

INVITATION TO TENDER BONDS
made by
INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA PUBLIC SCHOOLS, MINNESOTA

to the Holders described herein of all or any portion of the maturities listed on page (i) herein of

INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA PUBLIC SCHOOLS, MINNESOTA
Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A

THIS INVITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MARCH 25, 2026,
UNLESS THE INVITATION IS EARLIER TERMINATED OR EXTENDED AS DESCRIBED HEREIN.
See “TERMS OF THE TENDER OFFER” herein.

This Invitation to Tender Bonds, dated March 12, 2026 (as it may be amended or supplemented, this “*Tender Offer*”), describes an invitation by Independent School District No. 284, Wayzata Public Schools in the State of Minnesota (the “*District*”), with the assistance of D.A. Davidson & Co., as dealer manager (the “*Dealer Manager*”), to the beneficial owners (the “*Holders*” or “*Bondholders*”) of the District’s Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A (the “*Bonds*”) to tender their Bonds for purchase at the offer prices based on a fixed spread to be set forth in the Pricing Notice, which is expected to be dated on or about March 18, 2026 (as it may be amended and supplemented, the “*Pricing Notice*,” a form of which is attached hereto as APPENDIX B), to be added to the yields on certain benchmark United States Treasury Securities, plus accrued interest on the Bonds tendered and accepted for purchase (“*Accrued Interest*”) to but not including the Settlement Date (as hereinafter defined).

Subject to the terms and conditions of this Tender Offer, the District may agree to purchase Bonds on April 30, 2026, unless extended by the District (such date being the “*Settlement Date*”), assuming all conditions to this Tender Offer have then been satisfied or waived by the District; provided that such Bonds have been validly tendered for purchase by the Expiration Date (as defined herein), and accepted, as described herein. See “**TERMS OF THE TENDER OFFER—Acceptance of Tenders for Purchase.**” Bondholders whose Bonds are accepted for purchase will receive the Purchase Price (as defined herein) and Accrued Interest on such Bonds on the Settlement Date. The sources of funds to purchase the Bonds pursuant to this Tender Offer will be proceeds of the District’s General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2026A (the “*Series 2026 Bonds*”) and other available funds of the District. If issued, the Series 2026 Bonds will be dated the Settlement Date and be issued in the manner, on the terms and with the security therefor described in the Preliminary Official Statement dated as of the date hereof attached hereto as APPENDIX A (the “*Preliminary Official Statement*”). The purchase of any Bonds tendered and accepted for purchase pursuant to this Tender Offer is contingent on the issuance of the Series 2026 Bonds as described herein, and is also subject to certain other conditions, including, without limitation, the Financing Conditions (as defined herein). See “**INTRODUCTION—General**” and “**TERMS OF THE TENDER OFFER—Conditions to Purchase**” herein.

HOLDERS OF BONDS WHO DO NOT TENDER THEIR BONDS, AS WELL AS HOLDERS OF BONDS WHO TENDER BONDS FOR PURCHASE THAT THE DISTRICT DOES NOT ACCEPT FOR PURCHASE, WILL CONTINUE TO HOLD SUCH BONDS (THE “UNTENDERED BONDS”) AND SUCH UNTENDERED BONDS WILL REMAIN OUTSTANDING. THE DISTRICT RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE UNTENDERED BONDS THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT BONDS OF THE DISTRICT. See “**INTRODUCTION—Bonds Not Tendered for Purchase**” and “**ADDITIONAL CONSIDERATIONS**” herein.

To make an informed decision as to whether, and how, to tender Bonds for purchase pursuant to this Tender Offer, Bondholders must read this Tender Offer, including the Preliminary Official Statement attached hereto, carefully, and consult with their broker, account executive, financial advisor, attorney and/or other professionals. For more information about risks concerning this Tender Offer, please see “**ADDITIONAL CONSIDERATIONS**” herein.

Any Bondholder wishing to tender its Bonds should follow the procedures more specifically described herein. Bondholders and their brokers and account executives with questions about this Tender Offer should contact the Dealer Manager or the Information Agent.

Key Dates and Times

All of these dates and times are subject to change. All times are New York City time. Notices of changes will be sent in the manner provided for in this Tender Offer.

Launch Date and Post Preliminary Official Statement	March 12, 2026
Pricing Notice	On or about March 18, 2026
Expiration Date	5:00 p.m. on March 25, 2026
Determination of Purchase Prices	Approximately 10:00 a.m. on April 1, 2026
Notice of Purchase Prices	April 1, 2026
Acceptance Date	April 3, 2026
Settlement Date	April 30, 2026

The Dealer Manager for this Tender Offer is:
D.A. Davidson & Co.

The Information Agent and Tender Agent for this Tender Offer is:
Globic Advisors Inc.

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BONDS SUBJECT TO THE TENDER OFFER

Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A

CUSIP	Maturity Date	Interest Rate	Outstanding Principal Amount	Benchmark Treasury Security	Benchmark Treasury Security Maturity	Benchmark Treasury Security CUSIP	Indicative Fixed Spreads [†]
946813 XL1	2/1/2027	3.00%	\$9,285,000	3.375 Cpn	2/29/2028	91282cqb0	0
946813 XM9	2/1/2028	3.00%	\$9,585,000	3.375 Cpn	2/29/2028	91282cqb0	0
946813 XN7	2/1/2029	3.00%	\$10,915,000	3.50 Cpn	2/15/2029	91282cqa2	0
946813 XP2	2/1/2030	1.65%	\$11,235,000	3.50 Cpn	2/28/2031	91282cqd6	0
946813 XQ0	2/1/2031	1.75%	\$11,395,000	3.50 Cpn	2/28/2031	91282cqd6	0
946813 XR8	2/1/2032	1.90%	\$11,620,000	3.75 Cpn	2/28/2033	91282cqc8	0
946813 XS6	2/1/2033	2.00%	\$11,875,000	3.75 Cpn	2/28/2033	91282cqc8	0
946813 XT4	2/1/2034	2.10%	\$12,155,000	4.125 Cpn	2/15/2036	91282cpz8	0
946813 XU1	2/1/2035	2.20%	\$12,450,000	4.125 Cpn	2/15/2036	91282cpz8	0
946813 XV9	2/1/2036	2.30%	\$4,350,000	4.125 Cpn	2/15/2036	91282cpz8	0

[†] Indicative Fixed Spreads (in basis points) and Benchmark Treasury Securities are preliminary and subject to change. Actual Fixed Spreads and Benchmark Treasury Securities will appear in the Pricing Notice.

PROVISIONS APPLICABLE TO THE TENDER OFFER

On or about March 18, 2026, the Pricing Notice will be made available: (i) at the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org> (the “**EMMA Website**”), using the CUSIP numbers for the Bonds listed in the “**Bonds Subject to the Tender Offer**” table above; (ii) to The Depository Trust Company (“**DTC**”) and to the DTC participants holding the Bonds (as shown in a securities position report obtained by the Information Agent and Tender Agent); and (iii) by posting electronically on the website of the Information Agent at www.globic.com/wayzata.

On or about April 1, 2026, the Notice of Purchase Prices will be made available: (i) on the EMMA Website, using the CUSIP numbers for the Bonds listed in the “**Bonds Subject to the Tender Offer**” table above; (ii) to DTC and to the DTC participants holding the Bonds (as shown in a securities position report obtained by the Information Agent and Tender Agent); and (iii) by posting electronically on the website of the Information Agent at www.globic.com/wayzata.

The Preliminary Official Statement (attached hereto as APPENDIX A) is or will be made available, as an attachment to this Tender Offer: (i) on the EMMA Website, using the CUSIP numbers for the Bonds listed in the “**Bonds Subject to the Tender Offer**” table in this Tender Offer; (ii) to DTC and to the DTC participants holding the Bonds (as shown in a securities position report obtained by the Information Agent and Tender Agent); and (iii) by posting electronically on the website of the Information Agent at www.globic.com/wayzata.

The consummation of this Tender Offer is also subject to certain conditions, including, without limitation, the Financing Conditions. See “**INTRODUCTION—General**” and “**TERMS OF THE TENDER OFFER—Conditions to Purchase**” herein.

IMPORTANT INFORMATION

*This Tender Offer and other information with respect to this Tender Offer is and will be available from D.A. Davidson & Co. (the “**Dealer Manager**”) and Globic Advisors Inc. (the “**Information Agent**”) at <http://emma.msrb.org> and www.globic.com/wayzata. Bondholders wishing to tender their Bonds for purchase pursuant to this Tender Offer should follow the procedures described in this Tender Offer. Pursuant to this Tender Offer, the District may accept offers to tender Bonds in accordance with the procedures and the restrictions set forth in this Tender Offer. The District reserves the right to cancel or modify this Tender Offer at any time on or prior to the Expiration Date, and reserves the right to make a future tender offer at prices different than the prices described herein and in the Pricing Notice, in its sole discretion. The District will have no obligation to accept tendered Bonds for purchase. In addition, the District will have no obligation to purchase Bonds accepted for purchase if cancellation or modification occurs, the District is unable to issue the Series 2026 Bonds or any other conditions set forth herein are not satisfied. The District further reserves the right to accept nonconforming tenders or waive irregularities in any tender. The District also reserves the right in the future to refund (on an advance or current basis) any remaining portion of outstanding Bonds through the issuance of publicly-offered or privately-placed bonds. The consummation of this Tender Offer is subject to certain other conditions, including, without limitation, the Financing Conditions (as defined herein) that are anticipated to occur after the Expiration Date but prior to the Settlement Date.*

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS TENDER OFFER OR PASSED UPON THE FAIRNESS OR MERITS OF THIS TENDER OFFER OR UPON THE

ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS TENDER OFFER. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In any jurisdictions where the securities, “blue sky” or other laws require this Tender Offer to be distributed through a licensed or registered broker or dealer, this Tender Offer shall be deemed to be distributed on behalf of the District through the Dealer Manager or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Tender Offer.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Tender Offer, including APPENDIX A, and, if given or made, such information or representation may not be relied upon as having been authorized by the District.

The delivery of this Tender Offer shall not under any circumstances create any implication that any information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the District since the date hereof. The information contained in this Tender Offer is as of the date of this Tender Offer only and is subject to change, completion, or amendment without notice.

Certain statements included or incorporated by reference into this Tender Offer constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “forecast,” “plan,” “expect,” “estimate,” “budget” or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Tender Offer, including APPENDIX A, contains important information which should be read in its entirety before any decision is made with respect to this Tender Offer.

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INVITATION TO TENDER BONDS
made by
INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA PUBLIC SCHOOLS, MINNESOTA
to the Holders described herein of all or any portion of the maturities listed on page (i) herein of

INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA PUBLIC SCHOOLS, MINNESOTA
Taxable General Obligation School Building and Alternative Facilities
Refunding Bonds, Series 2021A

INTRODUCTION

General

This Invitation to Tender Bonds, dated March 12, 2026 (as it may be amended or supplemented, including the cover page and Appendices hereto, this **“Tender Offer”**), describes an invitation by Independent School District No. 284, Wayzata Public Schools in the State of Minnesota (the **“District”**), with the assistance of D.A. Davidson & Co., as dealer manager (the **“Dealer Manager”**), to the beneficial owners (the **“Holders”** or **“Bondholders”**) of the District’s outstanding bonds of the maturities listed on page (i) of this Tender Offer (collectively, the **“Bonds”**) to tender their Bonds for purchase at the purchase price that will be based on a fixed spread to be set forth in the Pricing Notice to be added to the yields on certain benchmark United States Treasury securities, all as set forth in the Pricing Notice, which is expected to be dated on or about March 18, 2026 (as it may be amended and supplemented, the **“Pricing Notice”** a form of which is attached hereto as APPENDIX B), *plus* accrued interest (**“Accrued Interest”**) on the Bonds tendered and accepted for purchase to but not including the Settlement Date.

The Bonds were issued by the District pursuant to Minnesota Statutes Chapter 475 and resolutions of the School Board of the District adopted May 24, 2021 and June 28, 2021 (together, the **“Resolution”**). For certain information concerning the District and the General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2026A (the **“Series 2026 Bonds”**), see the Preliminary Official Statement dated as of the date hereof and attached hereto as APPENDIX A (the **“Preliminary Official Statement”**). The Tender Offer has been authorized by a resolution of the Board of the District adopted February 9, 2026.

The sources of funds to purchase the Bonds validly tendered and accepted for purchase pursuant to this Tender Offer will be proceeds of the Series 2026 Bonds and other available funds of the District. The Series 2026 Bonds are being issued to provide funds to purchase Bonds pursuant to this Tender Offer, and thereby to provide savings to the District. If issued, the Series 2026 Bonds will be dated the Settlement Date and be issued in the manner, on the terms and with the security therefor all as set forth in the Preliminary Official Statement. See **“Sources of Funds to Pay Purchase Price and Accrued Interest on Bonds Purchased”** herein.

Notwithstanding any other provision of this Tender Offer, the District has no obligation to accept for purchase any tendered Bonds. The District’s obligation to pay for Bonds accepted pursuant to this Tender Offer is subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date: (a) the successful completion by the District of the issuance of the Series 2026 Bonds (the **“Proposed Financing”), the proceeds of which will be sufficient, together with other legally available funds, to (i) fund the purchase of all Bonds validly tendered and accepted for purchase pursuant to this Tender Offer and (ii) pay all fees and expenses associated with the issuance of the Series 2026 Bonds and this Tender Offer; (b) the District obtaining satisfactory and sufficient economic**

benefit as a result of the consummation of this Tender Offer when taken together with the Proposed Financing (collectively, the “*Financing Conditions*”), all on the terms and conditions that are in the District’s best interest in its sole discretion; and (c) the other conditions set forth in “TERMS OF THE TENDER OFFER—Conditions to Purchase” herein. The District reserves the right, subject to applicable law, to amend or waive any of the conditions to this Tender Offer, in whole or in part, at any time prior to the Expiration Date (as defined herein), in its sole discretion. This Tender Offer may be withdrawn by the District at any time prior to the Expiration Date.

TO MAKE AN INFORMED DECISION AS TO WHETHER, AND HOW, TO TENDER THEIR BONDS FOR PURCHASE, BONDHOLDERS MUST READ THIS TENDER OFFER AND ALL APPENDICES TO THIS TENDER OFFER.

None of the District, the Dealer Manager or the Information Agent and Tender Agent (as defined herein) makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of such Bondholder’s Bonds for purchase. Bondholders must make their own decisions and should read this Tender Offer carefully and consult with their broker account executive, financial advisor, attorney and/or other appropriate professional in making these decisions.

Subject to the terms and conditions of this Tender Offer, the District may purchase Bonds tendered for purchase, provided that such Bonds have been validly tendered by 5:00 p.m., New York City time, on March 25, 2026 (as extended from time to time in accordance with this Tender Offer, the “*Expiration Date*”) and accepted by the District on or before 5:00 p.m., New York City time, on April 3, 2026 (as extended from time to time in accordance with this Tender Offer, the “*Acceptance Date*”), assuming all conditions to this Tender Offer have then been satisfied or waived by the District on or prior to April 30, 2026 (such date being the “*Settlement Date*”). Subject to the conditions set forth herein, Bondholders whose Bonds are tendered and accepted for purchase in accordance with the provisions of this Tender Offer will receive payment of the Purchase Price (hereinafter defined) of, plus Accrued Interest on, such Bonds on the Settlement Date.

In the event tendered Bonds are not accepted for purchase by the District, or all conditions to this Tender Offer are not satisfied or waived by the District on or prior to the Settlement Date, any Bonds tendered pursuant to this Tender Offer shall be returned to the Holder and remain Outstanding.

HOLDERS OF BONDS WHO DO NOT TENDER THEIR BONDS, AS WELL AS HOLDERS OF BONDS WHO TENDER BONDS FOR PURCHASE THAT THE DISTRICT IN ITS DISCRETION DOES NOT ACCEPT, IN WHOLE OR PART, FOR PURCHASE, WILL CONTINUE TO HOLD SUCH BONDS (THE “UNTENDERED BONDS”) AND SUCH UNTENDERED BONDS WILL REMAIN OUTSTANDING. THE DISTRICT RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE UNTENDERED BONDS THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT OBLIGATIONS. See “INTRODUCTION—Bonds Not Tendered for Purchase” and “ADDITIONAL CONSIDERATIONS” herein.

Consideration for the Tender Offer

On or about March 18, 2026, the District will publish the Pricing Notice in the form attached hereto as APPENDIX B, which Pricing Notice will set forth either a confirmation of the indicative fixed spreads shown on page (i) of this Tender Offer or amendment to the fixed spreads (the “*Fixed Spreads*”) for each CUSIP for the Bonds tendered and accepted for purchase pursuant to this Tender Offer.

The Fixed Spreads will represent the yield, expressed as an interest rate percentage above the yield on the indicated benchmark U.S. Treasury Securities (set forth on page (i) of this Tender Offer) (“*Benchmark Treasury Securities*”) to be used in establishing the Purchase Price for the Bonds. The Fixed Spreads will be added to the yield on a Benchmark Treasury Security for each CUSIP. The yields on the Benchmark Treasury Securities (the “*Treasury Security Yields*”) will be based on the bid-side price of the U.S. Benchmark Treasury as quoted on the Bloomberg Bond Trader FIT1 series of pages at 10:00 a.m. on April 1, 2026. The Fixed Spreads will be added to the Treasury Security Yields to arrive at a yield (the “*Purchase Yield*”).

The Purchase Yield will be used to calculate the Purchase Price (hereinafter defined). The Purchase Price will be calculated using the market standard bond pricing formula as of the Settlement Date using the Purchase Yield and the maturity date of the Bond.

The District will publish a Notice of Purchase Prices on April 1, 2026.

The Notice of Purchase Prices and the Pricing Notice will be made available: (i) by posting on the EMMA Website, using the CUSIP numbers for the Bonds listed in the table under “*BONDS SUBJECT TO THE TENDER OFFER*”; (ii) to DTC and to the DTC participants holding the Bonds; and (iii) by posting electronically on the website of the Information Agent at www.globic.com/wayzata.

Sources of Funds to Pay Purchase Price and Accrued Interest on Bonds Purchased

The sources of funds to purchase the Bonds validly tendered and accepted for purchase pursuant to this Tender Offer will be proceeds of the Series 2026 Bonds and other available funds of the District. **THE PURCHASE OF ANY BONDS TENDERED AND ACCEPTED FOR PURCHASE PURSUANT TO THIS TENDER OFFER IS CONTINGENT ON THE ISSUANCE BY THE DISTRICT OF THE SERIES 2026 BONDS.** The Series 2026 Bonds are described in the Preliminary Official Statement, attached hereto as APPENDIX A.

Brokerage Commissions and Solicitation Fees

Bondholders will not be obligated to pay any brokerage commissions or solicitation fees to the District, the Dealer Manager, or the Information Agent and the Tender Agent in connection with this Tender Offer. However, Bondholders should check with their broker, bank, account executive or other financial institution which maintains the account in which their Bonds are held (their “*Financial Representative*”) to determine whether it will charge any commissions or fees.

Bonds Not Tendered for Purchase

Any Bonds that are not tendered for purchase, or that are tendered and are not accepted by the District, in response to this Tender Offer will continue to be outstanding, and payable and secured, pursuant to the terms of the Resolution. **THE DISTRICT RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF SUCH UNTENDERED BONDS THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT OBLIGATIONS.**

The purchase of the Bonds by the District of any CUSIP number may have certain potential adverse effects on holders of Bonds not purchased pursuant to the Tender Offer, including that the principal amount of the Bonds of such CUSIP number available to trade publicly will be reduced, which could adversely affect the liquidity and market value of any Bonds of that CUSIP number that remain outstanding.

Dealer Manager, Information Agent and Tender Agent

D.A. Davidson & Co. is the Dealer Manager for this Tender Offer. Investors with questions about this Tender Offer should contact the Dealer Manager or Globic Advisors Inc., which serves as Information Agent and Tender Agent (the “*Information Agent*” or the “*Tender Agent*”) for this Tender Offer, at the addresses and telephone numbers set forth on the page preceding the Appendices appended to this Tender Offer. See “**DEALER MANAGER**” and “**INFORMATION AGENT AND TENDER AGENT**” herein.

TERMS OF THE TENDER OFFER

Expiration Date

This Tender Offer will expire on the Expiration Date, unless earlier terminated or extended, as described in this Tender Offer. In the sole discretion of the District, Bonds tendered after 5:00 p.m., New York City time, on the Expiration Date and prior to the acceptance of tenders by the District as described below under the heading “—**Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results**” may be accepted by the District (in its sole discretion) for purchase. See “**TERMS OF THE TENDER OFFER—Extension, Termination and Amendment of the Tender Offer; Changes to Terms**” below for a discussion of the District’s ability to extend the Expiration Date and to terminate or amend this Tender Offer.

Offers Only Through the District’s ATOP Account

The Bonds are held in book-entry-only form through the facilities of The Depository Trust Company (“*DTC*”). The District, through the Information Agent and Tender Agent, will establish an Automated Tender Offer Program (“*ATOP*”) account at DTC for the Bonds to which this Tender Offer relates promptly after the date of this Tender Offer. Bondholders who wish to tender Bonds pursuant to this Tender Offer may do so through the ATOP account.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE DISTRICT’S ATOP ACCOUNT. THE DISTRICT WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS TENDER OFFER.

Any financial institution that is a participant in DTC may make a book-entry tender of the Bonds by causing DTC to transfer such Bonds into the District’s ATOP account relating to this Tender Offer and the applicable series, maturity and CUSIP number in accordance with DTC’s procedures for such transfer. Bondholders who are not DTC participants can only tender Bonds pursuant to this Tender Offer by making arrangements with and instructing their Financial Representative to tender the Bondholder’s Bonds through the District’s ATOP account. To ensure a Bondholder’s Bonds are tendered to the District’s ATOP account by 5:00 p.m., New York City time, on the Expiration Date, the Bondholder must provide instructions to the Bondholder’s Financial Representative in sufficient time for the Financial Representative to tender the Bonds to the District’s ATOP account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder’s instructions in order to tender the Bondholder’s Bonds to the District’s ATOP account by 5:00 p.m., New York City time, on the Expiration Date. See “—**Tender of Bonds by Financial Institutions; District’s ATOP Account.**”

THE DISTRICT, THE DEALER MANAGER, AND THE INFORMATION AGENT AND TENDER AGENT ARE NOT RESPONSIBLE FOR THE TRANSFER OF ANY TENDERED

BONDS TO THE DISTRICT'S ATOP ACCOUNT OR FOR ANY MISTAKES, ERRORS OR OMISSIONS IN THE TRANSFER OF ANY TENDERED BONDS.

Information to Bondholders

The District may give information about this Tender Offer to the market and Bondholders by posting on the EMMA Website. Additionally, the District may give information about this Tender Offer to the Information Agent (collectively referred to herein, together with the EMMA Website, as the “*Information Services*.”). The Information Agent will deliver information provided to it by the District through its website, www.globic.com/wayzata. Posting by the District of information on the EMMA Website will be deemed to constitute delivery of this information to each Bondholder.

The District, the Dealer Manager, and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

Bondholders who would like to receive information transmitted by or on behalf of the District to the Information Services may receive such information from the Dealer Manager or the Information Agent and Tender Agent by contacting them using the contact information on the page preceding the Appendices appended to this Tender Offer.

Any updates to this Tender Offer, including, without limitation any supplements to the Preliminary Official Statement, will be distributed through the EMMA Website and will additionally be made available to the Information Agent. The final Official Statement with respect to the Series 2026 Bonds (which will set forth the maturities, principal amounts and interest rates on the Series 2026 Bonds) will be posted to the EMMA Website subsequent to the Acceptance Date and prior to the Settlement Date.

The Pricing Notice will be made available by the District on or about March 18, 2026: (i) at the EMMA Website, using the CUSIP numbers for the Bonds listed on pages (i) and (ii) in this Offer; (ii) to DTC and to the DTC participants holding the Bonds; and (iii) by posting electronically on the website of the Information Agent at <https://www.globic.com/wayzata>.

Minimum Denominations and Consideration

A Bondholder may tender Bonds for purchase of a particular CUSIP number that it owns in an amount of its choosing, but only in a principal amount equal to the minimum denomination of \$5,000 (the “*Minimum Authorized Denomination*”) or any multiple of \$5,000 in excess thereof.

The Pricing Notice will be made available by the District on or about March 18, 2026: (i) at the EMMA Website, using the CUSIP numbers for the Bonds listed on page (i) in this Tender Offer; (ii) to DTC and to the DTC participants holding the Bonds (as shown in a securities position report obtained by the Information Agent and Tender Agent); and (iii) by posting electronically on the website of the Information Agent at www.globic.com/wayzata.

Tender Consideration. The indicative purchase price for the Bonds with each particular CUSIP tendered pursuant to this Tender Offer will be calculated using the market standard bond pricing formula as of the Settlement Date based on the Purchase Yield and the maturity date of the Bond (the “*Purchase Price*”).

The proceeds of the Series 2026 Bonds, together with other legally available funds, will be used to pay the Purchase Price of, and Accrued Interest on, Bonds tendered by any Bondholder and purchased by

the District. The Series 2026 Bonds are described in the Preliminary Official Statement, attached hereto as APPENDIX A.

Accrued Interest

The Purchase Price of the Bonds tendered and accepted for purchase will not include Accrued Interest. In addition to the Purchase Price of the Bonds accepted for purchase by the District, Accrued Interest on such Bonds will be paid by, or on behalf of, the District to the tendering Bondholders on, but not including, the Settlement Date.

Provisions Applicable to All Tenders

Need for Advice. A Bondholder should ask its Financial Representative or financial advisor for help in determining: (a) whether to tender Bonds of a particular CUSIP number for purchase, and (b) the principal amount of Bonds of such CUSIP number to be tendered. A Bondholder also should inquire as to whether its Financial Representative or financial advisor will charge a fee for submitting tenders if the District purchases the Bondholder's tendered Bonds. The District, the Dealer Manager, and the Information Agent and Tender Agent will not charge any Bondholder for tendering Bonds.

Need for Specificity of Tender. A tender cannot exceed the par amount of Bonds owned by the Bondholder and must include the following information: (1) the CUSIP number(s) of the Bond(s) being tendered, and (2) the principal amount of each CUSIP number being tendered (such principal amount must be stated in integral multiples of \$5,000 and if not so stated, for tenders of less than all of the holder's position in the Bonds, such principal amount will be reduced to the greatest integral multiple of \$5,000). Any Bondholder located outside of the United States should check with their broker to determine if there are any additional minimal increments, alternative settlement timing or other limitations.

"All or none" offers are not permitted. A Bondholder also cannot condition its offer for any single CUSIP on the acceptance of its offer for a separate CUSIP.

Bonds may be tendered for payment only in principal amounts equal to the Minimum Authorized Denomination and multiples of \$5,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE DISTRICT'S ATOP ACCOUNT. THE DISTRICT WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS TENDER OFFER. See "—Tender of Bonds by Financial Institutions; District's ATOP Account" herein.

General. A Bondholder may only tender Bonds it owns or controls. By tendering Bonds pursuant to this Tender Offer, a Bondholder will be deemed to have represented and agreed with the District as set forth below under "**—Representations by Tendering Bondholders to the District.**" All tenders shall survive the death or incapacity of the tendering Bondholder.

Bondholders who would like to receive information furnished by the District to the Information Services can review the EMMA Website or otherwise must make appropriate arrangements with their Financial Representatives, or the Information Agent and Tender Agent.

Representations by Tendering Bondholders to the District

By tendering Bonds for purchase, each tendering Bondholder will be deemed to have represented to and agreed with the District that:

(a) the Bondholder has received this Tender Offer, including the Preliminary Official Statement, and has had the opportunity to review this Tender Offer, including the Preliminary Official Statement, in its entirety, prior to making its decision to tender Bonds, and agrees if the purchase of any tendered Bonds is consummated, the purchase of such Bonds shall be on the terms and conditions set forth in this Tender Offer;

(b) the Bondholder has had the opportunity to review the information incorporated by reference herein prior to making its decision to tender such Target Bonds for purchase;

(c) the Bondholder has full power and authority to tender, sell, assign and transfer the tendered Bonds; and on the Settlement Date, the District will acquire good, marketable and unencumbered title thereto, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, upon payment to the Bondholder of the Purchase Price plus, Accrued Interest;

(d) the Bondholder has made its own independent decision to tender its Bonds for purchase pursuant to this Tender Offer, and as to the terms thereof, and such decision is based upon the Bondholder's own judgment and upon advice from such advisors with whom the Bondholder has determined to consult;

(e) the Bondholder is not relying on any communication from the District, the Dealer Manager or the Information Agent and Tender Agent as investment advice or as a recommendation to tender the Bondholder's Bonds at the Purchase Price, it being understood that the information from the District, the Dealer Manager and the Information Agent and Tender Agent related to the terms and conditions of this Tender Offer shall not be considered investment advice or a recommendation to tender Bonds; and

(f) the Bondholder is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand, agree and accept, the terms and conditions of this Tender Offer.

Tender of Bonds by Financial Institutions; District's ATOP Account

The District, through the Information Agent and Tender Agent, will establish the District's ATOP account at DTC for the CUSIP numbers to which this Tender Offer relates promptly after the date of this Tender Offer. Tenders of Bonds pursuant to this Tender Offer may only be made by transfer to the District's ATOP account as an offer to sell Bonds for cash. Any financial institution that is a participant in DTC may make a book-entry tender of the Bonds by causing DTC to transfer such Bonds into the District's ATOP account corresponding to the CUSIP number in accordance with DTC's procedures.

Concurrently with the delivery of Bonds through book-entry transfer into the District's ATOP account, an Agent's Message (as described below) in connection with such book-entry transfer must be transmitted to and received at the District's ATOP account by not later than 5:00 p.m., New York City time, on the Expiration Date; provided, however, a tender of Bonds related to an Agent's Message transmitted to the District's ATOP account after such time may be accepted by the District for purchase if the District, in its sole discretion, waives the defect in the timing of the delivery of such message. The confirmation of a book-entry transfer to the District's ATOP account as described above is referred to herein as a ***“Book-Entry Confirmation.”*** The term ***“Agent's Message”*** means a message transmitted by DTC to, and received

by, the Information Agent and Tender Agent and forming a part of a Book-Entry Confirmation which states that DTC has received an express acknowledgment from the DTC participant tendering Bonds that are the subject of such Book-Entry Confirmation, stating the CUSIP number(s) and the principal amount(s) of the Bonds that have been tendered by such DTC participant pursuant to this Tender Offer, and to the effect that such participant agrees to be bound by the terms of this Tender Offer. By causing DTC to transfer Bonds into the District's ATOP account, a financial institution warrants to the District that it has full authority and has received from the Bondholder(s) of such Bonds all direction necessary, to tender and sell such Bonds as set forth in this Tender Offer.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE DISTRICT'S ATOP ACCOUNT. THE DISTRICT WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS TENDER OFFER.

Bondholders who are not DTC participants can only tender Bonds pursuant to this Tender Offer by making arrangements with and instructing their Financial Representative to tender the Bondholder's Bonds through the District's ATOP account. To ensure a Bondholder's Bonds are tendered to the District's ATOP account by 5:00 p.m., New York City time, on the Expiration Date, a Bondholder must provide instructions to its Financial Representative in sufficient time for the Financial Representative to tender the Bondholder's Bonds to the District's ATOP account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Bonds to the District's ATOP account by 5:00 p.m., New York City time, on the Expiration Date.

THE DISTRICT, THE DEALER MANAGER, AND THE INFORMATION AGENT AND TENDER AGENT ARE NOT RESPONSIBLE FOR THE TRANSFER OF ANY TENDERED BONDS TO THE DISTRICT'S ATOP ACCOUNT OR FOR ANY MISTAKES, ERRORS OR OMISSIONS IN THE TRANSFER OF ANY TENDERED BONDS.

Determinations as to Form and Validity of Tender Offer; Right of Waiver and Rejection

All questions as to the validity (including the time of receipt at the District's ATOP account), form, eligibility and acceptance of any Bonds tendered for purchase pursuant to this Tender Offer will be determined by the District in its sole discretion and such determinations will be final, conclusive and binding.

The District reserves the right to waive any irregularities or defects in any tender. The District, the Dealer Manager, and the Information Agent and Tender Agent are not obligated to give notice of any defects or irregularities in tenders and they will have no liability for failing to give such notice.

The District reserves the absolute right to reject any and all offers, whether or not they comply with the terms of this Tender Offer.

Amendment or Withdrawals of Tenders Prior to an Expiration Date

A Bondholder may amend its offer to tender for purchase in respect of the amount being tendered by causing an amended offer to be received at the District's ATOP account at or before 5:00 p.m. on the Expiration Date.

An offer to tender for purchase may be withdrawn by a Bondholder by causing a withdrawal notice to be received at the District's ATOP Account at or before 5:00 p.m. on the Expiration Date.

An amended offer or a notice of withdrawal must be submitted in substantially the same manner as an offer.

Bondholders who have tendered for purchase their Bonds will not receive any information from the District, the Dealer Manager or the Information Agent and Tender Agent concerning offers by other Bondholders. Offering Bondholders will not be afforded an opportunity to amend their offers after 5:00 p.m. on the Expiration Date. An amended or withdrawn offer must specify the applicable CUSIP number, and with respect to amended offers, the principal amount previously offered and the new amount being offered. All questions as to the validity (including the time of receipt) of an amendment or withdrawal will be determined by the District in its sole discretion and will be final, conclusive and binding.

ALL TENDERS OF BONDS SHALL BE IRREVOCABLE AT 5:00 P.M. ON THE EXPIRATION DATE.

Acceptance of Tenders for Purchase

The District shall be under no obligation to accept any Bonds tendered for purchase pursuant to this Tender Offer.

Among Bonds tendered for purchase, the District in its sole discretion will select the aggregate amount of tendered Bonds to purchase for each CUSIP, based on its determination of the economic benefit from such purchase and the foregoing tax-exempt considerations for the Series 2026 Bonds.

Should the District determine to purchase some but not all of the Bonds of a particular CUSIP, the District will accept those tendered Bonds on a pro rata basis reflecting the ratio of (a) the principal amount, if any, the District determines to purchase, where applicable (b) the aggregate principal amount of valid offers to sell received. In such event, should the principal amount of any individual tender offer, when adjusted by the pro rata acceptance, result in an amount that is not a multiple of \$5,000, the principal amount of such offer will be rounded down to the nearest multiple of \$5,000. If as a result of such adjustment, the amount of a holder's accepted Bonds would be less than the minimum authorized denomination of \$5,000, the District will reject such holder's tender instruction in whole. The District will determine the proration factor that permits it to accept the amount of Bonds it has determined to purchase.

As of the Acceptance Date, upon the terms and subject to the conditions of this Tender Offer, the District may elect to accept for purchase outstanding Bonds validly tendered pursuant to this Tender Offer (or defectively tendered, if such defect has been waived by the District), with the purchase subject to the satisfaction or waiver by the District of the conditions to the purchase of tendered Bonds. See “—**Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results**” and “—**Conditions to Purchase**.”

The District will have no obligation to accept tendered Bonds for purchase. The District will determine in its sole discretion which tendered Bonds, if any, it will purchase, and therefore has the right to purchase none, some or all of the Bonds offered, notwithstanding any other statements herein about the District's current intentions for the amount of Bonds to be purchased. Bonds that will be purchased will be indicated by CUSIP. The District reserves the right to, and may decide to, refund, (on an advance or current basis), some or all of the Untendered Bonds or the Bonds not purchased pursuant to this Tender Offer through the issuance of publicly-offered or privately-placed taxable or tax-exempt obligations. See also “—Bonds not Tendered for Purchase**” and “**ADDITIONAL CONSIDERATIONS**” for certain potential impacts on any untendered Bonds.**

Notwithstanding any other provision of this Tender Offer, the consummation of this Tender Offer and the District’s obligation to pay for Bonds accepted for purchase pursuant to this Tender Offer is subject to the satisfaction of or waiver of the Financing Conditions (see “INTRODUCTION—General” herein) and the other conditions set forth in “—Conditions to Purchase” herein. The District reserves the right, subject to applicable law, to amend or waive any of the conditions to this Tender Offer, in whole or in part, at any time prior to the Expiration Date or from time to time, in its sole discretion. This Tender Offer may be withdrawn by the District at any time prior to the Expiration Date.

Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results

Acceptance by the District of Bonds tendered for purchase will constitute an irrevocable agreement between the tendering Bondholder and the District to sell and purchase such Bonds, subject to the satisfaction of certain conditions to the District’s obligation to purchase tendered Bonds and the other terms of this Tender Offer. See “**Minimum Denominations and Consideration**” herein and “**—Conditions to Purchase**” herein.

The acceptance of Bonds tendered for purchase is expected to be made by notification to the Information Services no later than 5:00 p.m., New York City time, on the Acceptance Date. This notification will state the principal amount of the Bonds of each CUSIP number that the District has agreed to accept for tender for purchase in accordance with this Tender Offer, which may be zero for a particular CUSIP number.

Settlement Date

Subject to satisfaction of all conditions to the District’s obligation to purchase Bonds tendered and accepted for purchase, as described herein, including, without limitation, the Financing Conditions, the Settlement Date is the day on which such Bonds will be purchased at the applicable Purchase Price, together with Accrued Interest thereon. The Settlement Date will occur following the Acceptance Date, subject to all conditions to this Tender Offer having been satisfied or waived by the District. The expected Settlement Date is April 30, 2026, unless extended by the District, assuming all conditions to this Tender Offer have been satisfied or waived by the District. Bondholders whose Bonds are purchased on the Settlement Date will receive Accrued Interest up to but not including the Settlement Date.

The District may, in its sole discretion, change the Settlement Date by giving notice to the Information Services prior to the change. See “**—Conditions to Purchase.**”

Subject to satisfaction of all conditions to the District’s obligation to purchase Bonds tendered and accepted for purchase pursuant to this Tender Offer, as described herein, payment by the District, or on the District’s behalf, will be made in immediately available funds on the Settlement Date by deposit with DTC of the aggregate Purchase Price and Accrued Interest. The District expects that, in accordance with DTC’s standard procedures, DTC will transmit the aggregate Purchase Price (plus Accrued Interest) in immediately available funds to each of its participant financial institutions holding the Bonds accepted for purchase on behalf of Bondholders for delivery to the Bondholders. **The District, the Dealer Manager, and the Information Agent and Tender Agent have no responsibility or liability for the distribution of the Purchase Price plus Accrued Interest by DTC to the Bondholders.**

Purchase and Accrued Interest Funds

The sources of funds to purchase the Bonds validly tendered and accepted for purchase pursuant to this Tender Offer will be proceeds of the Series 2026 Bonds and other available funds of the District. The

purchase of any Bonds tendered pursuant to this Tender Offer is contingent on the issuance by the District of the Series 2026 Bonds, as well as certain other conditions which must be satisfied or waived on or prior to the Settlement Date. See “**INTRODUCTION—General**” and “**—Conditions to Purchase**” herein for more information on the conditions precedent to this Tender Offer.

Conditions to Purchase

In addition to the Financing Conditions (see “**INTRODUCTION—General**” herein), if after the Acceptance Date, but prior to payment for the Bonds by the District on the Settlement Date, any of the following events should occur, the District will have the absolute right to cancel its obligations to purchase Bonds without any liability to any Bondholder:

- Litigation or another proceeding is pending or threatened which the District reasonably believes may, directly or indirectly, have an adverse impact on this Tender Offer or the expected benefits of this Tender Offer to the District or the Bondholders;
- A war, national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and the District reasonably believes this fact makes it inadvisable to proceed with the purchase of Bonds;
- A downgrade in the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations shall have occurred;
- There has been and there is continuing a material disruption to securities settlement or clearance services in the United States;
- A material change in the business or affairs of the District has occurred which the District reasonably believes makes it inadvisable to proceed with the purchase of Bonds;
- A material change in the net economics of the transaction has occurred due to a material change in market conditions which the District reasonably believes makes it inadvisable to proceed with the purchase of Bonds;
- Legislation shall have been introduced in or enacted by the Congress of the United States, or shall have been favorably reported out of committee, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or proposed by the Treasury Department of the United States or the Internal Revenue Service, with respect to Federal Taxation upon revenues or other income of the general character to be derived by the District as described in the Preliminary Official Statement or upon interest received on obligations of the general character of the Series 2026 Bonds which in the District’s reasonable judgment would change the tax status of the revenues of the District or the interest on the Series 2026 Bonds;
- A stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Series 2026 Bonds is in violation of any provisions of the Securities Act of 1933 or of the Trust Indenture Act of 1939;

- In the Congress of the United States legislation shall be enacted or a bill shall be favorably reported out of committee of either the House of Representatives or the Senate, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other agency of the Federal government having jurisdiction of the subject matter shall be made, to the effect that securities of the District, or of any similar public body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 or the Trust Indenture Act of 1939; or
- The Series 2026 Bonds are not issued upon the terms described herein.

In addition, the Bond Purchase Agreement related to the Series 2026 Bonds includes a number of similar conditions of the Underwriter's obligation to purchase the Series 2026 Bonds, including if (i) there shall exist an event which, in the Underwriter's (as defined herein) reasonable judgment, materially adversely affects the market for the Series 2026 Bonds, which, in the Underwriter's reasonable judgment, either (A) makes untrue or incorrect in any material respect, as of such time, any statement or information contained in the Preliminary Official Statement or Official Statement or adversely affects the exemption of the interest on the Series 2026 Bonds from Minnesota income taxes or (B) is not reflected in the Preliminary Official Statement or Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and the District either refuses to amend the Preliminary Official Statement or Official Statement or the effect of such amendment materially affects the interest rate on the Series 2026 Bonds or the ability of the Underwriter to enforce contracts for the sale of the Series 2026 Bonds.

These conditions (together with the Financing Conditions, the "*Conditions to Purchase*") are for the sole benefit of the District and may be asserted by the District, prior to the time of payment of the Bonds it has agreed to purchase, regardless of the circumstances giving rise to any of these conditions or may be waived by the District in whole or in part at any time and from time to time in its discretion, and may be exercised independently for each CUSIP. The failure by the District at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the District which may be asserted at any time and from time to time prior to the time of payment of the Bonds it has agreed to purchase. Any determination by the District concerning the events described in this section will be final and binding upon all parties.

Any tendered Bonds not purchased as a result of a failure to satisfy the Conditions to Purchase may now or in the future be refunded by the District, and at any time in the future Bondholders may be invited to tender such tendered Bonds by the District in the sole discretion of the District.

HOLDERS OF BONDS WHO DO NOT TENDER THEIR BONDS, AS WELL AS HOLDERS OF BONDS WHO TENDER BONDS FOR PURCHASE THAT THE DISTRICT IN ITS DISCRETION DOES NOT ACCEPT, IN WHOLE OR PART, FOR PURCHASE, WILL CONTINUE TO HOLD SUCH UNTENDERED BONDS, WHICH WILL REMAIN OUTSTANDING. THE DISTRICT RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE UNTENDERED BONDS THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT OBLIGATIONS. See "INTRODUCTION—Bonds Not Tendered for Purchase" and "ADDITIONAL CONSIDERATIONS" herein.

Extension, Termination and Amendment of the Tender Offer; Changes to Terms

Through and including the Expiration Date, the District has the right to extend this Tender Offer, as to any or all of the Bonds, to any date in its sole discretion, provided that a notice of any extension of the Expiration Date is given to the Information Services, including by posting such notice to the EMMA Website on or about 11:00 a.m., New York City time, on the first business day after the Expiration Date.

The District also has the right, prior to acceptance of Bonds tendered for purchase as described above under the heading “—**Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results,**” to terminate this Tender Offer at any time by giving notice to the Information Services. The termination will be effective at the time specified in such notice.

The District also has the right, prior to acceptance of Bonds tendered for purchase as described above under the heading “—**Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results,**” to amend or waive the terms of this Tender Offer in any respect and at any time by giving notice to the Information Services. This amendment or waiver will be effective at the time specified in such notice.

If the District extends this Tender Offer, or amends the terms of this Tender Offer (including a waiver of any term) in any material respect, including, without limitation, a change in any Purchase Price of the Bonds pursuant to this Tender Offer, the District shall provide notice thereof at such time (notice of which shall not be less than five (5) business days prior to the Expiration Date, as it may be extended) and in such manner to allow reasonable time for dissemination to Bondholders and for Bondholders to respond. **In such event, any offers submitted with respect to the affected Bonds prior to such change in the Purchase Price for such Bonds pursuant to this Tender Offer will remain in full force and effect and any Bondholder of such affected Bonds wishing to revoke their offer to tender such Bonds must affirmatively withdraw such offer prior to the Expiration Date.**

No extension, termination or amendment of this Tender Offer (or waiver of any terms of this Tender Offer) will change the District’s right to decline to purchase any Bonds without liability. See “—**Conditions to Purchase.**”

The District, the Dealer Manager and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

AVAILABLE INFORMATION

Certain information relating to the Bonds and the District may be obtained by contacting the Dealer Manager or Information Agent and Tender Agent at the contact information set forth on the page preceding the Appendices appended to this Tender Offer. Such information is limited to (i) this Tender Offer, including the information set forth in the Preliminary Official Statement which is attached hereto as APPENDIX A, and (ii) information about the District available through the EMMA Website.

References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Tender Offer.

ADDITIONAL CONSIDERATIONS

None of the District, the Dealer Manager or the Information Agent and Tender Agent makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of the Bonds. Each Bondholder must make its decision and should read this Tender Offer and the Preliminary Official Statement and consult with its broker, account executive, financial advisor and/or other financial professional in making such decision.

In deciding whether to participate in this Tender Offer, each Bondholder should consider carefully, in addition to the other information contained in this Tender Offer, the following:

- In the event that the Series 2026 Bonds are not issued and sold at such prices that would yield the necessary economic benefit described herein, tendered Bonds accepted for purchase are not required to be purchased by the District and in such event, Bondholders will continue to hold their respective tendered Bonds.
- The District may, but is not obligated, to defease certain of the Bonds, which are identified in the table on page (i) in the future to the extent the District does not purchase such Bonds pursuant to this Tender Offer.
- The District in its sole discretion will select which, if any, Bonds of a particular CUSIP to purchase based on its determination of the economic benefit from such purchase.
- Even if the District does not purchase any tendered Bonds, the District shall have the right now or in the future to defease or refund all or any portion of the tendered Bonds (other than any Bonds defeased as described above) or may in the future invite Bondholders to tender such tendered Bonds for purchase by the District.
- The purchase or redemption by the District of Bonds of any CUSIP number may have certain potential adverse effects on holders of Bonds with such CUSIP not purchased pursuant to this Tender Offer, including, but not limited to, the principal amount of the Bonds of such CUSIP number available to trade publicly may be reduced, which could adversely affect the liquidity and market value of any untendered Bonds of that CUSIP number that remain outstanding.

The District May Later Acquire Bonds at More Favorable Prices with More Favorable Terms Than Those Offered Pursuant to this Tender Offer

The District reserves the right to, and may in the future decide to, acquire some or all of the Bonds not purchased pursuant to this Tender Offer through open market purchases, privately negotiated transactions, subsequent tender offers, exchange offers or otherwise, upon such terms and at such prices as it may determine, which may be more or less than the consideration set forth in this Tender Offer and the Pricing Notice, and which could be cash or other consideration. Any future acquisition of Bonds may be on the same terms or on terms that are more or less favorable to Bondholders than the terms described in this Tender Offer and the Pricing Notice. The decision to make future purchases or exchanges by the District and the terms of such future transactions will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the District will ultimately choose to pursue in the future.

Timeliness of Offers

This Tender Offer will expire at 5:00 p.m., New York City time, on the Expiration Date (currently scheduled for March 25, 2026), unless extended or terminated. Bonds tendered for purchase as described in this Tender Offer after 5:00 p.m., New York City time, on the Expiration Date will not be accepted for tender, except in the District's sole discretion.

Acceptance Date

The District will accept tenders of Bonds, if at all, on or before 5:00 p.m., New York City time, on April 3, 2026, unless extended as set forth in this Tender Offer (the "**Acceptance Date**"). Notification of acceptance of Bonds tendered pursuant to this Tender Offer will be given on or before 5:00 p.m., New York City time on the Acceptance Date, unless an Expiration Date is extended or a Tender Offer is terminated. See "**TERMS OF THE TENDER OFFER—Acceptance of Tenders for Purchase**" herein.

Priority of Allocations of Series 2026 Bonds

The District has instructed D.A. Davidson & Co., as the underwriter (the "**Underwriter**") for the Series 2026 Bonds, that any holder of the Bonds (including the Underwriter or any related account of the Underwriter) who tenders Bonds pursuant to this Tender Offer and who submits an order to purchase any Series 2026 Bonds to give priority, subject to certain limitations, to such order of the Series 2026 Bonds, up to the principal amount of the Bonds that such bondholder tenders and the District accepts, over other orders for the Series 2026 Bonds. The District retains the discretion to alter its instructions.

SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain U.S. federal income tax considerations relating to the sale of Target Bonds for cash pursuant to the Tender Offer. This summary is based on the U.S. Internal Revenue Code of 1986 (the "**Code**") and the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "**IRS**"), all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below. The District has not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

Bondholders should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Bonds and the Tender Offer based on their own particular circumstances.

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the ownership and disposition of Bonds. It does not address the application of the alternative minimum tax imposed on noncorporate taxpayers and applicable corporations (as defined in Section 59(k) of the Code) or the additional tax on net investment income, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences. This summary is limited to consequences to U.S. Holders (as defined below) that hold the Bonds as "capital assets" (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as: holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies; brokers, dealers, or traders in

stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect of the Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein.

For purposes of this discussion, a “U.S. Holder” means a beneficial owner of Bonds that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation created or organized in or under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust, if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (b) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

Tendering Holders

A Bondholder that sells Bonds for cash pursuant to the Tender Offer generally will recognize gain or loss in an amount equal to the difference between (i) the cash received less amounts attributable to any accrued but unpaid stated interest (which will be excluded from gross income to the same extent that it would have been excluded absent such tender and otherwise taxed as ordinary interest income) and (ii) the Bondholder’s adjusted tax basis in the Bond. A Bondholder’s adjusted tax basis in a Bond generally will be equal to the amount that the Bondholder paid for the Bond, increased by any market discount with respect to the Bond previously included in the Bondholder’s gross income and accrued original issue discount with respect to the Bond and reduced by the amount of any amortized bond premium on the Bond. Except to the extent attributable to market discount, any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bondholder held the Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

In the case of a Bondholder that acquired Bonds at a market discount, any gain recognized upon the sale of the Bonds generally will be taxable as ordinary income to the extent of the market discount not previously included in income.

Payments of the proceeds from the sale of the Bonds, including payments of Accrued Interest, may be required to be reported to the IRS under applicable Treasury Regulations. Backup withholding will apply to these payments if the Bondholder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the Bondholder’s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

Non-Tendering Holders

A Bondholder that does not sell Bonds pursuant to the Tender Offer will not recognize any gain or loss, and will retain the same adjusted tax basis, holding period, and accrued market discount, if any, in its Bonds.

DEALER MANAGER

Pursuant to the terms of that certain Dealer Manager Agreement between the District and the Dealer Manager, the District has retained D.A. Davidson & Co. (“*D.A. Davidson*”) to act on its behalf as Dealer Manager for this Tender Offer. The District has agreed to pay the Dealer Manager a fee for its services and to reimburse the Dealer Manager for a portion of its reasonable out-of-pocket costs and expenses relating to this Tender Offer. References in this Tender Offer to the Dealer Manager are to D.A. Davidson only in its capacity as the Dealer Manager. The compensation of the Dealer Manager is based, and is contingent upon the closing of and expected to be paid with proceeds of the Series 2026 Bonds in its capacity as underwriter for the Series 2026 Bonds.

The Dealer Manager may contact Bondholders regarding this Tender Offer and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Tender Offer to beneficial owners of the Bonds.

The Dealer Manager and its affiliates together comprise full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealer Manager and its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the District for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for their own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the District, including the Bonds.

In addition to its role as Dealer Manager for the Bonds, D.A. Davidson is also serving as the underwriter for the Series 2026 Bonds, as described in the Preliminary Official Statement.

The Dealer Manager is not acting as a municipal advisor, financial advisor or fiduciary to the District in connection with this Tender Offer.

INFORMATION AGENT AND TENDER AGENT

The Dealer Manager, on behalf of the District, has retained Globic Advisors Inc. to serve as Information Agent and Tender Agent for this Tender Offer. The District has agreed to pay the Information Agent and Tender Agent customary fees for its services and to reimburse the Information Agent and Tender Agent for its reasonable out-of-pocket costs and expenses relating to this Tender Offer.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters and the issuance of the Series 2026 Bonds will be passed upon by Dorsey & Whitney LLP as Bond Counsel to the District. A copy of the form of opinion of Bond Counsel which will be delivered with the Series 2026 Bonds is set forth in Appendix A of the Preliminary Official Statement attached hereto as APPENDIX A.

MISCELLANEOUS

No one has been authorized by the District, the Dealer Manager or the Information Agent and Tender Agent to recommend to any Bondholder whether to tender Bonds pursuant to this Tender Offer or the amount of Bonds to tender. No one has been authorized to give any information or to make any representation in connection with this Tender Offer other than those contained in this Tender Offer. Any recommendations, information and representations given or made cannot be relied upon as having been authorized by the District, the Dealer Manager or the Information Agent and Tender Agent.

None of the District, the Dealer Manager, or the Information Agent and the Tender Agent makes any recommendation that any Bondholder tender or refrain from tendering or exchanging all or any portion of the principal amount of such Bondholder's Bonds. Bondholders must make their own decisions and should read this Tender Offer carefully and consult with their broker, account executive, financial advisor, attorney and/or other professional in making these decisions.

Investors with questions about this Tender Offer should contact the Dealer Manager or the Information Agent and Tender Agent. The contact information for the Dealer Manager and the Information Agent and Tender Agent is as follows:

The Dealer Manager for this Tender Offer is:

D.A. Davidson & Co.

926 Inwood Ave. North
St. Paul, Minnesota 55128
Tel: (612) 499-3066
Attn: Paul Donna, Managing Director
Email: pdonna@dadco.com

The Information Agent and Tender Agent for this Tender Offer is:

Globic Advisors Inc.
477 Madison Avenue, 6th Floor
New York, New York 10022
Tel: (212) 227-9698
Attn: Patrick Seguritan
Email: pseguritan@globic.com
Document Website: www.globic.com/wayzata

APPENDIX A

Preliminary Official Statement

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 11, 2026

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code) and is included in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions. See "TAX CONSIDERATIONS" herein.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

Refunding Issue

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

**INDEPENDENT SCHOOL DISTRICT NO. 284
(WAYZATA PUBLIC SCHOOLS), MINNESOTA
(Hennepin County)**

(Minnesota School District Credit Enhancement Program)

**\$ _____ * GENERAL OBLIGATION SCHOOL BUILDING AND
ALTERNATIVE FACILITIES REFUNDING BONDS, SERIES 2026A**

PURPOSE/AUTHORITY/SECURITY: The \$ _____ * General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2026A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.67, as amended, by Independent School District No. 284 (Wayzata Public Schools), Minnesota (the "District"), to refund (by purchasing tendered bonds pursuant to an invitation to tender) certain outstanding 2027 through 2036 maturities of the Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A (the "Series 2021A Bonds") and to pay certain costs associated with the issuance of the Bonds. The Bonds will be general obligations of the District for which its full faith and credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Dorsey & Whitney LLP, Minneapolis, Minnesota.

DATE OF BONDS: April 30, 2026.
DATE OF DELIVERY: April 30, 2026.
SERIAL MATURITIES: February 1 as follows:

				CUSIP						CUSIP	
		Interest		Base		Interest		Base			
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>946813</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>946813</u>		
2027					2032						
2028					2033						
2029					2034						
2030					2035						
2031					2036						

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

INTEREST: February 1, 2027 and semiannually thereafter.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein.

The Bonds are offered, subject to prior sale, when, as and if accepted by the Underwriter named below and subject to an opinion as to the validity and tax exemption by Dorsey & Whitney LLP, Minneapolis, Minnesota, Bond Counsel, and certain other conditions. Dorsey & Whitney LLP, Des Moines, Iowa, will also act as Disclosure Counsel to the District. It is expected that delivery of the Bonds will be made on or about April 30, 2026 against payment therefor. Subject to applicable securities laws and prevailing market conditions, the Underwriter intends, but is not obligated, to effect secondary market trading in the Bonds. For information with respect to the Underwriter, see "Underwriting" herein.

*Preliminary, subject to change.
*Preliminary, subject to change dependent on tender offer.



REPRESENTATIONS

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

This Official Statement is not to be construed as a contract with the Underwriter. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact.

Ehlers and Associates, Inc. ("Ehlers") prepared this Official Statement relying on information of the District and other sources for which there is reasonable basis for believing the information is accurate and complete. Compensation of Ehlers and Associates, Inc., payable entirely by the District, is contingent upon the delivery of the Bonds.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, the Underwriter's responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

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

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

Final Official Statement: Copies of the Final Official Statement will be delivered to the Underwriter within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. In connection with the issuance of the Bonds, the District will provide certain continuing disclosure covenants. See "APPENDIX D - FORM OF CONTINUING DISCLOSURE COVENANTS (EXCERPTS FROM RATIFYING RESOLUTION)".

CLOSING BONDS

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

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WAYZATA PUBLIC SCHOOLS SCHOOL BOARD

		<u>Term Expires</u>
Milind Sohoni	Board Chair	January 2029
Sheila Prior	Vice Chair	January 2028
Dan Ginestra	Clerk	January 2028
Heidi Kader	Treasurer	January 2029
Paras Bhende	Director	January 2029
Valentina Eyres	Director	January 2028
Alicia Liddle	Director	January 2029

ADMINISTRATION

Chace Anderson, Superintendent of Schools*

Trevor Peterson, Executive Director of Finance & Operations

Jack Stearns, Director of Finance

* Superintendent Anderson has announced his plans to retire from the District as of June 30, 2026. The District is currently in the process of its search for Dr. Anderson's replacement.

PROFESSIONAL SERVICES

Dorsey & Whitney LLP, Bond Counsel, Minneapolis, Minnesota

Dorsey & Whitney LLP, Disclosure Counsel, Des Moines, Iowa

D.A. Davidson & Co., Underwriter, St. Paul, Minnesota

Globic Advisors Inc., Information Agent, New York, New York

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

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding Independent School District No. 284 (Wayzata Public Schools), Minnesota (the "District") and the issuance of its \$ _____* General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2026A (the "Bonds"). The Bonds will be issued pursuant to resolutions adopted by the Board on February 9, 2026 (the "Parameters Resolution") and a resolution to be adopted by the Board on or around April 2, 2026 (the "Ratifying Resolution").

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Minneapolis, Minnesota, (651) 697-8500, the District's municipal advisor.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of April 30, 2026. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB").

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

The District has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The District will pay the charges for Paying Agent services. The District reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION*

The Bonds maturing on and after February 1, 2034 are subject to redemption and prepayment at the option of the District, in whole or in part, in such order as the District shall determine and within a maturity by lot as selected by the Registrar in multiples of \$5,000, on February 1, 2033, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption.

The District is required to cause notice of the call for redemption thereof to be published as required by law and, at least thirty (30) days prior to the designated redemption date, cause notice of the call for redemption to be mailed, by first class mail, to the registered owners of any Bonds to be redeemed at their addresses as they appear on the bond register, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.67, as amended, by the District, to refund (by purchasing tendered bonds pursuant to an invitation to tender) certain outstanding 2027 through 2036 maturities of the Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A (the "Series 2021A Bonds" or the "Refunded Bonds") and to pay certain costs associated with the issuance of the Bonds. See "PLAN OF FINANCE - TENDER OFFER PLAN" herein.

On March 12, 2026*, the District will release an Invitation to Tender ("Invitation to Tender") to Beneficial Owners of the Series 2021A Bonds, inviting such Beneficial Owners of the Series 2021A Bonds to tender their bonds for purchase by the District on the terms and conditions set forth in the Invitation to Tender. The purpose of the Invitation to Tender is to give the District the opportunity to retire the Series 2021A Bonds on the date of Issuance of the Bonds (the "Settlement Date"). See "PLAN OF FINANCE - TENDER OFFER PLAN" herein.

Pursuant to the Invitation to Tender, the owners of the Series 2021A Bonds may tender their bonds for cash subject to the conditions set forth in the Invitation to Tender (the portion of the Series 2021A Bonds so tendered being referred to herein as the "Tendered Bonds"). The District expects to purchase some or all of the Tendered Bonds at the purchase prices and on the other terms set forth in the Invitation to Tender, as the same may be supplemented or amended (the portion of the Tendered Bonds purchased by the District being referred to herein as the "Refunded Bonds"). The District has the right, in its sole discretion, to purchase some or all of the Tendered Bonds and may determine, in its sole discretion, not to purchase some or all of the Tendered Bonds. Any Refunded Bonds will be canceled on the Settlement Date and will no longer be deemed outstanding. Funds to pay the purchase price of the Refunded Bonds, and to pay the costs of the Invitation to Tender, are expected to be provided from the proceeds of the Bonds, or from other available funds of the District, if any.

This discussion is not intended to summarize the terms of the Invitation to Tender, or to solicit offers to tender the Series 2021A Bonds, and reference is made to the Invitation to Tender for a discussion of the terms of the Invitation to Tender and the conditions for the purchase of Series 2021A Bonds validly tendered and accepted for purchase. The District has filed the Invitation to Tender with the MSRB through its Electronic Municipal Market Access ("EMMA") system.

*Preliminary, subject to change.

PLAN OF FINANCE - TENDER OFFER PLAN

Proceeds of the Bonds will be used to repurchase by means of a tender offer certain outstanding 2027 through 2036 maturities of the Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A, on or about April 30, 2026, as described below.

Maturities (February 1)	Outstanding Amount	Refunded Bonds*	Remaining Amount*	Redemption Price**	Redemption Date	CUSIP Base 946813
2027	\$9,285,000	\$ --	\$ --	100.00%		XL1
2028	9,585,000	--	--	100.00%		XM9
2029	10,915,000	--	--	100.00%		XN7
2030	11,235,000	--	--	100.00%		XP2
2031	11,395,000	--	--	100.00%		XQ0
2032	11,620,000	--	--	100.00%		XR8
2033	11,875,000	--	--	100.00%		XS6
2034	12,155,000	--	--	100.00%		XT4
2035	12,450,000	--	--	100.00%		XU1
2036	<u>4,350,000</u>	<u>--</u>	<u>--</u>	100.00%		XV9
Total	<u>\$104,865,000</u>	<u>\$0</u>	<u>\$0</u>			

*Preliminary, subject to change dependent on tender offer.

**Expressed as a percentage of par.

ESTIMATED SOURCES AND USES

Sources

Par Amount of Bonds	\$	
Reoffering Premium/(Discount)		
Total Sources		\$

Uses

Purchase of Tendered Bonds	\$	
Costs of Issuance**		
Deposit to Debt Service Fund		
Total Uses		\$

** Includes Underwriter's discount, Bond and Disclosure Counsel fees, Municipal Advisor fees, Registrar fees, Information Agent fees, Dealer Manager fees, rating agency fees and other costs of issuance.

SECURITY

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

RATING

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

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

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

STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICTS

By the Parameters Resolution adopted for this issue on February 9, 2026 and the Ratifying Resolution, expected to be adopted on or around April 2, 2026 (collectively, the "Resolution"), the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, as amended, which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation (herein referred to as the "State Payment Law" or the "Law"). The provisions of the State Payment Law shall be binding on the District as long as any obligations of the issue remain outstanding.

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

The Law also requires the Paying Agent for this issue to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal and interest on these obligations, or if, on the day two business days prior to the payment date, there are insufficient funds to make the payment or deposit with the Paying Agent.

The Law also requires, after receipt of a notice which requests a payment pursuant to the Law, after consultation with the Paying Agent and District, and after verifying the accuracy of the information provided, the Commissioner of Education shall notify the Commissioner of Management and Budget of the potential default. The State Payment Law provides that "upon receipt of this notice . . . the commissioner of management and budget shall issue a payment and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the [Department of Education] from the state general fund."

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

In its Official Statement dated September 23, 2025, for General Obligation State Bonds, Series 2025A, 2025B, 2025C, 2025D and 2025E, the State of Minnesota disclosed the following information about the State Credit Enhancement Program for School Districts:

"As of June 30, 2025, the total amount of principal on certificates of indebtedness and capital notes issued for equipment, certificates of participation and bonds, plus the interest on these obligations, through the year 2054, is approximately \$19,610,000,000. Based upon these currently outstanding balances now enrolled in the program, during the Current Biennium the total amount of principal and interest outstanding as of June 30, 2025 is currently estimated at \$3,155,000,000, with the maximum amount of principal and interest payable in any one month being \$1,253,600,000. However, more certificates of indebtedness, capital notes, certificates of participation and bonds are expected to be enrolled in the program and these amounts are expected to increase.

The State has not had to make any debt service payments on behalf of school districts or intermediate school districts under the program and does not expect to make any payments in the future. If such payments are made the State expects to recover all or substantially all of the amounts so paid pursuant to contractual agreements with the school districts and intermediate school districts."

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the District shall agree to provide certain information to the MSRB through its EMMA system, or any system that may be prescribed in the future.

In the Ratifying Resolution, the District will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the District are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

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

The continuing disclosure undertaking entered into by the District related to its Certificates of Participation, Series 2013A included language stating that an Annual Report including the District's audited financial statements and operating data would be filed "as soon as available." Although the District did not comply with this requirement with respect to its audited financial statements for its fiscal year ended June 30, 2023, the Annual Reports were timely filed within the required twelve (12) month timeframe as provided for in the undertaking. Except as described above, the District has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The District has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the District.

LEGAL OPINION

An opinion in substantially the form attached hereto as Appendix B will be furnished by Dorsey & Whitney LLP ("Bond Counsel"), Minneapolis, Minnesota, bond counsel to the District.

TAX CONSIDERATIONS

The following is a summary of certain U.S. federal and Minnesota income tax considerations relating to the purchase, ownership, and disposition of the Bonds. This summary is based on the U.S. Internal Revenue Code of 1986 (the "Code") and the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS"), all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below, including the tax exemption of interest on the Bonds. The District has not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

Prospective purchasers of Bonds should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Bonds based on their own particular circumstances.

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the purchase, ownership, and disposition of Bonds. It does not address the application of the alternative minimum tax imposed on noncorporate taxpayers and applicable corporations (as defined in Section 59(k) of the Code) or the additional tax on net investment income, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences except with respect to Minnesota income tax to the extent expressly specified herein. This summary is limited to consequences to U.S. holders that purchase the Bonds for cash at original issue and hold the Bonds as "capital assets" (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as: holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies; brokers, dealers, or traders in stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect of the Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein.

For purposes of this discussion, the "issue price" of a maturity of Bonds is the first price at which a substantial amount of Bonds of that maturity is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

Tax-Exempt Interest

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Code, (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code) and is included in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions.

The Code establishes certain requirements that must be met after the issuance of the Bonds in order that interest on the Bonds be excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts. These requirements include, but are not limited to, provisions regarding the use of Bond proceeds and the facilities financed or refinanced with such proceeds and restrictions on the investment of Bond proceeds and other amounts. The District has made certain representations and has covenanted to comply with certain restrictions, conditions, and requirements designed to ensure interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or noncompliance with these covenants may cause interest on the Bonds to be included in federal gross income or in Minnesota taxable net income retroactively to their date of issue. Bond Counsel has not independently verified the accuracy of these representations and will not verify the continuing compliance with these covenants. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the Bonds is included in federal gross income or in Minnesota taxable net income.

Original Issue Discount

Bonds may be issued with original issue discount ("OID"). A Bond will be treated as issued with OID (a "Discount Bond") if its "stated redemption price at maturity" (i.e., the sum of all amounts payable on the Bond other than payments of qualified stated interest) exceeds its issue price. OID that accrues to a holder of a Discount Bond is excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts to the same extent that stated interest on such Discount Bond would be so excluded. The amount of OID that accrues on a Discount Bond is added to the holder's federal and Minnesota tax bases. OID is taxable under the Minnesota franchise tax on corporations and financial institutions.

OID on a Discount Bond generally accrues pursuant to a constant-yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of OID that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For this purpose, the adjusted issue price is determined by adding to the issue price for such Discount Bonds the OID that is treated as having accrued during all prior accrual periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then the original issue discount that would have accrued for that accrual period for federal income tax purposes is allocated ratably to the days in that accrual period.

If a Discount Bond is purchased for a cost that exceeds the sum of the issue price plus accrued interest and accrued OID, the amount of OID that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of the Discount Bond. If the excess is greater than the amount of remaining OID, the basis reduction rules for amortizable bond premium may result in taxable gain upon sale or other disposition of the Bonds, even if the Bonds are sold, redeemed, or retired for an amount equal to or less than their cost.

It is possible under certain state and local income tax laws that original issue discount on a Discount Bond may be taxable in the year of accrual and may be deemed to accrue differently than under federal law.

Market Discount

If a Bond is purchased for a cost that is less than the Bond's issue price (plus accrued original issue discount, if any), the purchaser may be treated as having purchased the Bond with market discount (unless a statutory *de minimis* rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the Bond (to the extent that the gain realized does not exceed the accrued market discount on the Bond).

Bond Premium

A holder that acquires a Bond for an amount in excess of its stated redemption price at maturity generally must, from time to time, reduce the holder's federal and Minnesota tax bases for the Bond. Premium generally is amortized for federal income tax purposes and Minnesota income and franchise tax purposes on the basis of a Bond holder's constant yield to maturity or to certain call dates with semiannual compounding. Accordingly, holders who acquire Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes or for purposes of the Minnesota income tax applicable to individuals, estates, and trusts.

Related Tax Considerations

Section 86 of the Code and corresponding provisions of Minnesota law require recipients of certain social security and railroad retirement benefits to take interest on the Bonds into account in determining the taxability of such benefits.

Section 265(a) of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, and Minnesota law similarly denies a deduction for such interest in the case of individuals, estates, and trusts. In the case of a financial institution, generally, no deduction is allowed under Section 265(b) of the Code for that portion of the holder's interest expense that is allocable to interest on tax-exempt obligations, such as the Bonds, unless the obligations are "qualified tax-exempt obligations." Indebtedness may be allocated to the Bond for this purpose even though not directly traceable to the purchase of the Bonds. The Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Income or loss on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations.

The ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may affect a holder's federal, state, or local tax liability in some additional circumstances. The nature and extent of these other tax consequences depends upon the particular tax status of the holder and the holder's other items of income or deduction.

Sale or Other Disposition

A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a Bond equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest and (ii) the holder's adjusted tax basis in the Bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the Bond. A holder's adjusted tax basis in a Bond generally will be equal to the amount that the holder paid for the Bond, increased by any accrued original issue discount with respect to the Bond and reduced by the amount of any amortized bond premium on the Bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

Information Reporting and Backup Withholding

Payments of interest on the Bonds (including any allocable bond premium or accrued original issue discount) and proceeds from the sale or other disposition of the Bonds are expected to be reported to the IRS as required under applicable Treasury Regulations. Backup withholding will apply to these payments if the holder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

UNDERWRITING

D.A. Davidson & Co., St. Paul, Minnesota (the "Underwriter") has agreed to purchase the Bonds from the District for a purchase price of \$_____ plus accrued interest to the date of closing, if any. The Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than the offering prices derived from the coupons and yields for each maturity set forth on the cover page.

DEALER MANAGER

D.A. Davidson & Co., as dealer manager (the "Dealer Manager"), entered into a Dealer Manager Agreement with the District, dated January 26, 2026 (the "Dealer Manager Agreement"), pursuant to which the Dealer Manager expects to assist the District in the solicitation of offers to tender the Refunded Bonds. See "PLAN OF FINANCE – TENDER OFFER PLAN" herein. The Dealer Manager will receive customary compensation in connection therewith.

INDEPENDENT AUDITORS

The basic financial statements of the District for the fiscal year ended June 30, 2025 have been audited by LB Carlson, LLP, Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

Forward-Looking Statements: This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "anticipated," "plan," "expect," "projected," "estimate," "budget," "pro forma," "forecast," "intend," and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the District to pay debt service when due on the Bonds.

Risk of Audit: The Internal Revenue Service has an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given as to whether the Internal Revenue Service will commence an audit of the Bonds. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

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

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

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

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

VALUATIONS

OVERVIEW

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

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

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

Type of Property	2022/23	2023/24	2024/25
Residential homestead ¹	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%
Agricultural homestead ¹	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,890,000 - 0.50% ² Over \$1,890,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$2,150,000 - 0.50% ² Over \$2,150,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$3,500,000 - 0.50% ² Over \$3,500,000 - 1.00% ²
Agricultural non-homestead	Land - 1.00% ²	Land - 1.00% ²	Land - 1.00% ²
Seasonal recreational residential	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³
Residential non-homestead:	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$174,000 - 0.75% Over \$174,000 - 0.25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$100,000 - 0.75% Over \$100,000 - 0.25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental – 0.25%
Industrial/Commercial/Utility ⁵	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%

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

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

³ Exempt from referendum market value tax.

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

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

CURRENT PROPERTY VALUATIONS

2024/25 Economic Market Value	<u>\$22,974,062,053¹</u>
2024/25 Assessor's Estimated Market Value	
Real Estate	\$21,645,673,200
Personal Property	<u>86,745,300</u>
Total Valuation	<u><u>\$21,732,418,500</u></u>
2024/25 Net Tax Capacity	
Real Estate	\$268,503,708
Personal Property	<u>1,715,561</u>
Net Tax Capacity	\$270,219,269
Less:	
Captured Tax Increment Tax Capacity ²	(5,892,778)
Fiscal Disparities Contribution ³	(28,349,008)
Power Line Adjustment ⁴	<u>(113)</u>
Taxable Net Tax Capacity	\$235,977,370
Plus: Fiscal Disparities Distribution ³	<u>10,606,399</u>
Adjusted Taxable Net Tax Capacity	<u><u>\$246,583,769</u></u>

¹ According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the District was about 95.57% of the actual selling prices of property sold in the District. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the District of \$22,974,062,053.

² The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the District.

³ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

⁴ Ten percent of the net tax capacity of certain high voltage transmission lines is removed when setting local tax rates. However, taxes are paid on the full value of these lines. The taxes attributable to 10% of value of these lines are used to fund a power line credit. Certain property owners receive a credit when the high voltage transmission line runs over their property.

2024/25 NET TAX CAPACITY BY CLASSIFICATION

	2024/25 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$173,485,655	64.20%
Agricultural	272,655	0.10%
Commercial/industrial	72,726,766	26.91%
Public utility	633,302	0.23%
Railroad operating property	697,786	0.26%
Non-homestead residential	16,723,639	6.19%
Commercial & residential seasonal/rec.	3,502,427	1.30%
Non Profit Community Association	461,478	0.17%
Personal property	<u>1,715,561</u>	<u>0.63%</u>
 Total	 <u><u>\$270,219,269</u></u>	 <u><u>100.00%</u></u>

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity¹	Adjusted Taxable Net Tax Capacity²	Percent Increase/Decrease in Estimated Market Value
2020/21	\$15,871,273,100	\$15,755,769,996	\$196,905,616	\$176,520,269	6.06%
2021/22	16,549,751,700	16,443,824,054	204,155,430	182,970,224	4.27%
2022/23	19,308,517,800	19,229,146,613	238,549,708	217,667,844	16.67%
2023/24	21,089,568,800	21,015,136,874	262,781,920	241,115,748	9.22%
2024/25	21,732,418,500	21,591,051,125	270,219,269	246,583,769	3.05%

¹ Net Tax Capacity is before fiscal disparities adjustments and includes tax increment and power line values.

² Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment or power line values.

LARGEST TAXPAYING PARCELS¹

Taxpayer	Type of Property	2024/25 Net Tax Capacity	Percent of District's Total Net Tax Capacity
Ridgedale Center, LLC	Commercial	\$1,735,530	0.64%
IRET Properties	Apartment	1,284,425	0.48%
GEP XI Minnetonka, LLC	Apartment	1,260,299	0.47%
AX 601 Tower, LP	Commercial	1,156,290	0.43%
CP6 Carlson, LLC	Apartment	1,155,475	0.43%
WHQ, LLC	Commercial	1,102,050	0.41%
Pembroke TCM Atria, LLC	Commercial	945,970	0.35%
CVIII Vicksburg Village, LLC	Apartment	853,925	0.32%
TFO Reva Wildamere PCC LL	Commercial	852,830	0.32%
Centerpoint Energy	Utility	<u>776,234</u>	<u>0.29%</u>
Total		\$11,123,028	4.14%

District's Total 2024/25 Net Tax Capacity \$270,219,269

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Largest Taxpaying Parcels have been furnished by Hennepin County.

DEBT

DIRECT DEBT

General Obligation Debt (see schedule following)

Total G.O. debt secured by tax abatement revenues and state aids ²	\$4,970,000
Total G.O. debt secured by taxes and state aids ² (includes the Bonds)*	<u>141,405,000</u>
Total General Obligation Debt*	<u><u>\$146,375,000</u></u>

*Preliminary, subject to change dependent on tender offer.

¹ Hennepin County has provided only the ten largest taxpaying parcels which appear on the tax rolls of the County, and therefore the information stated above may not be reflective of the entire valuation of all parcels and may not include all classifications of property.

² Based upon the agricultural land valuation and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

Lease Purchase Obligations (see schedule following)

Total lease purchase obligations paid by annual appropriations¹ \$16,937,219

Other Obligations - Cooperative District/Joint Governmental Obligations

The District is a member of the Intermediate District No. 287 (the "Intermediate District"), authorized by Minnesota law to provide participating school districts with vocational, technical, and special education services. The District has a contractual obligation to make a portion of the debt service payments due on the outstanding debt of the Intermediate District, along with other member school districts. The allocation of the debt service payments is determined by agreement among the member school districts and calculated annually by the Intermediate District.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The District is scheduled to hold a bond referendum on April 14, 2026. Voters will consider two ballot questions that, if approved, would authorize the issuance of up to \$496,000,000 of General Obligation School Building Bonds. As of the date of this Official Statement, it is anticipated that an initial issuance of approximately \$250,000,000 would take place in July 2026, with the remaining authorized amount expected to be issued in early 2029.

STATE AID FOR DEBT SERVICE

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

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

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

¹ Non-general obligation debt has not been included in the debt ratios.

Some school districts will also receive aid for debt service payments through the state School Building Bond Agricultural Credit, which is paid to school districts to offset a portion of certain bond levies (Minnesota Statutes, Section 273.1387). The reimbursement percentage for each qualifying property is 70% of the property's eligible net tax capacity multiplied by the school debt tax rate determined under Minnesota Statutes, Section 275.08, subdivision 1b. The school building bond agricultural credit applies to farmland, excluding the house, garage and one acre, and to rural vacant land and managed forest land. Although the District expects to receive a small amount of Agricultural Credit in its debt service fund, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by state aid.

The District's \$9,980,000 Certificates of Participation, Series 2013A and \$17,000,000 Certificates of Participation, Series 2019B, do **not** qualify for the agricultural credit pursuant to Minnesota Statutes.

BONDED DEBT LIMIT

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

2024/25 Economic Market Value	\$22,974,062,053
Multiply by 15%	0.15
Statutory Debt Limit	\$3,446,109,308
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Bonds)*	(141,405,000)
Less: Long-Term Debt Outstanding Being Paid Solely from Annual Appropriations	(16,937,219)
Unused Debt Limit*	\$3,287,767,089

*Preliminary, subject to change dependent on tender offer.

Independent School District No. 284 (Wayzata Public Schools), Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 04/30/2026)

Tax Abatement Bonds								
Series 2019A								
Dated	11/07/2019							
Amount	\$7,455,000							
Maturity	02/01							
Fiscal Year	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal	% Paid	Fiscal Year
Ending						Outstanding		Ending
2027	480,000	143,956	480,000	143,956	623,956	4,490,000	9.66%	2027
2028	500,000	124,756	500,000	124,756	624,756	3,990,000	19.72%	2028
2029	520,000	104,756	520,000	104,756	624,756	3,470,000	30.18%	2029
2030	540,000	83,956	540,000	83,956	623,956	2,930,000	41.05%	2030
2031	560,000	62,356	560,000	62,356	622,356	2,370,000	52.31%	2031
2032	575,000	51,156	575,000	51,156	626,156	1,795,000	63.88%	2032
2033	585,000	39,656	585,000	39,656	624,656	1,210,000	75.65%	2033
2034	600,000	27,225	600,000	27,225	627,225	610,000	87.73%	2034
2035	610,000	13,725	610,000	13,725	623,725	0	100.00%	2035
	4,970,000	651,544	4,970,000	651,544	5,621,544			

Independent School District No. 284 (Wayzata Public Schools), Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 04/30/2026)

	School Building Bonds Series 2018A		Taxable School Bldg & Alt Fac Ref Bonds Series 2021A		School Building Bonds Series 2023A		Capital Facilities Bonds Series 2025A	
Dated Amount	02/15/2018 \$66,895,000		07/22/2021 \$132,865,000		10/05/2023 \$3,105,000		08/07/2025 \$5,500,000	
Maturity	02/01		02/01		02/01		02/01	
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2027	3,030,000	1,728,544	7,430,000	1,892,738	1,105,000	55,250	400,000	275,000
2028	3,140,000	1,577,044	7,670,000	1,669,838			450,000	255,000
2029	2,260,000	1,420,044	8,730,000	1,439,738			475,000	232,500
2030	2,365,000	1,329,644	8,990,000	1,177,838			505,000	208,750
2031	2,470,000	1,252,781	9,115,000	1,029,503			530,000	183,500
2032	2,530,000	1,169,419	9,295,000	869,990			560,000	157,000
2033	2,560,000	1,093,519	9,500,000	693,385			595,000	129,000
2034	2,600,000	1,016,719	9,725,000	503,385			625,000	99,250
2035	2,645,000	938,719	9,960,000	299,160			660,000	68,000
2036	5,955,000	859,369	3,480,000	80,040			700,000	35,000
2037	10,525,000	680,719						
2038	10,825,000	351,813						
	50,905,000	13,418,331	83,895,000	9,655,613	1,105,000	55,250	5,500,000	1,643,000

Independent School District No. 284 (Wayzata Public Schools), Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 04/30/2026)

Fiscal Year Ending	The Bonds Series 2026A		Less: The Refunded Bonds		Total Principal*	Total Interest*	Total P & I*	Principal Outstanding*	% Paid*	Fiscal Year Ending
	Estimated Principal	Estimated Interest	Estimated Principal	Estimated Interest						
	Dated Amount									
	04/30/2026									
	\$0*									
	Maturity									
	02/01									
2027					11,965,000	3,951,531	15,916,531	129,440,000	8.46%	2027
2028					11,260,000	3,501,881	14,761,881	118,180,000	16.42%	2028
2029					11,465,000	3,092,281	14,557,281	106,715,000	24.53%	2029
2030					11,860,000	2,716,231	14,576,231	94,855,000	32.92%	2030
2031					12,115,000	2,465,784	14,580,784	82,740,000	41.49%	2031
2032					12,385,000	2,196,409	14,581,409	70,355,000	50.25%	2032
2033					12,655,000	1,915,904	14,570,904	57,700,000	59.20%	2033
2034					12,950,000	1,619,354	14,569,354	44,750,000	68.35%	2034
2035					13,265,000	1,305,879	14,570,879	31,485,000	77.73%	2035
2036					10,135,000	974,409	11,109,409	21,350,000	84.90%	2036
2037					10,525,000	680,719	11,205,719	10,825,000	92.34%	2037
2038					10,825,000	351,813	11,176,813	0	100.00%	2038
					141,405,000	24,772,194	166,177,194			

* Preliminary, subject to change dependent on tender offer.

Independent School District No. 284 (Wayzata Public Schools), Minnesota
Schedule of Bonded Indebtedness
Non-General Obligation Debt Secured by Annual Appropriation
(As of 04/30/2026)

	Certificates of Participation Series 2013A		School Addition Lease Series 2017		Certificates of Participation Series 2019B							
Dated	02/27/2013		09/14/2017		11/14/2019							
Amount	\$9,980,000		\$5,030,000		\$17,000,000							
Maturity	10/01		04/01 & 10/01		02/01							
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2027	740,000	28,695	359,506	49,120	755,000	391,006	1,854,506	468,821	2,323,327	15,082,713	10.95%	2027
2028	755,000	9,815	367,604	41,022	785,000	360,806	1,907,604	411,643	2,319,247	13,175,108	22.21%	2028
2029			375,885	32,741	815,000	329,406	1,190,885	362,147	1,553,032	11,984,223	29.24%	2029
2030			384,352	24,274	845,000	296,806	1,229,352	321,080	1,550,432	10,754,872	36.50%	2030
2031			393,009	15,617	880,000	263,006	1,273,009	278,623	1,551,632	9,481,862	44.02%	2031
2032			401,862	6,764	915,000	227,806	1,316,862	234,570	1,551,432	8,165,000	51.79%	2032
2033					935,000	207,219	935,000	207,219	1,142,219	7,230,000	57.31%	2033
2034					960,000	185,013	960,000	185,013	1,145,013	6,270,000	62.98%	2034
2035					980,000	162,213	980,000	162,213	1,142,213	5,290,000	68.77%	2035
2036					1,005,000	137,713	1,005,000	137,713	1,142,713	4,285,000	74.70%	2036
2037					1,030,000	112,588	1,030,000	112,588	1,142,588	3,255,000	80.78%	2037
2038					1,055,000	86,838	1,055,000	86,838	1,141,838	2,200,000	87.01%	2038
2039					1,085,000	59,144	1,085,000	59,144	1,144,144	1,115,000	93.42%	2039
2040					1,115,000	30,663	1,115,000	30,663	1,145,663	0	100.00%	2040
	1,495,000	38,510	2,282,219	169,537	13,160,000	2,850,225	16,937,219	3,058,272	19,995,491			

OVERLAPPING DEBT¹

Taxing District	2024/25 Adjusted Taxable Net Tax Capacity	% In District	Total G.O. Debt²	District's Proportionate Share
County of:				
Hennepin	\$2,835,449,560	8.6965%	\$1,222,750,000 ³	\$106,336,454
Cities of:				
Corcoran	21,444,323	23.6129%	12,330,000	2,911,471
Maple Grove	161,928,838	8.1126%	74,735,000	6,062,952
Medicine Lake	1,787,830	100.0000%	3,725,000	3,725,000
Medina	32,104,814	58.7341%	5,935,000	3,485,869
Minnetonka	148,082,534	21.9812%	21,610,000	4,750,137
Orono	58,869,928	3.7425%	15,345,000	574,287
Plymouth	204,653,253	67.5442%	49,610,000	33,508,678
Wayzata	34,921,853	99.5204%	18,505,000	18,416,250
Special Districts of:				
Metropolitan Council	6,330,160,332	3.8954%	186,870,000 ⁴	7,279,334
Three Rivers Park District	2,073,090,874	11.8945%	53,165,000	<u>6,323,711</u>
District's Share of Total Overlapping Debt				<u><u>\$193,374,141</u></u>

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

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

³ Hennepin County also has General Obligation Sales Tax Revenue Bonds (Ballpark Project) outstanding which are payable entirely from the proceeds of a dedicated 0.15% county-wide sales tax; and General Obligation Sales Tax Revenue Bonds (Transportation Sales Tax) which are expected to be paid from a 0.50% sales and use tax and a \$20 per vehicle excise taxes. These issues have not been included in the overlapping debt or debt ratios.

⁴ The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation wastewater revenue, grant anticipation notes and certificates of participation outstanding all of which are supported entirely by revenues and have not been included in the overlapping debt or debt ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value \$22,974,062,053	Debt/ Per Capita 74,012 ¹
Direct G.O. Debt Secured By:			
Tax Abatement Revenues and State Aids	\$4,970,000		
Taxes and State Aids*	141,405,000		
Total General Obligation Debt*	\$146,375,000	0.64%	\$1,977.72
District's Share of Total Overlapping Debt	\$193,374,141	0.84%	\$2,612.74
Total*	\$339,749,141	1.48%	\$4,590.46

*Preliminary, subject to change dependent on tender offer.

TAX LEVIES, COLLECTION AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy ²	Total Collected Following Year	Collected to Date	% Collected
2020/21	\$84,276,778	\$83,960,056	\$84,249,236	99.97%
2021/22	85,544,790	85,152,897	85,514,787	99.96%
2022/23	87,677,094	87,331,927	87,636,881	99.95%
2023/24	92,043,832	91,629,572	91,629,572	99.55%
2024/25	96,327,593	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.³ Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

¹ Estimated 2024 population.

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

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

TAX CAPACITY RATES¹

	2020/21	2021/22	2022/23	2023/24	2024/25
I.S.D. No. 284 (Wayzata Public Schools)	26.912%	29.299%	23.848%	19.805%	21.005%
Hennepin County	38.210%	38.535%	34.542%	34.681%	37.081%
City of Corcoran	43.522%	43.192%	42.122%	42.410%	42.727%
City of Maple Grove	32.037%	31.407%	27.000%	27.280%	29.261%
City of Medicine Lake	46.388%	49.004%	41.635%	37.834%	37.035%
City of Medina	22.468%	22.598%	22.559%	20.357%	20.836%
City of Minnetonka	36.064%	37.288%	34.360%	34.958%	37.583%
City of Orono	16.780%	16.820%	16.569%	16.349%	16.361%
City of Plymouth	26.509%	27.574%	24.643%	24.775%	26.136%
City of Wayzata	20.644%	21.381%	19.468%	19.224%	19.772%
HCRRA	1.323%	1.329%	1.188%	1.153%	1.205%
Hennepin HRA	0.722%	0.771%	0.663%	0.624%	0.797%
Metropolitan Council	0.631%	0.659%	0.576%	0.614%	0.567%
Metro Mosquito	0.381%	0.377%	0.331%	0.312%	0.328%
Metro Transit	1.256%	1.204%	1.066%	0.927%	1.134%
Park Museum	0.707%	0.722%	0.647%	0.694%	0.744%
Three Rivers Park District	2.793%	2.787%	2.473%	2.399%	2.471%
<i>Referendum Market Value Rates:</i>					
I.S.D. No. 284 (Wayzata Public Schools)	0.22200%	0.18842%	0.18009%	0.20606%	0.20058%
City of Minnetonka	0.00265%	0.00257%	0.00229%	0.00220%	0.00217%
City of Plymouth	0.00197%	0.00185%	0.00162%	N/A	N/A
City of Wayzata	0.00989%	0.00974%	0.00845%	N/A	N/A

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Hennepin County.

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

THE ISSUER

EMPLOYEES

The District is governed by an elected school board and employs a staff of 1,690, including 780 non-licensed employees and 910 licensed employees (887 of whom are teachers). The District provides education for 13,251 students in grades kindergarten through twelve.

PENSIONS; UNIONS

Teachers' Retirement Association (TRA)

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

Public Employees' Retirement Association (PERA)

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

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Wayzata Education Association	June 30, 2027
Wayzata Principals Association	June 30, 2026
School Services Employees Local No 284 (Secretarial, Clerical and Aid Personnel)	June 30, 2027
School Services Employees Local No 284 (Custodial Maintenance)	June 30, 2027
School Services Employees Local No 284 (Food Service and Laundry)	June 30, 2027

POST EMPLOYMENT BENEFITS

The District has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The District's most recent Annual Comprehensive Financial Report (Audit) shows a total OPEB liability of \$40,399,471 as of June 30, 2025. The District has created an irrevocable OPEB Trust to fund a portion of their OPEB costs. As of June 30, 2025, the net position of the trust was \$38,641,058. Future OPEB costs will be paid partially from the trust and partially from operating funds.

Source: The District's most recent Audit.

STUDENT BODY

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

Year	Kindergarten	Grades 1-6	Grades 7-12	Total
2021/22	938	5,438	5,391	11,767
2022/23	905	5,677	5,569	12,151
2023/24	875	5,655	5,766	12,296
2024/25	881	5,990	5,934	12,805
2025/26	968	6,201	6,082	13,251

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

Year	Kindergarten	Grades 1-6	Grades 7-12	Total
2026/27	1,063	6,282	6,335	13,680
2027/28	1,061	6,580	6,448	14,089
2028/29	979	6,753	6,627	14,359

SCHOOL BUILDINGS

School Building	Year Constructed	Years of Additions/ Remodelings
Birchview Elementary	1969	1995
Gleason Lake Elementary	1988	2003
Greenwood Elementary	1964	1964, 1989, 1999, 2013
Kimberly Lane Elementary	1991	--
Meadow Ridge Elementary	2016	2017
North Woods Elementary	2019	--
Oakwood Elementary	1957	1992, 2008, 2013, 2020
Plymouth Creek Elementary	1988	--
Sunset Hill Elementary	1963	1989, 2000, 2013
Central Middle School	1960	1962, 1964, 1968, 1973, 1989
East Middle School	1967	1980, 2003
West Middle School	1949	1968, 1989, 2016
Wayzata High School	1997	2006, 2016
Elm Creek Building	1988	--
Central Service Facility	1983	2014
Creekside Building	1990	--
Transition Building	1969	--
Warehouse	1976	--

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

Nevertheless, there can be no assurance (a) that State law will not change in the future while the Bonds are

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

FUNDS ON HAND (as of December 31, 2025)

Fund	Total Cash and Investments
General	\$73,637,959
Food Service	2,646,553
Community Service	9,147,665
Debt Service	19,345,302
Escrow	4,556
Building/Construction	606,235
Trust & Agency	38,644,063
Internal Service	<u>5,934,787</u>
 Total Funds on Hand	 <u><u>\$149,967,120</u></u>

BUDGET SUMMARY

Fund	June 30, 2025 Actual Fund Balance	2025-26 Projected Revenues and Transfers In	2025-26 Projected Expenditures and Transfers Out	2025-26 Revenues over (under) expenditures	June 30, 2026 Projected Fund Balance
General	\$63,566,844	\$231,722,112	(\$237,296,147)	(\$5,574,035)	\$57,992,809
Food Service	2,872,975	10,310,235	(11,588,523)	(1,278,288)	1,594,687
Community Service	5,612,722	16,913,552	(16,795,821)	117,731	5,730,453
Building/Construction	1,707,725	0	(1,830,000)	(1,830,000)	(122,275)
Debt Service	3,196,152	18,726,620	(18,412,075)	314,545	3,510,697
Internal Service Fund	465,507	265,507	0	265,507	731,014
OPEB Irrevocable Trust Fund	38,641,058	4,065,074	(1,997,308)	2,067,766	40,708,824
Total All Funds	\$116,062,983	\$282,003,100	(\$287,919,874)	(\$5,916,774)	\$110,146,209

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, expenditures and fund balances for the District's General Fund. These summaries are not purported to be the complete audited financial statements of the District, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the District. Copies of the complete statements are available upon request. Appendix A includes the 2025 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING JUNE 30				
	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited
Revenues					
Local property taxes	\$63,966,935	\$67,550,362	\$67,500,322	\$70,437,283	\$73,105,863
Earnings on investments	1,291,861	1,646,501	2,415,083	3,812,900	4,180,243
Other	3,225,386	5,253,963	5,727,947	5,657,883	6,404,136
State sources	107,602,586	110,159,564	115,837,133	130,897,250	141,295,127
Federal sources	8,712,279	6,778,368	4,762,760	4,923,284	3,806,317
Total Revenues	\$184,799,047	\$191,388,758	\$196,243,245	\$215,728,600	\$228,791,686
Expenditures					
Current:					
Administration	\$5,083,452	\$5,483,945	\$6,184,834	\$5,947,788	\$6,032,503
District support services	5,096,001	5,935,170	6,178,953	5,910,159	6,622,139
Regular instruction	83,152,766	84,858,958	86,970,728	87,877,605	91,328,501
Vocational education instruction	3,670,138	3,796,628	3,300,153	3,114,979	3,256,484
Special education instruction	22,445,977	22,174,862	24,337,265	27,821,384	31,398,295
Instructional support services	18,149,211	18,826,900	18,432,426	19,926,594	23,775,188
Pupil support services	15,855,236	17,625,696	19,192,005	19,974,710	23,807,631
Sites and buildings	25,477,618	20,344,916	22,440,027	28,281,722	29,055,458
Fiscal and other fixed cost programs	420,778	895,025	867,690	757,321	1,168,455
Community service	0	0	0	8,270	23,383
Debt service	3,531,138	4,731,319	4,645,570	4,574,698	4,351,654
Total Expenditures	\$182,882,315	\$184,673,419	\$192,549,651	\$204,195,230	\$220,819,691
Excess of revenues over (under) expenditures	1,916,732	6,715,339	3,693,594	11,533,370	7,971,995
Other Financing Sources (Uses)					
Capital lease proceeds	\$1,350,145	\$0	\$0	\$0	\$0
Finance purchase issued	0	2,251,230	1,181,850	1,117,052	2,710,901
Technology subscription issued	0	0	350,565	0	0
Sale of equipment	0	0	0	0	200,483
Insurance recovery proceeds	0	210,326	31,219	125,581	10,000
Transfers in	0	0	622,962	309,446	0
Transfers (out)	(8,356,820)	(960,775)	0	(1,365,308)	0
Total Other Financing Sources (Uses)	(7,006,675)	1,500,781	2,186,596	186,771	2,921,384
Net changes in Fund Balances	(\$5,089,943)	\$8,216,120	\$5,880,190	\$11,720,141	\$10,893,379
General Fund Balance July 1	\$31,946,960	\$26,857,017	\$35,073,137	\$40,953,327	\$52,673,468
Residual Equity Transfer in (out)	0	0	0	0	0
General Fund Balance June 30	\$26,857,017	\$35,073,137	\$40,953,327	\$52,673,468	\$63,566,847
DETAILS OF JUNE 30 FUND BALANCE					
Nonspendable	\$608,414	\$155,695	\$196,362	\$1,512,203	\$2,395,532
Restricted	2,976,949	8,513,378	19,675,220	25,528,501	24,692,417
Assigned	7,775,597	11,348,017	8,002,652	8,643,744	11,294,845
Unassigned	15,496,057	15,056,047	13,079,093	16,989,020	25,184,053
Total	\$26,857,017	\$35,073,137	\$40,953,327	\$52,673,468	\$63,566,847
Unassigned Fund Balance ¹	8.47%	8.15%	6.79%	8.32%	11.40%
Unrestricted Fund Balance ²	12.72%	14.30%	10.95%	12.55%	16.52%

¹ The District's adopted fund balance for the General Fund establishes a minimum unassigned fund balance of 5.0-7.0 percent of General Fund expenditures.

² Unrestricted fund balance is the sum of the committed, assigned, and unassigned fund balances divided by total General Fund expenditures.

GENERAL INFORMATION

LOCATION

The District, with a 2020 U.S. Census population of 73,197 and a 2024 population estimate of 74,012, and comprising an area of 38 square miles, is located approximately 20 miles west of St. Paul, Minnesota.

LARGER EMPLOYERS¹

Larger employers in the District include the following:

Firm	Type of Business/Product	Estimated No. of Employees
I.S.D. No. 284 (Wayzata Public Schools)	Elementary and secondary education	1,690
Medica	Insurance	1,300
Aimia	Marketing consultants	1,000
CWT	Travel agency & bureau	400
Wagner Spray Tech Corp.	Air & gas compressors manufacturers	400
Life Time	Health club	325
Turck Inc.	Manufacturers	300
Lunds & Byerly's	Grocery	300
Crowne Plaza Minneapolis West	Hotels & motels	281
Target	Retail	270

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

U.S. CENSUS DATA

Population Trend: The District

2010 U.S. Census population	58,701
2020 U.S. Census population	73,197
Percent of Change 2010 - 2020	24.69%
2024 State Demographer Estimate	74,012

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

Income and Age Statistics

	The District	Hennepin County	State of Minnesota	United States
2024 per capita income	\$79,136	\$57,633	\$48,237	\$44,673
2024 median household income	\$154,399	\$96,339	\$89,062	\$80,734
2024 median family income	\$199,185	\$131,862	\$113,993	\$99,999
2024 median gross rent	\$1,778	\$1,439	\$1,280	\$1,413
2024 median value owner occupied units	\$554,700	\$376,500	\$329,300	\$332,700
2024 median age	39.9 yrs.	37.4 yrs.	38.8 yrs.	38.9 yrs.

	State of Minnesota	United States
District % of 2024 per capita income	164.06%	177.15%
District % of 2024 median family income	174.73%	199.19%

Source: 2010 and 2020 Census of Population and Housing, and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov>) and Minnesota State Demographer (<https://mn.gov/admin/demography/data-by-place/school-district-data.jsp>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Hennepin County	Hennepin County	State of Minnesota	
2021	681,260	3.6%	3.7%	
2022	692,548	2.3%	2.5%	
2023	695,992	2.5%	2.8%	
2024	696,300	2.8%	3.0%	
2025, December	691,420	3.7%	4.3%	

Source: Minnesota Department of Employment and Economic Development.

THE OFFICIAL STATEMENT

This Official Statement includes the cover page, reverse thereof and the appendices hereto. All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provision thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Official Statement

This Official Statement has been approved by the District for distribution to the Underwriter of the Bonds. The District's officials will provide to the Underwriter of the Bonds at the time of delivery of the Bonds, a certificate confirming to the Underwriter that, to the best of their knowledge and belief, the Official Statement, with respect to the Bonds, at the time of the sale and delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements, in light of the circumstances under which they were made, not misleading.

March __, 2026

/s/ _____
Executive Director of Finance & Operations
Independent School District No. 284
(Wayzata Public Schools), Minnesota

FINANCIAL STATEMENTS

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

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

**Independent School District No. 284
Wayzata Public Schools
Wayzata, Minnesota**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2025**

Prepared by the

Department of Finance and Business Services



Excellence. For each and every student.

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2025

INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA, MINNESOTA

13305 12th Avenue N.
Plymouth, MN 55441

Prepared by the
Department of Finance and Business Services

Trevor Peterson • Executive Director of Finance and Operations

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INDEPENDENT SCHOOL DISTRICT NO. 284

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INDEPENDENT SCHOOL DISTRICT NO. 284

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SECTION I

INTRODUCTORY SECTION

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District Service Center
13305 12th Ave N | Plymouth, MN 55441
763-745-5000 | www.wayzataschools.org

November 20, 2025

To: Citizens of the District
Board of Education
Dr. Chace B. Anderson, Superintendent of Schools

INTRODUCTION

We respectfully submit the Annual Comprehensive Financial Report (ACFR) of Independent School District No. 284, Wayzata, Minnesota (the District), for the fiscal year ended June 30, 2025. Responsibility for the entire financial report rests with district management. The report contains all funds of the District in conformity with accounting principles generally accepted in the United States of America for defining the reporting entity.

The Governmental Accounting Standards Board Statement No. 34 requires that the District includes within its ACFR a management's discussion and analysis (MD&A) report, which allows the District to explain, in layman's terms, its financial position and results of operations for the past fiscal year.

The ACFR is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

The introductory section includes a list of principal officials, an organizational chart, awards and acknowledgements, and this transmittal letter. The financial section includes the basic financial statements, individual fund statements and related schedules, and required supplementary information. The independent auditor's report is also included in the financial section. The notes to basic financial statements are provided to enhance the reader's understanding of the District's accounting policies and procedures. The statistical section includes selected financial and general information presented on a multiyear comparative basis.

ECONOMIC CONDITION AND OUTLOOK

The District is a public educational system serving a 38 square-mile area located in the western portion of Hennepin County, Minnesota. The District is governed by its Board of Education (School Board), who are elected by voters residing within the District's boundaries. The District's boundaries encompass either the entire geographic area or portions of the communities of Corcoran, Maple Grove, Medicine Lake, Medina, Minnetonka, Orono, Plymouth, and Wayzata.

For 2024–2025, district facilities included nine elementary schools, three middle schools, a senior high school, a transition school, a district service center building, a district meeting and training facility, an early learning center, a central services facility, and district warehouse.

Enrollment for the 2024–2025 school year was 12,909 pupils in adjusted average daily membership, which represents an increase of 409 students from the prior year. Demographic forecasts project an increase in enrollment for the next several years. Projected enrollment for the near future per an independent demographer hired by the District is:

<u>Fiscal Year</u>	<u>Enrollment</u>
2026	13,186
2027	13,404
2028	13,607

The tax base of the District increased 9.3 percent during the past year. The market value of all taxable property in the District in fiscal year 2025 was \$21,015,136,874 compared to \$19,229,146,613 in fiscal year 2024.

The net tax capacity of the District for fiscal year 2025 was \$ 240,984,017, an increase of 10.7 percent over the prior year value of \$217,667,832.

The state fiscal disparities law provides for the pooling of 40.0 percent of all new commercial/industrial property valuation added since 1971 in the seven-county Minneapolis-Saint Paul metropolitan area. The pooled valuation is redistributed among the taxing jurisdictions according to population and a ratio measuring relative fiscal capacity. Local tax rates reflect the net contribution/distribution of fiscal disparities valuation. The District has been a net contributor to the fiscal disparities pool in recent years.

FINANCIAL INFORMATION

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal controls and segregation of duties. These controls are designed to provide reasonable assurance regarding the safeguarding of district assets and the reliability of financial records used in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that the costs of internal controls should not exceed the benefits likely to be derived, and that the value of costs and benefits requires estimates and judgments by management.

The legal level of budgetary control is demonstrated through an annual budget adopted by the School Board for the General, Special Revenue, Capital Projects – Building Construction, and Debt Service Funds. The Finance and Business Services Department maintains budgetary control district-wide. The administration and School Board review financial reports on a monthly basis. Annually, the original budget is adopted by the School Board prior to the fiscal year beginning on July 1. The administration presents mid-year budget revision recommendations based upon audited results of the prior year, enrollment changes, the effects of changes to employment contracts, or other new information impacting revenues or expenditures. All revisions to the budget during the fiscal year are also adopted by the School Board.

Users of the District's financial statements are directed to the MD&A report for a more in depth look at the General Fund and other financial information.

DISTRICT FACILITIES

The District's educational facilities consist of 14 buildings originally constructed from 1949 to 2019. Each building has had numerous additions and improvements over the years. Despite the age of the facilities, all school buildings are maintained in a state of good repair, with building components modernized and updated on a systematic basis through the District's long-term facilities maintenance plan. Because of the continual improvement, all educational facilities will effectively serve district operations for many years. During fiscal year 2021, the District opened the Wayzata Early Learning School, an addition to the existing Oakwood Elementary building. In the start of the 2024 school year, Wayzata Public Schools relocated the Wayzata Transition program to the previous District Administration Building to allow for future growth of the program and its students. The District acquired a new building that houses the majority of the District's administration, along with the District Welcome Center, and is a centrally-located building for all administrative staff. The total district square footage for educational facilities is 2,099,969. The District owns four additional buildings for administrative purposes.

LOOKING FORWARD

The District's commitment to fiscal responsibility has enabled the District to maintain positive fund balances in recent years. Currently, the General Fund has an unassigned fund balance (excluding restricted account deficits) of approximately \$25.2 million, which represents 11.4 percent of total General Fund expenditures, with the School Board policy minimum fund balance of 5.0–7.0 percent of expenditures. The District has an additional \$11.3 million of assigned fund balance for specific purposes.

In 2017, district voters approved an operating referendum to increase annual operating revenues, up to the maximum amount of \$2,000 per pupil plus inflation, expiring in fiscal year 2028. Voters also approved two capital projects levies to fund technology costs for existing technology infrastructure, as well as new services and equipment. The capital projects levies expire in fiscal years 2026 and 2030, respectively. In May 2023, Legislators provided school boards with the authority to renew a voter-approved operating referendum one time for a maximum of 10 years without voter approval.

An indicator of continued financial health is the tremendous level of new private investment within the District's boundaries. The City of Plymouth (the City) is the largest municipality within the District. The City's levy payable 2024 total estimated market value was \$17,741,847,700, an increase of \$1,077,285,500 from 2023. The increase in total market value between payable 2023 and payable 2024 was 6.5 percent. The City's population increased 29.0 percent from 1990 to 2000; 7.0 percent from 2000 to 2010; and 13.0 percent from 2010 to 2019. As of 2024, the population is estimated at 78,551.

The state's support in the current economic environment, combined with additional local property tax support approved by residents of the District means the District's financial outlook is stable. The District maintained similar staff ratios and programs for fiscal year 2025 that support the District's operational and financial requirements as prescribed by the District's strategic plan. Below are some facts about the 2025–2026 budget:

- Based on a December 2022 Demographic Study and a more recent Demographic Study in the summer of 2024, the District expects the enrollment growth to continue. In fiscal year 2025–2026, district administration projected enrollment at 13,186.
- To maintain and potentially increase the unassigned fund balance within the School Board's parameters of 5.0–7.0 percent, the District budgeted revenues and expenditures based on the best possible enrollment projections.
- For challenges faced due to the pandemic in relation to long-term facilities maintenance (LTFM), a 2022–2023 levy adjustment has been factored into the budget in the amount of approximately \$8.8 million. There is a two-year lag on levy adjustments, and this adjustment was directly caused by pandemic-induced global supply chain issues. The 2024–2025 ending restricted fund balance for LTFM is \$11.9 million.

Revenues:

- General Fund revenue is projected to increase by approximately \$12.4 million to \$225.2 million.
- Used enrollment of 13,186 for 2025–2026 which is up from 12,760 used for the 2024–2025 revised budget. This is an increase of 426 students.
- The formula allowance is up from 2.00 percent in 2024–2025 to 2.75 percent in 2025–2026.
- It was projected that levy dollars will increase approximately 4.0 percent with adjustments for 2025–2026.
- Special education cross-subsidy continues at approximately 75.0 percent reimbursement. Despite the additional cross-subsidy aid, costs continue to rise which results in impacts to the unassigned General Fund dollars.

Expenditures:

- General Fund expenditures are expected to increase by approximately \$12.6 million to be \$222.2 million.
- Salaries for 2025–2026 were budgeted utilizing settled contracts or for contracts not settled at the time, the budgets were built within board parameters.
- The budget included a 7.0 percent increase to health insurance costs as well as a 2.0 percent increase to dental insurance costs.
- Budgeted an overall increase for utilities of 2.0 percent for 2025–2026 based on historical usage reports.
- Budgeted an increase of more than 10.0 percent in special education due to higher projected needs and increases expected into the future along with shifting \$1.5 million of costs from federal to state special education.

Construction Projects:

- The District continues to access long-term facilities maintenance pay-as-you-go district levy dollars to make improvements in the areas of deferred maintenance and health and safety. The project costs of approximately \$12–\$15 million per year are utilized for roof repairs, paving projects, boiler and chiller replacements, windows, doors, painting, flooring, and a variety of other deferred maintenance projects.

OTHER INFORMATION

State law requires an annual audit by independent certified public accountants. The accounting firm of LB Carlson, LLP was selected by the School Board to conduct the annual audit for the fiscal year ended June 30, 2025. In addition to meeting the requirements set forth by state law, the audit also was designed to meet the requirements of the federal Single Audit Act as amended in 1996, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The independent auditor's report on the financial statements is included in the financial section of this report. The independent auditor's reports related specifically to the Single Audit will be issued as a separate report, which will be available from the District upon request.

This report has been prepared following guidelines recommended by the Association of School Business Officials (ASBO) International and its Certificate of Excellence in Financial Reporting program. Achieving recognition by this program is a clear indication of the District's establishment of high standards in financial reporting and accountability. The District was awarded the ASBO International Certificate of Excellence in Financial Reporting for its 2024 ACFR, the District's 41st consecutive year receiving the award. We believe our current report continues to conform to ASBO International's Certificate of Excellence program requirements.

The District's continued commitment to excellent financial stewardship and robust local tax base has resulted in Moody's Investor Services reaffirming the District's Aaa credit rating, which is the highest rating possible. Fewer than 100 public K-12 school districts across the country hold a Aaa rating, underscoring the significance of the achievement.

We acknowledge the efforts of the entire accounting staff in providing complete and accurate data for the fiscal year 2025 ACFR. Credit is also due to the School Board for its governance and unfailing support of maintaining the highest standards of stewardship of the District's finances.

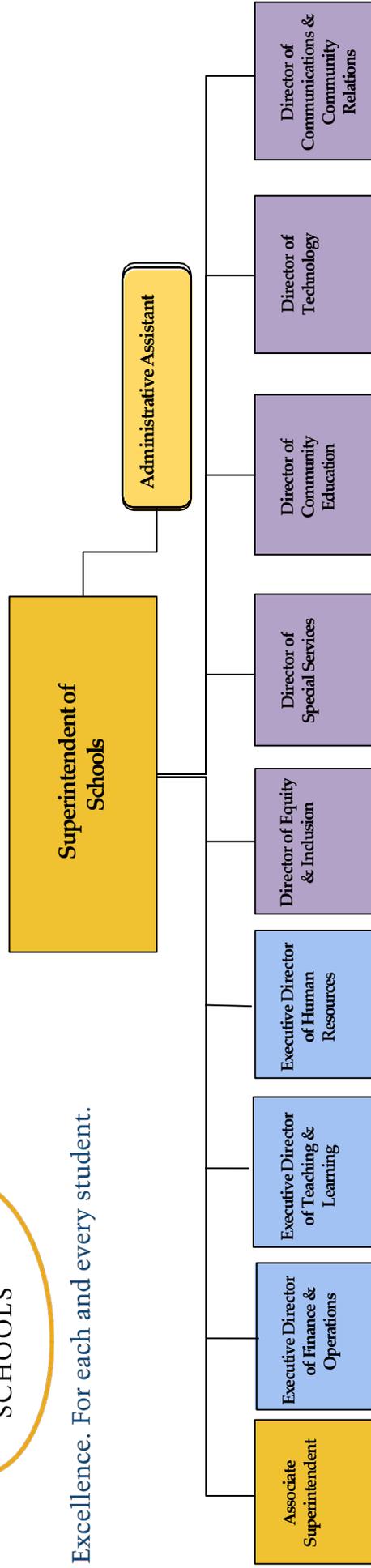
Respectfully submitted,



Trevor Peterson
Executive Director of Finance and Operations



Excellence. For each and every student.



INDEPENDENT SCHOOL DISTRICT NO. 284

School Board and Administration
Year Ended June 30, 2025

SCHOOL BOARD

	<u>Board Position</u>
Dr. Milind Sohoni	Chairperson
Ms. Heidi Kader	Vice Chairperson
Ms. Sarah Johansen	Treasurer
Ms. Sheila Prior	Clerk
Mr. Paras Bhende	Director
Ms. Valentina Eyres	Director
Mr. Dan Ginestra	Director

ADMINISTRATION

Dr. Chace B. Anderson	Superintendent
Mr. Trevor Peterson	Executive Director of Finance and Operations
Ms. Dana Miller	Executive Director of Teaching and Learning
Mr. Dave Lutz	Executive Director of Human Resources
Mr. Jack Stearns	Director of Finance



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Independent School District #284

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

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

SECTION II
FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 284
Wayzata, 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. 284 (the District) as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund 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.

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 of the notes to basic financial statements, in fiscal 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

(continued)

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.

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.

(continued)

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 GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

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

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory 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

Malloy, Montague, Karnowski, Radosevich, & Co., P.A. previously audited the District's 2024 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 their report dated December 2, 2024. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025 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,

A handwritten signature in black ink that reads "LB Carlson, LLP". The signature is written in a cursive, professional style.

LB CARLSON, LLP
Minneapolis, Minnesota

November 20, 2025

INDEPENDENT SCHOOL DISTRICT NO. 284

Management's Discussion and Analysis Year Ended June 30, 2025

This section of Independent School District No. 284's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the other components of the District's ACFR.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2025 by \$1,465,624 (net position deficit). The District's total net position increased by \$13,726,153 during the fiscal year ended June 30, 2025.
- Government-wide revenues totaled \$276,444,649 and were \$33,468,765 more than expenses of \$242,975,884.
- The District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* during the year. Beginning net position was restated for the cumulative impact of implementing this new guidance, which decreased beginning net position by \$19,742,612 in governmental activities and \$20,829,519 in the Internal Service Fund. This change is further described in Note 1 of the notes to basic financial statements.
- The General Fund's total fund balance (under the governmental fund presentation) increased \$10,893,379 from the prior year, compared to a decrease of \$2,319,927 planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the ACFR consists of the following parts:

- Independent Auditor's Report;
- Management's discussion and analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;
- Required supplementary information; and
- Supplementary information consisting of combining and individual fund financial statements and schedules.

The following explains the two types of statements included in the basic financial statements:

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

In the government-wide financial statements the District's activities are all shown in one category titled "governmental activities." These activities, including regular and special education instruction, transportation, administration, food services, and community service, are primarily financed with state aids and property taxes.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or major funds, rather than the District as a whole. 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. Detailed financial information for nonmajor funds can be found in the supplementary information section.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America. Some funds are required by state law and by bond covenants. The District can establish other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District maintains the following kinds of funds:

Governmental Funds – The District's basic services are included in governmental funds, which generally focus on: 1) how *cash and other financial assets* that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed *short-term* view that helps to determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, we provide additional information (reconciliation schedules) immediately following the governmental fund financial statements that explain the relationship (or differences) between these two types of financial statement presentations.

Proprietary Funds – The District maintains one type of proprietary fund. The internal service funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for the self-insurance activities of the District employees' medical and dental claims, various early retirement benefit packages for employee groups, and various other employee benefits. These services have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to other organizations. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2025	2024
Assets		
Current and other assets	\$ 188,067,539	\$ 174,945,822
Capital assets, net of depreciation/amortization	270,343,626	264,757,413
Total assets	\$ 458,411,165	\$ 439,703,235
Deferred outflows of resources		
Deferred charge on refunding	\$ 5,420,778	\$ 5,913,576
Pension plan deferments	26,830,115	32,270,711
OPEB plan deferments	1,895,119	2,457,041
Total deferred outflows of resources	\$ 34,146,012	\$ 40,641,328
Liabilities		
Current and other liabilities	\$ 14,619,693	\$ 15,800,449
Long-term liabilities, including due within one year	332,293,285	369,327,629
Total liabilities	\$ 346,912,978	\$ 385,128,078
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 92,016,912	\$ 88,123,162
Lease revenue for subsequent year	530,183	545,057
Pension plan deferments	35,590,904	11,346,693
OPEB plan deferments	18,971,824	10,393,350
Total deferred inflows of resources	\$ 147,109,823	\$ 110,408,262
Net position		
Net investment in capital assets	\$ 73,031,139	\$ 56,426,154
Restricted	34,301,263	33,131,167
Unrestricted	(108,798,026)	(104,749,098)
Total net position	\$ (1,465,624)	\$ (15,191,777)

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation/amortization amounts. A conservative versus liberal approach to depreciation and amortization estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. Another major factor in determining net position as compared to fund balances are the long-term liabilities for pension, other post-employment benefits (OPEB), and compensated absences payable, which are not reported in the governmental funds.

The District's increase in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, 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. Increases in net position restricted for debt service, food service, community service, and other state funding restrictions contributed to the change in the restricted portion of net position. The change in the District's share of the state-wide Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position. Positive operations in the General Fund also contributed to the increase in unrestricted net position.

Table 2 presents a summarized version of the District's Statement of Activities:

	2025	2024
Revenues		
Program revenues		
Charges for services	\$ 17,268,260	\$ 15,939,516
Operating grants and contributions	44,026,042	41,248,216
Capital grants and contributions	927,553	1,160,656
General revenues		
Property taxes	92,862,413	88,249,745
General grants and aids	113,494,826	104,649,181
Other	2,944,173	2,293,369
Investment earnings	4,921,382	4,809,140
Total revenues	276,444,649	258,349,823
Expenses		
Administration	6,144,869	6,043,652
District support services	6,691,641	6,239,323
Elementary and secondary regular instruction	94,427,907	88,673,106
Vocational education instruction	3,249,525	2,997,519
Special education instruction	31,295,269	27,325,867
Instructional support services	23,694,920	20,239,606
Pupil support services	22,959,676	19,922,400
Sites and buildings	23,642,017	21,618,947
Fiscal and other fixed cost programs	1,168,455	757,321
Food service	10,052,430	9,814,491
Community service	14,157,930	13,275,131
Interest and fiscal charges on debt	5,491,245	5,824,339
Total expenses	242,975,884	222,731,702
Change in net position	33,468,765	35,618,121
Net position – beginning, as previously reported	(15,191,777)	(50,809,898)
Change in accounting principle	(19,742,612)	–
Net position – beginning, as restated	(34,934,389)	(50,809,898)
Net position – ending	\$ (1,465,624)	\$ (15,191,777)

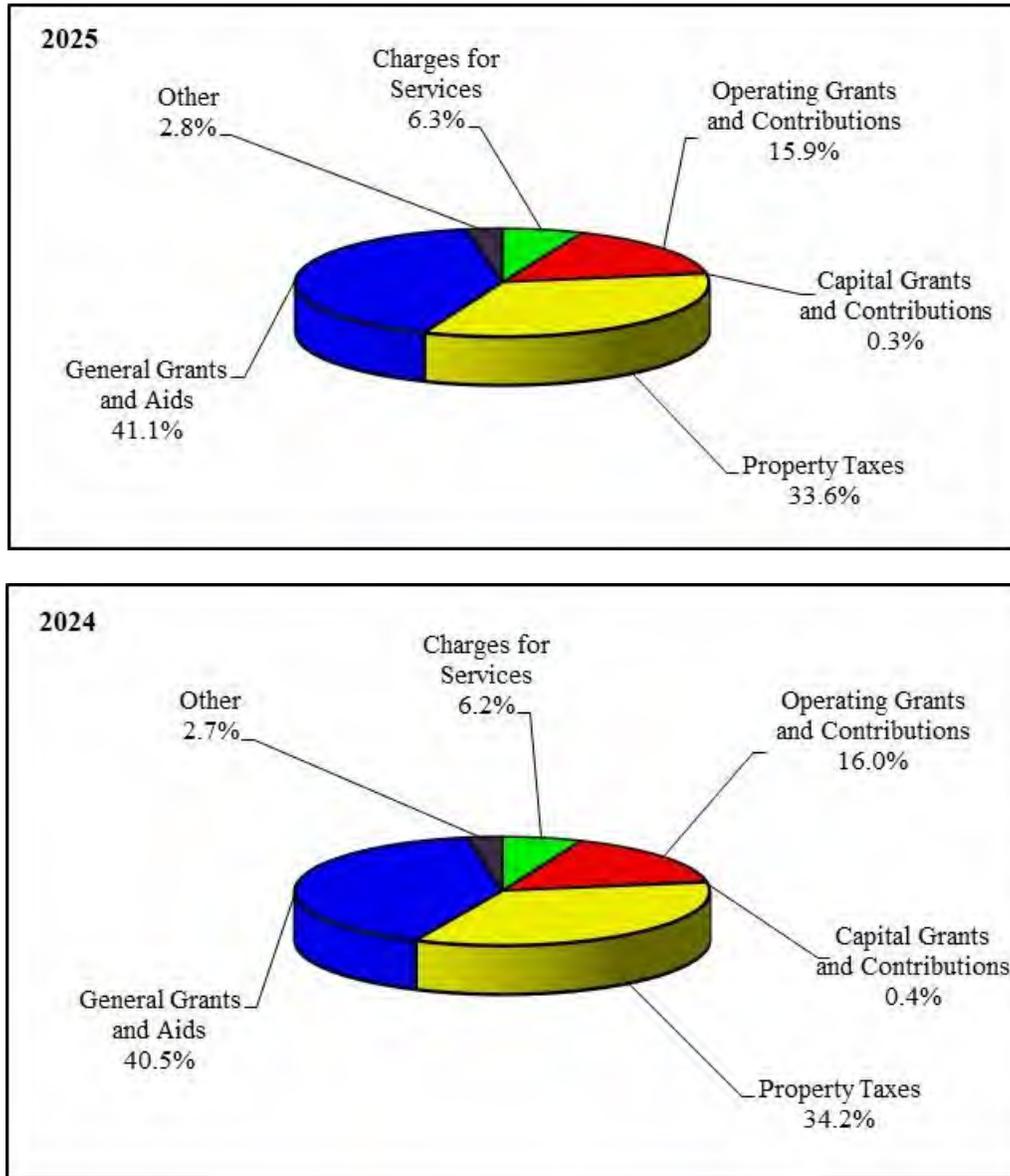
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Governmental activities revenues increased \$18,094,826 (7.0 percent) from the previous year. Additional funding for the basic general education formula allowance and increased enrollment increased general grants and aids. The increase in the approved levy contributed to the change in property taxes. The District recognized more special education funding contributing to the increase in operating grants and contributions.

Governmental activities expenses increased \$20,244,182 (9.1 percent) from last year, primarily to natural inflationary increases and additional spending with growth in the number of students served by the District.

Figure A shows further analysis of these revenue sources:

Figure A – Sources of Revenues for Fiscal Years 2025 and 2024

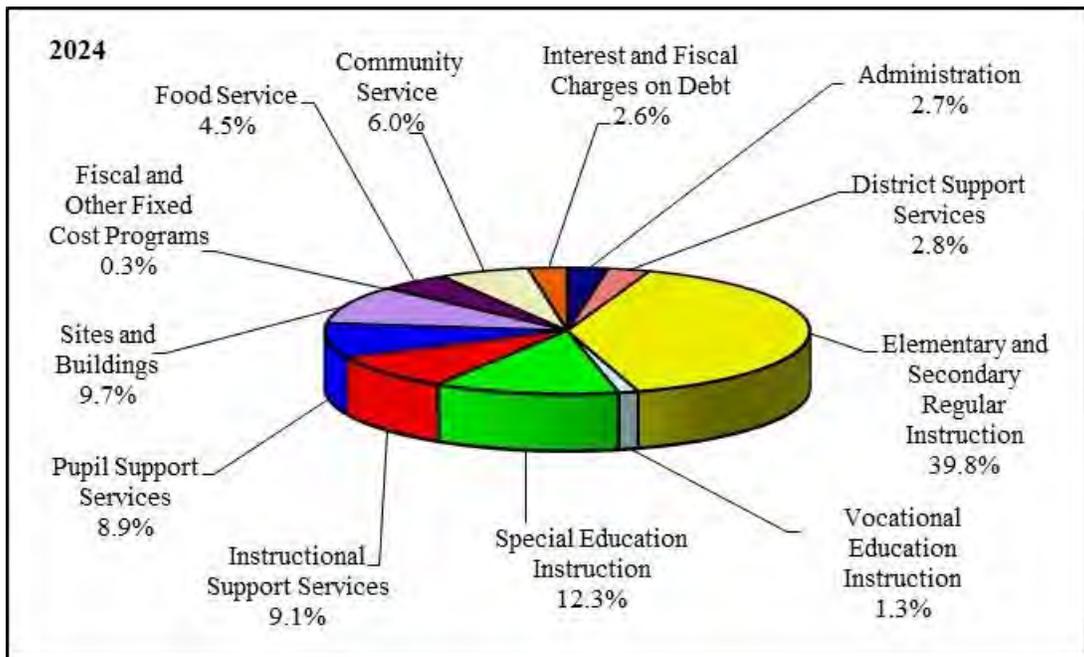
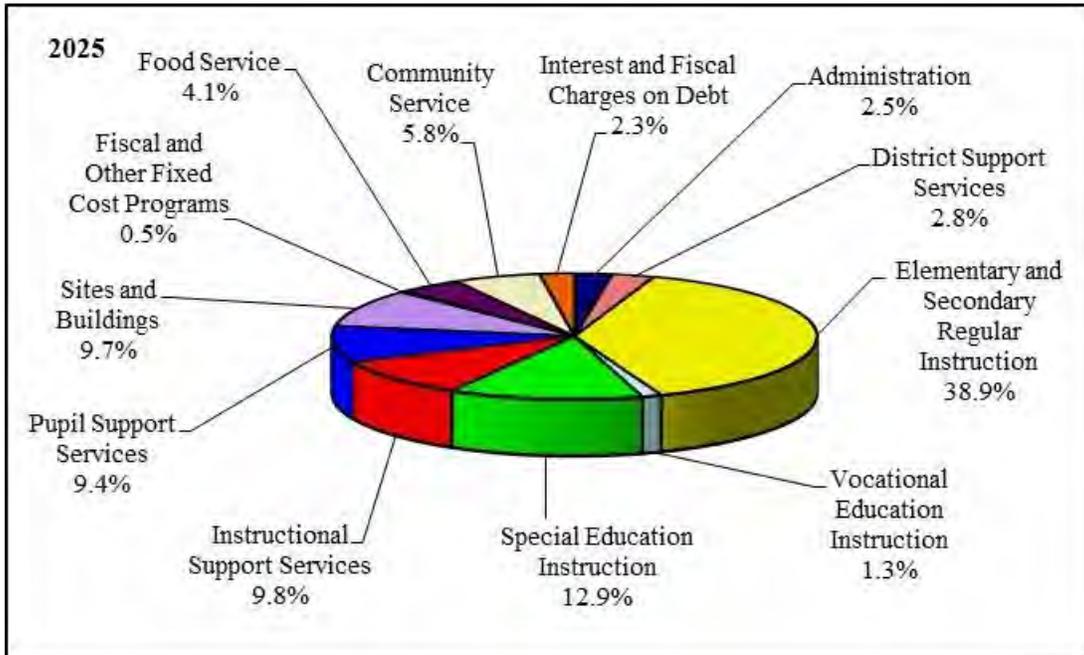


The largest share of the District’s revenue is received from the state, including the general education aid formula and most of the operating grants.

Property taxes are generally the next largest source of funding. The level of revenue property tax sources provide is not only dependent on district taxpayers by way of operating and building referenda, but also by decisions made by the Legislature in the mix of state aid and local effort in a variety of funding formulas.

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2025 and 2024



The District's expenses are predominately related to educating students. Programs (or functions), such as elementary and secondary regular instruction, vocational education instruction, special education instruction, and instructional support services are directly related to classroom instruction, while the rest of the programs support instruction and other necessary costs to operate the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District is also reflected in its governmental funds. Table 3 shows the change in total fund balances of each of the District's governmental funds:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Major funds			
General	\$ 63,566,847	\$ 52,673,468	\$ 10,893,379
Capital Projects – Building Construction	1,734,945	4,140,307	(2,405,362)
Debt Service	3,196,153	3,145,880	50,273
Nonmajor funds			
Food Service Special Revenue	2,872,975	2,456,931	416,044
Community Service Special Revenue	<u>5,612,722</u>	<u>4,483,247</u>	<u>1,129,475</u>
 Total governmental funds	 <u>\$ 76,983,642</u>	 <u>\$ 66,899,833</u>	 <u>\$ 10,083,809</u>

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use, as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's School Board.

At June 30, 2025, the District's governmental funds reported combined fund balances of \$76,983,642, an increase of \$10,083,809 from the prior year. Approximately 32.7 percent of this amount (\$25,184,053) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either: 1) not in spendable form (\$2,604,367), 2) restricted for particular purposes (\$37,900,377), or 3) assigned for particular purposes (\$11,294,845).

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4 General Fund Budget				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenue and other financing sources	<u>\$ 218,823,599</u>	<u>\$ 222,662,471</u>	<u>\$ 3,838,872</u>	<u>1.8%</u>
Expenditures and other financing uses	<u>\$ 221,687,136</u>	<u>\$ 224,982,398</u>	<u>\$ 3,295,262</u>	<u>1.5%</u>

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District amended the budget for known significant changes in circumstances such as: updated enrollment estimates, legislative changes, additional funding received from grants or other local sources, staffing changes, employee contract settlements, insurance premium changes, special education tuition changes, or for new debt issued.

Table 5 summarizes the operating results of the General Fund:

Table 5 General Fund Operating Results					
	<u>2025 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	\$ 231,713,070	\$ 9,050,599	4.1%	\$ 14,432,391	6.6%
Expenditures and other financing uses	<u>220,819,691</u>	<u>(4,162,707)</u>	(1.9%)	<u>15,259,153</u>	7.4%
Net change in fund balances	<u>\$ 10,893,379</u>	<u>\$ 13,213,306</u>		<u>\$ (826,762)</u>	

The fund balance of the General Fund increased \$10,893,379, compared to a planned decrease of \$2,319,927 approved in the final budget.

General Fund revenues and other financing sources for 2025 increased \$14,432,391, or 6.6 percent, compared to the prior year. This was \$9,050,599, or 4.1 percent, more than the budget. The largest variance to budget was in state sources, other local sources, and investment earnings. State sources were \$3,220,971 over budget, mainly in general education and special education funding. Other local sources (such as donations, activity fees, and local grants) were also over budget, due to conservative budgeting for these inconsistent revenue sources. Investment earnings were \$1,880,243 over budget, due to positive investment market performance. The overall revenue increase from the prior year was mainly due to legislative improvements for general education and special education entitlements and an increase in enrollment. Property taxes also increased with an increase in the approved levy. These increases were offset by a decrease in federal sources with the expiration of certain pandemic-related grant funding.

Total General Fund expenditures and other financing uses for 2025 increased \$15,259,153, or 7.4 percent, from the prior year, and were \$4,162,707, or 1.9 percent, under budget. The budget variance was spread across several programs and object categories of the General Fund. Purchased services costs were less than projected due to the timing of projects. The increase from the prior year was mainly in salaries and benefits, supplies and materials, and purchased services. Salaries and benefits increased due to contractual wage and benefit increases. Supplies and materials increased, mainly in instructional support services and elementary and secondary regular instruction due to enrollment growth. Increases in transportation costs contributed to the change in purchased services.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

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. Fund balance decreased \$2,405,362, as the District spent down proceeds from bonds issued in a prior year. At June 30, 2025, the District had a fund balance of \$1,734,945, which is restricted for various capital projects.

Debt Service Fund

The Debt Service Fund revenues exceeded expenditures by \$50,273 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of \$3,196,153 at June 30, 2025 is available for meeting future debt service obligations.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by \$416,044, compared to a planned fund balance increase of \$79,431. Revenues were over budget by \$546,673, with more participation than projected and conservative budgeting. Expenditures exceeded budget by \$210,060, mainly in employee benefits and supplies and materials.

The Community Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing fund balance by \$1,129,475, compared to a planned fund balance increase of \$199,833. Revenues were over budget by \$272,863, mainly in other local sources. Expenditures were under budget by \$656,779, mainly in salaries, purchased services, and supplies and materials.

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 currently maintains two internal service funds. These funds are used to account for the District's self-insured medical and dental insurance activity, various early retirement benefit packages for employee groups, and other employee benefits.

Operating revenues for the internal service funds, consisting of charges to the District's governmental funds, for fiscal 2025 totaled \$22,665,896, an increase from the fiscal year 2024 operating revenue level of \$21,263,283. Operating expenses, consisting of health claims, dental claims, and various employee benefits totaled \$24,928,631, which represents an increase from fiscal year 2024 operating expenses of \$22,802,453. Nonoperating revenues, consisting of investment earnings, totaled \$576,399, which is an increase from the fiscal year 2024 amount of \$483,310. The net position balance for all internal service funds as of June 30, 2025 had a deficit net position of \$22,315,855, which is a decrease of \$22,515,855 from the prior year. This decrease is primarily due to the change in accounting principle related to the implementation of GASB Statement No. 101, *Compensated Absences*, discussed earlier in this report.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 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, 2025 and 2024:

	2025	2024	Change
Land	\$ 34,503,312	\$ 34,503,312	\$ –
Construction in progress	8,274,989	7,119,574	1,155,415
Land improvements	11,295,043	11,295,043	–
Buildings and improvements	376,667,670	363,174,869	13,492,801
Buildings and improvements – lease	1,394,650	815,933	578,717
Equipment and transportation vehicles	27,396,659	24,120,443	3,276,216
Food service equipment	2,148,630	1,953,048	195,582
Technology subscriptions	630,458	398,925	231,533
Less accumulated depreciation/amortization	<u>(191,967,785)</u>	<u>(178,623,734)</u>	<u>(13,344,051)</u>
Total	<u><u>\$ 270,343,626</u></u>	<u><u>\$ 264,757,413</u></u>	<u><u>\$ 5,586,213</u></u>
Depreciation/amortization expense	<u><u>\$ 14,078,479</u></u>	<u><u>\$ 12,527,707</u></u>	<u><u>\$ 1,550,772</u></u>

By the end of 2025, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2025, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

The District defines capital assets as those with an initial, individual cost of \$10,000 or more for equipment, \$20,000 or more for construction and improvements, and \$175,000 or more for group assets for technology, furniture, and equipment, which benefit more than one fiscal year.

Additional details about capital assets can be found in the notes to basic financial statements.

Long-Term Liabilities

Table 7 illustrates the components of the District's long-term liabilities with changes from the prior year:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
General obligation bonds payable	\$ 175,465,000	\$ 187,700,000	\$ (12,235,000)
Certificates of participation payable	16,100,000	17,500,000	(1,400,000)
Unamortized premium	7,007,355	7,666,807	(659,452)
Finance purchase payable	4,388,438	4,991,690	(603,252)
Lease liability	1,201,815	408,157	793,658
Technology subscription liability	305,602	118,488	187,114
Net/total pension liability	101,246,278	135,842,484	(34,596,206)
Net OPEB liability	1,758,413	11,982,702	(10,224,289)
Compensated absences payable	24,820,384	3,117,301	21,703,083
Total	<u>\$ 332,293,285</u>	<u>\$ 369,327,629</u>	<u>\$ (37,034,344)</u>

The changes in general obligation bonds payable, certificates of participation payable, finance purchase payable, lease liability, and technology subscription liability are primarily due to the scheduled principal payments offset by the issuance of a finance purchase for technology, a lease liability, and a technology subscription liability in the current year. An additional year of amortization reduced the outstanding unamortized premium balance, as reflected in the above table.

The difference in the net/total pension liability reflects the change in the District's proportionate share of the PERA and the TRA state-wide pension obligations.

The decrease in the net OPEB liability is mainly due to the difference between expected and actual experience.

The implementation of new GASB guidance for compensated absences, as previously discussed, increased compensated absences payable in the current 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 8). The District's outstanding net general obligation debt was \$179,276,202 at June 30, 2025, or about 5.7 percent, of the limit.

District's market value	\$ 21,015,136,874
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 3,152,270,531</u>

Additional details of the District's long-term debt liabilities can be found in the notes to basic financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

With the exception of the voter-approved operating referendum, the District is dependent on the state of Minnesota for a majority of its revenue authority.

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 has added \$200, or 2.75 percent, per pupil to the basic general education funding formula for fiscal year 2026.

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.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office, Independent School District No. 284, District Administrative Office, 13305 12th Avenue North, Plymouth, Minnesota 55441.

BASIC FINANCIAL STATEMENTS

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position
as of June 30, 2025
(With Partial Comparative Information as of June 30, 2024)

	Governmental Activities	
	2025	2024
Assets		
Cash and temporary investments	\$ 116,922,150	\$ 106,267,796
Cash and investments held by trustee	4,557	31,481
Receivables		
Current taxes	47,329,137	46,295,493
Delinquent taxes	550,271	572,749
Accounts and interest receivable	207,121	468,421
Due from other governmental units	18,036,931	17,718,413
Due from post-employment benefits trust	1,882,822	1,340,151
Lease	530,183	545,057
Inventory	326,907	315,535
Prepaid items	2,277,460	1,390,726
Capital assets		
Not depreciated/amortized	42,778,301	41,622,886
Depreciated, net of accumulated depreciation/amortization	227,565,325	223,134,527
Total capital assets, net of accumulated depreciation and amortization	<u>270,343,626</u>	<u>264,757,413</u>
Total assets	<u>458,411,165</u>	<u>439,703,235</u>
Deferred outflows of resources		
Deferred charge on refunding	5,420,778	5,913,576
Pension plan deferments	26,830,115	32,270,711
OPEB plan deferments	1,895,119	2,457,041
Total deferred outflows of resources	<u>34,146,012</u>	<u>40,641,328</u>
Total assets and deferred outflows of resources	<u>\$ 492,557,177</u>	<u>\$ 480,344,563</u>
Liabilities		
Salaries payable	\$ 762,573	\$ 644,757
Accounts and contracts payable	8,426,580	9,622,224
Accrued interest payable	2,188,215	2,439,320
Due to other governmental units	112,554	191,202
Unearned revenue	1,812,854	1,439,275
Claims incurred, but not reported	1,316,917	1,463,671
Long-term liabilities		
Due within one year	21,810,740	17,017,499
Due in more than one year	310,482,545	352,310,130
Total long-term liabilities	<u>332,293,285</u>	<u>369,327,629</u>
Total liabilities	<u>346,912,978</u>	<u>385,128,078</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	92,016,912	88,123,162
Lease revenue for subsequent years	530,183	545,057
Pension plan deferments	35,590,904	11,346,693
OPEB plan deferments	18,971,824	10,393,350
Total deferred inflows of resources	<u>147,109,823</u>	<u>110,408,262</u>
Net position		
Net investment in capital assets	73,031,139	56,426,154
Restricted for		
Capital asset acquisition	22,459,586	24,500,508
Debt service	1,110,928	765,844
Food service	2,872,975	2,445,866
Community service	5,624,943	4,390,956
Other purposes (state funding restrictions)	2,232,831	1,027,993
Unrestricted	(108,798,026)	(104,749,098)
Total net position	<u>(1,465,624)</u>	<u>(15,191,777)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 492,557,177</u>	<u>\$ 480,344,563</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Activities
 Year Ended June 30, 2025
 (With Partial Comparative Information for the Year Ended June 30, 2024)

Functions/Programs	2025			
	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Administration	\$ 6,144,869	\$ 24,583	\$ -	\$ -
District support services	6,691,641	-	-	63,313
Elementary and secondary regular instruction	94,427,907	2,082,987	4,849,151	684,328
Vocational education instruction	3,249,525	-	59,094	-
Special education instruction	31,295,269	534,852	27,554,948	1,312
Instructional support services	23,694,920	6,891	-	23,775
Pupil support services	22,959,676	347,787	930,305	-
Sites and buildings	23,642,017	673,346	-	154,825
Fiscal and other fixed cost programs	1,168,455	-	-	-
Food service	10,052,430	1,539,883	8,994,802	-
Community service	14,157,930	12,057,931	1,637,742	-
Interest and fiscal charges	5,491,245	-	-	-
Total governmental activities	\$ 242,975,884	\$ 17,268,260	\$ 44,026,042	\$ 927,553
		General revenue		
		Taxes		
		Property taxes, levied for general purposes		
		Property taxes, levied for community service		
		Property taxes, levied for debt service		
		General grants and aids		
		Other general revenues		
		Investment earnings		
		Total general revenues		
		Change in net position		
		Net position – beginning, as previously reported		
		Change in accounting principle		
		Net position – beginning, as restated		
		Net position – ending		

	2024
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
\$ (6,120,286)	\$ (5,982,259)
(6,628,328)	(6,094,532)
(86,811,441)	(81,084,960)
(3,190,431)	(2,941,354)
(3,204,157)	(2,436,963)
(23,664,254)	(20,230,523)
(21,681,584)	(18,856,703)
(22,813,846)	(20,174,658)
(1,168,455)	(757,321)
482,255	690,500
(462,257)	(690,202)
(5,491,245)	(5,824,339)
(180,754,029)	(164,383,314)
73,261,327	70,318,741
2,007,800	2,131,568
17,593,286	15,799,436
113,494,826	104,649,181
2,944,173	2,293,369
4,921,382	4,809,140
<u>214,222,794</u>	<u>200,001,435</u>
33,468,765	35,618,121
(15,191,777)	(50,809,898)
(19,742,612)	—
<u>(34,934,389)</u>	<u>(50,809,898)</u>
<u>\$ (1,465,624)</u>	<u>\$ (15,191,777)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Balance Sheet
 Governmental Funds
 as of June 30, 2025
 (With Partial Comparative Information as of June 30, 2024)

	<u>General Fund</u>	<u>Capital Projects – Building Construction Fund</u>	<u>Debt Service Fund</u>
Assets			
Cash and temporary investments	\$ 80,031,826	\$ 2,296,534	\$ 12,715,293
Cash and investments held by trustee	–	4,557	–
Receivables			
Current taxes	37,091,259	–	9,196,872
Delinquent taxes	433,451	–	104,431
Accounts and interest	104,694	–	–
Due from other governmental units	17,812,687	–	966
Due from other funds	6,329,757	–	–
Lease	530,183	–	–
Inventory	118,072	–	–
Prepaid items	2,277,460	–	–
	<u>\$ 144,729,389</u>	<u>\$ 2,301,091</u>	<u>\$ 22,017,562</u>
Liabilities			
Salaries payable	\$ 416,556	\$ –	\$ –
Accounts and contracts payable	7,532,684	566,146	–
Due to other governmental units	108,338	–	–
Due to other funds	–	–	–
Unearned revenue	967,048	–	–
Total liabilities	<u>9,024,626</u>	<u>566,146</u>	<u>–</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	71,179,729	–	18,718,419
Lease revenue for subsequent years	530,183	–	–
Unavailable revenue – delinquent taxes	428,004	–	102,990
Total deferred inflows of resources	<u>72,137,916</u>	<u>–</u>	<u>18,821,409</u>
Fund balances			
Nonspendable	2,395,532	–	–
Restricted	24,692,417	1,734,945	3,196,153
Assigned	11,294,845	–	–
Unassigned	25,184,053	–	–
Total fund balances	<u>63,566,847</u>	<u>1,734,945</u>	<u>3,196,153</u>
	<u>\$ 144,729,389</u>	<u>\$ 2,301,091</u>	<u>\$ 22,017,562</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 144,729,389</u>	<u>\$ 2,301,091</u>	<u>\$ 22,017,562</u>

Nonmajor Funds	Total Governmental Funds	
	2025	2024
\$ 10,586,992	\$ 105,630,645	\$ 95,552,690
–	4,557	31,481
1,041,006	47,329,137	46,295,493
12,389	550,271	572,749
52,172	156,866	457,779
223,278	18,036,931	17,718,413
–	6,329,757	6,567,287
–	530,183	545,057
208,835	326,907	315,535
–	2,277,460	1,390,726
<u>\$ 12,124,672</u>	<u>\$ 181,172,714</u>	<u>\$ 169,447,210</u>
\$ 346,017	\$ 762,573	\$ 644,757
311,951	8,410,781	9,594,771
4,216	112,554	191,202
–	–	1,670,080
845,806	1,812,854	1,439,275
<u>1,507,990</u>	<u>11,098,762</u>	<u>13,540,085</u>
2,118,764	92,016,912	88,123,162
–	530,183	545,057
12,221	543,215	339,073
<u>2,130,985</u>	<u>93,090,310</u>	<u>89,007,292</u>
208,835	2,604,367	1,706,261
8,276,862	37,900,377	39,560,808
–	11,294,845	8,643,744
–	25,184,053	16,989,020
<u>8,485,697</u>	<u>76,983,642</u>	<u>66,899,833</u>
<u>\$ 12,124,672</u>	<u>\$ 181,172,714</u>	<u>\$ 169,447,210</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2025

(With Partial Comparative Information as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
Total fund balances – governmental funds	\$ 76,983,642	\$ 66,899,833
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	462,311,411	443,381,147
Accumulated depreciation/amortization	(191,967,785)	(178,623,734)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance.		
General obligation bonds payable	(175,465,000)	(187,700,000)
Certificates of participation payable	(16,100,000)	(17,500,000)
Unamortized premium	(7,007,355)	(7,666,807)
Finance purchase payable	(4,388,438)	(4,991,690)
Lease liability	(1,201,815)	(408,157)
Technology subscription liability	(305,602)	(118,488)
Net pension liability	(98,032,826)	(132,287,851)
Net OPEB liability	(1,758,413)	(11,982,702)
Compensated absences payable	–	(1,086,907)
Internal service funds are used 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.	(22,315,855)	200,000
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(2,188,215)	(2,439,320)
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 – deferred charge on refunding	5,420,778	5,913,576
Deferred outflows of resources – pension plan deferments	26,453,351	31,982,354
Deferred outflows of resources – OPEB plan deferments	1,895,119	2,457,041
Deferred inflows of resources – pension plan deferments	(35,370,012)	(11,165,795)
Deferred inflows of resources – OPEB plan deferments	(18,971,824)	(10,393,350)
Deferred inflows of resources – delinquent property taxes	543,215	339,073
Total net position – governmental activities	<u>\$ (1,465,624)</u>	<u>\$ (15,191,777)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2025
 (With Partial Comparative Information for the Year Ended June 30, 2024)

	<u>General Fund</u>	<u>Capital Projects – Building Construction Fund</u>	<u>Debt Service Fund</u>
Revenue			
Local sources			
Property taxes	\$ 73,105,863	\$ –	\$ 17,549,580
Investment earnings	4,180,243	164,740	–
Other	6,404,136	–	–
State sources	141,295,127	–	9,668
Federal sources	3,806,317	–	–
Total revenue	<u>228,791,686</u>	<u>164,740</u>	<u>17,559,248</u>
Expenditures			
Current			
Administration	6,032,503	–	–
District support services	6,622,139	–	–
Elementary and secondary regular instruction	91,328,501	–	–
Vocational education instruction	3,256,484	–	–
Special education instruction	31,398,295	–	–
Instructional support services	23,775,188	–	–
Pupil support services	23,807,631	–	–
Sites and buildings	29,055,458	–	–
Fiscal and other fixed cost programs	1,168,455	–	–
Food service	–	–	–
Community service	23,383	–	–
Capital outlay	–	2,570,102	–
Debt service			
Principal	3,717,269	–	12,235,000
Interest and fiscal charges	634,385	–	5,273,975
Total expenditures	<u>220,819,691</u>	<u>2,570,102</u>	<u>17,508,975</u>
Excess (deficiency) of revenue over expenditures	7,971,995	(2,405,362)	50,273
Other financing sources (uses)			
Debt issued	2,710,901	–	–
Premium on debt issued	–	–	–
Sale of equipment	200,483	–	–
Insurance recovery	10,000	–	–
Transfers in	–	–	–
Transfers (out)	–	–	–
Total other financing sources (uses)	<u>2,921,384</u>	<u>–</u>	<u>–</u>
Net change in fund balances	10,893,379	(2,405,362)	50,273
Fund balances			
Beginning of year	<u>52,673,468</u>	<u>4,140,307</u>	<u>3,145,880</u>
End of year	<u>\$ 63,566,847</u>	<u>\$ 1,734,945</u>	<u>\$ 3,196,153</u>

Nonmajor Funds	Total Governmental Funds	
	2025	2024
\$ 2,002,828	\$ 92,658,271	\$ 88,402,355
–	4,344,983	4,325,830
13,597,814	20,001,950	18,050,864
7,882,282	149,187,077	138,306,107
2,750,262	6,556,579	8,220,578
<u>26,233,186</u>	<u>272,748,860</u>	<u>257,305,734</u>
–	6,032,503	5,947,788
–	6,622,139	5,910,159
–	91,328,501	87,877,605
–	3,256,484	3,114,979
–	31,398,295	27,821,384
–	23,775,188	19,926,594
–	23,807,631	19,974,710
–	29,055,458	28,281,722
–	1,168,455	757,321
9,835,595	9,835,595	9,135,033
14,489,492	14,512,875	13,012,458
345,824	2,915,926	8,134,665
16,112	15,968,381	14,960,635
644	5,909,004	6,230,409
<u>24,687,667</u>	<u>265,586,435</u>	<u>251,085,462</u>
1,545,519	7,162,425	6,220,272
–	2,710,901	4,222,052
–	–	130,618
–	200,483	–
–	10,000	182,021
–	–	309,446
–	–	(1,365,308)
<u>–</u>	<u>2,921,384</u>	<u>3,478,829</u>
1,545,519	10,083,809	9,699,101
6,940,178	66,899,833	57,200,732
<u>\$ 8,485,697</u>	<u>\$ 76,983,642</u>	<u>\$ 66,899,833</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2025
(With Partial Comparative Information for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Total net change in fund balances – governmental funds	\$ 10,083,809	\$ 9,699,101
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 and amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	19,664,692	23,186,120
Depreciation/amortization expense	(14,078,479)	(12,527,707)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	–	(3,105,000)
Finance purchase payable	(1,409,436)	(1,117,052)
Lease liability	(914,220)	–
Technology subscription liability	(387,245)	–
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.		
	(1,686,336)	2
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	12,235,000	11,045,000
Certificates of participation payable	1,400,000	1,360,000
Finance purchase payable	2,012,688	2,276,010
Lease liability	120,562	142,800
Technology subscription liability	200,131	136,825
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.		
	251,105	77,618
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.		
	659,452	690,632
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 pension liability	34,255,025	7,187,743
Net OPEB liability	10,224,289	407,811
Compensated absences payable	–	(198,754)
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 – deferred charge on refunding	(492,798)	(492,798)
Deferred outflows of resources – pension plan deferments	(5,529,003)	(14,389,715)
Deferred outflows of resources – OPEB plan deferments	(561,922)	(2,175,439)
Deferred inflows of resources – pension plan deferments	(24,204,217)	12,356,058
Deferred inflows of resources – OPEB plan deferments	(8,578,474)	1,211,476
Deferred inflows of resources – delinquent property taxes	204,142	(152,610)
Change in net position – governmental activities	<u>\$ 33,468,765</u>	<u>\$ 35,618,121</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 General Fund
 Year Ended June 30, 2025

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 71,929,683	\$ 72,529,683	\$ 73,105,863	\$ 576,180
Investment earnings	2,300,000	2,300,000	4,180,243	1,880,243
Other	4,064,324	4,215,260	6,404,136	2,188,876
State sources	136,405,457	138,074,156	141,295,127	3,220,971
Federal sources	2,714,699	4,087,953	3,806,317	(281,636)
Total revenue	<u>217,414,163</u>	<u>221,207,052</u>	<u>228,791,686</u>	<u>7,584,634</u>
Expenditures				
Current				
Administration	6,282,826	5,986,733	6,032,503	45,770
District support services	5,504,883	6,436,985	6,622,139	185,154
Elementary and secondary regular instruction	95,339,931	91,904,432	91,328,501	(575,931)
Vocational education instruction	3,106,727	3,306,108	3,256,484	(49,624)
Special education instruction	28,259,059	30,858,236	31,398,295	540,059
Community education and services	–	40,034	23,383	(16,651)
Instructional support services	25,702,965	25,895,908	23,775,188	(2,120,720)
Pupil support services	21,825,131	23,422,114	23,807,631	385,517
Sites and buildings	29,262,340	31,215,289	29,055,458	(2,159,831)
Fiscal and other fixed cost programs	859,050	1,140,000	1,168,455	28,455
Debt service				
Principal	4,301,640	3,527,640	3,717,269	189,629
Interest and fiscal charges	680,348	594,348	634,385	40,037
Total expenditures	<u>221,124,900</u>	<u>224,327,827</u>	<u>220,819,691</u>	<u>(3,508,136)</u>
Excess (deficiency) of revenue over expenditures	(3,710,737)	(3,120,775)	7,971,995	11,092,770
Other financing sources (uses)				
Debt issued	1,409,436	1,409,436	2,710,901	1,301,465
Sale of equipment	–	45,983	200,483	154,500
Insurance recovery	–	–	10,000	10,000
Transfers (out)	(562,236)	(654,571)	–	654,571
Total other financing sources (uses)	<u>847,200</u>	<u>800,848</u>	<u>2,921,384</u>	<u>2,120,536</u>
Net change in fund balances	<u>\$ (2,863,537)</u>	<u>\$ (2,319,927)</u>	10,893,379	<u>\$ 13,213,306</u>
Fund balances				
Beginning of year			<u>52,673,468</u>	
End of year			<u>\$ 63,566,847</u>	

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position
 Internal Service Funds
 as of June 30, 2025
 (With Partial Comparative Information as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Investments	\$ 11,291,505	\$ 10,715,106
Receivables		
Accounts and interest	50,255	10,642
Due from other funds	1,882,822	3,010,231
Total current assets	<u>13,224,582</u>	<u>13,735,979</u>
Deferred outflows of resources		
Pension plan deferments	376,764	288,357
Liabilities		
Current liabilities		
Accounts and contracts payable	15,799	27,453
Due to other funds	6,329,757	6,567,287
Claims incurred, but not reported	1,316,917	1,463,671
Compensated absences payable	3,921,704	201,524
Total pension liability	989,959	393,980
Total current liabilities	<u>12,574,136</u>	<u>8,653,915</u>
Long-term liabilities		
Compensated absences payable	20,898,680	1,828,870
Total pension liability	2,223,493	3,160,653
Total long-term liabilities	<u>23,122,173</u>	<u>4,989,523</u>
Total liabilities	35,696,309	13,643,438
Deferred inflows of resources		
Pension plan deferments	<u>220,892</u>	<u>180,898</u>
Net position		
Unrestricted	<u>\$ (22,315,855)</u>	<u>\$ 200,000</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenses, and Changes in Net Position
 Internal Service Funds
 Year Ended June 30, 2025
 (With Partial Comparative Information for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Operating revenue		
Charges for services	\$ 22,665,896	\$ 21,263,283
Operating expenses		
Dental benefit claims	1,636,946	1,610,032
Health benefit claims	20,501,973	20,542,871
Early retirement incentive and sick leave benefits	2,789,712	649,550
Total operating expenses	<u>24,928,631</u>	<u>22,802,453</u>
Operating income (loss)	(2,262,735)	(1,539,170)
Nonoperating revenue		
Investment earnings	<u>576,399</u>	<u>483,310</u>
Income (loss) before transfers	(1,686,336)	(1,055,860)
Transfers in	-	1,365,308
Transfers (out)	<u>-</u>	<u>(309,446)</u>
Change in net position	(1,686,336)	2
Net position		
Beginning of year, as previously reported	200,000	199,998
Change in accounting principle	(20,829,519)	-
Beginning of year, as restated	<u>(20,629,519)</u>	<u>199,998</u>
End of year	<u>\$ (22,315,855)</u>	<u>\$ 200,000</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2025
(With Partial Comparative Information for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Charges for services	\$ 24,296,363	\$ 21,315,399
Payments for health and dental claims	(22,297,327)	(21,952,891)
Payments for retirement benefits	<u>(1,218,835)</u>	<u>(377,783)</u>
Net cash flows from operating activities	780,201	(1,015,275)
Cash flows from noncapital financing activities		
Cash received from other funds	1,218,835	309,250
Cash paid to other funds	(1,999,036)	(987,525)
Sale of investments	–	637,688
Transfers in	–	1,365,308
Transfers out	<u>–</u>	<u>(309,446)</u>
Net cash flows from noncapital financing activities	<u>(780,201)</u>	<u>1,015,275</u>
Net change in cash and cash equivalents	–	–
Cash and cash equivalents		
Beginning of year	<u>–</u>	<u>–</u>
End of year	<u>\$ –</u>	<u>\$ –</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (2,262,735)	\$ (1,539,170)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets		
Accounts and interest receivable	(39,613)	(10,642)
Due from other funds	1,670,080	62,758
Deferred outflows of resources – pension plan deferments	(88,407)	90,832
Changes in liabilities and deferred inflows		
Accounts and contracts payable	(11,654)	11,623
Claims incurred, but not reported	(146,754)	188,389
Compensated absences payable	1,960,471	106,771
Total pension liability	(341,181)	105,092
Deferred inflows of resources – pension plan deferments	<u>39,994</u>	<u>(30,928)</u>
Net cash flows from operating activities	<u>\$ 780,201</u>	<u>\$ (1,015,275)</u>
Noncash investing, capital, and financing activities		
Market value adjustment on investments in life insurance contracts	\$ 576,399	\$ 483,310

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Fiduciary Net Position
as of June 30, 2025

	<u>Post-Employment Benefits Trust Fund</u>
Assets	
Investments held by trustee, at fair value	
Mutual funds	\$ 40,523,880
Liabilities	
Current liabilities	
Due to district governmental funds	<u>1,882,822</u>
Net position	
Restricted for OPEB	<u><u>\$ 38,641,058</u></u>

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

	<u>Post-Employment Benefits Trust Fund</u>
Additions	
Investment earnings	
Total investment earnings	\$ 4,065,074
Less investment expense	<u>114,486</u>
Net investment earnings	3,950,588
Deductions	
Benefits to plan members	<u>1,882,822</u>
Change in net position	2,067,766
Net position	
Beginning of year	<u>36,573,292</u>
End of year	<u><u>\$ 38,641,058</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Basic Financial Statements Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 284 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A School Board elected by the voters of the District governs 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and acquisitions under leases and subscription-based information technology arrangements (SBITA) 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 liabilities, 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.

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 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 Post-Employment Benefits 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 used to account for all financial resources 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 authorized by bond issue or under the long-term facilities maintenance program.

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 primarily used to account for 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 has established two internal service funds to account for the District’s liabilities for self-insured benefits and early retirement benefits.

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 other post-employment benefits (OPEB) for 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. Expenditures in the Food Service Special Revenue exceeded budgeted appropriations by \$210,060 during the year ended June 30, 2025. Revenues in excess of budget, along with available fund balance, financed this variance.

F. 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.

G. 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 that are established for specific purposes. In the Capital Projects – Building Construction Fund, this represents assets held in escrow 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 insurance benefits. Interest earned on these investments is allocated directly to the escrow accounts.

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 external investment pools, which are stated at amortized cost, and investments in life insurance contracts, which are reported at the cash surrender value. 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. 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)

H. 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	\$ 16,826,758
Due from other Minnesota school districts	52,241
Due from Hennepin County	898,671
Due from other local governments	<u>259,261</u>
Total due from other governmental units	<u>\$ 18,036,931</u>

I. Inventories

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

J. Prepaid Items

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

K. 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 \$4,312,226 of the property tax levy collectible in 2025 as revenue to the District in fiscal year 2024–2025. The remaining portion of the taxes collectible in 2025 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)

L. Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District has entered into certain SBITAs for education, evaluation tracking, and other purposes. Capital assets associated with SBITAs are presented separately from other capital assets in Note 4 and are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. When applicable, a subscription liability is reported in Note 5 to include the terms and related disclosures associated with any subscription liability.

M. 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. SBITA capital assets are recorded based on the measurement of any subscription liability plus the payments due to a SBITA vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard. The District defines capital assets as those with an initial, individual cost of \$10,000 or more for equipment and \$20,000 or more for construction and improvements, 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 exceeds \$175,000 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 purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings and improvements and 5 to 15 years for equipment and vehicles. 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. SBITAs are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. 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.

N. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Employee Benefits

- 1. Compensated Absences** – The District recognizes a liability for compensated absences for leave time that (1) had 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.

- 2. 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 payable and accrued in the financial statements as previously noted.

- 3. Early Retirement Incentive** – The District provides early retirement incentive benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. No individual can receive benefits in excess of one year's salary. See the Defined Benefit Pension Plan – District note for further information.
- 4. Other Post-Employment Benefits (OPEB) Plan** – For purposes of measuring the net OPEB liability, 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 may be reported at amortized cost. See the Other Post-Employment Benefits (OPEB) Plan note for further information.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 5. State-Wide Pension Plans** – District employees participate in cost-sharing, multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA), to which the District contributes. See the Defined Benefit Pension Plans – State-Wide note for further information.

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the PERA and the 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. 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. As part of the insurance renewal process and available coverage limits for building and personal property, there was a reduction in this one area of the District's insurance coverage in the current fiscal year.
- 2. Self-Insurance** – The District has established an Internal Service Fund 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 Fund provides 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 Fund 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in the balance of 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
2024	\$ 1,275,282	\$ 22,152,903	\$ 21,964,514	\$ 1,463,671
2025	\$ 1,463,671	\$ 22,138,919	\$ 22,285,673	\$ 1,316,917

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 of resources related to the deferred charge on refunding in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The District reports deferred outflows and inflows of resources related to pensions and OPEB 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 on pension and OPEB Plan investments, 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 represents 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 in both the government-wide Statement of Net Position and the governmental funds Balance Sheet. This deferred inflow of resources related to lease receivables 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 its 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 policy, the District’s superintendent and executive 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, 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. 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.

U. Change in Accounting Principle

During the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement provided new guidance on accounting and reporting for compensated absences. Certain amounts necessary to fully restate fiscal year 2024 financial information are not determinable; therefore, prior year comparative amounts have not been restated. Implementation of this new guidance resulted in a restatement of beginning net position for the cumulative effect of this change. In the government-wide financial statement, beginning net position was reduced by \$19,742,612 and in the Internal Service Funds statement by \$20,829,519. The difference between these adjustments is due to vacation payable balances not being accrued in the Internal Service Funds in previous years. See Note 5 of the notes to basic financial statements for additional details on this change.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$ 364,515
Investments	<u>157,086,072</u>
Total	<u>\$ 157,450,587</u>

Cash and investments are presented in the financial statements as follows:

Statement of Net Position	
Cash and temporary investments	\$ 116,922,150
Cash and investments held by trustee	4,557
Statement of Fiduciary Net Position	
Investments held by trustee	
Post-Employment Benefits Trust Fund	<u>40,523,880</u>
Total	<u>\$ 157,450,587</u>

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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 carrying amount of the District’s deposits was \$364,515, while the balance on the bank records was \$303,810. At year-end, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk – Maturity Duration	Total
	Rating	Agency			
Life insurance contracts	Not Rated		N/A	N/A	\$ 41,522,934
Investment pools/mutual funds					
First American Government Obligation Fund	AAA	S&P	Level 1	N/A	3,930,608
Mutual funds – fixed income	Not Rated		Level 1	N/A	14,964,338
Mutual funds – equities	Not Rated		Level 1	N/A	21,628,934
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized Cost	N/A	117,924
Minnesota School District Liquid Asset Fund	AAA	S&P	Amortized Cost	N/A	74,921,334
Total investments					<u>\$ 157,086,072</u>

N/A – Not Applicable

Investments in life insurance contracts are reported at cash surrender value and are not subject to fair value reporting standards.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The Minnesota Trust (MNTrust) Investment Shares Portfolio and Minnesota School District Liquid Asset Fund (MSDLAF) are external investment pools not registered with the Securities and Exchange Commission regulated by Minnesota Statutes. The District’s investments in these investment pools are measured at the net asset value per share provided by the pools, which are based on an amortized cost method that approximates fair value. For these investment pools, there are no unfunded commitments, redemption frequency is daily, there is no redemption notice for the MNTrust investments or the MSDLAF Liquid Class, and the redemption notice period is 14 days for the MSDLAF MAX Class.

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. 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.

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.

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. At June 30, 2025, the District’s investment portfolio includes the following percentages of specific issuers:

Guaranteed investment contract – Mass Mutual	7.2%
Guaranteed investment contract – Northwestern Mutual	19.3%

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 address interest rate risk; however, when purchasing investments, the District considers such things as interest rates and cash flow needs.

NOTE 3 – LEASE RECEIVABLE

The District has entered into lease receivable agreements for cell tower rental space on district property. These leases are reported using an incremental rate of 3.00 percent with a final maturity in fiscal 2062. During the current year, the District received principal and interest payments on these leases of \$31,001.

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	\$ 34,503,312	\$ –	\$ –	\$ –	\$ 34,503,312
Construction in progress	7,119,574	14,624,916	–	(13,469,501)	8,274,989
Total capital assets, not depreciated/amortized	41,622,886	14,624,916	–	(13,469,501)	42,778,301
Capital assets, depreciated/amortized					
Land improvements	11,295,043	–	–	–	11,295,043
Buildings and improvements	363,174,869	23,300	–	13,469,501	376,667,670
Buildings and improvements – lease	815,933	914,220	(335,503)	–	1,394,650
Equipment and transportation vehicles	24,120,443	3,276,216	–	–	27,396,659
Food service equipment	1,953,048	195,582	–	–	2,148,630
Technology subscriptions	398,925	630,458	(398,925)	–	630,458
Total capital assets, depreciated/amortized	401,758,261	5,039,776	(734,428)	13,469,501	419,533,110
Less accumulated depreciation/amortization for					
Land improvements	(9,014,275)	(245,749)	–	–	(9,260,024)
Buildings and improvements	(149,455,850)	(10,222,378)	–	–	(159,678,228)
Buildings and improvements – lease	(431,589)	(146,306)	335,503	–	(242,392)
Equipment and transportation vehicles	(18,381,723)	(3,102,000)	–	–	(21,483,723)
Food service equipment	(1,055,797)	(100,682)	–	–	(1,156,479)
Technology subscriptions	(284,500)	(261,364)	398,925	–	(146,939)
Total accumulated depreciation/amortization	(178,623,734)	(14,078,479)	734,428	–	(191,967,785)
Net capital assets, depreciated/amortized	223,134,527	(9,038,703)	–	13,469,501	227,565,325
Total capital assets, net	\$ 264,757,413	\$ 5,586,213	\$ –	\$ –	\$ 270,343,626

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

Administration	\$ 3,979
District support services	98,305
Elementary and secondary regular instruction	3,843,294
Instructional support services	2,579,187
Pupil support services	130,398
Sites and buildings	7,423,316
Total depreciation/amortization expense	\$ 14,078,479

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
General obligation bonds payable					
School building bonds	02/15/2018	3.00–5.00%	\$ 66,895,000	02/01/2038	\$ 53,975,000
Tax abatement bonds	11/07/2019	2.00–4.00%	\$ 7,455,000	02/01/2035	5,430,000
Refunding bonds	07/22/2021	1.65–3.00%	\$ 132,865,000	02/01/2036	113,905,000
School building bonds	10/05/2023	5.00%	\$ 3,105,000	02/01/2027	<u>2,155,000</u>
Total general obligation bonds payable					<u>\$ 175,465,000</u>

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 equal 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.

B. Certificates of Participation Payable

The District currently has the following certificates of participation payable outstanding:

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2013A Certificates of Participation	02/27/2013	2.00–2.60%	\$ 9,980,000	10/01/2027	\$ 2,215,000
2019B Certificates of Participation	11/14/2019	2.25–4.00%	\$ 17,000,000	02/01/2040	<u>13,885,000</u>
Total certificates of participation payable					<u>\$ 16,100,000</u>

These certificates of participation were issued to finance construction of capital facilities. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on these certificates. These certificates of participation are being paid by the General Fund. The debt is secured by the original property purchased and includes terms that upon default all payments may become due and payable. The debtor also may repossess the property and seek full recovery of any losses upon default.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

C. Finance Purchase Payable

On October 26, 2012, the District entered into a master purchase agreement with Apple, Inc. for iPads. The District acquires equipment from time to time under this master agreement as needed. Each debt schedule added under this master agreement adds equipment and carries its own debt terms and payment schedule. The debt schedules have interest rates of zero percent and mature in fiscal year 2027. Upon payment in full of all scheduled debt payments, the debtor's (Apple, Inc.'s) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The General Fund will be used to liquidate this liability. In the event of default, the debtor may do any of the following: a) provide written notice to debtee of the event of default; b) declare due and payable any and all amounts which may then be due and payable under the agreement, plus all payments remaining through the end of the then current fiscal period; c) with or without terminating the debt term under such agreement, i) enter the premises where the equipment is located and retake possession of such equipment or require debtee at debtee's expense to promptly return any or all of such equipment to the possession of debtor and ii) at debtee's expense, sell or lease such equipment, or sublease such equipment continuing to hold debtee liable for the difference between the debt payment payable by debtee and net proceeds or any such sale, lease, or sublease.

The District entered into a finance purchase agreement to finance the construction of a turf field. The finance purchase has an effective interest rate of 2.28 percent and calls for annual principal and interest payments through February 1, 2026. The finance purchase is being paid through the General Fund.

The District entered into a finance purchase agreement to finance the construction of a building addition to Meadow Ridge Elementary School. The finance purchase has an effective interest rate of 2.24 percent and calls for semiannual principal and interest payments through April 1, 2032. The finance purchase is being paid through the General Fund.

D. Lease Liability

The District has obtained the use of certain building space through lease financing agreements. 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 on these agreements will be paid from the General Fund. The agreement is secured by the original property. The lessor may repossess the property and seek full recovery of the losses upon default. The District currently has the following lease liability outstanding:

<u>Lease Description</u>	<u>Interest Rate</u>	<u>Lease Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Hanus bus garage	3.18%	08/01/2024	07/31/2032	\$ 832,383
Life Time locker room	3.00%	09/01/2003	03/03/2036	369,432
Total lease liability				<u>\$ 1,201,815</u>

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

E. Subscription Liability

The District entered into an agreement to finance the use of software, which calls for annual principal and interest payments through January 2030. This agreement is paid by the General Fund. The total amount of the underlying technology subscription assets and the related accumulated amortization is presented in Note 4 of the notes to basic financial statements.

Subscription Description	Interest Rate	Date	Final Maturity	Principal Outstanding
DNA Wireless	3.18%	01/10/2025	01/10/2030	<u>\$ 305,602</u>

F. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including compensated absences, pension benefits, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are paid primarily from the General Fund.

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

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Defined benefit plans				
State-wide, multiple-employer – PERA	\$ 12,973,885	\$ 3,877,849	\$ 9,524,368	\$ 599,706
State-wide, multiple-employer – TRA	85,058,941	22,575,502	25,845,644	8,819,665
Single-employer – District	3,213,452	376,764	220,892	287,361
Defined contribution plan				
Single-employer – District	–	–	–	228,572
Total	<u>\$ 101,246,278</u>	<u>\$ 26,830,115</u>	<u>\$ 35,590,904</u>	<u>\$ 9,935,304</u>

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

G. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds, certificates of participation, finance purchase, lease, and technology subscription are as follows:

Year Ending June 30,	General Obligation Bonds		Certificates of Participation		Finance Purchase		Lease		Technology Subscription	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 13,620,000	\$ 4,789,175	\$ 1,445,000	\$ 466,046	\$ 1,636,406	\$ 64,623	\$ 124,865	\$ 35,732	\$ 72,806	\$ 9,846
2027	13,900,000	4,293,575	1,495,000	419,701	829,318	49,120	132,498	31,710	75,152	7,501
2028	13,225,000	3,789,075	1,540,000	370,621	367,604	41,022	140,485	27,442	77,573	5,079
2029	13,695,000	3,324,525	815,000	329,406	375,885	32,741	148,840	22,916	80,071	2,580
2030	14,140,000	2,885,875	845,000	296,806	384,352	24,274	157,580	18,122	–	–
2031–2035	75,230,000	9,909,518	4,670,000	1,045,256	794,873	22,380	467,736	28,727	–	–
2036–2040	31,655,000	1,991,950	5,290,000	426,945	–	–	29,811	373	–	–
	<u>\$ 175,465,000</u>	<u>\$ 30,983,693</u>	<u>\$ 16,100,000</u>	<u>\$ 3,354,781</u>	<u>\$ 4,388,438</u>	<u>\$ 234,160</u>	<u>\$ 1,201,815</u>	<u>\$ 165,022</u>	<u>\$ 305,602</u>	<u>\$ 25,006</u>

H. Changes in Long-Term Liabilities

	Beginning Balance	Change in Accounting Principle (1)	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds payable	\$ 187,700,000	\$ –	\$ –	\$ 12,235,000	\$ 175,465,000	\$ 13,620,000
Certificates of participation payable	17,500,000	–	–	1,400,000	16,100,000	1,445,000
Unamortized premium	7,666,807	–	–	659,452	7,007,355	–
Total bonds and certificates payable	212,866,807	–	–	14,294,452	198,572,355	15,065,000
Finance purchase payable	4,991,690	–	1,409,436	2,012,688	4,388,438	1,636,406
Lease liability	408,157	–	914,220	120,562	1,201,815	124,865
Technology subscription liability	118,488	–	387,245	200,131	305,602	72,806
Net/total pension liability	135,842,484	–	13,053,644	47,649,850	101,246,278	989,959
Net OPEB liability	11,982,702	–	4,258,170	14,482,459	1,758,413	–
Compensated absences payable (2)	3,117,301	19,742,612	1,960,471	–	24,820,384	3,921,704
	<u>\$ 369,327,629</u>	<u>\$ 19,742,612</u>	<u>\$ 21,983,186</u>	<u>\$ 78,760,142</u>	<u>\$ 332,293,285</u>	<u>\$ 21,810,740</u>

(1) The change in accounting principle was required by GASB Statement No. 101 implemented on financial reporting of compensated absences.

(2) 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 June 30, 2025 includes the District's net investment in capital assets calculated as follows:

Net investment in capital assets	
Capital assets	
Not depreciated/amortized	\$ 42,778,301
Depreciated/amortized, net of accumulated depreciation/amortization	227,565,325
Less capital related long-term debt outstanding	(204,468,210)
Add debt adjustment for deferred charge	5,420,778
Add debt adjustment for unspent debt proceeds	2,301,091
Less capital-related accounts/contracts payable	<u>(566,146)</u>
Total net investment in capital assets	<u>\$ 73,031,139</u>

NOTE 6 – NET POSITION/FUND BALANCES (CONTINUED)

B. Governmental Fund Balance Classifications

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. When applicable, certain restrictions, which have an accumulated deficit balance at 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.

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	\$ 118,072	\$ –	\$ –	\$ 208,835	\$ 326,907
Prepaid items	2,277,460	–	–	–	2,277,460
Total nonspendable	2,395,532	–	–	208,835	2,604,367
Restricted					
Scholarships	226,244	–	–	–	226,244
Capital projects levy	6,056,415	–	–	–	6,056,415
Literacy incentive aid	400,885	–	–	–	400,885
American Indian education aid	1,046	–	–	–	1,046
Operating capital	4,490,011	–	–	–	4,490,011
Quality compensation	658,424	–	–	–	658,424
Literacy aid	504,243	–	–	–	504,243
Teacher compensation for READ Act	78,596	–	–	–	78,596
Long-term facilities maintenance	11,913,160	–	–	–	11,913,160
Medical Assistance	363,393	–	–	–	363,393
Capital projects	–	1,734,945	–	–	1,734,945
Debt service	–	–	3,196,153	–	3,196,153
Food service	–	–	–	2,664,140	2,664,140
Community education	–	–	–	4,794,845	4,794,845
Early childhood family education	–	–	–	276,431	276,431
School readiness	–	–	–	326,325	326,325
Community service	–	–	–	215,121	215,121
Total restricted	24,692,417	1,734,945	3,196,153	8,276,862	37,900,377
Assigned					
Local collaborative time study	175,326	–	–	–	175,326
Reemployment insurance	1,275,000	–	–	–	1,275,000
Post-employment obligations	4,294,291	–	–	–	4,294,291
Enrollment	1,700,228	–	–	–	1,700,228
Classroom and administration furniture/equipment	3,000,000	–	–	–	3,000,000
Safety and security	850,000	–	–	–	850,000
Total assigned	11,294,845	–	–	–	11,294,845
Unassigned					
Unassigned	25,184,053	–	–	–	25,184,053
Total	\$ 63,566,847	\$ 1,734,945	\$ 3,196,153	\$ 8,485,697	\$ 76,983,642

NOTE 6 – NET POSITION/FUND BALANCES (CONTINUED)

C. Minimum Unassigned Fund Balance Policy

The District’s adopted fund balance policy for the General Fund establishes a year-end minimum unassigned fund balance of 5.0–7.0 percent of expenditures. At June 30, 2025, the unassigned fund balance of the General Fund was 11.4 percent of fiscal 2025 expenditures.

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 (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage within one year of eligible employment or elect coverage through the Defined Contribution Retirement (DCR) Plan administered by MnSCU. A teacher employed by MnSCU 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.

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

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 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 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 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 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 reduced 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 allowable 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.

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

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 62 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 1.7 percent per year for Coordinated members and 2.7 percent per year for Basic members is applied. For years of service July 1, 2006 and after, a Level formula of 1.9 percent per year for Coordinated members and 2.7 percent per year for Basic members applies. An early retirement reduction is applied to members retiring prior to age 65. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) reduction rate applied.

Tier II Benefits

Members first employed after June 30, 1989, receive only the Tier II benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66. After July 1, 2024, the age will change to not to exceed 65. An early retirement reduction is applied to members retiring before age 66, but will be age 65 after July 1, 2024. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) early retirement reduction rate applied.

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 2025 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, 2025, were \$2,425,697. 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 2025 Coordinated Plan were 7.75 percent for the employee and 8.75 percent for the employer. Basic Plan rates were 11.25 percent for the employee and 12.75 percent for the employer. The District's contributions to the TRA for the plan's fiscal year ended June 30, 2025, were \$8,235,406. 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, 2025, the District reported a liability of \$12,973,885 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$335,478.

District's proportionate share of the net pension liability	\$ 12,973,885
State's proportionate share of the net pension liability associated with the District	<u>335,478</u>
Total	<u>\$ 13,309,363</u>

The net pension liability was measured as of June 30, 2024, 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.3509 percent at the end of the measurement period and 0.3620 percent for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$590,712 for its proportionate share of the GERF's pension expense. The District also recognized an additional \$8,994 as pension expense and grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

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

During the plan year ended June 30, 2024, the state of Minnesota contributed \$170.1 million to the General Employees Fund. The state of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$596,919 for the year ended June 30, 2025 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 General Employees Fund.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,235,218	\$ –
Changes in actuarial assumptions	67,469	5,023,444
Net difference between projected and actual investment earnings on pension plan investments	–	3,569,664
Changes in proportion	149,465	931,260
District’s contributions to the GERP subsequent to the measurement date	<u>2,425,697</u>	<u>–</u>
Total	<u>\$ 3,877,849</u>	<u>\$ 9,524,368</u>

The \$2,425,697 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, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ (4,325,137)
2027	\$ (995,039)
2028	\$ (1,757,670)
2029	\$ (994,370)

2. TRA Pension Costs

At June 30, 2025, the District reported a liability of \$85,058,941 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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 1.3386 percent at the end of the measurement period and 1.3571 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	\$ 85,058,941
State’s proportionate share of the net pension liability associated with the District	<u>5,563,008</u>
Total	<u><u>\$ 90,621,949</u></u>

For the year ended June 30, 2025, the District recognized pension expense of \$8,513,864. It also recognized \$305,801 as an increase to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2024, the state of Minnesota contributed \$176.0 million to the Fund. The state of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the \$176.0 million in direct state aid because of this contribution was not considered to meet the definition of a special funding situation. The District recognized \$2,358,166 for the year ended June 30, 2025 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, 2025, 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	\$ 4,067,370	\$ 1,124,741
Changes in actuarial assumptions	8,906,606	10,143,509
Net difference between projected and actual investment earnings on pension plan investments	–	12,114,322
Changes in proportion	1,366,120	2,463,072
District’s contributions to the TRA subsequent to the measurement date	<u>8,235,406</u>	<u>–</u>
Total	<u><u>\$ 22,575,502</u></u>	<u><u>\$ 25,845,644</u></u>

The \$8,235,406 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, 2026. 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
2026	\$ (5,111,251)
2027	\$ 7,763,653
2028	\$ (6,928,895)
2029	\$ (5,632,123)
2030	\$ (1,596,932)

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

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00 %</u>	

F. Actuarial Methods and Assumptions

1. GERP

The total pension liability was determined by an actuarial valuation as of June 30, 2024, 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 GERP Plan. Benefit increases after retirement are assumed to be 1.25 percent for the GERP Plan.

Salary growth assumptions in the GERP Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 27 years of service.

Mortality rates for the GERP 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 GERP Plan are reviewed every four years. The most recent four-year experience study for the GERP 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, 2024 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 percent for January 2019 through January 2023, then increasing by 0.10 percent each year up to 1.50 percent 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.
Disabled Retirees	PubNS-2010 Disabled Retiree 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 2024:

1. GERF

CHANGES IN PLAN PROVISIONS

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

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.

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

2. TRA

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 Pub2010 family.
- 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.

G. Discount Rate

1. GERP

The discount rate used to measure the total pension liability in 2024 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 GERP 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 2024 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.

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

H. Pension Liability Sensitivity

The following table presents the District’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount 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:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the GERF net pension liability	\$ 28,337,052	\$ 12,973,885	\$ 336,278
TRA discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the TRA net pension liability	\$ 149,793,771	\$ 85,058,941	\$ 31,780,640

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 individuals and contract groups through its Defined Benefit Pension Plan, a single-employer defined benefit plan administered by the District. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing district employees and are renegotiated each two-year bargaining period. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

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

These benefits are summarized as follows:

Teacher Pension Benefits – For eligible full-time teachers with at least 20 years of in-district service (or 15 years with the District and 25 years of teaching in the state of Minnesota), hired before July 1, 1997 and at least Step 5 before July 1, 1998, and at least 55 years of age, the District pays a pension benefit equal to 80 days’ pay.

Specialists and Wayzata Kids Site Managers Pension Benefits – For eligible specialists and site managers with at least 20 years of service (or 10 years in-district specialist/manager capacity or 25 years of directly related service with 15 of the years in the District), hired before July 1, 2003 and not participating in the early retirement incentive matching contribution program, and at least 55 years of age, the District pays a benefit equal to 100 days’ pay.

Administrative Professionals and Paraprofessionals Pension Benefits – For eligible administrative professionals and paraprofessionals with at least 15 years of service, hired before June 30, 2018, and at least 55 years of age, the District pays a pension benefit equal to 80 days’ pay (or 100 days’ pay for administrative professionals and paraprofessionals with 20 years of service).

Support Staff Pension Benefits – For eligible support staff employees with at least 20 years of in-district service, hired before June 30, 2015, and at least 55 years of age, the District pays a pension benefit equal to 100 days’ pay.

Food Service Pension Benefits – For eligible food service employees with at least 20 years of in-district service, hired before June 30, 2018, and at least 55 years of age, the District pays a pension benefit equal to 100 days’ pay.

Custodians Pension Benefits – For eligible custodians with at least 15 years of in-district service, hired before June 30, 2018, and at least 55 years of age, the District pays a pension benefit equal to 80 days’ pay.

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. There are no invested plan assets accumulated for payment of future benefits. The operating funds are used for the funding of all pension/retirement benefits, which are accounted for in an Internal Service Fund. 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	16
Active plan members	<u>263</u>
Total members	<u><u>279</u></u>

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

D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of July 1, 2024, and update procedures were used to roll forward the total pension liability to the measurement date. The total pension liability was measured as of June 30, 2025, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.90%
20-year municipal bond yield	4.90%
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.

E. Discount Rate

The discount rate used to measure the total pension liability was 4.90 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due. The District discount rate used in the prior measurement date was 4.10 percent.

F. Changes in the Total Pension Liability

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2024	\$ 3,554,633
Changes for the year	
Service cost	104,790
Interest	136,298
Assumption changes	(108,881)
Plan changes	(5,546)
Differences between expected and actual experience	209,113
Benefit payments	(676,955)
Total net changes	<u>(341,181)</u>
Ending balance – June 30, 2025	<u>\$ 3,213,452</u>

Plan changes since the prior measurement date include the following:

- The sunset date for support staff was updated from June 30, 2018 to June 30, 2015.

Assumption changes since the prior measurement date include the following:

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

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

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:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	3.90%	4.90%	5.90%
Total pension liability	\$ 3,349,345	\$ 3,213,452	\$ 3,082,197

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

For the current year ended, the District recognized pension expense of \$287,361. 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 341,424	\$ –
Changes in actuarial assumptions	<u>35,340</u>	<u>220,892</u>
Total	<u>\$ 376,764</u>	<u>\$ 220,892</u>

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:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ 66,204
2027	\$ 27,177
2028	\$ 2,836
2029	\$ 34,214
2030	\$ 11,123
Thereafter	\$ 14,318

NOTE 9 – DEFINED CONTRIBUTION PENSION PLAN – DISTRICT

On July 1, 2015, the District established a single-employer defined contribution pension plan administered by the District. The plan is offered to all administrators. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing district employees and are renegotiated each bargaining period. Eligibility for these benefits is based on years of service and/or minimum age requirements. Annual employer contributions are equal to five percent of the eligible employees' annual salary as of June 30th of each year, paid annually for the 10 fiscal years prior to the employee reaching the eligibility requirements for retirement pay benefits as set forth in their respective contracts.

Employer contributions are payable within 60 days following June 30th of each of the 10 years the employee is eligible to receive the benefits, and are deposited into the Minnesota State Retirement System Healthcare Savings Plan and an IRC § 403(b) retirement account. All employer contributions are tax deferred until the time of withdrawal. At June 30, 2025, there were 11 active plan participants. The District has not established a trust fund to finance these pension benefits.

Total contributions made by the District during the fiscal year ended June 30, 2025 were \$228,572, which is equal to the required contributions and has been recognized as pension expense in the Early Retirement Accounts Internal Service Fund.

NOTE 10 – 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 has established the Post-Employment Benefits Trust Fund to account for the assets of the plan and 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 10 – 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 and/or dental insurance from the time of retirement 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.

D. Membership

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

Retirees and beneficiaries receiving benefits	158
Active plan members	<u>1,574</u>
Total members	<u><u>1,732</u></u>

E. Net OPEB Liability of the District

The District’s net OPEB liability was measured as of June 30, 2025. The total OPEB liability used to calculate the net OPEB liability 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 of the District at year-end were as follows:

Total OPEB liability	\$ 40,399,471
Plan fiduciary net position	<u>(38,641,058)</u>
District’s net OPEB liability	<u><u>\$ 1,758,413</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>95.6%</u></u>

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2024, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.50%
Expected long-term investment return	6.20% (net of investment expenses)
20-year municipal bond yield	4.90%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.50% grading to 5.00% over 6 years, then to 4.00% over the next 48 years
Dental trend rate	4.00%

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

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 regarding 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 investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

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

The target allocation and best-estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	39.00 %	7.50 %
International equity	21.00	7.10 %
Fixed income	36.00	4.70 %
Cash	<u>4.00</u>	2.70 %
Total	<u><u>100.00 %</u></u>	6.20 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 10.8 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

H. Discount Rate

The discount rate used to measure the total OPEB liability was 5.50 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 taken into account. The District discount rate used in the prior measurement date was 4.90 percent.

I. Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Beginning balance – July 1, 2024	\$ 48,555,994	\$ 36,573,292	\$ 11,982,702
Changes for the year			
Service cost	1,838,371	–	1,838,371
Interest	2,419,799	–	2,419,799
Assumption changes	(1,038,686)	–	(1,038,686)
Plan changes	(24,240)	–	(24,240)
Contributions – paid through operating funds	–	163,056	(163,056)
Projected investment return	–	2,267,544	(2,267,544)
Difference between expected and actual experience	(9,305,889)	1,683,044	(10,988,933)
Benefit payments – paid through trust	(1,882,822)	(1,882,822)	–
Benefit payments – paid through operating funds	(163,056)	(163,056)	–
Total net changes	<u>(8,156,523)</u>	<u>2,067,766</u>	<u>(10,224,289)</u>
Ending balance – June 30, 2025	<u>\$ 40,399,471</u>	<u>\$ 38,641,058</u>	<u>\$ 1,758,413</u>

Plan changes since the prior measurement date include the following:

- The sunset date for support staff was updated from June 30, 2018 to June 30, 2015.

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 4.90 percent to 5.50 percent.
- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	4.50%	5.50%	6.50%
Net OPEB liability	\$ 4,274,613	\$ 1,758,413	\$ (632,721)

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

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
OPEB medical trend rate	5.50% decreasing to 4.00% then 3.00%	6.50% decreasing to 5.00% then 4.00%	7.50% decreasing to 6.00% then 5.00%
OPEB dental trend rate	3.00%	4.00%	5.00%
Net OPEB liability	\$ (203,119)	\$ 1,758,413	\$ 4,025,234

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

For the current year ended, the District recognized a negative OPEB expense of \$920,837. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 831,938	\$ 11,972,953
Changes in actuarial assumptions	1,063,181	5,884,393
Net collective differences between projected and actual investment earnings on OPEB Plan investments	—	1,114,478
Total	<u>\$ 1,895,119</u>	<u>\$ 18,971,824</u>

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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
2026	\$ (1,613,352)
2027	\$ (3,011,902)
2028	\$ (2,935,444)
2029	\$ (2,832,648)
2030	\$ (2,496,028)
Thereafter	\$ (4,187,331)

NOTE 11 – 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 July 1 to June 30, 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.

All assets of the Plan are held in the District's general checking account and are administered by an employee of the District. Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated service providers. These payments are made on a timely basis and are accounted for primarily in the District's Self-Insurance Accounts Internal Service Fund. The medical reimbursement and dependent care activity in the financial statements is accounted for in the General Fund.

All property of the Plan 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 12 – INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Receivables and Payables

The District had the following interfund receivables and payables at June 30, 2025:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 6,329,757	\$ –
Internal Service Fund	1,882,822	6,329,757
Post-Employment Benefits Trust Fund	<u>–</u>	<u>1,882,822</u>
	<u>\$ 8,212,579</u>	<u>\$ 8,212,579</u>

As of June 30, 2025, the District had interfund receivables in the General Fund of \$1,595,799 and \$4,733,958, respectively, due from the Self-Insurance Accounts and Early Retirement Accounts Internal Service Funds to eliminate temporary cash balance deficits.

As of June 30, 2025, the District’s Internal Service Fund had an interfund receivable of \$1,882,822 due from the Post-Employment Benefits Trust Fund to reimburse post-employment benefit costs.

Such interfund balances are reported in the fund financial statements, but are eliminated as necessary in the government-wide financial statements.

NOTE 13 – STEWARDSHIP AND ACCOUNTABILITY

As of June 30, 2025, the District’s Early Retirement Accounts Internal Service Fund had a deficit net position of \$26,369,446. This deficit is expected to be eliminated through future charges for services.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

A. 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.

B. 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.

C. Construction Contracts

At June 30, 2025, the District had commitments totaling \$3,751,858 under various construction contracts for which the work was not yet completed.

NOTE 15 – SUBSEQUENT EVENTS

A. Finance Purchase

In July 2025, the District entered into a finance purchase agreement for technology equipment totaling \$2,707,436 with an interest rate of zero percent and payments over three years. The lease matures in July 2028.

B. General Obligation Bonds

In August 2025, the District awarded the sale of \$5,500,000 of General Obligation Capital Facilities Bonds, Series 2025A. The bonds bear an interest rate of 5 percent and mature in 2036.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 284

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2025

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
06/30/2016	06/30/2015	0.3690%	\$ 19,123,495	\$ -	\$ 19,123,495	\$ 21,662,426	88.28%	78.20%
06/30/2017	06/30/2016	0.3669%	\$ 29,790,460	\$ 388,978	\$ 30,179,438	\$ 22,576,588	131.95%	68.90%
06/30/2018	06/30/2017	0.3681%	\$ 23,499,261	\$ 295,505	\$ 23,794,766	\$ 23,723,555	99.05%	75.90%
06/30/2019	06/30/2018	0.3717%	\$ 20,620,393	\$ 676,399	\$ 21,296,792	\$ 24,982,890	82.54%	79.50%
06/30/2020	06/30/2019	0.3687%	\$ 20,384,597	\$ 633,639	\$ 21,018,236	\$ 26,067,142	78.20%	80.20%
06/30/2021	06/30/2020	0.3909%	\$ 23,436,241	\$ 722,773	\$ 24,159,014	\$ 27,873,561	84.08%	79.10%
06/30/2022	06/30/2021	0.3598%	\$ 15,365,070	\$ 469,233	\$ 15,834,303	\$ 25,899,722	59.33%	87.00%
06/30/2023	06/30/2022	0.3738%	\$ 29,605,084	\$ 868,026	\$ 30,473,110	\$ 28,005,478	105.71%	76.70%
06/30/2024	06/30/2023	0.3620%	\$ 20,242,635	\$ 558,051	\$ 20,800,686	\$ 28,793,555	70.30%	83.10%
06/30/2025	06/30/2024	0.3509%	\$ 12,973,885	\$ 335,478	\$ 13,309,363	\$ 29,694,331	43.69%	89.08%

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2025

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
06/30/2016	\$ 1,693,427	\$ 1,693,427	\$ -	\$ 22,576,588	7.50%
06/30/2017	\$ 1,778,667	\$ 1,778,667	\$ -	\$ 23,723,555	7.50%
06/30/2018	\$ 1,874,024	\$ 1,874,024	\$ -	\$ 24,982,890	7.50%
06/30/2019	\$ 1,957,080	\$ 1,957,080	\$ -	\$ 26,067,142	7.51%
06/30/2020	\$ 2,090,441	\$ 2,090,441	\$ -	\$ 27,873,561	7.50%
06/30/2021	\$ 1,942,777	\$ 1,942,777	\$ -	\$ 25,899,722	7.50%
06/30/2022	\$ 2,100,130	\$ 2,100,130	\$ -	\$ 28,005,478	7.50%
06/30/2023	\$ 2,159,318	\$ 2,159,318	\$ -	\$ 28,793,555	7.50%
06/30/2024	\$ 2,227,124	\$ 2,227,124	\$ -	\$ 29,694,331	7.50%
06/30/2025	\$ 2,425,697	\$ 2,425,697	\$ -	\$ 32,364,167	7.50%

INDEPENDENT SCHOOL DISTRICT NO. 284

Teachers Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2025

District Fiscal Year-End Date	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 Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's 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
06/30/2016	06/30/2015	1.1745%	\$ 72,654,441	\$ 8,912,006	\$ 81,566,447	\$ 59,480,901	122.15%	76.80%
06/30/2017	06/30/2016	1.1661%	\$278,142,672	\$ 27,917,266	\$306,059,938	\$ 60,632,426	458.74%	44.88%
06/30/2018	06/30/2017	1.1747%	\$234,491,429	\$ 22,668,335	\$257,159,764	\$ 63,155,618	371.29%	51.57%
06/30/2019	06/30/2018	1.2131%	\$ 76,194,035	\$ 7,158,801	\$ 83,352,836	\$ 66,998,054	113.73%	78.07%
06/30/2020	06/30/2019	1.2994%	\$ 82,824,029	\$ 7,329,713	\$ 90,153,742	\$ 73,710,617	112.36%	78.21%
06/30/2021	06/30/2020	1.3610%	\$100,552,504	\$ 8,426,843	\$108,979,347	\$ 79,018,615	127.25%	75.48%
06/30/2022	06/30/2021	1.3899%	\$ 60,826,180	\$ 5,129,930	\$ 65,956,110	\$ 83,120,796	73.18%	86.63%
06/30/2023	06/30/2022	1.3721%	\$109,870,510	\$ 8,148,129	\$118,018,639	\$ 85,090,593	129.12%	76.17%
06/30/2024	06/30/2023	1.3571%	\$112,045,216	\$ 7,848,810	\$119,894,026	\$ 86,754,771	129.15%	76.42%
06/30/2025	06/30/2024	1.3386%	\$ 85,058,941	\$ 5,563,008	\$ 90,621,949	\$ 88,686,963	95.91%	82.07%

Teachers Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2025

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
06/30/2016	\$ 4,549,049	\$ 4,549,049	\$ -	\$ 60,632,426	7.50%
06/30/2017	\$ 4,742,705	\$ 4,742,705	\$ -	\$ 63,155,618	7.51%
06/30/2018	\$ 5,026,531	\$ 5,026,531	\$ -	\$ 66,998,054	7.50%
06/30/2019	\$ 5,687,795	\$ 5,687,795	\$ -	\$ 73,710,617	7.72%
06/30/2020	\$ 6,263,877	\$ 6,263,877	\$ -	\$ 79,018,615	7.93%
06/30/2021	\$ 6,762,053	\$ 6,762,053	\$ -	\$ 83,120,796	8.14%
06/30/2022	\$ 7,072,897	\$ 7,072,897	\$ -	\$ 85,090,593	8.31%
06/30/2023	\$ 7,378,530	\$ 7,378,530	\$ -	\$ 86,754,771	8.51%
06/30/2024	\$ 7,760,457	\$ 7,760,457	\$ -	\$ 88,686,963	8.75%
06/30/2025	\$ 8,235,406	\$ 8,235,406	\$ -	\$ 94,163,202	8.75%

INDEPENDENT SCHOOL DISTRICT NO. 284

Defined Benefit Pension Plan
 Schedule of Changes in the District's Total
 Pension Liability and Related Ratios
 Year Ended June 30, 2025

	District Fiscal Year-End Date								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability									
Service cost	\$ 252,269	\$ 235,778	\$ 211,666	\$ 241,804	\$ 214,722	\$ 170,908	\$ 142,123	\$ 141,939	\$ 104,790
Interest	177,900	178,321	211,234	140,881	103,701	85,986	133,916	137,140	136,298
Assumption changes	-	(115,172)	56,141	83,005	26,516	(219,666)	(30,488)	(22,408)	(108,881)
Plan changes	-	-	(1,726,541)	-	(2,433)	-	-	-	(5,546)
Difference between expected and actual experience	-	-	256,067	-	71,297	-	192,179	-	209,113
Benefit payments	(512,772)	(283,900)	(495,456)	(563,410)	(761,355)	(428,943)	(733,499)	(151,579)	(676,955)
Net change in total pension liability	(82,603)	15,027	(1,486,889)	(97,720)	(347,552)	(391,715)	(295,769)	105,092	(341,181)
Total pension liability – beginning of year	6,136,762	6,054,159	6,069,186	4,582,297	4,484,577	4,137,025	3,745,310	3,449,541	3,554,633
Total pension liability – end of year	<u>\$ 6,054,159</u>	<u>\$ 6,069,186</u>	<u>\$ 4,582,297</u>	<u>\$ 4,484,577</u>	<u>\$ 4,137,025</u>	<u>\$ 3,745,310</u>	<u>\$ 3,449,541</u>	<u>\$ 3,554,633</u>	<u>\$ 3,213,452</u>
Covered-employee payroll	<u>\$28,004,800</u>	<u>\$28,844,944</u>	<u>\$19,728,311</u>	<u>\$20,320,160</u>	<u>\$16,542,845</u>	<u>\$17,039,131</u>	<u>\$ 14,779,450</u>	<u>\$ 15,222,834</u>	<u>\$ 13,377,564</u>
Total pension liability as a percentage of covered-employee payroll	<u>21.62%</u>	<u>21.04%</u>	<u>23.23%</u>	<u>22.07%</u>	<u>25.01%</u>	<u>21.98%</u>	<u>23.34%</u>	<u>23.35%</u>	<u>24.02%</u>

Note 1: The District has not established a trust fund to finance GASB Statement No. 73 related benefits.

Note 2: The District implemented GASB Statement No. 73 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Other Post-Employment Benefits Plan
 Schedule of Changes in the District's Net
 OPEB Liability and Related Ratios
 Year Ended June 30, 2025

	District Fiscal Year-End Date								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability									
Service cost	\$ 2,551,063	\$ 2,390,402	\$ 2,693,689	\$ 3,223,065	\$ 3,011,908	\$ 2,745,593	\$ 2,432,691	\$ 2,426,803	\$ 1,838,371
Interest	1,454,492	1,513,499	1,677,230	1,731,921	1,473,157	1,703,045	2,177,662	2,244,581	2,419,799
Assumption changes	-	(1,204,821)	851,818	2,621,680	(5,116,533)	(2,794,384)	(282,213)	(519,705)	(1,038,686)
Plan changes	-	(1,097,125)	871,345	-	24,568	-	-	-	(24,240)
Difference between expected and actual experience	-	-	(1,008,111)	-	(1,535,825)	1,386,566	(4,063,685)	-	(9,305,889)
Benefit payments	(1,993,798)	(2,327,031)	(1,956,000)	(1,665,554)	(1,452,227)	(1,642,420)	(2,154,712)	(1,830,808)	(2,045,878)
Net change in total OPEB liability	2,011,757	(725,076)	3,129,971	5,911,112	(3,594,952)	1,398,400	(1,890,257)	2,320,871	(8,156,523)
Total OPEB liability – beginning of year	39,994,168	42,005,925	41,280,849	44,410,820	50,321,932	46,726,980	48,125,380	46,235,123	48,555,994
Total OPEB liability – end of year	42,005,925	41,280,849	44,410,820	50,321,932	46,726,980	48,125,380	46,235,123	48,555,994	40,399,471
Plan fiduciary net position									
Contributions – employer	293,798	27,031	-	65,554	102,227	142,420	561,087	490,657	163,056
Projected investment return	1,366,041	1,456,650	1,648,705	1,290,620	1,949,067	2,416,355	2,082,779	2,098,366	2,267,544
Difference between expected and actual experience	1,657,592	1,002,046	300,328	624,945	6,369,376	(7,662,109)	295,464	1,970,467	1,683,044
Benefit payments	(1,993,798)	(2,327,031)	(1,956,000)	(1,665,554)	(1,452,227)	(1,642,420)	(2,154,712)	(1,830,808)	(2,045,878)
Net change in plan fiduciary net position	1,323,633	158,696	(6,967)	315,565	6,968,443	(6,745,754)	784,618	2,728,682	2,067,766
Plan fiduciary net position – beginning of year	31,046,376	32,370,009	32,528,705	32,521,738	32,837,303	39,805,746	33,059,992	33,844,610	36,573,292
Plan fiduciary net position – end of year	32,370,009	32,528,705	32,521,738	32,837,303	39,805,746	33,059,992	33,844,610	36,573,292	38,641,058
Net OPEB liability	\$ 9,635,916	\$ 8,752,144	\$ 11,889,082	\$ 17,484,629	\$ 6,921,234	\$ 15,065,388	\$ 12,390,513	\$ 11,982,702	\$ 1,758,413
Fiduciary net position as a percentage of the total OPEB liability	77.06%	78.80%	73.23%	65.25%	85.19%	68.70%	73.20%	75.32%	95.65%
Covered-employee payroll	\$ 82,333,402	\$ 84,803,404	\$ 91,067,372	\$ 93,799,393	\$ 101,974,315	\$ 105,033,544	\$ 108,624,104	\$ 111,882,827	\$ 117,642,092
Net OPEB liability as a percentage of covered-employee payroll	11.70%	10.32%	13.06%	18.64%	6.79%	14.34%	11.41%	10.71%	1.49%

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2025

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	9.7%
2018	7.6%
2019	6.0%
2020	5.9%
2021	25.7%
2022	(13.1%)
2023	7.2%
2024	12.0%
2025	10.8%

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Required Supplementary Information
June 30, 2025

PERA – GENERAL EMPLOYEES RETIREMENT FUND

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.

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.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

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.

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.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS (CONTINUED)

- 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 Combined Service Annuity (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.

2015 CHANGES IN PLAN PROVISIONS

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892.0 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

TEACHERS RETIREMENT ASSOCIATION (TRA)

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 Pub2010 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.

2015 CHANGES IN PLAN PROVISIONS

- The Duluth Teachers Retirement Fund Association was merged into the TRA on June 30, 2015.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The annual COLA for the June 30, 2015 valuation assumed 2.00 percent. The prior year valuation used 2.00 percent, with an increase to 2.50 percent commencing in 2034.
- The discount rate used to measure the total pension liability was 8.00 percent. This is a decrease from the discount rate at the prior measurement date of 8.25 percent.

PENSION BENEFITS PLAN

2025 CHANGES IN PLAN PROVISIONS

- The sunset date for support staff was updated from June 30, 2018 to June 30, 2015.

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.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for nonteachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- The discount rate was changed from 3.80 percent to 3.90 percent.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN PLAN PROVISIONS

- Wayzata Kids site managers are covered by the specialists' contract. Therefore, the Governmental Accounting Standards Board (GASB) Statement No. 73 benefit for employees who meet the eligibility requirements is now 75.00 percent of 100 days (instead of 100.00 percent of 80 days) multiplied by the daily rate of pay, which is paid as a lump sum to a 403(b) plan. The remaining 25.00 percent is paid to a Healthcare Savings Plan and is included under GASB Statement No. 75.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 2.40 percent to 2.10 percent.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN (CONTINUED)

2019 CHANGES IN PLAN PROVISIONS

- A sunset date of June 30, 2018 was added for custodians, food service employees, paraprofessionals, secretaries, and support staff. Only employees hired before this date are eligible for GASB Statement No. 73 benefits.
- Secretaries and paraprofessionals with 15 years of service no longer need to retire by June 30, 2018 in order to receive a GASB Statement No. 73 benefit.
- GASB Statement No. 73 benefits were only valued for teachers who attained Step 5 or greater by July 1, 1998. Previously, all teachers hired by July 1, 1998 were assumed to receive a GASB Statement No. 73 benefit.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from 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.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and retirement table (only for employees eligible to retire with Rule of 90) were also updated.
- The discount rate was changed from 4.00 percent to 2.90 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2025 CHANGES IN PLAN PROVISIONS

- The sunset date for support staff was updated from June 30, 2018 to June 30, 2015.

2025 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 4.90 percent to 5.50 percent.
- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.30 percent to 6.20 percent.
- The discount rate was changed from 4.70 percent to 4.90 percent.

2023 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 Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for nonteachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- The discount rate was changed from 4.40 percent to 4.70 percent.
- The expected long-term investment return was changed from 6.10 percent to 6.30 percent.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.30 percent to 6.10 percent.
- The discount rate was changed from 3.50 percent to 4.40 percent.

2021 CHANGES IN PLAN PROVISIONS

- The superintendent's eligibility for GASB Statement No. 75 post-employment subsidies changed from age 55 with 9 years of service to age 55 with 10 years of service. The district-paid life insurance subsidy (based on \$750,000) now ends at age 70 rather than age 65.
- Wayzata Kids site managers are now covered by the specialists' contract. Therefore, 25.00 percent of the 100 days of pay severance benefit is now paid to a Healthcare Savings Plan and is included in this valuation. The other 75.00 percent is paid to a 403(b) plan and is included under GASB Statement No. 73. The District also paid a dental subsidy up to \$120 per month instead of the full single premium amount.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2021 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-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.
- The expected long-term investment return was changed from 4.00 percent to 6.30 percent.
- The discount rate was changed from 2.80 percent to 3.50 percent.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 5.10 percent to 4.00 percent.
- The discount rate was changed from 3.70 percent to 2.80 percent.

2019 CHANGES IN PLAN PROVISIONS

- A sunset date of June 30, 2018 was added for custodians, food service employees, Home Base site managers, paraprofessionals, secretaries, specialists, and support staff. Only employees hired before this date are eligible for GASB Statement No. 75 post-employment subsidies.
- The teachers' limits on post-employment medical subsidies were increased from \$920 to \$980 per month for employees and an additional increase of \$490 to \$540 per month for spouses.
- Post-employment subsidies were changed for Home Base site managers, specialists, and support staff. They now receive \$1,000 per month toward medical insurance and up to \$120 per month toward dental insurance (with the exception of Home Base site managers who will receive full single dental premiums while retired) payable from retirement until age 65, but calculated at retirement and paid as a lump sum to a Healthcare Savings 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 changed from 4.50 percent to 5.10 percent.
- The discount rate was changed from 3.90 percent to 3.70 percent.

2018 CHANGES IN PLAN PROVISIONS

- A hire by date of July 30, 2018 was added in order to be eligible for post-employment medical, dental, and life insurance subsidies for administrators, executive directors, and principals.
- For administrators, executive directors, and principals, the District's post-employment medical contributions were changed to equal \$1,000 per month, payable from retirement until age 65. The District's post-employment dental contributions were changed to equal the full employee and spouse premiums, but limited to \$120 per month. These subsidies will be calculated at retirement and will be paid as lump sums to a Healthcare Savings Plan within 60 days of retirement.
- The post-employment life insurance premium subsidies were updated to equal full salary at retirement payable until age 70 and \$25,000 thereafter for the administrators, executive directors, and principals.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 4.40 percent to 4.50 percent.
- The discount rate was changed from 3.50 percent to 3.90 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 were also updated.
- The discount rate was changed from 6.00 percent to 3.50 percent.
- The percentage of future retirees who are assumed to continue on one of the District's medical plans, post-employment, was reduced from 50.00 percent to 10.00 percent for part-time custodians, food service employees, and paraprofessionals.

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 fund category for the District includes the General Fund, Capital Projects – Building Construction Fund, Debt Service Fund, Food Service Special Revenue Fund, and Community Service Special Revenue 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. 284

Nonmajor Governmental Funds
 Combining Balance Sheet
 as of June 30, 2025

	Special Revenue Funds		Total
	Food Service	Community Service	
Assets			
Cash and temporary investments	\$ 3,058,480	\$ 7,528,512	\$ 10,586,992
Receivables			
Current taxes	-	1,041,006	1,041,006
Delinquent taxes	-	12,389	12,389
Accounts and interest	11,766	40,406	52,172
Due from other governmental units	15,399	207,879	223,278
Inventory	208,835	-	208,835
Total assets	\$ 3,294,480	\$ 8,830,192	\$ 12,124,672
Liabilities			
Salaries payable	\$ 15,504	\$ 330,513	\$ 346,017
Accounts and contracts payable	139,825	172,126	311,951
Due to other governmental units	-	4,216	4,216
Unearned revenue	266,176	579,630	845,806
Total liabilities	421,505	1,086,485	1,507,990
Deferred inflows of resources			
Property taxes levied for subsequent year	-	2,118,764	2,118,764
Unavailable revenue – delinquent taxes	-	12,221	12,221
Total deferred inflows of resources	-	2,130,985	2,130,985
Fund balances			
Nonspendable	208,835	-	208,835
Restricted	2,664,140	5,612,722	8,276,862
Total fund balances	2,872,975	5,612,722	8,485,697
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,294,480	\$ 8,830,192	\$ 12,124,672

INDEPENDENT SCHOOL DISTRICT NO. 284

Nonmajor Governmental Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2025

	Special Revenue Funds		Total
	Food Service	Community Service	
Revenue			
Local sources			
Property taxes	\$ -	\$ 2,002,828	\$ 2,002,828
Other	1,539,883	12,057,931	13,597,814
State sources	6,244,540	1,637,742	7,882,282
Federal sources	2,750,262	-	2,750,262
Total revenue	<u>10,534,685</u>	<u>15,698,501</u>	<u>26,233,186</u>
Expenditures			
Current			
Food service	9,835,595	-	9,835,595
Community service	-	14,489,492	14,489,492
Capital outlay	266,290	79,534	345,824
Debt service			
Principal	16,112	-	16,112
Interest and fiscal charges	644	-	644
Total expenditures	<u>10,118,641</u>	<u>14,569,026</u>	<u>24,687,667</u>
Net change in fund balances	416,044	1,129,475	1,545,519
Fund balances			
Beginning of year	<u>2,456,931</u>	<u>4,483,247</u>	<u>6,940,178</u>
End of year	<u>\$ 2,872,975</u>	<u>\$ 5,612,722</u>	<u>\$ 8,485,697</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
Comparative Balance Sheet
as of June 30, 2025 and 2024

	2025	2024
Assets		
Cash and temporary investments	\$ 80,031,826	\$ 70,898,450
Receivables		
Current taxes	37,091,259	36,394,352
Delinquent taxes	433,451	455,448
Accounts and interest	104,694	375,457
Due from other governmental units	17,812,687	16,284,642
Due from other funds	6,329,757	6,567,287
Lease	530,183	545,057
Inventory	118,072	122,842
Prepaid items	2,277,460	1,389,361
	<u>144,729,389</u>	<u>133,032,896</u>
Total assets	<u>\$ 144,729,389</u>	<u>\$ 133,032,896</u>
Liabilities		
Salaries payable	\$ 416,556	\$ 306,086
Accounts and contracts payable	7,532,684	8,501,759
Due to other governmental units	108,338	191,202
Due to other funds	-	1,670,080
Unearned revenue	967,048	510,134
	<u>9,024,626</u>	<u>11,179,261</u>
Total liabilities	<u>9,024,626</u>	<u>11,179,261</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	71,179,729	68,362,570
Lease revenue for subsequent years	530,183	545,057
Unavailable revenue – delinquent taxes	428,004	272,540
	<u>72,137,916</u>	<u>69,180,167</u>
Total deferred inflows of resources	<u>72,137,916</u>	<u>69,180,167</u>
Fund balances		
Nonspendable for inventory	118,072	122,842
Nonspendable for prepaid items	2,277,460	1,389,361
Restricted for scholarships	226,244	229,077
Restricted for capital projects levy	6,056,415	4,691,588
Restricted for literacy incentive aid	400,885	385,894
Restricted for American Indian education aid	1,046	9,457
Restricted for operating capital	4,490,011	3,596,279
Restricted for quality compensation	658,424	-
Restricted for literacy aid	504,243	-
Restricted for teacher compensation for READ Act	78,596	-
Restricted for long-term facilities maintenance	11,913,160	16,212,641
Restricted for student support personnel	-	46,244
Restricted for Medical Assistance	363,393	357,321
Assigned for local collaborative time study	175,326	556,535
Assigned for reemployment insurance	1,275,000	1,275,000
Assigned for site carryover	-	822,052
Assigned for quality compensation	-	664,260
Assigned for school opening and planning costs	-	1,432,328
Assigned for workers' compensation escrow	-	70,000
Assigned for post-employment obligations	4,294,291	1,792,340
Assigned for enrollment	1,700,228	2,031,229
Assigned for classroom and administration furniture/equipment	3,000,000	-
Assigned for safety and security	850,000	-
Unassigned	25,184,053	16,989,020
	<u>63,566,847</u>	<u>52,673,468</u>
Total fund balances	<u>63,566,847</u>	<u>52,673,468</u>
	<u>\$ 144,729,389</u>	<u>\$ 133,032,896</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 144,729,389</u>	<u>\$ 133,032,896</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024	
	Budget	Actual		Budget	Actual
Revenue					
Local sources					
Property taxes	\$ 72,529,683	\$ 73,105,863	\$ 576,180	\$ 70,437,283	
Investment earnings	2,300,000	4,180,243	1,880,243	3,812,900	
Other	4,215,260	6,404,136	2,188,876	5,657,883	
State sources	138,074,156	141,295,127	3,220,971	130,897,250	
Federal sources	4,087,953	3,806,317	(281,636)	4,923,284	
Total revenue	<u>221,207,052</u>	<u>228,791,686</u>	<u>7,584,634</u>	<u>215,728,600</u>	
Expenditures					
Current					
Administration					
Salaries	4,150,572	4,192,232	41,660	4,138,667	
Employee benefits	1,588,925	1,505,462	(83,463)	1,475,524	
Purchased services	137,526	204,107	66,581	121,917	
Supplies and materials	56,430	48,818	(7,612)	83,199	
Capital expenditures	9,280	8,414	(866)	94,301	
Other expenditures	44,000	73,470	29,470	34,180	
Total administration	<u>5,986,733</u>	<u>6,032,503</u>	<u>45,770</u>	<u>5,947,788</u>	
District support services					
Salaries	3,271,350	3,493,715	222,365	3,396,373	
Employee benefits	1,514,792	1,370,610	(144,182)	1,408,308	
Purchased services	1,128,426	758,232	(370,194)	814,090	
Supplies and materials	283,370	976,905	693,535	278,519	
Capital expenditures	225,300	5,073	(220,227)	5,919	
Other expenditures	13,747	17,604	3,857	6,950	
Total district support services	<u>6,436,985</u>	<u>6,622,139</u>	<u>185,154</u>	<u>5,910,159</u>	
Elementary and secondary regular instruction					
Salaries	63,820,582	63,288,275	(532,307)	61,511,224	
Employee benefits	20,673,983	20,698,253	24,270	20,035,983	
Purchased services	3,096,137	2,741,185	(354,952)	3,257,872	
Supplies and materials	2,655,085	3,265,442	610,357	2,243,551	
Capital expenditures	985,224	936,044	(49,180)	203,556	
Other expenditures	673,421	399,302	(274,119)	625,419	
Total elementary and secondary regular instruction	<u>91,904,432</u>	<u>91,328,501</u>	<u>(575,931)</u>	<u>87,877,605</u>	

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended June 30, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024	
	Budget	Actual		Budget	Actual
Expenditures (continued)					
Current (continued)					
Vocational education instruction					
Salaries	2,153,959	2,158,810	4,851	2,012,175	
Employee benefits	714,861	744,825	29,964	687,699	
Purchased services	321,738	281,143	(40,595)	342,190	
Supplies and materials	88,110	36,151	(51,959)	32,887	
Capital expenditures	7,140	2,871	(4,269)	20,429	
Other expenditures	20,300	32,684	12,384	19,599	
Total vocational education instruction	3,306,108	3,256,484	(49,624)	3,114,979	
Special education instruction					
Salaries	21,076,627	21,225,806	149,179	18,735,694	
Employee benefits	7,294,031	7,444,623	150,592	6,636,372	
Purchased services	1,964,570	2,183,453	218,883	2,111,743	
Supplies and materials	325,608	261,578	(64,030)	168,662	
Capital expenditures	37,000	19,771	(17,229)	15,795	
Other expenditures	160,400	263,064	102,664	153,118	
Total special education instruction	30,858,236	31,398,295	540,059	27,821,384	
Community education and services					
Employee benefits	40,034	23,383	(16,651)	8,270	
Instructional support services					
Salaries	11,555,463	11,115,757	(439,706)	9,472,724	
Employee benefits	4,692,685	4,387,532	(305,153)	4,214,427	
Purchased services	2,026,745	1,324,546	(702,199)	974,496	
Supplies and materials	3,030,734	3,636,668	605,934	1,912,372	
Capital expenditures	4,565,731	3,243,597	(1,322,134)	3,324,463	
Other expenditures	24,550	67,088	42,538	28,112	
Total instructional support services	25,895,908	23,775,188	(2,120,720)	19,926,594	
Pupil support services					
Salaries	4,818,108	4,769,629	(48,479)	4,379,367	
Employee benefits	1,645,698	1,709,744	64,046	1,482,589	
Purchased services	15,579,825	16,070,453	490,628	13,807,183	
Supplies and materials	1,342,871	311,673	(1,031,198)	266,223	
Capital expenditures	34,125	920,687	886,562	37,035	
Other expenditures	1,487	25,445	23,958	2,313	
Total pupil support services	23,422,114	23,807,631	385,517	19,974,710	

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended June 30, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	6,244,806	6,388,123	143,317	5,813,292
Employee benefits	2,282,568	2,303,499	20,931	2,174,261
Purchased services	10,286,293	7,422,406	(2,863,887)	6,430,522
Supplies and materials	1,365,450	1,745,993	380,543	1,630,052
Capital expenditures	10,826,672	11,175,865	349,193	12,226,533
Other expenditures	209,500	19,572	(189,928)	7,062
Total sites and buildings	<u>31,215,289</u>	<u>29,055,458</u>	<u>(2,159,831)</u>	<u>28,281,722</u>
Fiscal and other fixed cost programs				
Purchased services	1,140,000	1,141,755	1,755	719,122
Other expenditures	–	26,700	26,700	38,199
Total fiscal and other fixed cost programs	<u>1,140,000</u>	<u>1,168,455</u>	<u>28,455</u>	<u>757,321</u>
Debt service				
Principal	3,527,640	3,717,269	189,629	3,900,143
Interest and fiscal charges	594,348	634,385	40,037	674,555
Total debt service	<u>4,121,988</u>	<u>4,351,654</u>	<u>229,666</u>	<u>4,574,698</u>
Total expenditures	<u>224,327,827</u>	<u>220,819,691</u>	<u>(3,508,136)</u>	<u>204,195,230</u>
Excess (deficiency) of revenue over expenditures	(3,120,775)	7,971,995	11,092,770	11,533,370
Other financing sources (uses)				
Debt issued	1,409,436	2,710,901	1,301,465	1,117,052
Sale of equipment	45,983	200,483	154,500	–
Insurance recovery	–	10,000	10,000	125,581
Transfers in	–	–	–	309,446
Transfers (out)	(654,571)	–	654,571	(1,365,308)
Total other financing sources (uses)	<u>800,848</u>	<u>2,921,384</u>	<u>2,120,536</u>	<u>186,771</u>
Net change in fund balances	<u>\$ (2,319,927)</u>	<u>10,893,379</u>	<u>\$ 13,213,306</u>	<u>11,720,141</u>
Fund balances				
Beginning of year		<u>52,673,468</u>		<u>40,953,327</u>
End of year		<u>\$ 63,566,847</u>		<u>\$ 52,673,468</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund
 Comparative Balance Sheet
 as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ 3,058,480	\$ 1,786,045
Receivables		
Accounts and interest	11,766	7,800
Due from other governmental units	15,399	1,193,961
Inventory	<u>208,835</u>	<u>192,693</u>
Total assets	<u>\$ 3,294,480</u>	<u>\$ 3,180,499</u>
Liabilities		
Salaries payable	\$ 15,504	\$ 10,097
Accounts and contracts payable	139,825	389,924
Unearned revenue	<u>266,176</u>	<u>323,547</u>
Total liabilities	421,505	723,568
Fund balances		
Nonspendable for inventory	208,835	192,693
Restricted for food service	<u>2,664,140</u>	<u>2,264,238</u>
Total fund balances	<u>2,872,975</u>	<u>2,456,931</u>
Total liabilities and fund balances	<u>\$ 3,294,480</u>	<u>\$ 3,180,499</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 1,497,465	\$ 1,539,883	\$ 42,418	\$ 1,428,966
State sources	5,936,250	6,244,540	308,290	5,778,731
Federal sources	2,554,297	2,750,262	195,965	3,297,294
Total revenue	<u>9,988,012</u>	<u>10,534,685</u>	<u>546,673</u>	<u>10,504,991</u>
Expenditures				
Current				
Salaries	3,092,207	3,127,093	34,886	2,810,618
Employee benefits	958,602	1,111,228	152,626	979,136
Purchased services	338,250	317,297	(20,953)	348,545
Supplies and materials	5,173,022	5,263,497	90,475	4,970,460
Other expenditures	21,500	16,480	(5,020)	26,274
Capital outlay	325,000	266,290	(58,710)	530,283
Debt service				
Principal	–	16,112	16,112	15,492
Interest and fiscal charges	–	644	644	1,264
Total expenditures	<u>9,908,581</u>	<u>10,118,641</u>	<u>210,060</u>	<u>9,682,072</u>
Excess of revenue over expenditures	79,431	416,044	336,613	822,919
Other financing sources				
Insurance recovery	–	–	–	56,440
Net change in fund balances	<u>\$ 79,431</u>	416,044	<u>\$ 336,613</u>	879,359
Fund balances				
Beginning of year		<u>2,456,931</u>		<u>1,577,572</u>
End of year		<u>\$ 2,872,975</u>		<u>\$ 2,456,931</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund
 Comparative Balance Sheet
 as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ 7,528,512	\$ 6,574,894
Receivables		
Current taxes	1,041,006	1,014,416
Delinquent taxes	12,389	13,271
Accounts and interest	40,406	74,522
Due from other governmental units	207,879	238,900
Prepaid items	–	1,365
	<u> </u>	<u> </u>
Total assets	<u>\$ 8,830,192</u>	<u>\$ 7,917,368</u>
Liabilities		
Salaries payable	\$ 330,513	\$ 328,574
Accounts and contracts payable	172,126	468,112
Due to other governmental units	4,216	–
Unearned revenue	579,630	605,594
	<u> </u>	<u> </u>
Total liabilities	1,086,485	1,402,280
Deferred inflows of resources		
Property taxes levied for subsequent year	2,118,764	2,024,592
Unavailable revenue – delinquent taxes	12,221	7,249
	<u> </u>	<u> </u>
Total deferred inflows of resources	2,130,985	2,031,841
Fund balances		
Nonspendable for prepaid items	–	1,365
Restricted for community education	4,794,845	3,881,983
Restricted for early childhood family education	276,431	233,309
Restricted for school readiness	326,325	213,585
Restricted for community service	215,121	153,005
	<u> </u>	<u> </u>
Total fund balances	5,612,722	4,483,247
	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,830,192</u>	<u>\$ 7,917,368</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 2,026,197	\$ 2,002,828	\$ (23,369)	\$ 2,135,698
Other – primarily tuition and fees	11,714,178	12,057,931	343,753	10,963,905
State sources	1,685,263	1,637,742	(47,521)	1,621,024
Total revenue	<u>15,425,638</u>	<u>15,698,501</u>	<u>272,863</u>	<u>14,720,627</u>
Expenditures				
Current				
Salaries	9,080,292	8,817,341	(262,951)	7,990,960
Employee benefits	2,978,999	2,879,575	(99,424)	2,550,023
Purchased services	2,156,227	2,012,778	(143,449)	1,752,566
Supplies and materials	875,582	774,715	(100,867)	705,226
Other expenditures	5,205	5,083	(122)	5,413
Capital outlay	129,500	79,534	(49,966)	49,368
Total expenditures	<u>15,225,805</u>	<u>14,569,026</u>	<u>(656,779)</u>	<u>13,053,556</u>
Net change in fund balances	<u>\$ 199,833</u>	1,129,475	<u>\$ 929,642</u>	1,667,071
Fund balances				
Beginning of year		<u>4,483,247</u>		<u>2,816,176</u>
End of year		<u>\$ 5,612,722</u>		<u>\$ 4,483,247</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund
 Comparative Balance Sheet
 as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ 2,296,534	\$ 4,343,802
Cash and investments held by trustee	<u>4,557</u>	<u>31,481</u>
Total assets	<u><u>\$ 2,301,091</u></u>	<u><u>\$ 4,375,283</u></u>
Liabilities		
Accounts and contracts payable	\$ 566,146	\$ 234,976
Fund balances		
Restricted for capital projects	<u>1,734,945</u>	<u>4,140,307</u>
Total liabilities and fund balances	<u><u>\$ 2,301,091</u></u>	<u><u>\$ 4,375,283</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual

Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 291,000	\$ 164,740	\$ (126,260)	\$ 512,930
Other	–	–	–	110
Total revenue	<u>291,000</u>	<u>164,740</u>	<u>(126,260)</u>	<u>513,040</u>
Expenditures				
Capital outlay				
Purchased services	750,000	77,900	(672,100)	78,900
Capital expenditures	3,750,000	2,141,335	(1,608,665)	7,476,114
Other expenditures	–	350,867	350,867	–
Debt service				
Fiscal charges and other	–	–	–	70,652
Total expenditures	<u>4,500,000</u>	<u>2,570,102</u>	<u>(1,929,898)</u>	<u>7,625,666</u>
Excess (deficiency) of revenue over expenditures	(4,209,000)	(2,405,362)	1,803,638	(7,112,626)
Other financing sources				
Debt issued	–	–	–	3,105,000
Premium on debt issued	–	–	–	130,618
Total other financing sources	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,235,618</u>
Net change in fund balances	<u>\$ (4,209,000)</u>	<u>(2,405,362)</u>	<u>\$ 1,803,638</u>	<u>(3,877,008)</u>
Fund balances				
Beginning of year		<u>4,140,307</u>		<u>8,017,315</u>
End of year		<u>\$ 1,734,945</u>		<u>\$ 4,140,307</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and temporary investments	\$ 12,715,293	\$ 11,949,499
Receivables		
Current taxes	9,196,872	8,886,725
Delinquent taxes	104,431	104,030
Due from other governmental units	<u>966</u>	<u>910</u>
Total assets	<u>\$ 22,017,562</u>	<u>\$ 20,941,164</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 18,718,419	\$ 17,736,000
Unavailable revenue – delinquent taxes	<u>102,990</u>	<u>59,284</u>
Total deferred inflows of resources	18,821,409	17,795,284
Fund balances		
Restricted for debt service	<u>3,196,153</u>	<u>3,145,880</u>
Total deferred inflows of resources and fund balances	<u>\$ 22,017,562</u>	<u>\$ 20,941,164</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025		Over (Under) Budget	2024
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 17,732,354	\$ 17,549,580	\$ (182,774)	\$ 15,829,374
State sources	9,000	9,668	668	9,102
Total revenue	<u>17,741,354</u>	<u>17,559,248</u>	<u>(182,106)</u>	<u>15,838,476</u>
Expenditures				
Debt service				
Principal	12,235,000	12,235,000	–	11,045,000
Interest	5,273,500	5,273,500	–	5,482,275
Fiscal charges and other	2,900	475	(2,425)	1,663
Total expenditures	<u>17,511,400</u>	<u>17,508,975</u>	<u>(2,425)</u>	<u>16,528,938</u>
Net change in fund balances	<u>\$ 229,954</u>	50,273	<u>\$ (179,681)</u>	(690,462)
Fund balances				
Beginning of year		<u>3,145,880</u>		<u>3,836,342</u>
End of year		<u>\$ 3,196,153</u>		<u>\$ 3,145,880</u>

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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 benefits and early retirement benefits.

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
 Combining Statement of Net Position
 as of June 30, 2025
 (With Comparative Totals as of June 30, 2024)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2025	2024
Assets				
Current assets				
Investments	\$ 5,049,029	\$ 6,242,476	\$ 11,291,505	\$ 10,715,106
Receivables				
Accounts and interest	50,255	–	50,255	10,642
Due from other funds	1,882,822	–	1,882,822	3,010,231
Total current assets	6,982,106	6,242,476	13,224,582	13,735,979
Deferred outflows of resources				
Pension plan deferments	–	376,764	376,764	288,357
Liabilities				
Current liabilities				
Accounts and contracts payable	15,799	–	15,799	27,453
Due to other funds	1,595,799	4,733,958	6,329,757	6,567,287
Claims incurred, but not reported	1,316,917	–	1,316,917	1,463,671
Compensated absences payable	–	3,921,704	3,921,704	201,524
Total pension liability	–	989,959	989,959	393,980
Total current liabilities	2,928,515	9,645,621	12,574,136	8,653,915
Long-term liabilities				
Compensated absences payable	–	20,898,680	20,898,680	1,828,870
Total pension liability	–	2,223,493	2,223,493	3,160,653
Total long-term liabilities	–	23,122,173	23,122,173	4,989,523
Total liabilities	2,928,515	32,767,794	35,696,309	13,643,438
Deferred inflows of resources				
Pension plan deferments	–	220,892	220,892	180,898
Net position				
Unrestricted	\$ 4,053,591	\$ (26,369,446)	\$ (22,315,855)	\$ 200,000

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
 Combining Statement of Revenue, Expenses, and Changes in Net Position
 Year Ended June 30, 2025
 (With Comparative Totals for the Year Ended June 30, 2024)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2025	2024
Operating revenue				
Charges for services	\$ 22,665,896	\$ -	\$ 22,665,896	\$ 21,263,283
Operating expenses				
Dental benefit claims	1,636,946	-	1,636,946	1,610,032
Health benefit claims	20,501,973	-	20,501,973	20,542,871
Early retirement incentive and sick leave benefits	-	2,789,712	2,789,712	649,550
Total operating expenses	<u>22,138,919</u>	<u>2,789,712</u>	<u>24,928,631</u>	<u>22,802,453</u>
Operating income (loss)	526,977	(2,789,712)	(2,262,735)	(1,539,170)
Nonoperating revenue				
Investment earnings	<u>266,388</u>	<u>310,011</u>	<u>576,399</u>	<u>483,310</u>
Income (loss) before transfers	793,365	(2,479,701)	(1,686,336)	(1,055,860)
Transfers in	-	-	-	1,365,308
Transfers out	-	-	-	(309,446)
Change in net position	793,365	(2,479,701)	(1,686,336)	2
Net position				
Beginning of year, as previously reported	3,260,226	(3,060,226)	200,000	199,998
Change in accounting principle	-	(20,829,519)	(20,829,519)	-
Beginning of year, as restated	<u>3,260,226</u>	<u>(23,889,745)</u>	<u>(20,629,519)</u>	<u>199,998</u>
End of year	<u>\$ 4,053,591</u>	<u>\$ (26,369,446)</u>	<u>\$ (22,315,855)</u>	<u>\$ 200,000</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended June 30, 2025
 (With Comparative Totals for the Year Ended June 30, 2024)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2025	2024
Cash flows from operating activities				
Charges for services	\$ 24,296,363	\$ –	\$ 24,296,363	\$ 21,315,399
Payments for health and dental claims	(22,297,327)	–	(22,297,327)	(21,952,891)
Payments for retirement benefits	–	(1,218,835)	(1,218,835)	(377,783)
Net cash flows from operating activities	1,999,036	(1,218,835)	780,201	(1,015,275)
Cash flows from noncapital financing activities				
Cash received from other funds	–	1,218,835	1,218,835	309,250
Cash paid to other funds	(1,999,036)	–	(1,999,036)	(987,525)
Sale of investments	–	–	–	637,688
Transfers in	–	–	–	1,365,308
Transfers out	–	–	–	(309,446)
Net cash flows from noncapital financing activities	(1,999,036)	1,218,835	(780,201)	1,015,275
Net change in cash and cash equivalents	–	–	–	–
Cash and cash equivalents				
Beginning of year	–	–	–	–
End of year	\$ –	\$ –	\$ –	\$ –
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ 526,977	\$ (2,789,712)	\$ (2,262,735)	\$ (1,539,170)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets				
Accounts and interest receivable	(39,613)	–	(39,613)	(10,642)
Due from other funds	1,670,080	–	1,670,080	62,758
Deferred outflows of resources – pension plan deferments	–	(88,407)	(88,407)	90,832
Changes in liabilities and deferred inflows				
Accounts and contracts payable	(11,654)	–	(11,654)	11,623
Claims incurred, but not reported	(146,754)	–	(146,754)	188,389
Compensated absences payable	–	1,960,471	1,960,471	106,771
Total pension liability	–	(341,181)	(341,181)	105,092
Deferred inflows of resources – pension plan deferments	–	39,994	39,994	(30,928)
Net cash flows from operating activities	\$ 1,999,036	\$ (1,218,835)	\$ 780,201	\$ (1,015,275)
Noncash investing, capital, and financing activities				
Market value adjustment on investments in life insurance contracts	\$ 266,388	\$ 310,011	\$ 576,399	\$ 483,310

SECTION III
STATISTICAL SECTION
(UNAUDITED)

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STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 284'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 level 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 presented is derived from the District's ACFR for the relevant year.

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ 31,901,934	\$ 40,112,576	\$ 37,679,712	\$ 37,050,317
Restricted	13,662,842	7,822,506	10,695,169	10,648,975
Unrestricted	<u>(46,927,869)</u>	<u>(122,259,148)</u>	<u>(158,453,974)</u>	<u>(122,967,598)</u>
Total governmental activities net position	<u>\$ (1,363,093)</u>	<u>\$ (74,324,066)</u>	<u>\$ (110,079,093)</u>	<u>\$ (75,268,306)</u>

Note 1: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$29.9 million. Prior year amounts have not been restated.

Note 2: The District implemented GASB Statement No. 84 in fiscal 2020, reported as a change in accounting principle as a result of implementing this standard, which increased net position by approximately \$1.2 million. Prior year amounts have not been restated.

Note 3: In fiscal 2024, the District reported a change in accounting principle for a change in reporting certain groups of similar capital assets acquired in prior years, that increased net position by \$3,579,312.

Note 4: The District implemented GASB Statement No. 101 in fiscal 2025, reported as a change in accounting principle as a result of implementing this standard, which decreased net position by \$19,742,612. Prior years were not restated.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 27,572,468	\$ 29,989,500	\$ 33,227,426	\$ 36,667,330	\$ 56,426,154	\$ 73,031,139
9,472,475	3,126,677	11,224,124	25,400,096	33,131,167	34,301,263
<u>(133,667,103)</u>	<u>(139,295,623)</u>	<u>(131,772,607)</u>	<u>(116,456,636)</u>	<u>(104,749,098)</u>	<u>(108,798,026)</u>
<u><u>\$ (96,622,160)</u></u>	<u><u>\$ (106,179,446)</u></u>	<u><u>\$ (87,321,057)</u></u>	<u><u>\$ (54,389,210)</u></u>	<u><u>\$ (15,191,777)</u></u>	<u><u>\$ (1,465,624)</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities				
Expenses				
Administration	\$ 4,817,133	\$ 6,700,296	\$ 6,052,169	\$ 4,265,884
District support services	5,033,300	6,114,326	5,347,446	5,961,373
Elementary and secondary regular instruction	68,238,658	97,927,589	98,324,381	57,568,978
Vocational education instruction	2,804,948	3,737,593	3,782,104	2,163,529
Special education instruction	17,678,829	23,736,177	23,646,291	15,166,922
Instructional support services	10,313,332	13,276,121	18,777,288	13,281,310
Pupil support services	12,363,815	14,566,050	14,370,024	12,799,455
Sites and buildings	31,109,967	35,215,528	23,723,765	21,884,093
Fiscal and other fixed cost programs	417,879	566,951	281,446	541,321
Food service	5,896,122	6,484,275	6,469,883	6,943,797
Community service	8,207,904	9,811,345	10,971,816	10,774,854
Interest and fiscal charges	5,134,248	5,326,192	6,692,718	7,556,619
Total governmental activities expenses	<u>172,016,135</u>	<u>223,462,443</u>	<u>218,439,331</u>	<u>158,908,135</u>
Program revenues				
Charges for services				
Administration	215,357	57,422	39,922	117,202
Elementary and secondary regular instruction	1,262,298	1,287,405	1,323,071	1,339,296
Special education instruction	322,586	350,928	498,813	307,962
Instructional support services	7,808	6,703	15,338	14,469
Pupil support services	25,773	22,018	152,731	148,244
Sites and buildings	575,910	558,826	628,772	591,360
Food service	4,447,648	5,067,696	5,357,091	5,318,392
Community service	6,382,167	7,410,890	8,164,553	8,933,531
Operating grants and contributions	16,140,494	17,625,350	16,357,459	16,952,023
Capital grants and contributions	911,502	1,351,039	2,870,495	1,534,850
Total governmental activities program revenues	<u>30,291,543</u>	<u>33,738,277</u>	<u>35,408,245</u>	<u>35,257,329</u>
Net (expense) revenue	(141,724,592)	(189,724,166)	(183,031,086)	(123,650,806)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	38,434,705	42,239,180	52,196,919	55,461,620
Property taxes, levied for community service	1,244,109	1,096,913	993,672	1,222,047
Property taxes, levied for debt service	15,673,366	14,587,642	8,274,499	12,085,201
General grants and aids	74,485,371	83,119,553	81,977,981	82,036,235
Other general revenues	1,240,454	2,001,619	1,672,313	1,429,838
Investment earnings	1,162,703	1,886,224	2,160,675	3,191,342
Special item	-	-	-	3,035,310
Total general revenues and other changes in net position	<u>132,240,708</u>	<u>144,931,131</u>	<u>147,276,059</u>	<u>158,461,593</u>
Change in net position	<u>\$ (9,483,884)</u>	<u>\$ (44,793,035)</u>	<u>\$ (35,755,027)</u>	<u>\$ 34,810,787</u>

Note: The District implemented GASB Statement No. 68 in fiscal 2015, GASB Statement Nos. 73, 74, and 75 in fiscal 2017, GASB Statement No. 84 in fiscal 2020, and GASB Statement No. 101 in fiscal 2025.

2020	2021	2022	2023	2024	2025
\$ 5,744,321	\$ 5,749,982	\$ 5,580,376	\$ 5,747,682	\$ 6,043,652	\$ 6,144,869
7,124,303	5,397,237	6,003,506	6,294,468	6,239,323	6,691,641
94,447,134	94,959,700	87,857,642	76,223,157	88,673,106	94,427,907
3,448,696	3,897,753	3,731,676	2,759,344	2,997,519	3,249,525
22,972,019	24,080,587	21,614,577	21,371,825	27,325,867	31,295,269
20,521,549	18,730,543	18,462,776	17,420,412	20,239,606	23,694,920
15,297,882	16,167,678	17,624,546	18,480,033	19,922,400	22,959,676
31,256,979	30,193,336	25,596,931	28,343,784	21,618,947	23,642,017
539,743	420,778	895,025	867,690	757,321	1,168,455
6,743,253	5,743,363	8,047,821	7,732,984	9,814,491	10,052,430
11,509,169	9,728,339	10,984,506	12,046,032	13,275,131	14,157,930
8,353,500	7,878,465	4,683,351	6,008,024	5,824,339	5,491,245
<u>227,958,548</u>	<u>222,947,761</u>	<u>211,082,733</u>	<u>203,295,435</u>	<u>222,731,702</u>	<u>242,975,884</u>
1,566	215	9,582	14,112	14,457	24,583
1,435,317	776,860	1,622,069	1,661,240	1,901,447	2,082,987
431,278	437,583	670,258	597,917	633,169	534,852
12,733	11,952	14,287	17,656	9,083	6,891
185,197	172,328	192,904	230,392	277,382	347,787
454,390	326,747	687,156	685,254	711,107	673,346
4,000,966	273,566	1,121,098	5,069,270	1,428,966	1,539,883
7,775,972	4,837,454	9,440,594	10,035,942	10,963,905	12,057,931
20,694,796	24,733,862	30,187,591	24,542,184	41,248,216	44,026,042
1,517,914	1,389,335	1,171,004	1,200,886	1,160,656	927,553
<u>36,510,129</u>	<u>32,959,902</u>	<u>45,116,543</u>	<u>44,054,853</u>	<u>58,348,388</u>	<u>62,221,855</u>
(191,448,419)	(189,987,859)	(165,966,190)	(159,240,582)	(164,383,314)	(180,754,029)
58,866,293	64,000,234	67,563,040	67,527,408	70,318,741	73,261,327
1,537,423	1,884,647	2,186,740	2,094,077	2,131,568	2,007,800
12,427,460	14,575,929	15,150,556	16,426,286	15,799,436	17,593,286
90,978,084	96,793,030	94,871,042	99,864,411	104,649,181	113,494,826
2,621,106	1,499,701	2,902,407	2,577,988	2,293,369	2,944,173
2,476,239	1,677,032	2,150,794	3,682,259	4,809,140	4,921,382
—	—	—	—	—	—
<u>168,906,605</u>	<u>180,430,573</u>	<u>184,824,579</u>	<u>192,172,429</u>	<u>200,001,435</u>	<u>214,222,794</u>
<u>\$ (22,541,814)</u>	<u>\$ (9,557,286)</u>	<u>\$ 18,858,389</u>	<u>\$ 32,931,847</u>	<u>\$ 35,618,121</u>	<u>\$ 33,468,765</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 196,566	\$ 355,711	\$ 287,085	\$ 316,399
Restricted	5,838,351	2,824,355	5,770,694	7,600,701
Committed	2,889,790	-	-	-
Assigned	5,482,867	4,918,059	5,712,743	5,369,294
Unassigned	9,347,456	8,050,979	8,304,664	12,681,756
Total General Fund	<u>\$ 23,755,030</u>	<u>\$ 16,149,104</u>	<u>\$ 20,075,186</u>	<u>\$ 25,968,150</u>
All other governmental funds				
Nonspendable				
Special revenue funds	\$ 94,839	\$ 100,667	\$ 108,812	\$ 87,830
Capital Projects –				
Building Construction Fund	3,795	370,688	357,895	19,169
Restricted				
Special revenue funds	2,777,607	3,131,609	2,824,021	2,479,699
Capital Projects –				
Building Construction Fund	25,480,370	8,669,298	68,914,606	33,749,841
Debt Service Fund	2,618,143	2,475,932	2,606,958	2,833,280
Unassigned				
Special revenue funds	-	-	-	-
Capital Projects –				
Building Construction Fund	-	(528,128)	-	(1,219,341)
Total all other governmental funds	<u>\$ 30,974,754</u>	<u>\$ 14,220,066</u>	<u>\$ 74,812,292</u>	<u>\$ 37,950,478</u>
Total all governmental funds	<u>\$ 54,729,784</u>	<u>\$ 30,369,170</u>	<u>\$ 94,887,478</u>	<u>\$ 63,918,628</u>

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 611,106	\$ 608,414	\$ 155,695	\$ 196,362	\$ 1,512,203	\$ 2,395,532
6,775,773	2,976,949	8,513,378	19,675,220	25,528,501	24,692,417
—	—	—	—	—	—
5,529,336	7,775,597	11,348,017	8,002,652	8,643,744	11,294,845
<u>19,030,745</u>	<u>15,496,057</u>	<u>15,056,047</u>	<u>13,079,093</u>	<u>16,989,020</u>	<u>25,184,053</u>
<u>\$ 31,946,960</u>	<u>\$ 26,857,017</u>	<u>\$ 35,073,137</u>	<u>\$ 40,953,327</u>	<u>\$ 52,673,468</u>	<u>\$ 63,566,847</u>
\$ 138,321	\$ 110,760	\$ 54,380	\$ 197,530	\$ 194,058	\$ 208,835
—	—	—	—	—	—
854,097	243,867	2,351,836	4,196,218	6,746,120	8,276,862
23,516,237	13,926,905	9,432,482	8,017,315	4,140,307	1,734,945
2,683,374	2,799,411	3,079,092	3,836,342	3,145,880	3,196,153
(137,471)	(1,393,729)	—	—	—	—
<u>(4,611,885)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ 22,442,673</u>	<u>\$ 15,687,214</u>	<u>\$ 14,917,790</u>	<u>\$ 16,247,405</u>	<u>\$ 14,226,365</u>	<u>\$ 13,416,795</u>
<u>\$ 54,389,633</u>	<u>\$ 42,544,231</u>	<u>\$ 49,990,927</u>	<u>\$ 57,200,732</u>	<u>\$ 66,899,833</u>	<u>\$ 76,983,642</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Local sources				
Taxes	\$ 55,577,523	\$ 57,642,494	\$ 61,547,600	\$ 68,770,016
Investment earnings	135,329	538,191	838,461	2,770,330
Other	14,480,001	17,174,010	17,856,126	18,202,110
State sources	87,767,205	93,888,892	96,910,458	101,283,833
Federal sources	3,770,162	4,239,619	4,329,494	4,609,793
Total revenues	<u>161,730,220</u>	<u>173,483,206</u>	<u>181,482,139</u>	<u>195,636,082</u>
Expenditures				
Current				
Administration	3,960,854	4,307,817	4,380,862	4,785,410
District support services	4,214,722	4,856,373	4,807,590	5,445,961
Elementary and secondary regular instruction	61,793,156	64,754,485	68,352,055	76,186,117
Vocational education instruction	2,775,891	2,782,707	2,953,500	3,043,470
Special education instruction	17,390,283	17,738,153	18,658,389	20,099,837
Instructional support services	10,107,948	9,841,449	15,992,693	16,158,133
Pupil support services	12,289,246	13,117,743	13,098,157	14,067,489
Sites and buildings	10,577,248	18,089,426	17,692,885	14,265,340
Fiscal and other fixed cost programs	417,879	566,951	281,446	541,321
Food service	5,705,994	6,173,350	6,403,380	6,737,168
Community service	8,008,491	8,912,116	10,298,600	11,073,210
Capital outlay	82,087,300	26,537,306	18,646,356	40,253,946
Debt service				
Principal	11,364,273	11,554,610	5,789,891	6,547,836
Interest and fiscal charges	6,467,926	6,023,460	6,081,787	7,937,194
Total expenditures	<u>237,161,211</u>	<u>195,255,946</u>	<u>193,437,591</u>	<u>227,142,432</u>
Excess of revenues over (under) expenditures	(75,430,991)	(21,772,740)	(11,955,452)	(31,506,350)
Other financing sources (uses)				
Sale of equipment	-	21,653	-	-
Sale of real property	-	-	-	-
Insurance recovery	-	-	-	-
Bonds issued	1,820,000	-	66,895,000	-
Certificates of participation issued	-	-	-	-
Premium on debt issued	57,459	-	3,406,305	-
Finance purchase issued	6,750,775	767,400	6,172,455	537,500
Lease liability issued	-	-	-	-
Technology subscription issued	-	-	-	-
Payment to refunded bond escrow agent	(1,835,000)	-	-	-
Transfers in	9,709,564	13,006,244	6,779,299	2,042,900
Transfers out	(7,429,482)	(13,117,868)	(6,779,299)	(2,042,900)
Total other financing sources (uses)	<u>9,073,316</u>	<u>677,429</u>	<u>76,473,760</u>	<u>537,500</u>
Net change in fund balances	<u>\$ (66,357,675)</u>	<u>\$ (21,095,311)</u>	<u>\$ 64,518,308</u>	<u>\$ (30,968,850)</u>
Debt service as a percentage of noncapital expenditures	<u>10.3%</u>	<u>9.7%</u>	<u>6.7%</u>	<u>7.6%</u>

2020	2021	2022	2023	2024	2025
\$ 72,813,330	\$ 80,433,919	\$ 84,873,103	\$ 86,018,437	\$ 88,402,355	\$ 92,658,271
2,197,147	1,305,933	1,674,000	2,881,075	4,325,830	4,344,983
16,918,525	8,336,406	16,450,029	20,858,552	18,050,864	20,001,950
107,226,242	108,577,224	111,439,713	117,192,391	138,306,107	149,187,077
5,924,132	14,093,576	15,439,120	7,751,132	8,220,578	6,556,579
205,079,376	212,747,058	229,875,965	234,701,587	257,305,734	272,748,860
5,067,908	5,083,452	5,483,945	6,184,834	5,947,788	6,032,503
6,694,187	5,096,001	5,935,170	6,178,953	5,910,159	6,622,139
81,936,301	83,152,766	84,858,958	86,970,728	87,877,605	91,328,501
3,272,414	3,670,138	3,796,628	3,300,153	3,114,979	3,256,484
21,779,719	22,445,977	22,174,862	24,337,265	27,821,384	31,398,295
19,718,543	18,149,211	18,826,900	18,432,426	19,926,594	23,775,188
15,049,233	15,855,236	17,625,696	19,192,005	19,974,710	23,807,631
14,028,350	25,477,618	20,344,916	22,440,027	28,281,722	29,055,458
539,743	420,778	895,025	867,690	757,321	1,168,455
6,657,150	5,601,859	8,086,232	7,610,322	9,135,033	9,835,595
11,322,610	9,602,128	11,107,228	11,767,021	13,012,458	14,512,875
47,880,501	9,634,742	5,195,897	2,103,663	8,134,665	2,915,926
7,992,578	9,337,680	13,954,352	13,715,658	14,960,635	15,968,381
8,371,309	8,761,139	6,546,015	6,625,993	6,230,409	5,909,004
250,310,546	222,288,725	224,831,824	229,726,738	251,085,462	265,586,435
(45,231,170)	(9,541,667)	5,044,141	4,974,849	6,220,272	7,162,425
—	—	—	—	—	200,483
6,251,000	—	—	—	—	—
—	—	210,326	31,219	182,021	10,000
7,455,000	8,340,000	132,865,000	—	3,105,000	—
17,000,000	—	—	—	—	—
1,690,099	951,055	4,923,285	—	130,618	—
1,824,796	1,350,145	2,251,230	1,181,850	1,117,052	1,409,436
—	—	—	—	—	914,220
—	—	—	398,925	—	387,245
—	(9,200,000)	(136,886,511)	—	—	—
8,667,013	4,611,885	—	622,962	309,446	—
(8,373,693)	(8,356,820)	(960,775)	—	(1,365,308)	—
34,514,215	(2,303,735)	2,402,555	2,234,956	3,478,829	2,921,384
\$ (10,716,955)	\$ (11,845,402)	\$ 7,446,696	\$ 7,209,805	\$ 9,699,101	\$ 10,083,809
7.6%	8.6%	9.3%	9.0%	9.3%	8.9%

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INDEPENDENT SCHOOL DISTRICT NO. 284

Tax Capacities and Market Values
Last Ten Fiscal Years

Fiscal Year	Net Tax Capacity	Taxable Market Value	Percent Tax Capacity of Estimated Market Value
2016	\$ 119,387,105	\$ 10,688,657,739	1.1 %
2017	127,889,211	11,410,014,227	1.1
2018	137,065,114	12,249,671,471	1.1
2019	146,188,244	13,028,383,691	1.1
2020	156,060,319	13,916,257,860	1.1
2021	166,478,303	14,839,903,276	1.1
2022	176,520,258	15,755,769,997	1.1
2023	182,970,236	16,443,824,055	1.1
2024	217,667,832	19,229,146,613	1.1
2025	240,984,017	21,015,136,874	1.1

Note: Per the Hennepin County Taxpayer Services Division, reliable information for the breakdown of assessed and actual residential, commercial, and industrial property values is not available.

Source: Hennepin County Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

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

<u>Fiscal Year</u>	<u>ISD No. 284</u>	<u>Corcoran</u>	<u>Maple Grove</u>	<u>Medicine Lake</u>	<u>Medina</u>
2016	26.252%	45.311%	39.831%	34.127%	23.577%
2017	26.106%	45.691%	39.196%	40.413%	23.301%
2018	26.290%	45.994%	38.245%	35.525%	22.270%
2019	25.464%	45.357%	36.709%	45.247%	21.521%
2020	24.833%	45.160%	34.746%	42.765%	21.529%
2021	26.681%	45.013%	32.756%	48.696%	22.493%
2022	26.912%	43.522%	31.911%	46.388%	22.468%
2023	23.848%	42.122%	26.902%	41.635%	22.559%
2024	19.834%	42.410%	27.280%	37.834%	20.357%
2025	14.640%	42.727%	29.261%	37.035%	20.836%

County Auditor's Gross Spread Levies

2016	\$ 55,954,344	\$ 167,872	\$ 3,189,576	\$ 391,702	\$ 3,749,151
2017	58,429,819	233,740	3,272,362	409,045	4,090,453
2018	68,605,225	304,340	3,226,004	426,076	4,199,892
2019	72,641,789	480,237	3,567,472	480,237	4,802,366
2020	79,769,816	797,649	3,828,717	558,355	5,344,251
2021	83,771,787	921,490	3,853,502	586,403	5,612,710
2022	85,835,162	1,201,692	4,034,253	515,011	6,008,461
2023	88,096,119	1,409,538	4,580,998	616,673	6,342,920
2024	92,385,480	1,662,939	4,711,659	646,698	6,928,911
2025	96,322,943	1,926,459	4,912,470	674,261	7,513,190

Note: Above tax rates are used to levy city, county, and school district taxes.

Source: Hennepin County Taxpayer Services Division

<u>Minnetonka</u>	<u>Orono</u>	<u>Plymouth</u>	<u>Wayzata</u>	<u>Hennepin County</u>	<u>Special Districts</u>
37.089%	17.387%	28.374%	25.705%	46.398%	9.785%
35.674%	17.325%	27.330%	24.673%	45.356%	9.530%
36.378%	16.759%	26.482%	23.352%	44.087%	9.319%
35.710%	16.555%	26.344%	21.749%	42.808%	8.973%
34.676%	16.406%	25.920%	21.672%	41.861%	8.550%
36.574%	16.512%	25.796%	21.055%	41.084%	8.219%
35.556%	16.780%	26.119%	20.644%	38.535%	8.176%
33.922%	16.569%	24.307%	19.468%	38.535%	7.148%
34.958%	16.349%	24.775%	19.224%	34.681%	8.405%
37.583%	16.361%	26.136%	19.772%	37.081%	8.114%
\$ 9,177,027	\$ 615,532	\$ 30,832,572	\$ 7,834,047	\$ 695,586,226	\$ 129,960,888
9,641,782	584,350	32,022,403	8,180,906	726,763,726	135,429,950
9,556,277	608,680	33,903,780	8,643,257	759,408,857	142,541,391
10,771,020	686,052	37,870,083	9,947,758	788,559,712	147,240,760
11,964,741	717,884	45,226,722	11,326,622	829,555,042	154,800,273
12,565,768	753,946	47,749,919	11,728,050	868,958,906	156,344,726
12,703,604	772,516	48,754,372	11,845,252	899,375,132	162,053,155
12,157,264	792,865	50,038,596	12,157,265	930,849,945	166,557,210
12,379,654	831,469	52,013,025	13,211,124	991,309,287	179,657,718
12,810,951	866,906	53,555,556	14,063,150	1,045,829,900	187,849,642

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INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Property	2025			2016		
		Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Ridgedale Center, LLC	Commercial	\$ 1,735,530	1	0.72 %	\$ 2,137,500	1	1.79 %
IRET Prosperities	Commercial	1,284,425	2	0.53	—	—	—
GEP XI Minnetonka, LLC	Commercial	1,260,300	3	0.52	—	—	—
AX 601 Tower L.P.	Commercial	1,156,290	4	0.48	982,408	3	0.82
CP6 Carlson, LLC	Commercial	1,155,475	5	0.48	—	—	—
WHQ, LLC	Commercial	1,102,050	6	0.46	909,064	4	0.76
Pembroke TCM Atria, LLC	Apartment	945,970	7	0.39	—	—	—
CVIII Vicksburg Village, LLC	Apartment	853,925	8	0.35	—	—	—
TFO Reva Wildamere PCC, LLC	Commercial	852,830	9	0.35	475,076	9	0.40
Centerpoint Energy	Utility	776,234	10	0.32	1,389,446	2	1.16
Medica Health Plans	Commercial	—	—	—	—	—	—
Talcott III Atria, LLC	Commercial	—	—	—	865,942	5	0.73
RREEF America Reit II Corp.	Commercial	—	—	—	865,942	5	0.73
Greystar	Apartment	—	—	—	640,625	7	0.54
AEW LT Vicksburg, LLC	Apartment	—	—	—	531,179	8	0.44
TCA RE, LLC	Apartment	—	—	—	439,250	10	0.37
Total		<u>\$ 11,123,029</u>		<u>4.60 %</u>	<u>\$ 9,236,432</u>		<u>7.74 %</u>

Sources: Fiscal year 2025 information: obtained from the District's bond agents, Ehlers Public Finance Advisors (prepared by Ehlers and Associates, Inc.)

Fiscal year 2016 information: Hennepin County Department of Property Tax and Public Records

INDEPENDENT SCHOOL DISTRICT NO. 284

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

For Taxes Collectible	Taxes Levied for the Fiscal Year			First Year Levy Recognized		Collections
	Operating Tax Levy	Debt Tax Levy	Total	Amount	Percentage of Levy	Received in Subsequent Years
2016	\$ 40,225,448	\$ 15,728,896	\$ 55,954,344	\$ 55,775,065	99.7 %	\$ 179,279
2017	43,779,692	14,650,127	58,429,819	58,223,020	99.6	206,799
2018	56,479,703	12,125,522	68,605,225	68,580,763	100.0	24,462
2019	60,211,031	12,430,758	72,641,789	72,441,691	99.7	188,022
2020	65,159,083	14,610,733	79,769,816	79,555,962	99.7	190,029
2021	68,682,875	15,092,146	83,775,021	83,456,658	99.6	289,481
2022	69,309,760	16,528,296	85,838,056	85,445,760	99.5	361,972
2023	72,129,983	15,969,580	88,099,563	87,754,007	99.6	305,039
2024	74,659,493	17,736,000	92,395,493	91,980,846	99.6	–
2025	77,610,718	18,718,419	96,329,137	49,000,000	50.9	–

Note: Collections received in subsequent years includes adjustments and abatements.

Source: Minnesota Department of Education School Tax Reports and Hennepin County Tax Settlement

Total to Date		Uncollected Taxes Receivable as of June 30, 2025			
		Delinquent		Current	
Amount	Percentage of Levy	Amount	Percent	Amount	Percent
\$ 55,954,344	100.0 %	\$ -	- %	\$ -	- %
58,429,819	100.0	-	-	-	-
68,605,225	100.0	-	-	-	-
72,629,713	100.0	12,076	-	-	-
79,745,991	100.0	23,825	-	-	-
83,746,139	100.0	28,882	-	-	-
85,807,732	100.0	30,324	-	-	-
88,059,046	100.0	40,517	-	-	-
91,980,846	99.6	414,647	0.4	-	-
49,000,000	50.9	-	-	47,329,137	49.1
		<u>\$ 550,271</u>		<u>\$ 47,329,137</u>	

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Premium (Discount) on Bonds	Certificates of Participation	Finance Purchase	Lease	Technology Subscription	Total Primary Government		
2016	\$ 165,110,000	\$ 3,625,490	\$ 8,495,000	\$ 6,239,289	\$ -	\$ -	\$ 183,469,779	4.5 %	\$ 2,826
2017	156,210,000	3,120,929	7,755,000	5,092,079	-	-	172,178,008	N/A	2,588
2018	220,160,000	6,208,464	7,000,000	9,174,643	-	-	242,543,107	N/A	3,646
2019	215,880,000	5,790,352	6,225,000	8,219,307	-	-	236,114,659	N/A	3,421
2020	218,020,000	7,035,999	22,590,000	8,001,525	-	-	255,647,524	N/A	3,600
2021	210,715,000	7,229,090	21,460,000	7,588,990	-	-	246,993,080	N/A	3,383
2022	205,420,000	9,277,034	20,180,000	7,305,616	686,185	-	242,868,835	N/A	3,318
2023	195,640,000	8,357,439	18,860,000	6,150,648	550,957	255,313	229,814,357	N/A	3,140
2024	187,700,000	7,666,807	17,500,000	4,991,690	408,157	118,488	218,385,142	N/A	2,951
2025	175,465,000	7,007,355	16,100,000	4,388,438	1,201,815	305,602	204,468,210	N/A	2,763

N/A – Not Available

(1) See Demographic and Economic Statistics table for population and personal income.

Source: The District's outstanding debt can be found in the notes to basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratio of Net General Obligation Bonded Debt
to Tax Capacity 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	Net Tax Capacity	Percent of Net Debt to Net Tax Capacity	Estimated Population (1)	Net Bonded Debt per Capita
2016	\$ 168,735,490	\$ 2,618,143	\$ 166,117,347	\$ 119,387,105	139.14 %	64,917	\$ 2,559
2017	159,330,929	2,475,932	156,854,997	127,889,211	122.65	66,517	2,358
2018	226,368,464	2,606,958	223,761,506	137,065,114	163.25	66,517	3,364
2019	221,670,352	2,833,280	218,837,072	146,188,244	149.70	69,017	3,171
2020	225,055,999	2,683,374	222,372,625	156,060,319	142.49	71,017	3,131
2021	217,944,090	2,799,411	215,144,679	166,478,303	129.23	73,017	2,947
2022	214,697,034	3,079,092	211,617,942	176,520,258	119.88	73,197	2,891
2023	203,997,439	3,836,342	200,161,097	182,970,236	109.40	73,197	2,735
2024	195,366,807	3,145,880	192,220,927	217,667,832	88.31	74,015	2,597
2025	182,472,355	3,196,153	179,276,202	240,984,017	74.39	74,015	2,422

(1) See Demographic and Economic Statistics table for population.

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INDEPENDENT SCHOOL DISTRICT NO. 284

Direct and Overlapping Debt
as of June 30, 2025

Governmental Unit	Tax Collection Calendar Year – 2025 Taxable Net Tax Capacity	General Obligation Debt (1)	Debt Applicable to Tax Capacity in ISD No. 284 (2)	
			Percent	Amount
Direct debt				
Independent School District No. 284	\$ 231,461,651	\$ 204,468,210	100.00 %	\$ 204,468,210
Overlapping debt				
Hennepin County	2,835,449,560	1,530,570,000	6.34	96,978,877
Cities				
Corcoran	21,444,323	35,035,000	19.49	6,829,497
Maple Grove	161,928,838	96,980,000	7.25	7,033,304
Medicine Lake	1,787,830	3,825,000	91.97	3,517,784
Medina	32,104,814	7,680,000	54.05	4,151,268
Minnetonka	148,082,534	55,100,000	20.97	11,555,787
Orono	58,869,928	16,430,000	3.57	585,801
Plymouth	204,653,253	60,640,000	63.71	38,634,913
Wayzata	34,921,853	22,265,000	94.49	21,037,168
Other				
Metropolitan Council	2,833,554,408	1,558,153,207	8.51	132,587,987
Three Rivers Park District	1,928,752,556	60,050,000	12.50	7,506,925
Total overlapping debt				<u>330,419,311</u>
Total direct and overlapping debt				<u>\$ 534,887,521</u>

(1) Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does not include nongeneral obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

(2) The percent overlap is based on the percentage of tax capacity of the individual entities in the District.

Source: Hennepin County Department of General Services – Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Debt limit	\$ 1,603,298,661	\$ 1,711,502,134	\$ 1,837,450,721	\$ 1,954,257,554
Total net debt applicable to the limit	<u>166,117,347</u>	<u>156,854,997</u>	<u>223,761,506</u>	<u>218,837,072</u>
Legal debt margin	<u>\$ 1,437,181,314</u>	<u>\$ 1,554,647,137</u>	<u>\$ 1,613,689,215</u>	<u>\$ 1,735,420,482</u>
Total net debt applicable to the limit as a percentage of debt limit	10.36%	9.16%	12.18%	11.20%

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

Source: State of Minnesota School Tax Report

2020	2021	2022	2023	2024	2025
\$ 2,087,438,679	\$ 2,225,985,491	\$ 2,363,365,500	\$ 2,466,573,608	\$ 2,884,371,992	\$ 3,152,270,531
222,372,625	215,144,679	211,617,942	200,161,097	192,220,927	179,276,202
<u>\$ 1,865,066,054</u>	<u>\$ 2,010,840,812</u>	<u>\$ 2,151,747,558</u>	<u>\$ 2,266,412,511</u>	<u>\$ 2,692,151,065</u>	<u>\$ 2,972,994,329</u>
10.65%	9.67%	8.95%	8.11%	6.66%	5.69%

Legal Debt Margin Calculation for Fiscal Year 2025

Market value	\$21,015,136,874
Debt limit (15% of market value)	3,152,270,531
Debt applicable to the limit	
General obligation bonds	182,472,355
Less amount set aside for repayment of general obligation debt	<u>(3,196,153)</u>
Total net debt applicable to the limit	<u>179,276,202</u>
Legal debt margin	<u>\$ 2,972,994,329</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2016	64,917	\$ 4,103,857,989	\$ 63,217	10,858	3.7 %
2017	66,517	N/A	N/A	11,330	3.5
2018	66,517	N/A	N/A	11,642	2.8
2019	69,017	N/A	N/A	11,912	3.2
2020	71,017	N/A	N/A	12,134	9.8
2021	73,017	N/A	N/A	11,909	4.7
2022	73,197	N/A	N/A	11,841	2.2
2023	73,197	N/A	N/A	12,248	3.2
2024	74,015	N/A	N/A	12,500	3.9
2025	74,015	N/A	N/A	12,909	2.5

N/A – Not Available

Sources: Population data based on information from property developers and cities; methodology approved by the State Demographer’s Office.

Per capita personal income data is for the state of Minnesota and is obtained from the United States Census

Enrollment information from district records.

Unemployment rates are for Hennepin County as of June and is obtained from the Minnesota Department of Employment and Economic Development.

INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year			
	2025		2016	
	Employees	Rank	Employees	Rank
Independent School District No. 284	1,690	1	1,510	3
Medica Health	1,300	2	1,300	4
Aimia	1,000	3	1,000	5
CWT	400	4	–	–
Wagner Spray Tech Corporation	400	4	–	–
Life Time	325	6	–	–
Turck, Inc.	300	7	–	–
Lunds & Byerly's	300	7	–	–
Crown Plaza Minneapolis West	281	9	–	–
Target	270	10	–	–
Carlson Companies	–	–	4,500	1
Siou Cargill, Inc.	–	–	4,000	2
TCF National Bank	–	–	1,000	5
St. Jude Medical	–	–	800	7
US Foods	–	–	550	8
Nilfisk-Advance, Inc.	–	–	450	9
Deltak, LLC	–	–	330	10
Total	<u>6,266</u>		<u>15,440</u>	
Demographic and Economic Statistics	<u>74,015</u>		<u>64,917</u>	
Percent of principal employers to total ISD No. 284 population	<u>8.47%</u>		<u>23.78%</u>	

Sources: Fiscal year 2025 information: obtained from the District's bond agents, Ehlers Public Finance Advisors (prepared by Ehlers and Associates, Inc.)

Fiscal year 2016 information: obtained from the District's 2016 ACFR.

INDEPENDENT SCHOOL DISTRICT NO. 284

Employees by Classification
Last Ten Fiscal Years

Employees	Fiscal Year			
	2016	2017	2018	2019
Administration				
Principals	12.0	12.0	12.0	13.0
Associate principals	6.0	6.0	6.0	7.0
Unaffiliated	36.1	38.2	39.1	43.1
Total administration	54.1	56.2	57.1	63.1
Instructional administrators				
High school classroom teachers	153.0	155.7	155.4	157.8
Middle school classroom teachers	131.7	133.4	137.2	139.5
Elementary classroom teachers	203.0	219.0	230.0	241.0
High school – area learning center	6.3	7.7	6.7	6.7
Middle school – area learning center	1.5	1.5	1.0	3.0
Community education – early childhood family education	5.5	3.5	3.5	3.5
Special services	66.0	68.6	96.6	92.3
Elementary specialists and intervention	64.7	72.2	82.7	87.9
Total instructional administrators	631.7	661.5	713.1	731.7
Student services				
Curriculum and instruction – resource, peer, alt comp	21.0	15.5	16.5	23.0
Media centers – elementary	7.0	8.0	7.9	8.0
High school – professional development	0.3	0.3	0.3	0.3
High school – counselors, media, Vision 21, intervention	17.0	18.7	18.5	20.4
Middle schools – counselors, media, Vision 21, intervention	15.5	18.2	19.3	20.0
Technology	3.0	3.0	3.0	3.0
Special services – social workers, psychologists, nurses, etc.	59.2	54.9	38.3	58.6
Total student services	123.0	118.6	103.8	133.3
Support services				
Clerical/secretarial/administrative professional	50.9	50.9	49.9	47.9
Custodial	75.0	83.5	85.5	86.0
Food service	46.2	48.8	49.4	57.0
Paraprofessionals	246.9	238.6	239.7	228.2
Unaffiliated specialists	22.8	20.9	21.9	20.5
Unaffiliated support staff	4.0	4.8	5.7	6.7
Total support services	445.8	447.5	452.1	446.3
District-wide totals	1,254.6	1,283.8	1,326.1	1,374.4

Note: All full-time equivalents are based on an 8-hour day.

Source: The District's Human Resources Department

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
13.0	13.0	13.0	13.0	13.0	13.0
7.0	8.0	8.0	8.0	8.0	9.0
<u>43.1</u>	<u>45.0</u>	<u>44.0</u>	<u>43.8</u>	<u>44.8</u>	<u>43.1</u>
63.1	66.0	65.0	64.8	65.8	65.1
162.3	163.3	161.2	157.8	152.5	150.1
139.7	149.6	151.6	137.8	133.4	128.9
250.0	248.5	239.2	230.0	225.7	235.5
6.7	7.0	6.3	7.0	7.0	7.1
3.3	1.5	0.8	1.0	0.5	1.0
3.7	4.2	4.2	4.7	5.2	5.0
88.6	103.3	105.9	105.5	124.3	116.0
<u>93.9</u>	<u>102.7</u>	<u>93.4</u>	<u>86.8</u>	<u>79.6</u>	<u>86.6</u>
748.3	780.1	762.6	730.6	728.2	730.2
25.0	21.3	17.2	18.1	19.5	19.0
9.0	9.0	9.0	4.5	4.5	6.8
-	-	-	-	-	-
23.0	23.0	19.0	21.8	21.5	16.5
19.4	19.8	20.3	20.5	16.0	27.5
3.0	3.0	3.0	3.0	3.0	3.0
<u>58.9</u>	<u>62.9</u>	<u>62.3</u>	<u>70.7</u>	<u>65.1</u>	<u>85.0</u>
138.3	139.0	130.8	138.6	129.6	157.7
45.7	44.7	44.6	44.1	45.1	39.4
88.2	89.2	88.7	88.1	93.1	92.3
55.0	50.2	56.6	51.8	61.8	63.4
243.7	208.2	209.2	215.5	216.4	185.1
29.1	26.0	14.0	21.7	21.6	21.0
10.4	15.0	8.0	11.8	12.8	14.3
<u>472.1</u>	<u>433.3</u>	<u>421.1</u>	<u>433.0</u>	<u>450.8</u>	<u>415.5</u>
<u>1,421.8</u>	<u>1,418.4</u>	<u>1,379.5</u>	<u>1,367.0</u>	<u>1,374.4</u>	<u>1,368.4</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
2016	10,858	\$136,420,224	\$ 12,564	1.0 %	488	22.3	13.9 %
2017	11,330	143,803,361	12,692	1.0	508	22.3	14.0
2018	11,642	154,352,148	13,258	4.5	523	22.3	12.0
2019	11,912	167,080,676	14,026	5.8	538	22.1	12.0
2020	12,134	178,135,010	14,681	4.7	552	22.0	11.5
2021	11,909	179,341,831	15,059	2.6	561	21.2	10.3
2022	11,841	185,223,767	15,643	3.9	552	21.5	9.6
2023	12,248	196,731,064	16,062	2.7	526	23.3	15.6
2024	12,500	205,831,722	16,467	2.5	512	24.4	16.9
2025	12,909	224,480,802	17,389	5.6	515	25.1	14.7

Note: Operating expenditures are total expenditures less debt service, capital outlays, and capital expenditures in the General Fund which are reported within each function.

Source: Nonfinancial information from district records

INDEPENDENT SCHOOL DISTRICT NO. 284

Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary schools										
Birchview (1969)										
Square feet	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720
Capacity	592	550	550	550	550	550	550	550	550	550
Enrollment	586	481	499	474	447	415	395	433	452	441
Gleason Lake (1988)										
Square feet	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710
Capacity	690	690	690	690	690	690	690	690	690	690
Enrollment	622	571	568	586	634	602	573	568	589	604
Greenwood (1964)										
Square feet	88,016	88,016	88,016	88,016	88,016	88,016	88,016	88,016	88,016	88,016
Capacity	820	780	780	780	780	780	780	780	780	780
Enrollment	856	747	794	813	775	722	779	824	810	763
Kimberly Lane (1991)										
Square feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Capacity	690	710	710	710	710	710	710	710	710	710
Enrollment	718	649	760	778	628	571	571	526	531	534
Meadow Ridge (2016)										
Square feet	–	85,208	102,508	102,508	102,508	102,508	102,508	102,508	102,508	102,508
Capacity	–	710	828	828	828	828	828	828	828	828
Enrollment	–	758	853	869	768	769	783	769	755	764
North Woods (2020)										
Square feet	–	–	–	–	104,611	104,611	104,611	104,611	104,611	104,611
Capacity	–	–	–	–	760	760	760	760	760	760
Enrollment	–	–	–	–	569	601	691	775	809	776
Oakwood (1957)										
Square feet	95,476	95,476	95,476	95,476	95,476	139,570	139,570	139,570	139,570	139,570
Capacity	690	640	640	640	640	640	640	640	640	640
Enrollment	675	475	515	562	494	458	424	418	448	550
Plymouth Creek (1988)										
Square feet	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000
Capacity	690	710	710	710	710	710	710	710	710	710
Enrollment	762	669	690	714	675	629	603	588	659	680
Sunset Hill (1963)										
Square feet	73,598	73,598	73,598	73,598	73,598	73,598	73,598	73,598	73,598	73,598
Capacity	690	660	660	660	660	660	660	660	660	660
Enrollment	596	664	681	681	682	621	635	675	706	712
Middle schools										
East (1967)										
Square feet	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111
Capacity	800	850	850	850	850	850	850	850	850	850
Enrollment	743	780	733	747	690	677	648	648	674	818
West (1949)										
Square feet	167,525	167,525	167,525	167,525	167,525	167,525	167,525	167,525	167,525	167,525
Capacity	900	850	850	850	850	850	850	850	850	850
Enrollment	772	791	771	758	748	723	684	680	714	836
Central (1961)										
Square feet	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568
Capacity (1)	1,700	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,118	1,209	1,268	1,320	1,316	1,401	1,412	1,532	1,546	1,343
High school										
Peony (1997)										
Square feet	487,432	656,432	656,432	656,432	656,432	656,432	656,432	656,432	656,432	656,432
Capacity	3,200	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Enrollment	3,334	3,410	3,453	3,558	3,669	3,685	3,685	3,687	3,711	3,939
Transition School (2023)										
Square feet	–	–	–	–	4,000	4,000	4,000	4,000	8,600	8,600
Capacity	–	–	–	–	30	30	30	30	75	75
Enrollment	–	–	–	–	15	30	30	48	39	38

(1) Through fiscal 2016, Central Middle School capacity includes space for 1,400 middle school students and 300 birth-to-kindergarten students.

Source: Information was obtained from district records. Enrollment data is as of October 1 of the fiscal year.

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FORM OF LEGAL OPINION

(See following pages)

FORM OF LEGAL OPINION

Independent School District No. 284
Wayzata, Minnesota

D.A. Davidson & Co.
Plymouth, Minnesota

Re: \$[PAR] General Obligation School Building and Alternative Facilities Refunding Bonds,
 Series 2026A
 Independent School District No. 284 (Wayzata Public Schools), Minnesota

Ladies and Gentlemen:

As Bond Counsel in connection with the authorization, issuance and sale by Independent School District No. 284 (Wayzata Public Schools), Minnesota (the District), of the obligations described above, dated, as originally issued, as of April [___], 2026 (the Bonds), we have examined certified copies of certain proceedings taken, and certain affidavits and certificates furnished, by the District in the authorization, sale and issuance of the Bonds, including the form of the Bonds. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits and certificates furnished to us without undertaking to verify the same by independent investigation. From our examination of such proceedings, affidavits and certificates and on the basis of existing law, it is our opinion that:

1. The Bonds are valid and binding general obligations of the District, enforceable in accordance with their terms.
2. The principal of and interest on the Bonds are payable from ad valorem taxes heretofore duly levied on all taxable property in the District, but if necessary for payment thereof, additional ad valorem taxes are required by law to be levied on all such property, which taxes are not subject to any limitation as to rate or amount.
3. The resolution authorizing the issuance of the Bonds obligates the District to be bound by the provisions of Minnesota Statutes, Section 126C.55. We express no opinion as to the enforceability of the provisions of such law against the State of Minnesota in the absence of legally appropriated and available funds to pay the obligations of the State thereunder.
4. Interest on the Bonds (a) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the Code) and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code.

5. Interest on the Bonds (a) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes and (b) is not an item of tax preference for purposes of the Minnesota alternative minimum tax imposed on individuals, estates, and trusts.

The opinions expressed in paragraphs 1, 2, and 3 above are subject, as to enforceability, to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors' rights and the application of equitable principles, whether considered at law or in equity.

The opinions expressed in paragraphs 4 and 5 above are subject to the compliance by the District with certain requirements of the Code that must be satisfied subsequent to the issuance of the Bonds. Noncompliance with these requirements could result in the inclusion of interest on the Bonds in gross income for federal income tax purposes and taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, retroactive to the date of issuance of the Bonds.

Except as stated herein, we express no opinion regarding federal, state, or other tax consequences to the owner of the Bonds. We note, however, that interest on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code) and is included in net income of corporations and financial institutions for purposes of the Minnesota franchise tax.

In providing this opinion, we have relied upon representations of the District and its officers as to (i) the intended application of the proceeds of the Bonds, (ii) the nature, use, cost, and economic life of the facilities and equipment refinanced by the Bonds, and (iii) other matters relating to the exemption of the interest on the Bonds from federal income taxation.

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

Independent School District No. 284
D.A. Davidson & Co.
Page 2

Dated this [__] day of August, 2026

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Very truly yours,

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE COVENANTS
(EXCERPTS FROM RATIFYING RESOLUTION)**

(See following pages)

Form of Continuing Disclosure Covenants

Excerpt from Ratifying Resolution

Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the District hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. The District is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the District fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The District will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the District, the following information at the following times:

- (1) on or before twelve (12) months after the end of each fiscal year of the District, commencing with the fiscal year ending June 30, 2026, the following financial information and operating data in respect of the District (the Disclosure Information):
 - (A) the audited financial statements of the District for such fiscal year, prepared in accordance with generally accepted accounting principles in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of

the District, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the District; and

- (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: “VALUATIONS – Current Property Valuations;” “DEBT – Direct Debt;” “TAX LEVIES, COLLECTION AND RATES – Tax Levies and Collections;” “THE ISSUER – Student Body;” and “GENERAL INFORMATION – Employment/Unemployment Data;” which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the District shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the District shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (the MSRB) through its Electronic Municipal Market Access System (EMMA) or the SEC. The District shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the District have materially changed or been discontinued, such Disclosure Information need no longer be provided if the District includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other District operations in respect of which data is not included in the Disclosure Information and the District determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the District shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner, not in excess of 10 business days, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a “Material Fact,” as hereinafter defined):
 - (A) principal and interest payment delinquencies;
 - (B) non-payment related defaults, if material;
 - (C) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) substitution of credit or liquidity providers, or their failure to perform;
 - (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue

(IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

- (G) modifications to rights of Bond holders, if material;
- (H) Bond calls, if material and tender offers;
- (I) defeasances;
- (J) release, substitution, or sale of property securing repayment of the Bonds if material;
- (K) rating changes;
- (L) bankruptcy, insolvency, receivership, or similar event of the obligated person;
- (M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (N) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (O) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; “financial obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule; and
- (P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

As used herein, for those events that must be reported if material, a “Material Fact” is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also a fact that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over

substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

For purposes of the events identified in paragraphs (O) and (P) above, the term “financial obligation” means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

- (3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:
 - (A) the failure of the District to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
 - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the District under subsection (d)(2);
 - (C) the termination of the obligations of the District under this section pursuant to subsection (d);
 - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
 - (E) any change in the fiscal year of the District.

(c) Manner of Disclosure.

- (1) The District agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the District in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the District under this section shall terminate and be without further effect as of any date on which the District delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the District to comply with the

requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the District from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the District accompanied by an opinion of Bond Counsel, who may rely on certificates of the District and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the District or the type of operations conducted by the District, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the District agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

APPENDIX B

Form of Pricing Notice

PRICING NOTICE FOR
INVITATION TO TENDER BONDS
made by
INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA PUBLIC SCHOOLS, MINNESOTA

to the Holders of all or any portion of the maturities listed on page (2) herein of

INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA PUBLIC SCHOOLS, MINNESOTA
Taxable General Obligation School Building and Alternative Facilities
Refunding Bonds, Series 2021A

*The purpose of this Pricing Notice, dated March 18, 2026 (the “**Pricing Notice**”) is to either confirm or amend the Purchase Prices for the Fixed Spreads for the Bonds. All other terms relating to the Tender Offer (hereinafter defined) remain unchanged.*

Pursuant to the Invitation to Tender Bonds dated March 12, 2026 (as it may be amended or supplemented, the “**Tender Offer**”), Independent School District No. 284 Wayzata Public Schools, Minnesota (the “**Issuer**”), invited offers to tender Bonds for cash at the applicable purchase prices based on a fixed spread to be added to the yields on certain benchmark United States Treasury Securities set forth in this Pricing Notice. Accrued Interest on the Bonds will be paid on the Settlement Date. All terms used herein and not otherwise defined are used as defined in the Tender Offer.

As set forth in the Tender Offer, the Issuer retains the right to extend the Tender Offer, or amend the terms of the Tender Offer (including a waiver of any term) in any material respect, provided, that the Issuer shall provide notice of any such extension or amendment no less than five (5) business days prior to the Expiration Date, as it may be extended. In such event, any offers submitted with respect to the affected Bonds prior to such change in the Purchase Price or Fixed Spreads for such Bonds pursuant to the Tender Offer will remain in full force and effect and any Bondholder of such affected Bonds as applicable, wishing to revoke their offer to tender such Bonds for purchase must affirmatively withdraw such offer prior to the Expiration Date, as extended.

The Tender Offer, including the Preliminary Official Statement relating to the General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2026A of the Issuer is available: (i) at the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org>, using the CUSIP numbers for the Bonds, and (ii) on the website of the Information Agent at www.globic.com/wayzata.

Any questions are to be directed to the Information Agent at (212) 227-9622.

TENDER OFFER – YIELD SPREADS

Pursuant to the Tender Offer, the Fixed Spreads for the Bonds are listed below. The Purchase Price to be paid on the Settlement Date excludes Accrued Interest on the Bonds tendered for purchase, which interest will be paid to but not including the Settlement Date.

Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A

CUSIP	Maturity Date	Interest Rate	Outstanding Principal Amount	Benchmark Treasury Security	Benchmark Treasury Security Maturity	Benchmark Treasury Security CUSIP	Fixed Spreads (in basis points)
946813 XL1	2/1/2027	3.00%	\$9,285,000	3.375 Cpn	2/29/2028	91282cqb0	0
946813 XM9	2/1/2028	3.00%	\$9,585,000	3.375 Cpn	2/29/2028	91282cqb0	0
946813 XN7	2/1/2029	3.00%	\$10,915,000	3.50 Cpn	2/15/2029	91282cqa2	0
946813 XP2	2/1/2030	1.65%	\$11,235,000	3.50 Cpn	2/28/2031	91282cqd6	0
946813 XQ0	2/1/2031	1.75%	\$11,395,000	3.50 Cpn	2/28/2031	91282cqd6	0
946813 XR8	2/1/2032	1.90%	\$11,620,000	3.75 Cpn	2/28/2033	91282cqc8	0
946813 XS6	2/1/2033	2.00%	\$11,875,000	3.75 Cpn	2/28/2033	91282cqc8	0
946813 XT4	2/1/2034	2.10%	\$12,155,000	4.125 Cpn	2/15/2036	91282cpz8	0
946813 XU1	2/1/2035	2.20%	\$12,450,000	4.125 Cpn	2/15/2036	91282cpz8	0
946813 XV9	2/1/2036	2.30%	\$4,350,000	4.125 Cpn	2/15/2036	91282cpz8	0

The yields on the Benchmark Treasury Securities will be determined at 10:00 AM, New York City time, on April 3, 2026.

Example based on the following closing yields for the Benchmark Treasury Securities as of March __, 2026 and the Fixed Spreads: The tables below provide an example of the Purchase Price realized by a Bondholder that submits an offer based on the following yields for the Benchmark Treasury Securities as of March __, 2026 and the Fixed Spreads. **This example is being provided for convenience only and is not to be relied upon by a Bondholder as an indication of the Purchase Yield or Purchase Price that may be paid by the Issuer.**

Based on these Benchmark Treasury Security yields, the following Purchase Prices would be derived:

Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A

CUSIP	Maturity Date	Benchmark Treasury Security	Benchmark Treasury Security Maturity	Indicative Benchmark Yield	Fixed Spread (in basis points)	Indicative Purchase Yield	Indicative Purchase Price per \$100 Principal Amount
946813 XL1	2/1/2027	3.375 Cpn	91282cqb0	3.563	0	3.563	99.509
946813 XM9	2/1/2028	3.375 Cpn	91282cqb0	3.563	0	3.563	98.978
946813 XN7	2/1/2029	3.50 Cpn	91282cqa2	3.58	0	3.58	98.419
946813 XP2	2/1/2030	3.50 Cpn	91282cqd6	3.707	0	3.707	92.612
946813 XQ0	2/1/2031	3.50 Cpn	91282cqd6	3.707	0	3.707	91.321
946813 XR8	2/1/2032	3.75 Cpn	91282cqc8	3.906	0	3.906	89.536
946813 XS6	2/1/2033	3.75 Cpn	91282cqc8	3.906	0	3.906	88.583
946813 XT4	2/1/2034	4.125 Cpn	91282cpz8	4.128	0	4.128	86.461
946813 XU1	2/1/2035	4.125 Cpn	91282cpz8	4.128	0	4.128	85.773
946813 XV9	2/1/2036	4.125 Cpn	91282cpz8	4.128	0	4.128	85.278

As a measure of the sensitivity of the Purchase Yield to changes in the yield on the Benchmark Treasury Security, the following table shows the impact on the Purchase Yield of a 0.10% (10 basis point) movement in the yield on the Benchmark Treasury Security:

**Taxable General Obligation School Building and Alternative Facilities
Refunding Bonds, Series 2021A**

CUSIP	Maturity Date	Indicative Purchase Yield	Indicative Purchase Price (Assuming a 0.10% Increase in Treasury Security Yield)	Indicative Purchase Price per \$100 Principal Amount	Indicative Purchase Price (Assuming a 0.10% Decrease in Treasury Security Yield)
946813 XL1	2/1/2027	3.563	99.422	99.509	99.595
946813 XM9	2/1/2028	3.563	98.798	98.978	99.158
946813 XN7	2/1/2029	3.58	98.150	98.419	98.689
946813 XP2	2/1/2030	3.707	92.269	92.612	92.956
946813 XQ0	2/1/2031	3.707	90.901	91.321	91.743
946813 XR8	2/1/2032	3.906	89.047	89.536	90.027
946813 XS6	2/1/2033	3.906	88.025	88.583	89.144
946813 XT4	2/1/2034	4.128	85.848	86.461	87.078
946813 XU1	2/1/2035	4.128	85.100	85.773	86.453
946813 XV9	2/1/2036	4.128	84.547	85.278	86.017