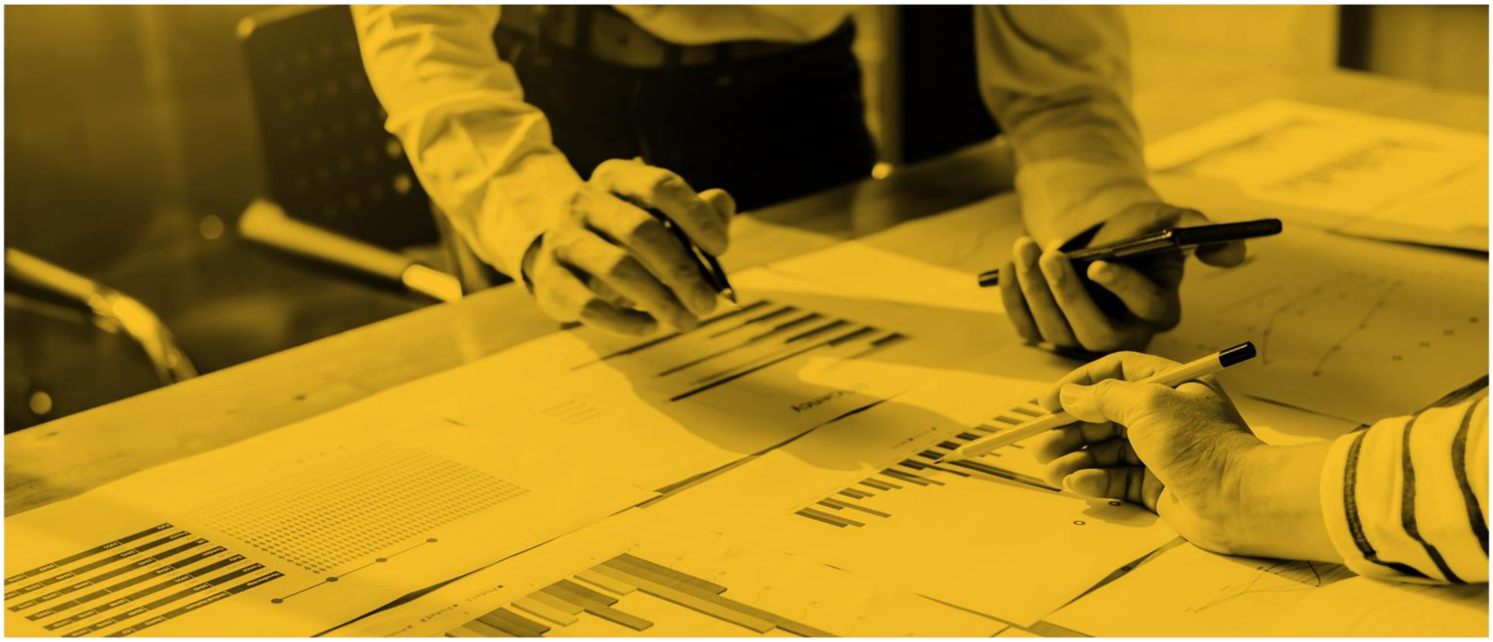

Annual Financial Report

Woodbury Leadership Academy Charter School No. 4228

Woodbury, Minnesota

For the year ended June 30, 2023

Abdo
Lighting the path forward

Edina Office
5201 Eden Avenue, Ste 250
Edina, MN 55436
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Mankato Office
100 Warren Street, Ste 600
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Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Annual Financial Report
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For the Year Ended June 30, 2023

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INTRODUCTORY SECTION

WOODBURY LEADERSHIP ACADEMY
CHARTER SCHOOL NO. 4228
WOODBURY, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2023

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Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Board of Directors and Administration
For the Year Ended June 30, 2023

BOARD OF DIRECTORS

Name	Position
Shelbi Pool	Chair
Jolene Skordahl	Treasurer
Mandi Folks	Secretary
Ryan Sheak	Member
Julie Ohs	Member
Richard Washington	Member

ADMINISTRATION

Name	Position
Dr. Kathleen Mortensen	Executive Director
Dustin Reeves	BerganKDV - Contract Finance Manager

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FINANCIAL SECTION

WOODBURY LEADERSHIP ACADEMY
CHARTER SCHOOL NO. 4228
WOODBURY, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Woodbury Leadership Academy, Charter School No. 4228
Woodbury, Minnesota

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Woodbury Leadership Academy, Charter School No. 4228, (the Charter School), Woodbury, Minnesota as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter School'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 Charter School as of June 30, 2023, and the respective changes in financial position thereof and the respective budgetary comparison for the General fund for the period then ended in conformity 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 Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Charter School'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 Charter School'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 15 and the Schedule of Employer's Shares of the Net Pension Liability and the Schedules of Employer's Contributions on page 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 opinion on the financial statements that collectively comprise the School's basic financial statements. The accompanying table is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related 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 table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that is solely to report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.

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Minneapolis, Minnesota
December 11, 2023

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Management's Discussion and Analysis

As management of the Woodbury Leadership Academy (the Charter School), Minneapolis, Minnesota, we offer readers of the Charter School's financial statements this narrative overview and analysis of the financial activities of the Charter School for the period ended June 30, 2023.

Financial Highlights

- The fund balance of the General fund increased $168,696 from the prior year for an ending fund balance of $2,128,894 at June 30, 2023. At the end of the current fiscal year, the fund balance percentage for the General fund was 27.2% of total General fund expenditures.

- The fund balance of the Community Service Fund was $55,327 at June 30, 2023.

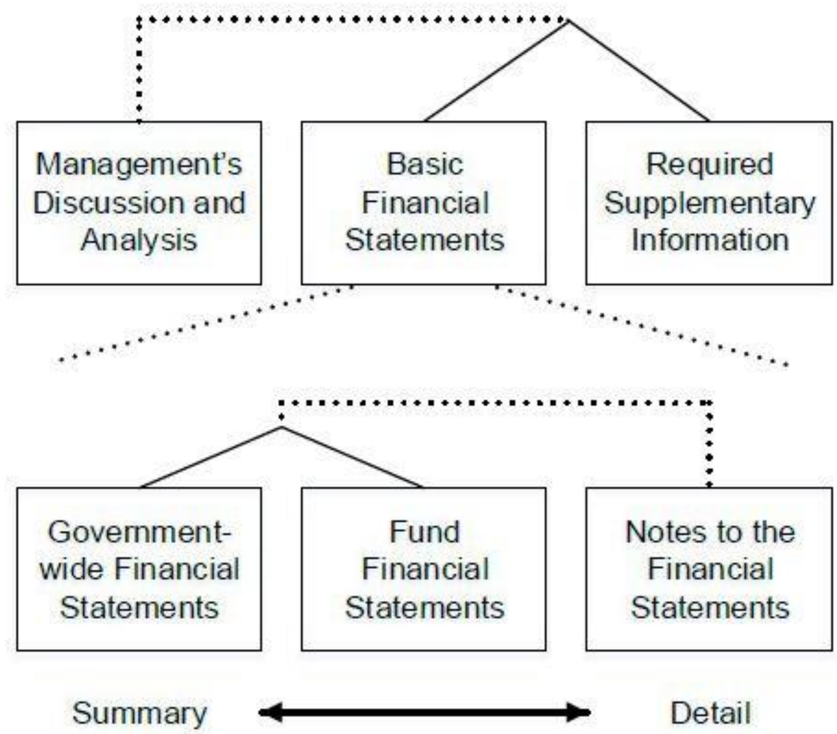
- The average enrollment during 2022 - 2023 was 666 students which was an increase of 31 students over the prior year.

- The Charter School had a positive net position of $2,125,996 at the close of fiscal year 2023 which was an increase of $193,014 from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Charter School's basic financial statements. The Charter School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The following chart shows how the various parts of this annual report are arranged and related to one another:



The following chart summarizes the major features of the Charter School's financial statements, including the portion of the Charter School's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements:

Major Features of the Government-wide and Fund Financial Statements

		Fund Financial Statements
	Government-wide Statements	**Governmental Funds**
Scope	Entire Charter School (except fiduciary funds)	The activities of the Charter School that are not fiduciary, such as special education and building maintenance
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/out flow information	All revenues and expenditures during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Charter School's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Charter School's assets, deferred inflows of resources, liabilities and deferred outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Charter School is improving or deteriorating.

The *statement of activities* presents information showing how the Charter School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements display functions of the Charter School that are principally supported by intergovernmental revenues (*governmental activities*). The governmental activities of the Charter School include administration, district support services, elementary and secondary regular instruction, special education instruction, community education and services, instructional support services, pupil support services, sites and buildings, and fiscal and other fixed cost programs.

The government-wide financial statements can be found starting on page 24 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Charter School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Charter School maintains three individual governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Building Company fund and the Community Service fund, which is considered nonmajor.

The Charter School adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found starting on page 28 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 33 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Charter School's share of net pension liabilities for defined benefit plans and schedules of contributions. Required supplementary information can be found starting on page 58 of this report.

Other Information. The table referred to earlier in connection with the supplementary information is presented immediately following the notes to the financial statements. The table starts on page 66 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Charter School, assets and deferred outflows were more than liabilities and deferred inflows by $2,125,996 at the close of the 2023 fiscal year.

A portion of the Charter School's net position, $1,040,89, reflects its net investment in capital assets (e.g., land, buildings and equipment). The Charter School uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending.

Woodbury Leadership Academy's Summary of Net Position

	Governmental Activities		
	2023	2022	Increase (Decrease)
Assets			
Current and other assets	$ 4,835,408	$ 5,932,446	$ (1,097,038)
Capital assets, net of depreciation	24,775,043	24,164,782	610,261
Total Assets	29,610,451	30,097,228	(486,777)
Deferred Outflows of Resources	1,455,544	1,409,032	46,512
Liabilities			
Noncurrent liabilities outstanding	27,588,522	25,441,134	2,147,388
Current and other liabilities	1,089,637	2,043,023	(953,386)
Total Liabilities	28,678,159	27,484,157	1,194,002
Deferred Inflows of Resources	261,840	2,089,121	(1,827,281)
Net Position			
Net investment in capital assets	1,040,089	2,689,855	(1,649,766)
Restricted	1,621,499	60,039	1,561,460
Unrestricted	(535,592)	(816,912)	281,320
Total Net Position	$ 2,125,996	$ 1,932,982	$ 193,014
Net Position as a Percent of Total			
Net investment in capital assets	48.9 %	139.2 %	
Restricted	76.3	3.1	
Unrestricted	(25.2)	(42.3)	
	100.0 %	100.0 %	

At the end of the current fiscal year, the Charter School reported a positive balance in the net investment in capital assets and restricted categories of net position and a negative balance in the unrestricted category.

Governmental Activities. Governmental activities increased the School's net position as shown below in the summary of changes in net position. Key elements of this increase are shown in the table below.

Woodbury Leadership Academy's Changes in Net Position

	Governmental Activities		
	2023	2022	Increase (Decrease)
Revenues			
Program revenues			
Charges for services	$ 56,762	$ 40,704	$ 16,058
Operating grants and contributions	2,353,701	1,887,370	466,331
General revenues			
State aid-formula grants	5,402,351	4,910,249	492,102
Other general revenues	263,726	1,093,049	(829,323)
Loan forgiveness	-	493,588	(493,588)
Unrestricted investment earnings	129,668	3,580	126,088
Total Revenues	8,206,208	8,428,540	(222,332)
Expenses			
Administration	214,627	235,902	(21,275)
Charter School support services	476,655	369,866	106,789
Elementary and secondary regular instruction	3,160,610	3,055,941	104,669
Special education instruction	1,187,488	980,687	206,801
Community education and services	-	4,638	(4,638)
Instructional support services	459,647	371,086	88,561
Pupil support services	720,985	672,098	48,887
Sites and buildings	944,607	1,769,454	(824,847)
Fiscal and other fixed cost programs	23,281	21,527	1,754
Interest and fiscal charges on debt	825,294	835,749	(10,455)
Total Expenses	8,013,194	8,316,948	(303,754)
Change in Net Position	193,014	111,592	81,422
Net Position, July 1	1,932,982	1,821,390	111,592
Net Position, June 30	$ 2,125,996	$ 1,932,982	$ 193,014

Significant changes from prior year include:

- State aids increased due to increased general education aid.
- Most programs expenses increased due to an increase in pension liability and related pension balances.

Financial Analysis of the Charter School's Funds

As noted earlier, the Charter School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Charter School's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Charter School's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

	General Fund	Building Company	Nonmajor Community Service	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances						
Nonspendable	$ 35,174	$ -	$ -	$ 35,174	$ 24,228	$ 10,946
Restricted for						
Safe Schools	3,772	-	-	3,772	3,772	-
Medical Assistance	940	-	-	940	940	-
Community Service	-	-	55,327	55,327	55,327	-
Building Company	-	2,000,535	-	2,000,535	2,312,883	(312,348)
Unassigned	2,089,098	-	-	2,089,098	1,931,348	157,750
Total Fund Balances	$ 2,128,984	$ 2,000,535	$ 55,327	$ 4,184,846	$ 4,328,498	$ (143,652)

As of the close of the current fiscal year, the Charter School's governmental funds reported combined ending fund balances shown above. Additional information on the Charter School's fund balances can be found in Note 1 starting on page 38 of this report.

The General fund is the chief operating fund of the Charter School. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	$ 35,174	$ 24,228	$ 10,946
Restricted	4,712	4,712	-
Unassigned	2,089,098	1,931,348	157,750
Total Fund Balances	$ 2,128,984	$ 1,960,288	$ 168,696
General Fund expenditures	$ 7,834,702	$ 6,737,871	
Unassigned as a percent of expenditures	26.7%	28.7%	
Total Fund Balance as a percent of expenditures	27.2%	29.1%	

The fund balance of the Charter School's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance was due to total expenditures being less than budgeted, primary related to the elementary and secondary regular instruction expenditures.

General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	$ 7,942,784	$ (76,304)	$ 7,866,480	$ 8,003,398	$ 136,918
Expenditures	7,687,154	(86,172)	7,600,982	7,834,702	(233,720)
Net Change in Fund Balances	255,630	9,868	265,498	168,696	(96,802)
Fund Balances, July 1	1,960,288	-	1,960,288	1,960,288	-
Fund Balances, June 30	$ 2,215,918	$ 9,868	$ 2,225,786	$ 2,128,984	$ (96,802)

The Charter School's General fund budget was amended during the year as shown above. The budget amendment decreased revenues relating to state sources and increased expenditures relating to mostly elementary and secondary regular instruction and sites and buildings. Actual revenues were under the final budget and expenditures were under the final budget amounts as shown above.

Capital Assets

The Charter School's investment in capital assets for its governmental activities as of June 30, 2023, is shown below in the capital asset table (net of accumulated depreciation). This investment in capital assets includes land, equipment and leasehold improvements. Total depreciation expense for the year was $336,253. The following is a schedule of capital assets as of June 30, 2023.

	Governmental Activities		
	2023	2022	Increase (Decrease)
Land	$ 4,331,500	$ 4,331,500	$ -
Construction in Progress	180,194	9,634,551	(9,454,357)
Leasehold Improvements	362,060	197,788	164,272
Buildings	19,683,240	9,784,465	9,898,775
Equipment	218,049	216,478	1,571
Total	$ 24,775,043	$ 24,164,782	$ 610,261

Additional information on the Charter School's capital assets can be found in Note 3B on page 42 of this report.

Noncurrent Liabilities

At the end of the current fiscal year, the Charter School had the following noncurrent liabilities outstanding.

	Governmental Activities		
	2023	2022	Increase (Decrease)
Revenue Bonds Payable	$ 21,995,000	$ 21,995,000	$ -
Bond Premium	1,739,954	1,972,810	(232,856)
Total	$ 23,734,954	$ 23,967,810	$ (232,856)

Economic Factors and Next Year's Budgets and Rates

- The School is dependent enrollment growth as well as the state of Minnesota for its revenue authority. The 2023 Legislative session ended with schools receiving a 4.00% increase to the general education formula for FY 2024 and 2% increase to general education formula for FY 2025, with a potential of capping at 3% for inflationary purposes. The holdback will continue at its current level of 10%.

- The Charter School's Building Company was created in 2021 and financed the acquisition of the existing Schoolhouse Building and the Schoolhouse addition with proceeds from their Series 2021 Revenue Bond issuance. The construction project of the Schoolhouse addition started in FY 2021 - 22 and was completed and ready to use in FY 2022 - 23. The schoolhouse addition will allow them to expand their enrollment and school programs in the future.

- The School will strive to maintain a commitment to academic excellence and educational opportunity for all students within a framework of financial fiduciary responsibility.

These factors were considered in preparing the Charter School's budget for the 2024 fiscal year and beyond.

Requests for Information

This financial report is designed to provide a general overview of the Charter School's finances for all those with an interest in the Charter School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dr. Kathleen Mortensen, Director, Woodbury Leadership Academy, Charter School No. 4228, 8089 Globe Drive, Woodbury, MN 55129.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WOODBURY LEADERSHIP ACADEMY
CHARTER SCHOOL NO. 4228
WOODBURY, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2023

Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash and temporary investments	$ 2,025,315
Cash held with escrow	2,078,665
Deposits receivable	20
Due from Minnesota Department of Education	399,143
Due from Federal government	297,091
Prepaid items	35,174
Capital assets	
Nondepreciable assets	4,511,694
Depreciable assets, net of accumulated depreciation	20,263,349
Total Assets	29,610,451
Deferred Outflow of Resources	
Deferred pension resources	1,455,544
Liabilities	
Accounts and other payables	230,825
Accrued salaries payable	419,737
Accrued interest payable	439,075
Noncurrent liabilities	
Due within one year	
Bonds payable	155,000
Due in more than one year	
Bonds payable, net	23,579,954
Net pension liability	3,853,568
Total Liabilities	28,678,159
Deferred Inflow of Resources	
Deferred inflows of resources	261,840
Net Position	
Net Investment in capital assets	1,040,089
Restricted	
Safe schools	3,772
Medical assistance	940
Community service	55,327
Building Company	1,561,460
Unrestricted	(535,592)
Total Net Position	$ 2,125,996

The notes to the financial statements are an integral part of this statement.

Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Administration	$ 214,627	$ 55,233	$ -	$ -	$ (159,394)
Charter school support services	476,655	-	-	-	(476,655)
Elementary and secondary regular instruction	3,160,610	1,529	202,051	-	(2,957,030)
Special education instruction	1,187,488	-	1,251,937	-	64,449
Instructional support services	459,647	-	-	-	(459,647)
Pupil support services	720,985	-	-	-	(720,985)
Sites and buildings	944,607	-	899,713	-	(44,894)
Fiscal and other fixed cost programs	23,281	-	-	-	(23,281)
Interest and fiscal charges on debt	825,294	-	-	-	(825,294)
Total Governmental Activities	$ 8,013,194	$ 56,762	$ 2,353,701	$ -	(5,602,731)
General Revenues					
State aid formula grants					5,402,351
Other general revenues					263,726
Unrestricted investment earnings					129,668
Total General Revenues					5,795,745
Change in Net Position					193,014
Net Position, July 1					1,932,982
Net Position, June 30					$ 2,125,996

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

WOODBURY LEADERSHIP ACADEMY
CHARTER SCHOOL NO. 4228
WOODBURY, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2023

Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Balance Sheet
Governmental Funds
June 30, 2023

	General	Building Company	Nonmajor Community Service	Total Funds
Assets				
Cash and temporary investments	$ 1,969,988	$ -	$ 55,327	$ 2,025,315
Cash held with escrow	-	2,078,665	-	2,078,665
Accounts receivable	20	-	-	20
Due from other funds	78,130	-	-	78,130
Due from the Minnesota Department of Education	399,143	-	-	399,143
Due from the Federal government	297,091	-	-	297,091
Prepaid items	35,174	-	-	35,174
Total Assets	$ 2,779,546	$ 2,078,665	$ 55,327	$ 4,913,538
Liabilities				
Accounts and other payables	$ 230,825	$ -	$ -	$ 230,825
Accrued salaries payable	419,737	-	-	419,737
Due to other funds	-	78,130	-	78,130
Total Liabilities	650,562	78,130	-	728,692
Fund Balances				
Nonspendable prepaid items	35,174	-	-	35,174
Restricted for				
Safe schools	3,772	-	-	3,772
Medical assistance	940	-	-	940
Community service	-	-	55,327	55,327
Building Company	-	2,000,535	-	2,000,535
Unassigned	2,089,098	-	-	2,089,098
Total Fund Balances	2,128,984	2,000,535	55,327	4,184,846
Total Liabilities and Fund Balances	$ 2,779,546	$ 2,078,665	$ 55,327	$ 4,913,538

The notes to the financial statements are an integral part of this statement.

Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
June 30, 2023

Amounts reported for governmental activities in the statement of net position are different because

Total Fund Balances - Governmental Funds	$ 4,184,846
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	25,605,660
Less accumulated depreciation	(830,617)
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Noncurrent liabilities at year end consist of	
Bonds payable	(21,995,000)
Bonds premium	(1,739,954)
Net pension liability	(3,853,568)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	1,455,544
Deferred inflows of pension resources	(261,840)
Governmental funds do not report a liability for accrued interest until due and payable.	(439,075)
Total Net Position - Governmental Activities	$ 2,125,996

The notes to the financial statements are an integral part of this statement.

Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Building Company	Nonmajor Community Service	Total Funds
Revenues				
Other local and county revenue	$ 219,286	$ 1,274,326	$ -	$ 1,493,612
Interest earned on investments	73,454	56,214	-	129,668
Revenue from state sources	7,381,345	-	-	7,381,345
Revenue from federal sources	329,313	-	-	329,313
Total Revenues	8,003,398	1,330,540	-	9,333,938
Expenditures				
Current				
Administration	202,820	-	-	202,820
District support services	423,718	-	-	423,718
Elementary and secondary regular instruction	2,964,353	-	-	2,964,353
Special education instruction	1,083,626	-	-	1,083,626
Instructional support services	406,781	-	-	406,781
Pupil support services	720,475	-	-	720,475
Sites and buildings	1,758,324	-	-	1,758,324
Fiscal and other fixed cost programs	23,281	-	-	23,281
Capital outlay				
Elementary and secondary regular instruction	2,338	-	-	2,338
Special education instruction	4,345	-	-	4,345
Instructional support services	45,791	-	-	45,791
Sites and buildings	198,850	764,738	-	963,588
Debt service				
Bond interest	-	878,150	-	878,150
Total Expenditures	7,834,702	1,642,888	-	9,477,590
Net Change in Fund Balance	168,696	(312,348)	-	(143,652)
Fund Balance, July 1	1,960,288	2,312,883	55,327	4,328,498
Fund Balance, June 30	$ 2,128,984	$ 2,000,535	$ 55,327	$ 4,184,846

The notes to the financial statements are an integral part of this statement.

Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Reconciliation of the Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because

Net Change in Fund Balances - Governmental Funds	$	(143,652)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Capital outlays		946,514
Depreciation expense		(336,253)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.		
Amortization of bond premium		52,856
Long-term pension activity is not reported in governmental funds.		
Pension expense		(362,871)
Pension revenue		36,420
Change in Net Position - Governmental Activities	$	193,014

The notes to the financial statements are an integral part of this statement.

Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Other local and county revenue	$ 56,000	$ 198,544	$ 219,286	$ 20,742
Interest earned on investments	1,000	75,000	73,454	(1,546)
Revenue from state sources	7,602,240	7,275,972	7,381,345	105,373
Revenue from federal sources	283,544	316,964	329,313	12,349
Total Revenues	7,942,784	7,866,480	8,003,398	136,918
Expenditures				
Current				
Administration	207,609	218,343	202,820	15,523
Charter school support services	388,145	442,736	423,718	19,018
Elementary and secondary regular instruction	3,030,240	2,792,547	2,964,353	(171,806)
Special education instruction	951,270	1,008,566	1,083,626	(75,060)
Instructional support services	398,329	390,972	406,781	(15,809)
Pupil support services	647,551	714,984	720,475	(5,491)
Sites and buildings	1,676,221	1,673,912	1,758,324	(84,412)
Fiscal and other fixed cost programs	51,500	60,800	23,281	37,519
Capital outlay				
Elementary and secondary regular instruction	-	4,686	2,338	2,348
Special education instruction	1,020	1,020	4,345	(3,325)
Instructional support services	79,694	40,886	45,791	(4,905)
Sites and buildings	255,575	251,530	198,850	52,680
Total Expenditures	7,687,154	7,600,982	7,834,702	(233,720)
Net Change in Fund Balances	255,630	265,498	168,696	(96,802)
Fund Balances, July 1	1,960,288	1,960,288	1,960,288	-
Fund Balances, June 30	$ 2,215,918	$ 2,225,786	$ 2,128,984	$ (96,802)

The notes to the financial statements are an integral part of this statement.

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Woodbury Leadership Academy, Charter School No. 4228, (the Charter School), Woodbury, Minnesota is a nonprofit that was incorporated on November 12, 2013 as a non-profit corporation under section 501(c)3 of the Internal Revenue Code of 1954, for the purpose of providing educational services to individuals within the area. The Charter School is authorized by Volunteers of America - Minnesota. The permanent governing body consists of a nine member Board of Directors.

The Charter School's financial statements include all funds, departments, agencies, boards, commissions, and other organizations for which the Charter School is considered to be financially accountable.

Component units are legally separate entities for which the Charter School (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 is one organization considered to be a component unit of the school.

The Friends of WLA (the Building Company) is a Minnesota non-profit corporation holding IRS classification as a 501(c)(3) tax exempt organization which owns the real estate and building that is leased by the Charter School for its operations. The Building Company is governed by a separate board. Although it is legally separate from the School, the Building Company is reported as if it were part of the Charter School (as a blended component unit) because its sole purpose is to acquire, construct and own an educational site which is leased to the School. No separate financial statements of the Building Company are issued. The building is leased to the Charter School under the terms of a long-term agreement. All long-term debt related to the purchase of the building and property and all capital assets related to the school site are the responsibility of and are under the ownership of the Building Company.

Aside from its authorization, Volunteers of America - Minnesota has no authority, control, power, or administrative responsibilities over the Charter School. Therefore, the Charter School is not considered a component unit of Volunteers of America.

The Charter School has no student activity funds.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government.

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. Amounts reported as *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. State aid formula grants and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

Note 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. State revenue is recognized in the year to which it applies according to Minnesota statutes and accounting principles generally accepted in the United States of America. Minnesota statutes include State aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure was made. Other revenue is considered available if collected within one year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlement and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Charter School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transaction must also be available before it can be recognized.

The preparation of the basic financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Description of Funds

The Charter School funds have been established by the State of Minnesota Department of Education. Each fund is accounted for as an independent entity. Descriptions of the funds included in the report are as follows:

Major Governmental Funds

The *General fund* is the Charter School’s primary operating fund. It accounts for all financial resources of the Charter School, except those required to be accounted for in another fund.

The *Building Company fund* is used to account for construction and debt activity related to the school building.

Nonmajor Governmental Funds

The *Community Service special revenue fund* is used to account for the Charter School’s after school program.

Note 1: Summary of Significant Accounting Policies (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The Charter School's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The Charter School may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.

2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.

3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.

4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.

5. Obligation of a Charter School with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.

6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.

7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.

8. Repurchase or reverse repurchase 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, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The Charter School does not have and investments or a formal investment policy.

The Charter School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Charter School's recurring fair value measurements are listed in detail on page 41 and are valued using quoted market prices (Level 1 inputs).

Note 1: Summary of Significant Accounting Policies (Continued)

Due from Federal Government, Minnesota Department of Education and Other Governments

Due from Federal government, Minnesota Department of Education, and other governments include amounts billed for services provided before year end as well as amounts for expenditures that have been incurred before year end that will be reimbursed with State and Federal funding. No substantial losses are anticipated from present receivable balances, therefore no allowance for uncollectible has been recorded.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets include equipment. Capital assets are defined by the Charter School as assets with an initial, individual cost of more than $1,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Donated capital assets are recorded at the acquisition value at the date of donation.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Equipment of the Charter School is depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 5 to 10 years for equipment and 40 years for buildings and improvements.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Charter School only has one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statement of net position. This results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Note 1: Summary of Significant Accounting Policies (Continued)

Pensions

Teachers Retirement Association (TRA)

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Teachers Retirement Association (TRA) and additions to/deductions from TRA's fiduciary net position have been determined on the same basis as they are reported by TRA.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 4.

Public Employees Retirement Association (PERA)

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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 General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the General Employee Plan (GERP) and TRA is as follows:

	GERP	TRA	Total Pension Expense
School's Proportionate Share	$ 207,905	$ 405,966	$ 613,871
Proportionate Share of State's Contribution	2,393	34,027	36,420
Total Pension Expense	$ 210,298	$ 439,993	$ 650,291

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a full accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, deferred pension resources, is reported only in the government-wide statement of net position. This amount results from actuarial calculations and is deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the Charter School is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items and deposits receivable.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the Board of Directors, which is the Charter School's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board of Directors modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Board of Directors itself or by an official to which the governing body delegates the authority. The Board of Directors has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Director and Chief Financial Officer.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The Charter School considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Charter School would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Charter School has formally adopted a fund balance policy for the General fund. The Charter School's policy is to budget towards maintaining an unrestricted fund balance at fiscal year-end of 20 percent of total General fund expenditures.

Net Position

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

a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and related debt.

b. Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "investment in capital assets."

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

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Budgets are prepared for Charter School funds on the same basis and using the same accounting practices that are used in accounting and preparing financial statements for the General fund. The General fund budget was amended during the current fiscal year, decreasing revenues and expenditures by $76,304 and $86,172, respectively.

The Charter School follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the budget is prepared by the Director to be adopted by the Board of Directors.

2. Budgets for the General fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

3. Budgeted amounts are as originally adopted, or as amended.

4. Budget appropriations lapse at year end.

5. The legal level of control is the fund level.

6. The Charter School does not use encumbrance accounting.

B. Excess of Actual Expenditures over Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations in the following fund:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General Fund	$ 7,600,982	$ 7,834,702	$ 233,720

The excess expenditures were funded by actual revenues in excess of the budget and the budgeted surplus.

Note 3: Detailed Notes on All Funds

A. Deposits and investments

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the Charter School's deposits and investments may not be returned or the Charter School will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Board of Directors, the Charter School maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all Charter School deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a 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 selection should be approved by the Charter School.

At year end, the Charter School's carrying amount of deposits was $2,025,315 and the bank balance was $2,025,806. A portion of the bank balance ($250,000) was covered by federal depository insurance and the remaining balance was covered by collateral pledged in the Charter School's name.

Note 3: Detailed Notes on All Funds (Continued)

Investments

As of June 30, 2023, the Charter School had the following investments that are insured or registered, or securities held by the Charter School's agent in the Charter School's name:

Type of Investments	Credit Qaulity/ Ratings (1)	Segmented time Distribution (2)	Carrying Amount	Fair Value Level 1
Pooled Investments at Fair Value				
Government Obligation Fund	AAA	Less than 6 months	$ 2,078,665	$ 2,078,665

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.
(2) Interest rate risk is disclosed using the segmented time distribution method.

The investments of the Charter School are subject to the following risks:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes limit the Charter School's investments to the list on page 35 of the notes.

- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

A reconciliation of cash and temporary investments as shown on the financial statements for the Charter School follows:

Carrying Amount of Deposits	$ 2,025,315
Investments	2,078,665
Total	$ 4,103,980
Government-wide Statements	
Cash and temporary investments	$ 2,025,315
Cash held with escrow	2,078,665
Total	$ 4,103,980

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, not Being Depreciated				
Land	$ 4,331,500	$ -	$ -	$ 4,331,500
Construction in progress	9,634,551	719,616	(10,173,973)	180,194
Total Capital Assets not Being Depreciated	13,966,051	719,616	(10,173,973)	4,511,694
Capital Assets, Being Depreciated				
Leasehold Improvements	238,557	184,561	-	423,118
Buildings	10,064,150	10,173,973	-	20,238,123
Equipment	390,388	42,337	-	432,725
Total Capital Assets Being Depreciated	10,693,095	10,400,871	-	21,093,966
Less Accumulated Depreciation for				
Leasehold Improvements	(40,769)	(20,289)	-	(61,058)
Buildings	(279,685)	(275,198)	-	(554,883)
Equipment	(173,910)	(40,766)	-	(214,676)
Total Accumulated Depreciation	(494,364)	(336,253)	-	(830,617)
Governmental Activities Capital Assets, Net	$ 24,164,782	$ 10,784,234	$ (10,173,973)	$ 24,775,043

Depreciation expense was charged to functions/programs of the Charter School as follows:

Governmental Activities	
Charter School Support Services	$ 785
Elementary and Secondary Regular Instruction	7,326
Special Education	291
Community Education and Services	5,210
Instructional Support Services	16,820
Pupil Support Services	510
Sites and Buildings	305,311
Total Depreciation Expense - Governmental Activities	$ 336,253

C. Interfund Receivables and Payables

Due to/from funds represent reclassifications of temporary cash deficits in individual fund and other short term loans expected to be repaid within one year. As of June 30, 2023, the Building Company fund owed the General fund $78,130.

Note 3: Detailed Notes on All Funds (Continued)

D. Lease between the Primary Government and Blended Component Units

The Charter School entered into an agreement with Friends of WLA, the Building Company, to lease space at 8089 Globe Drive, Woodbury, Minnesota 55125 on May 1st, 2021. The lease term is for 35 years and payments began July 1, 2021.

Future minimum lease payments are as follows:

Year Ending June 30,	Total
2024	$ 1,253,725
2025	1,314,600
2026	1,342,600
2027	1,342,600
2028	1,342,600
2029 - 2033	6,713,000
2034 - 2038	6,713,000
2039 - 2043	6,713,000
2044 - 2048	6,713,000
2049 - 2053	6,713,000
2054 - 2056	4,027,800
Total Minimum Lease Payments	$ 44,188,925

E. Long-term Liabilities

Bonds Payable

The Charter School issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the Charter School. General obligation bonds currently outstanding are as follows:

Description	Amount Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Charter School Lease Revenue Bonds, Series 2021A	$ 21,665,000	4.00 %	5/26/2021	7/1/2056	$ 21,665,000
Charter School Lease Revenue Bonds, Series 2021B	330,000	3.50	5/26/2021	7/1/2024	330,000
Total					$ 21,995,000

Note 3: Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity for the bonds are as follows:

Year Ending June 30,	Bonds Payable Principal	Bonds Payable Interest	Bonds Payable Total
2024	$ 155,000	$ 875,438	$ 1,030,438
2025	250,000	868,163	1,118,163
2026	320,000	857,200	1,177,200
2027	360,000	843,600	1,203,600
2028	375,000	828,900	1,203,900
2029 - 2033	2,100,000	3,903,800	6,003,800
2034 - 2038	2,550,000	3,440,000	5,990,000
2039 - 2043	3,105,000	2,876,100	5,981,100
2044 - 2048	3,780,000	2,189,600	5,969,600
2049 - 2053	4,605,000	1,353,900	5,958,900
2054 - 2057	4,395,000	360,300	4,755,300
Total	$ 21,995,000	$ 18,397,000	$ 40,392,000

Line of Credit

The Charter School has access to $500,000 line of credit that it did not use during the year.

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
Revenue bonds	$ 21,995,000	$ -	$ -	$ 21,995,000	$ 155,000
Bond premium	1,792,810	-	(52,856)	1,739,954	-
Governmental Activity Long-term Liabilities	$ 23,787,810	$ -	$ (52,856)	$ 23,734,954	$ 155,000

Note 4: Defined Benefit Pension Plans - Statewide

Substantially all employees of the Charter School are required by state law to belong to pension plans administered by Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA), all of which are administered on a statewide basis.

Disclosures relating to these plans follow:

A. Teacher Retirement Association (TRA)

1. Plan Description

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

Educators employed in Minnesota's public elementary and secondary school, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members. State university, community college, and technical college educators first employed by (except those employed by St. Paul schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Define Contribution Plan (DCR) administered by the State of Minnesota.

2. Benefits Provided

TRA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by Minnesota statute and vest after three years of service credit. The defined retirement benefits are based on a member’s highest average salary for any five consecutive years of allowable service, age and a formula multiplier based on years of credit at termination of service.

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

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

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

With these provisions:

1. Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.

2. Three percent per year early retirement reduction factors for all years under normal retirement age.

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

or

Tier II: 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. 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. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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

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 or 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 also eligible for a refund of their employee contributions plus interest.

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

3. Contribution Rate

Per Minnesota statutes, chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year were:

	Ending June 30, 2021		Ending June 30, 2022		Ending June 30, 2023	
Plan	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.00%	12.13%	11.00%	12.34%	11.00%	12.55%
Coordinated	7.50%	8.13%	7.50%	8.34%	7.50%	8.55%

The Charter School's contributions to TRA for the years ending June 30, 2023, 2022 and 2021 were $245,483, $212,967, and $158,434, respectively. The Charter School's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The following is a reconciliation of employer contributions in TRA's Annual Comprehensive Financial Report "Statement of Changes in Fiduciary Net Position" to the employer contributions used in schedule of employer and non-employer pension allocations.

Employer Contributions Reported in TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	$ 482,679,000
Employer Contributions not Related to Future Contribution Efforts	(2,178,000)
TRA's Contributions not Included in Allocation	(572,000)
Total Employer Contributions	479,929,000
Total Non-employer Contributions	35,590,000
Total Contributions Reported in Schedule of Employer and Non-employer Pension Allocations	$ 515,519,000

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

4. Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	
Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Experience Study	June 5, 2019 (demographic and economic assumptions)*
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% thereafter
Projected Salary Increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% thereafter
Cost of Living Adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually
Mortality Assumption	
Pre-retirement	RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
Post-retirement	RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
Post-disability	RP-2014 disabled retiree mortality table, without adjustment. without adjustment.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

*The assumptions prescribed are based on the experience study dated June 28, 2019. For GASB 67 purposes, the long-term rate of return assumptions is selected by TRA management in consultation with the actuary.

5. *Actuarial Assumptions*

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.50 %	5.10 %
International Equity	16.50	5.30
Private Markets	25.00	5.90
Fixed Income	25.00	0.75
Total	100.00 %	

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

Changes in actuarial assumptions since the 2021 valuation:

- None

6. *Discount Rate*

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 2022 contribution rate, contributions from Charter schools will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

7. Net Pension Liability

On June 30, 2023, the Charter School reported a liability of $3,307,086 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Charter School's proportion of the net pension liability was based on the Charter School's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. The Charter School's proportionate share was 0.0413 at the end of the measurement period and .0329 percent for the beginning of the year.

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the Charter School 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 Charter School were as follows:

Charter School's Proportionate Share of Net Pension Liability	$	3,307,086
State's Proportionate Share of Net Pension Liability Associated with the Charter School		245,316

For the year ended June 30, 2023, the Charter School recognized pension expense of $405,966. It also recognized $34,027 as an increase to pension expense for the support provided by direct aid.

On June 30, 2023, the Charter School had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Projected and Actual Earnings on Plan Investments	$ 34,681	$ 19,614
Changes in Actuarial Assumptions	421,800	236,304
Net Difference Between Projected and Actual Earnings on Plan Investments	297,424	-
Changes in Proportion	223,173	-
Contributions to TRA Subsequent to the Measurement Date	245,483	-
Total	$ 1,222,561	$ 255,918

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Deferred outflows of resources totaling $245,483 related to pensions resulting from the Charter School's contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

2024	$ (23,564)
2025	130,363
2026	23,221
2027	345,412
2028	243,781
Thereafter	1,947

8. Pension Liability Sensitivity

The following presents the net pension liability of TRA calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

Charter School's Proportionate Share of NPL		
1 Percent Decrease (6.00%)	Current (7.00%)	1 Percent Increase (8.00%)
$ 5,213,440	$ 3,307,086	$ 1,744,469

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

9. Pension Plan Fiduciary Net Position

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

B. Public Employees' Retirement Association (PERA)

1. Plan Description

The Charter School participates in the following defined benefit pension plans administered by the Public Employees Retirement Association (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota statutes*, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the Charter School, other than teachers, are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

2. Benefits Provided

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

General Employee Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years and 1.7 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for average salary for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 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. 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. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

3. Contributions

Minnesota statutes chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 and the Charter School was required to contribute 7.50 percent for Coordinated Plan members. The Charter School's contributions to the General Employees Fund for June 30, 2023, 2022 and 2021 were $41,937, $38,527 and $26,722, respectively. The Charter School's contributions were equal to the contractually required contributions for each year as set by state statute.

4. Pension Costs

General Employee Fund Pensions Costs

At June 30, 2023, the Charter School reported a liability of $546,482 for its proportionate share of the General Employee Fund's net pension liability. The Charter School's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the Charter School totaled $16,016.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Charter School's proportion of the net pension liability was based on the Charter School's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The Charter School's proportionate share was 0.0690 percent which was an increase of 0.0640 percent from its proportion measured at the beginning of the period.

Charter School's Proportionate Share of Net Pension Liability	$	546,482
State's Proportionate Share of Net Pension Liability Associated with the Charter School		16,016

For the year ended June 30, 2023, the Charter School recognized pension expense of $207,905 for its proportionate share of General Employees Plan's pension expense. In addition, the Charter School recognized an additional $2,393 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At June 30, 2023, the Charter School reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 4,565	$ 4,246
Changes in Actuarial Assumptions	90,651	1,675
Net Difference Between Projected and Actual Earnings on Plan Investments	61,708	-
Changes in Proportion	34,122	1
Contributions to PERA Subsequent to the Measurement Date	41,937	-
Total	$ 232,983	$ 5,922

The $41,937 reported as deferred outflows of resources related to pensions resulting from Charter School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	$	83,135
2025		50,814
2026		1,751
2027		49,424

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

5. Long-term Expected Return on Investment

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.50 %	5.10 %
Private Markets	25.00	5.90
Fixed Income	25.00	0.75
International Equity	16.50	5.30
Total	100.00 %	

6. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employee Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

7. Discount Rate

The discount rate used to measure the total pension liability was 6.50 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 General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

8. Pension Liability Sensitivity

The following presents the Charter School's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	Charter School's Proportionate Share of NPL		
	1 Percent Decrease (5.50%)	Current (6.50%)	1 Percent Increase (7.50%)
General Employees Fund	$ 863,197	$ 546,482	$ 286,727

9. Pension Plan Fiduciary Net Position

Detailed information about each pension 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.

Note 5: Other Information

A. Risk Management

The Charter School is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Charter School carries commercial insurance. Settled claims have not exceeded this commercial coverage in fiscal year 2023.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The Charter School's management is not aware of any incurred but not reported claims.

B. Commitments and Contingencies

Federal and State Programs

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

C. Economic Dependency

The Charter School has a significant amount of revenue (79 percent) coming from the State of Minnesota.

D. Income Taxes

The Charter School is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The Organization is not a private foundation and contributions to the Charter School qualify as a charitable tax deduction by the contributor.

The Organization has evaluated and determined that there are no uncertain tax positions as of June 30, 2023. The Association's tax returns are subject to possible examination by the taxing authorities.

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REQUIRED SUPPLEMENTARY INFORMATION

WOODBURY LEADERSHIP ACADEMY
CHARTER SCHOOL NO. 4228
WOODBURY, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2023

Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Required Supplementary Information
For the Year Ended June 30, 2023

Schedule of Employer's Share of TRA Net Pension Liability

Fiscal Year Ending	Charter School's Proportion of the Net Pension Liability	Charter School's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the Charter School (b)	Total (a+b)	Charter School's Covered Payroll (c)	Charter School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/22	0.0413 %	$ 3,307,086	$ 245,316	$3,552,402	$ 2,553,558	129.5 %	76.2 %
06/30/21	0.0329	1,439,802	121,517	1,561,319	1,948,764	73.9	86.6
06/30/20	0.0259	1,913,527	160,528	2,074,055	1,458,409	131.2	75.5
06/30/19	0.0203	1,293,926	114,527	955,044	1,109,468	116.6	78.2
06/30/18	0.0139	873,050	81,994	3,458,370	845,241	103.3	78.1
06/30/17	0.0158	3,153,967	304,403	3,936,860	878,111	359.2	51.6
06/30/16	0.0150	3,577,858	359,002	736,143	769,450	465.0	44.9
06/30/15	0.0106	655,715	80,428	736,143	539,293	121.6	81.1

The above schedules are intended to show 10-year trends. Additional years will be reported as they become available.

Schedule of Employer's TRA Contributions

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Charter School's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
06/30/23	$ 245,483	$ 245,483	$ -	$ 2,871,147	8.5 %
06/30/22	212,967	212,967	-	2,553,558	8.1
06/30/21	158,434	158,434	-	1,948,764	8.1
06/30/20	115,506	115,506	-	1,458,409	7.9
06/30/19	92,834	92,834	-	1,109,468	7.7
06/30/18	63,393	63,393	-	845,241	7.5
06/30/17	65,858	65,858	-	878,111	7.5
06/30/16	57,709	57,709	-	769,450	7.5
06/30/15	40,447	40,447	-	539,293	7.5

The above schedules are intended to show 10-year trends. Additional years will be reported as they become available.

Notes to the Required Supplementary Information - TRA

Changes in Actuarial Assumptions

2022 - No changes noted.

2021 - The investment return assumption was changed from 7.50 percent to 7.00 percent

2020 - Assumed termination rates were changed to more closely reflect actual experience. The pre-retirement mortality assumption was changed to RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

2019 - No changes noted.

2018 - The investment return assumption was changed from 5.12% to 7.50%. The price inflation assumption was lowered from 3.00% to 2.50%. The payroll growth assumption was lowered from 3.50% to 3.00%. The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter. The total salary increase assumption was adjusted by the wage inflation change. The amortization date for the funding of the Unfunded Actuarial Accrued Liability (UAAL) was reset to June 30, 2048 (30 years). A mechanism in the law that provided the TRA Board with some authority to set contribution rates was eliminated.

2017 - The Cost of Living Adjustment was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045. Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%

2016 - The assumed investment return was changed from 8.0 percent to 4.66 percent using the Single Equivalent Interest Rate calculation. The single discount rate was changed from 8.0 percent to 4.66 percent. The assumed future salary increases, payroll growth and inflation were changed by a 0.25 percent decrease for price inflation, a 0.50 percent increase for wage inflation and a 2.50 percent decrease in maximum salary increases based on years of service. Mortality assumptions were updated using the RP-2014 tables.

2015 - The cost of living adjustment was not assumed to increase to 2.5 percent but remain at 2.0 percent for all future years. The investment return assumption was changed from 8.25 percent to 8.00 percent.

2014 - The cost of living adjustment was assumed to increase from 2.0 percent annually to 2.5 percent annually on July 1, 2034.

Notes to the Required Supplementary Information – TRA (Continued)

Changes in Plan Provisions

2022 - No changes noted.

2021 - No changes noted.

2020 - No changes noted.

2019 - No changes noted.

2018 - The 2018 Omnibus Pension Bill contained a number of changes:

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 - No changes noted.

2016 - No changes noted.

2015 - On June 30, 2015, the Duluth Teachers Retirement Fund Association was merged into TRA. This also resulted in a state-provided contribution stream of $14.377 million until the System becomes fully funded.

2014 - The increase in the post-retirement benefit adjustment (COLA) will be made once the plan is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

Woodbury Leadership Academy
Charter School No. 4228
Woodbury, Minnesota
Required Supplementary Information (Continued)
For the Year Ended June 30, 2023

Schedule of Employer's Share of PERA Net Pension Liability

Fiscal Year Ending	Charter School's Proportion of the Net Pension Liability	Charter School's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the Charter Schoo (b)	Total (a+b)	Charter School's Covered Payroll (c)	Charter School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/22	0.0690 %	$ 546,482	$ 16,016	$ 562,498	$ 513,699	106.4 %	76.7 %
06/30/21	0.0052	311,764	9,685	321,449	356,293	87.5	87.0
06/30/20	0.0052	311,764	9,685	321,449	372,413	83.7	79.0
06/30/19	0.0030	165,863	5,166	171,029	214,968	77.2	80.2
06/30/18	0.0021	116,499	3,700	120,199	138,951	83.8	79.5
06/30/17	0.0023	146,830	1,830	148,660	146,863	100.0	75.9
06/30/16	0.0035	284,183	-	284,183	219,547	129.4	68.9
06/30/15	0.0026	134,745	-	134,745	148,787	90.6	78.2

The above schedules are intended to show 10-year trends. Additional years will be reported as they become available.

Schedule of Employer's Share of PERA Contributions

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Charter School's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
06/30/23	$ 41,937	$ 41,937	$ -	$ 559,160	7.5 %
06/30/22	38,527	38,527	-	513,699	7.5
06/30/21	26,722	26,722	-	356,293	7.5
06/30/20	27,931	27,931	-	372,413	7.5
06/30/19	16,152	16,152	-	214,968	7.5
06/30/18	10,421	10,421	-	138,951	7.5
06/30/17	11,015	11,015	-	146,863	7.5
06/30/16	16,466	16,466	-	219,547	7.5
06/30/15	11,159	11,159	-	148,787	7.5

The above schedules are intended to show 10-year trends. Additional years will be reported as they become available.

Notes to the Required Supplementary Information - PERA

Changes in Actuarial Assumptions

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - 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 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - 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 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 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 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Notes to the Required Supplementary Information - PERA (Continued)

Changes in Plan Provisions

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - 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.

2018 - 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 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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

2016 - No changes noted.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised.

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TABLE

WOODBURY LEADERSHIP ACADEMY
CHARTER SCHOOL NO. 4228
WOODBURY, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2023

Fiscal Compliance Report - 6/30/2023
District: WOODBURY LEADERSHIP ACAD (4228-7)

01 GENERAL FUND

	Audit	UFARS	Audit - UFARS
Total Revenue	$8,003,398	$8,003,394	$4
Total Expenditures	$7,834,702	$7,834,699	$3
Non Spendable:			
4.60 Non Spendable Fund Balance	$35,174	$35,174	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.03 Staff Development	$0	$0	$0
4.07 Capital Projects Levy	$0	$0	$0
4.08 Cooperative Revenue	$0	$0	$0
4.13 Funded by COP/FP	$0	$0	$0
4.14 Operating Debt	$0	$0	$0
4.16 Levy Reduction	$0	$0	$0
4.17 Taconite Building Maint	$0	$0	$0
4.24 Operating Capital	$0	$0	$0
4.26 $25 Taconite	$0	$0	$0
4.27 Disabled Accessibility	$0	$0	$0
4.28 Learning & Development	$0	$0	$0
4.34 Area Learning Center	$0	$0	$0
4.35 Contracted Alt. Programs	$0	$0	$0
4.36 State Approved Alt. Program	$0	$0	$0
4.38 Gifted & Talented	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.41 Basic Skills Programs	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.49 Safe Schools Levy	$3,772	$3,772	$0
4.51 QZAB Payments	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
4.53 Unfunded Sev & Retiremt Levy	$0	$0	$0
4.59 Basic Skills Extended Time	$0	$0	$0
4.67 LTFM	$0	$0	$0
4.72 Medical Assistance	$940	$940	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
4.75 Title VII Impact Aid	$0	$0	$0
4.76 Payments in Lieu of Taxes	$0	$0	$0
Committed:			
4.18 Committed for Separation	$0	$0	$0
4.61 Committed Fund Balance	$0	$0	$0
Assigned:			
4.62 Assigned Fund Balance	$0	$0	$0
Unassigned:			
4.22 Unassigned Fund Balance	$2,089,098	$2,089,100	($2)

02 FOOD SERVICES

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.52 OPEB Liab Not In Trust	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balancee	$0	$0	$0

04 COMMUNITY SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			

06 BUILDING CONSTRUCTION

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.07 Capital Projects Levy	$0	$0	$0
4.13 Funded by COP/FP	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

07 DEBT SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.25 Bond Refundings	$0	$0	$0
4.33 Maximum Effort Loan Aid	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

08 TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

18 CUSTODIAL

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0

20 INTERNAL SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

25 OPEB REVOCABLE TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

45 OPEB IRREVOCABLE TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

47 OPEB DEBT SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0

4.26 $25 Taconite	$0	$0	$0
4.31 Community Education	$0	$0	$0
4.32 E.C.F.E	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.44 School Readiness	$0	$0	$0
4.47 Adult Basic Education	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$55,327	$55,327	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted:			
4.25 Bond Refundings	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

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OTHER REQUIRED REPORTS

WOODBURY LEADERSHIP ACADEMY
CHARTER SCHOOL NO. 4228
WOODBURY, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

Members of the Board of Directors
Woodbury Leadership Academy, Charter School No. 4228
Woodbury, Minnesota

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Woodbury Leadership Academy, Charter School No. 4228 (the Charter School), Woodbury, Minnesota as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 11, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the Woodbury Leadership Academy failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Charter Schools*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Charter School's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of the Woodbury Leadership Academy and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

Abdo

Abdo
Minneapolis, Minnesota
December 11, 2023

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board of Directors
Woodbury Leadership Academy, Charter School No. 4228
Woodbury, Minnesota

We have audited, in accordance with the 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, the financial statements of governmental activities, each major fund and the aggregate remaining fund information of the Woodbury Leadership Academy, Charter School No. 4228 (the Charter School), Woodbury, Minnesota, as of June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated December 11, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Abdo
Minneapolis, Minnesota
December 11, 2023