status on municipal bonds. For example, legislation has been proposed that would, among other things, limit the amount of exclusions (including tax-exempt interest) or deductions that certain higher-income taxpayers could use to reduce their tax liability. The likelihood of adoption of this or any other such legislative proposal relating to tax-exempt bonds cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt bonds (including the Bonds). Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such change in law.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, relating to the ability of certain financial institutions (within the meaning of Section 265(6)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the District, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the District under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the District for the fiscal year ended June 30, 2024, have been audited by BerganKDV, Ltd., St. Cloud, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A - FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds will be general obligations of the District, the ultimate payment of which rests in the District's ability to levy and collect sufficient taxes to pay debt service should other revenue (state aids) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the District in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the District, the taxable value of property within the District, and the ability of the District to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the District or the taxing authority of the District.

Ratings; Interest Rates: In the future, the District's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Ratifying Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the District to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Levy Limits: Minnesota school district tax levies for most purposes are subject to statutory limitations. No limit, however, is placed on the debt service levy, and districts are required to levy 105% of actual principal and interest requirements to allow for delinquencies. School districts receive a basic revenue amount per pupil unit from aid and levy proceeds in a variety of categorical state aids. They are also allowed to certify additional levies within limits for certain specified purposes. The State Department of Education and the applicable County Auditors review the levies of each school district to determine compliance with state levy limits.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the District to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the District, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the District may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The District is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the District will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2022/23	2023/24	2024/25
Residential homestead[1]	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%
Agricultural homestead[1]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,890,000 - 0.50% [2] Over $1,890,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $2,150,000 - 0.50% [2] Over $2,150,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $3,500,000 - 0.50% [2] Over $3,500,000 - 1.00% [2]
Agricultural non-homestead	Land - 1.00% [2]	Land - 1.00% [2]	Land - 1.00% [2]
Seasonal recreational residential	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]
Residential non-homestead:	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City[4] - 1.25% Affordable Rental: First $174,000 - .75% Over $174,000 - .25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: First $100,000 - .75% Over $100,000 - .25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental – .25%
Industrial/Commercial/Utility[5]	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%

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1 A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

2 Applies to land and buildings. Exempt from referendum market value tax.

3 Exempt from referendum market value tax.

4 Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

5 The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2023/24 Economic Market Value[1] $11,749,042,151[2]

2024/25 Assessor's Estimated Market Value

	Dakota County	Scott County	Total
Real Estate	$8,504,937,500	$2,923,926,400	$11,428,863,900
Personal Property	31,465,800	22,263,200	53,729,000
Total Valuation	$8,536,403,300	$2,946,189,600	$11,482,592,900

2024/25 Net Tax Capacity

	Dakota County	Scott County	Total
Real Estate	$103,119,690	$38,196,551	$141,316,241
Personal Property	617,929	438,808	1,056,737
Net Tax Capacity	$103,737,619	$38,635,359	$142,372,978
Less:			
Captured Tax Increment Tax Capacity[3]	(5,605,463)	(344,748)	(5,950,211)
Fiscal Disparities Contribution[4]	(14,086,545)	(7,051,147)	(21,137,692)
Taxable Net Tax Capacity	$84,045,611	$31,239,464	$115,285,075
Plus: Fiscal Disparities Distribution[4]	10,921,429	2,486,448	13,407,877
Adjusted Taxable Net Tax Capacity	$94,967,040	$33,725,912	$128,692,952

1 Most recent value available from Minnesota Department of Revenue.

2 According to the Minnesota Department of Revenue, the 2023/24 Assessor's Estimated Market Value (the "AEMV") for the District was about 96.65% of the actual selling prices of property sold in the District. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in a 2023/24 Economic Market Value ("EMV") for the District of $11,749,042,151.

3 The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the District.

4 Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2024/25 NET TAX CAPACITY BY CLASSIFICATION

	2024/25 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$69,431,044	48.767%
Agricultural	813	0.001%
Commercial/industrial	52,656,818	36.985%
Public Utility	3,873,902	2.721%
Railroad operating property	565,813	0.397%
Non-homestead residential	14,775,979	10.378%
Commercial & residential seasonal/rec.	11,872	0.008%
Personal property	1,056,737	0.742%
Total	$142,372,978	100.000%

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity[1]	Adjusted Taxable Net Tax Capacity[2]	Percent Increase/Decrease in Estimated Market Value
2020/21	$8,787,814,400	$8,511,201,913	$108,762,949	$99,679,960	5.48%
2021/22	9,263,903,500	9,011,256,125	114,421,387	104,518,929	5.42%
2022/23	10,630,797,300	10,444,707,779	130,467,332	119,882,052	14.76%
2023/24	11,317,839,600	11,133,496,573	141,272,405	129,316,289	6.46%
2024/25	11,482,592,900	11,147,777,139	142,372,978	128,692,952	1.46%

1 Net Tax Capacity is before fiscal disparity contributions and includes tax increment values.

2 Taxable Net Tax Capacity is after fiscal disparity distributions and does not include tax increment values.

LARGER TAXPAYERS

Taxpayer	Type of Property	2024/25 Net Tax Capacity	Percent of District's Total Net Tax Capacity
Xcel Energy	Utility	$ 3,310,867	2.33%
Paragon Outlets Eagan, LLC	Commercial	1,699,250	1.19%
Southwest Logistics Center	Industrial/Commercial	999,666	0.70%
Individual	Public Land/Conservation	816,811	0.57%
Rosemount, Inc.	Industrial	671,440	0.47%
Flats at Cedar Grove, LLC	Commercial	627,267	0.44%
ASB Minnesota Shakopee, LLC	Commercial	617,890	0.43%
FLT Summit Park Apartments, LLC	Apartment	607,149	0.43%
Rosemount Aerospace	Industrial	548,772	0.39%
View Pointe Apartments, LLC	Apartment	541,141	0.38%
Total		$10,440,253	7.33%

District's Total 2024/25 Net Tax Capacity $142,372,978

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Dakota and Scott Counties.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedule following)

Total G.O debt being paid from taxes and state aids[2] (includes the Bonds)* $90,385,000

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

The District has no record of default in the payment of principal and interest on its debt.

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1 Outstanding debt is as of the dated date of the Bonds.

2 Based upon the Long Term Facilities Maintenance Revenue formula and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

FUTURE FINANCING

The District has no current plans for additional financing in the next 12 months.

STATE AID FOR DEBT SERVICE

The Minnesota Debt Service Equalization program provides state aid to finance a portion of the principal and interest payments on voter approved school building bonds. Bonds and Certificates that are not eligible for the program include all alternative facilities bonds, facilities maintenance bonds, capital facilities bonds, OPEB bonds, building bonds with relatively short maturities, and Certificates of Participation (COPs).

Under the Debt Service Equalization Formula (the Formula) adopted by the 2001 Minnesota State Legislature, each school district is responsible for the amount of its qualifying annual debt service which is equal to 15.74% of its Adjusted Net Tax Capacity (ANTC). The District does not currently qualify for debt service equalization aid.

In addition to debt service equalization aid, some school districts will qualify for state Long Term Facilities Maintenance Aid to finance a portion of the payments on Alternative Facilities Bonds and Facilities Maintenance Bonds, pursuant to the Long Term Facilities Maintenance Revenue program approved by the State in 2015. If any aid is received, it is deposited into the District's debt service fund and must be used for payments on the bonds; any payment of state aid into the debt service fund causes a reduction in the tax levy for Alternative Facilities Bonds and Facilities Maintenance Bonds. The amount of aid received in the debt service fund will vary each year, depending on a number of factors. Although the District expects to receive some Long Term Facilities Maintenance Aid in its debt service fund, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by state aid.

Some school districts will also receive aid for debt service payments through the state School Building Bond Agricultural Credit, which is paid to school districts to offset a portion of certain bond levies (Minn. Stat. Section 273.1387). The reimbursement percentage is 70% for taxes payable in 2023, and thereafter. The school building bond agricultural credit applies to farmland, excluding the house, garage and one acre, and to rural vacant land and managed forest land. The District does not currently qualify for the Agricultural Credit.

BONDED DEBT LIMIT

Minnesota Statutes, Section 475.53, subdivision 4, presently limits the "net debt" of a school district to 15% of the estimated market value of all taxable property situated within its corporate limits. The estimated market value of property within a district, on which its debt limit is based, is (a) the value certified by the county auditors, or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value. The current debt limit of the District is computed as follows:

2023/24 Estimated Market Value	$11,749,042,151
Multiply by 15%	0.15
Statutory Debt Limit	$1,762,356,323
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes[1] (includes the Bonds)*	(90,385,000)
Unused Debt Limit*	$1,671,971,323

*Preliminary, subject to change.

[1] Does not include the $13,990,000 General Obligation Taxable OPEB Bonds, Series 2016B, as they are not subject to the debt limit calculation per Minnesota Statutes.

Independent School District No. 191 (Burnsville-Eagan-Savage), Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 06/12/2025)

	School Building Bonds Series 2015A		Alternative Facilities Refunding Bonds Series 2016A		Taxable OPEB Refunding Bonds 1) Series 2016B		Alternative Facilities Refunding Bonds Series 2020A		Alternative Facilities Refunding Bonds Series 2021A	
Dated	05/07/2015		03/15/2016		11/17/2016		11/04/2020		11/04/2021	
Amount	$64,485,000		$36,715,000		$13,990,000		$11,485,000		$9,680,000	
Maturity	02/01 & 07/17		02/01 & 07/17		02/01		02/01		02/01	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2026	1,900,000	842,950	2,655,000	308,100	1,260,000	136,983	1,210,000	243,500	910,000	357,750
2027	1,960,000	785,950	0	228,450	1,295,000	106,743	1,215,000	195,100	975,000	312,250
2028	0	727,150	0	228,450	1,320,000	73,720	1,625,000	146,500	1,260,000	263,500
2029	2,160,000	727,150	0	228,450	1,360,000	38,080	1,670,000	81,500	1,340,000	200,500
2030	2,755,000	662,350	0	228,450			1,570,000	31,400	2,670,000	133,500
2031	0	579,700	2,600,000	228,450						
2032	4,890,000	579,700	2,690,000	150,450						
2033	0	426,888	2,325,000	69,750						
2034	0	426,888								
2035	6,465,000	426,888								
2036	6,670,000	216,775								
	26,800,000	6,402,388	10,270,000	1,670,550	5,235,000	355,525	7,290,000	698,000	7,155,000	1,267,500

1) This issue is not subject to the debt limit.

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Independent School District No. 191 (Burnsville-Eagan-Savage), Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/12/2025)

	Alt Fac & School Building Ref Bonds Series 2025A								
Dated	06/12/2025								
Amount	$33,635,000*								
Maturity	02/01								
Fiscal Year Ending	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2026	290,000	1,069,780	8,225,000	2,959,062	11,184,062	82,160,000	9.10%	**2026**
2027	4,640,000	1,667,250	10,085,000	3,295,743	13,380,743	72,075,000	20.26%	**2027**
2028	5,760,000	1,435,250	9,965,000	2,874,570	12,839,570	62,110,000	31.28%	**2028**
2029	4,090,000	1,147,250	10,620,000	2,422,930	13,042,930	51,490,000	43.03%	**2029**
2030	4,195,000	942,750	11,190,000	1,998,450	13,188,450	40,300,000	55.41%	**2030**
2031	4,850,000	733,000	7,450,000	1,541,150	8,991,150	32,850,000	63.66%	**2031**
2032	0	490,500	7,580,000	1,220,650	8,800,650	25,270,000	72.04%	**2032**
2033	3,660,000	490,500	5,985,000	987,138	6,972,138	19,285,000	78.66%	**2033**
2034	6,150,000	307,500	6,150,000	734,388	6,884,388	13,135,000	85.47%	**2034**
2035			6,465,000	426,888	6,891,888	6,670,000	92.62%	**2035**
2036			6,670,000	216,775	6,886,775	0	100.00%	**2036**
	33,635,000	8,283,780	90,385,000	18,677,742	109,062,742			

* Preliminary, subject to change.

OVERLAPPING DEBT[1]

Taxing District	2024/25 Taxable Net Tax Capacity	% In District	Total G.O. Debt[2]	District's Proportionate Share
County of:				
Scott	$331,469,672	10.1747%	$92,810,000	$9,443,139
Cities of:				
Apple Valley	81,847,725	0.7476%	46,695,000	349,092
Burnsville	102,552,658	68.4898%	109,905,000	75,273,715
Eagan	135,356,711	9.7488%	62,135,000	6,057,417
Savage	62,364,547	45.6301%	23,975,000	10,939,816
Shakopee	96,423,957	5.4643%	38,895,000	2,125,339
Special Districts of:				
Metropolitan Council	6,330,160,332	1.8605%	235,750,000 [3]	4,386,129
District's Share of Total Overlapping Debt				$108,574,647

1 Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. It does ***not*** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

2 Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

3 The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation wastewater revenue, grant anticipation notes and certificates of participation outstanding all of which are supported entirely by revenues and have not been included in the overlapping debt or debt ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value ($11,749,042,151)	Debt/ Current Population Estimate 73,006[1]
Total G.O. Debt Secured by Taxes and State Aids*	$90,385,000	0.77%	$1,238.05
District's Share of Total Overlapping Debt	$108,574,647	0.92%	$1,487.20
Total*	$198,959,647	1.71%	$2,725.25

*Preliminary, subject to change.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy[2]	Total Collected Following Year	Collected to Date	% Collected
2020/21	$40,196,977	$40,012,855	$40,185,463	99.97%
2021/22	37,369,459	37,191,019	37,345,834	99.94%
2022/23	45,426,719	45,204,472	45,357,456	99.85%
2023/24	46,866,501	46,621,275	46,685,679	99.61%
2024/25	44,523,805	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.[3] Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

1 Estimated 2023 population.

2 This reflects the Final Levy Certification of the District after all adjustments have been made.

3 Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES[1]

	2020/21	2021/22	2022/23	2023/24	2024/25
I.S.D. No. 191 (Burnsville-Eagan-Savage)	23.699%	20.273%	19.403%	17.021%	20.374%
Dakota County	22.716%	21.630%	18.816%	18.323%	19.948%
Scott County	31.025%	30.492%	26.578%	26.228%	26.977%
City of Apple Valley	38.192%	38.182%	35.273%	36.789%	41.810%
City of Burnsville	42.853%	43.054%	42.374%	42.503%	45.806%
City of Eagan	36.330%	36.119%	33.566%	33.585%	36.177%
City of Savage	42.254%	40.326%	35.986%	37.606%	40.533%
City of Shakopee	32.105%	32.111%	28.585%	27.402%	27.768%
Dakota County CDA	1.375%	1.390%	1.176%	1.309%	1.360%
Lower Minnesota Watershed	0.387%	0.496%	0.467%	0.631%	0.687%
Metro Transit (portion applicable to Dakota County)	1.038%	0.969%	0.849%	0.750%	0.824%
Metro Transit (portion applicable to Scott County)	1.249%	1.185%	1.085%	1.018%	1.062%
Metropolitan Council (portion applicable to Dakota County)	0.635%	0.649%	0.564%	0.633%	0.532%
Metropolitan Council (portion applicable to Scott County)	0.634%	0.650%	0.538%	0.633%	0.532%
Minnesota Watershed District	0.540%	0.523%	0.493%	0.675%	0.717%
Mosquito Control (portion applicable to Dakota County)	0.384%	3.720%	0.325%	0.315%	0.320%
Mosquito Control (portion applicable to Scott County)	0.375%	0.364%	0.303%	0.316%	0.302%
Regional Rail Authority	N/A	N/A	N/A	N/A	0.131%
Scott County CDA	1.590%	1.597%	1.385%	1.442%	1.534%
Scott County WMO	1.136%	1.102%	0.929%	0.918%	0.934%
Shakopee EDA	0.533%	0.734%	0.592%	0.535%	0.517%
Vermillion Watershed District	0.370%	0.348%	0.287%	0.270%	0.271%
Referendum Market Value Rates:					
I.S.D. No. 191 (Burnsville-Eagan-Savage)	0.20745%	0.19053%	0.22396%	0.23321%	0.17764%
City of Apple Valley	0.01622%	0.01591%	0.01424%	0.01397%	0.01410%
City of Savage	0.00600%	N/A	N/A	N/A	N/A

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Dakota and Scott Counties.

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1 After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

THE ISSUER

EMPLOYEES

The District is governed by an elected school board and employs a staff of 1,346, including 627 non-licensed employees and 719 licensed employees (698 of whom are teachers). The District provides education for 7,201 students in grades kindergarten through twelve.

PENSIONS; UNIONS

Teachers' Retirement Association (TRA)

All teachers employed by the District are covered by defined benefit pension plans administered by the State of Minnesota Teachers Retirement Association (TRA). TRA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. These plans are established and administered in accordance with Minnesota Statutes, Chapters 354 and 356, as amended.

Public Employees' Retirement Association (PERA)

All full-time and certain part-time employees of the District (other than those covered by TRA) are covered by a defined benefit plan administered by the Public Employees' Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356, as amended.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Burnsville Principal Association	June 30, 2025
Burnsville Education Association - Teachers	June 30, 2025
District-wide Administrators	June 30, 2025
Burnsville Association of Educational Assistants	June 30, 2025
Service Employees #284 - Food Service Employees	June 30, 2025
Service Employees #284 - Custodial Employees	June 30, 2025
Information Technology Specialists	June 30, 2025
Clerical	June 30, 2025
191 Liaison Association	INITIAL

Status of Contracts

The 191 Liaison Association and the District are currently in negotiation terms of first collective bargaining agreement.

POST EMPLOYMENT BENEFITS

The District has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The District's most recent Audited Financial Statements (Audit) shows a total OPEB liability of $5,915,668 as of June 30, 2024. The District has been funding these obligations on a pay-as-you-go basis and in April of 2009, the District issued $18,580,000 in General Obligation Taxable OPEB Bonds (the "Series 2009A Bonds") to fund a revocable trust. In November of 2016, the District issued $13,990,000 General Obligation Taxable OPEB Refunding Bonds (the "Series 2016B Bonds"), which financed an advance partial net cash refunding of the 2019 - 2029 maturities of the Series 2009A Bonds. As of June 30, 2024, the net position of the trust was $10,973,728. Future OPEB costs will be paid partially from the trust and partially from operating funds.

Source: The District's most recent Audit.

STUDENT BODY

The number of students enrolled for the past four years and for the current year have been as follows:

Year	Kindergarten	Grades 1-6	Grades 7-12	Total
2020/21	616	3,337	3,634	7,587
2021/22	622	3,299	3,532	7,453
2022/23	575	3,313	3,548	7,436
2023/24	577	3,235	3,395	7,207
2024/25	529	3,301	3,371	7,201

Enrollments for the next three years are projected to be as follows:

Year	Kindergarten	Grades 1-6	Grades 7-12	Total
2025/26	535	3,213	3,268	7,016
2026/27	546	3,150	3,246	6,942
2027/28	541	3,082	3,174	6,797

SCHOOL BUILDINGS

School Building	Year Constructed	Years of Additions/ Remodelings
Edward Neill Elementary	1968	1980, 1995, 1997
Gideon Pond Elementary	1965	1968, 1995
Harriet Bishop Elementary	1996	--
Hidden Valley Elementary	1989	--
Rahn Elementary	1969	1995, 2016
Sky Oaks Elementary	1975	--
Vista View Elementary	1964	1968, 1995
William Byrne Elementary	1967	1995, 2016
Eagle Ridge Middle School	1996	--
Nicollet Middle School	1970	1995
Burnsville High School	1956	1958, 1962, 1971, 1976, 1977, 1980, 1983, 1998, 2016
Burnsville Alternative High School	1961	--

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the District or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

Currently there is no statutory authority for Minnesota school districts to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future while the Bonds are outstanding; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the District to file for relief under Chapter 9; or (c) whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. Such action could impact the rights of holders of the Bonds. Such modifications could be adverse to holders of the Bonds and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds.

FUNDS ON HAND (as of February 28, 2025)

Fund	Total Cash and Investments
General	$54,941,261
Food Service	3,093,050
Community Service	5,904,119
Debt Service	3,835,246
Trust & Agency	10,930,683
Internal Service	15,876,306
Total Funds on Hand	$94,580,665

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, expenditures and fund balances for the District's General Fund. These summaries are not purported to be the complete audited financial statements of the District, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the District. Copies of the complete statements are available upon request. Appendix A includes the 2024 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING JUNE 30				
	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2024-25 Revised Budget[1]
Revenues					
Local property taxes	$31,896,090	$30,955,773	$29,798,182	$37,785,291	$39,715,562
Sales and conversion of assets	0	0	67,491	50,618	61,000
Earnings on investments (losses)	85,161	(33,326)	0	0	1,321,875
Other	2,621,829	3,115,759	5,679,931	6,481,333	3,283,131
Revenue from state sources	91,092,466	87,017,209	91,901,869	107,269,806	111,346,847
Revenue from federal sources	8,950,841	14,965,232	14,827,230	13,999,930	5,352,362
Total Revenues	$134,646,387	$136,020,647	$142,274,703	$165,586,978	$161,080,777
Expenditures					
Current:					
Administration	$5,002,830	$5,429,133	$5,291,647	$5,630,932	$6,038,120
District support services	4,090,450	4,491,751	4,591,871	4,619,344	5,258,015
Elementary and secondary regular instruction	51,987,520	56,035,263	56,761,715	60,457,360	64,138,203
Vocational education instruction	2,088,358	2,216,393	2,168,497	2,234,521	2,911,870
Special education instruction	24,311,718	26,046,717	26,717,926	28,874,464	31,782,705
Instructional support services	13,513,379	12,953,823	12,435,175	10,888,514	12,340,785
Pupil support services	9,835,715	11,696,713	12,688,513	16,650,421	18,258,159
Sites and buildings	10,097,808	10,458,990	11,735,834	11,592,406	12,531,745
Fiscal and other fixed cost programs	391,943	426,427	472,595	525,199	550,000
Capital outlay	3,865,715	3,656,490	4,326,481	7,649,670	5,569,161
Debt service	265,098	96,876	158,368	156,462	82,575
Total Expenditures	$125,450,534	$133,508,576	$137,348,622	$149,279,293	$159,461,338
Excess of revenues over (under) expenditures	$9,195,853	$2,512,071	$4,926,081	$16,307,685	$1,619,439
Other Financing Sources (Uses)					
Lease proceeds	$0	$187,949	$35,235	$0	$0
Proceeds from sale of capital assets	0	0	0	1,000	0
Sale of real property	0	300,000	0	0	900,000
Total Other Financing Sources (Uses)	0	487,949	35,235	1,000	900,000
Net changes in Fund Balances	$9,195,853	$3,000,020	$4,961,316	$16,308,685	$2,519,439
General Fund Balance July 1	$20,326,027	$29,521,880	$32,521,900	$37,483,216	$53,791,901
General Fund Balance June 30	$29,521,880	$32,521,900	$37,483,216	$53,791,901	$56,311,340
DETAILS OF JUNE 30 FUND BALANCE					
Nonspendable	$382,338	$254,436	$603,936	$342,495	$342,495
Restricted	9,020,782	9,841,888	13,137,246	15,812,007	15,213,346
Committed	1,849,490	1,837,017	1,505,311	1,207,116	786,199
Assigned	5,081,823	1,810,980	0	0	250,000
Unassigned	13,187,447	18,777,579	22,236,723	36,430,283	39,719,300
Total	$29,521,880	$32,521,900	$37,483,216	$53,791,901	$56,311,340

1 The 2024-25 budget was revised on January 23, 2025.

GENERAL INFORMATION

LOCATION

The District, with a 2020 U.S. Census population of 71,881 and a 2023 population estimate of 73,006, and comprising an area of 37 square miles, is located approximately 22 miles south of St. Paul, Minnesota.

LARGER EMPLOYERS[1]

Larger employers in the District include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Collins Aerospace[2]	Designer/manufacturer of aircraft and engine sensors	1,900
I.S.D. No. 191 (Burnsville-Eagan-Savage)	Elementary and secondary education	1,346
Pepsi Bottling Group	Beverage distribution	500
City of Burnsville	Municipal and government services	404
Ames Constriction	Excavating contractors	400
Northern Tool & Equipment	Manufacturing	300
Super Target	Retail and grocery	300
Telex Communications	Sound technology	300
Fabcon Precast	Manufacture precast concrete wall panels	275
Truestone Financial CU	Credit union	200

Source: Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

1 This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

2 Previously known as UTC Aerospace Systems.

U.S. CENSUS DATA

Population Trend: The District

2010 U.S. Census population	67,370
2020 U.S. Census population	71,881
Percent of Change 2010 - 2020	6.70%
2023 State Demographer Estimate	73,006

Income and Age Statistics

	The District	Dakota County	State of Minnesota	United States
2023 per capita income	$43,648	$50,901	$46,957	$43,289
2023 median household income	$89,716	$105,212	$87,556	$78,538
2023 median family income	$116,304	$130,111	$111,492	$96,922
2023 median gross rent	$1,455	$1,497	$1,235	$1,348
2023 median value owner occupied units	$337,400	$362,100	$305,500	$303,400
2023 median age	36.5 yrs.	38.4 yrs.	38.6 yrs.	38.7 yrs.

	State of Minnesota	United States
District % of 2023 per capita income	92.95%	100.83%
District % of 2023 median family income	104.32%	120.00%

Source: 2010 and 2020 Census of Population and Housing, and 2023 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov) and Minnesota State Demographer (https://mn.gov/admin/demography/data-by-place/school-district-data.jsp).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	Average Employment	Average Unemployment	
Year	Dakota County	Dakota County	State of Minnesota
2021	233,005	3.4%	3.7%
2022	239,805	2.2%	2.5%
2023	242,905	2.5%	2.8%
2024	243,606	2.7%	3.0%
2025, March	242,755	3.3%	3.9%

Source: Minnesota Department of Employment and Economic Development.

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Bonds, the District represents that there have been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

2023-24 Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Prepared by the District 191 Business Office
200 W. Burnsville Pkwy.
Burnsville, MN 55337
952-707-2010

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

INDEPENDENT SCHOOL DISTRICT
NO. 191
BURNSVILLE, MINNESOTA

For the Year Ended

June 30, 2024

Prepared by

THE BUSINESS OFFICE

Stacey Sovine, *Executive Director of Administrative Services*

Tyler Dehne, *Director of Finance*

INDEPENDENT SCHOOL DISTRICT NO. 191
200 W Burnsville Pkwy
Burnsville, Minnesota 55337

Independent School District No. 191
Table of Contents

Independent School District No. 191
Table of Contents

Independent School District No. 191
Board of Education and Administration
June 30, 2024

Board of Education	Position	Term Expires
Eric Miller	Chair	December 31, 2024
Anna Werb	Vice Chair	December 31, 2024
Abigail Alt	Clerk	December 31, 2026
Toni Conner	Treasurer	December 31, 2024
Scott Hume	Director	December 31, 2026
Lelsey Chester	Director	December 31, 2026
Safio Mursal	Director	December 31, 2026

Administration	
Dr. Theresa Battle	Superintendent
Dr. Chris Bellmont	Assistant Superintendent
Stacey Sovine	Executive Director of Administrative Services
Tyler Dehne	Director of Finance

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Burnsville-Eagan-Savage School District 191
200 W. Burnsville Parkway
Burnsville, MN 55337
952.707.2000
www.isd191.org

To: Citizens of ISD No. 191
ISD No. 191 Board of Education
Staff of ISD No. 191

Date: October 23, 2024

INTRODUCTION

The annual comprehensive financial report (ACFR) of Independent School District No. 191, Burnsville, Minnesota (the District) for the fiscal year ended June 30, 2024 is hereby presented for your information and review. The ACFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. Every effort has been made to ensure the reliability and integrity of the data contained herein. Although that data was received from many sources, the accuracy and thoroughness of this report rests solely with the District. This report belongs to the citizens of the Burnsville – Eagan – Savage community, for it describes, in financial terms, the position and operating results of the District. Questions and comments are solicited and welcome.

REPORT FORMAT

This ACFR is presented in three main sections: introductory, financial, and statistical. In addition to information contained in this letter, the introductory section includes the District's organizational chart, a list of the District's principal officials, and the Association of School Business Officials Certificate of Excellence in Financial Reporting Award. The financial section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and detailed combining and individual statements and schedules. The statistical section includes selected financial and general information presented on a multi-year comparative basis. Where possible, historical data is presented for a 10-year period.

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

DISTRICT ORGANIZATION

The District was incorporated in 1955 and serves parts of five suburban communities in the Minneapolis/St. Paul area. The District is guided by its mission:

Each Student. Future Ready. Community Strong.

The District enrolled 7,462 students from a population of over 73,006 citizens residing in a 37 square mile area. During fiscal year 2023-24, the District operated 13 buildings: one high school, one alternative high school, two middle school schools, eight elementary schools, and one districtwide building. District buildings were built between 1950 and 1996 with the latest additions in 2016. The District also operated a Virtual Academy for elementary and secondary to receive instruction through a virtual environment. The District is organized by grade level with elementary schools serving students in pre-kindergarten through Grade 5, middle schools serving Grades 6-8, and the high schools serving Grades 9-12.

The District provides general, special education and vocational instruction for Prek-12, a transitional program for students beyond grade 12, and one of the most extensive Community Education programs in the state serving newborns up through senior citizens.

REPORTING ENTITY

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable. Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

FINANCIAL STATEMENTS

The financial statements contained in this report disclose the financial position of the District as of June 30, 2024 and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The accounting firm of BerganKDV performed the audit for the 2023-24 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT

The independent audit of the financial statements of the District is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The District is also required to undergo an annual Minnesota State Legal Compliance Audit under Minnesota Statute §6.65. These reports are available in a separate document.

ACCOUNTING AND BUDGETING

A major function of the District's accounting system is to provide adequate internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and that the evaluation of the cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Regarding the legal level of budgetary control; budgetary control is maintained through an annual budget adopted by the School Board for all funds as required by state statutes and School Board policy. The adopted budget, approved by the board by June 30 of the previous year, serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The superintendent and executive director of administrative services are authorized to make financial commitments within budgetary guidelines for contracts not requiring sealed bids. Additional expenditure controls are maintained by the business office in accordance with state statutes, i.e., the District cannot incur a negative unassigned balance in the General Fund in excess of 2.5% of the preceding year's expenditures. The budget is published annually to inform residents of the District's financial position and operating plan for the fiscal year. The School Board receives Board reports on monthly revenues and expenses. Program managers may receive budget reports via email which indicate the approved budget on a line item basis; the month-to-date and year-to-date revenues, expenditures, and encumbrances assigned to those line items; the budget remaining; and the percent earned or expended to date. The district utilizes the method of bottom-line budgeting and monthly monitoring of revenues and expenditures by the School Board as well as ongoing monitoring by program managers helps to ensure budget integrity and provides an opportunity to detect material budget variances before the end of the fiscal year.

The budget is adopted by the School Board in the spring of each year for the following fiscal year beginning July 1. In the winter, the budget is revised based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval. To accurately track and report financial activities with a focus on site-based accounting, approximately 11,550 active accounts have been defined in the District's chart of accounts.

SIGNIFICANT EVENTS

The District's finances are largely dependent on student enrollment. Since 2002-2003 the District has experienced a decline in the number of students enrolled in the District's schools. This is a natural occurrence in a fully developed community and is often the result of smaller kindergarten cohorts replacing a larger graduating class. For fiscal year 2022-23, grades K-12 has a range in class size from a low of 452 to a high of 704 students. The District continues to anticipate declining enrollment in the next few years.

Declining enrollment and the lack of funding increase that keep up with inflation from the state have placed the District in the position of a need to reduce expenditures to balance the budget in recent years. Most of the District's operating revenue is directly related to the number of students enrolled in its schools. While revenues decline in direct proportion to the change in enrollment, expenditures decline at a much slower rate because the enrollment change is spread over all 14 schools and 13 grades. As student numbers decline, the number of teachers providing direct services to students can be reduced accordingly and some cost reduction occurs. Other costs, such as facility operations, are not proportionally related to enrollment and cannot be adjusted as readily. The closure of two elementary schools and one middle school is a direct result of the declining enrollment experienced over years. Although costs directly tied to ongoing enrollment shift to other buildings and are not reductions, the costs considered necessary for an additional building to function are reductions.

As needed, the district has taken strong expenditure curtailment measures during the years ended 2006, 2007, 2008, 2012, 2019, 2020, 2022, and 2023 in an effort to ensure a favorable financial result. During the 2023-2024 school year; our strategies for the planned budget included 4 main factors: 1) prioritize investment for instructional priorities, including PK-12 Pathways 2) rightsizing of the FTEs based upon enrollment; 3) use of restricted funds including federal pandemic relief funds before general undesignated funds; and 4) identify efficiencies in utilizing resources. This planning provided a good start toward balancing the budget. The experience of functioning through a post pandemic period saw an increase in expenditures for substitutes for both staff absences and coverage for vacant positions. Contract negotiations brought an increased expenditure that was offset by positions remaining vacant. Wages to attract casual and seasonal employees also experienced an increase with a challenging labor market. As a result, our 2023-2024 expenditures were approximately $4.3 million dollars less than budgeted while revenues were $5.4 million more than budgeted. The result was an improvement to the total general fund balance of $16.3 million.

FINANCIAL PROSPECTS FOR FUTURE YEARS

The District, like many districts within Minnesota experienced a significant drop in fall enrollment from Fall 2019 to Fall 2020. The steep decline in enrollment did not continue between the Fall of 2020 to the Fall of 2021 as the number of students declined less than 120 students. The Fall 2022 numbers were flat compared to the Fall 2021 numbers, which has not been experienced in over a decade. The unexpected flattening in enrollment decline will have lingering effect to levies and state aid formulas for a minimum of two years. The District’s enrollment declined by over 200 students throughout the 23-24 school year, therefore, the District is anticipating that the enrollment will continue to decline for the foreseeable future. The State Legislature has increased the general education formula some this past biennium which is appreciated.

FINANCIAL PROSPECTS FOR FUTURE YEARS (CONTINUED)

The District has a long history of maintaining positive fund balances and matching revenues with expenditures. In preparing the 2024-2025 budget, the District planned for a deficit after several years of adding to the fund balance to avoid drastic budget reductions in current and future years. Additionally, federal pandemic relief funds are completely spent and not in the general fund budget for fiscal year ending June 30, 2025.

Continued financial uncertainty is likely to be the major challenge of the next decade. While enrollment, staffing, and expenses can be projected, it is impossible to predict with any certainty the configuration or adequacy of funding formulas to be enacted in the future by the Legislature. The latest legislative session made significant investment in education for 24-25. Nonetheless, the District is committed to maintaining programs and services and to operating within its financial limitations. As the District approaches the 2024-2025 revised budget and the 2025-2026 adopted budget, enrollment projection adjustments and curriculum-based decisions will be at the forefront of the discussion. Closing the achievement gap and increasing student achievement for all students served remains the District's priority. The District will continue to develop a long-range plan to adjust expenditures for a balanced budget in the upcoming years since current federal grants will no longer be available to assist with programming.

ECONOMIC FACTORS

The District is located in Dakota and Scott Counties, both of which are located in the seven-county metro area of Minneapolis/St. Paul. The cities that comprise the District are suburban communities. Residents are typically employed in professional vocations within the metropolitan area. The economic downturn of the past years has had some effect on the community as evidenced by greater mobility and increased participation in the free and reduced-price lunch program. The impact of the pandemic is ever fluctuating and remains to be seen; however, the resulting federal resources that have been made available will be utilized as required.

The taxable market value of property within the District is generally expected to improve. While the District is essentially fully developed residentially, commercial development and redevelopment is clearly evident throughout the community. Overall market improvement is evident in the increased 2024 total market value for the eleventh year in a row.

The state of Minnesota assumes major responsibility for funding public education. In the District, approximately 23% of our revenues in all funds are generated locally from the property tax and 50% of the property tax is the result of voter approved, local initiatives. This includes the referendum that was approved in November 2019.

Reliance on the state for the majority of its operating revenues places the District in the position of being dependent on state-wide economic conditions that drive state tax collections. In the 2023-2025 biennium, the Education Finance Bill provided a 4% increase for next year and 2% the year after and ties the funding to inflation. The bill decreases the Special Education Cross Subsidy by 50% over the biennium. There are a number of other increases in state funding, but with those increases comes additional state mandates. The District is working on understanding and implementing the additional mandates. The District continues to strive to be good stewards of all resources and respond to financial challenges by creating a structurally sustainable budget. The budget prioritizes investments for instructional priorities, maintaining current class size parameters, using restricted funds before general unassigned funds whenever possible, keeping abreast and understanding the ebb and flow of revenue streams and expenses and strategically using federal resources.

CERTIFICATE OF EXCELLENCE

This report will be submitted to the Association of School Business Officials International for consideration for the Certificate of Excellence in Financial Reporting. The District received this award for the past 36 fiscal years and expects to continue to earn the recognition that accompanies the standards of accuracy and thoroughness acknowledged by the Certificate of Excellence program.

ACKNOWLEDGMENTS

The time, effort, and attention that go into the timely preparation of an ACFR require the commitment and cooperation of many people. Special appreciation must be extended to the entire Finance Department staff for their dedication and to the School Board for their encouragement and leadership.

Theresa Battle

Dr. Theresa Battle
Superintendent

Tyler Dehne
Director of Finance

Independent School District No. 191
ASBO Certificate of Excellence
June 30, 2024

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Independent School District #191

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

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

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

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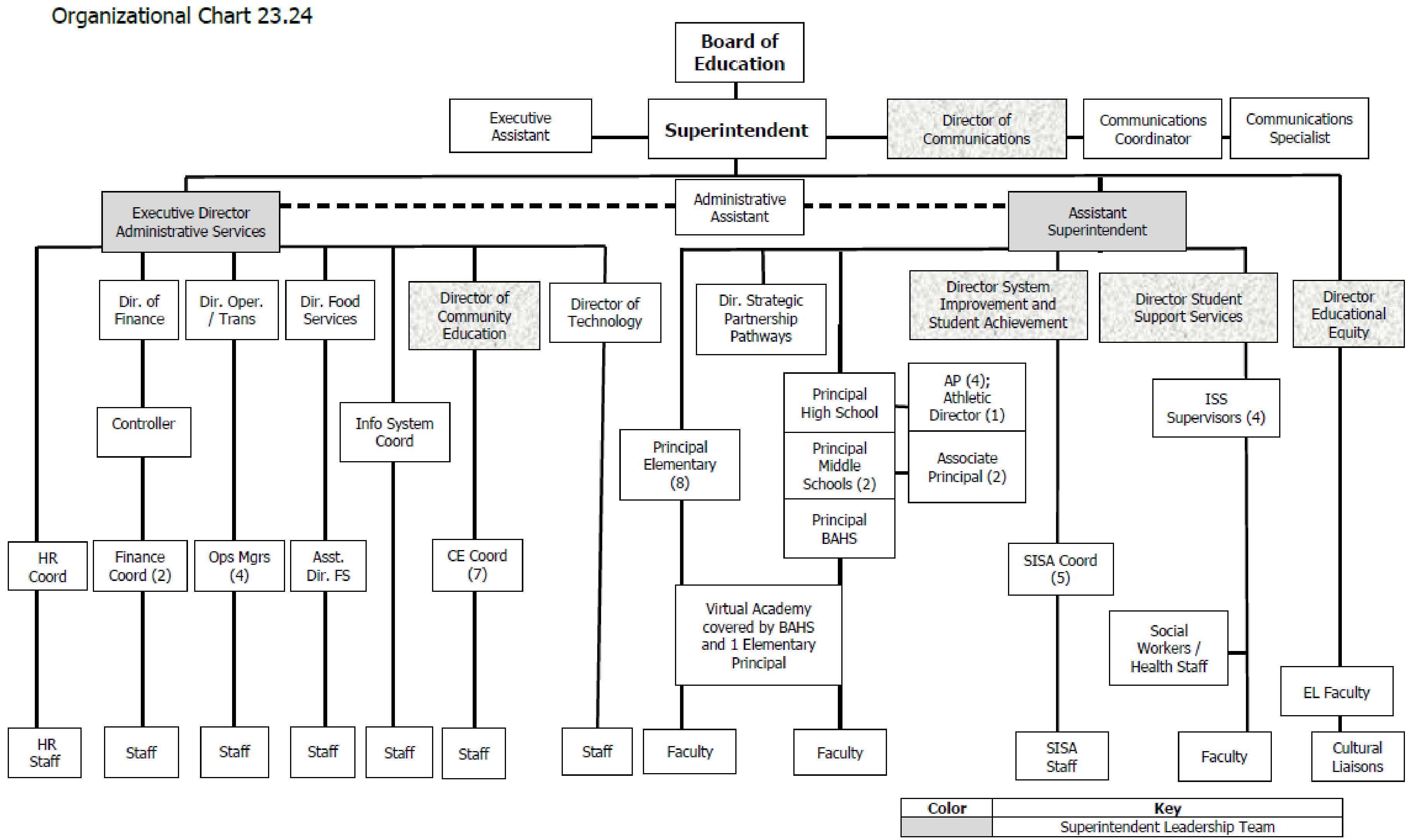
Independent School District No. 191
Organizational Chart
June 30, 2024



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Independent Auditor's Report

To the School Board
Independent School District No. 191
Burnsville, Minnesota

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 191, Burnsville, Minnesota, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 191, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and the Food Service and Community Service Special Revenue funds 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Independent School District No. 191 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
The management of Independent School District No. 191 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which 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.

Report on Summarized Comparative Information
We have previously audited the District's 2023 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information in our report dated October 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year end June 30, 2023, is consistent, in all material respects, with the audited financial statements for which it has been derived.

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

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2024, on our consideration of the District's internal control over financial reporting and 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 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.

St. Cloud, Minnesota
October 23, 2024

Burnsville-Eagan-Savage Public Schools
Independent School District No. 191
Management's Discussion and Analysis
Year Ended June 30, 2024

This section of Independent School District No. 191's annual comprehensive financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this letter.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Government Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-24 fiscal year include the following:

- Government-wide net position, increased by $35,364,691 or 151.91% better than June 30, 2023, resulting in total net position of $12,084,396. The increase in net position was primarily due to the fund level increase in fund balance, as well as a significant increase in net position from the net effect of the government-wide conversion entries related to pensions in relation to improvement in the funding of PERA and TRA.
- Government-wide revenues totaled $190,934,292 and expenses were $155,569,601.
- The total fund balance of the General Fund, as presented in the governmental funds, increased by $16,308,685 from the prior year.
- The unassigned fund balance in the General Fund increased by $14,193,560 from $22,236,723 to $36,430,283, which is 24.4% of total General Fund expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts: Independent Auditors' Report, Required Supplementary Information which includes MD&A (this section), the basic financial statements, and supplementary information.

The basic financial statements include several statements that present different views of the District:

- The ***government-wide financial statements***, including the *Statement of Net Position* and the *Statement of Activities,* 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.
- ***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.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Statements

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

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. 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 may establish 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 two 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 following the governmental funds statements to explain the relationship (or differences) between them.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)
Fund Financial Statements (Continued)

- *Proprietary Funds* – 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 four internal service funds for self-insured health and dental benefits and its severance and postemployment benefits liabilities.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position
The District's combined net position was $12,084,396 on June 30, 2024. This was an improvement of 151.91% from the prior year (see Table A-1).

Table A-1
Net Position - Governmental Activities

	Year Ended 2024	Year Ended 2023	Percentage Change
Assets			
Current and other assets	$ 160,753,099	$ 137,050,691	17.29%
Capital assets	120,503,207	123,952,029	-2.78%
Total assets	281,256,306	261,002,720	7.76%
Deferred Outflows of Resources	20,957,522	29,159,378	-28.13%
Total assets and deferred outflows of resources	$ 302,213,828	$ 290,162,098	4.15%
Liabilities			
Other liabilities	$ 26,542,872	$ 22,771,587	16.56%
Long-term liabilities	199,938,980	217,496,630	-8.07%
Total liabilities	$ 226,481,852	$ 240,268,217	-5.74%
Deferred Inflows of Resources	$ 63,647,580	$ 73,174,176	-13.02%
Net Position			
Net investment in capital assets	$ 23,178,391	$ 19,119,846	21.23%
Restricted	28,507,956	24,372,515	16.97%
Unrestricted	(39,601,951)	(66,772,656)	40.69%
Total net position	$ 12,084,396	$ (23,280,295)	151.91%

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Net Position (Continued)

The District's financial position is the product of many factors. For example, the determination of the District's net investments in capital assets involves many assumptions and estimates, such as current and accumulated depreciation and amortization amounts. A conservative versus liberal approach to depreciation and amortization estimates, as well as capitalization policies, will produce a significant difference in calculated amounts.

The District's overall financial position increased from fiscal year 2023, as total net position increased $35,364,691. The District is able to report positive balances in two of three categories of net position. The District's restricted net position represents resources that are subject to external restrictions on how they may be used. This portion of the District's net position increased by $4,135,441 in the current year.

Another portion of the District's net position is its investment in capital assets (land, buildings, equipment, etc.) less any related debt used to acquire those assets that is still outstanding. This element of net position increased by $4,058,545 in the current fiscal year, as the completion of some construction projects and payments on related debt exceeded depreciation and amortization of the capital assets. The remaining unrestricted net position is that which may be used to meet the District's ongoing obligations. This portion of net position increased $27,170,705 in the current fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position

In Table A-2, Change in Net Position, operations are reported on a governmental-wide basis with no reference to funds.

Table A-2
Change in Net Position

	Year Ended 2024	Year Ended 2023	Percentage Change
Revenues			
Program revenues			
Charges for services	$ 6,436,919	$ 6,816,593	-5.57%
Operating grants and contributions	51,510,227	45,053,587	14.33%
Capital grants and contributions	825,099	984,766	-16.21%
General revenues			
Property taxes	49,158,463	41,790,897	17.63%
General grants and aids	79,218,657	69,788,147	13.51%
Investment earnings	3,777,853	2,008,343	88.11%
Other	7,074	16,900	-58.14%
Total revenues	190,934,292	166,459,233	14.70%
Expenses			
Administration	5,216,273	4,576,004	13.99%
District support services	5,569,369	2,503,974	122.42%
Elementary and secondary regular instruction	53,440,089	42,804,488	24.85%
Vocational education instruction	2,015,070	1,777,613	13.36%
Special education instruction	26,290,985	21,955,865	19.74%
Instructional support services	15,130,117	14,855,402	1.85%
Pupil support services	16,260,415	12,180,617	33.49%
Sites and buildings	16,079,494	16,762,838	-4.08%
Fiscal and other fixed cost programs	525,199	437,360	20.08%
Food service	6,377,037	5,318,407	19.91%
Community education and services	5,969,879	6,391,286	-6.59%
Interest and fiscal charges on long-term debt	2,695,674	2,819,947	-4.41%
Total expenses	155,569,601	132,383,801	17.51%
Increase (decrease) in net position	35,364,691	34,075,432	3.78%
Net Position			
Beginning of year	(23,280,295)	(57,355,727)	59.41%
End of year	$ 12,084,396	$ (23,280,295)	151.91%

Total revenues were $190,934,292 while total expenses were $155,569,601, increasing net position by $35,364,691.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

- Some of the cost was paid by the users of the District's programs (Table A-2, Charges for Services, $6,436,919). The majority of this category, approximately $2.8 million, comes from community education class tuition. $2.2 million comes from third party billing revenue.
- The federal and state governments subsidized certain programs with grants and contributions (Table A-2, Operating and Capital Grants and Contributions, $52,335,326).
- Most of the District's costs were paid for with local property taxes, unrestricted state aid, investment earnings, and other general revenues. Governmental activities were paid for with $49,158,463 in property taxes, $79,218,657 of unrestricted state aid, as well as investment earnings and other general revenues.

Figure A-1
Source of Revenues for Fiscal Year 2024

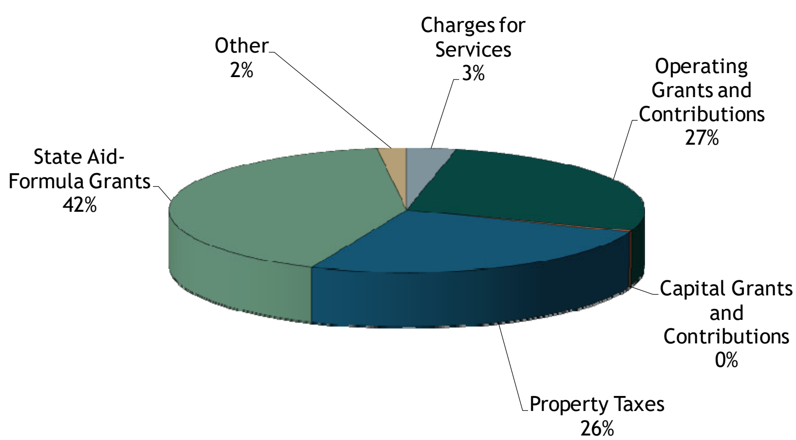
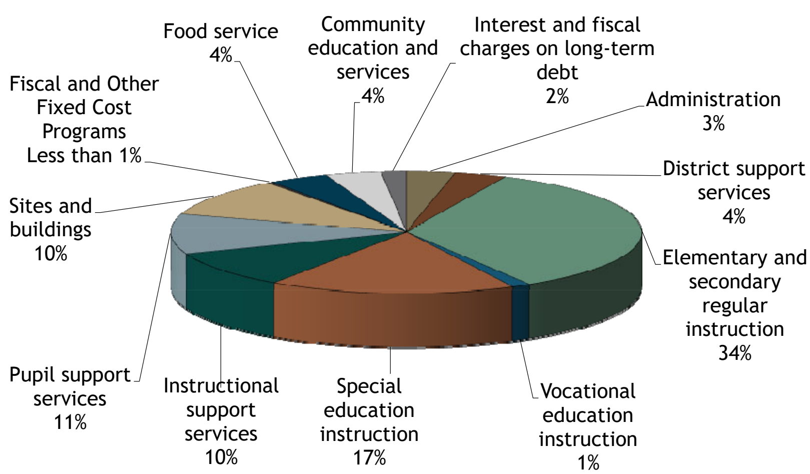


Figure A-2
Expenses for Fiscal Year 2024



FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

All governmental funds include not only funds received for the general operation of the District but also include resources from the entrepreneurial-type funds of Food Service and Community Education. 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 general operation resources.

Table A-3, seen below, presents the cost of twelve major District activities such as, instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and others. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

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
Administrative	$ 5,216,273	$ 4,576,004	13.99%	$ 5,205,345	$ 4,557,975	14.20%
District support services	5,569,369	2,503,974	122.42%	5,550,173	1,695,775	227.29%
Elementary and secondary regular instruction	53,440,089	42,804,488	24.85%	39,875,532	27,509,708	44.95%
Vocational education instruction	2,015,070	1,777,613	13.36%	1,761,443	1,772,184	-0.61%
Special education instruction	26,290,985	21,955,865	19.74%	(2,472,430)	(296,669)	733.40%
Instructional support services	15,130,117	14,855,402	1.85%	12,594,952	12,896,781	-2.34%
Pupil support services	16,260,415	12,180,617	33.49%	16,077,821	11,798,912	36.27%
Sites and buildings	16,079,494	16,762,838	-4.08%	14,986,881	15,488,036	-3.24%
Fiscal and other fixed cost programs	525,199	437,360	20.08%	525,199	437,360	20.08%
Food service	6,377,037	5,318,407	19.91%	(651,482)	(494,568)	31.73%
Community education and services	5,969,879	6,391,286	-6.59%	648,248	1,343,414	-51.75%
Interest and fiscal charges on long-term debt	2,695,674	2,819,947	-4.41%	2,695,674	2,819,947	-4.41%
Total	$ 155,569,601	$ 132,383,801	17.51%	$ 96,797,356	$ 79,528,855	21.71%

The cost of all governmental activities this year was $155,569,601, an increase of $23,185,800 from the prior year. After applying program specific revenue, the net cost of all governmental activities this year was $96,797,356, or an increase of $17,268,501 from the prior year.

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. All of the governmental funds with the exception of the debt service fund had more revenue than expenditures in 2024, thereby contributing to the increase in individual fund balance in most funds. At the end of the 2023-24 fiscal year, the District's governmental funds reported combined fund balances of $67,890,362. This is a 35.16% increase in comparison to the prior year. The increase is largely due to General Fund increases primarily related to revenue exceeding budget expectations. State Special Education Aid, third party billing receipts, and investment earnings significantly exceeded budget expectations. Expenses were also under budget. Additionally, an intense focus on the needs of our students during the pandemic resulted in a greater portion of the actual expenditures being reimbursable through federal pandemic relief funds allocated to our district during FY24.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Financial Analysis of the District's Funds (Continued)

Revenues and other financing sources (excluding transfers in) for the District's governmental funds were $190,591,916, while total expenditures other financing uses (excluding transfers out) were $172,931,659. As a result of this, the District completed the year with a net change in fund balances of $17,660,257.

General Fund

The General Fund is used to account for all revenues and expenditures of the school district not accounted for elsewhere. The General Fund is used to account for: K-12 educational activities; district instructional and student support programs; expenditures for the superintendent; district administration; normal operations and maintenance; pupil transportation; capital expenditures; and legal school district expenditures not specifically designated to be accounted for in any other fund.

Enrollment

Enrollment is a critical factor in determining revenue with approximately 69% of General Fund revenue being determined by enrollment. Like many Minnesota school districts, the District has been facing declining enrollment. During the last five years, the District has averaged a 2.9% decrease in students per year. Enrollment continued to decline from 2023 to 2024 as the District lost approximately 234 students. The following chart reflects that the number of students has decreased over the last 5 years.

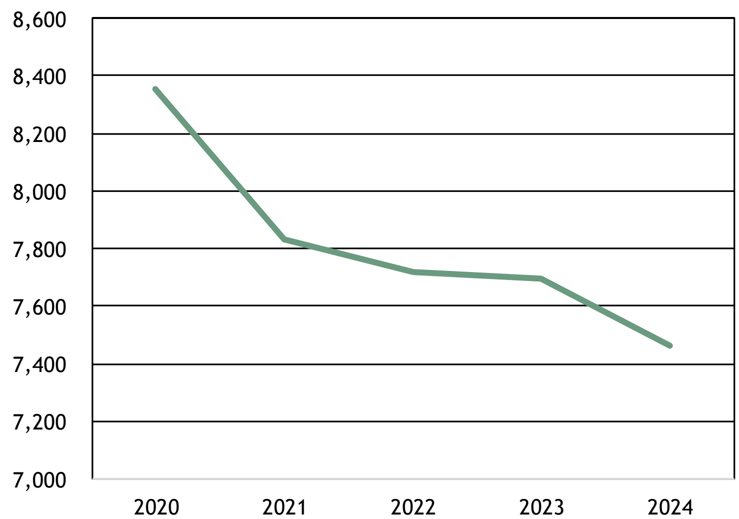
Table A-4
Student Enrollment
Average Daily Membership (ADM)

Grade	2020	2021	2022	2023	2024
ECSE	126	101	137	115	129
School Readiness	138	134	126	121	126
Kdgt.	653	617	600	579	577
1-3	1,763	1,715	1,719	1,758	1,661
4-6	1,791	1,619	1,542	1,554	1,573
7-12	3,883	3,645	3,596	3,569	3,395
Total K-12	8,354	7,831	7,720	7,696	7,462
ADM Change	(318)	(523)	(111)	(24)	(234)
Percent Change	-3.6%	-6.3%	-1.4%	-0.3%	-3.0%

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Enrollment (Continued)

Total K-12



General Fund Revenues

The following schedule presents a summary of General Fund Revenues.

Table A-5
General Fund Revenues

	Year Ended		Change	
	June 30, 2024	June 30, 2023	Increase (Decrease)	Percent Change
Local property taxes	$ 37,785,291	$ 29,798,182	$ 7,987,109	26.8%
Revenue from state sources	107,269,806	91,901,869	15,367,937	16.7%
Revenue from federal sources	13,999,930	14,827,230	(827,300)	-5.6%
Other	6,531,951	5,747,422	784,529	13.7%
Total	$ 165,586,978	$ 142,274,703	$ 23,312,275	16.4%

General Fund revenue increased by $23,312,275, or 16.4%, from the previous year.

Property taxes increased $7,987,109 or 26.8% due to increases in the underlying property tax levies.

Other local revenues increased $784,529, or 13.7%. This was primarily due to increases investment earnings.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

General Fund Revenues (Continued)

State Sources increased by $15,367,937. State aid increased overall after consideration of the following factors. An increase in the general education formula along with a substantial increase in compensatory revenue after the State implemented a pilot program to directly certify more students for educational benefits, resulting in a net increase in general education formula aid of $8,384,484. There was an increase in state special education revenues in the amount of $6,366,427 due to an increase in eligible expenditures and an increase to the formula for cross subsidy aid. New state aid categories such as school library aid and student support aid also brought in additional funding for the District.

Federal Revenue is recorded in the year in which the related expenditure is made. Federal Sources decreased by $827,300 as the District spent the remaining Federal Funding received in response to the COVID-19 pandemic.

General Fund Revenue is received in two major categories as follows:

1. State Education Finance Appropriations
   A. General Education Aid – The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program and is enrollment driven.
   B. Categorical Aids – Categorical revenue formulas are used to meet costs of that program (i.e., special education) or promote certain types of programs (i.e., career and technical aid, staff development, operating capital).

2. Property Tax Levies
   The largest share of the levy is from voter-approved levies: specifically, the excess operating referendum which is also enrollment driven.

General Fund Expenditures

The following schedule presents a summary of General Fund Expenditures.

Table A-6
General Fund Expenditures

	Year Ended		Change	
	June 30, 2024	June 30, 2023	Increase (Decrease)	Percent Change
Salaries	$ 78,144,957	$ 73,739,152	$ 4,405,805	6.0%
Employee benefits	32,816,479	30,673,902	2,142,577	7.0%
Purchased services	25,553,956	22,527,878	3,026,078	13.4%
Supplies and materials	4,423,814	5,258,510	(834,696)	-15.9%
Capital expenditures	7,806,132	4,326,481	3,479,651	80.4%
Debt service expenditures	-	158,368	(158,368)	-100.0%
Other expenditures	533,951	664,331	(130,380)	-19.6%
Total	$ 149,279,289	$ 137,348,622	$ 11,930,667	8.7%

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

General Fund Expenditures (Continued)

Total General Fund expenditures increased $11,930,667 or 8.7% from the previous year. The increase can be attributed mostly to purchased services as well as personnel and employee salaries and benefits as a result of the annual contractual pay.

Purchased Services consist of expenditures for fees for service, substitutes, utilities, property insurance, maintenance repairs, leases, telephone, tuition, and transportation. These expenditures increased mainly due to the increased need for substitutes and increased transportation costs according the negotiated contracts.

General Fund Budgetary Highlights

After initial approval of the budget, the District revised the budget based on changes in unbudgeted costs or revenue changes. While the District anticipated, in its final budget, that the net change in fund balance would be an increase of $6,604,998, total fund balance increased by $16,308,685, resulting in a fund balance of $53,791,901 at June 30, 2024.

Revenues were higher than budgeted by $5,400,727 and expenditures were less than budgeted by $4,301,960. The District was conservative with revenues given the history of declining enrollment. Where possible, expenditures were curtailed in the District's effort to reduce costs. Staffing changes as a result of changes in enrollment and unfilled positions led to expenditures being less than budgeted even while experiencing inflation and rising transportation and substitute costs.

Food Service Fund

The Food Service Fund revenue for 2023-24 totaled $7,165,712 and expenditures were $6,162,393. The June 30, 2024, fund balance is $4,182,478, an increase of $1,007,986 from fiscal year 2023. Actual revenues were $307,972 higher than budget mainly due to more investment earnings and higher meal participation than expected after the switch to Universal Free Meals started in 2024. Actual expenditures were $7,399 lower than budget. More capital purchases and higher food costs due the higher meal participation was offset by lower staffing costs from unfilled positions. These variances resulted in fund balance ending the year $315,038 higher than budgeted.

Community Service Fund

The Community Service Fund revenue for 2023-24 totaled $7,226,888 and expenditures were $6,135,359. The June 30, 2024, fund balance is $5,176,815, an increase of $1,091,529 from fiscal year 2022-2023. The District's Community Education programming planned significant expenditure adjustments and continued to focus their programming on childcare, early learners, youth, and adult programs.

Capital Projects-Building Construction Fund

There was no activity in the Capital Projects-Building Construction Fund for 2023-24. The June 30, 2024, fund balance is $0 is due to bond proceeds from the 2015A School Building Bonds being spent down as the building projects are completed for Vision One91.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction and improvements, or for initial or refunding bonds. The Debt Service Fund revenue and other financing sources for 2023-24 totaled $10,606,671, a decrease of $442,435 from fiscal year 2023 due to a decrease in the tax levy. The District did not have property sales or issue new bonds in fiscal year 2024. The expenditure budget is based on the payment schedule of bond principal and interest on the general obligation bonds, including refunding bonds issued from 2012 through 2021.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2024, the District had invested approximately $320.5 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.) Total depreciation/amortization expense for the year was approximately $10.4 million.

Table A-7
Capital Assets

	Year Ended 2024	Year Ended 2023	Percent Change
Land	$ 3,102,468	$ 3,102,468	0.0%
Construction in progress	1,094,471	-	100.0%
Land improvements	22,133,217	20,770,929	6.6%
Buildings and improvements	274,419,744	272,371,309	0.8%
Equipment	19,568,783	17,106,610	14.4%
Leased equipment	229,658	223,184	2.9%
Less accumulated depreciation/amortization	(200,045,134)	(189,622,471)	5.5%
Total capital assets	$ 120,503,207	$ 123,952,029	-2.8%

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities

At year-end, the District had $103,539,004 in general obligation bonds, lease liabilities, and obligations under financed purchases payable outstanding as shown in Note 5 to the financial statements. The District also had an estimated total of $6,281,346 in postemployment severance and health benefits payable at June 30, 2024, and $89,274,018 in net pension liability.

Total long-term liabilities at June 30, 2024, decreased 8.1% as compared to June 30, 2023, primarily due to the District's proportionate share of the increase of the State run pension (PERA and TRA) programs.

Table A-8
Long-Term Liabilities

	Year Ended 2024	Year Ended 2023	Percent Change
General obligation bonds	$ 99,160,000	$ 106,710,000	-7.1%
Net bond premium and discount	4,287,615	5,269,366	-18.6%
Finance purchases from direct borrowing	-	82,355	-100.0%
Lease liability	91,389	156,380	N/A
Net pension liability	89,274,018	95,632,596	-6.6%
Total OPEB liability	5,915,668	8,631,776	-31.5%
Severance benefits payable	365,678	237,948	53.7%
Compensated absences payable	844,612	776,209	8.8%
Total long-term liabilities	$ 199,938,980	$ 217,496,630	-8.1%
Long-term liabilities			
Due within one year	$ 9,301,798	$ 8,587,891	
Due in more than one year	190,637,182	208,908,739	
Total	$ 199,938,980	$ 217,496,630	

FACTORS BEARING ON THE DISTRICT'S FUTURE

With the exception of the voter-approved operating referendum, the District is dependent on the state of Minnesota for most of its revenue authority. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation. There is concern if the state special education aid formula changes will be sufficient to end the growing cross subsidy of special education services. In the 2023-2025 biennium, the MN Education Finance Bill provided improvements in funding, including a 4% increase next year and a 2% increase in FY 2025 on the funding formula. Additionally, increases in the Special Education and English Language Learners funding will aid districts in the growing cross subsidy.

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)

The funding formula has been below the current annual rate of inflation for the last 20 years. Accordingly, the District continues to utilize sophisticated enrollment and financial planning tools, along with detailed and conservative budgeting and budget monitoring processes. The District spent all remaining federal ESSER (I, II, III), CARES, Coronavirus Relief Funding and American Rescue Plan allocations in 2024 to meet our student needs and reduce the impact on fund balances. The District will continue to seek all available sources of funding, respond to enrollment decreases, balance revenue to expenditures, and maintain systems that ensure financial stability.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 191, 200 W. Burnsville Parkway, Burnsville, Minnesota 55337. The telephone number for the District is (952) 707–2010. Financial and other district information is also available on the District's website at isd191.org.

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BASIC FINANCIAL STATEMENTS

Independent School District No. 191
Statement of Net Position
June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	Governmental Activities	
	2024	2023
Assets		
Cash and investments	$ 112,177,096	$ 93,453,931
Current property taxes receivable	26,659,004	25,630,010
Delinquent property taxes receivable	398,910	322,174
Accounts receivable	496,495	656,622
Interest receivable	580,243	214,723
Lease receivable	553,711	259,105
Due from Department of Education	11,079,637	10,034,269
Due from other Minnesota school districts	64,952	92,393
Due from Federal Government through Department of Education	7,789,968	5,271,069
Due from other governmental units	250,288	242,927
Inventory	360,300	269,532
Prepaid items	342,495	603,936
Capital assets, not being depreciated		
Land	3,102,468	3,102,468
Construction in progress	1,094,471	-
Capital assets, net of accumulated depreciation		
Buildings	103,201,163	108,650,069
Improvements other than buildings	6,612,693	6,071,313
Machinery and equipment	6,406,578	5,974,627
Leased assets, net of accumulated amortization		
Leased equipment	85,834	153,552
Total assets	281,256,306	261,002,720
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	19,948,462	27,986,744
Deferred outflows of resources related to OPEB	845,073	972,869
Losses on debt refunding	163,987	199,765
Total deferred outflows of resources	20,957,522	29,159,378
Total assets and deferred outflows of resources	$ 302,213,828	$ 290,162,098
Liabilities		
Accounts payable	$ 8,741,596	$ 9,093,171
Contracts payable	44,446	-
Salaries and benefits payable	14,714,098	10,508,915
Interest payable	1,474,930	1,596,982
Due to other Minnesota school districts	1,299,709	1,251,919
Due to other governmental units	60,003	55,445
Unearned revenue	208,090	265,155
Bond principal, net of premium		
Payable within one year	7,640,000	7,550,000
Payable after one year	95,807,615	104,429,366
Lease liability		
Payable within one year	70,356	69,041
Payable after one year	21,033	87,339
Finance purchase from direct borrowing		
Payable within one year	-	82,355
Compensated absences payable		
Payable within one year	844,612	776,209
Severance payable		
Payable within one year	43,440	110,286
Payable after one year	322,238	127,662
Total OPEB liability		
Payable within one year	703,390	-
Payable after one year	5,212,278	8,631,776
Net pension liability	89,274,018	95,632,596
Total liabilities	226,481,852	240,268,217
Deferred Inflows of Resources		
Property taxes levied for subsequent year's expenditures	47,479,893	45,495,723
Deferred inflow of resources related to lease receivable	553,710	232,514
Deferred inflows of resources related to pensions	12,389,245	25,861,524
Deferred inflows of resources related to OPEB	2,968,920	1,285,333
Gains on debt refunding	255,812	299,082
Total deferred inflows of resources	63,647,580	73,174,176
Net Position		
Net investment in capital assets	23,178,391	19,119,846
Restricted for		
Debt service	3,327,077	3,964,729
Other purposes	25,180,879	20,407,786
Unrestricted	(39,601,951)	(66,772,656)
Total net position	12,084,396	(23,280,295)
Total liabilities, deferred inflows of resources, and fund balances	$ 302,213,828	$ 290,162,098

Independent School District No. 191
Statement of Activities
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024					2023
		Program Revenues			Net (Expense) Revenues and Changes in Net Position	Net (Expense) Revenues and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities						
Administration	$ 5,216,273	$ 1,573	$ 9,355	$ -	$ (5,205,345)	$ (4,557,975)
District support services	5,569,369	2,339	16,857	-	(5,550,173)	(1,695,775)
Elementary and secondary regular instruction	53,440,089	447,534	13,117,023	-	(39,875,532)	(27,509,708)
Vocational education instruction	2,015,070	-	253,627	-	(1,761,443)	(1,772,184)
Special education instruction	26,290,985	2,240,236	26,523,179	-	2,472,430	296,669
Instructional support services	15,130,117	373,963	2,161,202	-	(12,594,952)	(12,896,781)
Pupil support services	16,260,415	92,267	90,327	-	(16,077,821)	(11,798,912)
Sites and buildings	16,072,733	267,514	-	825,099	(14,980,120)	(15,488,036)
Fiscal and other fixed cost programs	525,199	-	-	-	(525,199)	(437,360)
Food service	6,377,037	208,483	6,820,036	-	651,482	494,568
Community education and services	5,969,879	2,803,010	2,518,621	-	(648,248)	(1,343,414)
Interest and fiscal charges on long-term debt	2,702,435	-	-	-	(2,702,435)	(2,819,947)
Total governmental activities	$ 155,569,601	$ 6,436,919	$ 51,510,227	$ 825,099	(96,797,356)	(79,528,855)
	General revenues					
	Taxes					
	Property taxes, levied for general purposes				37,787,542	29,793,091
	Property taxes, levied for community service				1,603,278	1,597,814
	Property taxes, levied for debt service				9,767,643	10,399,992
	State aid-formula grants				79,218,657	69,788,147
	Gain on sale of assets				7,074	16,900
	Investment income				3,777,853	2,008,343
	Total general revenues				132,162,047	113,604,287
	Change in net position				35,364,691	34,075,432
	Net position - beginning				(23,280,295)	(57,355,727)
	Net position - ending				$ 12,084,396	$ (23,280,295)

Independent School District No. 191
Balance Sheet - Governmental Funds
Year Ended June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	General	Food Service	Community Service	Debt Service
Assets				
Cash and investments	$ 67,290,745	$ 2,611,252	$ 6,320,953	$ 9,533,213
Current property taxes receivable	20,542,929	-	844,827	5,271,248
Delinquent property taxes receivable	296,687	-	13,781	88,442
Accounts receivable	54,752	-	14,043	-
Interest receivable	537,198	-	-	-
Lease receivable	-	-	-	553,711
Due from Department of Education	10,568,877	277,421	232,179	1,160
Due from Federal Government through Department of Education	6,461,844	1,286,466	41,658	-
Due from other Minnesota school districts	51,702	-	13,250	-
Due from other governmental units	249,880	-	408	-
Due from other funds	429,903	-	-	-
Inventory	-	360,300	-	-
Prepaid items	342,495	-	-	-
Total assets	$ 106,827,012	$ 4,535,439	$ 7,481,099	$ 15,447,774
Liabilities				
Accounts payable	$ 1,616,994	161,362	52,600	$ -
Contracts payable	44,446	-	-	-
Salaries and benefits payable	14,063,234	148,988	501,876	-
Due to other Minnesota school districts	1,281,543	-	18,166	-
Due to other governmental units	60,003	-	-	-
Unearned revenue	295	42,611	104,595	-
Total liabilities	17,066,515	352,961	677,237	-
Deferred Inflows of Resources				
Property taxes levied for subsequent year's expenditures	35,770,368	-	1,617,468	10,092,057
Unavailable revenue - delinquent property taxes	198,228	-	9,579	62,839
Deferred inflow of resources related to lease receivable	-	-	-	553,710
Total deferred inflows of resources	35,968,596	-	1,627,047	10,708,606
Fund Balances				
Nonspendable	342,495	360,300	-	-
Restricted	15,812,007	3,822,178	5,176,815	4,739,168
Committed	1,207,116	-	-	-
Unassigned	36,430,283	-	-	-
Total fund balances	53,791,901	4,182,478	5,176,815	4,739,168
Total liabilities, deferred inflows of resources, and fund balances	$ 106,827,012	$ 4,535,439	$ 7,481,099	$ 15,447,774

See notes to basic financial statements.

Total Governmental Funds	
2024	2023
$ 85,756,163	$ 66,541,526
26,659,004	25,630,010
398,910	322,174
68,795	149,666
537,198	192,544
553,711	259,105
11,079,637	10,034,269
7,789,968	5,271,069
64,952	92,393
250,288	242,927
429,903	529,083
360,300	269,532
342,495	603,936
$ 134,291,324	$ 110,138,234
$ 1,830,956	$ 1,888,901
44,446	-
14,714,098	10,508,915
1,299,709	1,251,919
60,003	55,445
147,501	193,373
18,096,713	13,898,553
47,479,893	45,495,723
270,646	281,339
553,710	232,514
48,304,249	46,009,576
702,795	873,468
29,550,168	25,614,603
1,207,116	1,505,311
36,430,283	22,236,723
67,890,362	50,230,105
$ 134,291,324	$ 110,138,234

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Independent School District No. 191
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	2024	2023
Total fund balances - governmental funds	$ 67,890,362	$ 50,230,105
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.		
Cost of capital assets	320,318,683	313,351,316
Less accumulated depreciation	(199,901,310)	(189,552,839)
Leased assets	229,658	223,184
Less accumulated amortization	(143,824)	(69,632)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Bond principal payable	(99,160,000)	(106,710,000)
Unamortized bond premium and discount	(4,287,615)	(5,269,366)
Deferred charge on refunding (net)	(91,825)	(99,317)
Lease liability	(91,389)	(156,380)
Finance purchase from direct borrowing	-	(82,355)
Compensated absences payable	(844,612)	(776,209)
Total OPEB liability	(5,915,668)	(8,631,776)
Net pension liability	(89,274,018)	(95,632,596)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.		
Deferred outflows of resources related to pensions	19,948,462	27,986,744
Deferred inflows of resources related to pensions	(12,389,245)	(25,861,524)
Deferred outflows of resources related to OPEB	845,073	972,869
Deferred inflows of resources related to OPEB	(2,968,920)	(1,285,333)
Delinquent property taxes receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.	270,646	281,339
The self insured medical and dental internal service funds are used by management to charge the costs of the self-insured plans. The assets and liabilities of the internal service funds are included included in governmental activities in the Statement of Net Position and interfund activity is removed.	19,124,868	19,398,457
Governmental funds do not report a liability for accrued interest on bonds until due and payable.	(1,474,930)	(1,596,982)
Total net position - governmental activities	$ 12,084,396	$ (23,280,295)

Independent School District No. 191
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	General	Food Service	Community Service	Debt Service
Revenues				
Local property taxes	$ 37,785,291	$ -	$ 1,604,461	$ 9,779,404
Other local and county revenues	6,481,333	166,834	3,440,115	815,034
Revenue from state sources	107,269,806	1,082,994	1,788,069	12,233
Revenue from federal sources	13,999,930	5,707,401	376,025	-
Sales and other conversion of assets	50,618	208,483	18,218	-
Total revenues	165,586,978	7,165,712	7,226,888	10,606,671
Expenditures				
Current				
Administration	5,630,932	-	-	-
District support services	4,619,344	-	-	-
Elementary and secondary regular instruction	60,457,360	-	-	-
Vocational education instruction	2,234,521	-	-	-
Special education instruction	28,874,464	-	-	-
Instructional support services	10,888,514	-	-	-
Pupil support services	16,650,421	-	-	-
Sites and buildings	11,592,406	-	-	-
Fiscal and other fixed cost programs	525,199	-	-	-
Food service	-	5,882,458	-	-
Community education and services	-	-	6,115,597	-
Capital outlay				
Administration	10,926	-	-	-
District support services	334,144	-	-	-
Elementary and secondary regular instruction	100,914	-	-	-
Vocational education instruction	14,784	-	-	-
Special education instruction	18,469	-	-	-
Instructional support services	1,986,562	-	-	-
Pupil support services	39,931	-	-	-
Sites and buildings	5,143,940	-	-	-
Food service	-	279,935	-	-
Community education and services	-	-	19,762	-
Debt service				
Principal	147,347	-	-	7,550,000
Interest and fiscal charges	9,115	-	-	3,804,614
Total expenditures	149,279,293	6,162,393	6,135,359	11,354,614
Excess of revenues over (under) expenditures	16,307,685	1,003,319	1,091,529	(747,943)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	1,000	4,667	-	-
Lease proceeds	-	-	-	-
Total other financing sources (uses)	1,000	4,667	-	-
Net change in fund balances	16,308,685	1,007,986	1,091,529	(747,943)
Fund Balances				
Beginning of year	37,483,216	3,174,492	4,085,286	5,487,111
End of year	$ 53,791,901	$ 4,182,478	$ 5,176,815	$ 4,739,168

Total Governmental Funds	
2024	2023
$ 49,169,156	$ 41,799,089
10,903,316	9,415,843
110,153,102	93,864,029
20,083,356	19,743,383
277,319	1,190,530
190,586,249	166,012,874
5,630,932	5,291,647
4,619,344	4,591,871
60,457,360	56,761,715
2,234,521	2,168,497
28,874,464	26,717,926
10,888,514	12,435,175
16,650,421	12,688,513
11,592,406	11,735,834
525,199	472,595
5,882,458	5,209,869
6,115,597	5,831,718
10,926	62,697
334,144	80
100,914	94,918
14,784	30,383
18,469	64,563
1,986,562	1,478,105
39,931	763
5,143,940	2,594,972
279,935	17,187
19,762	79,292
7,697,347	7,284,147
3,813,729	4,228,108
172,931,659	159,840,575
17,654,590	6,172,299
5,667	1,807
-	35,235
5,667	37,042
17,660,257	6,209,341
50,230,105	44,020,764
$ 67,890,362	$ 50,230,105

Independent School District No. 191
Reconciliation of the Statement of Revenues, Expenditures, and changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024	2023
Net change in fund balances - total governmental funds	$ 17,660,257	$ 6,209,341
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Capital outlays	6,973,841	8,244,519
Depreciation expense	(10,348,471)	(11,846,031)
Amortization expense	(74,192)	(68,490)
Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	(68,403)	23,117
Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities.	7,697,346	7,284,147
Governmental funds recognize OPEB contributions as expenditures at the time of payment, whereas, the Statement of Activities factors in items related to OPEB on a full accrual perspective.	904,725	460,741
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accruse, regardless of when it is due.	122,052	227,211
Governmental funds report the effects of bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Net premium/deferred charge on new debt issuance and related amortization	989,243	1,180,950
The issuance of long-term debt provides current financial resources to governmental funds and has no effect on net position. These amounts are reported in the governmental funds as a source of financing. These amounts are not shown as revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		
Lease proceeds	-	(35,235)
The self-insured medical and dental internal service funds are used by management to charge the costs of the self insured plans. The increase in net position is reported within the governmental activities in the Statement of Activities.	(273,589)	(1,502,534)
Governmental funds recognize pension contributions as expenditures at the time of payment in the funds whereas the Statement of Activities factors in differences between actual and expected contributions and earnings on plan investments as well as changes in proportion.	11,792,575	23,905,888
Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.	(10,693)	(8,192)
Change in net position - governmental activities	$ 35,364,691	$ 34,075,432

Independent School District No. 191
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Local property taxes	$ 37,737,983	$ 37,990,707	$ 37,785,291	$ (205,416)
Other local and county revenues	2,587,408	3,439,000	6,481,333	3,042,333
Revenue from state sources	102,508,778	104,338,340	107,269,806	2,931,466
Revenue from federal sources	13,420,447	14,357,204	13,999,930	(357,274)
Sales and other conversion of assets	60,000	61,000	50,618	(10,382)
Total revenues	156,314,616	160,186,251	165,586,978	5,400,727
Expenditures				
Current				
Administration	5,594,769	5,784,757	5,630,932	(153,825)
District support services	4,587,153	4,261,879	4,619,344	357,465
Elementary and secondary regular instruction	65,309,589	64,937,744	60,457,360	(4,480,384)
Vocational education instruction	2,341,888	2,406,879	2,234,521	(172,358)
Special education instruction	29,643,896	28,887,125	28,874,464	(12,661)
Instructional support services	12,504,167	11,032,508	10,888,514	(143,994)
Pupil support services	12,920,507	15,578,043	16,650,421	1,072,378
Sites and buildings	12,243,843	12,182,782	11,592,406	(590,376)
Fiscal and other fixed cost programs	530,000	530,000	525,199	(4,801)
Capital outlay				
Administration	68,436	93,280	10,926	(82,354)
District support services	131,060	410,060	334,144	(75,916)
Elementary and secondary regular instruction	86,839	166,016	100,914	(65,102)
Vocational education instruction	10,815	515	14,784	14,269
Special education instruction	31,450	48,950	18,469	(30,481)
Instructional support services	2,423,640	2,495,329	1,986,562	(508,767)
Pupil support services	127,246	127,246	39,931	(87,315)
Sites and buildings	4,781,191	4,476,644	5,143,940	667,296
Debt service				
Principal	153,164	153,164	147,347	(5,817)
Interest and fiscal charges	3,332	8,332	9,115	783
Total expenditures	153,492,985	153,581,253	149,279,293	(4,301,960)
Excess of revenues over expenditures	2,821,631	6,604,998	16,307,685	9,702,687
Other Financing Sources				
Proceeds from sale of capital assets	-	-	1,000	1,000
Net change in fund balance	$ 2,821,631	$ 6,604,998	16,308,685	$ 9,703,687
Fund Balance				
Beginning of year			37,483,216	
End of year			$ 53,791,901	

See notes to basic financial statements.

Independent School District No. 191
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Food Service Fund
Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Other local and county revenues	$ 10,058	$ 70,000	$ 166,834	$ 96,834
Revenue from state sources	938,105	906,334	1,082,994	176,660
Revenue from federal sources	4,865,950	5,656,406	5,707,401	50,995
Sales and other conversion of assets	225,000	225,000	208,483	(16,517)
Total revenues	6,039,113	6,857,740	7,165,712	307,972
Expenditures				
Current				
Food service	5,927,292	5,954,792	5,882,458	(72,334)
Capital outlay				
Food service	100,000	215,000	279,935	64,935
Total expenditures	6,027,292	6,169,792	6,162,393	(7,399)
Excess of revenues over expenditures	11,821	687,948	1,003,319	315,371
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	2,000	5,000	4,667	(333)
Net change in fund balance	$ 13,821	$ 692,948	1,007,986	$ 315,038
Fund Balance				
Beginning of year			3,174,492	
End of year			$ 4,182,478	

Independent School District No. 191
Statement of Revenue, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Community Service Fund
Year Ended June 30, 2024

	Budgeted Amounts			
	Orignal	Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Local property taxes	$ 1,617,454	$ 1,617,454	$ 1,604,461	$ (12,993)
Other local and county revenues	2,733,500	2,997,771	3,440,115	442,344
Revenue from state sources	1,810,012	1,812,212	1,788,069	(24,143)
Revenue from federal sources	224,707	462,237	376,025	(86,212)
Sales and other conversion of assets	10,000	10,500	18,218	7,718
Total revenues	6,395,673	6,900,174	7,226,888	326,714
Expenditures				
Current				
Community education and services	6,315,031	6,441,021	6,115,597	(325,424)
Capital outlay				
Community education and services	50,400	39,400	19,762	(19,638)
Total expenditures	6,365,431	6,480,421	6,135,359	(345,062)
Net change in fund balance	$ 30,242	$ 419,753	1,091,529	$ 671,776
Fund Balance				
Beginning of year			4,085,286	
End of year			$ 5,176,815	

Independent School District No. 191
Statement of Net Position - Proprietary Funds
Year Ended 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	$ 26,420,933	$ 26,912,405
Interest receivable	43,045	22,179
Accounts receivable	427,700	506,956
Due from other funds	328,040	313,090
Total assets	27,219,718	27,754,630
Liabilities		
Current liabilities		
Health and dental claims payable	$ 2,893,482	$ 2,715,336
Due to plan participants	4,017,158	4,488,934
Severance benefits payable	43,440	110,286
Due to other funds	757,943	842,173
Unearned revenue	60,589	71,782
Total current liabilities	7,772,612	8,228,511
Nonurrent liabilities		
Severance benefits payable	322,238	127,662
Total liabilities	8,094,850	8,356,173
Net Position		
Unrestricted	$ 19,124,868	$ 19,398,457

See notes to basic financial statements.

Independent School District No. 191
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	Governmental Activities - Internal Service Funds	
	2024	2023
Operating Revenue		
Charges for services	$ 25,109,506	$ 22,320,153
Other services	399,822	638,618
Total operating revenue	25,509,328	22,958,771
Operating Expenses		
Health insurance claim payments	25,261,473	23,766,205
Dental insurance claim payments	902,685	845,634
Severance payments	127,730	51,009
OPEB payments	789,184	868,796
Total operating expenses	27,081,072	25,531,644
Operating income (loss)	(1,571,744)	(2,572,873)
Nonoperating Income		
Earnings on investments	1,298,155	1,070,339
Change in net position	(273,589)	(1,502,534)
Net Position		
Beginning of year	19,398,457	20,900,991
End of year	$ 19,124,868	$ 19,398,457

Independent School District No. 191
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	Governmental Activities - Internal Service Funds	
	2024	2023
Cash Flows - Operating Activities		
Receipts from interfund services provided	$ 25,562,441	$ 22,525,744
Payments for health and dental claims	(26,457,788)	(24,303,348)
Payments to employee OPEB	(873,414)	(802,435)
Payments for severance benefits	-	(495,736)
Net cash flows - operating activities	(1,768,761)	(3,075,775)
Cash Flows - Investment Activities		
Interest received	1,277,289	1,057,854
Net cash flows - investment activities	1,277,289	1,057,854
Net change in cash and cash equivalents	(491,472)	(2,017,921)
Cash and Cash Equivalents		
Beginning of year	26,912,405	28,930,326
End of year	$ 26,420,933	$ 26,912,405
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities		
Operating income (loss)	$ (1,571,744)	$ (2,572,873)
Adjustments to reconcile operating income (loss) to net cash		
Health and dental claims payable	178,146	(633,617)
Due to plan participants	(471,776)	942,108
Severance payable	127,730	(444,727)
Due to other funds	(84,230)	66,361
Accounts receivable	79,256	(436,263)
Due from other funds	(14,950)	1,168
Unearned revenue	(11,193)	2,068
Total adjustments	(197,017)	(502,902)
Net cash flows - operating activities	$ (1,768,761)	$ (3,075,775)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District operates under a school board form of government for the purpose of providing educational services to individuals within the District areas. The governing body consists of a seven-member board elected by the voters of the District to serve four-year staggered terms.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

A. Reporting Entity

The basic financial statements present the District and its component units. The District includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the District are financially accountable and are included within the basic financial statements of the District because of the significance of their operational or financial relationships with the District.

The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District.

As a result of applying the component unit definition criteria above, it has been determined the District has no component units.

The student activity accounts of the District are under board control and are reported in the General Fund.

B. Basic Financial Statement Information

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.

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

Depreciation and amortization expense that can be specifically identified by function is included in the direct expenses of that function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. The effect of interfund activity has been removed from these statements.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting
The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days.

2. **Recording of Expenditures**
Expenditures are generally recorded when a liability is incurred. The exceptions to this general rule are that interest and principal expenditures in the Debt Service Fund, compensated absences, and claims and judgments are recognized when payment is due.

The District applies restricted resources first when an expenditure is incurred for a purpose for which both restricted and unrestricted fund balances are available. Further, the District applies unrestricted funds in this order if various levels of fund balances exist: committed, assigned, and unassigned.

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 revenues of the Internal Service Funds are employee and District contributions. Operating expenses for proprietary funds include claims paid and administrative expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Description of Funds:

Major Funds:

General Fund – This fund is the basic operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Food Service Special Revenue Fund – This fund is used to account for food service revenues and expenditures.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Description of Funds: (Continued)

Major Funds: (Continued)

Community Service Special Revenue Fund – This fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood, and family education, or other similar services.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, general obligation (G.O.) bond and state loan principal, interest, and related costs. The regular debt service account is used for all general obligation bonds except for refunding bond issues, for which a separate refunding bond trust account is established.

Proprietary Funds:

Internal Service Fund – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's internal service funds are used to account for the District's liabilities for severance, other postemployment benefits (OPEB), and health and dental insurance offered by the District to its employees as a self-insured plan.

D. Deposits and Investments

The District's total deposits and investments are comprised of two major components, each with its own set of legal and contractual provisions as described on the following pages.

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

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

For the purposes of the statement of cash flows, the District considers all demand accounts and savings accounts related to the Internal Service Funds to be cash and cash equivalents. Cash and cash equivalents are included in cash and investments.

Cash and investments at June 30, 2024, were comprised of deposits and investments as outlined in Note 2.

Minnesota Statutes requires all deposits be protected by federal deposit insurance, corporate surety bonds or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments (Continued)

Minnesota Statutes authorizes the District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MSDLAF and MNTrust securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the MSDLAF. Investments in the MSDLAF MAX must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the State of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24 hour hold on all requests for redemptions. Seven days' notice of redemption is required for withdrawals of investments in the MNTrust Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption.

E. Property Tax Receivable

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represents uncollected taxes for the past six years and is deferred and included in the deferred inflows of resources section of the fund financial statements because they are not available to finance the operations of the District in the current year.

F. Property Taxes Levied for Subsequent Year's Expenditures

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2023, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in fiscal year 2024. The remaining portion of the levy will be recognized when measurable and available.

G. Inventories

Inventories of commodities donated directly by the U.S. Department of Agriculture are recorded at market value. Other inventories are stated at cost as determined on a first-in, first-out (FIFO) basis. Inventories are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Property Taxes

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Dakota and Scott Counties are the collecting agencies for the levy and remits the collections to the District three times a year. The Tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the basic financial statements.

J. Capital Assets

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements.

Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 and benefit more than one fiscal year. The capitalization threshold for grouped assets is $50,000. Such 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 its acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized.

Capital assets are depreciated or amortized 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 and amortization purposes. Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

K. Lease Receivable

The District is a lessor for numerous noncancellable leases. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Lease Receivable (Continued)

Key estimates and judgments include how the District determines (1) the discount rate, (2) lease term, and (3) lease receipts.

The District determines the discount rate for leases based on the applicable State and Local Government Securities (SLGS) rate. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District, acting as lessor, leases the premises at 2140 Diffley Road, Eagan, Minnesota under a long-term, non-cancelable lease agreement. The lease expires at June 30, 2026. During the year ended June 30, 2024, the District recognized $259,105 and $4,769 in lease revenue and interest revenue, respectively, pursuant to the contract. Remaining amounts due in the year ended June 30, 2024, principal of $553,711 and interest of $21,621.

L. Right-to-Use Lease Assets/Lease Liabilities

The District recorded right-to-use lease assets as a result of implementing GASB Statement No. 87, Leases. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Key estimates and judgments related to leases include (1) the discount rate, (2) lease term, (3) lease payments, and (4) amortization.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District determines its estimated borrowing rate based on the applicable State and Local Government Securities rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a re-measurement of the leases and will remeasure the right-to-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. A deferred charge on refunding, deferred outflows of resources related to pensions, and deferred outflows of resources related to OPEB are reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources related to pensions and OPEB is recorded for various estimate differences that will be amortized and recognized over future years.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Financial Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has six types of items which qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied and is reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. Deferred inflows of resources related to pensions is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years. The fourth, a deferred charge on refunding, results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt is recorded on the government-wide. The fifth, Deferred inflows of resources related to OPEB, is recorded for various estimate differences that will be amortized and recognized over future years. The sixth, deferred inflows of resources related to lease receivable is reported in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet.

N. Long-Term Obligations

In the government-wide financial statements long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expenditure/expense in the period the bond is issued.

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.

O. Compensated Absences

Eligible employees accrue vacation and sick leave at varying rates as specified by contract, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Post Employment Severance Benefits

Under the terms of collectively bargained employment contracts, certain district employee groups, including teachers, may become eligible to receive lump sum severance benefits. Eligibility is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of unused, accrued sick leave times a pay rate specified in the employee's collectively bargained contract. Severance benefits based on convertible sick leave are recorded as a liability in the Internal Service Fund as they are earned, and it becomes probable they will vest at some point in the future.

In accordance with *Minnesota Statutes*, no employee can receive severance or retirement incentive benefits that exceed one year's salary.

Q. 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. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015.

R. Fund Equity

In the fund financial statements, governmental funds report various levels of spending constraints.

- Nonspendable Fund Balances – These are amounts that cannot be spent because they are either not in spendable form as they are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.

- Restricted Fund Balances – These amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

- Committed Fund Balances – These amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the School Board and that remain binding unless removed by the School Board by subsequent formal action. The formal action to commit a fund balance must occur prior to year-end; however, the specific amounts actually committed can be determined in the subsequent year. A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change a constraint so adopted by the board.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Equity (Continued)

- Assigned Fund Balances – These amounts are comprised of unrestricted funds constrained by the District's intent that they will be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the General Fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the District's intended use of those resources. The action to assign fund balance may be taken after the end of the year. The School board, by majority vote, may assign balances to be used for specific purposes. The board also delegated the power to assign fund balances to the Executive Director of Administrative Services.

- Unassigned Fund Balances – Residual amount in the General Fund not reported in any other classification, available for expenditure of any purpose. Also, negative unassigned fund balance may be reported in other governmental funds if expenditures exceeded the restricted, committed, or assigned amounts available to those purposes.

- Minimum Fund Balance – The District will strive to maintain a minimum unassigned General Fund balance of 8% of the General Fund 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 financial statements. Net investments in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net Position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

T. Use of Estimates

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

U. Budgetary Information

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Budgetary Information (Continued)

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. 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.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with applicable *Minnesota Statutes*, the District maintains deposits at depository banks authorized by the School Board.

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy that requires the District's deposits be collateralized as required by *Minnesota Statutes* for an amount exceeding federal deposit coverage. *Minnesota Statutes* require all deposits be protected by federal depository insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

Certificates of deposit	$ 6,204,000
Checking accounts	330,728
Petty cash	980
Total deposits	$ 6,535,708

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

As of June 30, 2024, the District had the following investments:

	Amount	Weighted Average Maturity (Years)	Credit Rating	Level
Brokered Money Market Accounts	$ 56,868,282	N/A	AAA	N/A
U.S. Treasury Securities	909,318	2.99	N/A	2
Term Series	33,928,413	1.34	AAm	N/A
Fixed Income ETF	6,465,337	N/A	N/A	2
Domestic Equity ETF	3,201,083	N/A	N/A	2
International Equity ETF	344,916	N/A	N/A	2
Negotiable Certificates of Deposit	3,924,039	1.72	Aa2-Aa1/A-AA	2
Total Investments	$ 105,641,388			

At June 30, 2024, the District has a formal deposit and investment policy in place to address the following risks:

Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* §§ 118A.04 and 118A.05 limit investments based on type. The District's investment policy limits investments to those specified in the above statutes. Investments are rated as indicated above.

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of an investment in a single issuer. The District's investment policy states the District will diversify its investment to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

Interest Rate Risk: This is the risk that market value of securities will fall due to the changes in market interest rates. The District's policy states investment maturities should be scheduled to coincide with projected District cash flow needs, taking into account large routine or scheduled expenditures, as well as anticipated receipt dates of anticipated revenues. The policy also indicates investments shall be managed to attain a 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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)
Custodial Credit Risk – Investments: This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy on custodial credit risk states securities will be held in third party safekeeping by an institution designated as custodial agent. The custodial agent shall issue a safe keeping receipt to the District listing pertinent information related to the securities held.

The District has the following recurring fair value measurements as of June 30, 2024:

- $14,844,693 of investments are valued using a quoted market price (Level 2 inputs).

C. Deposits and Investments
Summary of cash, deposits, and investments as of June 30, 2024:

District Governmental Funds	
Deposits (Note 2.A.)	$ 6,535,708
Investments (Note 2.B.)	105,641,388
Total deposits and investments	$ 112,177,096

Cash, deposits, and investments are presented in the June 30, 2024, basic financial statements as follows:

Statement of Net Position	
Cash and investments	$ 112,177,096

NOTE 3 – INTERFUND ACTIVITY

Due To/Due From Other Funds

The District had the following interfund receivables, or payables for the year ended June 30, 2024, due to the interrelationship of the self-insurance funds, the OPEB Revocable Trust, and the General Fund, and the year-end timing of the related payments of premiums and reimbursements for the implicit rate subsidy.

	Due to Other Funds
	Internal Service Fund OPEB Revocable Trust
Due from Other Funds	
General Fund	$ 429,903
Internal Service Fund	
Self-Insured Dental	12,014
Self-Insured Health	316,026
Total	$ 757,943

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	$ 3,102,468	$ -	$ -	$ 3,102,468
Construction in progress	-	1,094,471	-	1,094,471
Total capital assets not being depreciated	3,102,468	1,094,471	-	4,196,939
Other capital assets				
Buildings	272,371,309	2,048,435	-	274,419,744
Improvements other than buildings	20,770,929	1,362,288	-	22,133,217
Machinery and equipment	17,106,610	2,462,173	-	19,568,783
Leased equipment	223,184	6,474	-	229,658
Total capital assets at historical cost	310,472,032	5,879,370	-	316,351,402
Less accumulated depreciation for				
Buildings	163,721,240	7,497,341	-	171,218,581
Improvements other than buildings	14,699,616	820,908	-	15,520,524
Machinery and equipment	11,131,983	2,030,222	-	13,162,205
Less accumulated amortization for				
Leased equipment	69,632	74,192	-	143,824
Total accumulated depreciation and amortization	189,622,471	10,422,663	-	200,045,134
Total other capital assets, net	120,849,561	(4,543,293)	-	116,306,268
Governmental activities, capital assets, net	$ 123,952,029	$ (3,448,822)	$ -	$ 120,503,207

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense of $10,422,663 for the year ended June 30, 2024, was charged to the following governmental functions:

District support services	$ 914,663
Elementary and secondary regular instruction	50,342
Special education instruction	34,147
Instructional support services	4,663,289
Sites and buildings	4,214,485
Food service	468,378
Community service	77,359
Total depreciation expense	$ 10,422,663

NOTE 5 – LONG-TERM DEBT

A. Components of Long-Term Liabilities

The long-term bond liabilities listed above were issued to finance acquisition and construction of capital facilities or to refinance (refund) previous bond issues. The lease liability was issued to finance instructional equipment.

	Issue Date	Interest Rates	Original Issue	Maturity Date	Principal Outstanding	Due Within One Year
Long-term liabilities						
G.O. Bonds, including refunding bonds						
2015A G.O. School Building Bonds	05/07/15	2.0 - 4.0%	$ 64,485,000	2036	$ 53,430,000	$ 1,825,000
2016A G.O. Alt Fac Refunding Bonds	03/15/16	2.0 - 3.0%	36,715,000	2033	22,815,000	2,580,000
2016B G.O. OPEB Refunding Bonds	02/01/17	0.6 - 2.8%	13,990,000	2029	6,470,000	1,235,000
2020A G.O. Alt Fac Refunding Bonds	11/04/20	2.0 - 4.0%	11,485,000	2030	8,500,000	1,210,000
2021A G.O. Alt Fac Refunding Bonds	11/04/21	5.00%	9,680,000	2030	7,945,000	790,000
Plus Unamortized Premium					4,287,615	-
Total G.O. Bonds					103,447,615	7,640,000
Lease liability					91,389	70,356
Severance benefits					365,678	43,440
Compensated absences					844,612	844,612
Total all long-term liabilities					$ 104,749,294	$ 8,598,408

NOTE 5 – LONG-TERM DEBT (CONTINUED)

B. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance
Long-term liabilities				
G.O. Bonds	$ 106,710,000	$ -	$ 7,550,000	$ 99,160,000
Bond premiums	5,269,366	-	981,751	4,287,615
Financed purchase from direct borrowing	82,355	-	82,355	-
Lease liability	156,380	-	64,991	91,389
Severance benefits	237,948	127,730	-	365,678
Compensated absences	776,209	106,035	37,632	844,612
Total long-term liabilities	$ 113,232,258	$ 233,765	$ 8,716,729	$ 104,749,294

The General Fund typically liquidates the liability related to compensated absences. The Debt Service Funds typically liquidates the liability related to G.O. bonds. The General Fund typically liquidates the liability related to the lease liability. Severance benefits are paid by the Severance Benefits Internal Service Fund.

C. Minimum Debt Payments

Minimum annual principal and interest payments required to retire bond, finance purchase, and lease liabilities:

Year Ending	G.O. Bonds		
June 30	Principal	Interest	Total
2025	$ 7,640,000	$ 3,539,833	$ 11,179,833
2026	7,935,000	3,247,945	11,182,945
2027	8,205,000	2,987,155	11,192,155
2028	8,595,000	2,687,583	11,282,583
2029	8,930,000	2,348,343	11,278,343
2030-2034	40,435,000	7,206,237	47,641,237
2035-2036	17,420,000	853,612	18,273,612
Total	$ 99,160,000	$ 22,870,708	$ 122,030,708

NOTE 5 – LONG-TERM DEBT (CONTINUED)

C. Minimum Debt Payments (Continued)

Year Ending June 30	Lease Liability Principal	Lease Liability Interest	Lease Liability Total
2025	$ 70,356	$ 2,267	$ 72,623
2026	6,733	719	7,452
2027	7,008	444	7,452
2028	7,292	159	7,451
Total	$ 91,389	$ 3,589	$ 94,978

D. Lease Liability
The District entered into lease agreements for equipment. The lease agreements include annual principal and interest payments that are shown above. The discount rate for the lease liabilities is 4.0%.

NOTE 6 – FUND BALANCES/NET POSITION

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities or as required by other outside parties.

A. Fund Equity
Fund equity balances are classified as follows to reflect the limitations and restrictions of the respective funds.

NOTE 6 – FUND BALANCES/NET POSITION (CONTINUED)

A. Fund Equity (Continued)

	General Fund	Food Service	Community Service	Debt Service	Total
Nonspendable for					
Inventory	$ -	$ 360,300	$ -	$ -	$ 360,300
Prepaid items	342,495	-	-	-	342,495
	342,495	360,300	-	-	702,795
Restricted for					
Student Activities	259,689	-	-	-	259,689
Capital Projects Levy	832,955	-	-	-	832,955
American Indian Education	17,957	-	-	-	17,957
Literacy Aid	313,959	-	-	-	313,959
Medical Assistance	3,340,272	-	-	-	3,340,272
Operating Capital	2,049,497	-	-	-	2,049,497
Area Learning Center	8,801,478	-	-	-	8,801,478
Safe Schools	196,200	-	-	-	196,200
Food Service	-	3,822,178	-	-	3,822,178
Community Education	-	-	4,116,125	-	4,116,125
Early Childhood and Family Education	-	-	455,932	-	455,932
School Readiness	-	-	588,915	-	588,915
Community Service	-	-	15,843	-	15,843
Debt Service	-	-	-	4,739,168	4,739,168
	15,812,007	3,822,178	5,176,815	4,739,168	29,550,168
Committed for					
Program Carryover - Noncapital	445,145	-	-	-	445,145
Program Carryover - Facilities Rental	380,587	-	-	-	380,587
Pro Pay Program	381,384	-	-	-	381,384
	1,207,116	-	-	-	1,207,116
Unassigned for					
General purposes	36,430,283	-	-	-	36,430,283
Total fund balance	$ 53,791,901	$ 4,182,478	$ 5,176,815	$ 4,739,168	$ 67,890,362

Nonspendable for Inventory – This balance represents the portion of fund balance that is not available as amounts have already been spent on inventory.

Nonspendable for Prepaid Items – This balance represents the portion of fund balance that is not available as the amounts have already been spent by the District on items for the next year.

Restricted/Reserved for Student Activities – This balance represents available resources to be used for the extracurricular activity funds raised by the students.

NOTE 6 – FUND BALANCES/NET POSITION (CONTINUED)

A. Fund Equity (Continued)
Restricted/Reserved for Capital Projects Levy – This balance represents available resources from the capital projects levy to be used for building construction and other projects under *Minnesota Statues* § 126C.10, subd. 14. All interest income attributable to the capital projects levy must be credited to this account.

Restricted/Reserved for American Indian Education Aid – This balance represents resources remaining in the American Indian Education Funds.

Restricted/Reserved for Literacy Incentive Aid – This balance represents the resources available to support implementation of evidence-based reading instruction.

Restricted for Medical Assistance – This balance represents available resources to be used for medical assistance expenditures (*Minnesota Statutes* § 125A.21, subd. 3).

Restricted/Reserved for Operating Capital – This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted/Reserved for Area Learning Center – This balance represents amounts restricted for students attending area learning centers. Each district that sends students to an area learning center must restrict an amount equal to the sum of 1) at least 90 and no more than 100% of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to *Minnesota Statutes* § 126C.10, subd. 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved area learning center, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center. The amount restricted may only be spent on program costs associated with the area learning center.

Restricted/Reserved for Safe Schools Revenue – The unspent resources available from the Safe Schools revenue must be restricted in this account for future use.

Restricted for Food Service – This balance represents the accumulation of the activity to provide the food service program.

Restricted/Reserved for Community Education – This balance represents the resources available to provide programming such as: nonvocational, recreational and leisure time activities, programs for adults with disabilities, noncredit summer programs, youth development and youth service programming, early childhood and family education, and extended day programs.

Restricted/Reserved for Early Childhood and Family Education – This balance represents the resources available to provide for services for early childhood and family education programming.

Restricted/Reserved for School Readiness – This balance represents the resources available to provide for services for school readiness programs. Related to Finance Code 344, School Readiness *Minnesota Statutes* § 124D.16.

NOTE 6 – FUND BALANCES/NET POSITION (CONTINUED)

A. Fund Equity (Continued)

Restricted for Community Service – This balance represents the positive fund balance of the Community Service Fund.

Restricted for Debt Service – This balance represents the resources available for the payment of G.O. bond principal, interest, and related costs.

Committed for Program Carryover – Noncapital – Represents noncapital amounts allocated to the District's budget units which were unspent during the year.

Committed for Program Carryover – Facilities Rental – Represents facilities rental amounts allocated to the District's budget units which were unspent during the year.

Committed for Pro Pay Program – Represents amounts that are committed for professional development through the District's Q-Comp Program.

B. Net Position

Net Investment in Capital Assets – This amount represents the net book value of the District's capital assets less the balance of outstanding debt used to acquire them.

Restricted for Debt Service – This amount represents resources restricted for future debt service in accordance with bond covenants and other agreements.

Restricted for Other Purpose – This amount represents total positive General Fund restricted fund balances, plus the fund balances in the Community Service and Food Service Funds.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

The District participates in various pension plans. Total pension expense for the year ended June 30, 2024, was ($4,106,782). The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the Liability related to the pensions.

Teachers' Retirement Association

A. Plan Description

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

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those teachers 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 Minnesota State.

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

Teachers' Retirement Association

B. Benefits Provided

TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by *Minnesota Statute* and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any 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 1 Benefits

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

With these provisions:

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

Or

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006, and after, a level formula of 1.9% per year for Coordinated members and 2.7% for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under *Minnesota Statute*. 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 calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

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

Teachers' Retirement Association (Continued)

B. Benefits Provided (Continued)

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

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

C. Contribution Rate

Per *Minnesota Statutes* Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2022, June 30, 2023, and June 30, 2024, were:

	June 30, 2022		June 30, 2023		June 30, 2024	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.0 %	12.34 %	11.0 %	12.55 %	11.3 %	12.75 %
Coordinated	7.5	8.34	7.5	8.55	7.8	8.75

The following is a reconciliation of employer contributions in TRA's fiscal year 2023 ACFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in *Schedule of Employer and Non-Employer Pension Allocations*. Amounts are reported in thousands.

Employer contributions reported in TRA's ACFR Statement of Changes in Fiduciary Net Position	$ 508,764
Deduct employer contributions not related to future contribution efforts	(87)
Deduct TRA's contributions not included in allocation	(643)
Total employer contributions	508,034
Total non-employer contributions	35,587
Total contributions reported in *Schedule of Employer and Non-Employer Allocations*	$ 543,621

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

Teachers' Retirement Association (Continued)

C. Contribution Rate (Continued)
Amounts reported in the allocation schedules may not precisely agree with basic financial statement amounts or actuarial valuations due to the number of decimal places used in the allocations. TRA has rounded percentage amounts to the nearest ten thousandths.

D. Actuarial Assumptions
The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	
Valuation date	July 1, 2023
Measurement date	June 30, 2023
Experience study	June 28, 2019 (demographic and economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028.
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% after June 30, 2028.
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.
Mortality Assumptions	
Pre-retirement	RP 2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP 2015 scale.
Post-retirement	RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projections uses the MP 2015 scale.
Post-disability	RP 2014 disabled retiree mortality table, without adjustment.

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

Teachers' Retirement Association (Continued)

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

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

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is six years. The "Difference Between Expected and Actual Experience," "Changes of Assumptions," and "Changes in Proportion" use the amortization period of six years in the schedule presented. The amortization period for "Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments" is five years as required by GASB 68.

Changes in actuarial assumptions since the 2022 valuation:

The 2023 Tax Finance and Policy Bill, effective July 1, 2025:

- The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
- The employee contribution rate will increase from 7.75% to 8.0% on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:

- The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.
- TRA's amortization date will remain the same at 2048.

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

Teachers' Retirement Association (Continued)

E. Discount Rate

The discount rate used to measure the total pension liability was 7.0%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2023 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

F. Net Pension Liability

On June 30, 2024, the District reported a liability of $74,925,233 for its proportionate share of the 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. District proportionate share was 0.9075% at the end of the measurement period and 0.9309% for the beginning of the year.

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

District's proportionate share of net pension liability	$ 74,925,233
State's proportionate share of the net pension liability associated with the District	5,248,574

For the year ended June 30, 2024, the District recognized pension expense of ($5,776,800). Included in this amount, the District recognized $739,040 as pension expense for the support provided by direct aid.

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

Teachers' Retirement Association (Continued)

F. Net Pension Liability (Continued)
On June 30, 2024, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 807,567	$ 1,118,664
Net difference between projected and actual earnings on plan investment	-	91,808
Changes of assumptions	8,958,035	-
Changes in proportion	327,657	5,837,715
Contributions to TRA subsequent to the measurement date	5,384,824	-
Total	$ 15,478,083	$ 7,048,187

The $5,384,824 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2025	$ (551,853)
2026	(2,237,142)
2027	7,514,681
2028	(1,231,205)
2029	(449,409)
Total	$ 3,045,072

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

Teachers' Retirement Association (Continued)

G. Pension Liability Sensitivity

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

District Proportionate Share of NPL		
1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
$ 119,500,235	$ 74,925,233	$ 38,435,166

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis, and Minneapolis School District.

H. Pension Plan Fiduciary Net Position

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

Public Employees' Retirement Association

A. Plan Description

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

General Employees Retirement Plan

The General Employees Retirement Plan covers certain full time and part time employees of the District. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security

B. Benefits Provided

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

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

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1 the annuity accrual rate for a Coordinated Plan member is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% 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.

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 1.0% 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.

C. Contributions

Minnesota Statutes Chapter 353 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2024 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2024, were $1,560,151. The District's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At June 30, 2024, the District reported a liability of $14,348,785 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled $395,586.

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

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

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 0.2566% at the end of the measurement period and 0.2663% for the beginning of the period.

District's proportionate share of net pension liability	$ 14,348,785
State of Minnesota's proportionate share of the net pension liability associated with the School	395,586
Total	$ 14,744,371

For the year ended June 30, 2024, the District recognized pension expense of $1,670,018 for its proportionate share of the General Employees Plan's pension expense. Included in this amount, the District recognized an additional $1,778 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At June 30, 2024, the District reported its proportionate share of deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 475,496	$ 101,847
Changes in actuarial assumptions	2,394,162	3,932,880
Difference between projected and actual investments earnings	-	446,863
Change in proportion	40,570	859,468
Contributions paid to PERA subsequent to the measurement date	1,560,151	-
Total	$ 4,470,379	$ 5,341,058

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

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

The $1,560,151 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 inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2025	$ (4,361)
2026	(2,327,623)
2027	212,427
2028	(311,273)
Total	$ (2,430,830)

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	Final Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5 %	5.10 %
International stocks	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100.0 %	

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

Public Employees' Retirement Association (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 7.5%. 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 7.5% 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.

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 table is adjusted slightly to fit PERA's experience.

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

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

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

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.

G. Discount Rates
The discount rate used to measure the total pension liability in 2023 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement Association (Continued)

H. Pension Liability Sensitivity
The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed 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 (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
District's proportionate share of the PERA net pension liability	$ 25,384,152	$ 14,348,785	$ 5,271,775

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

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description
The District provides postemployment insurance benefits to certain eligible employees through its Other Postemployment Benefits Plan, a single-employer defined benefit plan administered by the District. All postemployment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

B. Benefits Provided
Employees that meet certain age and/or length of service requirements are eligible for postretirement healthcare benefits. For teachers hired before July 1, 1989, and certain other employee groups, the District is contractually required to pay health insurance premiums for the period from retirement until eligibility for Medicare. The amount to be paid is equal to the single coverage insurance premium benefit available to full-time employees in the bargaining group.

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

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

C. Members
As of July 1, 2023, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	55
Active employees	1,068
Total	1,123

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

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
20-year municipal bond yield	3.90%, net of investment expense
Discount rate	3.90%
Salary increases	Service graded table
Inflation	2.50%
Healthcare cost trend increases	6.50% in 2023 grading to 5.00% over 6 years and then to 4.00% over the next 48 years.
Dental trend rate	4.00%
Mortality Assumption	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2022 through July 1, 2023.

Changes in actuarial assumptions for the fiscal year ending June 30, 2024:
- 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 percentage of future retirees not eligible for a subsidy who are assumed to continue on the District's medical plan post-employment was reduced from 45% to 25%.
- The discount rate was changed from 3.80% to 3.90%.

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Discount Rate

The discount rate used to measure the total OPEB liability was 3.90%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2023	$ 8,631,776
Changes for the year	
Service cost	279,282
Interest	322,768
Assumption changes	(1,931,858)
Differences between expected and actual economic experience	(544,127)
Benefit payments	(842,173)
Net changes	(2,716,108)
Balances at June 30, 2024	$ 5,915,668

G. OPEB Liability Sensitivity

The following presents the District's total OPEB liability calculated using the discount rate of 3.90% as well as the liability measured using 1 percentage point lower and 1 percentage point higher than the current discount rate.

	1% Decrease in Discount Rate (2.90%)	Current Discount Rate (3.90%)	1% Increase in Discount Rate (4.90%)
Total OPEB liability (asset)	$ 6,174,227	$ 5,915,668	$ 5,663,149

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

G. OPEB Liability Sensitivity (Continued)

The following presents the total 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 and 1 percentage point higher than the current healthcare cost trend rates.

	1% Decrease in Trend Rate (5.50% Decreasing to 3.00%)	Current Trend Rate (6.50% Decreasing to 4.00%)	1% Increase in Trend Rate (7.50% Decreasing to 5.00%)
Total OPEB liability (asset)	$ 5,563,969	$ 5,915,668	$ 6,317,509

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

For the year ended June 30, 2024, the District recognized OPEB expense of $146,782. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability gains/losses	$ -	$ 807,754
Changes of assumptions	87,130	2,161,166
Contributions made subsequent to the measurement date	757,943	-
Total	$ 845,073	$ 2,968,920

The $757,943 reported as deferred outflows of resources related to OPEB resulting from District contributions made subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2025.

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

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

Other 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,	Total
2025	$ (748,825)
2026	(582,113)
2027	(625,672)
2028	(512,520)
2029	(412,660)
Total	$ (2,881,790)

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years.

A. Dental Self-Insurance Plan

The District established an Internal Service Fund to account for and finance its uninsured risk of loss for employee dental insurance plans. Under these plans, the Internal Service Fund provides coverage to participating employees and their dependents for various dental costs as described in the plan. There have been no significant reductions in insurance coverage from the prior year.

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

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

NOTE 9 – RISK MANAGEMENT (CONTINUED)

A. Dental Self-Insurance Plan (Continued)

Changes in the fund's claims liability amounts for the past three years are as listed:

Year	Beginning Balance	Claims Expense and Estimates	Claims Payments	Ending Balance
2022	$ 51,132	$ 835,266	$ 834,825	$ 51,573
2023	51,573	845,634	858,319	38,888
2024	38,888	848,347	832,531	54,704

B. Health Self-Insurance Plan

The District's health benefits plan is a partially self-insured plan and maintains an Internal Service Fund to account for and finance a program for health benefits. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for health expenses. There have been no significant reductions in insurance coverage from the prior year.

Participants in the program make premium payments to the fund based on the composite insurance premium. The excess amount received above current year claims is used to establish a reserve for future claims. The District had pre-funded the self-insurance fund with an initial transfer of $2,600,000 at June 30, 2010. At June 30, 2024, there is a reserve of $7,763,977 resulting from fund operations.

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

There is a possibility for loss if claims are in excess of the premiums collected up to the amounts covered by the District for single and family coverage. The District held $13,929,878 in cash and investments at June 30, 2024, for payment of claims and carryover balances.

Changes in the fund's claims liability amounts since inception of the fund are as follows:

Year	Beginning Balance	Claims Expense and Estimates	Claims Payments	Ending Balance
2022	$ 2,652,208	$ 22,518,961	$ 22,252,227	$ 2,918,942
2023	2,918,942	23,766,205	24,008,699	2,676,448
2024	2,676,448	22,011,393	21,849,063	2,838,778

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REQUIRED SUPPLEMENTARY INFORMATION

Independent School District No. 191
Schedule of Changes in Total OPEB Liability
and Related Ratios

	June 30, 2017	June 30, 2018	June 30, 2019
Total OPEB Liability			
Service cost	$ 588,543	$ 606,199	$ 588,655
Interest	334,217	338,690	338,166
Differences between expected and actual experience	-	-	(848,509)
Changes of assumptions	-	-	(151,810)
Changes in plans	-	-	711,831
Benefit payments	(901,552)	(714,584)	(1,174,779)
Other changes	-	-	-
Net change in total OPEB liability	21,208	230,305	(536,446)
Beginning of year	9,688,366	9,709,574	9,939,879
End of year	$ 9,709,574	$ 9,939,879	$ 9,403,433
Covered-employee payroll	$ 73,187,817	$ 75,383,452	$ 71,912,868
Total OPEB liability as a percentage of covered-employee payroll	13.27%	13.19%	13.08%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
	$ 669,075	$ 639,535	$ 519,720	$ 279,282
	300,786	243,940	197,882	322,768
	-	(425,805)	-	(544,127)
	261,394	(253,114)	(599,145)	(1,931,858)
	70,000	-	-	-
	(745,184)	(874,929)	(775,812)	(842,173)
	-	-	-	-
	556,071	(670,373)	(657,355)	(2,716,108)
	9,403,433	9,959,504	9,289,131	8,631,776
	$ 9,959,504	$ 9,289,131	$ 8,631,776	$ 5,915,668
	$ 74,070,254	$ 70,214,895	$ 72,321,342	$ 73,958,345
	13.45%	13.23%	11.94%	8.00%

Independent School District No. 191
Schedule of District's and Non-Employer Proportionate Share (if Applicable) of Net Pension Liability
General Employees Retirement Fund
Last Ten Years

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.3144%	$ 14,768,937	$ -	$ 14,768,937	$ 16,502,952	89.5%	78.7%
2015	0.3049%	15,801,500	-	15,801,500	17,625,160	89.7%	78.2%
2016	0.2932%	23,806,386	310,890	24,117,276	18,288,267	131.9%	68.9%
2017	0.3073%	19,617,829	246,666	19,864,495	19,893,240	99.9%	75.9%
2018	0.3028%	16,798,103	550,951	17,349,054	20,481,240	84.7%	79.5%
2019	0.2911%	16,094,267	500,224	16,594,491	20,176,920	82.2%	80.2%
2020	0.2833%	16,985,130	523,696	17,508,826	20,203,947	86.7%	79.1%
2021	0.2644%	11,291,065	344,172	11,635,237	19,104,933	60.9%	87.0%
2022	0.2663%	21,091,048	618,310	21,709,358	19,947,693	108.8%	76.7%
2023	0.2566%	14,348,785	395,586	14,744,371	20,408,427	72.2%	83.1%

Schedule of District's and Non-Employer Proportionate Share (if Applicable) of Net Pension Liability
TRA Retirement Fund
Last Ten Years

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	1.1800%	$ 54,373,550	$ 3,825,072	$ 58,198,622	$ 30,951,565	175.7%	81.5%
2015	1.1189%	69,215,031	8,489,588	77,704,619	56,788,600	121.9%	76.8%
2016	1.0785%	257,247,983	25,822,002	283,069,985	56,085,280	458.7%	44.9%
2017	1.0605%	211,695,037	20,463,614	232,158,651	36,546,720	579.2%	51.6%
2018	1.0441%	65,576,988	6,161,373	71,738,361	57,861,520	113.3%	78.1%
2019	1.0754%	68,546,222	6,066,291	74,612,513	60,324,630	113.6%	78.2%
2020	1.0079%	74,465,003	6,240,583	80,705,586	58,151,692	128.1%	75.5%
2021	0.9312%	40,752,096	3,436,859	44,188,955	56,610,246	72.0%	86.6%
2022	0.9309%	74,541,548	5,527,758	80,069,306	57,540,036	129.5%	76.2%
2023	0.9075%	74,925,233	5,248,574	80,173,807	57,697,205	129.9%	76.4%

Independent School District No. 191
Schedule of District Contributions
General Employees Retirement Fund
Last Ten Years

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 1,321,887	$ 1,321,887	$ -	$ 17,625,160	7.50%
2016	1,371,620	1,371,620	-	18,288,267	7.50%
2017	1,491,993	1,491,993	-	19,893,240	7.50%
2018	1,536,093	1,536,093	-	20,481,240	7.50%
2019	1,513,269	1,513,269	-	20,176,920	7.50%
2020	1,515,296	1,515,296	-	20,203,947	7.50%
2021	1,432,870	1,432,870	-	19,104,933	7.50%
2022	1,496,077	1,496,077	-	19,947,693	7.50%
2023	1,530,632	1,530,632	-	20,408,427	7.50%
2024	1,560,151	1,560,151	-	20,802,013	7.50%

Schedule of District Contributions
TRA Retirement Fund
Last Ten Years

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 4,259,145	$ 4,259,145	$ -	$ 56,788,600	7.50%
2016	4,206,396	4,206,396	-	56,085,280	7.50%
2017	4,295,983	4,295,983	-	57,279,773	7.50%
2018	4,339,614	4,339,614	-	57,861,520	7.50%
2019	4,651,029	4,651,029	-	60,324,630	7.71%
2020	4,605,614	4,605,614	-	58,151,692	7.92%
2021	4,602,413	4,602,413	-	56,610,246	8.13%
2022	4,798,839	4,798,839	-	57,540,036	8.34%
2023	4,933,111	4,933,111	-	57,697,205	8.55%
2024	5,384,824	5,384,824	-	61,540,846	8.75%

Independent School District No. 191
Notes to the Required Supplementary Information

TRA Retirement Fund

2023 Changes
Changes of Benefit Terms
The 2023 Tax Finance and Policy Bill, effective July 1, 2025:
- The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
- The employee contribution rate will increase from 7.75% to 8.0% on July 1, 2025.
- The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:
- The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.
- TRA's amortization date will remain the same at 2048.

2022 Changes
Changes in Actuarial Assumptions
- None

2021 Changes
Changes in Actuarial Assumptions
- The investment return assumption was changed from 7.5% to 7.0%.

2020 Changes
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.

2019 Changes
Changes in Actuarial Assumptions
- None

2018 Changes
Changes in Actuarial Assumptions
- The discount rate was increased to 7.5% from 5.12%.
- The cost-of-living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.

TRA Retirement Fund (Continued)

2018 Changes (Continued)
Changes in Actuarial Assumptions (Continued)

- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019, and ending July 1, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0.0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 Changes
Changes in Actuarial Assumptions

- The discount rate was increased to 5.12% from 4.66%.
- The cost-of-living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

2016 Changes
Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.

TRA Retirement Fund (Continued)

2016 Changes (Continued)
Changes in Actuarial Assumptions (Continued)

- Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

2015 Changes
Changes of Benefit Terms

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

Changes in Actuarial Assumption

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

General Employees Fund

2023 Changes
Changes in Actuarial Assumptions
- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

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

2022 Changes
Changes in Actuarial Assumptions
- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.

Changes in Plan Provisions
- There were no changes in plan provisions since the previous valuation.

2021 Changes
Changes in Actuarial Assumptions
- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions
- There have been no changes since the prior valuation.

2020 Changes
Changes in Actuarial Assumptions
- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changes 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.

General Employees Fund (Continued)

2020 Changes (Continued)
Changes in Actuarial Assumptions (Continued)

- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retires electing the 100% Joint and 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% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes
Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The State's special funding contribution was changed prospectively, requiring $16 million due per year through 2031.

2018 Changes
Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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. This does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes
Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement 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.

General Employees Fund (Continued)

2017 Changes (Continued)
Changes in Plan Provisions
- The State's contribution for the Minneapolis Employees Retirement Fund equals $16,000,000 in 2017 and 2018, and $6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The State's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

2016 Changes
Changes in Actuarial Assumptions
- The assumed post-retirement 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, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions
- There have been no changes since the prior valuation.

2015 Changes
Changes in Actuarial Assumptions
- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% 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 increased 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.

Post-Employment Health Care Plan

2024 Changes
Changes in Actuarial Assumptions
- The health care trend rates and mortality tables were updated.
- The percentage of future retirees not eligible for a subsidy who are assumed to continue on the District's medical plan post-employment was updated.
- The discount rate was changed from 3.80% to 3.90%.

2023 Changes
Changes in Actuarial Assumptions
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.10% to 3.80%.

2022 Changes
Changes in Actuarial Assumptions
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.40% to 2.10%.
- The healthcare trend rates, mortality tables, and salary increase rates for non-teachers, termination rates, and percentage of future retirees not eligible for subsidy who are assumed to continue on the District's medical plan post-employment were updated.

2021 Changes
Changes in Actuarial Assumptions
- The discount rate was changed from 3.10% to 2.40%.

2020 Changes
Changes in Actuarial Assumptions
- The discount rate was changed from 3.40% to 3.10%.
- The health care trend rates, mortality tables, and salary increase rates were updated.

2019 Changes
Changes in Actuarial Assumptions
- None noted.

SUPPLEMENTARY INFORMATION

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
Revenues				
Local property taxes	$ 37,990,707	$ 37,785,291	$ (205,416)	$ 29,798,182
Other local and county revenues	3,439,000	6,481,333	3,042,333	5,679,931
Revenue from state sources	104,338,340	107,269,806	2,931,466	91,901,869
Revenue from federal sources	14,357,204	13,999,930	(357,274)	14,827,230
Sales and other conversion of assets	61,000	50,618	(10,382)	67,491
Total revenues	160,186,251	165,586,978	5,400,727	142,274,703
Expenditures				
Current				
Administration				
Salaries	4,044,514	3,997,118	(47,396)	3,721,482
Employee benefits	1,488,671	1,456,314	(32,357)	1,324,101
Purchased services	173,743	107,547	(66,196)	76,042
Supplies and materials	94,548	90,358	(4,190)	107,885
Other expenditures	(16,719)	(20,405)	(3,686)	62,137
Total administration	5,784,757	5,630,932	(153,825)	5,291,647
District support services				
Salaries	2,101,197	2,114,776	13,579	1,964,104
Employee benefits	894,999	1,068,380	173,381	1,558,252
Purchased services	825,497	867,275	41,778	643,031
Supplies and materials	731,660	872,890	141,230	394,666
Other expenditures	(291,474)	(303,977)	(12,503)	31,818
Total District support services	4,261,879	4,619,344	357,465	4,591,871
Elementary and secondary regular instruction				
Salaries	41,635,029	38,079,513	(3,555,516)	35,939,690
Employee benefits	17,525,227	16,582,085	(943,142)	15,110,890
Purchased services	3,799,904	3,779,468	(20,436)	3,509,166
Supplies and materials	1,302,431	1,358,347	55,916	1,949,428
Other expenditures	675,153	657,947	(17,206)	252,541
Total elementary and secondary regular instruction	64,937,744	60,457,360	(4,480,384)	56,761,715
Vocational education instruction				
Salaries	1,432,483	1,400,321	(32,162)	1,374,829
Employee benefits	657,011	639,527	(17,484)	599,775
Purchased services	87,150	33,243	(53,907)	69,463
Supplies and materials	91,241	65,073	(26,168)	115,418
Other expenditures	138,994	96,357	(42,637)	9,012
Total vocational education instruction	2,406,879	2,234,521	(172,358)	2,168,497
Special education instruction				
Salaries	17,672,543	17,182,940	(489,603)	16,648,179
Employee benefits	8,098,139	7,769,976	(328,163)	7,280,362
Purchased services	2,742,462	3,515,067	772,605	2,428,946
Supplies and materials	207,981	315,226	107,245	205,609
Other expenditures	166,000	91,255	(74,745)	154,830
Total special education instruction	28,887,125	28,874,464	(12,661)	26,717,926

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
Expenditures (Continued)				
Current (Continued)				
Instructional support services				
Salaries	$ 7,932,583	$ 7,834,559	$ (98,024)	$ 8,453,781
Employee benefits	2,247,821	2,135,023	(112,798)	2,383,927
Purchased services	202,990	226,347	23,357	222,668
Supplies and materials	561,167	634,623	73,456	1,298,894
Other expenditures	87,947	57,962	(29,985)	75,905
Total instructional support services	11,032,508	10,888,514	(143,994)	12,435,175
Pupil support services				
Salaries	3,316,509	3,115,964	(200,545)	1,712,379
Employee benefits	1,365,728	1,387,756	22,028	737,904
Purchased services	10,478,213	11,889,500	1,411,287	9,807,562
Supplies and materials	366,593	192,781	(173,812)	387,241
Other expenditures	51,000	64,420	13,420	43,427
Total pupil support services	15,578,043	16,650,421	1,072,378	12,688,513
Sites and buildings				
Salaries	4,238,430	4,419,765	181,335	3,924,717
Employee benefits	1,877,285	1,766,057	(111,228)	1,666,792
Purchased services	5,149,044	4,610,310	(538,734)	5,285,230
Supplies and materials	743,023	905,882	162,859	811,240
Other expenditures	175,000	(109,608)	(284,608)	47,855
Total sites and buildings	12,182,782	11,592,406	(590,376)	11,735,834
Fiscal and other fixed cost programs				
Purchased services	530,000	525,199	(4,801)	472,595
Capital outlay				
Administration	93,280	10,926	(82,354)	62,697
District support services	410,060	334,144	(75,916)	80
Elementary and secondary regular instruction	166,016	100,914	(65,102)	94,918
Vocational education instruction	515	14,784	14,269	30,383
Special education instruction	48,950	18,469	(30,481)	64,563
Instructional support services	2,495,329	1,986,562	(508,767)	1,478,105
Pupil support services	127,246	39,931	(87,315)	763
Sites and buildings	4,476,644	5,143,940	667,296	2,594,972
Total capital outlay	7,818,040	7,649,670	(168,370)	4,326,481

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
Expenditures (Continued)				
Debt service				
Principal	$ 153,164	$ 147,347	$ (5,817)	$ 144,147
Interest and fiscal charges	8,332	9,115	783	14,221
Total debt service	161,496	156,462	(5,034)	158,368
Total expenditures	153,581,253	149,279,293	(4,301,960)	137,348,622
Excess of revenues over expenditures	6,604,998	16,307,685	9,702,687	4,926,081
Other Financing Sources				
Proceeds from sale of capital assets	-	1,000	1,000	-
Lease proceeds	-	-	-	35,235
Total other financing sources	-	1,000	1,000	35,235
Net change in fund balance	$ 6,604,998	16,308,685	$ 9,703,687	4,961,316
Fund Balance				
Beginning of year		37,483,216		32,521,900
End of year		$ 53,791,901		$ 37,483,216

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - Food Service Fund
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
Revenues				
Other local and county revenues	$ 70,000	$ 166,834	$ 96,834	$ 97,671
Revenue from state sources	906,334	1,082,994	176,660	215,992
Revenue from federal sources	5,656,406	5,707,401	50,995	4,465,203
Sales and other conversion of assets	225,000	208,483	(16,517)	1,109,413
Total revenues	6,857,740	7,165,712	307,972	5,888,279
Expenditures				
Current				
Food service				
Salaries	2,223,199	1,917,544	(305,655)	2,046,067
Employee benefits	671,015	642,965	(28,050)	588,358
Purchased services	193,603	122,153	(71,450)	141,333
Supplies and materials	2,859,250	2,927,307	68,057	2,426,294
Other expenditures	7,725	272,489	264,764	7,817
Capital outlay				
Food service	215,000	279,935	64,935	17,187
Total expenditures	6,169,792	6,162,393	(7,399)	5,227,056
Excess of revenues over (under) expenditures	687,948	1,003,319	315,371	661,223
Other Financing Sources				
Proceeds from sale of capital assets	5,000	4,667	(333)	1,807
Net change in fund balance	$ 692,948	1,007,986	$ 315,038	663,030
Fund Balance				
Beginning of year		3,174,492		2,511,462
End of year		$ 4,182,478		$ 3,174,492

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - Community Service Fund
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
Revenues				
Local property taxes	$ 1,617,454	$ 1,604,461	$ (12,993)	$ 1,598,162
Other local and county revenues	2,997,771	3,440,115	442,344	3,077,009
Revenue from state sources	1,812,212	1,788,069	(24,143)	1,661,039
Revenue from federal sources	462,237	376,025	(86,212)	450,950
Sales and other conversion of assets	10,500	18,218	7,718	13,626
Total revenues	6,900,174	7,226,888	326,714	6,800,786
Expenditures				
Current				
Community education and services				
Salaries	3,904,297	3,632,960	(271,337)	3,540,309
Employee benefits	1,270,746	1,241,509	(29,237)	1,137,009
Purchased services	789,150	792,308	3,158	673,036
Supplies and materials	449,156	425,999	(23,157)	460,277
Other expenditures	27,672	22,821	(4,851)	21,087
Capital outlay				
Community education and services	39,400	19,762	(19,638)	79,292
Total expenditures	6,480,421	6,135,359	(345,062)	5,911,010
Net change in fund balance	$ 419,753	1,091,529	$ 671,776	889,776
Fund Balance				
Beginning of year		4,085,286		3,195,510
End of year		$ 5,176,815		$ 4,085,286

Independent School District No. 191
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Debt Service Fund
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	2024			2023
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
Revenues				
Local property taxes	$ 9,862,494	$ 9,779,404	$ (83,090)	$ 10,402,745
Other local and county revenues	340,914	815,034	474,120	561,232
Revenue from state sources	11,592	12,233	641	85,129
Total revenues	10,215,000	10,606,671	391,671	11,049,106
Expenditures				
Debt service				
Principal	7,550,000	7,550,000	-	7,140,000
Interest and fiscal charges	3,805,153	3,804,614	(539)	4,213,887
Total expenditures	11,355,153	11,354,614	(539)	11,353,887
Excess of revenues over (under) expenditures	$ (1,140,153)	(747,943)	$ 392,210	(304,781)
Fund Balance				
Beginning of year		5,487,111		5,791,892
End of year		$ 4,739,168		$ 5,487,111

Independent School District No. 191
Combining Statement of
Net Position - Internal Service Funds
Year Ended June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	Self-Insured Dental	Self-Insured Health	Severance Benefits	OPEB Revocable Trust
Assets				
Current assets				
Cash and investments	$ 564,481	$ 13,802,148	$ 365,678	$ 11,688,626
Interest receivable	-	-	-	43,045
Accounts receivable	-	427,700	-	-
Due from other funds	12,014	316,026	-	-
Total assets	576,495	14,545,874	365,678	11,731,671
Liabilities				
Current liabilities				
Health and dental claims payable	54,704	2,838,778	-	-
Due to plan participants	-	4,017,158	-	-
Severance benefits payable	-	-	43,440	-
Due to other funds	-	-	-	757,943
Unearned revenue	6,898	53,691	-	-
Total current liabilities	61,602	6,909,627	43,440	757,943
Noncurrent liabilities				
Severance benefits payable	-	-	322,238	-
Total liabilities	61,602	6,909,627	365,678	757,943
Net Position				
Unrestricted	$ 514,893	$ 7,636,247	$ -	$ 10,973,728

Totals	
2024	2023
$ 26,420,933	$ 26,912,405
43,045	22,179
427,700	506,956
328,040	313,090
27,219,718	27,754,630
2,893,482	2,715,336
4,017,158	4,488,934
43,440	110,286
757,943	842,173
60,589	71,782
7,772,612	8,228,511
322,238	127,662
8,094,850	8,356,173
$ 19,124,868	$ 19,398,457

Independent School District No. 191
Combining Statement of Revenues, Expenses, and Changes
in Fund Net Position - Internal Service Funds
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	Self-Insured Dental	Self-Insured Health	Severance Benefits	OPEB Revocable Trust
Operating Revenues				
Charges for services	$ 843,376	$ 24,266,130	$ -	$ -
Other services	20,537	379,285	-	-
Total operating revenues	863,913	24,645,415	-	-
Operating Expenses				
Health insurance claim payments	-	25,261,473	-	-
Dental insurance claim payments	902,685	-	-	-
Severance payments	-	-	127,730	-
OPEB payments	-	-	-	789,184
Total operating expenses	902,685	25,261,473	127,730	789,184
Operating income	(38,772)	(616,058)	(127,730)	(789,184)
Nonoperating Income				
Earnings on investments	27,782	172,169	-	1,098,204
Income before transfers	(10,990)	(443,889)	(127,730)	309,020
Transfers in	-	2,644,085	-	-
Transfers out	-	-	(2,644,085)	-
Change in net position	(10,990)	2,200,196	(2,771,815)	309,020
Net Position				
Beginning of year	525,883	5,436,051	2,771,815	10,664,708
End of year	$ 514,893	$ 7,636,247	$ -	$ 10,973,728

Totals 2024	Totals 2023
$ 25,109,506	$ 22,320,153
399,822	638,618
25,509,328	22,958,771
25,261,473	23,766,205
902,685	845,634
127,730	51,009
789,184	868,796
27,081,072	25,531,644
(1,571,744)	(2,572,873)
1,298,155	1,070,339
(273,589)	(1,502,534)
2,644,085	-
(2,644,085)	-
(273,589)	(1,502,534)
19,398,457	20,900,991
$ 19,124,868	$ 19,398,457

Independent School District No. 191
Combining Statement of Cash Flows -
Internal Service Funds
Year Ended June 30, 2024
(With Summarized Financial Information for Year Ended June 30, 2023)

	Self-Insured Dental	Self-Insured Health	Severance Benefits	OPEB Revocable Trust
Cash Flows - Operating Activities				
Receipts from interfund services provided	$ 862,617	$ 24,699,824	$ -	$ -
Payments for health and dental claims	(886,869)	(25,570,919)	-	-
Payments to employee OPEB	-	-	-	(873,414)
Payments for severance benefits	-	-	-	-
Net cash flows - operating activities	(24,252)	(871,095)	-	(873,414)
Cash Flows - Noncapital				
Transfer from other funds	-	2,644,085	(2,644,085)	-
Net Cash Flows - Noncapital Financing Activities	-	2,644,085	(2,644,085)	-
Cash Flows - Investment Activities				
Interest received	27,782	172,169	-	1,077,338
Net cash flows - investment activities	27,782	172,169	-	1,077,338
Net change in cash and cash equivalents	3,530	1,945,159	(2,644,085)	203,924
Cash and Cash Equivalents				
Beginning of year	560,951	11,856,989	3,009,763	11,484,702
End of year	$ 564,481	$ 13,802,148	$ 365,678	$ 11,688,626
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities				
Operating income (loss)	$ (38,772)	$ (616,058)	$ (127,730)	$ (789,184)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Health and dental claims payable	15,816	162,330	-	-
Due to plan participants	-	(471,776)	-	-
Severance payable	-	-	127,730	-
Due to other funds	-	-	-	(84,230)
Accounts receivable	-	79,256	-	-
Due from other funds	329	(15,279)	-	-
Unearned revenue	(1,625)	(9,568)	-	-
Net adjustments	14,520	(255,037)	127,730	(84,230)
Net cash flows - operating activities	$ (24,252)	$ (871,095)	$ -	$ (873,414)

Totals	
2024	2023
$ 25,562,441	$ 22,525,744
(26,457,788)	(24,303,348)
(873,414)	(802,435)
-	(495,736)
(1,768,761)	(3,075,775)
-	-
-	-
1,277,289	1,057,854
1,277,289	1,057,854
(491,472)	(2,017,921)
26,912,405	28,930,326
$ 26,420,933	$ 26,912,405
$ (1,571,744)	$ (2,572,873)
178,146	(633,617)
(471,776)	942,108
127,730	(444,727)
(84,230)	66,361
79,256	(436,263)
(14,950)	1,168
(11,193)	2,068
(197,017)	(502,902)
$ (1,768,761)	$ (3,075,775)

Independent School District No. 191
Uniform Financial Accounting and Reporting Standards
Compliance Table
Year Ended June 30, 2024

		Audit	UFARS	Audit-UFARS
01 GENERAL FUND				
Total revenue		$ 165,586,978	$ 165,586,981	$ (3)
Total expenditures		149,279,293	149,279,289	4
Nonspendable:				
460	Nonspendable fund balance	342,495	342,496	(1)
Restricted/reserved:				
401	Student Activities	259,689	259,689	-
402	Scholarships	-	-	-
403	Staff Development	-	-	-
407	Capital Projects Levy	832,955	832,955	-
408	Cooperative Programs	-	-	-
409	Alternative Facility Program	-	-	-
412	Literacy Incentive Aid	313,959	313,959	-
414	Operating Debt	-	-	-
416	Levy Reduction	-	-	-
417	Taconite Building Maintenance	-	-	-
420	American Indian Ed Aid	17,957	17,957	-
424	Operating Capital	2,049,497	2,049,497	-
426	$25 Taconite	-	-	-
427	Disabled Accessibility	-	-	-
428	Learning and Development	-	-	-
434	Area Learning Center	8,801,478	8,801,478	-
435	Contracted Alternative Programs	-	-	-
436	State Approved Alternative Program	-	-	-
438	Gifted and Talented	-	-	-
439	English Learner	-	-	-
440	Teacher Development and Evaluation	-	-	-
441	Basic Skills Programs	-	-	-
443	School Library Aid	-	-	-
445	Career Technical Programs	-	-	-
448	Achievement of Integration Revenue	-	-	-
449	Safe Schools Revenue	196,200	196,200	-
451	QZAB payments	-	-	-
452	OPEB Liabilities not Held in Trust	-	-	-
453	Unfunded Severance and Retirement Levy	-	-	-
459	Basic Skills Extended Time	-	-	-
467	Long-term Facilities Maintenance	(264,191)	(264,189)	(2)
471	Student Support Personnel Aid	-	-	-
Restricted:				
472	Medical Assistance	3,340,272	3,340,272	-
464	Restricted fund balance	-	-	-
475	Title VII - Impact Aid	-	-	-
476	Payments in Lieu of Taxes	-	-	-
Committed:				
461	Committed fund balance	1,207,116	1,207,116	-
418	Committed for separation	-	-	-
Assigned:				
462	Assigned fund balance	-	-	-
Unassigned:				
422	Unassigned fund balance	36,694,474	36,694,478	(4)
02 FOOD SERVICES FUND				
Total revenue		$ 7,165,712	$ 7,165,711	$ 1
Total expenditures		6,162,393	6,162,396	(3)
Nonspendable:				
460	Nonspendable fund balance	360,300	360,300	-
Restricted/reserved:				
452	OPEB Liabilities not Held in Trust	-	-	-
Restricted:				
464	Restricted fund balance	3,822,178	3,822,175	3
Unassigned:				
463	Unassigned fund balance	-	-	-
04 COMMUNITY SERVICE FUND				
Total revenue		$ 7,226,888	$ 7,226,889	$ (1)
Total expenditures		6,135,359	6,135,358	1
Nonspendable:				
460	Nonspendable fund balance	-	-	-
Restricted/reserved:				
426	$25 Taconite	-	-	-
431	Community Education	4,116,125	4,116,125	-
432	ECFE	455,932	455,932	-
444	School Readiness	588,915	588,915	-
447	Adult Basic Education	-	-	-
452	OPEB Liabilities not Held in Trust	-	-	-
Restricted:				
464	Restricted fund balance	15,843	15,844	(1)
Unassigned:				
463	Unassigned fund balance	-	-	-

		Audit	UFARS	Audit-UFARS
06 BUILDING CONSTRUCTION FUND				
Total revenue		$ -	$ -	$ -
Total expenditures		-	-	-
Nonspendable:				
460	Nonspendable fund balance	-	-	-
Restricted/reserved:				
407	Capital Projects Levy	-	-	-
413	Building Projects Funded by COP	-	-	-
467	Long-term Facilities Maintenance	-	-	-
Restricted:				
464	Restricted fund balance	-	-	-
Unassigned:				
463	Unassigned fund balance	-	-	-
07 DEBT SERVICE FUND				
Total revenue		$ 9,151,353	$ 9,151,353	$ -
Total expenditures		9,949,461	9,949,463	(2)
Nonspendable:				
460	Nonspendable fund balance	-	-	-
Restricted/reserved:				
425	Bond refundings	-	-	-
433	Maximum effort loan aid	-	-	-
451	QZAB payments	-	-	-
467	LTFM	-	-	-
Restricted:				
464	Restricted fund balance	4,366,962	4,366,961	1
Unassigned:				
463	Unassigned fund balance	-	-	-
08 TRUST FUND				
Total revenue		$ -	$ -	$ -
Total expenditures		-	-	-
Unassigned:				
401	Student Activities	-	-	-
402	Scholarships	-	-	-
422	Net position	-	-	-
18 CUSTODIAL FUND				
Total revenue		$ -	$ -	$ -
Total expenditures		-	-	-
Restricted/Reserved				
401	Student Activities	-	-	-
402	Scholarships	-	-	-
448	Achievement and Integration	-	-	-
464	Restricted	-	-	-
20 INTERNAL SERVICE FUND				
Total revenue		$ 25,709,279	$ 25,709,278	$ 1
Total expenditures		26,291,888	26,291,888	-
Unassigned:				
422	Net position	8,151,140	8,151,140	-
25 OPEB REVOCABLE TRUST				
Total revenue		$ 1,098,204	$ 1,098,204	$ -
Total expenditures		789,184	789,184	-
Unassigned:				
422	Net position	10,973,728	10,973,728	-
45 OPEB IRREVOCABLE TRUST				
Total revenue		$ -	$ -	$ -
Total expenditures		-	-	-
Unassigned:				
422	Net position	-	-	-
47 OPEB DEBT SERVICE				
Total revenue		$ 1,455,318	$ 1,455,317	$ 1
Total expenditures		1,405,153	1,405,153	-
Nonspendable:				
460	Nonspendable fund balance			
Restricted:		-	-	-
425	Bond refundings			
464	Restricted fund balance	372,206	372,206	-
Unassigned:				
463	Unassigned fund balance	-	-	-

STATISTICAL SECTION

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Independent School District No. 191
Statistical Section (Unaudited)

This part of the Independent School District No. 191's annual comprehensive financial report presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>**Contents**</u> <u>**Page**</u>

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

Independent School District No. 191
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities				
Net investment in capital assets	$ 27,062,458	$ 22,196,478	$ 17,935,621	$ 21,465,486
Restricted	7,527,306	6,488,027	6,015,244	5,821,544
Unrestricted	(58,671,372)	(51,635,923)	(82,095,271)	(132,084,628)
Total governmental activities net positions	$ (24,081,608)	$ (22,951,418)	$ (58,144,406)	$ (104,797,598)

Table 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 17,556,925	$ 18,169,748	$ 18,451,265	$ 15,754,751	$ 19,119,846	$ 23,178,391
7,213,277	10,055,184	12,222,610	15,559,970	24,372,515	28,507,956
(102,679,715)	(104,737,977)	(99,949,434)	(88,670,448)	(66,772,656)	(39,601,951)
$ (77,909,513)	$ (76,513,045)	$ (69,275,559)	$ (57,355,727)	$ (23,280,295)	$ 12,084,396

Independent School District No. 191
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities				
Administration	$ 5,495,447	$ 5,372,409	$ 7,177,258	$ 7,064,664
District support services	3,719,700	2,732,153	4,591,300	5,416,849
Elementary and secondary regular instruction	52,233,831	51,786,010	84,957,113	84,580,748
Vocational education instruction	1,376,740	1,399,185	2,662,664	2,727,220
Special education instruction	24,497,781	23,575,099	32,487,928	31,733,029
Instructional support services	10,962,774	10,534,435	15,404,303	15,039,975
Pupil support services	10,621,468	9,691,454	12,265,084	12,947,885
Sites and buildings	16,747,542	19,295,728	9,334,739	10,134,372
Fiscal and other fixed cost programs	378,575	398,068	353,822	313,683
Food service	5,059,060	5,535,377	5,989,896	5,952,121
Community education and services	6,151,189	6,580,796	7,763,673	8,255,773
Interest and fiscal charges on long-term debt	6,948,424	6,781,498	7,150,741	5,109,211
Total governmental activities expenses	144,192,531	143,682,212	190,138,521	189,275,530
Program Revenues				
Governmental activities				
Charges for services				
Administration	194,914	210,784	226,224	222,431
District support services	-	-	-	4,349
Elementary and secondary regular instruction	716,947	800,869	640,147	541,823
Vocational education instruction	-	-	-	420
Special education instruction	351,834	381,559	363,885	531,289
Instructional support services	262	112	-	15
Pupil support services	164,802	64,797	79,865	88,931
Sites and buildings	273,804	223,790	278,415	276,796
Food service	1,688,935	1,621,218	1,653,583	1,679,706
Community education and services	3,457,191	3,390,724	3,266,333	3,495,283
Operating grants and contributions	29,737,748	29,394,748	32,886,488	30,630,308
Capital grants and contributions	1,398,776	1,236,991	1,153,072	1,417,759
Total governmental activities program revenues	37,985,213	37,325,592	40,548,012	38,889,110
Net expense	(106,207,318)	(106,356,620)	(149,590,509)	(150,386,420)
General Revenues				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	21,784,467	22,877,675	25,712,820	26,224,210
Property taxes, levied for capital projects	-	1,200,000	-	-
Property taxes, levied for community service	1,077,297	1,238,633	1,545,989	1,554,844
Property taxes, levied for debt service	10,125,067	9,742,800	11,915,513	10,476,105
General grants and aids	68,576,907	70,513,775	72,447,212	72,254,897
Gain on sale of capital assets	-	-	-	-
Other general revenues	728,393	1,071,088	1,259,886	843,809
Investment earnings	322,603	842,839	1,516,101	1,603,649
Total governmental activities	102,614,734	107,486,810	114,397,521	112,957,514
Change in net position	$ (3,592,584)	$ 1,130,190	$ (35,192,988)	$ (37,428,906)

Table 2

	Fiscal Year				
2019	2020	2021	2022	2023	2024
$ 4,498,702	$ 6,283,726	$ 5,166,623	$ 5,146,405	$ 4,576,004	$ 5,216,273
3,580,259	4,499,129	4,169,348	4,541,713	2,503,974	5,569,369
46,871,276	67,088,099	64,783,060	63,294,480	42,804,488	53,440,089
1,425,163	2,291,553	2,236,379	2,107,317	1,777,613	2,015,070
17,808,445	26,266,898	26,088,835	24,494,292	21,955,865	26,290,985
11,229,401	13,321,257	15,008,017	13,021,759	14,855,402	15,130,117
10,957,678	12,442,456	9,996,462	11,406,634	12,180,617	16,260,415
11,424,974	7,998,838	9,705,716	11,129,335	16,762,838	16,079,494
336,761	393,852	391,943	426,427	437,360	525,199
5,940,220	5,603,072	4,397,704	4,955,498	5,318,407	6,377,037
6,684,160	6,232,992	5,246,669	4,995,800	6,391,286	5,969,879
4,401,719	4,254,002	3,968,235	2,951,742	2,819,947	2,695,674
125,158,758	156,675,874	151,158,991	148,471,402	132,383,801	155,569,601
190,346	212,676	217,776	272,600	4,167	1,573
5,225	11,610	3,040	4,207	1,345	2,339
560,837	303,228	203,657	307,145	516,575	447,534
490	560	-	-	-	-
384,019	381,426	568,522	784,954	2,107,749	2,240,236
534	12,818	1,102	17,383	9,379	373,963
87,135	61,562	22,230	67,427	182,824	92,267
307,817	310,907	315,763	336,262	289,291	267,514
1,578,052	1,118,791	-	47,741	1,109,413	208,483
3,630,543	3,011,600	2,021,666	2,608,216	2,595,850	2,803,010
27,140,691	33,011,399	37,491,428	42,182,191	45,053,587	51,510,227
1,464,809	1,353,380	1,085,774	1,948,280	984,766	825,099
35,350,498	39,789,957	41,930,958	48,576,406	52,854,946	58,772,245
(89,808,260)	(116,885,917)	(109,228,033)	(99,894,996)	(79,528,855)	(96,797,356)
30,350,044	30,536,476	31,931,034	30,967,231	29,793,091	37,787,542
-	-	-	-	-	-
1,403,837	1,536,763	1,807,827	1,636,161	1,597,814	1,603,278
10,401,754	11,720,386	10,931,280	11,779,084	10,399,992	9,767,643
72,209,515	71,259,679	68,832,548	66,786,109	69,788,147	79,218,657
-	-	-	-	16,900	7,074
571,326	1,729,530	1,357,592	1,538,853	-	-
1,759,869	1,404,935	1,605,238	(892,610)	2,008,343	3,777,853
116,696,345	118,187,769	116,465,519	111,814,828	113,604,287	132,162,047
$ 26,888,085	$ 1,301,852	$ 7,237,486	$ 11,919,832	$ 34,075,432	$ 35,364,691

Independent School District No. 191
Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	$ 647,352	$ -	$ 328,969	$ 374,535
Restricted	3,831,642	4,196,553	4,027,713	4,158,407
Committed	1,393,434	1,176,269	1,293,948	1,257,804
Assigned	-	-	-	-
Unassigned	14,805,438	15,748,008	14,466,101	10,024,458
Total general fund	$ 20,677,866	$ 21,120,830	$ 20,116,731	$ 15,815,204
All Other Governmental Funds				
Nonspendable	$ 67,157	$ 122,264	$ 177,574	$ 190,617
Restricted	77,192,716	74,776,954	40,759,460	8,370,219
Total all other governmental funds	$ 77,259,873	$ 74,899,218	$ 40,937,034	$ 8,560,836
Total all funds	$ 97,937,739	$ 96,020,048	$ 61,053,765	$ 24,376,040

Table 3

	Fiscal Year					
	2019	2020	2021	2022	2023	2024
	$ 469,392	$ 435,457	$ 382,338	$ 254,436	$ 603,936	$ 342,495
	5,847,738	7,878,828	9,020,782	9,841,888	13,137,246	15,812,007
	1,550,194	1,735,209	1,849,490	1,837,017	1,505,311	1,207,116
	-	-	5,081,823	1,810,980	-	-
	7,417,075	10,276,533	13,187,447	18,777,579	22,236,723	36,430,283
	$ 15,284,399	$ 20,326,027	$ 29,521,880	$ 32,521,900	$ 37,483,216	$ 53,791,901
	$ 2,452,384	$ 244,230	$ 182,267	$ 253,940	$ 269,532	$ 360,300
	5,147,420	8,312,697	8,790,900	11,244,924	12,477,357	13,738,161
	$ 7,599,804	$ 8,556,927	$ 8,973,167	$ 11,498,864	$ 12,746,889	$ 14,098,461
	$ 22,884,203	$ 28,882,954	$ 38,495,047	$ 44,020,764	$ 50,230,105	$ 67,890,362

Independent School District No. 191
Changes in Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Local sources				
Taxes	$ 33,212,333	$ 35,053,016	$ 39,094,623	$ 38,097,535
Investment earnings	68,245	454,848	540,031	653,809
Other	8,026,353	8,191,071	8,484,173	8,609,002
State sources	91,607,137	92,498,905	93,346,633	95,558,484
Federal sources	7,654,305	7,860,618	8,631,725	7,806,378
Total revenues	140,568,373	144,058,458	150,097,185	150,725,208
Expenditures				
Current				
Administration	5,381,925	5,536,309	5,519,388	5,680,528
District support services	3,683,322	3,531,663	4,185,606	5,027,862
Elementary and secondary regular instruction	53,893,564	54,043,785	54,976,422	55,398,654
Vocational education instruction	1,363,572	1,452,112	1,876,990	2,150,295
Special education instruction	24,169,675	24,455,459	24,027,079	24,767,930
Instructional support services	10,702,294	10,819,656	10,862,353	10,888,211
Pupil support services	10,576,978	9,766,662	11,000,503	11,877,743
Sites and buildings	9,415,493	9,573,137	9,302,350	9,535,036
Fiscal and other fixed cost programs	378,575	398,068	353,822	313,683
Food service	5,016,679	5,546,232	5,733,255	5,829,895
Community service	6,069,954	6,615,805	6,875,455	7,443,701
Capital outlay	5,597,264	42,659,773	28,169,017	6,718,409
Debt service				
Principal	6,037,478	6,133,104	6,726,213	6,037,595
Interest and fiscal charges	5,753,097	6,263,031	7,520,641	6,444,307
Total expenditures	148,039,870	186,794,796	177,129,094	158,113,849
Excess of revenues over (under) expenditures	(7,471,497)	(42,736,338)	(27,031,909)	(7,388,641)
Other financing sources (uses)				
Bonds issued	68,450,000	36,715,000	13,990,000	-
Premium on bonds issued	2,609,184	3,913,835	-	-
Payments to refunded bond escrow agent	(4,015,000)	-	(22,620,346)	(29,330,000)
Capital lease/certificates of participation	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Lease issuance	503,645	318,585	187,105	40,916
Proceeds from insurance recovery	4,818	359,861	-	-
Transfer in	-	-	27,082	-
Transfer out	-	-	(27,082)	-
Total other financing sources (uses)	67,552,647	41,307,281	(8,443,241)	(29,289,084)
Net change in fund balances	$ 60,081,150	$ (1,429,057)	$ (35,475,150)	$ (36,677,725)
Debt services as a percentage of noncapital expenditures	8.28%	8.45%	9.42%	8.12%

Table 4

	Fiscal Year				
2019	2020	2021	2022	2023	2024
$ 42,385,297	$ 43,831,187	$ 44,624,245	$ 44,363,003	$ 41,799,089	$ 49,169,156
911,976	735,602	110,430	(53,201)	2,008,343	3,777,853
7,919,917	7,905,510	5,144,941	6,427,812	8,598,030	7,402,782
96,762,424	95,745,693	93,225,958	88,876,351	93,864,029	110,153,102
7,985,785	9,050,890	13,536,886	21,278,337	19,743,383	20,083,356
155,965,399	157,268,882	156,642,460	160,892,302	166,012,874	190,586,249
5,774,945	5,933,083	5,002,830	5,429,133	5,291,647	5,630,932
3,396,407	4,170,798	4,090,450	4,491,751	4,591,871	4,619,344
55,816,055	53,440,674	51,987,520	56,035,263	56,761,715	60,457,360
2,036,313	2,138,054	2,088,358	2,216,393	2,168,497	2,234,521
25,398,748	24,625,186	24,311,718	26,046,717	26,718,001	28,874,464
12,205,567	11,014,880	13,513,379	12,953,823	12,435,175	10,888,514
11,884,787	12,120,045	9,835,715	11,696,713	12,688,513	16,650,421
10,138,616	9,787,117	10,097,808	10,668,520	11,735,834	11,592,406
336,761	393,852	391,943	426,427	472,595	525,199
5,902,901	5,536,006	4,345,690	4,913,797	5,209,869	5,882,458
7,324,705	6,050,923	5,184,290	5,258,859	5,831,718	6,115,597
5,699,115	4,060,380	4,319,224	5,127,286	4,422,885	7,949,367
6,720,495	7,409,689	7,335,430	7,169,637	7,284,147	7,697,347
4,828,185	4,691,853	4,703,396	4,404,624	4,228,108	3,813,729
157,463,600	151,372,540	147,207,751	156,838,943	159,840,575	172,931,659
(1,498,201)	5,896,342	9,434,709	4,053,359	6,172,299	17,654,590
-	-	11,485,000	9,680,000	-	-
-	-	1,477,046	2,143,678	-	-
-	-	(12,785,000)	(11,705,000)	-	-
-	-	-	187,949	-	-
-	7,793	338	1,165,731	1,807	5,667
6,364	-	-	-	35,235	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,364	7,793	177,384	1,472,358	37,042	5,667
$ (1,491,837)	$ 5,904,135	$ 9,612,093	$ 5,525,717	$ 6,209,341	$ 17,660,257
7.44%	8.22%	8.37%	7.60%	7.59%	6.94%

Independent School District No. 191
General Governmental Tax Revenues by Source and Levy Type
Last Ten Years

Table 5

	Property Tax				
Fiscal Year	General Fund	Community Service	Capital Projects - Building Construction Fund	Debt Service	Total
2015	$ 21,933,388	$ 1,084,662	$ -	$ 10,194,283	$ 25,795,703
2016	22,874,885	1,237,759	1,200,000	9,740,372	33,212,333
2017	25,663,259	1,542,386	-	11,888,978	35,053,016
2018	26,115,668	1,548,150	-	10,433,697	38,097,515
2019	30,501,787	1,413,236	-	10,470,273	42,385,296
2020	30,562,242	1,538,149	-	11,730,795	43,831,186
2021	31,896,091	1,805,658	-	10,922,497	44,624,246
2022	30,955,773	1,635,122	-	11,772,107	44,363,002
2023	29,798,182	1,598,162	-	10,402,745	41,799,089
2024	37,785,291	1,604,461	-	9,779,404	49,169,156

Independent School District No. 191
Tax Capacities and Market Value
Last Ten Years

Table 6

For Taxes Collectible	Tax Capacity Valuation: Agricultural	Non-Agricultural	Fiscal Disparities: Contribution	Fiscal Disparities: Distribution	Tax Increment	Total Taxable	Taxable Market Value	Tax Capacity as a Percentage of Market Value
Dakota County								
2015	$ -	$ 56,421,607	$ (8,676,317)	$ 5,954,015	$ (1,832,040)	$ 51,867,265	$ 4,692,482,625	1.11
2016	-	58,689,449	(9,336,149)	6,108,398	(3,169,684)	52,292,014	4,865,451,265	1.07
2017	-	59,771,813	(9,204,390)	6,571,222	(3,378,035)	54,661,226	5,003,279,610	1.09
2018	-	65,136,255	(9,024,255)	6,931,010	(3,902,924)	60,088,642	5,447,134,772	1.10
2019	-	70,058,732	(9,590,323)	7,349,467	(4,413,182)	64,337,435	5,840,024,400	1.10
2020	-	75,835,267	(10,407,209)	7,943,503	(3,891,891)	70,881,145	6,276,544,125	1.13
2021	-	79,720,661	(11,208,648)	8,293,216	(3,836,225)	74,366,311	6,562,525,800	1.13
2022	-	84,184,980	(12,005,956)	9,055,616	(4,097,927)	78,023,994	6,905,405,825	1.13
2023	-	95,650,885	(11,972,075)	9,205,170	(4,621,448)	89,199,988	7,871,121,243	1.13
2024	-	103,398,669	(12,582,178)	9,697,164	(5,551,906)	95,857,330	8,386,233,135	1.14
Scott County								
2015	$ 43,898	$ 17,077,271	$ (2,698,085)	$ 1,416,364	$ -	$ 15,839,448	$ 1,430,354,300	1.11
2016	76,637	18,097,758	(3,064,523)	1,523,727	(81,937)	16,551,662	1,505,076,100	1.10
2017	37,415	19,869,873	(3,175,091)	1,709,580	(138,187)	18,729,804	1,618,071,200	1.16
2018	29,841	21,039,808	(3,770,912)	1,782,864	(159,437)	19,467,664	1,704,789,900	1.14
2019	20,259	22,823,684	(3,868,467)	1,871,118	(166,937)	21,231,291	1,844,550,200	1.15
2020	3,959	24,655,629	(4,053,563)	2,031,820	(188,073)	23,059,234	1,988,017,400	1.16
2021	4,110	27,223,848	(4,506,916)	2,175,584	(218,881)	25,313,649	2,155,452,700	1.17
2022	4,012	28,767,419	(5,226,294)	2,372,103	(234,595)	26,494,935	2,288,792,997	1.16
2023	28,590	33,673,632	(5,443,134)	2,264,207	(275,727)	30,682,064	2,667,771,400	1.15
2024	813	36,915,657	(5,873,164)	2,353,968	(356,125)	33,458,959	2,813,700,000	1.19

Source: School Tax Report issued by the Minnesota Department of Education and Scott and Dakota Counties.

Independent School District No. 191
Direct and Overlapping Tax Capacity Rates
Last Ten Years

			Overlapping Rates				
	Tax		Municipalities				
	Collection	ISD	Apple				
Rate	Year	No. 191	Valley	Burnsville	Eagan	Savage	Shakopee
Tax Capacity Rate	2015	24.554%	45.274%	44.790%	36.525%	51.742%	37.862%
Market Value Rate	2015	0.26015%	0.02036%	--	0.00016%	0.01482%	0.00536%
Tax Capacity Rate	2016	31.065%	44.721%	46.525%	37.097%	49.905%	37.902%
Market Value Rate	2016	0.24692%	0.01994%	--	0.01490%	0.01410%	0.00605%
Tax Capacity Rate	2017	27.529%	44.473%	46.557%	37.385%	47.841%	38.522%
Market Value Rate	2017	0.23336%	0.23336%	--	0.01451%	0.01344%	--
Tax Capacity Rate	2018	25.759%	42.475%	46.670%	36.378%	47.117%	37.212%
Market Value Rate	2018	0.29246%	0.01798%	--	0.01359%	0.01100%	--
Tax Capacity Rate	2019	26.202%	39.603%	43.595%	35.227%	44.474%	34.943%
Market Value Rate	2019	0.24409%	0.01719%	--	0.01235%	0.01000%	--
Tax Capacity Rate	2020	23.765%	38.782%	43.148%	35.262%	42.357%	33.965%
Market Value Rate	2020	0.23263%	0.01646%	--	0.01159%	0.00900%	--
Tax Capacity Rate	2021	23.699%	38.192%	42.853%	36.333%	42.254%	32.105%
Market Value Rate	2021	0.20745%	0.01622%	--	--	0.00600%	--
Tax Capacity Rate	2022	20.273%	38.182%	43.054%	36.119%	40.326%	32.111%
Market Value Rate	2022	0.19053%	0.01591%	--	--	--	--
Tax Capacity Rate	2023	19.403%	35.273%	42.274%	33.566%	35.986%	28.585%
Market Value Rate	2023	0.22396%	0.01424%	--	--	--	--
Tax Capacity Rate	2024	17.021%	36.789%	42.503%	33.585%	37.606%	27.402%
Market Value Rate	2024	0.23321%	0.01397%	--	--	--	--

Table 7

Overlapping Rates					
Counties		Special Taxing Jurisdictions		Total*	
Dakota County	Scott County	Dakota County	Scott County	Burnsville Resident	Savage Resident
29.633%	36.638%	4.567%	5.169%	103.544%	118.103%
--	--	--	--	0.26015%	0.27497%
28.570%	36.175%	4.614%	5.130%	110.774%	122.275%
--	--	--	--	0.24692%	0.26102%
28.004%	35.896%	4.458%	4.979%	106.548%	116.245%
--	--	--	--	0.23336%	0.24680%
26.580%	35.114%	3.878%	5.090%	102.887%	113.080%
--	--	--	--	0.29246%	0.30346%
25.386%	33.841%	3.824%	4.891%	99.007%	109.408%
--	--	--	--	0.24409%	0.25409%
24.133%	32.718%	3.767%	4.583%	94.813%	103.423%
--	--	--	--	0.23263%	0.24163%
22.716%	31.025%	4.342%	4.768%	93.610%	101.746%
--	--	--	--	0.20745%	0.21345%
21.630%	30.492%	4.252%	5.026%	89.209%	96.117%
--	--	--	--	0.19053%	0.19053%
18.816%	26.578%	3.906%	6.294%	84.399%	88.261%
--	--	--	--	0.22396%	0.22396%
18.323%	26.228%	4.075%	2.525%	81.922%	83.380%
--	--	--	--	0.23321%	0.23321%

Source: Certificates as to Taxes and Taxable Property, furnished by Dakota and Scott Counties.

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Independent School District No. 191
Principal Property Taxpayers

Table 8

	2024			2015		
Taxpayer	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Xcel Energy	$ 3,217,126	1	2.27%	$ 2,853,786	1	3.82%
Paragon Outlets Eagan	1,699,250	2	1.20%	463,362	3	0.62%
Southwest Logistics Center, LLC	944,250	3	0.67%			
Individual	733,569	4	0.52%	350,569	5	0.47%
Flats at Cedar Grove LLC	682,311	5	0.48%			
Rosemount Inc.	658,104	6	0.46%			
FLT Summit Park Apartments LLC	628,610	7	0.44%			
PRCP-Minnesota Stone LLC	613,970	8	0.43%			
ASB MN Shakopee LLC	605,760	9	0.43%			
GEP X West Park LLC	591,611	10	0.42%			
Minnegasco, Inc.				484,290	2	0.65%
Kraus Anderson, Inc.				359,306	4	0.48%
Rosemount Aerospace Inc.				343,334	6	0.46%
Cargill Inc.				322,775	7	0.43%
Aurora Investments LLC				309,564	8	0.41%
Kraemer Mining & Materials Inc.				297,946	9	0.40%
Hudson Redwood Raven Hill LLC				297,089	10	0.40%
Total	$ 10,374,561		7.32%	$ 6,082,021		8.14%

Source: Certificates as to Taxes and Taxable Property, furnished by Dakota and Scott Counties.

Independent School District No. 191
Property Tax Levies, Collections, and Receivables
Last Ten Years

For Taxes Collectible	Original Levy: Local Spread	Original Levy: Fiscal Disparities	Original Levy: Total Spread	Collections: First Year Levy Recognized: Amount	Collections: First Year Levy Recognized: Percentage of Levy
2015	$ 31,025,345	$ 3,839,822	$ 34,865,167	$ 16,303,858	46.8
2016	35,119,563	3,851,095	38,970,658	18,419,963	47.3
2017	33,374,272	4,659,195	38,033,467	17,616,603	46.3
2018	37,936,271	4,466,731	42,403,002	19,671,004	46.4
2019	38,771,436	4,929,600	43,701,036	20,547,965	47.0
2020	39,179,819	5,063,180	44,242,999	20,222,791	45.7
2021	39,226,223	4,884,931	44,111,154	21,109,293	47.9
2022	36,389,401	5,008,766	41,398,167	19,506,403	47.1
2023	44,640,414	4,430,239	49,070,653	23,440,645	47.8
2024	46,078,514	4,961,573	51,040,087	24,381,084	47.8

Note 1: A portion of the total spread levy is paid through various property tax credits which are paid through state aids and have been included in collections.

Note 2: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write off of delinquent taxes receivable.

Note 3: Only a portion of the taxes levied for the most recent fiscal year is collected by June 30.

Source: State of Minnesota School Tax Report.

Table 9

Collections			Uncollected Taxes Receivable as of June 30, 2024			
Received in Subsequent Years	Total to Date		Delinquent		Current	
	Amount	Percentage of Levy	Amount	Percent	Amount	Percent
$ 18,561,309	$ 34,865,167	100.0	$ -	-	$ -	-
20,550,695	38,970,658	100.0	-	-	-	-
20,416,864	38,033,467	100.0	-	-	-	-
22,694,382	42,365,386	99.9	37,616	0.1	-	-
23,141,592	43,689,557	100.0	11,479	0.0	-	-
24,003,057	44,225,848	100.0	17,151	0.0	-	-
22,971,405	44,080,698	99.9	30,456	0.1	-	-
21,834,634	41,341,037	99.9	57,130	0.1	-	-
25,384,931	48,825,576	99.5	245,078	0.5	-	-
-	24,381,084	47.8	-	-	26,659,004	52.2
			$ 398,910		$ 26,659,004	

Independent School District No. 191
Ratios of Outstanding Debt By Type

Table 10

	Governmental Activities				
Fiscal Year	General Obligation Bonds	Lease Liability and Financed Purchases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2015	$ 162,490,000	$ 2,691,255	$ 165,181,255	5.49 %	$ 2,452
2016	193,640,000	2,447,817	196,087,817	6.27	2,911
2017	186,029,667	1,871,605	187,901,272	5.83	2,789
2018	150,839,845	1,270,148	152,109,993	4.19	2,258
2019	144,096,605	884,653	144,981,258	3.82	2,152
2020	136,683,365	479,964	137,163,329	3.52	2,009
2021	129,054,114	234,534	129,288,648	3.10	1,894
2022	120,292,825	160,460	120,453,285	2.74	1,765
2023	111,979,366	238,735	112,218,101	2.49	1,441
2024	103,447,615	91,389	103,539,004	2.29	1,418

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

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

Independent School District No. 191
Ratio of Net General Obligation Bonded Debt to Tax Capacity and Net Obligation Bonded Debt Per Capita
Last Ten Years

Table 11

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand (1)	Net Bonded Debt	Tax Capacity	Percent Net Debt to Tax Capacity	Percent of Estimated Actual Market Value of Property (2)	Estimated Population	Net Bonded Debt per Capita
2015	$ 162,490,000	$ 3,168,468	$ 159,321,532	$ 67,706,713	235.31 %	2.53 %	67,370	$ 2,365
2016	193,640,000	42,042,331	151,597,669	68,843,676	220.21	2.38	67,370	2,250
2017	186,029,667	32,620,732	153,408,935	73,391,030	209.03	2.32	67,370	2,277
2018	150,839,845	3,161,989	147,677,856	79,556,306	185.63	2.06	67,370	2,192
2019	144,096,605	3,331,940	140,764,665	85,568,726	164.50	1.83	67,370	2,089
2020	136,683,365	4,297,210	132,386,155	93,940,379	140.93	1.60	68,261	1,939
2021	129,054,114	4,123,715	124,930,399	99,679,960	125.33	1.43	68,261	1,830
2022	120,292,825	5,753,099	114,539,726	104,518,929	109.59	1.25	68,261	1,678
2023	111,979,366	5,487,111	106,492,255	119,882,052	88.83	1.01	77,881	1,367
2024	103,447,615	4,739,168	98,708,447	129,316,289	76.33	0.88	73,006	1,352

(1) - Debt service monies available include amounts restricted in the debt service funds repaying the related debt.

(2) - See the Schedule of Tax Capacities and Market Value for information on the market value of the District's property.

Source: Annual school district census, U.S. census, National Center for Education Statistics.

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Independent School District No. 191
Direct and Overlapping Debt
June 30, 2024

Table 12

Governmental Unit	2023/24 Taxable Net Tax Capacity	Bonded Debt [1]	Percent Allocable to ISD No. 191	Portion Allocable to ISD No. 191
Independent School District No. 191	$ 129,316,289	$ 103,447,615	100.000 %	$ 103,447,615
Overlapping Debt				
Dakota County	753,201,059	-	10.6206%	-
Scott County	318,207,331	92,810,000	4.6364%	43,031
City of Apple Valley	81,682,603	48,050,000	0.7424%	3,567
City of Burnsville	104,195,731	40,665,000	63.8417%	259,612
City of Eagan	135,202,173	52,010,000	9.5177%	49,501
City of Savage	60,949,883	28,825,000	21.9762%	63,346
City of Shakopee	92,617,135	45,920,000	1.4673%	6,738
Metropolitan Council	6,313,906,529	191,435,000 [2]	1.5006%	28,727
Total Overlapping Debt				454,523
Total Direct and Overlapping Debt				$ 103,902,138

1) Does not include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt,

2) The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in Overlapping Debt.

Source: Official Statements obtained on EMMA, the Municipal Advisor's records, and Certificates as to Taxes and Taxable.

Independent School District No. 191
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Debt Limit	$ 951,986,716	$ 1,011,131,704	$ 1,067,125,043	$ 1,150,340,516
Total Net Debt Applicable to Limit	143,240,787	142,090,806	153,878,208	131,225,000
Legal Debt Margin	$ 740,653,914	$ 808,745,929	$ 869,040,898	$ 913,246,835
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.05%	14.05%	14.42%	11.41%

Legal Debt Margin Calculation for Fiscal Year 2023

Economic Market Value
Debt Limit (15% of Market Value)

Debt Applicable to Limit
General Obligation Bonds
Annual Appropriation Debt
Less: Amount Set Aside for Repayment of General Obligation Debt
Total Net Debt Applicable to Limit

Legal Debt Margin

(1) Economic Market Value - Assessment Year 2023 for taxes payable in 2024

Table 13

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 1,239,580,812	$ 1,249,694,940	$ 1,384,802,766	$ 1,389,585,525	$ 1,391,697,690	$ 1,762,356,323
126,015,000	107,540,180	116,293,249	119,603,099	90,025,000	92,690,000
$ 1,019,115,516	$ 1,113,565,812	$ 1,142,154,760	$ 1,269,982,426	$ 1,301,672,690	$ 1,669,666,323
10.17%	8.61%	8.40%	8.61%	6.47%	5.26%

$11,749,042,151 (1)
1,762,356,323
92,690,000
-
(4,739,168)
87,950,832
$ 1,674,405,491

Independent School District No. 191
Demographic and Economic Statistics
Last Ten Years

Table 14

Calendar Year	City of Burnsville Population (1)	Estimated Personal Income (1)	Per Capita Personal Income (1)	Total ISD No. 191 Population (3)	School Enrollment (4)	City of Burnsville Unemployment Rate (1)
2014	61,747	$ 3,007,758,117	$ 48,711	67,370	9,213	3.8
2015	61,908	3,128,892,228	50,541	67,370	8,989	3.5
2016	61,849	3,223,384,333	52,117	67,370	8,914	3.5
2017	62,239	3,628,844,895	58,305	67,370	8,563	3.1
2018	62,657	3,793,192,123	60,539	67,370	8,874	2.7
2019	62,785	3,891,225,945	61,977	67,370	8,603	3.2
2020	64,317	4,164,397,116	64,748	71,881	8,010	7.3
2021	64,627	4,389,918,229	67,927	71,945	7,744	3.6
2022	64,522	4,515,507,648	69,984	71,621	7,721	2.4
2023	64,522	4,515,507,648	69,984	73,006	7,696	2.6

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Annual average unemployment rates compiled by the Minnesota Department of Employment and Economic Development.

Sources:

(1) City of Burnsville Annual Comprehensive Financial Report for the year ended December 31, 2023.
(2) Estimated personal income is calculated by multiplying the per capital personal income by the City of Burnsville population.
(3) Annual school district census, U.S. census, and National Center for Education Statistics.
(4) ISD No. 191 – average daily membership (for students served or tuition paid).

Independent School District No. 191
Principal Employers

Table 15

Employer	2024 Employees	2024 Rank	2015 Employees	2015 Rank
UTC Aerospace Systems	1,800	1	1,200	2
Independent School District No. 191	1,109	2	1,507	1
Pepsi Bottling Group	500	3	500	4
Ames Construction	400	4	400	5
Northern Tool & Equipment	300	5	300	6
Target Stores	300	6	300	8
Telex Communications	300	7	300	9
YRC Freight	300	8	300	7
City of Burnsville	290	9	520	3
Fabcon Precast	275	10	275	10
Total	5,574		5,602	

Note: Information regarding the percentage of total employment for each employer was not available.

Source: Ehlers

Independent School District No. 191
Employees by Classification
Last Ten Years

Table 16

Employees	Fiscal Years 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administrators/Principals	60	43	51	49	50	50	48	47	47	49
Confidential/ Support Specialist*	-	24	43	47	48	51	49	43	57	53
Teachers	779	732	730	741	721	680	649	612	615	611
Clerical	66	63	64	65	58	59	51	47	47	52
Paraprofessionals	211	211	214	213	214	221	190	163	179	167
Nurses	18	16	15	14	14	11	10	13	15	15
Operations/Maintenance Supervisors	3	3	3	3	3	2	2	3	3	4
Technical Specialists	5	10	10	10	11	12	14	13	13	14
Community Education	36	39	51	60	61	56	59	55	60	81
Cafeteria	74	78	76	73	79	88	68	47	56	57
Custodians	73	74	82	80	77	78	73	66	70	75
Total	1,325	1,293	1,339	1,355	1,336	1,308	1,213	1,109	1,162	1,178

Note 1: This schedule is a headcount based on contract group. If an employee has multiple contract groups, they are reflected multiple times. Full and part-time employees count the same.

* New Category effective for 2016

Source: STAR report and District payroll records.

Independent School District No. 191
Student to Staff Ratios
Last Ten Years

Table 17

Fiscal Year	ISD No. 191 Student to Teacher Ratios (1)	Minnesota Department of Education Student to Staff Ratio (2)		
		ISD No. 191	Dakota County Average	State Average
2014	14.92	12.57	14.33	13.17
2015	14.37	11.95	13.89	12.92
2016	14.83	12.43	14.04	12.84
2017	15.27	12.41	13.82	12.72
2018	15.00	12.00	13.36	13.00
2019	15.00	12.00	13.40	13.00
2020	16.00	13.00	13.45	13.00
2021	15.00	12.00	13.00	12.00
2022	16.00	12.00	13.55	11.73
2023	15.50	12.33	13.00	11.65

Note 1: Information is not yet available for 2024

Sources: Minnesota Department of Education
(1) This data is computed using only full-time equivalent licensed classroom teaching staff.
(2) This data is computed by dividing total students (MDE enrollment numbers kindergarten through Grade 12) by total certified staff. Certified staff includes classroom teachers, administrators, special education teachers, and all other licensed professionals measured in full-time equivalents.

Independent School District No. 191
Operating Indicators by Function - Standardized Testing
Last Ten Years

Table 18

	Fiscal Years									
	2015	2016	2017	2018	2019	2020 (2)	2021 (3)	2022	2023	2024 (4)
Standardized Tests										
MCA Reading (See Note 1)										
Grade 3	53.2 %	45.9 %	43.7 %	48.7 %	45.4 %		34.4 %	36.7 %	33.0 %	30.9%
Grade 5	58.3	67.7	62.0	55.0	52.9		49.9	52.9	49.7	45.4
Grade 7	45.4	56.6	53.1	51.0	47.6		40.3	32.8	33.4	36.2
Grade 10	51.8	58.9	38.3	54.5	55.4		50.9	45.9	40.2	42.3
MCA Math (See Note 1)										
Grade 3	63.6	69.4	54.0	58.4	56.6		44.1	45.3	48.8	38.1
Grade 5	59.7	58.8	49.9	45.0	41.5		31.1	33.3	33.2	33.7
Grade 7	44.3	56.2	48.4	40.1	39.1		18.4	27.0	27.0	24.1
Grade 11	39.6	47.1	35.3	39.1	38.1		26.1	21.6	17.2	16.3
ACT										
Independent School District No. 191 Average Composite Score	23.0	21.3	21.2	20.3	20.4	20.0	19.9	19.9	19.3	18.8
State Average Composite Score (1)	22.7	21.1	21.5	21.3	21.4	21.3	21.6	21.6	20.8	

Note 1: Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test
Note 2: Due to COVID-19 Pandemic, student participation in the MCA was only 50% district wide

(1) - Per ESSA School districts must offer a college and career readiness assessment, however the state no longer mandates ACT Average Composite Scores are available through MN Office of Higher Education

(2) - Due to COVID-19 Pandemic, MCA and ACT testing did not occur in the 2019-2020 school year. Tests were administered fall of 2020 for the class of of 2020

(3) - Due to COVID-19 Pandemic, student participation in the MCA was only 50% district wide

(4) The State Average Composite Score for the ACT Test was not yet available for FY24

Source: MDE Report Card

Independent School District No. 191
School Facilities

Table 19

Facility	Use	Constructed	Acres	Classrooms	Square Footage	Capacity	Enrollment (1)
Gideon Pond Elementary	School	1965/1971/1995	13.00	17	75,700	488	381
Edward Neill Elementary	School	1968/1976/1995	10.00	19	68,550	488	386
Vista View Elementary	School	1950/1954/1957 1963/1971/1995	16.50	18	80,069	488	313
Williams Byrne Elementary	School	1967/1971/1995/2016	10.50	24	79,856	650	554
Rahn Elementary	School	1969/1995	16.00	18	67,448	488	366
Sky Oaks Elementary	School	1975	11.00	24	85,850	650	437
Hidden Valley Elementary	School	1989	16.00	24	89,525	650	462
Harriet Bishop Elementary	School	1996	17.36	25	78,107	650	570
Eagle Ridge Junior High	School	1996	31.00	45	132,000	950	553
Nicollet Junior High	School	1970/1995	35.00	50	188,772	1,100	688
Burnsville Senior High	School	1955/1958/1962 1971/1976/1977 1980/1993/1998/2016	63.50	112	524,283	2,750	2,051
Cedar School-Burnsville Alt HS	School	1961/1971	10.00	12	60,952	300	209
Diamondhead Education-Ready to Learn, Early Education, BES Transition Program	Office/ School/ Programs	1971	11.50	16	140,000	430	147
WH/Maintenance		1958/1962/1980	Part of BHS Acreage	N/A	20,780	N/A	N/A

(1) Source: 2022-23 MN Department of Education School ADM Served Report.

Independent School District No. 191
School Lunch Program Data
Last Ten Years

Table 20

Fiscal Year	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percent of Average Daily Attendance	Free Lunch Number Served	Free Lunch Percent of Total	Reduced Lunch Number Served	Reduced Lunch Percent of Total
2015	8,792	1,074,200	169	6,356	72.30	533,864	49.70	102,744	9.56
2016	8,752	1,067,859	170	6,282	71.77	545,887	51.12	97,590	9.14
2017	8,693	1,082,421	174	6,221	71.56	545,677	50.41	110,524	10.21
2018	8,563	1,040,408	174	5,979	69.83	512,908	49.30	115,231	11.08
2019	8,336	1,030,144	169	6,096	73.12	475,065	46.12	134,711	13.08
2020 (2)	8,086	697,480	116	6,013	74.36	322,177	46.19	100,312	14.38
2021 (3)	-	-	-	-	-	-	-	-	-
2022 (4)	-	-	-	-	-	-	-	-	-
2023	7,096	821,143	165	4,977	70.14	485,216	59.09	89,394	10.89
2024	6,837	898,967	169	5,319	77.81	712,780	79.28	259	0.03

(1) Based on State Food and Nutrition Department guidelines, attendance is deemed to be 94% of enrollment.

(2) Due to COVID-19 Pandemic, School Lunch Program Data is through March 13th, 2020, at which time ISD191 went fully virtual learning and meal service

(3) Due to COVID-19 Pandemic, ISD 191 utilized Summer Food Program, which allowed students to receive free meals throughout the school year. Summer Food numbers - 395,527 breakfasts, 465,531 lunches in 2020-21

(4) Due to COVID-19 Pandemic, ISD 191 utilized Summer Food Program, which allowed students to receive free meals throughout the school year. Summer Food numbers - 550,409 breakfasts, 816,238 lunches, and 27,813 snacks in 2021-22

Independent School District No. 191
Schedule of Insurance Coverage

Table 21

Type of Coverage	Amount of Coverage
Property Coverage	
Real and Personal Property (Blanketed)	$ 400,000,000
Unscheduled Locations	None
Valuable Papers and Records	5,000,000
Accounts Receivable - On Premises	1,000,000
Boiler and Machinery Coverage	
Property Damage	Included in Property Limit
Crime Coverage	
Employee Dishonesty	500,000
Forgery or Alteration	500,000
Computer Fraud	500,000
Theft of Money and Securities - Inside the Premises	135,000
Theft of Money and Securities - Outside the Premises	270,000
General Liability Coverages	
General	
Each Occurrence	1,000,000
General Aggregate Limit	3,000,000
Medical Expense Limit - Any One Person	10,000
Damage to Premises Rented to You	1,000,000
Products/Completed Operations Aggregate	3,000,000
Personal & Advertising Injury	1,000,000
Umbrella Liability	
Each Occurrence	4,000,000
Aggregate	4,000,000
Self-Insured Retention	-
Business Automobile Liability Coverage	
Bodily Injury and Property Damage	1,000,000
Personal Injury Protection	Basic
Uninsured Motorists	1,000,000
Underinsured Motorists	1,000,000
Collision	1,000
Comprehensive	500
Educators Legal Liability (Professional)/Employment Practices Liability	
Each Wrongful Act	1,000,000
Aggregate	3,000,000
Educators Legal Liability Deductible	25,000
Employment Practices Liability Decuctible	25,000
Storage Tank Environmental Impairment Liability	
Per Pollution Condition	1,000,000
Aggregate	1,000,000
Self-Insured Retention	50,000
Cyber Risk Liability	
Policy Aggregate Limit of Liability	1,000,000

Independent School District No. 191
Student Enrollment
Last Ten Years

Table 22

Year Ended June 30,	Early Childhood and Voluntary Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	Total Pupil Units
2014	191	730	4,323	4,224	9,468	10,864
2015	192	670	4,319	4,122	9,303	10,127
2016	209	600	4,253	4,059	9,121	9,933
2017	180	642	4,174	4,113	9,109	9,932
2018	251	657	3,918	4,015	8,841	9,644
2019	268	646	3,784	3,976	8,674	9,468
2020	264	653	3,555	3,883	8,355	9,131
2021	235	618	3,334	3,644	7,831	8,560
2022	263	600	3,261	3,596	7,720	8,439
2023	236	579	3,313	3,569	7,697	8,410
2024	256	577	3,235	3,395	7,463	8,141

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Beginning in fiscal 2004, ADM is limited to 1.0 ADM per student.

Note 3: ADM is weighted as follows in computing pupil units:

	Pre-Kindergarten	Handicapped Kindergarten	Kindergarten	Elementary 1-3	Elementary 4-6	Secondary
Fiscal 2009 through 2014	1.250	1.000	0.612	1.115	1.060	1.300
Fiscal 2015 through 2024	1.000	1.000	1.00	1.00	1.00	1.20

Independent School District No. 191
Expenditures per Student

Table 23

	State Average 2023	ISD No. 191 2023
Expenditures Per Student (ADM) (1)		
General Fund		
District Level Administration	$ 790	$ 676
School Level Administration	578	666
Regular Instruction	6,181	6,776
Career and Technical Instruction	207	272
Special Education	2,919	3,349
Student Activities/Athletics	422	332
Instructional Support Services	829	1,460
Pupil Support Services	560	407
Operations, Maintenance, and Other	1,189	1,381
Student Transportation	1,004	1,188
Capital Expenditures	1,053	713
Total General Fund Expenditures	$ 15,732	$ 17,220
ADM Used Per Profile Model Format		7,919

(1) Average daily membership (ADM) is a measure of student attendance

Note: School District Profiles Report not available for June 30, 2024

Source: Minnesota Department of Education School District Profiles Report – Expenditures Per Average Daily Membership (ADM) Served Plus Tuitioned Out.

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

Kennedy & Graven
CHARTERED

150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
(612) 337-9310 fax
www.kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

$____________
INDEPENDENT SCHOOL DISTRICT NO. 191
(BURNSVILLE-EAGAN-SAVAGE)
DAKOTA AND SCOTT COUNTIES, MINNESOTA
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025A

We have acted as bond counsel to Independent School District No. 191 (Burnsville-Eagan-Savage), Dakota and Scott Counties, Minnesota (the "Issuer"), in connection with the issuance by the Issuer of its General Obligation Refunding Bonds, Series 2025A (the "Bonds"), originally dated____________, 2025, and issued in the original aggregate principal amount of $________. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings, and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from ad valorem taxes levied by the Issuer on all taxable property of the Issuer, but if necessary for the payment thereof, additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations, and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such

requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

5. The resolution adopted by the School Board of the Issuer on March 27, 2025, obligates the Issuer to be bound by the provisions of Minnesota Statutes, Section 126C.55. We express no opinion as to the enforceability of the provisions of that law against the State of Minnesota (the "State") in the absence of appropriated and available funds to pay the obligations of the State thereunder.

We have not been asked and have not undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering materials relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated ________________, 2025, at Minneapolis, Minnesota.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

$______________
INDEPENDENT SCHOOL DISTRICT NO. 191
(BURNSVILLE-EAGAN-SAVAGE)
DAKOTA AND SCOTT COUNTIES, MINNESOTA
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2025A

CONTINUING DISCLOSURE CERTIFICATE

___________, 2025

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Independent School District No. 191 (Burnsville-Eagan-Savage), Dakota and Scott Counties, Minnesota (the "District"), in connection with the issuance of its General Obligation Refunding Bonds, Series 2025A (the "Bonds"), in the original aggregate principal amount of $______________. The Bonds are being issued pursuant to a resolution adopted by the School Board of the District (the "Resolution"). The Bonds are being delivered to______________ (the "Purchaser") [as syndicate manager], on the date hereof. Pursuant to the Resolution, the District has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolution, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means annual financial statements of the District, prepared in accordance with GAAP as prescribed by GASB.

"Bonds" means the General Obligation Refunding Bonds, Series 2025A, issued by the District in the original aggregate principal amount of $______________.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"District" means Independent School District No. 191 (Burnsville-Eagan-Savage), Dakota and Scott Counties, Minnesota, which is the obligated person with respect to the Bonds.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally-recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the Final Official Statement, dated____________, 2025, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the District.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

"GASB" means the Governmental Accounting Standards Board.

"Holder" means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Purchaser" means_______________[as syndicate manager].

"Repository" means EMMA, or any successor thereto designated by the SEC.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The District shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends June 30, 2025, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate, provided that the Audited Financial Statements of the District may be submitted separately from the balance of the Annual Report.

(b) If the District is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a notice of that fact to the Repository and the MSRB.

(c) The District shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. Student Body
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include the most recent Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The District shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The District shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the District shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the District's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally-recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the District shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The District's obligations under the Resolution and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally-recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolution requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the District delivers to the Repository an opinion of nationally-recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolution and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolution requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the District to the Repository of the proposed amendment and an opinion of nationally-recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

INDEPENDENT SCHOOL DISTRICT NO. 191 (BURNSVILLE-EAGAN-SAVAGE), DAKOTA AND SCOTT COUNTIES, MINNESOTA

____

Board Chair

____

Clerk

APPENDIX E

TERMS OF PROPOSAL

$33,635,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025A INDEPENDENT SCHOOL DISTRICT NO. 191 (BURNSVILLE-EAGAN-SAVAGE), MINNESOTA

Proposals for the purchase of $33,635,000* General Obligation Refunding Bonds, Series 2025A (the "Bonds") of Independent School District No. 191 (Burnsville-Eagan-Savage), Minnesota (the "District") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the District, until 9:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 9:30 A.M., Central Time, on May 15, 2025, at which time they will be opened, read and tabulated. On March 27, 2025, the School Board adopted a resolution which authorizes designated officials of the District to accept proposals on the Bonds on May 15, 2025, if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on May 15, 2025, the designated officials will not have the authority to accept a bid for the Bonds and all bids for the Bonds will be rejected. The Board will meet on May 22, 2025 at 6:30 P.M. to ratify and approve the sale of the Bonds. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the District will be accepted unless all proposals are rejected.

AUTHORITY; PURPOSE; SECURITY

The Bonds are authorized pursuant to Minnesota Statutes, Chapter 475, as amended, including Minnesota Statutes, Section 475.67, subd. 3, as amended, by the District, for the purpose of effecting a current partial refunding of certain outstanding general obligations of the District. The Bonds will be general obligations of the District for which its full faith and credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated June 12, 2025, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2026	290,000	2029	$4,090,000	2032	--
2027	4,640,000	2030	4,195,000	2033	$3,660,000
2028	5,760,000	2031	4,850,000	2034	6,150,000

ADJUSTMENT OPTION

The District reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2025, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2026 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The District has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent") and Zions Bancorporation, National Association, Chicago, Illinois, as escrow agent (the "Escrow Agent"). BTSC and Ehlers are affiliate companies. The District will pay the charges for Paying Agent and Escrow Agent services. The District reserves the right to remove the Paying Agent and/or Escrow Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the District, the Bonds maturing on or after February 1, 2034 shall be subject to optional redemption prior to maturity on February 1, 2033 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the District. If only part of the Bonds having a common maturity date are called for redemption, then the District or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about June 12, 2025, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the District will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the District, threatened. Payment for the Bonds must be received by the District at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the District ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the District; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than $33,365,920 plus accrued interest on the principal sum of $33,635,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

1) Electronically to bondsale@ehlers-inc.com; or

2) Electronically via **PARITY** in accordance with this Terms of Proposal until 9:30 A.M. Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at https://ihsmarkit.com/products/municipal-issuance.html or via telephone (844) 301-7334.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the District nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of $672,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The District reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the District may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the District as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The District and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to $250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the District scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The District's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The District reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the District requested and received a rating on the Bonds from a rating agency, the District will pay that rating fee. Any rating agency fees not requested by the District are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The District will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall not be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the District will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the District under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(1) The District shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the District may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the District shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the District agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) <u>If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule</u>, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the District promptly after the close of the fifth (5^{th}) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The District acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the District, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the District to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the School Board

Independent School District No. 191
(Burnsville-Eagan-Savage), Minnesota

PROPOSAL FORM

The School Board **May 15, 2025**
Independent School District No. 191 (Burnsville-Eagan-Savage), Minnesota (the "District")

RE: $33,635,000* General Obligation Refunding Bonds, Series 2025A (the "Bonds")
DATED: June 12, 2025

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $__________________ (not less than $33,365,920) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

________	% due	2026	________	% due	2029	--	% due	2032
________	% due	2027	________	% due	2030	________	% due	2033
________	% due	2028	________	% due	2031	________	% due	2034

The District reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2026 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of $672,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The District reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the District may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the District as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about March 7, 2024.

This proposal is subject to the District's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the District with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: _____10% test, or the _____hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: ________________________ By: ________________________
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 12, 2025 of the above proposal is $________________and the true interest cost (TIC) is __________%.

The foregoing offer is hereby accepted by and on behalf of the School Board of Independent School District No. 191 (Burnsville-Eagan-Savage), Minnesota, on May 15, 2025.

By: ________________________ By: ________________________

Title: ________________________ Title: ________________________