HASTINGS PUBLIC SCHOOLS

Independent School District No. 200 · Hastings, Minnesota









ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2026

Students are the heart of all we do

WE CARE • WE EMPOWER • WE ACHIEVE

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INDEPENDENT SCHOOL DISTRICT NO. 200
HASTINGS, MINNESOTA

Annual Comprehensive Financial Report

Year Ended
June 30, 2026

Prepared by
Business Office

Jennifer Seubert – Director of Finance and Operations

Cindy Westlund – Finance Supervisor

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INDEPENDENT SCHOOL DISTRICT NO. 200

Table of Contents

	Page
SECTION I – INTRODUCTORY SECTION	
Letter of Transmittal	11–15
ASBO Certificate of Excellence in Financial Reporting	16
Organizational Chart	17
School Board and Administration	18
Map of School District	19
SECTION II – FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	23–25
MANAGEMENT'S DISCUSSION AND ANALYSIS	27–39
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	42
Statement of Activities	43
Fund Financial Statements	
Governmental Funds	
Balance Sheet	44–45
Reconciliation of the Balance Sheet to the Statement of Net Position	47
Statement of Revenue, Expenditures, and Changes in Fund Balances	48–49
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	51
Proprietary Funds	
Internal Service Funds	
Statement of Fund Net Position	52
Statement of Revenue, Expenses, and Changes in Fund Net Position	53
Statement of Cash Flows	55
Fiduciary Funds	
Statement of Fiduciary Net Position	56
Statement of Changes in Fiduciary Net Position	56
Notes to Basic Financial Statements	57–92

Table of Contents (continued)

	Page
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule	
General Fund	94
Notes to Budgetary Comparison Schedule	95
Public Employees Retirement Association Pension Benefits Plan	
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability	96
Schedule of District Contributions	96
Teachers Retirement Association Pension Benefits Plan	
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability	97
Schedule of District Contributions	97
Pension Benefits Plan	
Schedule of Changes in the District's Total Pension Liability and Related Ratios	98–99
Other Post-Employment Benefits Plan	
Schedule of Changes in the District's Net OPEB Liability and Related Ratios	100–101
Schedule of Investment Returns	102
Notes to Other Required Supplementary Information	103–111
SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds	115
Nonmajor Governmental Funds	
Combining Balance Sheet	116
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	117
General Fund	
Comparative Balance Sheet	118
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	119–121
Food Service Special Revenue Fund	
Comparative Balance Sheet	122
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	123
Community Service Special Revenue Fund	
Comparative Balance Sheet	124
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	125
Capital Projects – Building Construction Fund	
Comparative Balance Sheet	126
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	127
Debt Service Fund	
Comparative Balance Sheet	128
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual	129
Proprietary Funds	
Internal Service Funds	
Combining Statement of Fund Net Position	132
Combining Statement of Revenue, Expenses, and Changes in Fund Net Position	133
Combining Statement of Cash Flows	134

Table of Contents (continued)

	Page
SECTION III – STATISTICAL SECTION (UNAUDITED)	
Net Position by Component	138–139
Changes in Net Position	140–141
Governmental Activities Tax Revenues by Source and Levy Type	143
Fund Balances of Governmental Funds	144–145
Changes in Fund Balances of Governmental Funds	146–147
General Governmental Tax Revenues by Source and Levy Type	149
Tax Capacities and Market Values	150–151
Property Tax Rates – Direct and Overlapping Governments	152
Principal Taxpayers	153
Property Tax Levies, Collections, and Receivables	154–155
Ratios of Outstanding Debt by Type	156
Ratio of Net General Obligation Bonded Debt to Market Value and Net General Obligation Bonded Debt per Capita	157
Direct and Overlapping Debt	159
Legal Debt Margin Information	160–161
Demographic and Economic Statistics	162
Principal Employers	163
Employees by Classification	164–165
Operating Indicators by Function – Standardized Testing Rates	166–167
School Facilities	169
Food Service – School Lunch Program Data	170–171
Expenditures per Student (Average Daily Membership)	172–173
Student Enrollment	174

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INTRODUCTORY SECTION

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BRIDGE TO SUCCESS

Hastings Public Schools
INDEPENDENT SCHOOL DISTRICT 200
1000 11TH STREET WEST
HASTINGS, MN 55033-2597
Phone (651) 480-7000
Fax (651) 480-7004

November 2, 2026

To: Board of Education
Citizens of Hastings Public Schools
Employees of the School District

INTRODUCTION

The Annual Comprehensive Financial Report (ACFR) for Independent School District No. 200 (the District) is hereby submitted for the fiscal year ended June 30, 2026. The District's management assumes full responsibility for the completeness and accuracy of the information presented herein and believes it fairly represents the District's financial position and results of operation.

The financial statements contained in this report disclose the financial position of the District as of June 30, 2026, and the financial operation for the fiscal year then ended. The District's financial records and reports are maintained and prepared in accordance with the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and in accordance with accounting principles generally accepted in the United States of America (GAAP).

The District financial statements have been audited by LB Carlson, LLP, Certified Public Accountants. The independent auditor's report is included in the financial section of this report. The auditors have given this report an unmodified ("clean") opinion, meaning that the financial statements fairly present the District's financial position on June 30, 2026, and the changes in financial position for the year then ended. The independent auditor's report is located at the beginning of the financial section of this ACFR.

In addition to the independent audit of the District's financial statements, the District is required to undergo an annual federal 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 internal controls and legal requirements involving the administration of federal awards. The requirements for the annual Single Audit for the District are reported in a separate document.

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

REPORT FORMAT

The ACFR is presented in three sections:

- **Introductory Section** – The introductory section includes this letter of transmittal, ASBO's Certificate of Excellence in Financial Reporting, an organizational chart, a list of School Board members and administration personnel, and a map of the District.

- **Financial Section** – The financial section includes the independent auditor's report, MD&A, basic financial statements, required supplementary information, and supplementary information, which includes the combining and individual fund statements and schedules.

- **Statistical Section** – The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

REPORTING ENTITY AND ITS SERVICES

The legal name of the District is Independent School District No. 200, it is commonly referred to as Hastings Public Schools. The financial reporting entity includes all funds of the District. Component units are legally separate entities for which the District is financially accountable. There are no organizations considered to be component units of the District.

The District provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through Grade 12+. These include regular and enriched academic programs, special education programs, and career and technical education. Food service and transportation are provided as supporting programs. The District's community education program includes early childhood and extended day programs, along with classes for lifelong learning experiences for children and adults.

The District serves the cities of Hampton, Hastings, Miesville, New Trier, and Vermillion and portions of Denmark, Douglas, Hampton, Marshan, Nininger, Ravenna, and Vermillion townships. While most of the District is in Dakota County, parts of the District are in Washington and Goodhue Counties. The District encompasses over 170 square miles, with a resident population of 22,610.

With approximately 550 staff in total, the District is one of the major employers in the area. During the 2025–2026 school year, the District operated 6 buildings, including 1 high school (with an alternative learning program and an online high school), 1 middle school/district service center, 3 elementary schools, and an early childhood/senior center. The average age of the District's buildings is approximately 38 years.

The District is required to adopt an initial budget for the fiscal year no later than June 30th preceding the beginning of the fiscal year on July 1st. This annual budget serves as the foundation for the District's financial planning and controls.

LOCAL ECONOMIC CONDITION AND OUTLOOK

The District is located within Dakota County, part of the Minneapolis-St. Paul metropolitan area. The per capita personal income for the City of Hastings was $92,524, and the unemployment rate was 3.8 percent—both indicators that reflect economic stability and a favorable labor market.

The taxable market value of property within the District continues to increase. Referendum market values increased by about 3.7 percent for taxes payable 2025 to taxes payable 2026, reflecting an increase of roughly $180 million.

The District maintains a strong Aa3 bond rating, signifying high quality with very low credit risk based on its fiscally responsible management and healthy tax base.

The District continues to experience declining enrollment, and current projections indicate this trend will persist. Based on the District's October 2026 enrollment forecast, adjusted pupil units are projected to decline from 4,272 in 2025–2026 to 4,211 in 2026–2027 and 3,888 by 2032–2033, a cumulative decrease of approximately 8.9 percent. These figures represent adjusted pupil units used for funding purposes rather than an unduplicated student headcount. As enrollment is a significant driver of state education revenue, the anticipated decline presents an ongoing financial challenge. Through its long-term financial planning process, the District will continue to evaluate enrollment trends, staffing levels, program offerings, and operational expenditures to ensure financial resources are aligned with student needs and strategic priorities.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The District is committed to responsible financial management and long-range planning that aligns resources with its mission and strategic priorities. As of June 30, 2026, the District's General Fund unassigned fund balance was 28.2 percent of fiscal 2026 actual expenditures, well above the School Board's minimum policy target of 16.7 percent, ensuring the District's continued financial strength and stability. The District receives $1,721 per pupil through voter-approved operating referendum and local optional revenue.

In November 2023, voters approved a $2 million technology levy to provide funds for district technology, including the acquisition, installation, replacement, support and maintenance of software, software licenses, computers, technology infrastructure and equipment, technology systems related to security and operations, and to pay the costs of technology related personnel and training.

The District relies heavily on funding mechanisms established by the State of Minnesota, including education aids and authorized local property tax levies. In recent years, increases in education funding have not consistently kept pace with rising instructional and operational costs. The District continues to monitor revenues and expenditures, evaluate opportunities for operational efficiencies, and maintain appropriate financial reserves to support long-term fiscal stability while meeting the educational needs of students.

The Superintendent and Director of Finance and Operations established a shared goal to strengthen the District's long-term financial planning and enhance transparency with stakeholders. As a result, the District's Cabinet team collaboratively developed and implemented a comprehensive long-term financial plan organized into five major categories: Facilities, Teaching and Learning, Athletics/Activities, Technology, and Other. The plan serves as an ongoing financial management tool, allowing District leadership to monitor anticipated expenditures, evaluate emerging needs, and make informed decisions throughout the year.

The Superintendent's cabinet team regularly reviews and updates the plan to ensure financial resources remain aligned with the District's strategic priorities. The plan is also presented annually to the School Board and public, promoting transparency and providing a broader understanding of the District's anticipated financial commitments. In addition, the District continues to conduct semiannual budget reviews with all budget managers to monitor financial performance, assess spending trends, and support responsible stewardship of District resources.

In June 2025, the School Board approved the 2025–2027 Strategic Plan that outlines the District's mission, vision, core values, and core pillars & strategic anchors.

They are as follows:

The District's mission – We Care, We Empower, We Achieve – guides its daily work, with students at the heart of all decisions. This plan ensures that financial and operational strategies are aligned with the District's core purpose, values, and vision to be a safe, welcoming, student-centered home focused on academics, growth, engagement, and excellence.

The District's vision – Hastings Public Schools is a safe, welcoming, student-centered home for families. We are focused on academics, growth, engagement, and excellence to develop lifelong learners who are college and career-ready.

Core Values:

- Compassion and Respect
- Innovation
- Voice and Choice
- Partnership
- Equity

Core Pillars & Strategic Anchors

- Academic Excellence
- Equity and Belonging
- Safe, Supportive and Engaging Environments
- Staff Empowerment and Retention
- Effective and Responsive Operations

FINANCIAL AND BUDGETARY CONTROL

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and with Minnesota Uniform Financial Accounting and Reporting Standards. The internal control framework is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management. The District has established a system of internal controls that provides reasonable assurance that assets are safeguarded from misuse or losses. We believe that the District's internal accounting controls adequately safeguards assets and provides reasonable assurance for proper recording of financial transactions.

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 serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The Superintendent and Director of Finance & Operations are authorized to make financial commitments within budgetary guidelines.

Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line item budgets when issued. Specific expenditure, revenue and detail transaction reports are available for individuals with budget responsibilities. Ongoing budget 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 process includes estimates of revenues and expenditures based upon agreed assumptions. The staffing allocation formulas are determined based on School Board approved ratios and available resources to accomplish the District's goals. The budget is adopted in June of each year and revised once (at a minimum) during the fiscal year of its implementation.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

RELEVANT FINANCIAL POLICIES

The District has adopted comprehensive financial policies that ensure fiscal stability and guide sound decision-making. These policies have ensured the financial stability of the District as well as provided guidance for current and future financial decisions.

The District has a number of financial policies that align with state statutes.

One of the District's most important finance policies is the District's Fund Balance Policy. This policy not only ensures the District maintains sufficient funds but assists in important financial decisions. The District's Fund Balance Policy currently states:

The school district will strive to maintain a minimum fund balance of:

A. General Fund Unassigned Fund Balance – 2 months operating expenses
B. Food Service Fund $100,000
C. Community Service Fund $100,000

CERTIFICATE OF EXCELLENCE

The District was awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) International for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This recognition was particularly meaningful as it was achieved with the District's first submission to the program. The award reflects the District's commitment to financial transparency, accountability, and high-quality financial reporting. The District remains dedicated to maintaining these standards and will submit its fiscal year 2026 ACFR for consideration for continued recognition through the Certificate of Excellence program.

ACKNOWLEDGEMENTS

The preparation of this ACFR reflects the dedication of the District's Finance Department and collaboration across several other departments. We extend our appreciation to the School Board for its leadership and to the many departments who contributed their time and expertise to this process.

Sincerely,

Jennifer Seubert

Jennifer Seubert
Director of Finance and Operations

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Independent School District 200 - Hastings Public Schools

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

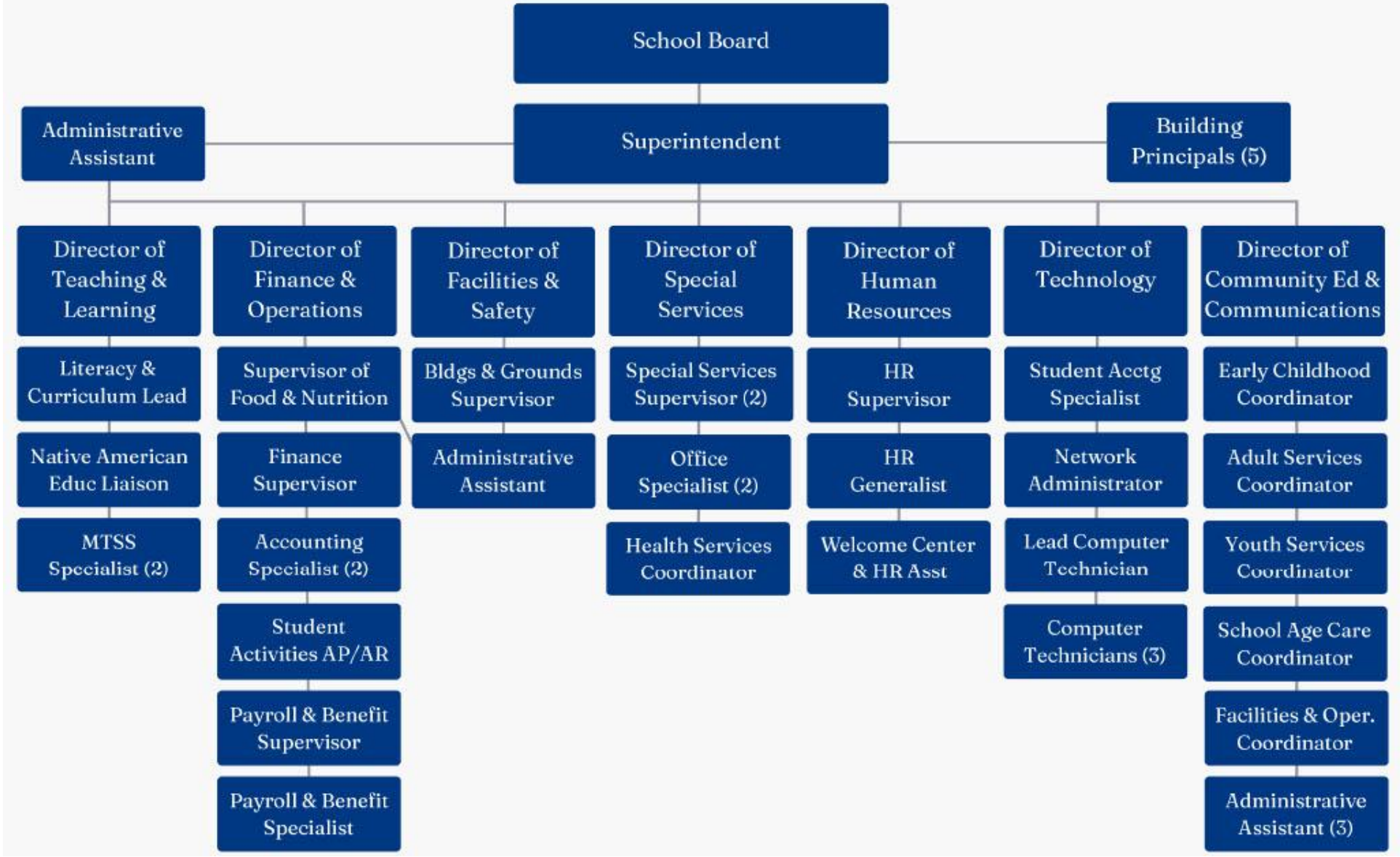
The district report meets the criteria established for ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Lynn Knight
President

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

Organizational Chart



INDEPENDENT SCHOOL DISTRICT NO. 200

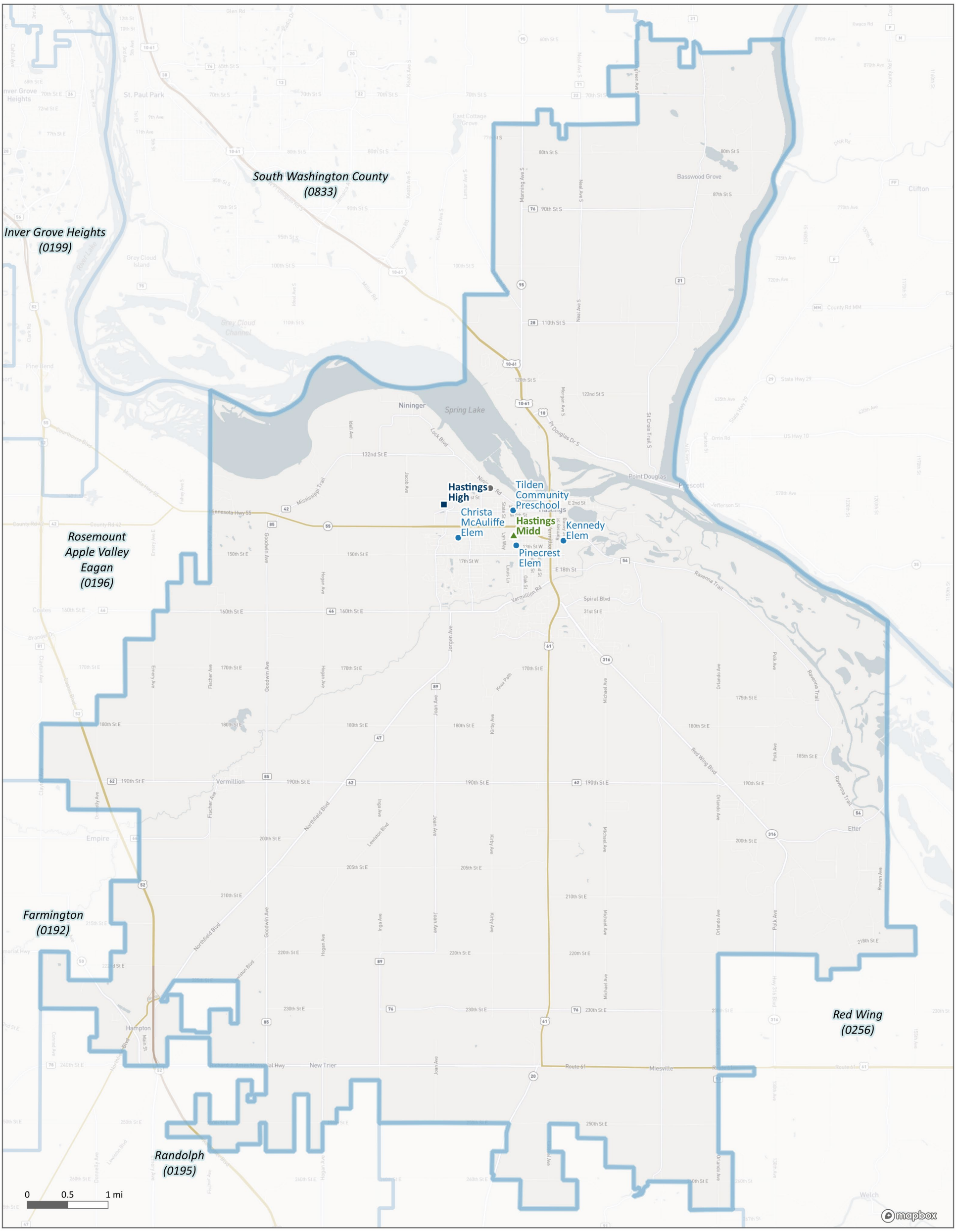
School Board and Administration
Year Ended June 30, 2026

SCHOOL BOARD

	Board Position
Carrie Tate	Chairperson
Jessica Dressely	Vice Chairperson
Melissa Millner	Clerk
Mark Zuzek	Treasurer
Philip Biermaier	Director
Matt Bruns	Director
Elaine Mikel-Mulder	Director

ADMINISTRATION

Kristine Wehrkamp Herman	Superintendent
Andrew Hodges	Director of Teaching and Learning
Jennifer Seubert	Director of Finance and Operations
Scott Stockdale	Director of Facilities and Safety
Deanna Gronseth	Director of Special Services
Cathy Moen	Director of Human Resources
Tim Buchin	Director of Technology
Kari Gorr	Director of Community Education and Communications



Hastings Public School District (0200-01)

District Boundaries and Program Locations

For a listing of public school programs within this school district, go to page 3. See page 2 for an additional map of specific attendance areas.

This map is intended to display a single public school district and the pertinent public school locations. School locations are labeled if they are classified as elementary, middle, or high schools. The school district boundary appearing on the map does not necessarily represent the legal boundary of the district. It is a generalization of the boundary maintained by the Department of Education, based on land parcel information from Minnesota counties. Please contact your county auditor or assessor to obtain an accurate legal description of the boundary.

Liability Statement
The Minnesota Department of Education (MDE) does not warranty the results you may obtain by using this map. It is provided without express or implied warranties, including warranties of merchantability and fitness. In no event will MDE be liable for any consequential, incidental, or special damages, including any lost profits or lost savings, even if an MDE representative has been advised of the possibility of such damages or any other claim by any third party.

Created using QGIS Geographic Information System by the Open Source Geospatial Foundation Project.
Basemap Credits: © Mapbox, © OpenStreetMap.

For assistance with this map, contact:
Mike Dolbow : mike.dolbow@state.mn.us
Jake Stark : jake.stark@state.mn.us

MN Department of Education
400 NE Stinson Blvd.
Minneapolis, MN, 55413
Last updated: 2024-12-04

Map Information

Public School Programs

- Elementary
- Middle and Junior High
- Secondary
- Other

DEPARTMENT OF EDUCATION

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FINANCIAL SECTION

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LB | CARLSON

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 200
Hastings, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 200 (the District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

(continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

(continued)

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

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

PRIOR YEAR COMPARATIVE INFORMATION

We have previously audited the District's 2025 financial statements and expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 28, 2025. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota

November 2, 2026

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The purpose of this Management's Discussion and Analysis (MD&A) is to help the citizens, taxpayers, and other stakeholders of Independent School District No. 200's (the District) understand what the basic financial statements in this Annual Comprehensive Financial Report (ACFR) say about the District's financial health as of the current year-end and why it changed since last year. It contains information drawn from the basic financial statements, with accompanying explanations provided by management based on its knowledge of the District's finances. We encourage readers to consider the information presented here in conjunction with the other components of the District's ACFR, including the letter of transmittal located in the introductory section.

If you have questions about this report, or need additional financial information, contact the District's Finance and Operations Office at jseubert@isd200.org or 651-480-7005.

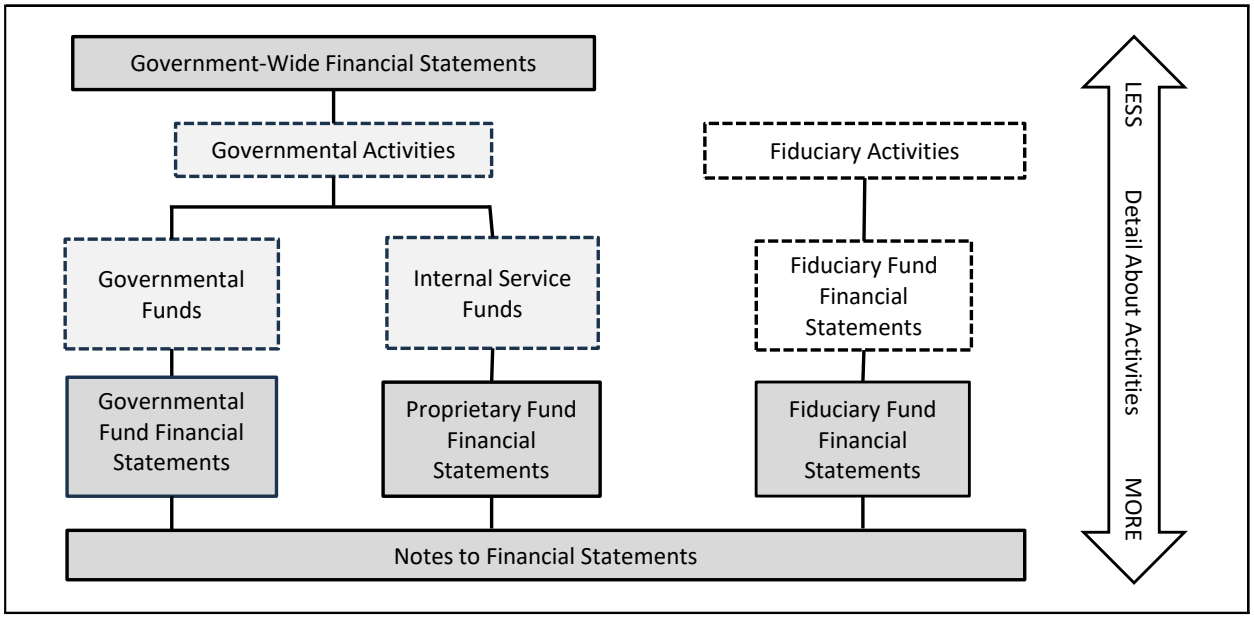
OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements consist of the following three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information, which further explains and supports the information in the basic financial statements.

CONTENTS OF THE BASIC FINANCIAL STATEMENTS

The basic financial statements present the District's finances at both an overall and a detailed level. See Figure A below:

Figure A – Contents of the Basic Financial Statements



The first two basic financial statements are the *government-wide financial statements* (Statement of Net Position and Statement of Activities), which report information about the District as a whole. In the government-wide financial statements, the District's activities are all shown in one category titled "governmental activities." These activities, including regular and special education instruction, transportation, administration, food services, and community education, are primarily financed with state aid and property taxes.

The remaining basic financial statements present the District's finances in greater detail and include fiduciary activities. The *fund financial statements* disaggregate financial information into separate funds to report on the specific purpose for which resources are used or restricted, focusing on its most significant or "major" funds. Funds (Food Service Special Revenue and Community Service Special Revenue) that do not meet the threshold to be classified as major funds are called "nonmajor" funds and presented in a single column in the basic financial statements. Detailed financial information for nonmajor funds can be found in the supplementary information section.

Minnesota schools must establish funds within the guidelines of the state's Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America.

The District reports three types of funds:

Governmental Funds – The governmental fund financial statements report all governmental activities of the District except those that involve providing services to its own departments or functions. In addition to the District's main operating fund – the General Fund – these financial statements include: a capital projects fund to account for debt proceeds or tax levies used for the acquisition, construction, or improvement of facilities and infrastructure; a debt service fund to account for resources accumulated to repay outstanding bonds and certain other debt; and (nonmajor) special revenue funds to track restricted resources supporting the District's child nutrition and community service programs.

Proprietary Funds – Proprietary fund financial statements report services provided to the District's own departments or functions. The District maintains internal service funds to account for its self-insured dental and health benefits activities. These services are included within governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary fund financial statements report resources held for others for which the District acts as a trustee or custodian, including the District's Post-Employment Benefits Trust Fund. The resources in fiduciary funds do not belong to the District and cannot be used to support the basic services it provides, which is why they are excluded from the government-wide financial statements.

The last component of the basic financial statements contains *notes to basic financial statements*, which delve deeper into the District's finances as reported in the financial statements. The information in the notes is important to gain a full understanding of the District's finances. The notes: 1) present information in greater detail than is possible within the financial statements themselves, 2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and 3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

TYPES OF INFORMATION IN THE BASIC FINANCIAL STATEMENTS

Figure B – Information Reported in the Basic Financial Statements

	Financial Statements			
	Government-Wide	Proprietary Fund	Fiduciary Fund	Governmental Fund
Types of Assets and Liabilities	All assets and liabilities, both financial and nonfinancial, short-term and long-term			Only current financial resources, such as cash, current receivables, and current payables
Types of Revenues/Additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received			Only revenues that are measurable and available to finance expenditures of that year
Types of Expenses/Deductions/Expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid			Only expenditures for which the related governmental fund liability is incurred in that year
Types of Deferred Outflows/Inflows of Resources	All types of resources that flow into and out of the government during the year that relate to a future year			Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

All of the District's financial statements, except for the governmental fund financial statements, use the *economic resources measurement focus* and *accrual basis of accounting.* In other words, they comprehensively report all types of financial statement elements:

- *Assets* – Resources the District controls, including short-term assets like cash to long-term assets like buildings and infrastructure.
- *Liabilities* – Amounts the District owes, including short-term liabilities like salaries payable and long-term liabilities like outstanding debt or future employee pension benefits.
- *Deferred outflows/inflows of resources* – Flows that occurred during the year, or in prior years, that will not be reported as revenues or expenses until the future year to which they are related.
- *Revenues and expenses* – Inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the *current financial resources measurement focus* and *modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. Governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as outstanding general obligation bonds. They do, however, report the flows of current financial resources related to these long-term items, such as the proceeds from issuing bonds or selling equipment, and expenditures for bond principal and interest payments or to acquire capital assets. Because this information does not encompass the additional long-term focus of the government-wide financial statements, reconciliation schedules are provided immediately following the governmental fund financial statements to explain the relationship (or differences) between these two types of financial statement presentations.

ANALYSIS OF THE DISTRICT'S FINANCES

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

Table 1
Summary Statement of Net Position
as of June 30, 2026 and 2025

	Governmental Activities		Percentage
	2026	2025	Change
Assets			
Current and other assets	$ 76,110,695	$ 73,712,000	3.3 %
Capital assets, net	85,723,761	90,214,686	(5.0) %
Total assets	$ 161,834,456	$ 163,926,686	(1.3) %
Deferred outflows of resources	$ 6,430,735	$ 7,692,554	(16.4) %
Liabilities			
Current and other liabilities	$ 7,488,023	$ 7,366,311	1.7 %
Long-term liabilities	87,633,540	93,865,753	(6.6) %
Total liabilities	$ 95,121,563	$ 101,232,064	(6.0) %
Deferred inflows of resources	$ 31,547,170	$ 32,368,533	(2.5) %
Net position			
Net investment in capital assets	$ 34,104,240	$ 35,952,459	(5.1) %
Restricted	17,119,560	15,783,918	8.5 %
Unrestricted	(9,627,342)	(13,717,734)	29.8 %
Total net position	$ 41,596,458	$ 38,018,643	9.4 %

Current and other assets were higher than last year, with increases in cash and temporary investments resulting from the District's positive operations in the current year. Depreciation exceeded capital additions accounting for the reduction in net capital assets. Scheduled payments on outstanding debt financing reduced long-term liabilities compared to the prior year. Changes in the District's proportionate share of the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA) state-wide pension plans contributed to the differences in deferred outflows and inflows of resources, long-term liabilities, and unrestricted net position.

Total net position improved by $3,577,815 in the current year. The change in the District's net investment in capital assets is dependent on the relationship between the rate at which the District is adding additional capital assets, the rate capital assets are being depreciated and amortized, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. Restricted net position increased over the prior year in several areas including amounts restricted for capital asset acquisition, community service and other funding purposes. The change in unrestricted net position was largely due to the financial operations of the General Fund, discussed later.

Table 2 presents a condensed version of the Change in Net Position of the District:

Table 2
Change in Net Position
as of June 30, 2026 and 2025

	Governmental Activities		Percentage
	2026	2025	Change
Revenues			
Program revenues			
Charges for services	$ 3,530,997	$ 3,472,487	1.7 %
Operating grants and contributions	22,811,980	24,061,833	(5.2)
Capital grants and contributions	354,152	418,446	(15.4)
General revenues			
Property taxes	21,009,452	21,065,225	(0.3)
General grants and aids	31,202,866	31,772,256	(1.8)
Other	2,997,621	3,831,519	(21.8)
Total revenues	81,907,068	84,621,766	(3.2)
Expenses			
Administration	2,240,448	2,180,639	2.7
District support services	2,980,165	2,980,748	(0.0)
Elementary and secondary regular instruction	29,062,407	27,337,365	6.3
Vocational education instruction	945,552	858,498	10.1
Special education instruction	12,723,859	12,112,370	5.0
Instructional support services	2,935,424	3,340,031	(12.1)
Pupil support services	8,974,641	8,814,234	1.8
Sites and buildings	10,077,811	9,817,512	2.7
Fiscal and other fixed cost programs	607,426	556,299	9.2
Food service	3,359,117	3,252,291	3.3
Community service	2,576,696	2,838,639	(9.2)
Interest and fiscal charges	1,845,707	2,109,664	(12.5)
Total expenses	78,329,253	76,198,290	2.8
Change in net position	3,577,815	8,423,476	(57.5)
Net position – beginning	38,018,643	29,595,167	28.5
Net position – ending	$ 41,596,458	$ 38,018,643	9.4

Governmental activities revenues exceeded expenses in the current year, resulting in an increase of $3,577,815 in total net position. Revenues were down from the prior year while expenses were up, with revenues decreasing by $2,714,698 (3.2 percent) and expenses increasing by $2,130,963 (2.8 percent).

The primary factors affecting the current year's change in net position and the change in activity compared to the prior year included:

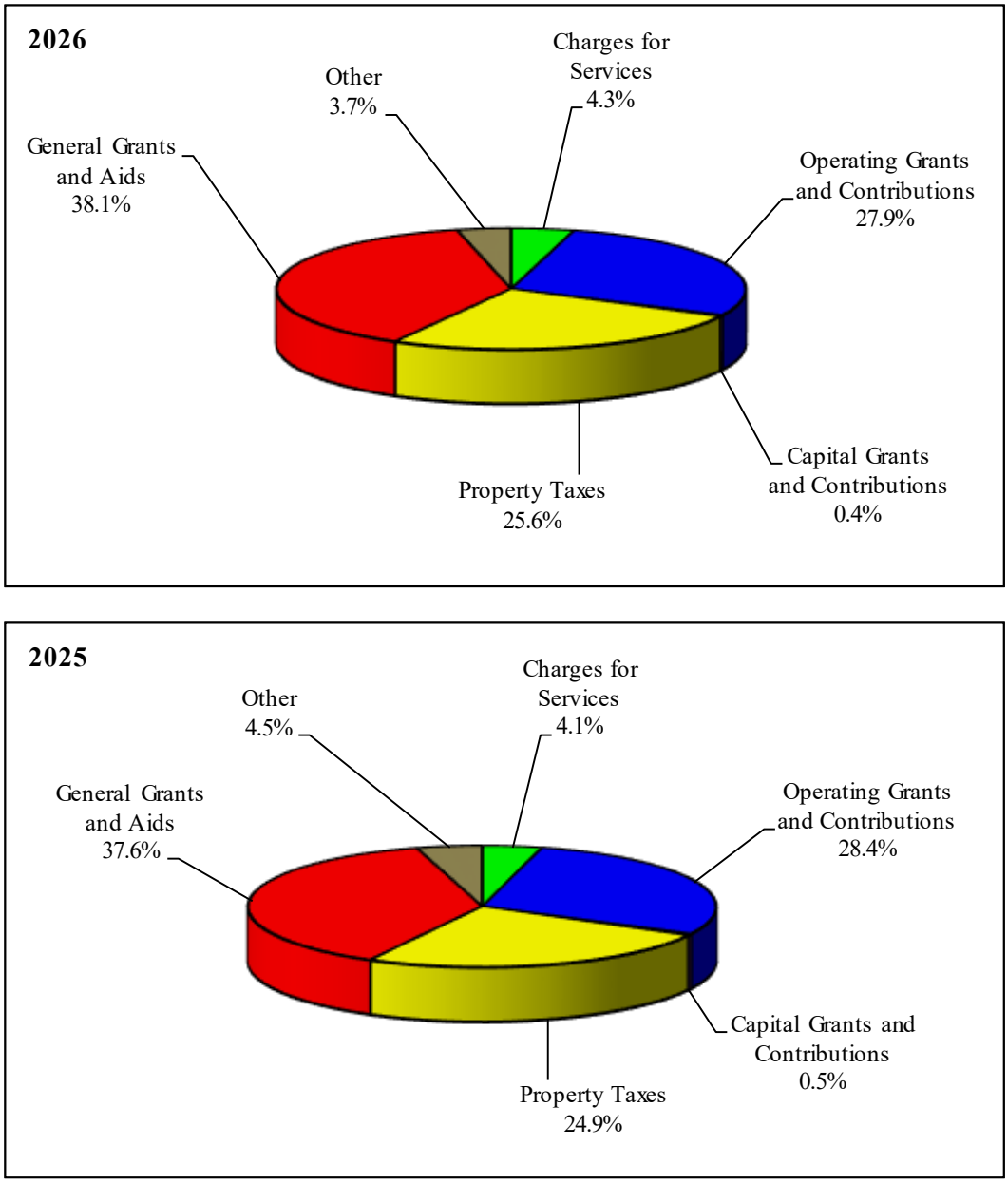
Revenues

- Operating grants and contributions and general grants and aids were both down in the current year. This was due to several one-time funding sources for solar power improvements and categorical funding categories in the prior year.
- Other general revenues were down with reduced investment earnings from a temporary debt refunding escrow that was paid out and closed in the prior year.

Expenses

- Contractual improvements negotiated for salaries and related benefits increased spending with the largest changes occurring in elementary and secondary regular instruction and in special education instruction.
- Instructional support services reported less spending compared to the prior year due to one-time program funding which was unavailable in the current year.

Figure C – Governmental Activities Revenue by Source – Fiscal Years 2026 and 2025

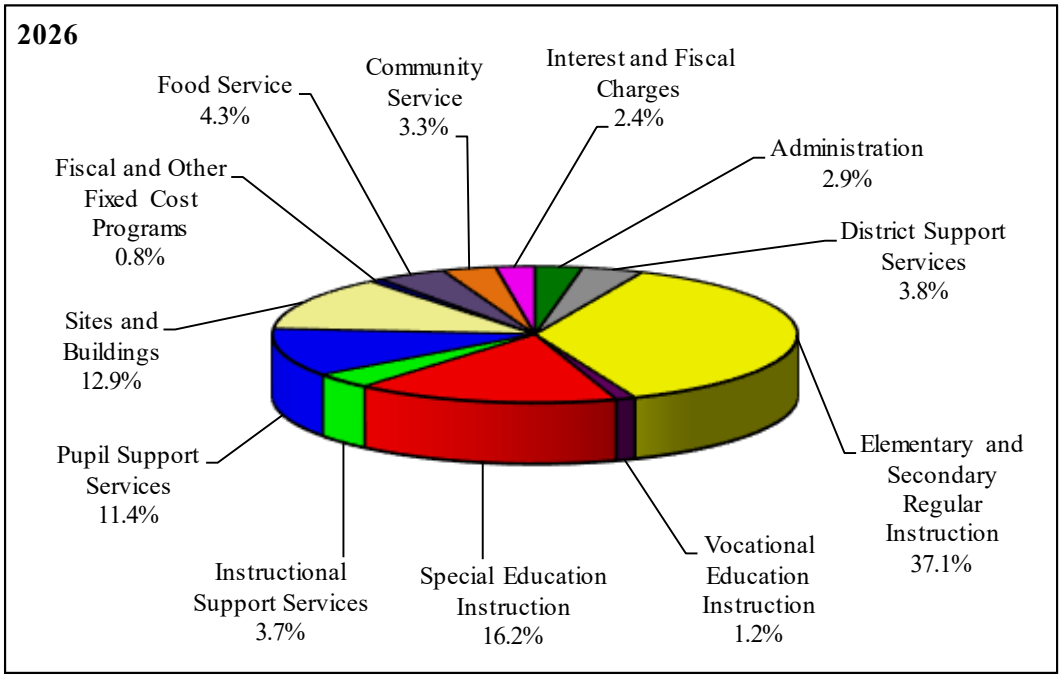


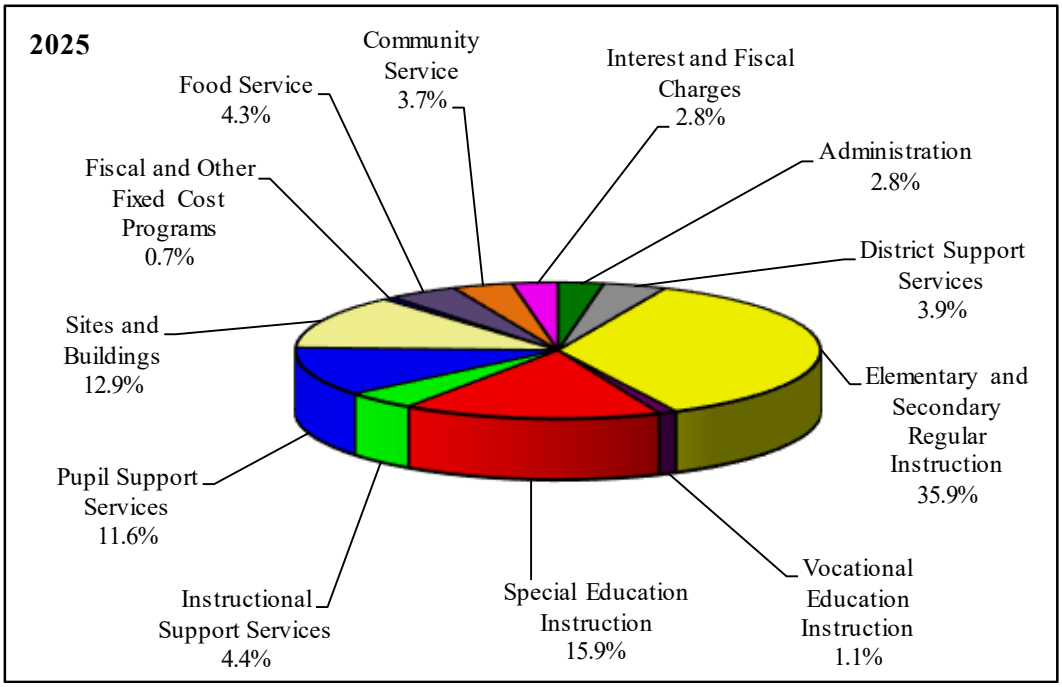
The largest share of the District's revenue is received from the state, including the majority of both the general grants and aids and the operating grants and contributions as shown in Figure C above.

Property taxes are generally the next largest source of funding. The level of funding property tax sources provide is not only dependent on taxpayers of the District by way of operating and building referenda, but also on legislative decisions impacting the mix of state aid and local effort in a variety of funding formulas. Current year property tax revenue provided a slightly higher percentage of total revenue than the prior year.

As seen in the above graphs, the split of revenues by source remained consistent between the two fiscal years shown. "Other" sources were down in amount and percentage of the total revenue compared to the prior year. A decrease in investment earnings caused by less favorable interest rates and market conditions was the primary factor behind the decline in the "other" revenue category, along with the closure of a debt escrow in the prior year.

Figure D – Governmental Activities Expenses by Function – Fiscal Years 2026 and 2025





The District's expenses are predominately related to educating students. The majority of the District's expenses were in categories directly related to providing instruction, which includes: elementary and secondary regular instruction, vocational education instruction, special education instruction, and instructional support services. The remaining programs support instruction and other necessary costs to operate the District.

The split of spending by program category remained consistent to the prior year as seen in the above graphs.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District reports three individual major funds in the governmental fund financial statements, the General, Capital Projects – Building Construction, and Debt Service Funds. Most of the previous discussion regarding the governmental activities is also applicable to the finances of the governmental funds. However, certain factors relevant to the District's current financial health are more apparent in the fund financial statements.

Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective. Table 3 shows the changes in the fund balances of the District's governmental funds:

Table 3
Governmental Fund Balances
as of June 30, 2026 and 2025

	2026	2025	Change
Major funds			
General	$ 38,939,108	$ 36,293,874	$ 2,645,234
Capital Projects – Building Construction	327,050	548,602	(221,552)
Debt Service	1,453,059	1,475,015	(21,956)
Nonmajor funds	782,590	893,609	(111,019)
Total governmental funds	$ 41,501,807	$ 39,211,100	$ 2,290,707

On June 30, 2026, the District's governmental funds reported combined fund balances of $41,501,807, an increase of $2,290,707 in comparison with the prior year. Current year activity in the General Fund was the driving factor for the overall increase.

Unassigned fund balance at year-end was $19,083,087, which is available for spending at the District's discretion. The remainder of the fund balance is either: 1) nonspendable (not in spendable form) – $342,851, 2) externally restricted for particular purposes – $16,603,627, 3) committed for particular purposes – $809,622, or 4) internally assigned for particular purposes – $4,662,620.

Table 4 and the following discussion provides more detail of the fund balance changes of the major funds:

Table 4
Revenues, Expenditures, and Changes in Fund Balances – Major Governmental Funds
Year Ended June 30, 2026 and 2025

	General Fund		Capital Projects – Building Construction Fund		Debt Service Fund	
	2026	2025	2026	2025	2026	2025
Total revenues	$ 70,933,054	$ 71,921,792	$ 20,176	$ 58,385	$ 4,664,569	$ 5,515,156
Total expenditures	68,270,826	68,150,942	241,728	2,159,223	4,686,525	20,620,450
Excess (deficiency) of revenues over expenditures	2,662,228	3,770,850	(221,552)	(2,100,838)	(21,956)	(15,105,294)
Other financing sources (uses)						
Insurance recovery	–	10,531	–	–	–	–
Transfers out	(16,994)	(10,090)	–	–	–	–
Total other financing sources (uses)	(16,994)	441	–	–	–	–
Net change in fund balances	$ 2,645,234	$ 3,771,291	$ (221,552)	$ (2,100,838)	$ (21,956)	$ (15,105,294)

General Fund

The total fund balances of the General Fund increased by $2,645,234 during the current year. General Fund revenues were $988,738 less than the prior year in total, mainly with less state funding for special education and one-time funding sources for instruction purposes that were not available in the current year. The General Fund expenditures were $119,884 higher than the previous year. Most of the overall increase was due to increased salary and benefit costs for instructional programs, offset by a decrease in capital outlay with less projects in the current year.

Capital Projects – Building Construction Fund

Capital Projects – Building Construction Fund expenditures exceeded revenues by $221,552, decreasing fund balance to $327,050 at year-end. The activity in this fund is largely controlled by the long-term facility maintenance plan. Revenues and expenditures have decreased significantly in recent years with bonded projects nearing completion.

Debt Service Fund

Debt Service Fund expenditures exceeded revenues by $21,956, decreasing fund balance to $1,453,059 at year-end. The activity in this fund is largely controlled by the financing plan approved with the issuance of each individual debt obligation. Revenues decreased by $850,587 compared to last year due to a reduction in the scheduled levy and lower investment earnings with less cash held in escrow. Expenditures decreased by $15,933,925, due to the final payment made in the prior year for the 2009A Taxable School Building Bonds which required a final balloon payment by design of the debt issuance.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets

The total carrying value – original cost minus accumulated depreciation/amortization – of the District's governmental activities capital assets was $85,723,761 at year-end, which represents a net decrease of $4,490,925, or 5.0 percent, from the previous year-end.

Table 5 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation/amortization expense for fiscal years ended June 30, 2026 and 2025:

Table 5
Capital Assets
as of June 30, 2026 and 2025

	2026	2025	Change
Land	$ 4,140,377	$ 4,140,377	$ –
Construction in progress	437,220	332,672	104,548
Improvements	23,656,004	23,360,202	295,802
Buildings	135,804,272	135,383,028	421,244
Furniture and equipment	19,636,488	19,524,602	111,886
Lease – furniture and equipment	100,824	100,824	–
Less accumulated depreciation/amortization	(98,051,424)	(92,627,019)	(5,424,405)
Total	$ 85,723,761	$ 90,214,686	$ (4,490,925)
Depreciation/amortization expense	$ 6,444,632	$ 6,405,646	$ 38,986

Most of the activity in capital assets is related to the ongoing capital spending in the Capital Projects – Building Construction Fund and General Fund for the District's long-term capital and facilities maintenance program in the current year. As seen in the table above, additions to capital assets were limited in the current year, with current year depreciation/amortization expense reducing the overall net total.

Long-Term Financing Activity

The District's outstanding bonds and other long-term financing agreements totaled $51,946,571 at year-end, a decrease of $2,864,258, or 5.2 percent, from the previous year-end. Table 6 shows the components of the District's long-term financing liabilities and the change from the prior year:

Table 6
Outstanding Bonds and Other Long-Term Financing Agreements
as of June 30, 2026 and 2025

	2026	2025	Change
General obligation bonds payable	$ 66,770,000	$ 71,440,000	$ (4,670,000)
Unamortized premium/discount	(14,868,617)	(16,694,239)	1,825,622
Lease liability	45,188	65,068	(19,880)
Total	$ 51,946,571	$ 54,810,829	$ (2,864,258)

The overall decrease in long-term liabilities was due to scheduled debt service payments with no new debt issued during the year. Principal payments on outstanding debt totaled $4,689,880 during the year.

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 7). The District's applicable outstanding debt financing liability balance was well below the legal debt limit presented in the following table.

Table 7
Limitations on Debt

District's market value	$ 5,027,103,600
Limit rate	15.0%
Legal debt limit	$ 754,065,540

Additional details of the District's capital assets and long-term debt activity can be found in Notes 4 and 5 of the notes to basic financial statements, respectively.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The District is aware of the following developments that will have an impact on its finances in the future:

1) The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature increased the per pupil to the formula funding allowance by 2.7 percent for fiscal year 2027.

2) The amount of funding a district receives is also dependent on the number of students it serves, meaning attracting and retaining students is critical to the District's financial well-being. At the close of the 2026 fiscal year the District estimates an adjusted average daily membership enrollment of 3,888 students. The District continues to analyze enrollment projections to ensure a proper planning of revenues and facility needs. The District continues to experience declining enrollment, and current projections indicate this trend will persist.

3) The budget accounts for variable future financial obligations. These include potential contract settlements, projected professional services, and infrastructure costs. The initial budget adopted for fiscal year 2027 includes the projected use of $2,419,541 of fund balance, with $1,417,098 anticipated to come from unassigned fund balance.

4) The District faces future challenges associated with legislative changes and mandates. These will dictate future financial decisions as the District may need to absorb within existing resources.

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BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Net Position
as of June 30, 2026
(With Partial Comparative Information as of June 30, 2025)

	Governmental Activities	
	2026	2025
Assets		
Cash and temporary investments	$ 57,175,743	$ 53,784,190
Receivables		
Current taxes	11,180,706	11,361,286
Delinquent taxes	303,467	249,843
Accounts and interest	508,161	380,573
Due from other governmental units	5,640,733	6,528,371
Due from post-employment benefits trust	2,331	1,578
Lease revenue	201,763	213,386
Inventory	40,115	59,965
Prepaid items	302,736	725,377
Deposits	–	170,000
Net OPEB asset	754,940	237,431
Capital assets		
Not depreciated/amortized	4,577,597	4,473,049
Depreciated, net of accumulated depreciation/amortization	81,146,164	85,741,637
Total capital assets, net of accumulated depreciation/amortization	85,723,761	90,214,686
Total assets	161,834,456	163,926,686
Deferred outflows of resources		
Pension plan deferments	6,287,226	7,459,698
OPEB plan deferments	143,509	232,856
Total deferred outflows of resources	6,430,735	7,692,554
Total assets and deferred outflows of resources	$ 168,265,191	$ 171,619,240
Liabilities		
Salaries payable	$ 2,312,782	$ 2,337,461
Accounts and contracts payable	2,896,266	3,042,120
Accrued interest payable	5,125	6,333
Due to other governmental units	139,631	97,061
Unearned revenue	1,404,605	1,353,535
Severance benefits payable	26,182	45,624
Claims incurred, but not reported	703,432	484,177
Long-term liabilities		
Due within one year	5,978,202	5,904,987
Due in more than one year	81,655,338	87,960,766
Total long-term liabilities	87,633,540	93,865,753
Total liabilities	95,121,563	101,232,064
Deferred inflows of resources		
Property taxes levied for subsequent year	19,857,873	20,268,668
Lease revenue for subsequent years	201,763	213,386
Pension plan deferments	10,094,425	10,099,178
OPEB plan deferments	1,393,109	1,787,301
Total deferred inflows of resources	31,547,170	32,368,533
Net position		
Net investment in capital assets	34,104,240	35,952,459
Restricted for		
Capital asset acquisition	10,079,710	9,361,728
Debt service	1,487,293	1,500,197
Food service	394,155	673,753
Community service	566,945	347,710
Other purposes (state and other funding restrictions)	4,591,457	3,900,530
Unrestricted	(9,627,342)	(13,717,734)
Total net position	41,596,458	38,018,643
Total liabilities, deferred inflows of resources, and net position	$ 168,265,191	$ 171,619,240

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Activities
Year Ended June 30, 2026
(With Partial Comparative Information for the Year Ended June 30, 2025)

Functions/Programs	2026 Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	2026 Net (Expense) Revenue and Changes in Net Position: Governmental Activities	2025 Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities						
Administration	$ 2,240,448	$ –	$ –	$ –	$ (2,240,448)	$ (2,180,639)
District support services	2,980,165	–	747	–	(2,979,418)	(2,976,748)
Elementary and secondary regular instruction	29,062,407	821,800	5,142,363	–	(23,098,244)	(20,969,366)
Vocational education instruction	945,552	–	10,365	–	(935,187)	(847,993)
Special education instruction	12,723,859	421,442	12,823,422	–	521,005	1,556,768
Instructional support services	2,935,424	–	656,457	–	(2,278,967)	(2,657,047)
Pupil support services	8,974,641	43,950	225,445	–	(8,705,246)	(8,526,033)
Sites and buildings	10,077,811	100,511	492,015	354,152	(9,131,133)	(8,424,352)
Fiscal and other fixed cost programs	607,426	–	–	–	(607,426)	(556,299)
Food service	3,359,117	303,343	2,956,614	–	(99,160)	(63,765)
Community service	2,576,696	1,839,951	504,552	–	(232,193)	(490,386)
Interest and fiscal charges	1,845,707	–	–	–	(1,845,707)	(2,109,664)
Total governmental activities	$ 78,329,253	$ 3,530,997	$ 22,811,980	$ 354,152	(51,632,124)	(48,245,524)
General revenues						
Taxes						
Property taxes, for general purposes					16,333,371	16,256,860
Property taxes, for community service					440,653	445,377
Property taxes, for debt service					4,235,428	4,362,988
General grants and aids					31,202,866	31,772,256
Other general revenues					979,821	859,449
Investment earnings					2,017,800	2,972,070
Total general revenues					55,209,939	56,669,000
Change in net position					3,577,815	8,423,476
Net position – beginning					38,018,643	29,595,167
Net position – ending					$ 41,596,458	$ 38,018,643

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 200

Balance Sheet
Governmental Funds
as of June 30, 2026
(With Partial Comparative Information as of June 30, 2025)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds
Assets				
Cash and temporary investments	$ 44,266,581	$ 396,746	$ 3,363,188	$ 1,144,703
Receivables				
Current taxes	8,398,002	–	2,562,309	220,395
Delinquent taxes	232,990	–	63,790	6,687
Accounts and interest	432,757	–	–	29,916
Due from other governmental units	5,481,618	–	27,583	131,532
Due from other funds	2,331	–	–	–
Lease revenue	201,763	–	–	–
Inventory	–	–	–	40,115
Prepaid items	293,166	–	–	9,570
Total assets	$ 59,309,208	$ 396,746	$ 6,016,870	$ 1,582,918
Liabilities				
Salaries payable	$ 2,153,457	$ –	$ –	$ 159,325
Accounts and contracts payable	2,775,451	69,696	–	51,119
Due to other governmental units	139,631	–	–	–
Unearned revenue	11,027	–	–	174,413
Severance benefits payable	26,182	–	–	–
Total liabilities	5,105,748	69,696	–	384,857
Deferred inflows of resources				
Property taxes levied for subsequent year	14,922,074	–	4,524,452	411,347
Lease revenue for subsequent years	201,763	–	–	–
Unavailable revenue – delinquent taxes	140,515	–	39,359	4,124
Total deferred inflows of resources	15,264,352	–	4,563,811	415,471
Fund balances (deficit)				
Nonspendable	293,166	–	–	49,685
Restricted	13,916,227	327,050	1,453,059	907,291
Committed	809,622	–	–	–
Assigned	4,662,620	–	–	–
Unassigned	19,257,473	–	–	(174,386)
Total fund balances	38,939,108	327,050	1,453,059	782,590
Total liabilities, deferred inflows of resources, and fund balances	$ 59,309,208	$ 396,746	$ 6,016,870	$ 1,582,918

See notes to basic financial statements

Total Governmental Funds	
2026	2025
$ 49,171,218	$ 46,179,117
11,180,706	11,361,286
303,467	249,843
462,673	247,713
5,640,733	6,528,371
2,331	1,578
201,763	213,386
40,115	59,965
302,736	725,377
$ 67,305,742	$ 65,566,636
$ 2,312,782	$ 2,337,461
2,896,266	3,042,120
139,631	97,061
185,440	211,323
26,182	45,624
5,560,301	5,733,589
19,857,873	20,268,668
201,763	213,386
183,998	139,893
20,243,634	20,621,947
342,851	785,342
16,603,627	15,998,164
809,622	757,083
4,662,620	3,235,319
19,083,087	18,435,192
41,501,807	39,211,100
$ 67,305,742	$ 65,566,636

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INDEPENDENT SCHOOL DISTRICT NO. 200

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2026
(With Partial Comparative Information as of June 30, 2025)

	2026	2025
Total fund balances – governmental funds	$ 41,501,807	$ 39,211,100
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	183,775,185	182,841,705
Accumulated depreciation/amortization	(98,051,424)	(92,627,019)
The net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in governmental funds.	754,940	237,431
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
General obligation bonds payable	(66,770,000)	(71,440,000)
Unamortized (premium)/discount	14,868,617	16,694,239
Lease liability	(45,188)	(65,068)
Net/total pension liability	(25,145,477)	(28,324,243)
Compensated absences payable	(10,541,492)	(10,730,681)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(5,125)	(6,333)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	6,127,416	6,281,544
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	6,287,226	7,459,698
Deferred outflows of resources – OPEB plan deferments	143,509	232,856
Deferred inflows of resources – pension plan deferments	(10,094,425)	(10,099,178)
Deferred inflows of resources – OPEB plan deferments	(1,393,109)	(1,787,301)
Deferred inflows of resources – unavailable revenue – delinquent taxes	183,998	139,893
Total net position – governmental activities	$ 41,596,458	$ 38,018,643

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2026
(With Partial Comparative Information for the Year Ended June 30, 2025)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds
Revenue				
Local sources				
Property taxes	$ 16,297,928	$ –	$ 4,227,584	$ 439,835
Investment earnings	1,546,286	20,176	161,151	36,425
Other	2,367,524	–	–	2,143,294
State sources	49,256,158	–	275,834	2,240,047
Federal sources	1,465,158	–	–	1,221,119
Total revenue	70,933,054	20,176	4,664,569	6,080,720
Expenditures				
Current				
Administration	2,310,504	–	–	–
District support services	3,162,399	–	–	–
Elementary and secondary regular instruction	29,315,174	–	–	–
Vocational education instruction	961,654	–	–	–
Special education instruction	13,113,487	–	–	–
Instructional support services	3,298,411	–	–	–
Pupil support services	8,966,845	–	–	–
Sites and buildings	6,479,338	–	–	–
Fiscal and other fixed cost programs	607,426	–	–	–
Food service	–	–	–	3,425,953
Community service	30,940	–	–	2,655,380
Capital outlay	–	241,728	–	127,400
Debt service				
Principal	19,880	–	4,670,000	–
Interest and fiscal charges	4,768	–	16,525	–
Total expenditures	68,270,826	241,728	4,686,525	6,208,733
Excess (deficiency) of revenue over expenditures	2,662,228	(221,552)	(21,956)	(128,013)
Other financing sources (uses)				
Insurance recovery	–	–	–	–
Transfer in	–	–	–	16,994
Transfers out	(16,994)	–	–	–
Total other financing sources (uses)	(16,994)	–	–	16,994
Net change in fund balances	2,645,234	(221,552)	(21,956)	(111,019)
Fund balances				
Beginning of year	36,293,874	548,602	1,475,015	893,609
End of year	$ 38,939,108	$ 327,050	$ 1,453,059	$ 782,590

See notes to basic financial statements

Total Governmental Funds	
2026	2025
$ 20,965,347	$ 21,033,805
1,764,038	2,705,471
4,510,818	4,321,405
51,772,039	52,538,067
2,686,277	2,935,315
81,698,519	83,534,063
2,310,504	2,200,195
3,162,399	3,137,744
29,315,174	28,717,399
961,654	925,084
13,113,487	12,425,178
3,298,411	3,436,880
8,966,845	8,785,611
6,479,338	7,909,716
607,426	556,299
3,425,953	3,292,080
2,686,320	2,972,655
369,128	2,359,188
4,689,880	20,283,265
21,293	361,833
79,407,812	97,363,127
2,290,707	(13,829,064)
–	10,531
16,994	10,090
(16,994)	(10,090)
–	10,531
2,290,707	(13,818,533)
39,211,100	53,029,633
$ 41,501,807	$ 39,211,100

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INDEPENDENT SCHOOL DISTRICT NO. 200

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2026
(With Partial Comparative Information for the Year Ended June 30, 2025)

	2026	2025
Total net change in fund balances – governmental funds	$ 2,290,707	$(13,818,533)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation/amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	1,953,707	6,259,265
Depreciation/amortization expense	(6,444,632)	(6,405,646)
The net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in governmental funds.	517,509	237,431
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	4,670,000	20,265,000
Lease liability	19,880	18,265
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	(1,825,622)	(1,888,623)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net/total pension liability	3,178,766	9,247,567
Net OPEB liability	–	623,143
Compensated absences payable	189,189	541,528
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	1,208	140,792
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	(154,128)	742,648
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(1,172,472)	(856,726)
Deferred outflows of resources – OPEB plan deferments	(89,347)	(89,348)
Deferred inflows of resources – pension plan deferments	4,753	(6,626,079)
Deferred inflows of resources – OPEB plan deferments	394,192	1,372
Deferred inflows of resources – unavailable revenue – delinquent taxes	44,105	31,420
Change in net position – governmental activities	$ 3,577,815	$ 8,423,476

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Fund Net Position
Internal Service Funds
as of June 30, 2026
(With Partial Comparative Information as of June 30, 2025)

	2026	2025
Assets		
Current assets		
Cash and temporary investments	$ 8,004,525	$ 7,605,073
Receivables		
Accounts and interest	45,488	132,860
Deposits	–	170,000
Total current assets	8,050,013	7,907,933
Liabilities		
Current liabilities		
Unearned revenue	1,219,165	1,142,212
Claims incurred, but not reported	703,432	484,177
Total current liabilities	1,922,597	1,626,389
Net position		
Unrestricted	$ 6,127,416	$ 6,281,544

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Revenue, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2026
(With Partial Comparative Information for the Year Ended June 30, 2025)

	2026	2025
Operating revenues		
Charges for services		
Contributions from governmental funds	$ 10,698,780	$ 10,462,308
Operating expenses		
Health benefit claims	10,480,112	9,302,961
Dental benefit claims	626,558	683,298
Total operating expenses	11,106,670	9,986,259
Operating income (loss)	(407,890)	476,049
Other nonoperating revenues		
Investment earnings	253,762	266,599
Change in net position	(154,128)	742,648
Net position		
Beginning of year	6,281,544	5,538,896
End of year	$ 6,127,416	$ 6,281,544

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INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2026
(With Partial Comparative Information for the Year Ended June 30, 2025)

	2026	2025
Cash flows from operating activities		
Contributions from governmental funds	$ 10,863,105	$ 11,150,872
Payment for health claims	(10,100,167)	(9,569,287)
Payment for dental claims	(617,248)	(677,761)
Net cash flows from operating activities	145,690	903,824
Cash flows from noncapital financing activities		
Cash paid to other funds	–	(5,445)
Cash flows from investing activities		
Investment income received	253,762	266,599
Net change in cash and cash equivalents	399,452	1,164,978
Cash and cash equivalents		
Beginning of year	7,605,073	6,440,095
End of year	$ 8,004,525	$ 7,605,073
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	$ (407,890)	$ 476,049
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets and liabilities		
Accounts receivable	87,372	668,102
Deposits	170,000	–
Unearned revenue	76,953	20,462
Claims incurred, but not reported	219,255	(260,789)
Net cash flows from operating activities	$ 145,690	$ 903,824

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 200

Statement of Fiduciary Net Position
as of June 30, 2026

	Post-Employment Benefits Trust Fund
Assets	
Investments held by trustee	
State Board of Investment – external investment pool	$ 7,453,520
Liabilities	
Due to other funds	2,331
Net position	
Restricted for employee benefits	$ 7,451,189

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2026

	Post-Employment Benefits Trust Fund
Additions	
Contributions	
Employer	$ 205,587
Investment earnings	288,993
Total additions	494,580
Deductions	
Benefits and other deductions	–
Change in net position	494,580
Net position	
Beginning of year	6,956,609
End of year	$ 7,451,189

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 200 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District serves pre-kindergarten through 12th-grade students attending the District either as a resident of the District or through an open enrollment options election. It is governed by a School Board elected by voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

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

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

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

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

D. Fund Financial Statement Presentation

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

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

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

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

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

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

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

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

Description of Funds

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

Major Governmental Funds

General Fund – The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is used primarily to record financial activities of the District's child nutrition program.

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

Proprietary Funds

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

Fiduciary Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end.

Actual expenditures exceeded final appropriations in the current year by $33,783 in the Food Service Special Revenue Fund and by $175 in the Debt Service Fund. These variances were funded by revenues in excess of budget and with available fund balance.

F. Cash and Temporary Investments

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

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

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

Investments are generally stated at fair value, except for investments in certain external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less may also be reported at amortized cost. Repurchase agreement and guaranteed investment contract investments are valued on a cost-basis measure; and, therefore, are not subject to the fair value disclosure. Investment income is accrued at the Balance Sheet date.

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

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. See Note 2 for the District's recurring fair value measurements as of year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

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

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

Due from the MDE and others	$ 5,366,058
Due from other Minnesota school districts	42,205
Due from others	232,470
Total	$ 5,640,733

H. Inventories

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

I. Prepaid Items

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

J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes $775,653 of the property tax levy collectible in 2026 as revenue to the District in fiscal year 2025–2026. The remaining portion of the taxes collectible in 2026 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Lease capital assets are recorded based on the measurement of payments applicable to the lease term.

The District defines capital assets as those with an initial, individual cost of $10,000 or more, which benefit more than one fiscal year. Groups of similar assets acquired at or near the same time for a single objective, with individual acquisition costs below this threshold, are also capitalized if cost of the assets is $50,000 or more in the aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

L. Long-Term Obligations

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

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

M. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment.

Under the terms of collectively bargained contracts, eligible employees accrue vacation, sick, and other leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. The District's policy permits employees to accumulate earned but unused sick leave. Generally, all sick leave lapses when employees leave employment of the District and, upon separation from service, no monetary obligation exists. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Compensated absences are accrued when earned in the government-wide financial statements. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end, due to employee termination or similar circumstances. The liability for compensated absences includes salary-related benefits, where applicable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Severance Benefits

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

The obligation for severance payable is part of the liability for compensated absences and accrued in the financial statements as previously noted.

O. State-Wide Pension Plans

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

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

P. Other Post-Employment Benefits (OPEB) Plan

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

Q. Deferred Outflows/Inflows of Resources

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

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

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

The District reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease.

Unavailable revenue from property taxes arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available.

R. Net Position

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

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

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

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

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

S. Fund Balance Classifications

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

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

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

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

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

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

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

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

T. Use of Estimates

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

U. Risk Management and Self-Insurance

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

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

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

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

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2025	$ 16,948	$ 683,298	$ 677,761	$ 22,485
2026	$ 22,485	$ 626,558	$ 617,248	$ 31,795

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2025	$ 728,018	$ 9,302,960	$ 9,569,286	$ 461,692
2026	$ 461,692	$ 10,480,112	$ 10,270,167	$ 671,637

V. Prior Period Comparative Financial Information/Reclassification

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

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	$	703,493
Investments		63,925,770
Total deposits and investments	$	64,629,263

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

Statement of Net Position		
Cash and temporary investments	$	57,175,743
Statement of Fiduciary Net Position		
Investments held by trustee		
Post-Employment Benefits Trust Fund		7,453,520
Total deposits and investments	$	64,629,263

B. Deposits

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

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

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

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

At year-end, the bank balance of the District's deposits was $703,657. At year-end, all deposits were fully covered by federal deposit insurance, surety bonds, or collateral held by the District's agent in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

Investments	Credit Risk Rating	Credit Risk Agency	Fair Value Measurements	Maturity Duration	Total
Investment pools/mutual funds					
Minnesota School District Liquid Asset Fund	AAA	S&P	Amortized Cost	N/A	$ 20,472,250
Minnesota School District Liquid Asset Fund – Term Series	AAA	Fitch	Amortized Cost	< 1 year	36,000,000
Minnesota State Board of Investment Retirement Money Fund	N/R	N/A	Amortized Cost	N/A	7,453,520
Total investments					$ 63,925,770

N/A – Not Applicable
N/R – Not Rated

The Minnesota School District Liquid Asset Fund (MSDLAF) and the Minnesota State Board of Investment Retirement Money Fund are regulated by Minnesota Statutes and are external investment pools, which are not registered with the Securities and Exchange Commission. The District's investment in the MSDLAF and the Minnesota State Board of Investment Retirement Money Fund are measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For the MSDLAF, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the Liquid Class; the redemption notice period is 14 days for the MAX Class 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. MSDLAF Term Series investments have a maturity of 60 days to one year and early withdrawal may result in substantial early redemption penalties. For the Minnesota State Board of Investment Retirement Money Fund, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required.

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

NOTE 3 – LEASE RECEIVABLE

The District has entered into a lease receivable agreement for cell tower rental space on district property. The lease is reported using an incremental rate of 3.25 percent with a final maturity in fiscal 2037. During the current year, the District received principal and interest payments on this lease of $18,387.

NOTE 4 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized					
Land	$ 4,140,377	$ –	$ –	$ –	$ 4,140,377
Construction in progress	332,672	119,448	–	(14,900)	437,220
Total capital assets, not depreciated/amortized	4,473,049	119,448	–	(14,900)	4,577,597
Capital assets, depreciated/amortized					
Improvements	23,360,202	295,802	–	–	23,656,004
Buildings	135,383,028	571,148	(164,804)	14,900	135,804,272
Furniture and equipment	19,524,602	967,309	(855,423)	–	19,636,488
Lease – furniture and equipment	100,824	–	–	–	100,824
Total capital assets, depreciated/amortized	178,368,656	1,834,259	(1,020,227)	14,900	179,197,588
Less accumulated depreciation/amortization for					
Improvements	(12,945,501)	(1,054,842)	–	–	(14,000,343)
Buildings	(68,143,229)	(4,104,977)	164,804	–	(72,083,402)
Furniture and equipment	(11,497,960)	(1,264,648)	855,423	–	(11,907,185)
Lease – furniture and equipment	(40,329)	(20,165)	–	–	(60,494)
Total accumulated depreciation/amortization	(92,627,019)	(6,444,632)	1,020,227	–	(98,051,424)
Net capital assets, depreciated/amortized	85,741,637	(4,610,373)	–	14,900	81,146,164
Total capital assets, net	$ 90,214,686	$ (4,490,925)	$ –	$ –	$ 85,723,761

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

Administration	$ 758
District support services	107,333
Elementary and secondary regular instruction	1,536,081
Special education instruction	11,982
Instructional support services	80,298
Pupil support services	95,534
Sites and buildings	4,611,396
Community service	1,250
Total depreciation/amortization expense	$ 6,444,632

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2016A School Building Refunding Bonds	05/26/2016	2.00%	$ 1,965,000	02/01/2030	$ 615,000
2018A School Building Bonds	03/28/2018	2.37–3.93%	$ 80,080,000	02/01/2041	66,155,000
Total general obligation bonds payable					$ 66,770,000

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

With the exception of the 2018A School Building Bonds, all general obligation bonds are serial bonds, which require semiannual payments of principal and/or interest from the date the bonds were issued. The Series 2018A School Building Bonds are capital appreciation bonds, which are issued at a discount and accrete to their face value at maturity. Interest expense is recognized through the annual amortization of the discount. All debt service payments are reported as principal payments on the governmental fund financial statements.

B. Lease Liability

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

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Loffler copiers	8.50%	07/01/2023	06/01/2028	$ 45,188

C. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including pensions, OPEB, and compensated absences. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund. The District has also established a Post-Employment Benefits Trust Fund to finance OPEB obligations.

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

Pension Plans	Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	$ 3,319,737	$ 1,273,980	$ 2,137,520	$ (114,314)
State-wide, multiple-employer – TRA	21,798,339	5,013,123	7,956,864	1,549,462
Single-employer – District	27,401	123	41	(10,449)
Total	$ 25,145,477	$ 6,287,226	$ 10,094,425	$ 1,424,699

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

D. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds and lease liability are as follows:

Year Ending June 30,	General Obligation Bonds		Lease Liability	
	Principal	Interest	Principal	Interest
2027	$ 4,670,000	$ 12,300	$ 21,637	$ 3,011
2028	4,675,000	9,300	23,551	1,098
2029	4,680,000	6,300	–	–
2030	4,680,000	3,200	–	–
2031	4,685,000	–	–	–
2032–2036	23,425,000	–	–	–
2037–2041	19,955,000	–	–	–
	$ 66,770,000	$ 31,100	$ 45,188	$ 4,109

E. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
General obligation bonds payable	$ 71,440,000	$ –	$ 4,670,000	$ 66,770,000	$ 4,670,000
Unamortized premium/(discount)	(16,694,239)	–	(1,825,622)	(14,868,617)	–
Total bonds payable	54,745,761	–	2,844,378	51,901,383	4,670,000
Lease liability	65,068	–	19,880	45,188	21,637
Net/total pension liability	28,324,243	27,822,390	31,001,156	25,145,477	8,652
Compensated absences payable (1)	10,730,681	–	189,189	10,541,492	1,277,913
	$ 93,865,753	$ 27,822,390	$ 34,054,603	$ 87,633,540	$ 5,978,202

(1) The change in compensated absences is presented net.

NOTE 6 – NET POSITION/FUND BALANCES

A. Net Investment in Capital Assets

The government-wide statement of net position at year-end includes the District's net investment in capital assets calculated as follows:

Net investment in capital assets	
Capital assets	
Not depreciated/amortized	$ 4,577,597
Depreciated/amortized, net of accumulated depreciation/amortization	81,146,164
Less capital-related long-term debt outstanding – bonds	(51,901,383)
Less capital-related long-term debt outstanding – lease	(45,188)
Less capital-related payables outstanding	(69,696)
Addition for unspent proceeds	396,746
Total net investment in capital assets	$ 34,104,240

B. Governmental Fund Balance Classifications

The classifications on the following page are a breakdown of fund balance components of governmental funds, which are defined earlier in the report. When applicable, certain state funding restrictions, which have an accumulated deficit balance on June 30 are included in unassigned fund balance in the District's financial statements in accordance with accounting principles generally accepted in the United States of America. A description of these deficit balance restrictions is included herein since the District has specific authority to future resources for such deficits. Fund balance is only assigned if there is available unassigned fund balance to cover such deficits that are part of disclosure purposes only.

Minimum Fund Balance Policy – The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund and the minimum restricted fund balance for the Food Service Special Revenue Fund and Community Service Special Revenue Fund. The policy establishes that the District will strive to maintain a minimum unassigned General Fund balance of two months of operating expenditures, a minimum restricted Food Service Special Revenue Fund balance of $100,000, and a minimum restricted Community Service Special Revenue Fund balance of $100,000.

NOTE 6 – NET POSITION/FUND BALANCES (CONTINUED)

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	$ –	$ –	$ –	$ 40,115	$ 40,115
Prepaid items	293,166	–	–	9,570	302,736
Total nonspendable	293,166	–	–	49,685	342,851
Restricted					
Student activities	114,521	–	–	–	114,521
Scholarships	337,484	–	–	–	337,484
Staff development	42,146	–	–	–	42,146
Capital projects levy	18,554	–	–	–	18,554
Literacy incentive aid	360,951	–	–	–	360,951
Operating capital	4,568,546	–	–	–	4,568,546
Gifted and talented	67,273	–	–	–	67,273
Basic skills	1,713,380	–	–	–	1,713,380
Long-term facilities maintenance	5,511,164	–	–	–	5,511,164
Medical Assistance	619,258	–	–	–	619,258
Grants and donations	562,950	–	–	–	562,950
Building construction	–	327,050	–	–	327,050
Debt service	–	–	1,453,059	–	1,453,059
Food service	–	–	–	352,437	352,437
Community education programs	–	–	–	522,346	522,346
Community service	–	–	–	32,508	32,508
Total restricted	13,916,227	327,050	1,453,059	907,291	16,603,627
Committed					
Separation/retirement benefits	171,122	–	–	–	171,122
Technology	638,500	–	–	–	638,500
Total committed	809,622	–	–	–	809,622
Assigned					
Subsequent year's budget	1,417,098	–	–	–	1,417,098
Site improvements	400,000	–	–	–	400,000
Safety and security	39,185	–	–	–	39,185
Curriculum	280,768	–	–	–	280,768
Elementary STEAM	125,569	–	–	–	125,569
Future funding changes	1,300,000	–	–	–	1,300,000
Instructional coaches	900,000	–	–	–	900,000
Pathways programming	200,000	–	–	–	200,000
Total assigned	4,662,620	–	–	–	4,662,620
Unassigned					
Restricted account deficits					
Early childhood family education programs deficit	–	–	–	(125,893)	(125,893)
School readiness deficit	–	–	–	(48,493)	(48,493)
Unassigned	19,257,473	–	–	–	19,257,473
Total unassigned	19,257,473	–	–	(174,386)	19,083,087
Total	$ 38,939,108	$ 327,050	$ 1,453,059	$ 782,590	$ 41,501,807

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. Minnesota Statutes, Chapter 356 defines each plan's financial reporting requirements.

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

2. Teachers Retirement Association (TRA)

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

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul Public Schools or Minnesota State Colleges and Universities [Minnesota State]). Educators first hired by Minnesota State may elect either TRA coverage within one year of eligible employment or elect coverage through the Defined Contribution Retirement (DCR) Plan administered by Minnesota State. A teacher employed by Minnesota State and electing the DCR Plan is not a member of the TRA except for purposes of Social Security coverage.

B. Benefits Provided

1. GERF Benefits

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

The General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.20 percent of the highest average salary for each of the first 10 years of service and 1.70 percent for each additional year. Under the Level formula, General Plan members receive 1.70 percent of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.00 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and a maximum of 1.50 percent. The 2025 annual increase was 1.25 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a prorated increase.

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

(a) Normal retirement age is 65 with less than 30 years of allowable service and age 60 with 30 or more years of allowable service.

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

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

Or

For years of service prior to July 1, 2006, a Level formula of 1.70 percent per year for Coordinated members and 2.70 percent per year for Basic members is applied. For years of service July 1, 2006 and after, a Level formula of 1.90 percent per year for Coordinated members and 2.70 percent per year for Basic members applies. An early retirement reduction is applied to members retiring prior to age 65. Beginning June 30, 2025, new reduction factors will apply, including special factors for members retiring at age 60 or later with at least 30 years of service.

Tier II Benefits

Members first employed after June 30, 1989, receive only the Tier II benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed 65 effective July 1, 2024. An early retirement reduction is applied to members retiring before age-65. Beginning June 30, 2025, new reduction factors will apply, including special factors for members retiring at age 60 or later with at least 30 years of service.

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.

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employee and employer contributions. Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2026 and the District was required to contribute 7.50 percent for General Plan members. The District's contributions to the GERF for the year ended June 30, 2026, were $681,773. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the rates for employee and employer contributions. Rates for each fiscal year 2026 Coordinated Plan were 8.00 percent for the employee and 9.81 percent for the employer. Basic Plan rates were 11.50 percent for the employee and 13.00 percent for the employer. The District's contributions to the TRA for the plan's fiscal year ended June 30, 2026, were $2,664,152. The District's contributions were equal to the required contributions for each year as set by state statutes.

D. Pension Costs

1. GERF Pension Costs

At June 30, 2026, the District reported a liability of $3,319,737 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 $16.0 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled $80,082.

District's proportionate share of the net pension liability	$	3,319,737
State's proportionate share of the net pension liability associated with the District		80,082
Total	$	3,399,819

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.1002 percent at the end of the measurement period and 0.0998 percent for the beginning of the period.

For the year ended June 30, 2026, the District recognized negative pension expense of $102,030 for its proportionate share of the GERF's pension expense. The District also recognized an additional $12,284 as negative pension expense and negative grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual $16.0 million contribution.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 316,298	$ –
Changes in actuarial assumptions	79,986	763,860
Net difference between projected and actual earnings on pension plan investments	–	1,320,955
Changes in proportion	195,923	52,705
District's contributions to the GERF subsequent to the measurement date	681,773	–
Total	$ 1,273,980	$ 2,137,520

The $681,773 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2027	$ (330,279)
2028	$ (529,882)
2029	$ (449,179)
2030	$ (235,973)

2. TRA Pension Costs

At June 30, 2026, the District reported a liability of $21,798,339 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.3804 percent at the end of the measurement period and 0.3869 percent for the beginning of the period.

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

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

District's proportionate share of the net pension liability	$ 21,798,339
State's proportionate share of the net pension liability associated with the District	1,353,831
Total	$ 23,152,170

For the year ended June 30, 2026, the District recognized pension expense of $1,583,366. It also recognized $33,904 as a decrease to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2025, the state of Minnesota contributed $28.5 million to the Fund. The state of Minnesota is not included as a nonemployer contributing entity in the plan pension allocation schedules for the $28.5 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized $108,260 for the year ended June 30, 2026 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Fund.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,005,199	$ 214,083
Changes in actuarial assumptions	1,231,316	2,305,852
Net difference between projected and actual investment earnings on pension plan investments	–	4,376,982
Changes in proportion	112,456	1,059,947
District's contributions to the TRA subsequent to the measurement date	2,664,152	–
Total	$ 5,013,123	$ 7,956,864

The $2,664,152 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2027. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2027	$ 1,132,726
2028	$ (2,845,671)
2029	$ (2,564,936)
2030	$ (1,290,909)
2031	$ (39,103)

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of the PERA and the TRA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of 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 an expected long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentages 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 equity	33.50 %	5.10 %
International equity	16.50	5.30 %
Private markets	25.00	5.90 %
Fixed income	25.00	0.75 %
Total	100.00 %	

F. Actuarial Methods and Assumptions

1. GERF

The total pension liability was determined by an actuarial valuation as of June 30, 2025, using the entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.00 percent. The 7.00 percent assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00 percent is within that range.

Inflation is assumed to be 2.25 percent for the GERF Plan. Benefit increases after retirement are assumed to be 1.50 percent for the GERF Plan.

Salary growth assumptions in the GERF Plan range in annual increments from 11.50 percent after one year of service to 3.00 percent after 27 years of service.

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

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

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

2. TRA

The total pension liability in the July 1, 2025 actuarial valuation was determined using the entry-age normal method and actuarial assumptions, applied to all periods included in the measurement. Key assumptions used in the valuation of the total pension liability are as follows:

Actuarial Assumptions Used in Valuation of Total Pension Liability

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% thereafter
Cost of living adjustment	1.00% for January 2019 through January 2023, then increasing by 0.10% each year up to 1.50% annually

Mortality Assumptions Used in Valuation of Total Pension Liability

Pre-Retirement	PubT-2010(A) Employee Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Healthy Retirees	PubT-2010(A) Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.
Beneficiaries	Pub-2010(A) Contingent Survivor Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 Scale.

The following changes in plan provisions and actuarial assumptions occurred in 2025:

1. GERF

CHANGES IN PLAN PROVISIONS

- The post-retirement benefit increase formula changed to 100.00 percent of the Social Security annual increase, between 1.00 percent and 1.75 percent, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85.00 percent for the last two consecutive annual valuations or is less than 80.00 percent in the most recent actuarial valuation, the maximum is reduced to 1.50 percent. Previously, the benefit increase was 50.00 percent of the Social Security annual increase, between 1.00 percent and 1.50 percent.
- The 1.00 percent additional employer contribution is eliminated when the plan reaches 98.00 percent funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100.00 percent funded status.

CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity (CSA) loading factors increased from 15.00 percent to 19.00 percent for vested terminated members and from 3.00 percent to 44.00 percent for nonvested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25 percent to 1.50 percent.

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- Liability load for inactive nonvested members changed from 9.00 percent to 13.00 percent to and the liability load for inactive vested members changed from 7.00 percent to 6.00 percent.

G. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2025 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2025 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 rates disclosed in the preceding paragraphs, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.00%	7.00%	8.00%
District's proportionate share of the GERF net pension liability (asset)	$ 8,063,119	$ 3,319,737	$ (528,214)
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 41,117,731	$ 21,798,339	$ 5,898,602

I. Pension Plan Fiduciary Net Position

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible employees through its Pension Benefits Plan, a single-employer defined benefit plan administered by the District. All pension 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 is closed to new entrants with eligible groups requiring set hire dates in the contract to be eligible for these benefits. The plan does not issue a publicly available financial report.

These benefits are summarized as follows:

Administrator Pension Benefits – For eligible administrators (with at least 10 years of service, hired before July 1, 2009, and at least 50 years of age), the District pays a lump sum benefit equal to 80 days' pay.

Other Pension Benefits – The District offers pension benefits to certain individuals in other employee groups. Eligible employees (with at least 12 years of service and at least 55 years of age) can earn a pension benefit that differs by bargaining unit. This benefit is not available to new employees.

B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has not established a trust fund to finance these pension benefits.

C. Membership

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

Retirees and beneficiaries receiving benefits	4
Active plan members	23
Total members	27

D. Actuarial Methods and Assumptions

The District's net pension liability was measured as of June 30, 2026. The total pension liability was determined by an actuarial valuation date of July 1, 2024, using the entry-age method, and update procedures were used to roll forward the total pension liability to the measurement date. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.40%
20-year municipal bond yield	4.40%
Inflation rate	2.50%
Salary increases	Service graded table

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

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

E. Discount Rate

The discount rate used to measure the total pension liability was 4.40 percent. The District discount rate used in the prior measurement date was 4.90 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

F. Changes in the Total Pension Liability

	Total Pension Liability
Beginning balance	$ 51,363
Changes for the year	
Service cost	1,617
Interest	1,924
Assumption changes	246
Benefit payments	(27,749)
Total net changes	(23,962)
Ending balance	$ 27,401

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 4.90 percent to 4.40 percent.

G. Total Pension Liability Sensitivity to Discount Rate Changes

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Pension discount rate	3.40%	4.40%	5.40%
Total pension liability	$ 28,119	$ 27,401	$ 26,701

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

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

For the current year ended, the District recognized a negative pension expense of $10,449. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	$ 123	$ 41

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

Year Ending June 30,	Pension Expense Amount
2027	$ 82

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

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

The District administers a defined benefit Post-Employment Benefits Trust Fund. The assets of the plan are reported in the District's financial report in the Post-Employment Benefits Trust Fund, established by the District to finance these obligations. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan. The plan does not issue a publicly available financial report.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Benefits Provided

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

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has established the Post-Employment Benefits Trust Fund to finance these obligations and uses an actuarial determined contribution amount to establish contribution amounts paid to the trust. The District's contributions in the current year totaled $921,306 as required on a pay-as-you-go basis to finance current year benefits as described in the previous section.

D. Membership

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

Retirees and beneficiaries receiving benefits	34
Active plan members	510
Total members	544

E. Net OPEB Liability (Asset) of the District

The District's net OPEB liability (asset) was measured as of June 30, 2026, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2024, and update procedures were used to roll forward the total OPEB liability to the measurement date. The components of the net OPEB liability (asset) of the District at year-end were as follows:

Total OPEB liability	$ 6,696,249
Plan fiduciary net position	(7,451,189)
District's net OPEB liability (asset)	$ (754,940)
Plan fiduciary net position as a percentage of the total OPEB liability	111.27%

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study, using the entry-age, level percentage of pay method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.00%
Expected long-term investment return	3.80%
20-year municipal bond yield	4.40%
Inflation rate	2.50%
Salary increases	Service graded table
Healthcare trend rate	6.25% grading to 5.00% over 5 years, and then 4.00% over the next 48 years

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

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

The District's policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statutes.

The long-term expected rate of return on OPEB plan investments was set based on the plan's target investment allocation described below, along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
NR Money Market Fund	100.00 %	3.80 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 4.20 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Discount Rate

The discount rate used to measure the total OPEB liability was 4.00 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy have also been considered. The District discount rate used in the prior measurement date was 3.90 percent.

I. Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Beginning balance	$ 6,719,178	$ 6,956,609	$ (237,431)
Changes for the year			
Service cost	454,670	–	454,670
Interest	265,957	–	265,957
Assumption changes	(27,837)	–	(27,837)
Contributions – paid to trust	–	205,587	(205,587)
Contributions – paid through operating funds	–	715,719	(715,719)
Investment earnings	–	288,993	(288,993)
Benefit payments – paid through operating funds	(715,719)	(715,719)	–
Total net changes	(22,929)	494,580	(517,509)
Ending balance	$ 6,696,249	$ 7,451,189	$ (754,940)

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.90 percent to 4.00 percent.
- The expected long-term investment return assumption was changed from 3.00 percent to 3.80 percent.

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

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB discount rate	3.00%	4.00%	5.00%
Net OPEB liability (asset)	$ (409,829)	$ (754,940)	$ (1,098,180)

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB healthcare cost trend rate	5.25% decreasing to 4.00% over 5 years, then to 3.00% over the next 48 years	6.25% decreasing to 5.00% over 5 years, then to 4.00% over the next 48 years	7.25% decreasing to 6.00% over 5 years, then to 5.00% over the next 48 years
Net OPEB liability (asset)	$ (1,493,055)	$ (754,940)	$ 108,024

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

For the current year ended, the District recognized OPEB expense of $98,952. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 48,187	$ 789,350
Changes in actuarial assumptions	95,322	392,903
Net collective difference between projected and actual investment earnings on OPEB plan investments	–	210,856
Total	$ 143,509	$ 1,393,109

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

Year Ending June 30,	OPEB Expense Amount
2027	$ (359,521)
2028	$ (359,574)
2029	$ (241,575)
2030	$ (215,688)
2031	$ (69,267)
Thereafter	$ (3,975)

NOTE 10 – FLEXIBLE BENEFIT PLAN

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

Before the beginning of the Plan year, which is from January 1 to December 31, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for total contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated insurance companies. These payments are accounted for in the General Fund. Amounts withheld for medical reimbursement and dependent care are deposited into a separate district checking account. Payments are made by the District to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the employee. The medical reimbursement and dependent care activity are included in the financial statements of the General Fund.

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

NOTE 11 – INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Receivables and Payables

The District had the following interfund receivables and payables on June 30, 2026:

	Due From Other Funds	Due To Other Funds
General Fund	$ 2,331	$ –
Post-Employment Benefits Trust Fund	–	2,331
	$ 2,331	$ 2,331

These balances represent interfund amounts between the funds above, for amounts due from the trust for allowable OPEB expenditures. Such interfund balances are reported in the fund financial statements but are eliminated as necessary in the government-wide financial statements.

B. Interfund Transfers

The District transferred $16,994 from the General Fund to the Community Service Special Revenue Fund to help finance program costs.

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Revenues

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

B. Legal Claims

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

C. Construction Contracts

On June 30, 2026, the District had commitments totaling $7,511 under construction contracts for which the work was not yet completed.

D. Purchase Power Commitment

Solar Gardens

During fiscal year 2019, the District entered into five community solar garden subscription agreements with Northfield Solar, LLC. The District is committed to purchasing up to 40 percent of the annual delivered energy of the solar systems for a period of 25 years from the commercial operation date to receive bill credits associated with the energy production.

During fiscal year 2019, the District entered into four community solar garden subscription agreements with Walcott Solar, LLC. The District is committed to purchasing up to 21 percent of the annual delivered energy of the solar systems for a period of 25 years from the commercial operation date to receive bill credits associated with the energy production.

During fiscal year 2019, the District entered into two community solar garden subscription agreements with Warsaw Solar, LLC. The District is committed to purchasing up to 40 percent of the annual delivered energy of the solar systems for a period of 25 years from the commercial operation date to receive bill credits associated with the energy production.

Solar for Schools Grant Program

During fiscal year 2025, the District entered into agreements to add solar panels at two school sites. The agreements are through Ideal Energies and the Solar for Schools Grant Program. The agreements call for an initial term of 20 years, with the option to renew on an annual basis for up to 40 additional years. During the term of this agreement, the District is committed to purchasing the power used and shall receive bill credits associated with the energy production.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 200

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Final Budget Over (Under)	Actual	Actual Amounts Over (Under)
	Original	Final	Original Budget	Amounts	Final Budget
Revenue					
Local sources					
Property taxes	$ 16,232,034	$ 16,231,522	$ (512)	$ 16,297,928	$ 66,406
Investment earnings	804,000	1,204,000	400,000	1,546,286	342,286
Other	1,913,658	1,973,958	60,300	2,367,524	393,566
State sources	48,428,883	49,705,882	1,276,999	49,256,158	(449,724)
Federal sources	1,453,530	1,605,332	151,802	1,465,158	(140,174)
Total revenue	68,832,105	70,720,694	1,888,589	70,933,054	212,360
Expenditures					
Current					
Administration	2,343,023	2,375,540	32,517	2,310,504	(65,036)
District support services	3,447,501	3,474,162	26,661	3,162,399	(311,763)
Elementary and secondary regular instruction	30,005,307	30,631,689	626,382	29,315,174	(1,316,515)
Vocational education instruction	961,153	977,743	16,590	961,654	(16,089)
Special education instruction	13,411,488	13,774,471	362,983	13,113,487	(660,984)
Community service	–	27,000	27,000	30,940	3,940
Instructional support services	3,121,293	3,172,037	50,744	3,298,411	126,374
Pupil support services	9,005,980	9,197,529	191,549	8,966,845	(230,684)
Sites and buildings	7,768,188	7,621,688	(146,500)	6,479,338	(1,142,350)
Fiscal and other fixed cost programs	593,384	592,842	(542)	607,426	14,584
Debt service					
Principal	24,648	19,880	(4,768)	19,880	–
Interest and fiscal charges	–	4,768	4,768	4,768	–
Total expenditures	70,681,965	71,869,349	1,187,384	68,270,826	(3,598,523)
Excess (deficiency) of revenue over expenditures	(1,849,860)	(1,148,655)	701,205	2,662,228	3,810,883
Other financing sources (uses)					
Transfers out	–	–	–	(16,994)	(16,994)
Net change in fund balances	$ (1,849,860)	$ (1,148,655)	$ 701,205	2,645,234	$ 3,793,889
Fund balances					
Beginning of year				36,293,874	
End of year				$ 38,939,108	

BUDGETARY COMPARISON SCHEDULE

BUDGETARY PROCESS AND LEGAL COMPLIANCE

The School Board adopts an annual budget for all of Independent School District No. 200's (the District) governmental funds, which are prepared on the same modified accrual basis of accounting as the fund financial statements in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. Budgeted expenditure appropriations lapse at yearend.

- The budget is adopted by June 30th of each year and amended as needed during the fiscal year of its implementation.

- Legal budgetary control is at the fund level. Expenditures may only exceed appropriations at the fund level if approved by the School Board by resolution or through the disbursement approval process.

- Actual spending exceeded final budgeted appropriations for fiscal 2026 by $33,783 in the Food Service Special Revenue Fund and by $175 in the Debt Service Fund. These variances were funded by revenues exceeding budget and available fund balance.

SIGNIFICANT VARIANCES IN BUDGETARY COMPARISON SCHEDULE

1. Significant variances between the General Fund original budget and final budget include:

- **a.** Overall, the revision reflects updated assumptions and estimates based on updated information, new settlements, staffing adjustments, and prior year audit results.
- **b.** Revenue adjustments primarily included an increase in investment earnings for improved results as seen in recent years with improved rates. State sources revenues were increased to consider updated special education estimates and increase in estimated students served.
- **c.** Expenditure adjustments were due to finalized contract settlements, staffing needs and assignments, and consideration of prior results to current expenditure trend information.
- **d.** Expenditure adjustments included improved estimates for substitute teacher costs, unemployment benefits, and staffing levels.

2. Significant variances between the General Fund final budget and actual amounts include:

- **a.** Revenues for the General Fund ended close to the total amount anticipated in the budget. Conservative budgeting for local sources, including investment earnings and other, more than offset the shortage in state sources. State sources were less than projected due to a change in post-secondary enrollment option students.
- **b.** Spending on elementary and secondary regular instruction and special education instruction was under budget due to open positions, turnover, and changes with new leave benefits available to District employees.
- **c.** Sites and buildings spending was under budget due to the timing of long-term facilities maintenance spending that was delayed later than planned with the current budget. The District also did not report any spending on a gymnastics facility that was planned in the budget.

INDEPENDENT SCHOOL DISTRICT NO. 200

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2026

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2017	06/30/2016	0.1093%	$ 8,874,618	$ 115,877	$ 8,990,495	$ 6,977,853	127.18%	68.90%
06/30/2018	06/30/2017	0.1105%	$ 7,054,247	$ 88,690	$ 7,142,937	$ 7,117,773	99.11%	75.90%
06/30/2019	06/30/2018	0.1072%	$ 5,947,016	$ 195,044	$ 6,142,060	$ 7,169,227	82.95%	79.50%
06/30/2020	06/30/2019	0.1057%	$ 5,843,915	$ 181,659	$ 6,025,574	$ 7,479,627	78.13%	80.20%
06/30/2021	06/30/2020	0.1038%	$ 6,223,285	$ 191,902	$ 6,415,187	$ 7,403,773	84.06%	79.10%
06/30/2022	06/30/2021	0.0986%	$ 4,210,662	$ 128,571	$ 4,339,233	$ 7,099,707	59.31%	87.00%
06/30/2023	06/30/2022	0.0975%	$ 7,722,032	$ 226,481	$ 7,948,513	$ 7,260,387	106.36%	76.70%
06/30/2024	06/30/2023	0.0941%	$ 5,261,967	$ 145,063	$ 5,407,030	$ 7,480,440	70.34%	83.10%
06/30/2025	06/30/2024	0.0998%	$ 3,688,012	$ 95,364	$ 3,783,376	$ 8,436,660	43.71%	89.08%
06/30/2026	06/30/2025	0.1002%	$ 3,319,737	$ 80,082	$ 3,399,819	$ 9,072,766	36.59%	90.78%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2026

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2017	$ 533,833	$ 533,833	$ –	$ 7,117,773	7.50%
06/30/2018	$ 537,692	$ 537,692	$ –	$ 7,169,227	7.50%
06/30/2019	$ 560,972	$ 560,972	$ –	$ 7,479,627	7.50%
06/30/2020	$ 555,283	$ 555,283	$ –	$ 7,403,773	7.50%
06/30/2021	$ 532,478	$ 532,478	$ –	$ 7,099,707	7.50%
06/30/2022	$ 544,529	$ 544,529	$ –	$ 7,260,387	7.50%
06/30/2023	$ 561,033	$ 561,033	$ –	$ 7,480,440	7.50%
06/30/2024	$ 632,528	$ 632,528	$ –	$ 8,436,660	7.50%
06/30/2025	$ 680,458	$ 680,458	$ –	$ 9,072,766	7.50%
06/30/2026	$ 681,773	$ 681,773	$ –	$ 9,090,357	7.50%

INDEPENDENT SCHOOL DISTRICT NO. 200

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2026

District Fiscal Year-End	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2017	06/30/2016	0.4095%	$ 97,675,521	$ 9,804,006	$107,479,527	$ 21,487,053	454.58%	44.88%
06/30/2018	06/30/2017	0.4064%	$ 81,124,812	$ 7,842,332	$ 88,967,144	$ 21,919,227	370.11%	51.57%
06/30/2019	06/30/2018	0.4024%	$ 25,274,486	$ 2,374,579	$ 27,649,065	$ 22,274,056	113.47%	78.07%
06/30/2020	06/30/2019	0.3954%	$ 25,202,879	$ 2,230,422	$ 27,433,301	$ 22,520,130	111.91%	78.21%
06/30/2021	06/30/2020	0.3991%	$ 29,486,043	$ 2,470,754	$ 31,956,797	$ 23,192,121	127.14%	75.48%
06/30/2022	06/30/2021	0.4002%	$ 17,513,949	$ 1,477,267	$ 18,991,216	$ 23,944,268	73.14%	86.63%
06/30/2023	06/30/2022	0.4029%	$ 32,262,101	$ 2,392,639	$ 34,654,740	$ 24,902,170	129.56%	76.17%
06/30/2024	06/30/2023	0.3892%	$ 32,133,224	$ 2,251,088	$ 34,384,312	$ 24,748,421	129.84%	76.42%
06/30/2025	06/30/2024	0.3869%	$ 24,584,868	$ 1,607,932	$ 26,192,800	$ 25,631,617	95.92%	82.07%
06/30/2026	06/30/2025	0.3804%	$ 21,798,339	$ 1,353,831	$ 23,152,170	$ 26,455,652	82.40%	84.51%

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2026

District Fiscal Year-End	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2017	$ 1,643,942	$ 1,643,942	$ –	$ 21,919,227	7.50%
06/30/2018	$ 1,670,554	$ 1,670,554	$ –	$ 22,274,056	7.50%
06/30/2019	$ 1,736,302	$ 1,736,302	$ –	$ 22,520,130	7.71%
06/30/2020	$ 1,836,816	$ 1,836,816	$ –	$ 23,192,121	7.92%
06/30/2021	$ 1,946,669	$ 1,946,669	$ –	$ 23,944,268	8.13%
06/30/2022	$ 2,076,841	$ 2,076,841	$ –	$ 24,902,170	8.34%
06/30/2023	$ 2,115,990	$ 2,115,990	$ –	$ 24,748,421	8.55%
06/30/2024	$ 2,242,768	$ 2,242,768	$ –	$ 25,631,617	8.75%
06/30/2025	$ 2,314,870	$ 2,314,870	$ –	$ 26,455,652	8.75%
06/30/2026	$ 2,664,152	$ 2,664,152	$ –	$ 27,156,828	9.81%

INDEPENDENT SCHOOL DISTRICT NO. 200

Pension Benefits Plan
Schedule of Changes in the District's Total
Pension Liability and Related Ratios
Year Ended June 30, 2026

	District Fiscal Year-End Date				
	2017	2018	2019	2020	2021
Total pension liability					
Service cost	$ 26,629	$ 25,175	$ 15,237	$ 13,110	$ 9,955
Interest	25,786	22,605	24,016	14,128	5,765
Assumption changes	–	(6,465)	3,025	4,035	(2,103)
Plan changes	–	–	(183,682)	(121,593)	(13,758)
Differences between expected and actual experience	–	–	40,067	–	46,723
Benefit payments	(179,784)	(141,206)	(108,112)	(145,982)	(97,603)
Net change in total pension liability	(127,369)	(99,891)	(209,449)	(236,302)	(51,021)
Total pension liability – beginning of year	951,780	824,411	724,520	515,071	278,769
Total pension liability – end of year	$ 824,411	$ 724,520	$ 515,071	$ 278,769	$ 227,748
Covered-employee payroll	$ 5,087,909	$ 5,397,763	$ 4,004,082	$ 4,124,204	$ 1,874,497
Total pension liability as a percentage percentage of covered-employee payroll	16.20%	13.42%	12.86%	6.76%	12.15%

Note: The District has not established a trust fund to finance its single-employer related benefits.

2022	2023	2024	2025	2026
$ 8,790	$ 6,097	$ 6,114	$ 1,470	$ 1,617
4,275	7,147	6,864	6,465	1,924
(3,381)	(85)	(167)	(748)	246
20,794	–	–	(68,439)	–
–	(9,134)	–	(22,793)	–
(66,283)	(20,127)	(12,033)	(41,211)	(27,749)
(35,805)	(16,102)	778	(125,256)	(23,962)
227,748	191,943	175,841	176,619	51,363
$ 191,943	$ 175,841	$ 176,619	$ 51,363	$ 27,401
$ 1,930,732	$ 1,437,009	$ 1,480,119	$ 1,033,375	$ 1,064,377
9.94%	12.24%	11.93%	4.97%	2.57%

INDEPENDENT SCHOOL DISTRICT NO. 200

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Net
OPEB Liability and Related Ratios
Year Ended June 30, 2026

	District Fiscal Year-End Date			
	2017	2018	2019	2020
Total OPEB liability				
Service cost	$ 534,410	$ 550,441	$ 580,810	$ 647,785
Interest	231,847	234,610	235,877	226,851
Assumption changes	–	–	163,031	224,454
Plan changes	–	–	216,862	77,313
Differences between expected and actual experience	–	–	(206,512)	–
Benefit payments	(724,150)	(649,343)	(895,888)	(679,893)
Net change in total OPEB liability	42,107	135,708	94,180	496,510
Total OPEB liability – beginning of year	7,819,807	7,861,914	7,997,622	8,091,802
Total OPEB liability – end of year	7,861,914	7,997,622	8,091,802	8,588,312
Plan fiduciary net position				
Contributions	1,482,818	1,321,646	1,292,045	1,358,870
Investment earnings	9,220	35,677	78,525	51,146
Benefit payments	(724,150)	(649,343)	(895,888)	(679,893)
Net change in plan fiduciary net position	767,888	707,980	474,682	730,123
Plan fiduciary net position – beginning of year	1,192,930	1,960,818	2,668,798	3,143,480
Plan fiduciary net position – end of year	1,960,818	2,668,798	3,143,480	3,873,603
Net OPEB liability (asset)	$ 5,901,096	$ 5,328,824	$ 4,948,322	$ 4,714,709
Plan fiduciary net position as a percentage of the total OPEB liability	24.94%	33.37%	38.85%	45.10%
Covered-employee payroll	$ 26,909,244	$ 28,548,017	$ 28,581,553	$ 29,439,000
Net OPEB liability (asset) as a percentage of covered-employee payroll	21.93%	18.67%	17.31%	16.02%

2021	2022	2023	2024	2025	2026
$ 744,469	$ 622,063	$ 526,302	$ 492,485	$ 447,655	$ 454,670
200,811	165,099	229,747	181,988	226,191	265,957
(542,120)	(221,081)	134,539	(181,069)	(80,054)	(27,837)
156,087	(497,150)	(266,171)	–	89,279	–
192,751	–	(1,266,428)	–	(218,596)	–
(412,265)	(759,312)	(513,023)	(594,856)	(726,475)	(715,719)
339,733	(690,381)	(1,155,034)	(101,452)	(262,000)	(22,929)
8,588,312	8,928,045	8,237,664	7,082,630	6,981,178	6,719,178
8,928,045	8,237,664	7,082,630	6,981,178	6,719,178	6,696,249
1,350,239	1,406,996	737,782	671,301	1,004,873	921,306
4,959	14,806	227,677	350,128	320,176	288,993
(412,265)	(759,312)	(513,023)	(594,856)	(726,475)	(715,719)
942,933	662,490	452,436	426,573	598,574	494,580
3,873,603	4,816,536	5,479,026	5,931,462	6,358,035	6,956,609
4,816,536	5,479,026	5,931,462	6,358,035	6,956,609	7,451,189
$ 4,111,509	$ 2,758,638	$ 1,151,168	$ 623,143	$ (237,431)	$ (754,940)
53.95%	66.51%	83.75%	91.07%	103.53%	111.27%
$ 30,950,936	$ 31,879,464	$ 31,038,769	$ 31,969,932	$ 34,066,001	$ 35,087,981
13.28%	8.65%	3.71%	1.95%	(0.70%)	(2.15%)

INDEPENDENT SCHOOL DISTRICT NO. 200

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2026

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	0.77 %
2018	1.80 %
2019	2.90 %
2020	1.60 %
2021	0.10 %
2022	0.30 %
2023	4.20 %
2024	5.90 %
2025	5.00 %
2026	4.20 %

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2025 CHANGES IN PLAN PROVISIONS

- The post-retirement benefit increase formula changed to 100.00 percent of the Social Security annual increase, between 1.00 percent and 1.75 percent, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85.00 percent for the last two consecutive annual valuations or is less than 80.00 percent in the most recent actuarial valuation, the maximum is reduced to 1.50 percent. Previously, the benefit increase was 50.00 percent of the Social Security annual increase, between 1.00 percent and 1.50 percent.
- The 1.00 percent additional employer contribution is eliminated when the plan reaches 98.00 percent funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100.00 percent funded status.

2025 CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity (CSA) loading factors increased from 15.00 percent to 19.00 percent for vested terminated members and from 3.00 percent to 44.00 percent for nonvested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25 percent to 1.50 percent.

2024 CHANGES IN PLAN PROVISIONS

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.
-

2023 CHANGES IN PLAN PROVISIONS

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

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2025 CHANGES IN ACTUARIAL ASSUMPTIONS

- Liability load for inactive nonvested members changed from 9.00 percent to 13.00 percent and the liability load for inactive vested members changed from 7.00 percent to 6.00 percent.

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub-2010 family of tables.
- Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15.00 percent to reflect the continued lower than expected observations.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.
- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN

2026 CHANGES IN PLAN PROVISIONS

- The discount rate was changed from 4.90 percent to 4.40 percent.

2025 CHANGES IN PLAN PROVISIONS

- The form of payment for custodians eligible to receive pension benefits has changed to make payments to a healthcare savings account, so this portion is now valued under the OPEB study obligations.

2025 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 4.10 percent to 4.90 percent.

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN (CONTINUED)

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- Mortality tables and withdrawal rates were updated.
- The salary increase scales for nonteachers were updated.
- The discount rate was changed from 3.80 percent to 3.90 percent.

2022 CHANGES IN PLAN PROVISIONS

- The principals' percentage of the 80 days of pay severance benefit paid to a 403(b) plan increased from 50 percent to 100 percent for all participants. Therefore, these benefits are completely accounted for under GASB Statement No. 73.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN PLAN PROVISIONS

- Changes in negotiated contracts limited certain groups to participate in the plan moving forward. Also, changes to where benefits are paid shifted portions of the obligation away from pension obligations into OPEB obligations.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables and salary increase rates were updated.
- The discount rate was changed from 2.40 percent to 2.10 percent.

2020 CHANGES IN PLAN PROVISIONS

- The teachers' percentage of the 60 days of pay severance benefit and the $2,500 lump sum if on schedule B, which are paid to a 403(b) plan, decreased from 25.00 percent for married participants and 50.00 percent for single participants to zero percent for all participants. Therefore, future teachers are no longer assumed to have this pension benefit.
- The community education coordinators' percentage of the 60 days of pay severance benefit paid to a 403(b) plan decreased from 70.00 percent to 40.00 percent.
- The principals' percentage of the 80 days of pay severance benefit paid to a 403(b) plan decreased from 60.00 percent to 50.00 percent.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN PLAN PROVISIONS

- For eligible teachers, the percentage of the 60 days of pay severance benefit paid to a 403(b) plan (and, therefore, included under GASB Statement No. 73), decreased from 75.00 percent for all participants, to 25.00 percent for married participants, and 50.00 percent for single participants.
- Teachers listed on schedule B of the contract are now eligible to receive a $2,500 lump sum payable upon retirement at the same percentages as described above.

PENSION BENEFITS PLAN (CONTINUED)

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

2026 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.90 percent to 4.00 percent.
- The expected long-term investment return assumption was changed from 3.00 percent to 3.80 percent.

2025 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.20 percent to 3.90 percent.
- The expected long-term investment return assumption was changed from 2.30 percent to 3.00 percent.

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.50 percent to 3.20 percent.
- The expected long-term investment return assumption was changed from 1.60 percent to 2.30 percent.

2023 CHANGES IN PLAN PROVISIONS

- Principals, teachers, and community education licensed coordinators now receive the single premium for the Comp Basic Plan at the time of retirement, rather than the single premium for the Triple Gold Plan at the time of retirement. The benefit is still paid in a lump sum in the amount equal to the lessor of eight years or Medicare eligibility.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates, mortality tables, salary increase rates for nonteachers, and withdrawal rates were updated.
- The discount rate was changed from 2.70 percent to 2.50 percent.
- The expected long-term rate of return was changed from 1.10 percent to 1.60 percent.

2022 CHANGES IN PLAN PROVISIONS

- The principals' percentage of the 80 days of pay severance benefit paid to a healthcare savings plan (and therefore included under GASB Statement No. 75) decreased from 50 percent to zero percent for all participants. Therefore, these benefits are completely accounted for under GASB Statement No. 73.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

2022 CHANGES IN PLAN PROVISIONS (CONTINUED)

- Administrators now receive the single premium for the Comp Basic Plan at the time of retirement rather that the single premium for the Triple Gold Plan at the time of retirement. The benefit is still paid in a lump sum in the amount equal to the lessor of 8 years or Medicare eligibility.
- The severance benefit for community education coordinators will be paid in two equal annual installments to a healthcare savings plan instead of a single lump sum.
- A sunset date was added to the teachers and community education licensed coordinators post-employment subsidized retiree medical benefit. In addition, a one-time irrevocable choice (made by March 15, 2022) was given to this group to forfeit the current post-employment subsidized medical benefit for the new defined contribution-style OPEB. Only teachers and community education licensed coordinators hired before July 1, 2022 and not electing the matching contribution plan will be eligible for the defined benefit-style OPEB benefit.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was updated from 1.20 percent to 1.10 percent.
- The discount rate was changed from 1.80 percent to 2.70 percent.

2021 CHANGES IN PLAN PROVISIONS

- Changes in negotiated contracts limited subsidized benefit payments for certain groups in the plan moving forward. Also, changes to where benefits are paid shifted portions of the obligation away from pension obligations into OPEB obligations.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates, mortality tables, salary increase rates, and retiree plan participation percentages were updated.
- The discount rate was changed from 2.20 percent to 1.80 percent.

2020 CHANGES IN PLAN PROVISIONS

- Administrators and principals now receive their direct subsidized benefit paid in a single lump sum upon retirement, rather than having the payments spread out for 8 years, or until Medicare eligibility, if earlier.
- The teachers' percentage of the 60 days of pay severance benefit and the $2,500 lump sum if on schedule B, which are paid to a healthcare savings plan, increased from 75.00 percent for married participants, or 50.00 percent for single participants, to 100.00 percent for all participants.
- The community education coordinators' percentage of the 60 days of pay severance benefit paid to a healthcare savings plan increased from 30.00 percent to 60.00 percent for all participants.
- The principals' percentage of the 80 days of pay severance benefit paid to a healthcare savings plan increased from 40.00 percent to 50.00 percent for all participants.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was updated from 0.80 percent to 1.20 percent.
- The discount rate was changed from 2.70 percent to 2.20 percent.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

2019 CHANGES IN PLAN PROVISIONS

- For eligible teachers, the percentage of the 60 days of pay severance benefit paid to a healthcare savings plan (and, therefore, included under GASB Statement Nos. 74 and 75), increased from 25.00 percent for all participants, to 75.00 percent for married participants, and 50.00 percent for single participants.
- Teachers listed on schedule B of the contract are now eligible to receive a $2,500 lump sum payable upon retirement at the same percentages as described above.
- The district-paid single premiums for the superintendent changed from being based on the Triple Gold Plan to the Comp Basic Plan.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was updated from 0.20 percent to 0.80 percent.
- The discount rate was changed from 2.90 percent to 2.70 percent.

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SUPPLEMENTARY INFORMATION

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GOVERNMENTAL FUNDS

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

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

INDEPENDENT SCHOOL DISTRICT NO. 200

Nonmajor Governmental Funds
Combining Balance Sheet
as of June 30, 2026

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	$ 340,640	$ 804,063	$ 1,144,703
Receivables			
Current taxes	–	220,395	220,395
Delinquent taxes	–	6,687	6,687
Accounts and interest	659	29,257	29,916
Due from other governmental units	55,456	76,076	131,532
Inventory	40,115	–	40,115
Prepaid items	1,603	7,967	9,570
Total assets	$ 438,473	$ 1,144,445	$ 1,582,918
Liabilities			
Salaries payable	$ 5,019	$ 154,306	$ 159,325
Accounts and contracts payable	530	50,589	51,119
Unearned revenue	38,769	135,644	174,413
Total liabilities	44,318	340,539	384,857
Deferred inflows of resources			
Property taxes levied for subsequent year	–	411,347	411,347
Unavailable revenue – delinquent taxes	–	4,124	4,124
Total deferred inflows of resources	–	415,471	415,471
Fund balances (deficit)			
Nonspendable	41,718	7,967	49,685
Restricted	352,437	554,854	907,291
Unassigned	–	(174,386)	(174,386)
Total fund balances	394,155	388,435	782,590
Total liabilities, deferred inflows of resources, and fund balances	$ 438,473	$ 1,144,445	$ 1,582,918

INDEPENDENT SCHOOL DISTRICT NO. 200

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2026

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	$ –	$ 439,835	$ 439,835
Investment earnings	12,065	24,360	36,425
Other	303,343	1,839,951	2,143,294
State sources	1,735,495	504,552	2,240,047
Federal sources	1,221,119	–	1,221,119
Total revenue	3,272,022	2,808,698	6,080,720
Expenditures			
Current			
Food service	3,425,953	–	3,425,953
Community service	–	2,655,380	2,655,380
Capital outlay	125,667	1,733	127,400
Total expenditures	3,551,620	2,657,113	6,208,733
Excess (deficiency) of revenue over expenditures	(279,598)	151,585	(128,013)
Other financing sources			
Transfers in	–	16,994	16,994
Net change in fund balances	(279,598)	168,579	(111,019)
Fund balances			
Beginning of year	673,753	219,856	893,609
End of year	$ 394,155	$ 388,435	$ 782,590

INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund
Comparative Balance Sheet
as of June 30, 2026 and 2025

	2026	2025
Assets		
Cash and temporary investments	$ 44,266,581	$ 40,825,614
Receivables		
Current taxes	8,398,002	8,570,743
Delinquent taxes	232,990	189,082
Accounts and interest	432,757	220,772
Due from other governmental units	5,481,618	6,375,598
Due from other funds	2,331	1,578
Lease revenue	201,763	213,386
Prepaid items	293,166	716,905
Total assets	$ 59,309,208	$ 57,113,678
Liabilities		
Salaries payable	$ 2,153,457	$ 2,177,668
Accounts and contracts payable	2,775,451	2,859,704
Due to other governmental units	139,631	97,061
Unearned revenue	11,027	15,067
Severance benefits payable	26,182	45,624
Total liabilities	5,105,748	5,195,124
Deferred inflows of resources		
Property taxes levied for subsequent year	14,922,074	15,306,222
Lease revenue for subsequent years	201,763	213,386
Unavailable revenue – delinquent taxes	140,515	105,072
Total deferred inflows of resources	15,264,352	15,624,680
Fund balances		
Nonspendable for prepaid items	293,166	716,905
Restricted for student activities	114,521	187,955
Restricted for scholarships	337,484	299,613
Restricted for staff development	42,146	139,863
Restricted for capital projects levy	18,554	–
Restricted for literacy incentive aid	360,951	368,182
Restricted for operating capital	4,568,546	4,327,448
Restricted for gifted and talented	67,273	136,740
Restricted for basic skills	1,713,380	1,590,541
Restricted for teacher compensation for READ Act training	–	1,539
Restricted for long-term facilities maintenance	5,511,164	5,034,280
Restricted for Medical Assistance	619,258	426,707
Restricted for grants and donations	562,950	511,959
Committed for separation/retirement benefits	171,122	118,583
Committed for technology	638,500	638,500
Assigned for subsequent year's budget	1,417,098	908,589
Assigned for site improvements	400,000	400,000
Assigned for safety and security	39,185	95,978
Assigned for curriculum	280,768	280,767
Assigned for elementary STEAM	125,569	249,985
Assigned for future funding changes	1,300,000	1,300,000
Assigned for instructional coaches	900,000	–
Assigned for pathways programming	200,000	–
Unassigned	19,257,473	18,559,740
Total fund balances	38,939,108	36,293,874
Total liabilities, deferred inflows of resources, and fund balances	$ 59,309,208	$ 57,113,678

INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2026
(With Comparative Actual Amounts for the Year Ended June 30, 2025)

	2026			2025
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 16,231,522	$ 16,297,928	$ 66,406	$ 16,231,219
Investment earnings	1,204,000	1,546,286	342,286	1,732,180
Other	1,973,958	2,367,524	393,566	2,135,407
State sources	49,705,882	49,256,158	(449,724)	50,104,634
Federal sources	1,605,332	1,465,158	(140,174)	1,718,352
Total revenue	70,720,694	70,933,054	212,360	71,921,792
Expenditures				
Current				
Administration				
Salaries	1,515,872	1,506,589	(9,283)	1,482,712
Employee benefits	661,863	658,900	(2,963)	545,413
Purchased services	121,750	76,941	(44,809)	105,768
Supplies and materials	24,150	23,752	(398)	23,818
Other expenditures	51,905	44,322	(7,583)	42,484
Total administration	2,375,540	2,310,504	(65,036)	2,200,195
District support services				
Salaries	1,332,251	1,342,055	9,804	1,254,950
Employee benefits	782,788	759,081	(23,707)	708,064
Purchased services	379,015	351,615	(27,400)	275,800
Supplies and materials	700,140	655,466	(44,674)	732,842
Capital expenditures	226,614	31,731	(194,883)	47,544
Other expenditures	53,354	22,451	(30,903)	118,544
Total district support services	3,474,162	3,162,399	(311,763)	3,137,744
Elementary and secondary regular instruction				
Salaries	18,315,743	17,724,405	(591,338)	17,527,359
Employee benefits	8,128,620	8,097,815	(30,805)	7,559,863
Purchased services	2,558,638	2,128,006	(430,632)	1,830,313
Supplies and materials	1,230,382	1,027,238	(203,144)	1,229,718
Capital expenditures	266,567	213,334	(53,233)	437,632
Other expenditures	131,739	124,376	(7,363)	132,514
Total elementary and secondary regular instruction	30,631,689	29,315,174	(1,316,515)	28,717,399

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2026
(With Comparative Actual Amounts for the Year Ended June 30, 2025)

	2026			2025
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	614,421	614,421	–	592,809
Employee benefits	310,438	316,969	6,531	279,579
Purchased services	30,000	5,793	(24,207)	32,463
Supplies and materials	21,000	21,769	769	17,505
Other expenditures	1,884	2,702	818	2,728
Total vocational education instruction	977,743	961,654	(16,089)	925,084
Special education instruction				
Salaries	8,201,620	7,820,165	(381,455)	7,765,311
Employee benefits	3,479,039	3,390,975	(88,064)	3,192,016
Purchased services	1,915,213	1,760,445	(154,768)	1,331,037
Supplies and materials	115,813	93,285	(22,528)	67,845
Capital expenditures	3,040	9,353	6,313	9,883
Other expenditures	59,746	39,264	(20,482)	59,086
Total special education instruction	13,774,471	13,113,487	(660,984)	12,425,178
Community service				
Employee benefits	27,000	30,940	3,940	32,188
Instructional support services				
Salaries	1,775,843	1,720,425	(55,418)	1,815,460
Employee benefits	838,729	823,277	(15,452)	759,911
Purchased services	170,350	155,684	(14,666)	128,331
Supplies and materials	363,127	587,026	223,899	720,837
Capital expenditures	9,074	299	(8,775)	126
Other expenditures	14,914	11,700	(3,214)	12,215
Total instructional support services	3,172,037	3,298,411	126,374	3,436,880
Pupil support services				
Salaries	1,528,094	1,545,180	17,086	1,362,965
Employee benefits	735,093	760,334	25,241	644,008
Purchased services	6,732,090	6,471,907	(260,183)	6,644,988
Supplies and materials	145,066	101,925	(43,141)	89,097
Capital expenditures	48,210	71,229	23,019	36,276
Other expenditures	8,976	16,270	7,294	8,277
Total pupil support services	9,197,529	8,966,845	(230,684)	8,785,611

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 200

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2026
(With Comparative Actual Amounts for the Year Ended June 30, 2025)

	2026			2025
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	2,146,532	2,074,738	(71,794)	2,030,110
Employee benefits	1,014,827	995,397	(19,430)	916,208
Purchased services	1,898,897	1,971,118	72,221	1,812,810
Supplies and materials	377,797	369,200	(8,597)	382,956
Capital expenditures	2,176,521	1,158,590	(1,017,931)	2,753,508
Other expenditures	7,114	(89,705)	(96,819)	14,124
Total sites and buildings	7,621,688	6,479,338	(1,142,350)	7,909,716
Fiscal and other fixed cost programs				
Purchased services	452,842	452,926	84	429,159
Other expenditures	140,000	154,500	14,500	127,140
Total fiscal and other fixed cost programs	592,842	607,426	14,584	556,299
Debt service				
Principal	19,880	19,880	–	18,265
Interest and fiscal charges	4,768	4,768	–	6,383
Total debt service	24,648	24,648	–	24,648
Total expenditures	71,869,349	68,270,826	(3,598,523)	68,150,942
Excess (deficiency) of revenue over expenditures	(1,148,655)	2,662,228	3,810,883	3,770,850
Other financing sources (uses)				
Insurance recovery	–	–	–	10,531
Transfers out	–	(16,994)	(16,994)	(10,090)
Total other financing sources (uses)	–	(16,994)	(16,994)	441
Net change in fund balances	$ (1,148,655)	2,645,234	$ 3,793,889	3,771,291
Fund balances				
Beginning of year		36,293,874		32,522,583
End of year		$ 38,939,108		$ 36,293,874

INDEPENDENT SCHOOL DISTRICT NO. 200

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2026 and 2025

	2026	2025
Assets		
Cash and temporary investments	$ 340,640	$ 604,448
Receivables		
Accounts and interest	659	7,108
Due from other governmental units	55,456	56,553
Inventory	40,115	59,965
Prepaid items	1,603	1,310
Total assets	$ 438,473	$ 729,384
Liabilities		
Salaries payable	$ 5,019	$ 7,553
Accounts and contracts payable	530	1,373
Unearned revenue	38,769	46,705
Total liabilities	44,318	55,631
Fund balances		
Nonspendable for inventory	40,115	59,965
Nonspendable for prepaid items	1,603	1,310
Restricted for food service	352,437	612,478
Total fund balances	394,155	673,753
Total liabilities and fund balances	$ 438,473	$ 729,384

INDEPENDENT SCHOOL DISTRICT NO. 200

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2026
(With Comparative Actual Amounts for the Year Ended June 30, 2025)

	2026			2025
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	$ 24,000	$ 12,065	$ (11,935)	$ 27,804
Other – primarily meal sales	348,200	303,343	(44,857)	322,140
State sources	1,738,276	1,735,495	(2,781)	1,649,423
Federal sources	1,166,391	1,221,119	54,728	1,216,963
Total revenue	3,276,867	3,272,022	(4,845)	3,216,330
Expenditures				
Current				
Salaries	1,175,673	1,157,742	(17,931)	1,129,135
Employee benefits	311,270	293,844	(17,426)	283,604
Purchased services	267,850	168,114	(99,736)	236,103
Supplies and materials	1,641,044	1,654,743	13,699	1,629,175
Other expenditures	2,000	151,510	149,510	14,063
Capital outlay	120,000	125,667	5,667	195,862
Total expenditures	3,517,837	3,551,620	33,783	3,487,942
Net change in fund balances	$ (240,970)	(279,598)	$ (38,628)	(271,612)
Fund balances				
Beginning of year		673,753		945,365
End of year		$ 394,155		$ 673,753

INDEPENDENT SCHOOL DISTRICT NO. 200

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2026 and 2025

	2026	2025
Assets		
Cash and temporary investments	$ 804,063	$ 662,075
Receivables		
Current taxes	220,395	237,370
Delinquent taxes	6,687	5,739
Accounts and interest	29,257	19,833
Due from other governmental units	76,076	66,259
Prepaid items	7,967	7,162
Total assets	$ 1,144,445	$ 998,438
Liabilities		
Salaries payable	$ 154,306	$ 152,240
Accounts and contracts payable	50,589	30,055
Unearned revenue	135,644	149,551
Total liabilities	340,539	331,846
Deferred inflows of resources		
Property taxes levied for subsequent year	411,347	443,430
Unavailable revenue – delinquent taxes	4,124	3,306
Total deferred inflows of resources	415,471	446,736
Fund balances (deficit)		
Nonspendable for prepaid items	7,967	7,162
Restricted for community education programs	522,346	285,408
Restricted for community service	32,508	51,834
Unassigned – early childhood family education programs restricted account deficit	(125,893)	(66,503)
Unassigned – school readiness restricted account deficit	(48,493)	(58,045)
Total fund balances	388,435	219,856
Total liabilities, deferred inflows of resources, and fund balances	$ 1,144,445	$ 998,438

INDEPENDENT SCHOOL DISTRICT NO. 200

Community Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2026
(With Comparative Actual Amounts for the Year Ended June 30, 2025)

	2026			2025
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 441,822	$ 439,835	$ (1,987)	$ 444,852
Investment earnings	25,000	24,360	(640)	29,295
Other – primarily tuition and fees	1,874,663	1,839,951	(34,712)	1,863,858
State sources	509,925	504,552	(5,373)	484,395
Total revenue	2,851,410	2,808,698	(42,712)	2,822,400
Expenditures				
Current				
Salaries	1,713,178	1,640,028	(73,150)	1,773,618
Employee benefits	632,676	540,771	(91,905)	632,359
Purchased services	374,401	351,934	(22,467)	370,076
Supplies and materials	101,391	103,126	1,735	97,351
Other expenditures	21,521	19,521	(2,000)	67,063
Capital outlay	4,506	1,733	(2,773)	4,103
Total expenditures	2,847,673	2,657,113	(190,560)	2,944,570
Excess (deficiency) of revenue over expenditures	3,737	151,585	147,848	(122,170)
Other financing sources				
Transfers in	–	16,994	16,994	10,090
Net change in fund balances	$ 3,737	168,579	$ 164,842	(112,080)
Fund balances				
Beginning of year		219,856		331,936
End of year		$ 388,435		$ 219,856

INDEPENDENT SCHOOL DISTRICT NO. 200

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2026 and 2025

	2026	2025
Assets		
Cash and temporary investments	$ 396,746	$ 699,590
Liabilities		
Accounts and contracts payable	$ 69,696	$ 150,988
Fund balances		
Restricted for building construction	327,050	548,602
Total liabilities and fund balances	$ 396,746	$ 699,590

INDEPENDENT SCHOOL DISTRICT NO. 200

Capital Projects – Building Construction Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2026
(With Comparative Actual Amounts for the Year Ended June 30, 2025)

	2026			2025
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	$ 15,000	$ 20,176	$ 5,176	$ 58,385
Expenditures				
Capital outlay				
Purchased services	–	4,900	4,900	37,721
Supplies and materials	–	1,170	1,170	327,998
Capital expenditures	413,602	235,658	(177,944)	1,793,504
Other expenditures	150,000	–	(150,000)	–
Total expenditures	563,602	241,728	(321,874)	2,159,223
Net change in fund balances	$ (548,602)	(221,552)	$ 327,050	(2,100,838)
Fund balances				
Beginning of year		548,602		2,649,440
End of year		$ 327,050		$ 548,602

INDEPENDENT SCHOOL DISTRICT NO. 200

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2026 and 2025

	2026	2025
Assets		
Cash and temporary investments	$ 3,363,188	$ 3,387,390
Receivables		
Current taxes	2,562,309	2,553,173
Delinquent taxes	63,790	55,022
Due from other governmental units	27,583	29,961
Total assets	$ 6,016,870	$ 6,025,546
Deferred inflows of resources		
Property taxes levied for subsequent year	$ 4,524,452	$ 4,519,016
Unavailable revenue – delinquent taxes	39,359	31,515
Total deferred inflows of resources	4,563,811	4,550,531
Fund balances		
Restricted for debt service	1,453,059	1,475,015
Total deferred inflows of resources and fund balances	$ 6,016,870	$ 6,025,546

INDEPENDENT SCHOOL DISTRICT NO. 200

Debt Service Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2026
(With Comparative Actual Amounts for the Year Ended June 30, 2025)

	2026			2025
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 4,289,160	$ 4,227,584	$ (61,576)	$ 4,357,734
Investment earnings	120,000	161,151	41,151	857,807
State sources	250,300	275,834	25,534	299,615
Total revenue	4,659,460	4,664,569	5,109	5,515,156
Expenditures				
Debt service				
Principal	4,670,000	4,670,000	–	20,265,000
Interest	15,200	15,200	–	353,100
Fiscal charges	1,150	1,325	175	2,350
Total expenditures	4,686,350	4,686,525	175	20,620,450
Net change in fund balances	$ (26,890)	(21,956)	$ 4,934	(15,105,294)
Fund balances				
Beginning of year		1,475,015		16,580,309
End of year		$ 1,453,059		$ 1,475,015

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INTERNAL SERVICE FUNDS

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

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

INDEPENDENT SCHOOL DISTRICT NO. 200

Internal Service Funds
Combining Statement of Fund Net Position
as of June 30, 2026
(With Comparative Totals as of June 30, 2025)

	Health Benefits Self-Insurance	Dental Self-Insurance	Totals 2026	Totals 2025
Assets				
Current assets				
Cash and temporary investments	$ 6,342,095	$ 1,662,430	$ 8,004,525	$ 7,605,073
Receivables				
Accounts and interest	36,360	9,128	45,488	132,860
Deposits	–	–	–	170,000
Total current assets	6,378,455	1,671,558	8,050,013	7,907,933
Liabilities				
Current liabilities				
Unearned revenue	1,148,355	70,810	1,219,165	1,142,212
Claims incurred, but not reported	671,637	31,795	703,432	484,177
Total current liabilities	1,819,992	102,605	1,922,597	1,626,389
Net position				
Unrestricted	$ 4,558,463	$ 1,568,953	$ 6,127,416	$ 6,281,544

INDEPENDENT SCHOOL DISTRICT NO. 200

Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2026
(With Comparative Totals for the Year Ended June 30, 2025)

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals 2026	Totals 2025
Operating revenues				
Charges for services				
Contributions from governmental funds	$ 9,989,699	$ 709,081	$ 10,698,780	$ 10,462,308
Operating expenses				
Health benefit claims	10,480,112	–	10,480,112	9,302,961
Dental benefit claims	–	626,558	626,558	683,298
Total operating expenses	10,480,112	626,558	11,106,670	9,986,259
Operating income (loss)	(490,413)	82,523	(407,890)	476,049
Other nonoperating revenues				
Investment earnings	196,429	57,333	253,762	266,599
Change in net position	(293,984)	139,856	(154,128)	742,648
Net position				
Beginning of year	4,852,447	1,429,097	6,281,544	5,538,896
End of year	$ 4,558,463	$ 1,568,953	$ 6,127,416	$ 6,281,544

INDEPENDENT SCHOOL DISTRICT NO. 200

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2026
(With Comparative Totals for the Year Ended June 30, 2025)

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals 2026	Totals 2025
Cash flows from operating activities				
Contributions from governmental funds	$ 10,150,169	$ 712,936	$ 10,863,105	$ 11,150,872
Payment for health claims	(10,100,167)	–	(10,100,167)	(9,569,287)
Payment for dental claims	–	(617,248)	(617,248)	(677,761)
Net cash flows from operating activities	50,002	95,688	145,690	903,824
Cash flows from noncapital financing activities				
Cash paid to other funds	–	–	–	(5,445)
Cash flows from investing activities				
Investment income received	196,429	57,333	253,762	266,599
Net change in cash and cash equivalents	246,431	153,021	399,452	1,164,978
Cash and cash equivalents				
Beginning of year	6,095,664	1,509,409	7,605,073	6,440,095
End of year	$ 6,342,095	$ 1,662,430	$ 8,004,525	$ 7,605,073
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	$ (490,413)	$ 82,523	$ (407,890)	$ 476,049
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Accounts receivable	86,173	1,199	87,372	668,102
Deposits	170,000	–	170,000	–
Unearned revenue	74,297	2,656	76,953	20,462
Claims incurred, but not reported	209,945	9,310	219,255	(260,789)
Net cash flows from operating activities	$ 50,002	$ 95,688	$ 145,690	$ 903,824

STATISTICAL SECTION

(UNAUDITED)

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STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 200's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Indicators

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

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

INDEPENDENT SCHOOL DISTRICT NO. 200

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

	Fiscal Year			
	2017	2018	2019	2020
Governmental activities				
Net investment in capital assets	$ 27,299,994	$ 26,945,046	$ 26,788,034	$ 25,411,922
Restricted	12,123,072	14,414,473	16,663,086	21,165,089
Unrestricted	(35,406,263)	(45,996,588)	(31,376,896)	(30,985,720)
Total governmental activities net position	$ 4,016,803	$ (4,637,069)	$ 12,074,224	$ 15,591,291

2021	2022	2023	2024	2025	2026
$ 23,581,307	$ 22,771,722	$ 20,096,870	$ 19,805,036	$ 35,952,459	$ 34,104,240
23,780,384	26,040,498	29,100,419	30,492,504	15,783,918	17,119,560
(30,413,812)	(27,438,148)	(17,462,163)	(10,097,256)	(13,717,734)	(9,627,342)
$ 16,947,879	$ 21,374,072	$ 31,735,126	$ 40,200,284	$ 38,018,643	$ 41,596,458

INDEPENDENT SCHOOL DISTRICT NO. 200

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

	Fiscal Year			
	2017	2018	2019	2020
Governmental activities				
Expenses				
Administration	$ 2,608,262	$ 2,594,303	$ 1,404,057	$ 2,262,429
District support services	2,355,525	2,011,967	2,294,604	2,195,839
Elementary and secondary regular instruction	33,921,752	32,841,811	16,615,404	27,184,936
Vocational education instruction	604,125	558,124	325,871	530,229
Special education instruction	11,769,806	11,765,337	6,778,030	10,384,851
Instructional support services	2,694,663	2,865,606	1,920,560	2,567,306
Pupil support services	5,563,727	5,682,936	4,974,160	5,782,886
Sites and buildings	6,117,443	6,097,165	6,373,550	6,986,173
Fiscal and other fixed cost programs	146,114	142,637	134,045	262,784
Food service	2,343,078	2,411,792	2,254,813	2,366,461
Community service	2,626,053	2,557,143	2,135,915	2,454,245
Interest and fiscal charges	795,895	1,837,153	2,292,777	2,180,786
Total governmental activities expenses	71,546,443	71,365,974	47,503,786	65,158,925
Program revenues				
Charges for services				
Food service	1,436,064	1,402,037	1,408,020	1,023,128
Community service	1,283,220	1,355,698	1,600,148	1,288,291
All other	1,449,016	1,268,343	1,110,125	1,049,210
Operating grants and contributions	11,387,922	11,920,793	12,235,426	13,726,805
Capital grants and contributions	591,344	696,517	729,163	862,308
Total governmental activities program revenues	16,147,566	16,643,388	17,082,882	17,949,742
Net (expense) revenue	(55,398,877)	(54,722,586)	(30,420,904)	(47,209,183)
General revenues and other changes in net position				
Taxes				
Property taxes levied for general purposes	10,470,384	10,561,661	12,126,755	12,788,817
Property taxes levied for community service	475,560	456,680	456,102	445,411
Property taxes levied for debt service	4,542,746	4,511,180	4,416,418	4,379,376
General grants and aids	30,353,285	29,082,752	27,705,649	29,798,462
Other general revenues	798,106	606,954	720,489	621,460
Investment earnings	464,417	849,487	2,426,784	1,655,877
Total general revenues and other changes in net position	47,104,498	46,068,714	47,852,197	49,689,403
Change in net position	$ (8,294,379)	$ (8,653,872)	$ 17,431,293	$ 2,480,220

2021	2022	2023	2024	2025	2026
$ 2,355,133	$ 2,060,746	$ 1,823,587	$ 1,987,183	$ 2,180,639	$ 2,240,448
2,669,814	2,080,293	2,505,198	2,617,221	2,980,748	2,980,165
27,251,616	24,990,235	21,451,856	26,073,735	27,337,365	29,062,407
469,436	612,484	757,710	833,802	858,498	945,552
10,174,796	10,164,976	8,926,817	11,101,301	12,112,370	12,723,859
2,716,163	2,645,050	2,482,699	2,850,983	3,340,031	2,935,424
5,848,284	6,927,624	8,386,476	8,338,309	8,814,234	8,974,641
6,992,385	7,612,125	9,288,077	9,529,306	9,817,512	10,077,811
364,942	383,778	455,026	523,435	556,299	607,426
1,811,603	2,593,488	2,566,013	3,197,235	3,252,291	3,359,117
2,314,068	2,243,923	2,306,574	2,809,560	2,838,639	2,576,696
2,125,150	2,218,624	2,290,287	2,274,970	2,109,664	1,845,707
65,093,390	64,533,346	63,240,320	72,137,040	76,198,290	78,329,253
44,256	292,130	1,124,169	343,222	322,140	303,343
1,018,600	1,496,763	1,565,831	1,868,163	1,863,858	1,839,951
802,830	1,222,983	1,204,839	1,223,874	1,286,489	1,387,703
13,471,334	14,985,108	14,467,883	21,200,969	24,061,833	22,811,980
638,216	582,774	547,103	527,604	418,446	354,152
15,975,236	18,579,758	18,909,825	25,163,832	27,952,766	26,697,129
(49,118,154)	(45,953,588)	(44,330,495)	(46,973,208)	(48,245,524)	(51,632,124)
12,833,809	12,915,506	12,728,809	14,293,853	16,256,860	16,333,371
462,408	455,565	461,173	464,153	445,377	440,653
4,304,386	4,253,130	4,388,561	4,223,935	4,362,988	4,235,428
31,714,973	31,025,644	33,402,095	31,581,664	31,772,256	31,202,866
648,071	1,110,454	697,670	680,595	859,449	979,821
511,095	619,482	2,351,750	3,180,832	2,972,070	2,017,800
50,474,742	50,379,781	54,030,058	54,425,032	56,669,000	55,209,939
$ 1,356,588	$ 4,426,193	$ 9,699,563	$ 7,451,824	$ 8,423,476	$ 3,577,815

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INDEPENDENT SCHOOL DISTRICT NO. 200

Governmental Activities Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Property Tax			
Fiscal Year	General Purposes	Community Service	Debt Service	Total
2017	$ 10,470,384	$ 475,560	$ 4,542,746	$ 15,488,690
2018	10,561,661	456,680	4,511,180	15,529,521
2019	12,126,755	456,102	4,416,418	16,999,275
2020	12,788,817	445,411	4,379,376	17,613,604
2021	12,833,809	462,408	4,304,386	17,600,603
2022	12,915,506	455,565	4,253,130	17,624,201
2023	12,728,809	461,173	4,388,561	17,578,543
2024	14,293,853	464,153	4,223,935	18,981,941
2025	16,256,860	445,377	4,362,988	21,065,225
2026	16,333,371	440,653	4,235,428	21,009,452

INDEPENDENT SCHOOL DISTRICT NO. 200

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

	Fiscal Year			
	2017	2018	2019	2020
General Fund				
Nonspendable	$ 303,863	$ 464,847	$ 494,984	$ 301,600
Restricted	3,779,191	4,855,651	6,446,999	9,002,015
Committed	1,658,828	1,362,953	1,205,417	1,244,339
Assigned	1,858,265	–	–	480,678
Unassigned	10,859,746	11,986,702	13,048,192	13,894,381
Total General Fund	$ 18,459,893	$ 18,670,153	$ 21,195,592	$ 24,923,013
All other governmental funds				
Nonspendable	$ 30,055	$ 65,017	$ 63,375	$ 19,682
Restricted	8,719,038	57,142,022	48,116,962	33,057,294
Unassigned	–	–	–	–
Total all other governmental funds	$ 8,749,093	$ 57,207,039	$ 48,180,337	$ 33,076,976
Total all governmental funds	$ 27,208,986	$ 75,877,192	$ 69,375,929	$ 57,999,989

2021	2022	2023	2024	2025	2026
$ 292,173	$ 397,393	$ 206,575	$ 1,228,417	$ 716,905	$ 293,166
10,687,757	11,083,194	12,711,434	12,752,977	13,024,827	13,916,227
1,265,718	1,081,414	1,015,688	997,510	757,083	809,622
646,102	1,004,882	46,643	1,636,865	3,235,319	4,662,620
14,712,397	13,758,301	15,249,045	15,906,814	18,559,740	19,257,473
$ 27,604,147	$ 27,325,184	$ 29,229,385	$ 32,522,583	$ 36,293,874	$ 38,939,108
$ 46,786	$ 70,612	$ 84,683	$ 58,500	$ 68,437	$ 49,685
27,187,397	24,988,856	21,297,079	20,448,550	2,973,337	2,687,400
–	–	–	–	(124,548)	(174,386)
$ 27,234,183	$ 25,059,468	$ 21,381,762	$ 20,507,050	$ 2,917,226	$ 2,562,699
$ 54,838,330	$ 52,384,652	$ 50,611,147	$ 53,029,633	$ 39,211,100	$ 41,501,807

INDEPENDENT SCHOOL DISTRICT NO. 200

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

	Fiscal Year			
	2017	2018	2019	2020
Revenues				
Local sources				
Property taxes	$ 15,492,566	$ 15,519,089	$ 16,976,880	$ 17,587,767
Investment earnings	445,768	800,338	2,328,144	1,580,802
Other	4,963,530	4,627,301	4,798,530	3,982,089
State sources	38,652,879	39,427,940	40,263,065	41,273,248
Federal sources	2,443,151	2,284,477	2,193,352	2,932,791
Total revenues	61,997,894	62,659,145	66,559,971	67,356,697
Expenditures				
Current				
Administration	1,996,016	2,068,932	2,081,046	2,172,932
District support services	2,336,102	2,010,721	2,362,597	2,200,331
Elementary and secondary regular instruction	25,527,643	25,344,321	25,215,879	25,561,925
Vocational education instruction	479,280	446,943	475,840	510,323
Special education instruction	9,384,751	9,612,490	9,725,713	10,020,576
Instructional support services	2,130,338	2,422,443	2,487,308	2,496,436
Pupil support services	5,323,904	5,492,878	5,287,361	5,703,537
Sites and buildings	5,196,028	4,805,716	4,817,225	4,314,726
Fiscal and other fixed cost programs	146,114	142,637	134,045	262,784
Food service	2,207,037	2,213,691	2,290,782	2,312,934
Community service	2,312,455	2,288,669	2,436,622	2,423,654
Capital outlay	129,909	2,419,065	11,707,292	16,973,960
Debt service				
Principal	2,929,142	3,022,423	3,119,112	3,252,478
Interest and fiscal charges	1,145,681	1,628,265	960,664	842,888
Total expenditures	61,244,400	63,919,194	73,101,486	79,049,484
Excess (deficiency) of revenues over expenditures	753,494	(1,260,049)	(6,541,515)	(11,692,787)
Other financing sources (uses)				
Debt issued	–	80,080,000	–	–
Discount on debt issued	–	(30,157,476)	–	–
Proceeds from sale of assets	2,876	5,731	40,252	–
Insurance recovery	–	–	–	–
Transfers in	–	–	–	140,563
Transfers out	–	–	–	(140,563)
Total other financing sources (uses)	2,876	49,928,255	40,252	–
Net change in fund balances	$ 756,370	$ 48,668,206	$ (6,501,263)	$ (11,692,787)
Debt service as a percentage of noncapital expenditures	6.8%	7.6%	6.7%	6.6%

2021	2022	2023	2024	2025	2026
$ 17,645,778	$ 17,644,043	$ 17,586,314	$ 18,970,546	$ 21,033,805	$ 20,965,347
502,549	605,739	2,150,912	2,870,330	2,705,471	1,764,038
2,513,757	4,092,145	4,590,409	4,077,459	4,321,405	4,510,818
41,107,239	40,891,660	42,084,117	48,634,217	52,538,067	51,772,039
4,645,281	5,888,515	6,140,230	4,522,087	2,935,315	2,686,277
66,414,604	69,122,102	72,551,982	79,074,639	83,534,063	81,698,519
2,300,053	2,167,756	2,212,822	2,125,692	2,200,195	2,310,504
2,728,397	2,139,548	2,408,393	2,605,360	3,137,744	3,162,399
25,385,869	26,319,133	26,432,532	27,234,263	28,717,399	29,315,174
452,624	626,594	893,069	893,888	925,084	961,654
9,985,005	10,609,524	10,792,297	11,760,490	12,425,178	13,113,487
2,683,822	2,733,248	2,772,687	2,884,327	3,436,880	3,298,411
5,837,685	7,007,323	8,725,509	8,401,947	8,785,611	8,966,845
4,777,574	5,983,184	5,845,453	7,891,012	7,909,716	6,479,338
364,942	383,778	455,026	523,435	556,299	607,426
1,760,078	2,616,819	2,509,224	3,167,748	3,292,080	3,425,953
2,326,665	2,351,531	2,471,040	2,864,461	2,972,655	2,686,320
6,878,483	4,507,778	5,547,129	2,544,766	2,359,188	369,128
3,400,879	3,622,457	3,545,555	3,524,051	20,283,265	4,689,880
694,187	537,292	378,342	373,932	361,833	21,293
69,576,263	71,605,965	74,989,078	76,795,372	97,363,127	79,407,812
(3,161,659)	(2,483,863)	(2,437,096)	2,279,267	(13,829,064)	2,290,707
–	–	–	100,824	–	–
–	–	–	–	–	–
–	9,475	2,100	1,430	–	–
–	20,710	–	36,965	10,531	–
125,000	–	–	–	10,090	16,994
(125,000)	–	–	–	(10,090)	(16,994)
–	30,185	2,100	139,219	10,531	–
$ (3,161,659)	$ (2,453,678)	$ (2,434,996)	$ 2,418,486	$ (13,818,533)	$ 2,290,707
6.5%	6.3%	5.7%	5.5%	22.7%	6.1%

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INDEPENDENT SCHOOL DISTRICT NO. 200

General Governmental Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax			
	General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total
2017	$ 10,471,784	475,778	$ 4,545,004	$ 15,492,566
2018	10,554,430	456,468	4,508,191	15,519,089
2019	12,109,358	455,605	4,411,917	16,976,880
2020	12,768,866	444,817	4,374,084	17,587,767
2021	12,864,944	463,610	4,317,224	17,645,778
2022	12,928,311	456,187	4,259,545	17,644,043
2023	12,733,871	461,437	4,391,006	17,586,314
2024	14,283,473	464,013	4,223,060	18,970,546
2025	16,231,219	444,852	4,357,734	21,033,805
2026	16,297,928	439,835	4,227,584	20,965,347

INDEPENDENT SCHOOL DISTRICT NO. 200

Tax Capacities and Market Values
Last Ten Fiscal Years

For Taxes Collectible	Tax Capacity Valuation				
			Fiscal Disparities		
	Agricultural	Nonagricultural	Contribution	Distribution	Tax Increment
2017	$ 4,737,094	$ 29,121,658	$ (2,147,819)	$ 4,713,531	$ (37,071)
2018	4,424,031	31,109,870	(2,185,626)	4,863,570	(42,326)
2019	4,457,032	33,468,378	(2,274,942)	5,181,636	(40,964)
2020	4,581,792	35,893,363	(2,338,310)	5,623,410	(44,974)
2021	4,908,286	38,130,346	(2,343,496)	5,734,282	(51,945)
2022	5,161,430	39,354,083	(2,518,919)	6,240,258	(48,852)
2023	5,561,613	46,989,188	(2,522,095)	5,691,518	(61,152)
2024	6,495,147	50,340,919	(2,658,288)	5,892,550	(187,311)
2025	6,495,705	51,011,316	(2,924,205)	6,483,045	(327,902)
2026	6,881,830	53,033,936	(3,033,819)	6,579,928	(322,182)

Source: State of Minnesota School Tax Report

Total Taxable	Total Direct Tax Rate	Taxable Market Value	Tax Capacity as a Percentage of Market Value
$ 36,387,393	20.305 %	$ 2,825,969,272	1.29 %
38,169,519	20.545	3,008,697,650	1.27
40,791,140	19.079	3,228,265,650	1.26
43,715,281	17.924	3,454,749,225	1.27
46,377,473	16.757	3,657,066,825	1.27
48,188,000	16.214	3,768,897,825	1.28
55,659,072	14.207	4,461,411,200	1.25
59,883,017	16.733	4,744,614,964	1.26
60,737,959	16.316	4,847,395,700	1.25
63,139,693	15.610	5,027,103,600	1.26

INDEPENDENT SCHOOL DISTRICT NO. 200

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

Rate	Tax Collection Calendar Year	ISD No. 200	Overlapping Rates			Total ISD No. 200 Resident
			Municipalities			
			Dakota County	City of Hastings	Special District (1)	
Tax capacity rate	2017	20.305%	28.000%	62.490%	5.180%	115.975%
Market value rate	2017	0.24713%				0.247%
Tax capacity rate	2018	20.545%	26.590%	60.870%	4.650%	112.655%
Market value rate	2018	0.27360%				0.274%
Tax capacity rate	2019	19.079%	25.390%	59.610%	4.430%	108.509%
Market value rate	2019	0.26713%				0.267%
Tax capacity rate	2020	17.924%	24.140%	57.390%	4.330%	103.784%
Market value rate	2020	0.24540%				0.245%
Tax capacity rate	2021	16.757%	22.730%	57.350%	4.230%	101.067%
Market value rate	2021	0.22960%				0.230%
Tax capacity rate	2022	16.214%	21.650%	48.470%	4.250%	90.584%
Market value rate	2022	0.22247%				0.222%
Tax capacity rate	2023	14.207%	18.829%	53.267%	3.662%	89.965%
Market value rate	2023	0.22290%				0.223%
Tax capacity rate	2024	16.733%	18.330%	55.230%	4.050%	94.343%
Market value rate	2024	0.21167%				0.212%
Tax capacity rate	2025	16.316%	19.950%	59.080%	4.070%	99.416%
Market value rate	2025	0.20313%				0.203%
Tax capacity rate	2026	15.610%	21.031%	60.136%	4.040%	100.817%
Market value rate	2026	0.18883%				0.189%

(1) Average is being used for special district

Source: Dakota County

INDEPENDENT SCHOOL DISTRICT NO. 200

Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Property	2026 Tax Capacity	2026 Rank	2026 Percent of Total Tax Capacity	2017 Tax Capacity	2017 Rank	2017 Percent of Total Tax Capacity
Northern States Power	Utility	$ 387,432	1	0.61 %	$ 480,088	1	1.32 %
CenterPoint-Minnegasco	Utility	271,616	2	0.43	164,890	4	0.45
Current33 Apartments, Two LLC	Apartment	252,847	3	0.40	–	–	–
Current33 Apartments, LLC	Apartment	239,366	4	0.38	–	–	–
VMA 1000, LLC	Apartment	216,549	5	0.34	118,476	7	0.33
Hastings Marketplace Station, LLC	Commercial	213,990	6	0.34	205,634	3	0.57
Walmart Real Estate Business Trust	Commercial	210,938	7	0.33	229,744	2	0.63
Lake Isabelle Flats, LLC	Apartment	201,250	8	0.32	–	–	–
Voyageur Estates, LLC	Apartment	185,208	9	0.29	–	–	–
Hastings Medical Office Building, LLC	Commercial	172,750	10	0.27	–	–	–
Three Rivers Partnership	Apartment	–	–	–	143,680	5	0.39
Regina Medical Center	Commercial	–	–	–	142,978	6	0.39
Camegaran, LLC	Commercial	–	–	–	106,119	8	0.29
Dayton Hudson Corporation	Commercial	–	–	–	102,754	9	0.28
Soo Line	Commercial	–	–	–	101,162	10	0.28
Total		$ 2,351,946		3.71 %	$ 1,795,525		4.93 %

Source: Dakota County

INDEPENDENT SCHOOL DISTRICT NO. 200

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

	Original Levy				Collections	
					First Year Levy Recognized	
For Taxes Collectible	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread	Amount	Percentage of Levy
2017	$ 13,349,545	$ 2,080,731	$ 69,693	$ 15,499,969	$ 15,393,141	99.3 %
2018	14,998,707	2,059,911	96,999	17,155,617	17,040,848	99.3
2019	15,229,169	2,345,200	223,373	17,797,742	17,768,596	99.8
2020	15,055,392	2,434,704	250,666	17,740,762	17,611,685	99.3
2021	14,989,263	2,304,027	257,001	17,550,291	17,429,966	99.3
2022	14,935,828	2,335,907	288,456	17,560,191	17,456,620	99.4
2023	16,782,489	2,060,493	292,938	19,135,920	19,016,410	99.4
2024	18,785,175	2,009,881	338,315	21,133,371	20,964,161	99.2
2025	18,433,240	2,290,581	312,120	21,035,941	20,833,582	99.0
2026	18,046,655	2,267,736	319,135	20,633,526	9,452,820	45.8

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.

Source: State of Minnesota School Tax Report

Received in Subsequent Years	Total to Date		Uncollected Taxes Receivable as of June 30, 2026			
			Delinquent		Current	
	Amount	Percentage of Levy	Amount	Percent	Amount	Percent
$ 106,828	$ 15,499,969	100.0 %	$ –	– %	$ –	– %
114,769	17,155,617	100.0	–	–	–	–
29,146	17,797,742	100.0	–	–	–	–
112,023	17,723,708	99.9	17,054	0.1	–	–
114,879	17,544,845	100.0	5,446	–	–	–
97,298	17,553,918	100.0	6,273	–	–	–
100,754	19,117,164	99.9	18,756	0.1	–	–
115,631	21,079,792	99.7	53,579	0.3	–	–
–	20,833,582	99.0	202,359	1.0	–	–
–	9,452,820	45.8	–	–	11,180,706	54.2
			$ 303,467		$ 11,180,706	

INDEPENDENT SCHOOL DISTRICT NO. 200

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities: General Obligation Bonds	Governmental Activities: Premium (Discount) on Bonds	Governmental Activities: Lease Liability	Governmental Activities: Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2017	$ 33,990,000	$ 1,474,622	$ 983,150	$ 36,447,772	3.04 %	N/A
2018	111,225,000	(28,434,827)	805,727	83,595,900	6.48	N/A
2019	108,295,000	(27,053,015)	616,615	81,858,600	6.18	N/A
2020	105,240,000	(25,652,379)	419,137	80,006,758	5.06	N/A
2021	102,045,000	(24,155,613)	213,258	78,102,645	4.86	$ 2,449
2022	98,705,000	(22,404,935)	52,115	76,352,180	4.53	2,408
2023	95,210,000	(20,488,494)	1,560	74,723,066	4.04	2,382
2024	91,705,000	(18,582,862)	83,333	73,205,471	3.94	2,270
2025	71,440,000	(16,694,239)	65,068	54,810,829	2.77	1,662
2026	66,770,000	(14,868,617)	45,188	51,946,571	2.48	1,575

N/A – Not Available

(1) See the Schedule of Demographic and Economic Statistics for personal income and ISD No. 200 population data.

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

INDEPENDENT SCHOOL DISTRICT NO. 200

Ratio of Net General Obligation Bonded Debt
to Market Value and Net General Obligation Bonded Debt
per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Market Value	Percentage of Net Debt to Market Value	Estimated ISD No. 200 Population	Net Bonded Debt per Capita
2017	$ 35,464,622	$ 7,113,534	$ 28,351,088	$ 2,825,969,272	1.00 %	N/A	N/A
2018	82,790,173	8,257,573	74,532,600	3,008,697,650	2.48	N/A	N/A
2019	81,241,985	9,613,999	71,627,986	3,228,265,650	2.22	N/A	N/A
2020	79,587,621	10,792,652	68,794,969	3,454,749,225	1.99	N/A	N/A
2021	77,889,387	12,156,920	65,732,467	3,657,066,825	1.80	31,887	$ 2,061
2022	76,300,065	13,398,817	62,901,248	3,768,897,825	1.67	31,705	1,984
2023	74,721,506	14,975,783	59,745,723	4,461,411,200	1.34	31,366	1,905
2024	73,122,138	16,459,445	56,662,693	4,744,614,964	1.19	32,247	1,757
2025	54,745,761	1,500,197	53,245,564	4,847,395,700	1.10	32,980	1,614
2026	51,901,383	1,487,293	50,414,090	5,027,103,600	1.00	32,980	1,529

N/A – Not Available

Source: Annual school district census and U.S. Census

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INDEPENDENT SCHOOL DISTRICT NO. 200

Direct and Overlapping Debt
as of June 30, 2026

Governmental Unit	Gross Bonded Debt	Percent Allocable to ISD No. 200	Portion Allocable to ISD No. 200
Independent School District No. 200	$ 51,901,383	100.00%	$ 51,901,383
Overlapping debt			
Counties			
Dakota County CDA	$ 384,716,461	1.99%	7,655,858
Cities			
Hampton	$ 4,937,000	1.99%	98,246
Hastings	$ 31,540,000	1.99%	627,646
Rosemount	$ 110,195,000	1.99%	2,192,881
Township			
Douglas	$ 121,529	1.99%	2,418
Special Districts			
Metropolitan Council/Transit District	$ 1,564,245,118	1.99%	31,128,478
Total overlapping debt	$ 2,095,755,108		41,705,527
Total direct and overlapping debt			$ 93,606,910

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping entity's taxable assessed value that is within the District's boundaries and dividing it by the overlapping government's total taxable assessed value.

Source: Dakota County Property Taxation & Records Department

INDEPENDENT SCHOOL DISTRICT NO. 200

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2017	2018	2019	2020
Debt limit	$ 423,895,391	$ 451,304,648	$ 484,239,848	$ 518,212,384
Total net debt applicable to the limit	26,876,466	102,967,427	98,681,001	94,447,348
Legal debt margin	$ 397,018,925	$ 348,337,221	$ 385,558,847	$ 423,765,036
Total net debt applicable to the limit as a percentage of debt limit	6.34%	22.82%	20.38%	18.23%

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

Source: District finance department

2021	2022	2023	2024	2025	2026
$ 548,560,024	$ 565,334,674	$ 669,211,680	$ 711,692,245	$ 727,109,355	$ 754,065,540
89,888,080	85,306,183	80,234,217	75,245,555	69,939,803	65,282,707
$ 458,671,944	$ 480,028,491	$ 588,977,463	$ 636,446,690	$ 657,169,552	$ 688,782,833
16.39%	15.09%	11.99%	10.57%	9.62%	8.66%

Legal Debt Margin Calculation for Fiscal Year 2026

Market value	$ 5,027,103,600
Debt limit (15% of market value)	754,065,540
Debt applicable to limit	
General obligation bonds	66,770,000
Less amount set aside for repayment of general obligation debt	(1,487,293)
Total net debt applicable to the limit	65,282,707
Legal debt margin	$ 688,782,833

INDEPENDENT SCHOOL DISTRICT NO. 200

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Hastings Population (1)	City of Hastings Personal Income (1)	City of Hastings Per Capita Personal Income (1)	Total ISD No. 200 Population (2)	School Enrollment (3)	City of Hastings Unemployment Rate (1)
2017	22,687	$ 1,200,301,109	$ 52,907	N/A	4,428	3.4 %
2018	22,400	1,290,934,400	57,631	N/A	4,380	2.7 %
2019	22,800	1,324,098,600	58,075	N/A	4,347	2.7 %
2020	22,800	1,582,411,200	69,404	N/A	4,315	2.9 %
2021	22,722	1,606,013,682	70,681	31,887	4,185	4.3 %
2022	23,168	1,687,325,440	72,830	31,705	4,133	2.3 %
2023	23,192	1,850,953,520	79,810	31,366	4,071	2.7 %
2024	22,634	1,857,843,988	82,082	32,247	4,039	2.2 %
2025	22,477	1,979,032,419	88,047	32,980	3,986	2.2 %
2026	22,610	2,091,967,640	92,524	32,980	3,888	3.8 %

N/A – Not Available

Sources:
(1) City of Hastings Annual Comprehensive Financial Report for the year ended December 31st
(2) Minnesota State Demographic Center – School District Data (2017–2020 not readily available)
(3) Per Minnesota Department of Education ADM Summary – General Education Revenue

INDEPENDENT SCHOOL DISTRICT NO. 200

Principal Employers
Current Year and Nine Years Ago

	2026			2017		
Employer	Employees	Rank	Percent of Employment (1)	Employees	Rank	Percent of Employment (1)
Dakota County	707	1	8.54 %	1,800	1	21.66 %
Independent School District No. 200	551	2	6.66	638	3	7.68
Regina Medical Center/Allina Clinic	470	3	5.68	875	2	10.53
Walmart	293	4	3.54	300	5	3.61
Intek Plastics, Inc.	230	5	2.78	180	7	2.17
Augustana Health Care Center	163	6	1.97	175	8	2.11
City of Hastings	155	7	1.87	–	–	–
YMCA	146	8	1.76	–	–	–
Quality One Woodwork	130	9	1.57	150	9	1.80
Ardent Mills/Con-Agra	130	9	1.57	120	10	1.44
Smead Manufacturing Company	–	–	–	575	4	1.44
Allina Medical Clinic	–	–	–	300	5	3.61
Total	2,975		35.94 %	5,113		56.05 %

(1) Represents the Percent of Total City of Hastings Employment

Source: City of Hastings Annual Comprehensive Financial Report

INDEPENDENT SCHOOL DISTRICT NO. 200

Employees by Classification
Last Ten Fiscal Years

Employees (1)	Fiscal Year 2017	2018	2019	2020
District directors/superintendent	7	8	8	6
Principals	10	10	9	9
Teachers, nurses, and counselors	280	271	272	280
Coordinators, supervisors, specialists, and technical support	18	16	18	18
Paraprofessionals	83	86	90	88
Food service	36	36	38	34
Custodians	25	30	33	32
Bus drivers (2)	–	–	–	–
Community education leads and assistants	10	10	10	14
Total	469	467	478	481

Note: This table does not include casual employees (substitutes, coaches, and others).

(1) This schedule is a headcount based on contract group. Full-time and part-time employees count the same.
(2) The District contracts for busing services so there are no employees.

2021	2022	2023	2024	2025	2026
8	9	7	6	6	8
9	8	10	9	10	10
287	278	262	262	267	258
18	19	18	18	17	17
82	81	74	85	77	67
36	30	26	37	41	45
32	29	33	32	34	31
–	–	–	–	–	–
18	19	15	18	18	15
490	473	445	467	470	451

INDEPENDENT SCHOOL DISTRICT NO. 200
Operating Indicators by Function

Standardized Testing Rates
Last Ten Fiscal Years

	Fiscal Year			
	2017	2018	2019	2020
	(2)	(2)	(2)	(3)
Standardized tests				
MCA Reading (1)				
Grade 3	– %	– %	– %	– %
Grade 4	–	–	–	–
Grade 5	–	–	–	–
Grade 6	–	–	–	–
Grade 7	–	–	–	–
Grade 8	–	–	–	–
Grade 10	–	–	–	–
MCA Math (1)				
Grade 3	–	–	–	–
Grade 4	–	–	–	–
Grade 5	–	–	–	–
Grade 6	–	–	–	–
Grade 7	–	–	–	–
Grade 8	–	–	–	–
Grade 11	–	–	–	–
ACT				
Average composite score	21.9	22.0	22.8	23.4

(1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test.
(2) 2017–2019 MCA Test results not available.
(3) Due to the COVID-19 pandemic, no 2020 summarized assessment data for MCA tests is available.

2021	2022	2023	2024	2025	2026
47.5 %	48.9 %	52.9 %	48.6 %	48.8 %	51.9 %
48.0	52.0	48.3	55.8	50.7	54.1
46.4	51.1	57.1	56.1	52.3	51.5
51.7	52.0	49.5	49.8	55.1	48.2
47.3	48.6	46.5	45.1	44.5	37.6
48.7	47.0	46.3	41.2	42.2	46.4
68.1	62.7	64.5	61.8	49.1	36.7
61.9	59.4	67.8	58.9	63.2	60.3
62.8	68.5	62.6	68.0	58.7	59.6
24.1	43.7	49.0	40.4	35.4	41.5
30.1	43.4	37.5	34.9	32.0	35.2
35.7	39.7	40.2	35.8	35.8	30.6
42.9	43.5	44.4	41.9	34.5	44.0
44.7	42.7	44.2	50.5	42.9	38.6
24.7	21.3	21.9	21.6	22.5	21.9

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INDEPENDENT SCHOOL DISTRICT NO. 200

School Facilities
as of June 30, 2026

Facility	Use	Constructed	Acres	Classrooms	Square Footage	Functional Capacity	Enrollment (1)
Kennedy Elementary	School	1963, 1966, 1986, 2011	22	85	61,330	624	455
McAuliffe Elementary	School	1988	12	70	81,914	546	476
Pinecrest Elementary	School	1966	14	55	71,152	650	409
Hastings Middle School	School	1967, 1974, 1986, 2011	40	130	310,394	1,276	1,179
Hastings High School/ STAARS/HOA	School	2001	93	134	340,000	1,839	1,275
Curriculum Center (located at Kennedy site)	Office	1961	–	N/A	1,785	N/A	–
Hastings Area Learning Program (located at the high school site)	School	2023	–	6	14,000	60	49
District Office (located at Middle the middle school site)	Office		–	N/A	Included with middle school	N/A	–
Community Education/Early Childhood Education	School	1957, 1961, 1972	2	40	31,100	308	113

(1) Enrollment data from October 1, 2025.

INDEPENDENT SCHOOL DISTRICT NO. 200

Food Service
School Lunch Program Data
Last Ten Fiscal Years

Fiscal Year	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percentage of Average Daily Attendance
2017	4,162	500,563	171	2,927	70.33
2018	4,117	471,791	168	2,808	68.21
2019	4,086	472,291	165	2,862	70.05
2020 (2)	4,056	336,036	170	1,977	48.73
2021 (3)	3,934	259,899	171	1,520	38.64
2022 (4)	3,885	409,438	171	2,394	61.63
2023	3,827	375,350	168	2,234	58.38
2024 (5)	3,797	466,884	169	2,763	72.76
2025	3,747	471,146	167	2,821	75.30
2026	3,655	470,884	167	2,820	77.15

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

(2) Due to the COVID-19 pandemic, significantly fewer meals were served in the National School Lunch Program.

(3) Due to the ongoing COVID-19 pandemic and multiple shifts in learning models throughout the year, significantly fewer lunches were served. Additionally, the program operated all year under the USDA Seamless Summer Food Service Program, under which all student meals were provided for free.

(4) The program operated all year under the USDA Seamless Summer Food Service Program, under which all student meals were provided for free.

(5) Beginning in 2024, the cost of meals not covered by free and reduced federal funding as noted in the table above, were funded by the state to provide free meals to all students.

Free Lunch		Reduced-Price Lunch	
Number Served	Percent of Total	Number Served	Percent of Total
94,452	18.87 %	35,394	7.07 %
88,642	18.79	38,630	8.19
85,955	18.20	40,354	8.54
59,025	17.57	28,510	8.48
259,899	100.00	–	–
409,438	100.00	–	–
100,538	26.79	25,785	6.87
117,523	25.17	28,394	6.08
115,169	24.44	26,496	5.62
107,227	22.77	26,119	5.55

INDEPENDENT SCHOOL DISTRICT NO. 200

Expenditures per Student (Average Daily Membership)
Last Ten Fiscal Years

	Fiscal Year			
	2017	2018	2019	2020
Administration	$ 451	$ 472	$ 479	$ 504
District support services	528	459	544	510
Elementary and secondary regular instruction	5,765	5,786	5,801	5,924
Vocational education instruction	108	102	109	118
Special education instruction	2,119	2,195	2,237	2,322
Instructional support services	481	553	572	579
Pupil support services	1,202	1,254	1,216	1,322
Sites and buildings	1,173	1,097	1,108	1,000
Fiscal and other fixed cost programs	33	33	31	61
Food service	498	505	527	536
Community service	522	523	561	562
Capital outlay	29	552	2,693	3,934
Debt service	922	1,062	939	948
Total expenditures	$ 13,831	$ 14,593	$ 16,817	$ 18,320
Average daily membership	4,428	4,380	4,347	4,315

Note: Includes all governmental fund expenditures.

2021	2022	2023	2024	2025	2026
$ 550	$ 524	$ 544	$ 526	$ 552	$ 594
652	518	592	645	787	813
6,066	6,368	6,493	6,743	7,205	7,540
108	152	219	221	232	247
2,386	2,567	2,651	2,912	3,117	3,373
641	661	681	714	862	848
1,395	1,695	2,143	2,080	2,204	2,306
1,142	1,448	1,436	1,954	1,984	1,666
87	93	112	130	140	156
421	633	616	784	826	881
556	569	607	709	746	691
1,644	1,091	1,363	630	592	95
977	1,006	963	965	5,179	1,214
$ 16,625	$ 17,325	$ 18,420	$ 19,013	$ 24,426	$ 20,424
4,185	4,133	4,071	4,039	3,986	3,888

INDEPENDENT SCHOOL DISTRICT NO. 200

Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					Total Pupil Units
	Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2017	42	292	1,893	2,201	4,428	4,869
2018	40	291	1,908	2,141	4,380	4,807
2019	37	271	1,876	2,163	4,347	4,779
2020	40	288	1,868	2,119	4,315	4,739
2021	37	268	1,763	2,117	4,185	4,609
2022	44	264	1,711	2,114	4,133	4,556
2023	48	271	1,709	2,043	4,071	4,480
2024	50	258	1,726	2,005	4,039	4,440
2025	62	259	1,696	1,969	3,986	4,380
2026	60	261	1,647	1,920	3,888	4,272

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

Note 2: ADM is weighted as follows in computing pupil units:

	Pre-Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1–6	Secondary 7–12+
For all years presented	1.000	0.550	1.000	1.000	1.000

Source: Minnesota Department of Education student reporting system