

Finance & Facilities Committee

Monday, April 13, 2026 6:00 PM

District Office Conf Rm B, 512 Industrial Blvd., Waconia, MN 55387

- 1. Finance Report and Bank Reconciliation -
February 2026**

REVENUE & EXPENDITURE SUMMARY BY SOURCE, OBJECT SERIES & PROGRAM SERIES

WACONIA | February 28, 2026

REVENUE CATEGORIES						28-Feb-26	28-Feb-25	28-Feb-24		
	30-Jun-24	30-Jun-25	FY26 Adopted Budget	Received YTD	Budget Remaining	% Received	% Received	% Received	28-Feb-25	28-Feb-24
STATE	43,525,335	43,706,014	43,738,854	21,740,546	21,998,308	49.71%	49.16%	49.91%	21,485,412	21,725,565
FEDERAL	1,255,094	894,894	838,048	162,957	675,091	19.44%	6.56%	14.14%	58,734	177,494
PROPERTY TAXES	10,257,822	10,260,902	9,967,872	5,681,588	4,286,284	57.00%	51.73%	49.90%	5,307,463	5,119,118
LOCAL SALES, INS RECOVERY & JUDGEMENTS	0	(1,705)	0	5,244	(5,244)	0.00%	0.00%	0.00%	7,902	0
SALE OF BONDS & LOANS	0	0	0	0	0	0.00%	0.00%	0.00%	0	0
INCOMING TRANSFERS FROM OTH FUNDS	0	0	0	0	0	0.00%	0.00%	0.00%	0	0
LOCAL (FEES, INTEREST, ETC.)	1,702,471	2,040,410	1,604,813	1,098,620	506,193	68.46%	61.37%	57.91%	1,252,219	985,879
TOTALS	56,740,722	56,900,515	56,149,587	28,688,955	27,460,632	51.09%	49.41%	49.36%	28,111,729	28,008,057

EXPENDITURES (OBJECT SERIES)						28-Feb-26	28-Feb-25	28-Feb-24		
	30-Jun-24	30-Jun-25	FY26 Adopted Budget	Expended YTD	Budget Remaining	% Expended	% Expended	% Expended	28-Feb-25	28-Feb-24
SALARIES & WAGES	27,539,445	28,557,637	30,827,060	16,225,589	14,601,471	52.63%	55.41%	54.42%	15,823,917	14,988,160
EMPLOYEE BENEFITS	10,431,339	11,378,624	11,777,614	7,036,260	4,741,354	59.74%	57.17%	57.15%	6,505,247	5,961,304
PURCHASED SERVICES	7,612,703	8,344,460	8,513,778	5,262,910	3,250,868	61.82%	56.06%	54.97%	4,678,266	4,184,829
SUPPLIES	1,724,992	1,869,383	1,980,575	1,200,830	779,745	60.63%	42.70%	28.34%	798,139	488,888
EQUIPMENT	904,658	1,293,468	1,462,300	1,235,548	226,752	84.49%	87.55%	93.36%	1,132,412	844,612
DEBT SERVICE	83,267	83,267	81,287	2,200	79,087	2.71%	100.00%	100.00%	83,267	83,267
OTHER EXPENDITURES	284,535	268,429	288,579	95,665	192,914	33.15%	41.75%	40.69%	112,062	115,776
OTHER FINANCING USES	179,732	0	63,000	0	63,000	0.00%	0.00%	0.00%	0	0
TOTALS	48,760,671	51,795,268	54,994,193	31,059,003	23,935,190	56.48%	56.25%	54.69%	29,133,310	26,666,837

EXPENDITURES (PROGRAM SERIES)						28-Feb-26	28-Feb-25	28-Feb-24		
	30-Jun-24	30-Jun-25	FY26 Adopted Budget	Expended YTD	Budget Remaining	% Expended	% Expended	% Expended	28-Feb-25	28-Feb-24
SITE ADMINISTRATION	1,009,465	1,086,471	1,124,204	733,779	390,425	65.27%	65.82%	68.96%	715,106	696,134
DISTRICT ADMINISTRATION	479,268	478,718	507,637	286,055	221,582	56.35%	63.91%	63.22%	305,937	302,992
SUPPORT SERVICES	1,696,730	1,875,357	2,052,639	1,417,725	634,914	69.07%	69.08%	69.54%	1,295,490	1,179,986
REGULAR INSTRUCTION	19,685,536	21,366,366	21,695,083	11,394,252	10,300,831	52.52%	50.98%	51.48%	10,893,402	10,134,214
EXTRA-CURRICULAR ACTIVITES	1,968,764	2,084,156	2,138,382	881,174	1,257,208	41.21%	44.11%	38.59%	919,271	759,716
VOCATIONAL INSTRUCTION	536,073	635,540	574,343	298,633	275,710	52.00%	54.67%	50.37%	347,458	269,999
SPECIAL EDUCATION	10,567,638	11,064,177	12,473,658	6,444,895	6,028,763	51.67%	53.60%	53.10%	5,930,249	5,611,009
COMMUNITY SERVICES	8,848	14,322	8,848	9,035	(187)	102.11%	76.44%	61.87%	10,948	5,474
INSTRUCTIONAL SUPPORT	2,462,123	2,274,874	2,923,864	1,970,858	953,006	67.41%	68.77%	62.54%	1,564,475	1,539,839
PUPIL SUPPORT SERVICES	4,958,436	5,237,720	5,697,145	3,337,566	2,359,579	58.58%	54.95%	54.05%	2,877,997	2,679,914
FACILITIES	4,820,100	5,237,835	5,273,390	3,632,155	1,641,235	68.88%	68.92%	65.72%	3,609,857	3,167,777
OTHER FINANCING USES	567,689	439,732	525,000	652,876	(127,876)	124.36%	150.80%	86.92%	663,122	493,438
TOTALS	48,760,671	51,795,268	54,994,193	31,059,003	23,935,190	56.48%	56.25%	55.05%	29,133,310	26,840,491

REVENUE & EXPENDITURE SUMMARY BY SOURCE, OBJECT SERIES & PROGRAM SERIES

WACONIA | February 28, 2026

ACTIVITY - OTHER FUNDS										
	<div style="display: flex; justify-content: space-between;"> 28-Feb-26 28-Feb-25 28-Feb-24 </div>									
	<div style="display: flex; justify-content: space-between;"> 28-Feb-26 28-Feb-25 28-Feb-24 </div>									
REVENUE	30-Jun-24	30-Jun-25	FY26 Adopted Budget	Received YTD	Budget Remaining	% Received	% Received	% Received	28-Feb-25	28-Feb-24
FOOD SERVICE	3,388,847	3,319,655	3,449,636	1,137,693	2,311,943	32.98%	35.62%	36.04%	1,182,379	1,221,377
COMMUNITY EDUCATION	4,221,222	4,247,809	4,171,711	2,801,199	1,370,512	67.15%	65.79%	64.62%	2,794,734	2,727,647
CONSTRUCTION	6,158,103	9,596,627	75,000	217,790	(142,790)	290.39%	0.45%	0.00%	43,143	0
DEBT SERVICE	9,557,211	21,753,496	9,737,900	5,062,197	4,675,703	51.98%	23.12%	54.12%	5,029,500	5,172,110
TRUST	11,250	12,950	0	1,500	(1,500)	0.00%	23.17%	17.78%	3,000	2,000
INTERNAL SERVICE	550,381	418,183	485,000	311,385	173,615	64.20%	64.86%	55.19%	271,219	303,749
OPEB IRREVOCABLE TRUST	152,627	439,769	135,000	60,311	74,689	44.68%	12.18%	49.46%	53,576	75,494
TOTALS	24,039,642	39,788,489	18,054,247	9,592,076	8,462,171	53.13%	23.57%	39.53%	9,377,552	9,502,378

EXPENDITURES										
	<div style="display: flex; justify-content: space-between;"> 28-Feb-26 28-Feb-25 28-Feb-24 </div>									
	<div style="display: flex; justify-content: space-between;"> 28-Feb-26 28-Feb-25 28-Feb-24 </div>									
EXPENDITURES	30-Jun-24	30-Jun-25	FY26 Adopted Budget	Expended YTD	Budget Remaining	% Expended	% Expended	% Expended	28-Feb-25	28-Feb-24
FOOD SERVICE	3,472,583	3,138,794	3,828,301	1,736,340	2,091,961	45.36%	57.07%	55.41%	1,791,176	1,924,209
COMMUNITY EDUCATION	3,902,578	4,136,902	3,889,861	2,958,933	930,928	76.07%	62.16%	58.75%	2,571,476	2,292,778
CONSTRUCTION	2,061,110	5,459,450	9,384,517	6,008,277	3,376,240	64.02%	9.97%	0.00%	544,413	0
DEBT SERVICE	9,396,831	21,790,482	9,737,900	9,363,410	374,490	96.15%	43.95%	99.98%	9,576,854	9,394,831
TRUST	4,500	10,250	0	9,406	(9,406)	0.00%	70.12%	88.89%	7,188	4,000
INTERNAL SERVICE	448,577	442,895	485,000	294,578	190,422	60.74%	65.23%	69.99%	288,890	313,976
OPEB IRREVOCABLE TRUST	346,417	361,101	135,000	11,174	123,826	8.28%	0.48%	0.43%	1,748	1,483
TOTALS	19,632,597	35,339,874	27,460,579	20,382,118	7,078,461	74.22%	41.83%	70.96%	14,781,745	13,931,278

SUMMARY - ALL FUNDS										
	<div style="display: flex; justify-content: space-between;"> 28-Feb-26 28-Feb-25 28-Feb-24 </div>									
	<div style="display: flex; justify-content: space-between;"> 28-Feb-26 28-Feb-25 28-Feb-24 </div>									
SUMMARY	30-Jun-24	30-Jun-25	FY26 Adopted Budget	YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended	28-Feb-25	28-Feb-24
REVENUE	80,780,364	96,689,004	74,203,834	38,281,031	35,922,803	51.59%	38.77%	46.44%	37,489,281	37,510,435
EXPENDITURES	68,393,268	87,135,142	82,454,772	51,441,121	31,013,651	62.39%	50.40%	59.61%	43,915,055	40,771,769
SPENDING VARIANCE	12,387,096	9,553,862	(8,250,938)	(13,160,090)	N/A	N/A	N/A	N/A	(6,425,774)	(3,261,334)

Waconia ISD #110

Bank Reconciliation

	A	B	C	D
1				
2		Transfers To	Transfers From	
3				
4	Security Bank	1,900,000.00		
5		2,100,000.00		
6		700,000.00		
7				
8				
9			0.02	
10	Bond Disbursement			
11	OPEB EQUITY			
12				
13	OPEB-Rounding			
14				
15	2025 Bonds		79,575.49	
16			75,382.26	
17				
18	Hometown Bank/Sweep			
19	Hometown Bank/Sweep	241,911.96	691,128.19	
20	Hometown Bank		240,651.54	Deposit in Transit- Clears in Feb
21			700,000.00	
22		691,128.19		
23	2019 Lease (Tennis Court)			
24	2024 BONDS			
25				
26				
27				
28	OPEB Equity			
29	OPEB			
30	PM-A Operating	79,575.49	1,900,000.00	
31		75,382.26	2,100,000.00	
32				
33				
34				
35	Refunding Bonds			
36	2017 COPS-US Bank		196,581.25	
37	PMA			
38	KleinBank General to Activities			
39	Old National			
40	Mid Country			
41	LTFM Bond			
42	Facility Bond to Debt Service			
43				
44	Total Transfers	5,787,997.90	5,983,318.75	
45				
46				
47			-195,320.85	

2. Construction Update



Construction Update

Presented By:
Pam Carman / Tim Bisek

April 13, 2026

Financial Performance - IAQ and Parking Lots

Location	Original Contract Bid	Contingency Funds	Change Orders	Net Impact	Status
High School IAQ	\$9,294,274	(\$650,599)	+\$332,970	(\$317,629)	● Favorable
District Office IAQ	\$600,016	(\$48,373)	+\$41,526	(\$6,847)	● Favorable
Middle School Parking Lot	\$665,976	(\$14,018)	+\$54,378	+\$40,360	● Unfavorable
Laketown Parking Lot	\$55,118	(\$3,858)	\$0	(\$3,858)	● Favorable



Financial Outcome - IAQ and Parking Lots



Date Updated: 4/6/2026

Waconia Project Dashboard		Amount Billed Against Fund	
LTFM	\$ 14,902,117.00	\$	13,588,592.41
Total Project Value	\$ 14,902,117.00		

Signed Contracts	Original Contract Value	Approved Change Orders	Current Contract Value	Billed To Date	Amount Remaining	% Remaining	Contractor Change Potential
MS-Bituminous Roadways	\$ 665,976.00	\$ 54,378.00	\$ 720,354.00	\$ 720,353.63	\$ 0.37	0.0%	\$ -
LT - MN Roadways	\$ 55,118.00	\$ -	\$ 55,118.00	\$ 55,118.00	\$ (0.00)	0.0%	\$ -
DO - Choice Electric	\$ 68,750.00	\$ -	\$ 68,750.00	\$ 36,130.00	\$ 32,620.00	47.4%	\$ -
DO - St Cloud Refrigeration	\$ 209,000.00	\$ 39,901.54	\$ 248,901.54	\$ 248,901.54	\$ (0.00)	0.0%	\$ -
DO - Systems Management & Bal.	\$ 4,800.00	\$ -	\$ 4,800.00	\$ 4,800.00	\$ -	0.0%	\$ -
DO - UHL Company,	\$ 51,756.00	\$ -	\$ 51,756.00	\$ 49,168.20	\$ 2,587.80	5.0%	\$ -
DO - BCI Construction	\$ 175,000.00	\$ 1,624.50	\$ 176,624.50	\$ 176,624.48	\$ 0.02	0.0%	\$ -
DO - Prepurchased Equipment (SVL)	\$ 90,710.00	\$ -	\$ 90,710.00	\$ 90,710.00	\$ -	0.0%	\$ -
HS - BCI Construction	\$ 1,035,000.00	\$ 5,972.08	\$ 1,040,972.08	\$ 984,941.78	\$ 56,030.30	5.4%	\$ -
HS - Choice Electric	\$ 558,100.00	\$ (1,099.50)	\$ 557,000.50	\$ 557,000.50	\$ -	0.0%	\$ -
HS - Systems Mgt Bal	\$ 53,300.00	\$ 11,000.00	\$ 64,300.00	\$ 5,063.50	\$ 59,236.50	92.1%	\$ -
HS - Cool Air Mechanical	\$ 5,636,000.00	\$ 173,473.00	\$ 5,809,473.00	\$ 5,518,999.35	\$ 290,473.65	5.0%	\$ -
HS - Cool Air Controls	\$ 659,474.00	\$ 143,625.00	\$ 803,099.00	\$ 669,250.30	\$ 133,848.70	16.7%	\$ -
HS - Prepurchased Equipment (SVL)	\$ 1,352,400.00	\$ -	\$ 1,352,400.00	\$ 1,352,400.00	\$ -	0.0%	\$ -
HS - Contingency	\$ 650,599.18	\$ (642,879.18)	\$ 7,720.00	\$ -	\$ 7,720.00		\$ -
DO - Contingency	\$ 48,373.22	\$ (48,373.22)	\$ -	\$ -	\$ -		\$ -
MS - Contingency	\$ 14,017.74	\$ (14,017.74)	\$ 0.00	\$ -	\$ 0.00		\$ -
LT - Contingency	\$ 3,858.26	\$ (3,858.26)	\$ -	\$ -	\$ -		\$ -
SiteLogIQ Professional Services	\$ 3,152,812.50	\$ -	\$ 3,152,812.50	\$ 3,119,131.13	\$ 33,681.37	1.1%	\$ -
Total Cost	\$ 14,485,044.90	\$ (280,253.78)	\$ 14,204,791.12	\$ 13,588,592.41	\$ 616,198.71	4.25%	\$0.00

NIC-Owner Provided includes interest earnings.

Unallocated Funds	\$ 417,072.10
Approved Change Orders	\$ (280,253.78)
NIC - Owner Provided	\$ (332,676.39)
Contractor Change Potential	\$ -
Remaining Unallocated	\$ 1,030,002.27

*(To be Drawn against project contingency)



Safari Island IAQ - City of Waconia Cost Share

City Share - Initial Project Cost

- Total Project Cost: \$983,735
- Includes 15% for SitelogiQ fee
- Based on Shared Use Agreement allocations

Change Orders (as of 3/17/26)

- Initial Estimate (MOU): \$25,000
- Final to Date: \$17,810
- Pending Estimate: \$544

City of Waconia - Total Project Cost \$1,002,089

Payment Structure - Loan Forgiveness

- Loan Forgiveness: \$313,159
 - Baseball Park: \$220,000
 - Pool Filter: \$93,159
- Applied toward City's IAQ project share

City of Waconia Payment Schedule

- 12/10/2025: \$30,000
- 12/10/2026: \$30,000
- 12/10/2027: \$30,000
- 12/10/2028: \$299,465
- 12/10/2029: \$299,465





Questions?



MEMORANDUM

TO: ISD 110 Finance Committee

FROM: Pam Carman, Director of Finance and Operations
Tim Bisek, Director of Buildings & Grounds

DATE: April 13, 2026

SUBJECT: Construction Update - Indoor Air Quality (IAQ) Project and Parking Lots

Purpose

The purpose of this memo is to provide a final construction and financial update on the Indoor Air Quality (IAQ) project at Waconia High School and the District Office, as well as the Middle School and Laketown parking lots. The attached SiteLogiQ project dashboard reflects the current financial status as the project moves into closeout.

Project Overview

The IAQ project was initiated to address critical air quality and mechanical system needs identified through the district's facility assessment process. The majority of construction was completed during summer 2025 to minimize disruption to students and staff.

The project is now substantially complete, with remaining work limited to final system balancing, commissioning, and closeout activities.

Financial Summary

As reflected in the attached dashboard (updated April 2, 2026):

- Original Contract Value: \$14,485,045
- Approved Change Orders: \$(280,254)
- Current Contract Value: \$14,114,081
- Billed to Date: \$13,289,437
- Amount Remaining: \$824,644 (5.69%)

As the project has reached substantial completion, unused contingency has been reallocated to the Approved Change Orders column for final reconciliation, resulting in a net negative change order position and reflecting that contingency was not fully utilized.

Project Summary by Location

- **Waconia Middle School (Parking Lot):**
Original Contract Value of \$665,976 with \$54,378 in change orders, partially offset by \$14,018 of contingency. The project exceeded the original contract value due to targeted scope enhancements and additional site improvements.
- **Laketown Elementary:**
Contract Value of \$55,118 with no change orders and no use of contingency (\$3,858 remaining).
- **District Office:**
Original Contract Value of \$600,016 with \$41,526 in change orders, offset by \$48,373 of contingency, resulting in a net favorable position.
- **Waconia High School:**
Original Contract Value of \$9,294,274 with \$332,970 in change orders, more than offset by \$650,599 of contingency, resulting in a net favorable position.
- **SiteLogiQ Professional Services:**
Total project fee of \$3,152,812.50.

Based on this activity, the project reflects approximately \$1.0 million in remaining unallocated funds, including interest earnings associated with the project funds reflected in the “NIC - Owner Provided” line item in the attached document.

Overall, favorable performance at the High School and District Office more than offset targeted scope enhancements at the Middle School.

City of Waconia Cost Share (Safari Island)

The District continues to work in coordination with the City of Waconia under the Memorandum of Understanding approved on September 15, 2025, outlining the City’s share of the IAQ project at Safari Island.

The MOU included an estimated \$25,000 contingency for change orders. As the project has reached substantial completion, final change orders attributable to the City are approximately \$17,810, with an additional estimated \$544 pending final reconciliation.

Cost allocations continue to be applied in alignment with the Shared Use Agreement and established methodology, including:

- 17% / 83% allocation for capital improvements to the facility
- 34% / 66% allocation for capital improvements to shared-use spaces (e.g., gym and pool)
- 15% allocation for select operational project costs (e.g., builder’s risk insurance, testing, surveying)
- 100% allocation for City-specific improvements (e.g., front desk power, equipment relocation)

This approach ensures that costs are distributed equitably and consistently, based on actual use and benefit to each party. Final reconciliation with the City will be completed as part of project closeout.

Conclusion

The IAQ project reflects a strong outcome for the district—delivered under budget, with disciplined stewardship of financial resources while successfully addressing critical infrastructure needs. This success reflects strong coordination and collaboration with SitelogiQ, whose project oversight, cost management, and coordination contributed to the effective delivery of the work. This positions the district well as we transition from project completion into broader long-term facilities planning.

Project Cost Tracking



Waconia Project Dashboard		Amount Billed Against Fund	
LTFM	\$ 14,902,117.00	\$ 13,588,592.41	
Total Project Value	\$ 14,902,117.00		

Date Updated: 4/6/2026

Signed Contracts	Original Contract Value	Approved Change Orders	Current Contract Value	Billed To Date	Amount Remaining	% Remaining	Contractor Change Potential Un
MS-Bituminous Roadways	\$ 665,976.00	\$ 54,378.00	\$ 720,354.00	\$ 720,353.63	\$ 0.37	0.0%	\$ -
LT - MN Roadways	\$ 55,118.00	\$ -	\$ 55,118.00	\$ 55,118.00	\$ (0.00)	0.0%	\$ -
DO - Choice Electric	\$ 68,750.00	\$ -	\$ 68,750.00	\$ 36,130.00	\$ 32,620.00	47.4%	\$ -
DO - St Cloud Refrigeration	\$ 209,000.00	\$ 39,901.54	\$ 248,901.54	\$ 248,901.54	\$ (0.00)	0.0%	\$ -
DO - Systems Management & Bal.	\$ 4,800.00	\$ -	\$ 4,800.00	\$ 4,800.00	\$ -	0.0%	\$ -
DO - UHL Company,	\$ 51,756.00	\$ -	\$ 51,756.00	\$ 49,168.20	\$ 2,587.80	5.0%	\$ -
DO - BCI Construction	\$ 175,000.00	\$ 1,624.50	\$ 176,624.50	\$ 176,624.48	\$ 0.02	0.0%	\$ -
DO - Prepurchased Equipment (SVL)	\$ 90,710.00	\$ -	\$ 90,710.00	\$ 90,710.00	\$ -	0.0%	\$ -
HS - BCI Construction	\$ 1,035,000.00	\$ 5,972.08	\$ 1,040,972.08	\$ 984,941.78	\$ 56,030.30	5.4%	\$ -
HS - Choice Electric	\$ 558,100.00	\$ (1,099.50)	\$ 557,000.50	\$ 557,000.50	\$ -	0.0%	\$ -
HS - Systems Mgt Bal	\$ 53,300.00	\$ 11,000.00	\$ 64,300.00	\$ 5,063.50	\$ 59,236.50	92.1%	\$ -
HS - Cool Air Mechanical	\$ 5,636,000.00	\$ 173,473.00	\$ 5,809,473.00	\$ 5,518,999.35	\$ 290,473.65	5.0%	\$ -
HS - Cool Air Controls	\$ 659,474.00	\$ 143,625.00	\$ 803,099.00	\$ 669,250.30	\$ 133,848.70	16.7%	\$ -
HS - Prepurchased Equipment (SVL)	\$ 1,352,400.00	\$ -	\$ 1,352,400.00	\$ 1,352,400.00	\$ -	0.0%	\$ -
HS - Contingency	\$ 650,599.18	\$ (642,879.18)	\$ 7,720.00	\$ -	\$ 7,720.00		\$ -
DO - Contingency	\$ 48,373.22	\$ (48,373.22)	\$ -	\$ -	\$ -		\$ -
MS - Contingency	\$ 14,017.74	\$ (14,017.74)	\$ 0.00	\$ -	\$ 0.00		\$ -
LT - Contingency	\$ 3,858.26	\$ (3,858.26)	\$ -	\$ -	\$ -		\$ -
SiteLogIQ Professional Services	\$ 3,152,812.50	\$ -	\$ 3,152,812.50	\$ 3,119,131.13	\$ 33,681.37	1.1%	\$ -
Total Cost	\$ 14,485,044.90	\$ (280,253.78)	\$ 14,204,791.12	\$ 13,588,592.41	\$ 616,198.71	4.25%	\$0.00

Unallocated Funds	\$ 417,072.10
Approved Change Orders	\$ (280,253.78)
NIC - Owner Provided	\$ (332,676.39)
Contractor Change Potential	\$ -
Remaining Unallocated	\$ 1,030,002.27

*(To be Drawn against project contingency)

City of Waconia's Share of IAQ Project - Safari Island

Item/Company/Description	Bid Cost	% per Agreement	# Air Handler Units (AHU)	# of Control Handlers	Cost per AHU / Control Handler	Safari Island AHU / Control Handler	City of Waconia's Share of IAQ Project	Notes/Comments
Two Chillers	\$540,168	17.00%					\$ 91,829	
New Switch Gears (needed to run chillers & boilers)	\$102,395	17.00%					\$ 17,407	
Cost of AHUs (a)	\$709,837		22		\$32,265.32	6	\$ 193,592	
Cool Air Estimate to provide and install boiler	\$750,000	17.00%					\$ 127,500	
Cool Air - Downstairs Mechanical Room - all Safari Island	\$255,000	100.00%					\$ 255,000	
Choice Electric - Safari Island Estimate	\$150,000	17.00%					\$ 25,500	
Temperature Controls (b)	\$659,474			45	\$14,654.98	6	\$ 87,930	
General Trades - BCI Construction - SI Portion	\$316,993	17.00%					\$ 53,889	
Test & Balance - SMB - SI Portion	\$16,324	17.00%					\$ 2,775	
Subtotal (c)							\$ 855,422	Does not include change orders
Portion of SitelogIQ (d)		15.00%					\$ 128,313	
Total							\$ 983,735	

Footnotes:

- (a) Twenty-two Airhandlers are all identical, for which Safari Island is only responsible for six.
- (b) Forty-five temperature controls reflects the cost to hookup ALL air handlers for which Safari Island is only responsible for six.
- (c) The total does not reflect any change orders.
- (d) Typically fee for SitelogIQ would be around 10-15% of the total cost of the project.

What we owe the City of Waconia

Project	Total Cost	Date Initiated	# of Payments Made	Total Payments	Annual Payment	Outstanding Balance	Interest	Notes/Comments
Baseball Park	\$400,000	2016	9	\$180,000	\$20,000	\$220,000	No	Currently being paid out of Operating Capital
Pool Filter - 50% of the Total	\$155,264		2	\$62,106	\$31,053	\$93,159	No	Currently being paid out of LTFM - Health & Safety
Total					\$51,053	\$313,159		

Change Orders - City of Waconia's Share of IAQ Project - Safari Island (as of 3/17/26)

Vendor	Item / Description	Total Cost	% per Agreement	City of Waconia's Share of IAQ Project
BCI	Change Order #1 - additional support needed for piping running across the roof	\$ 15,576.75	17.00%	\$ 2,648.05
BCI	Credit - Didn't need to switch out lights and ceiling in the fitness room	\$ (20,374.21)	100.00%	\$ (20,374.21)
BCI	Change Order #3 - Credit for the chiller enclosure	\$ (38,090.00)	17.00%	\$ (6,475.30)
BCI	Change Order #4 - 14 additional roof caps	\$ 13,093.50	17.00%	\$ 2,225.90
Cool Air Mechancial	Change Order #1 - Controls - RTU 1 and RTU2 - Safari Island Gym Units - Shared Space	\$ 34,387.00	34.00%	\$ 11,691.58
Cool Air Mechancial	Change Order #1 - Mechanical - 8-inch isolation valves, Pump for boiler, and HX Equipment change	\$ 36,179.00	17.00%	\$ 6,150.43
Cool Air Mechanical	Change Order #4 - Roof Piping Hail Damage - \$76,000 claim less \$66,000 reimbursement from insurance carrier - \$10,000 deductible	\$ 10,000.00	17.00%	\$ 1,700.00
Cool Air Mechanical	Change Order #5 - UH's, Pool Taps, Duct Cleaning	\$ 17,985.00	17.00%	\$ 3,057.45
Cool Air Mechanical	Change Order #6 - Crane only	\$ 4,732.00	100.00%	\$ 4,732.00
Cool Air Mechanical	Change Order #7 - Add 8" check valves to the chiller	\$ 11,011.00	17.00%	\$ 1,871.87
Choice Electric	Change Order #1 - Controls, Boiler Room room deduct, and fitness room deduct	\$ 1,099.50	17.00%	\$ 186.92
Choice Electric	Power to the Safari Island Desk	\$ 1,165.54	100.00%	\$ 1,165.54
Choice Electric	Testing of the ground fault system for the electrical service	\$ 3,120.00	15.00%	\$ 468.00
Choice Electric	Changed wiring in the gym when we moved Safari Island to the gym	\$ 963.12	17.00%	\$ 163.73
Choice Electric	Heater in pool mechanical room and light replacement in Safari Island	\$ 439.22	100.00%	\$ 439.22
SMB	Change Order #1 - XRTU1 and XRTU2 - balancing of two gym units - shared space	\$ 1,600.00	34.00%	\$ 544.00
MN Valley	New service transformer for the chiller	\$ 19,192.71	17.00%	\$ 3,262.76
Emery Lawncare	Three dumpsters used to clean out mechanical	\$ 1,690.00	17.00%	\$ 287.30
Premier Land Survey	Survey for Chiller	\$ 4,800.00	15.00%	\$ 720.00
Risk Program Administrators	Builder's Risk Insurance	\$ 5,632.00	15.00%	\$ 844.80
Unique Movers	The move of fitness room to Safari Island gym and back	\$ 2,500.00	100.00%	\$ 2,500.00
Subtotal as of 3-17-26				\$ 17,810.04
<i>Estimate for pending change orders:</i>				
CX Partners	Commissioning of control on Rooftop #1 and #2	\$ 1,600.00	34.00%	\$ 544.00

Memorandum of Understanding

This a memorandum of understanding between the City of Waconia (the "City") and Independent School District No. 110 (the "District") entered into on September 15, 2025 to outline repayment of project costs at the Safari Island Community Center.

Recitals

- A. The District and the City desire to enter into SiteLogic IAQ Project and facility HVAC improvements at Safari Island Community Center.
- B. The estimated cost of the City's portion of the project is \$983,735 as calculated by measures and percentages provided in the shared use agreement. This total may change depending on final change orders for the project and other unanticipated expenses as the project starts in the space identified as "Community Center" and "Shared Space" in the shared use agreement. The City is estimating an approximate \$25,000 contingency; this estimating the project costs at \$1,008,735.
- C. The measures to be performed include and are not limited to: upgrading chillers, switch gears, AHUs, temperature controls, Cool Air contracting, electrical contracting, and project management fees with SiteLogic.

Agreement

Now, therefore the District and the City agree as follows:

- The City will excuse receivables for two projects that occurred in the past as listed below and apply the balances due to the final project costs:
 - Baseball Park Grandstand Improvements – Initiated in 2016 – Outstanding Balance as of the date of this agreement - \$220,000
 - Pool Filter Project (Lap Pool – located in Shared Space) – Initiated in 2023 – Outstanding Balance as of the date of this agreement - \$93,159
- The City will pay a total of \$30,000 per year in 2025, 2026, and 2027 towards the balance due to the District for the final project costs. These payments will be made each year by December 10th.
- The remaining balance due, estimated at \$605,576, will be paid in two equal payments by December 10th in 2028 and 2029. Based on current estimates, each payment is anticipated to be \$302,788.
- Finance staff from both parties will complete a final payment schedule once the project is complete and no later than November 1, 2025. These payments will not include interest, provided they are made by the deadlines set forth in the Agreement.

In witness whereof, the parties hereto have executed the Agreement as of the day and year first above written.

Independent School District No. 110

City of Waconia

By [Signature]
Its Chair

By [Signature]
TIM LITFIN, MAYOR

By [Signature]
Its Clerk

By [Signature]
SHANE FINERAN, CITY ADMINISTRATOR

3. Technology Investment Strategy



MEMORANDUM

TO: ISD 110 Finance Committee

FROM: Pam Carman, Director of Finance & Operations
Timothy Koschinska, Director of Technology

DATE: April 13, 2026

SUBJECT: Technology Investment Strategy & FY26 Implementation Plan

Purpose

To provide a strategic overview of the District's technology investment framework and establish context for technology-related purchasing recommendations to be brought forward at the April 27, 2026 Business Meeting (or subsequent meeting, as timing requires).

These recommendations are incorporated into the FY26 Revised Budget and represent the initial phase of a structured, long-range technology lifecycle model.

Attached for reference is an updated Apple lease quote, along with both three-year and four-year financing options, which will be presented at the April 27, 2026 School Board Business Meeting.

Executive Summary

The District is transitioning from reactive, one-time technology purchases to a coordinated, lifecycle-based investment strategy aligned with instructional needs and long-term financial sustainability.

FY26 priorities include:

- Replacement of aging and unsupported staff devices
- Continued student device refresh (Chromebooks)
- Evaluation of instructional display systems (WMS/WHS)
- Stabilization of an aging phone system through targeted interim investments

These investments represent the foundation of a 10-year technology plan designed to deliver:

- Predictable replacement cycles
- Budget stability
- Systemwide consistency and equity

Strategic Context & FY26 Budget Alignment

Technology needs identified through the FY26 staff priority process were evaluated collaboratively by Finance & Operations and Technology within the context of instructional priorities and long-term financial sustainability.

At the same time, an increasing number of aging and unsupported devices—particularly among staff—are creating risk related to:

- Instructional disruption
- Cybersecurity vulnerabilities
- Increased maintenance demands

These factors have informed targeted FY26 investments designed to stabilize operations while advancing a more structured, long-term strategy.

Key investment areas include:

- Student and staff device replacement (MacBooks, Windows devices, Chromebooks)
- Instructional and classroom technology at WMS and WHS
- Targeted phone system backup equipment
- Completed copy machine replacements

All investments are prioritized to:

- Maintain budget stability
- Align with instructional and operational needs
- Ensure equitable access across buildings

This reflects a shift from isolated purchases to a sustainable, system-based investment model.

Financial Impact & Budget Alignment

The FY26 technology investments outlined in this memo are incorporated within the existing FY26 Revised Budget and do not require additional ongoing funding beyond established technology allocations.

Specifically:

- The recommended 4-year lease-purchase structure aligns with the District's existing ~\$40,000 annual technology budget
- Other proposed investments (Chromebooks, Windows devices, and displays) are prioritized within current budget parameters

This approach reflects a deliberate shift toward reallocating and structuring existing resources more strategically, rather than increasing overall spending.

Proposed Approach: Building a 10-Year Technology Plan

Administration is developing a 10-year technology roadmap based on:

1. Predictable Lifecycle Management

- Chromebooks / Windows / MacBooks: ~4–5 years
- Displays: aligned to useful life
- Phone system: ~10 years

2. Sustainable Financial Model

- Planned annual investments
- Strategic use of lease-purchase financing
- Alignment with recurring budget capacity

3. Systemwide Consistency & Equity

- Reliable, consistent technology access
- Alignment across buildings
- Support for instructional delivery

FY26 Implementation: Proposed Investments

These investments represent the initial phase of lifecycle-based implementation, with a focus on replacing aging and unsupported equipment.

Staff Devices – Apple (Lease-Purchase)

An updated Apple lease quote is attached totaling \$147,849 (valid through May 2, 2026) , along with both three-year and four-year financing options.

After evaluating both structures, administration is recommending a 4-year lease-purchase agreement, which aligns with the District's established ~\$40,000 annual technology budget allocation.

- **4-Year Option:** ~\$38,804 annually at 2.99%
- **3-Year Option:** ~\$50,995 annually (for comparison)

The 4-year structure:

- Aligns cost with the useful life of the devices
- Maintains consistency with current budget capacity
- Supports a predictable, sustainable replacement cycle
- Results in full ownership at the end of the term

Staff Devices – Windows

- ~35 devices at end-of-life
- \$900–\$1,000 per device
- Total: up to \$35,000
- **Outcome:**
 - Completes prior replacement cycle
 - Improves consistency
 - Reduces support burden

Student Chromebooks

- Replacement of ESSER-era devices
- 250 devices @ ~\$300
- Total: ~\$75,000
- **Outcome:**
 - Establishes sustainable replacement cycle
 - Supports standardization

Displays (WMS/WHS)

- \$20,000 per secondary site (in FY26 budget)
- **Focus:**
 - Instructional alignment
 - Lifecycle planning
 - Infrastructure readiness

Phone System (Transitional Strategy)

- Current system: 15+ years old, beyond lifecycle
- Full replacement anticipated 2030+
- **Interim approach:**
 - Targeted stabilization investments
 - Maintain reliability and safety
 - Extend usability and reduce risk

Strategic Direction

This work reflects a shift toward:

- Intentional planning vs. reactive purchasing
- System alignment vs. isolated investments
- Long-term sustainability

The District is establishing:

- A 10-year technology roadmap
- Alignment between financial planning and instructional needs
- Reduced risk from aging systems

These investments represent the transition to a coordinated, lifecycle-based technology system embedded within the District's financial framework.

The recommended 4-year lease structure further reflects the District's commitment to aligning technology investments with both lifecycle expectations and existing budget capacity.

Next Steps

- Finalize FY26 technology purchases
- Present for Board approval
- Develop multi-year replacement schedule
- Continue 10-year plan development

Recommendation

This memo is presented for discussion and feedback as administration advances a comprehensive and sustainable technology investment strategy.

Closing

This work is not simply about purchasing technology—it is about building a reliable, sustainable system that supports instruction, protects operations, and ensures responsible stewardship of District resources.



Apple Inc. Education Price Quote

Customer:

Tim Koschinska
 WACONIA PUBLIC SCHOOLS
 Phone: 952-442-0606
 Email: tkoschinska@isd110.org

Apple Inc:

Gram Swindler
 Email: gswindler@apple.com

Apple Quote:

2214376284

Quote Date:

April 02, 2026

Quote Valid Until:

May 02, 2026

Quote Comments:

Item #	Details	Qty	Unit List Price	Extended List Price
1	13-inch MacBook Air: Apple M5 chip with 10-core CPU and 8-core GPU, 16GB, 512GB SSD - Silver (Packaged in a 5-pack) Part Number: MDHL4LL/A Configuration: 065-CK9H : Apple M5 chip with 10-core CPU, 8-core GPU, and 16-core Neural Engine 065-CK9N : 16GB unified memory 065-CK9T : 512GB SSD storage 065-CLJ7 : 40W Dynamic Power Adapter with 60W Max 065-CKH6 : None 065-CKGP : Backlit Magic Keyboard with Touch ID - US English 065-CKH1 : Accessory Kit	150	\$979.00	\$146,850.00
2	13-inch MacBook Air: Apple M5 chip with 10-core CPU and 8-core GPU, 16GB, 512GB SSD - Silver Part Number: MDH74LL/A Configuration: 065-CK9H : Apple M5 chip with 10-core CPU, 8-core GPU, and 16-core Neural Engine 065-CK9N : 16GB unified memory 065-CK9T : 512GB SSD storage 065-CLJ7 : 40W Dynamic Power Adapter with 60W Max 065-CKH6 : None 065-CKGP : Backlit Magic Keyboard with Touch ID - US English 065-CKGW : Accessory Kit	1	\$999.00	\$999.00

Education List Price Total	\$147,849.00
Additional Tax	\$0.00
Estimated Tax	\$0.00
Total Tax	\$0.00
Extended Total Price*	\$147,849.00

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**In most cases Extended Total Price does not include Sales Tax
If applicable, Recycle/eWaste/CBE Fees for CA Accounts are included. Standard shipping is complimentary

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Disclosure

This document has been created for you as Apple Quote ID **2214376284**.

Your institution's Authorized Purchaser may submit an order online at <https://ecommerce.apple.com>. Go to the Quote area of your Apple Online Store, click on it and convert to an order.

- If you're the authorized purchaser and need assistance in registering for access to the Apple Online Store, please contact your Apple Sales Representative.

This is a quote for the sale of products or services. Your use of this quote is subject to the following provisions which can change on subsequent quotes:

- A. Any order that you place in response to this Quote will be governed by the purchase agreement between Apple Inc. ("Apple") and you or another entity under which you're authorized to purchase under, in effect at the time you place the order.
 - If you do not have a purchase agreement in effect with Apple, please contact csteam.edu@apple.com.
- B. All sales are final. Please review Return Policy below if you have any questions. If you use your institution's Purchase Order form to place an order in response to this Quote, Apple rejects any Terms set out on the Purchase Order that are inconsistent with or in addition to the Terms of the governing purchase agreement between the parties.
- C. Unless this Quote specifies otherwise, it remains in effect until the Quote Valid Until Date set forth above. Apple reserves the right to withdraw this Quote before an order is placed, modify, or cancel any provision of this Quote, or cancel any orders placed.

The best tools for education. The best options for your budget.



Pay to Own

Solution Total

\$147,849.00

*2.99% Interest Rate
March order*

Payment Date

Payment

07/02/2026	\$50,995.44
07/02/2027	\$50,995.44
07/02/2028	\$50,995.44



Review

Finalize product selections and payment plan.



Confirm

Provide signer contact details, and we'll send documentation.



Order

Submit signed documentation and we'll place your order.

Ownership, affordability, flexibility.

The Pay-to-Own option helps make it possible to acquire all the equipment needed today through predictable and affordable payments over time. Your institution will retain ownership of all devices upon final payment.

Flexible payment options are available to align with your budget, source of funding, and lifecycle goals.

We're here to help.

We deliver lifecycle management with innovative capabilities, just as you'd expect from Apple. Please contact your AFS Manager to move forward, or to explore other flexible options.

Tim Guiling

Apple Financial Services
tguiling@apple.com



Right tools.

The right tools empower your learning environment. We build payment plans aligned to your budget to get the right tools.



Right time.

The right timing can make all the difference. We provide flexible terms that put you in control of when to deploy and refresh.



Sustainable.

Creating a predictable lifecycle plan is an important element for ensuring a sustainable implementation.

The best tools for education. The best options for your budget.



Pay to Own

Solution Total

\$147,849.00

*2.99% Interest Rate
March order*

Payment Date

Payment

07/02/2026	\$38,804.33
07/02/2027	\$38,804.33
07/02/2028	\$38,804.33
07/02/2029	\$38,804.33



Review

Finalize product selections and payment plan.



Confirm

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4. **FY27 Preliminary Budget and 5-Year Forecast**



Preliminary FY27 Budget and 5-Year Forecast

Presented By:
Pam Carman, Director of Finance & Operations

April 13, 2026



Fund 01

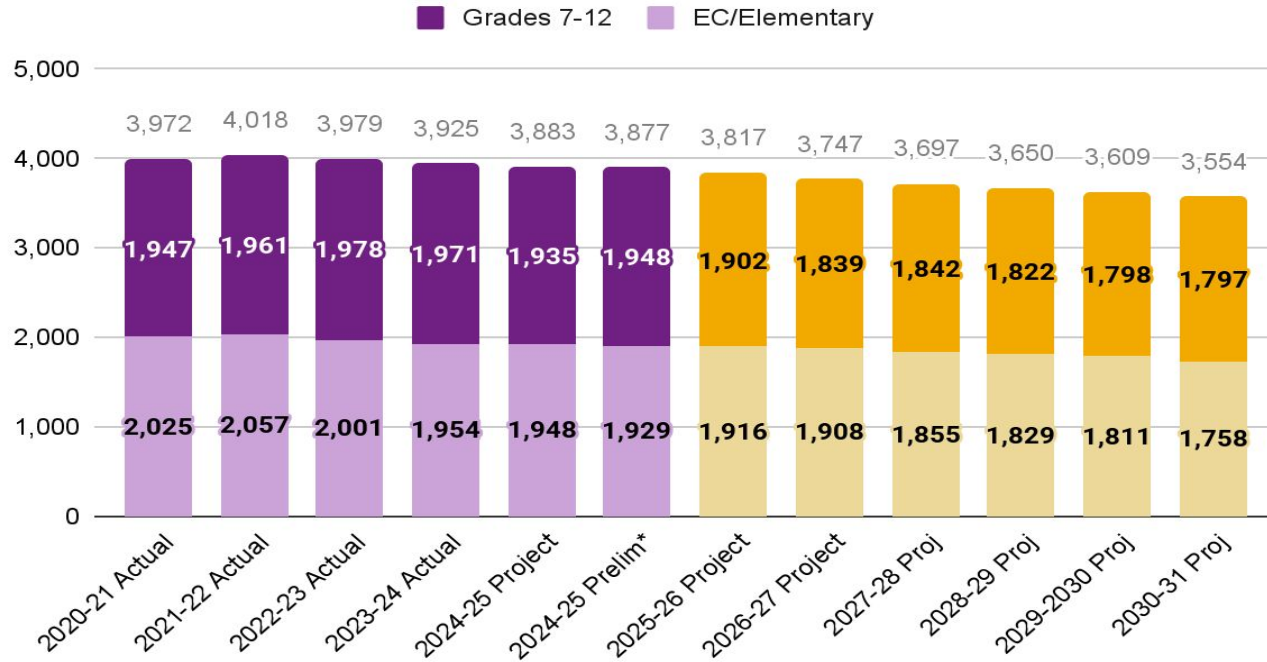
General Fund

General Fund - FY27 Budget Overview

- FY27 budget reflects continued stabilization following exit from statutory operating debt
- Focus on aligning expenditures to enrollment trends and long-term sustainability
- Strategic investments made in FY26 allow for more normalized spending in FY27, specifically in the area of Technology



EOY ADM Enrollment Projections



- Actual EC-Grade 6
- Actual Grades 7-12
- Projected EC-Grade 6
- Projected Grades 7-12

*2024-25 Preliminary as of 12-11-25. First year of VPK is 2024-25.



General Fund - FY27 Budget Assumptions

Revenue:

- **General Education Formula Allowance:** 2.69% increase or \$7,683
- **Compensatory Revenue:** \$334,558

Expenditure - Staffing & Benefits:

- **Budget Priority:** Added a 1.00 FTE Elementary Media Specialist
- **Benefits:** +10% insurance; statutory increases applied
- **Enrollment-driven staffing reductions:**
 - Elementary: 2.00 FTEs
 - Middle School: 1.00 FTE
 - High School: 0.917 FTE

Expenditure - Operations:

- **Transportation:** +3.25% (contract + fuel)
- **Other Expenditures:** Inflationary increases, offset by FY26 investments related to tech, equipment & supplies



What Changed from FY26 to FY27

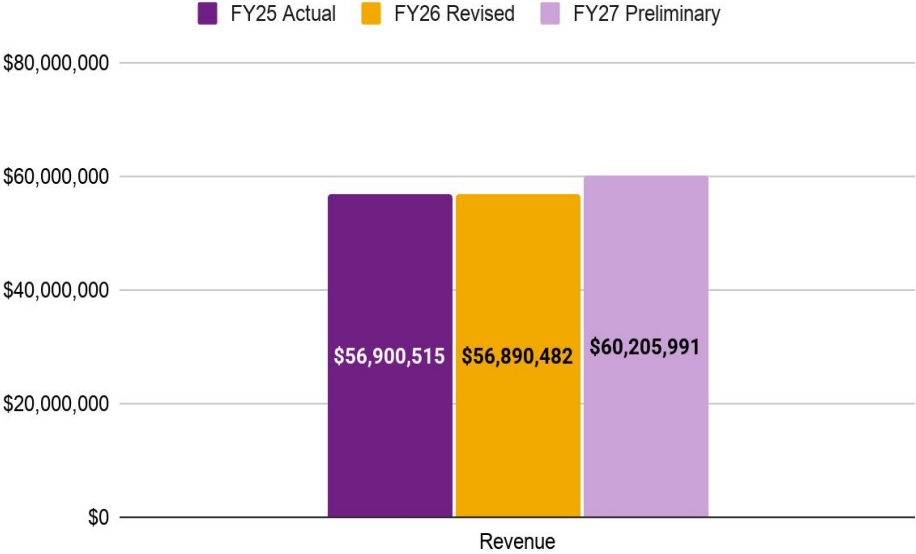
Key Drivers of Change (FY26 to FY27)

- Continue enrollment-driven staffing adjustments
- Benefits cost increases (insurance + statutory)
- Stabilization of non-salary expenditures following FY26 investments
- Continued pressure from transportation and special education

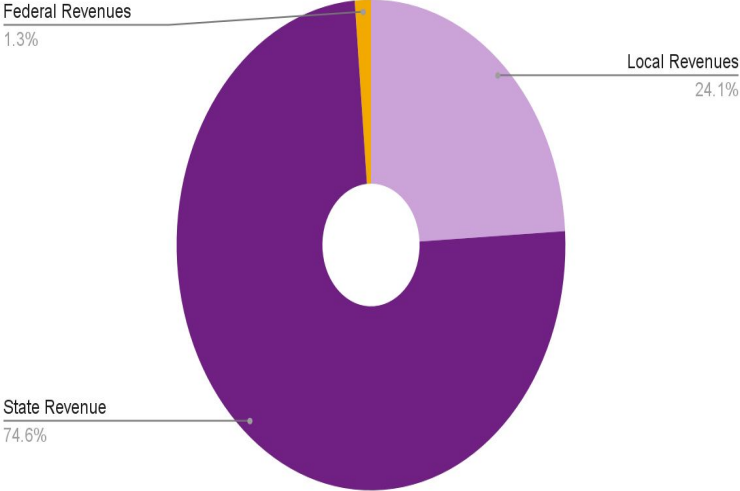


General Fund - Revenue (Sources)

General Fund Revenue

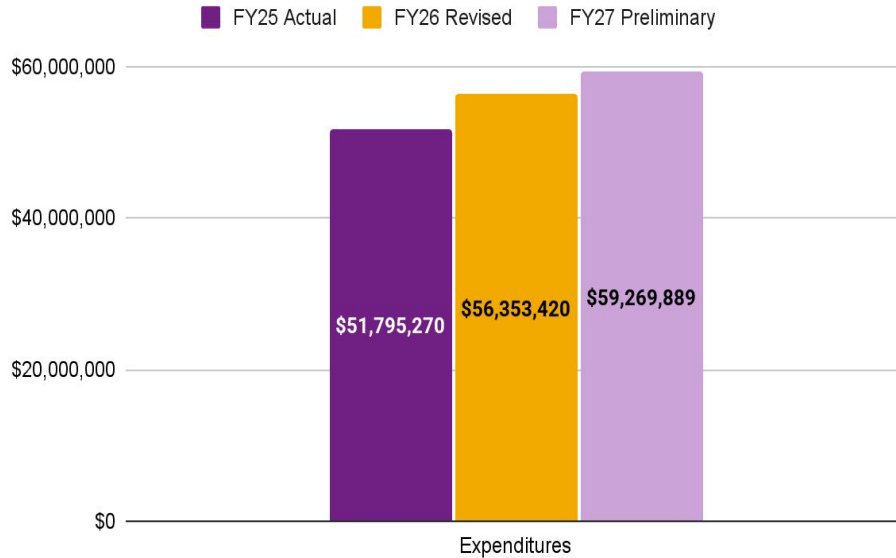


FY27 Revenue

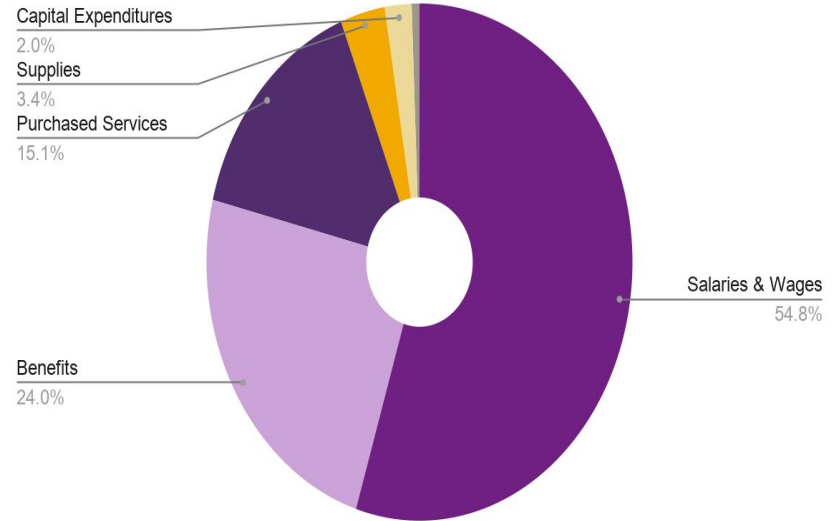


General Fund - Expenditures (Uses)

Expenditures



FY27 Expenditures



General Fund - FY27 Budget Summary

Definitions	Actual 2024-2025	Budget 2025-2026	Projected 2026-2027	% Chg
Revenue	\$56,900,515	\$56,890,482	\$60,205,991	5.8%
Expenditures	\$51,795,268	\$56,353,420	\$59,269,889	5.2%
Revenue Over (Under) Expenditures	\$5,105,247	\$537,062	\$936,102	
Fund Balance	\$9,661,025	\$10,198,087	\$11,134,188	
Restricted & Assigned Fund Balance	\$6,495,152	\$6,783,394	\$6,354,604	
Unassigned Fund Balance	\$3,165,873	\$3,414,692	\$4,779,584	
Percent Unassigned	6.1%	6.1%	8.1%	
Unassigned Target Fund Balance %	0.0%	0.0%	0.0%	
Minimum Unassigned Fund Balance	\$0	\$0	\$0	
Fund Balance Over (Under) Target	\$3,165,873	\$3,414,692	\$4,779,584	





Fund 01 - General Fund Five-Year Forecast (FY28 to FY31)

General Fund - 5-Year Forecast

Revenue Assumptions:

- **General Education Formula Allowance:** Assumed 2.0% annual increase
- **Compensatory Revenue:** Held flat at approximately \$334,558 annually
- **Special Education Aid:** Held flat at approximately \$9.1M despite ongoing cost increases
- **2018 and 2020 Operating Referendums:** Assumed the School Board uses their authority to renew



General Fund - 5-Year Forecast

Expenditure Assumptions:

- **Salaries & Wages:** Modeled using a modest annual growth assumption, inclusive of step and schedule movement
- **Benefits:** Medical benefits are assumed to grow at a higher rate than other benefits, all other benefit categories are projected to increase at a moderate annual pace, including statutory adjustments
- **Staffing Adjustments (Enrollment-Driven):** Ongoing alignment of staffing levels based on projected enrollment declines and sectioning ratios across elementary, middle, and high school
- **Transportation:** Modeled at ~3.0% annual increases beyond FY27
- **Other Expenditures (UFARS Object Codes 300–800):** Purchased Services, Supplies, Capital Expenditures, and Other Expenditures are projected at ~3.0% annual increases, aligned to inflationary assumptions and categorized by UFARS object code series



General Fund - 5-Year Forecast

What this Means

- Revenue growth remains constrained at ~2% annually
- Minimal categorical funding
- Cost drivers—salary and benefits, special education, and transportation—continue to exceed revenue growth
- Requires ongoing staffing alignment and disciplined financial planning



General Fund - Budget Summary

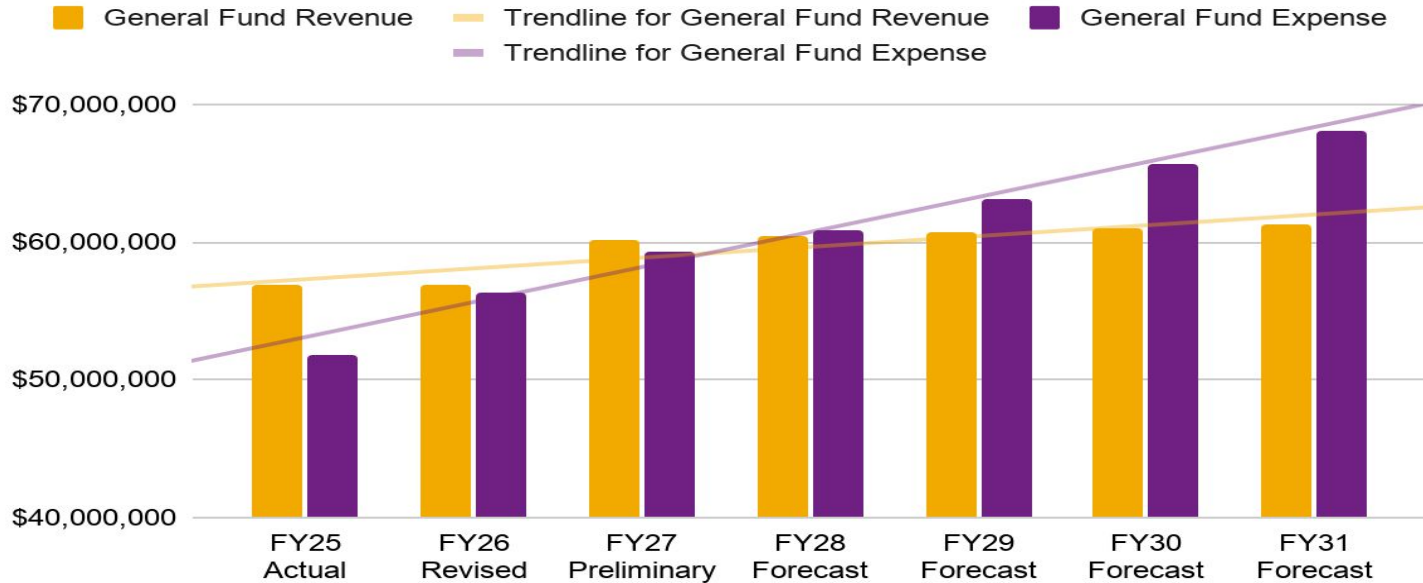
Definitions	Actual 2024-2025	Budget 2025-2026	Projected 2026-2027	% Chg	Projected 2027-2028	% Chg	Projected 2028-2029	% Chg	Projected 2029-2030	% Chg
Revenue	\$56,900,515	\$56,890,482	\$60,205,991	5.8%	\$60,467,990	0.4%	\$60,725,585	0.4%	\$61,045,568	0.5%
Expenditures	\$51,795,268	\$56,353,420	\$59,269,889	5.2%	\$60,866,538	2.6%	\$63,042,551	3.6%	\$65,591,018	4.0%
Revenue Over (Under) Expenditures	\$5,105,247	\$537,062	\$936,102		(\$398,548)		(\$2,316,967)		(\$4,545,450)	
Fund Balance	\$9,661,025	\$10,198,087	\$11,134,188		\$10,735,640		\$8,418,673		\$3,873,223	
Restricted & Assigned Fund Balance	\$6,495,152	\$6,783,394	\$6,354,604		\$5,858,806		\$5,257,402		\$4,105,315	
Unassigned Fund Balance	\$3,165,873	\$3,414,692	\$4,779,584		\$4,876,834		\$3,161,271		(\$232,092)	
Percent Unassigned	6.1%	6.1%	8.1%		8.0%		5.0%		-0.4%	
Unassigned Target Fund Balance %	0.0%	0.0%	0.0%		0.0%		0.0%		0.0%	
Minimum Unassigned Fund Balance	\$0	\$0	\$0		\$0		\$0		\$0	
Fund Balance Over (Under) Target	\$3,165,873	\$3,414,692	\$4,779,584		\$4,876,834		\$3,161,271		(\$232,092)	

Maintaining fund balance at or above Board policy (5%) remains a key priority

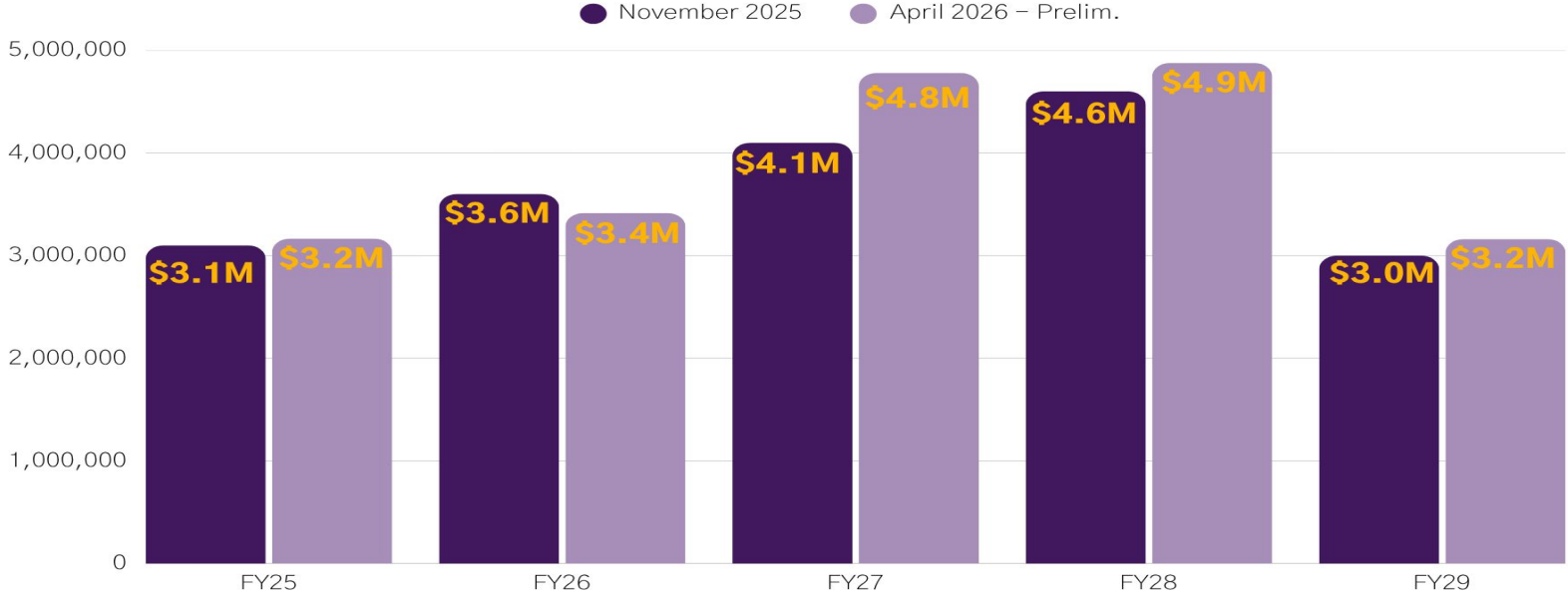


General Fund - Structural Gap

Structural Gap between Revenue and Cost Growth




General Fund - Unassigned Fund Balance



General Fund - Strategic Path Forward

 **Structural pressure persists:** Revenue growth remains limited while costs continue to outpace available funding.

 **Maintenance referendum focus:** Sustaining our current system, supporting upcoming market adjustments, and maintaining long-term financial stability.

 **Disciplined financial planning:** Ongoing staffing alignment, cost management, and multi-year forecasting remain critical.

 **Strategic alignment of resources:** Ensuring all financial decisions are intentional and aligned to district priorities and student outcomes.



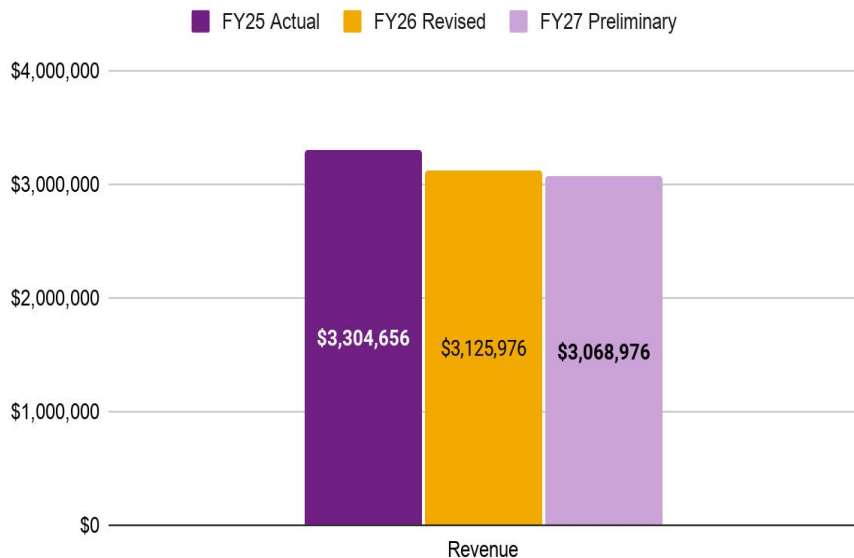


Fund 02

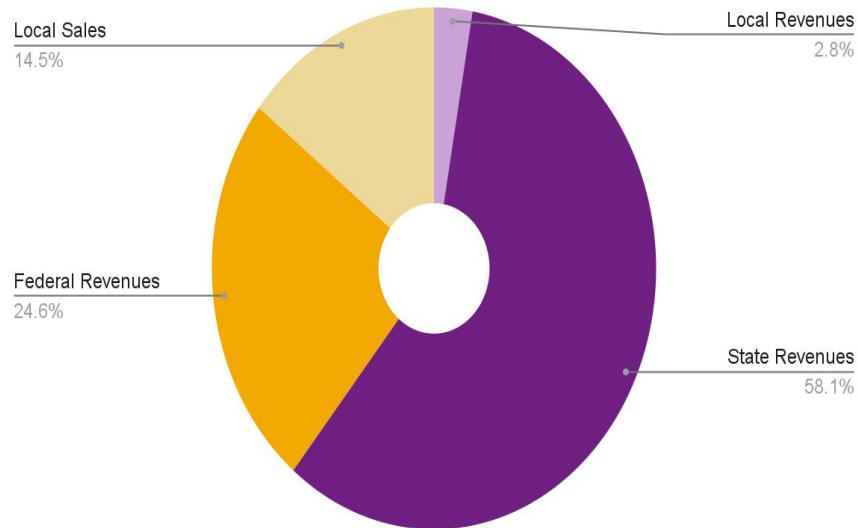
School Nutrition

Fund 02 - School Nutrition Revenue

Fund 02 - Revenue

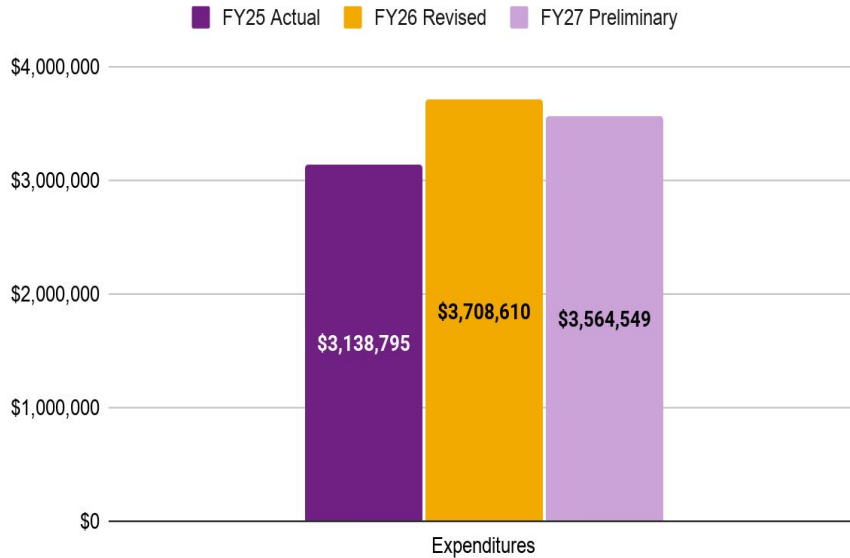


Fund 02 - FY27 Preliminary

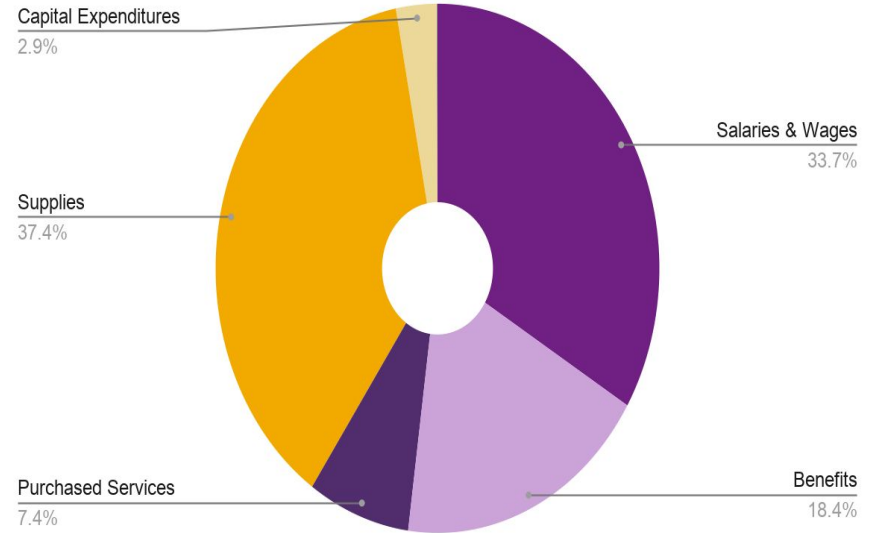


Fund 02 - School Nutrition Expense

Fund 02 - Expenditures

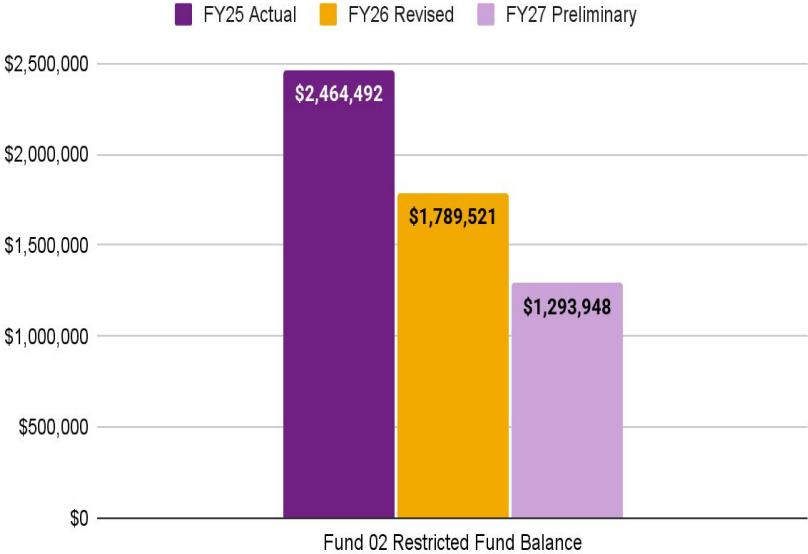


Fund 02 - FY27 Preliminary

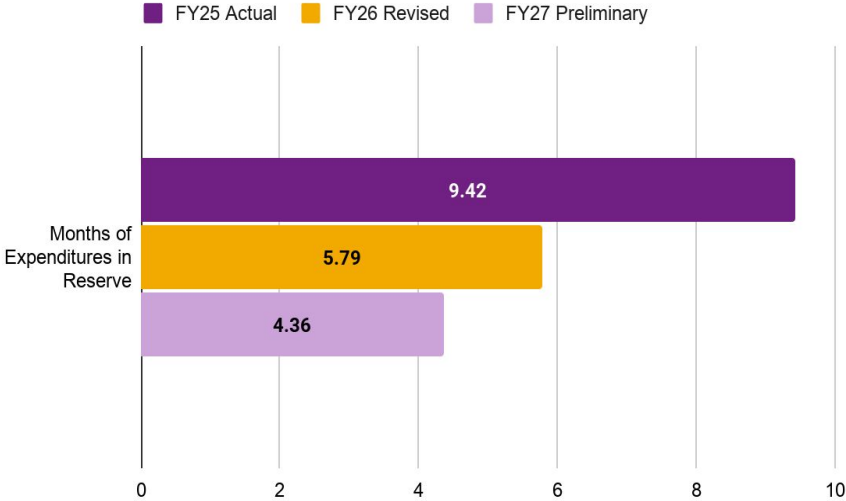


Fund 02 - School Nutrition Fund Balance

Fund 02 - Restricted Fund Balance



Fund 02 - Projected # Months of Expenditures in Reserve



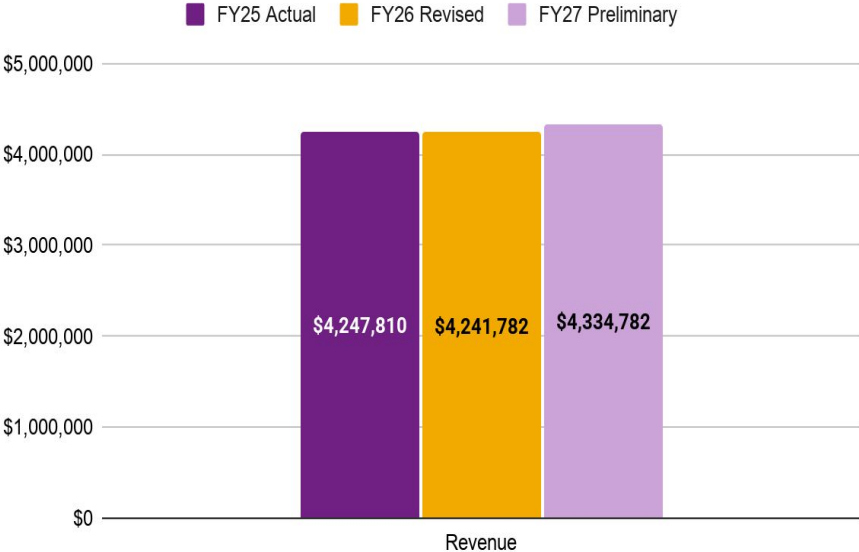


Fund 04

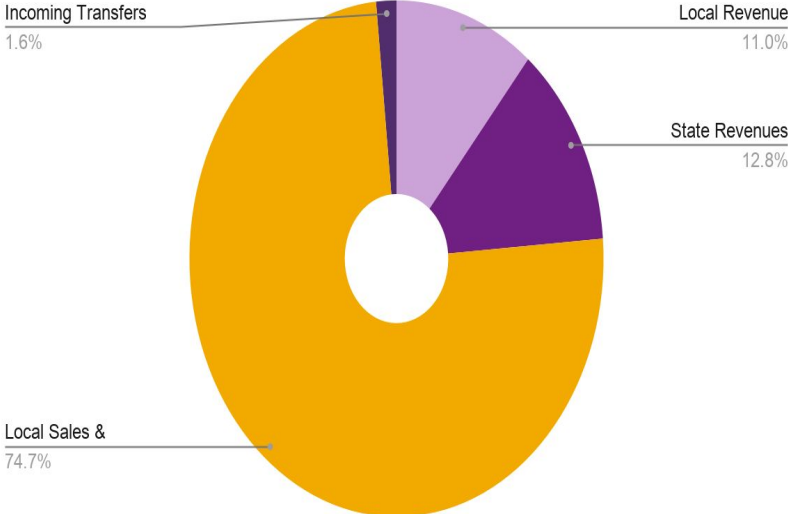
Community Education

Fund 04 - Community Education Revenue

Fund 04 - Revenue

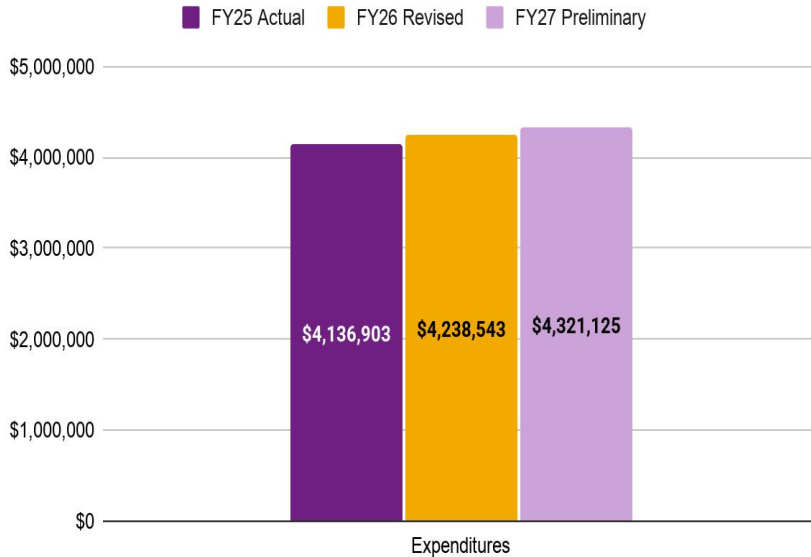


FY27 Preliminary

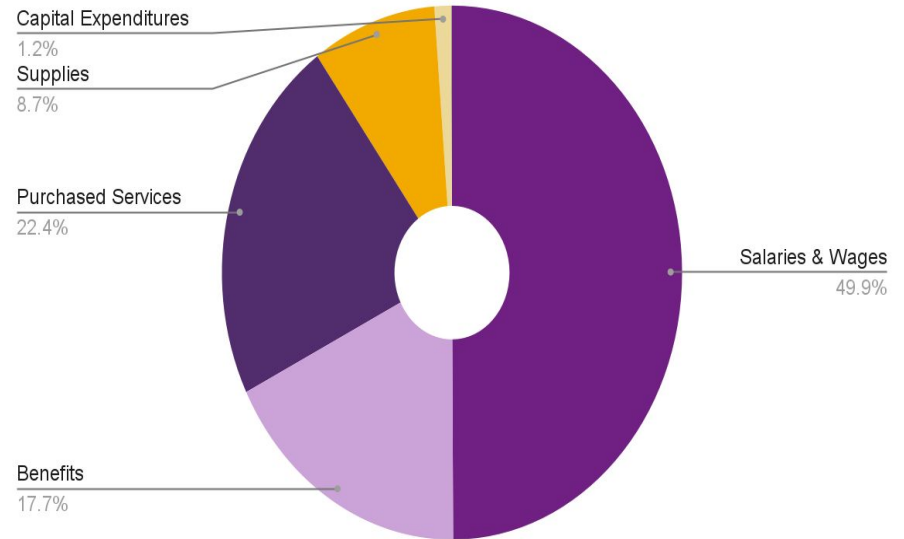


Fund 04 - Community Education Expense

Fund 04 - Expenditures

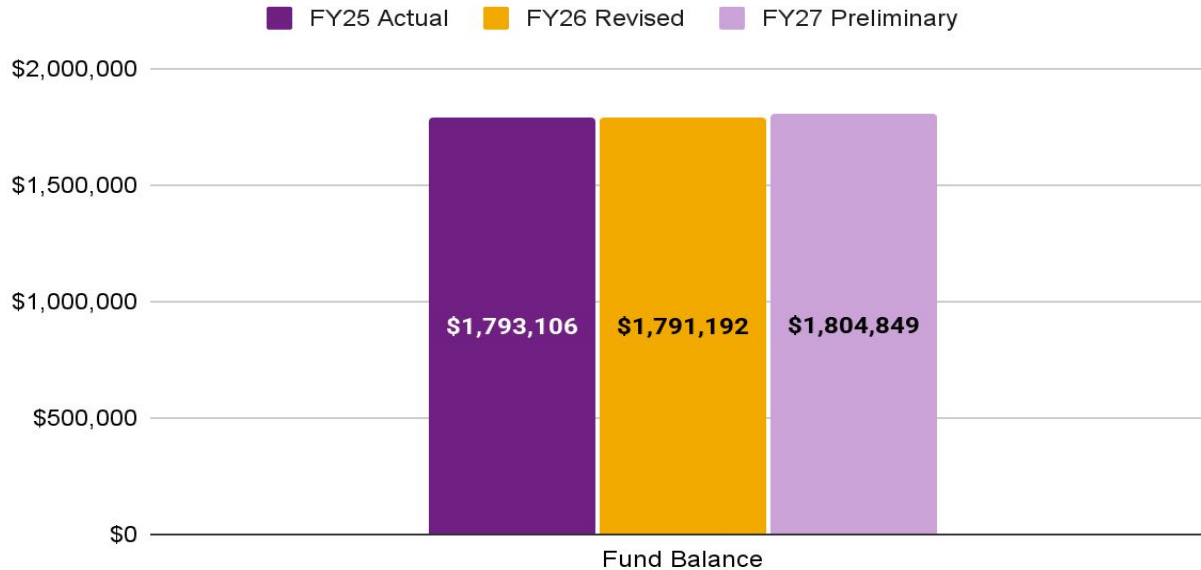


FY27 Preliminary



Fund 04 - Community Education Fund Balance

Fund 04 - Fund Balance





Questions?

5. **Moody's Credit Opinion & Upgrade**



MEMORANDUM

TO: ISD 110 Finance Committee

FROM: Pam Carman, Director of Finance & Operations

DATE: April 13, 2026

SUBJECT: Moody's Credit Rating Update and Strategic Financial Positioning

Purpose

This memo provides an update on Waconia Public Schools' credit rating following Moody's March 23, 2026 credit opinion, and outlines the district's financial progress, current positioning, and forward-looking strategy to strengthen our credit profile.

This update builds on information shared with the Finance Committee in February 2025 and reflects continued financial stabilization and improvement.

Moody's Credit Rating Update

Moody's upgraded the district's credit rating to Baa1, following the prior upgrade from Baa3 to Baa2 in 2025.

This marks two consecutive upgrades and reflects sustained improvement in the district's financial performance, reserves, and governance practices.

Key Credit Drivers (Moody's)

- **Financial Strength:** Fund balance improved to approximately 13.8% of revenue, exceeding the 10% threshold for continued credit strength
- **Liquidity:** Net cash ratio of approximately 31.3%, providing strong financial flexibility
- **Economic Base:** Strong resident income levels (~147% of U.S. median) and continued tax base growth
- **Governance:** Conservative budgeting and demonstrated willingness to align expenditures with available resources
- **Leverage:** Improved to approximately 256.8% of revenue, trending toward target levels

District Credit Trajectory

The district's credit rating progression reflects a significant financial turnaround over a relatively short period of time:

- Baa3 – Period of financial stress and negative fund balance
- Baa2 (2025) – Initial stabilization and recovery
- Baa1 (2026) – Continued strengthening and sustained improvement

This progress reflects:

- Structural budget alignment
- Rebuilding fund balance
- Strategic financial leadership and governance

Understanding Our Current Position

While the assigned rating is Baa1, Moody's scorecard indicates the district's financial profile is trending closer to the Aa3 category.

Moody's applies a conservative, multi-year approach to upgrades; therefore, sustained performance over time is required before additional rating movement occurs.

The district is currently in a transition phase, where financial performance is strengthening ahead of formal rating recognition.

Credit Rating Scales by Agency, Long-Term

Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper medium grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower medium grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	Highly speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with little prospect for recovery
Ca	CC	CC	
C	C	C	In default
/	D	D	
/			

"Junk"



Ongoing Rating Strategy

The district will continue a disciplined approach to support long-term credit improvement:

- Annual engagement with Moody's to provide updated financial results and projections
- Continued focus on maintaining strong fund balance and operational stability
- Alignment of financial decisions with long-term sustainability and best practices

This positions the district for measured, credible rating improvement over time.

Strategic Long-Term Positioning

This approach is intended to:

- Support continued upward movement toward the A/Aa rating categories over the next several years
- Align with long-term planning, including potential capital investment or referendum considerations later in the decade (e.g., around 2030)

Future rating changes will depend on sustained performance, enrollment trends, and broader economic conditions.

Financial Impact

Continued credit improvement provides both immediate and long-term benefits:

- **Lower Borrowing Costs:** Higher ratings support more favorable interest rates
- **Refinancing Opportunities:** Potential to refund callable bonds at lower rates
- **Taxpayer Benefit:** Reduced debt service costs and more efficient use of resources

Conclusion

The upgrade to Baa1 reflects meaningful progress in the district's financial position and validates the impact of disciplined financial management.

Maintaining this trajectory will require continued focus on structural balance, reserve strength, and long-term planning. This positions Waconia Public Schools for sustained financial stability and future opportunities to further strengthen its credit profile while minimizing costs to taxpayers.

CREDIT OPINION

23 March 2026



Send Your Feedback

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Waconia Independent School District 110, MN

Update to credit analysis

Summary

[Waconia Independent School District 110, MN's](#) (Baa1) credit profile balances the district's strong local economy, stable enrollment, moderate leverage and improved finances against its recent history of negative fund balance.

Credit strengths

- » Growing local economy in the Twin Cities metro area with strong resident incomes and a strong full value per capita
- » Growing reserves

Credit challenges

- » Somewhat elevated leverage
- » Declining enrollment forecast for the next five years

Rating outlook

We do not assign outlooks to local governments with this amount of debt outstanding.

Factors that could lead to an upgrade

- » Maintenance of available fund balance ratio above 10%
- » Maintenance of leverage ratio below 250%

Factors that could lead to a downgrade

- » Any significant decline in reserve ratios
- » Leverage ratio approaching 400%

Key indicators

Exhibit 1

Waconia Independent School District 110, MN

	2022	2023	2024	2025	Baa Medians
Economy					
Resident income	147.7%	147.2%	146.1%	N/A	N/A
Full value (\$000)	\$3,775,255	\$4,412,202	\$4,636,199	\$4,739,566	\$855,377
Population	21,811	22,430	22,791	N/A	13,512
Full value per capita	\$173,090	\$196,710	\$203,422	N/A	\$87,529
Enrollment	4,049	4,045	4,000	3,984	1,632
Enrollment trend	-0.6%	-0.8%	-0.4%	-0.5%	N/A
Financial performance					
Operating revenue (\$000)	\$61,815	\$62,906	\$66,298	\$66,550	\$28,875
Available fund balance (\$000)	-\$3,231	-\$3,071	\$4,258	\$9,191	\$4,818
Net cash (\$000)	\$6,718	\$7,745	\$15,953	\$20,813	\$5,260
Available fund balance ratio	-5.2%	-4.9%	6.4%	13.8%	17.8%
Net cash ratio	10.9%	12.3%	24.1%	31.3%	21.8%
Leverage					
Debt (\$000)	\$112,117	\$105,282	\$104,311	\$106,469	\$19,060
ANPL (\$000)	\$124,885	\$96,039	\$87,392	\$58,880	\$34,760
OPEB (\$000)	\$4,774	\$5,170	\$5,361	\$5,532	\$2,998
Long-term liabilities ratio	391.1%	328.3%	297.2%	256.8%	N/A
Implied debt service (\$000)	\$8,375	\$7,830	\$7,314	\$7,219	\$1,373
Pension tread water (\$000)	\$2,178	\$3,465	\$3,429	\$2,594	\$1,333
OPEB contributions (\$000)	\$133	\$73	\$44	\$358	\$178
Fixed-costs ratio	17.3%	18.1%	16.3%	15.3%	N/A

For definitions of the metrics in the table above please refer to the [US K-12 Public School Districts Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [K12 Median Report](#).

Sources: US Census Bureau, Waconia Independent School District 110, MN's financial statements and Moody's Ratings

Profile

Waconia ISD 110 is located 40 miles southwest of the Twin Cities metropolitan area and serves a population of about 22,800 residents. The district offers comprehensive educational programs to around 4,000 students in kindergarten through the twelfth grade.

Detailed credit considerations

The district benefits from a stable economic base with growing population and strong resident income ratio and full value per capita. While management projects roughly stable enrollment, actual enrollment may grow because of some notable ongoing residential development that is not included in the projections. Leverage has improved and will remain moderate because the district does not have any additional debt plans.

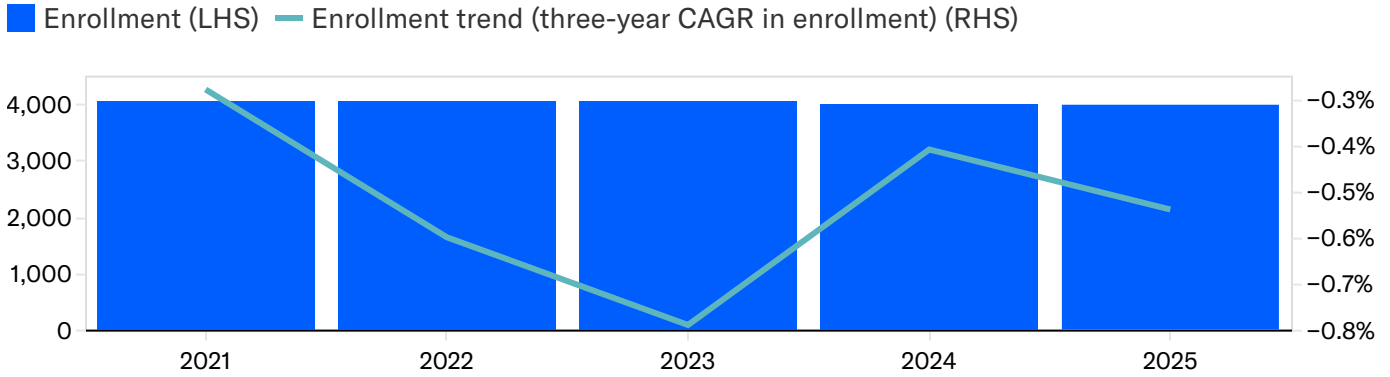
The district's financial position will likely continue to improve because management expects to end fiscal 2026 (year-end June 30) with a roughly \$1 million surplus based on year-to-date results. Also, the district's voters approved an operating levy increase in November 2025 that will generate about \$3 million in additional revenue in fiscal 2027. This will help absorb 5% salary increases in fiscal 2027, the final year of the district's four-year labor contracts.

The district closed fiscal 2025 with a roughly \$5 million general fund surplus, bringing the available fund balance ratio to about 14%. Fiscal 2025 was the district's second consecutive year of positive fund balance and was significantly improved from five years ago when the fund balance ratio reached negative 8.6%. The improvement was driven by new management, voter-authorized levy increases, increased state funding for the special education cross-subsidy and significant expenditure cuts.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Economy

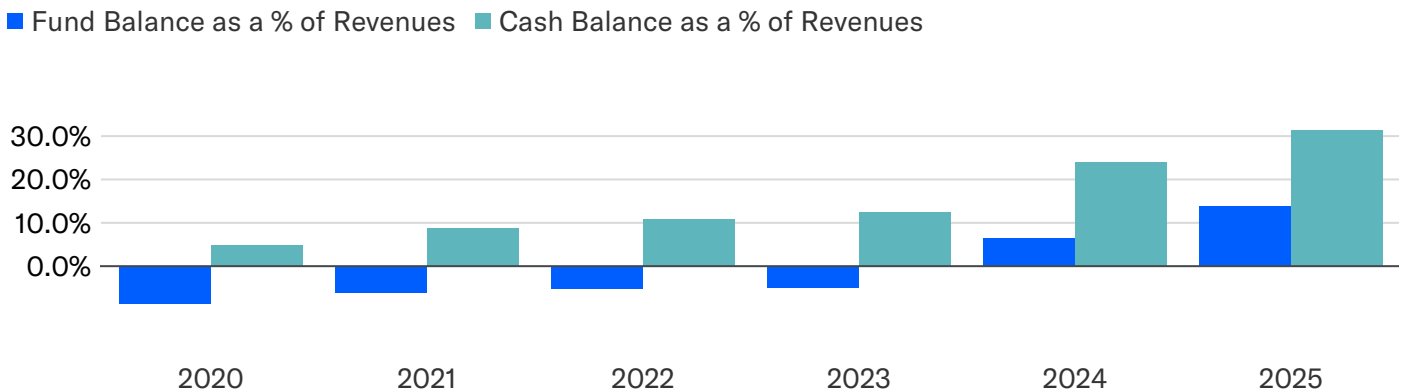
Exhibit 2
Enrollment



Source: Moody's Ratings

Financial operations

Exhibit 3
Financial Trends



Source: Moody's Ratings

Leverage

Pensions and OPEB

Minnesota school districts' ANPLs are primarily attributable to their participation in the Teachers Retirement Association of Minnesota (TRA). As of fiscal 2024, government contributions in aggregate amounted to around 12% of payroll, below our tread water indicator, which was around 13%. While results will vary across US public pension systems, we generally expect local governments' fiscal year 2026 ANPLs to fall by another 20% based on our aggregate estimates, because of rising interest rates and above-target investment returns in 2025.

ESG considerations

Environmental

Environmental risk is generally low for the local government sector. Environmental concerns are factored into district's credit quality but are not a major drivers at this time.

Social

Social considerations are a factor in the district's credit profile. The median age of district residents (37) is below the state (39) and national medians (39). The district's population has increased by roughly 10% since 2020, totaling around 22,800 residents in 2024. Resident incomes are about 147% of the US.

Governance

Governance is a key credit consideration for all local government issuers. The district's new management team has shown a commitment to conservative budgeting and a willingness to pursue additional revenue and expenditure reductions when needed. The district has a formal fund balance policy to maintain an unassigned general fund balance equivalent to 5% of the annual operating expenses. The district is in line with this policy as of fiscal 2025, and management intends to continue rebuilding reserves. Minnesota school districts have an Institutional Framework score of A. The state controls the bulk of school district revenue through a per-pupil funding formula. The state has provided for regular annual increases in the funding formula for several years but has occasionally delayed disbursements.

Rating methodology and scorecard factors

The [US K-12 Public School Districts Methodology](#) includes a scorecard that summarizes the rating factors generally most important to school district credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

Exhibit 4

Waconia Independent School District 110, MN

	Measure	Weight	Score
Economy			
Resident Income (MHI Adjusted for RPP / US MHI)	146.1%	10.0%	Aaa
Full value per capita (full valuation of the tax base / population)	207,958	10.0%	Aaa
Enrollment trend (three-year CAGR in enrollment)	-0.5%	10.0%	A
Financial performance			
Available fund balance ratio (available fund balance / operating revenue)	13.8%	20.0%	A
Net cash ratio (net cash / operating revenue)	31.3%	10.0%	Aaa
Institutional framework			
Institutional Framework	A	10.0%	A
Leverage			
Long-term liabilities ratio ((debt + ANPL + adjusted net OPEB) / operating revenue)	256.8%	20.0%	A
Fixed-costs ratio (adjusted fixed costs / operating revenue)	15.3%	10.0%	Aa
Notching factors			
No notchings applied			
Scorecard-Indicated Outcome			Aa3
Assigned Rating			Baa1

The complete list of outstanding ratings assigned to the Waconia Independent School District 110, MN is available on their [issuer page](#). Details on the current ESG scores assigned to the Waconia Independent School District 110, MN are available on their [ESGView page](#).

Sources: US Census Bureau, Waconia Independent School District 110, MN's financial statements and Moody's Ratings

Appendix

Exhibit 5

Key Indicators Glossary

	Definition	Typical Source*
Economy		
Resident income	Median Household Income (MHI), adjusted for Regional Price Parity (RPP), as a % of the US	MHI: American Community Survey (US Census Bureau) RPP: US Bureau of Economic Analysis
Full value (\$000)	Estimated market value of taxable property accessible to the district	State repositories, district's audited financial reports, offering documents or continuing disclosure
Population	Population of school district	American Community Survey (US Census Bureau)
Full value per capita	Full value / population of school district	
Enrollment	Student enrollment of school district	State data publications
Enrollment trend	3-year Compound Annual Growth Rate (CAGR) of Enrollment	State data publications; Moody's Ratings
Financial performance		
Operating revenue (\$000)	Total annual operating revenue in what we consider to be the district's operating funds	Audited financial statements
Available fund balance (\$000)	Committed, assigned and unassigned fund balances in what we consider to be the district's operating funds	Audited financial statements
Net cash (\$000)	Net cash (cash and liquid investments minus short-term debt) in what we consider to be the district's operating funds	Audited financial statements
Available fund balance ratio	Available fund balance / Operating Revenue	Audited financial statements
Net cash ratio	Net Cash / Operating Revenue	Audited financial statements
Leverage		
Debt (\$000)	District's direct gross debt outstanding	Audited financial statements; official statements
ANPL (\$000)	District's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
OPEB (\$000)	District's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Long-term liabilities ratio	Debt, ANPL and OPEB liabilities as % of operating revenue	Audited financial statements, official statements; Moody's Ratings
Implied debt service (\$000)	Annual cost to amortize district's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Ratings
Pension tread water (\$000)	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Ratings
OPEB contributions (\$000s)	District's actual contribution in a given period, typically the fiscal year	Audited financial statements; official statements
Fixed-costs ratio	Implied debt service, pension tread water and OPEB contributions as % of operating revenue	Audited financial statements, official statements, pension system financial statements

*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US K-12 Public School Districts Methodology](#).

Source: Moody's Ratings

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