

# **ANNUAL FINANCIAL REPORT**

STEAM ACADEMY, CHARTER SCHOOL NO. 4270  
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

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STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Annual Financial Report  
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June 30, 2024

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INTRODUCTORY SECTION

STEAM ACADEMY  
CHARTER SCHOOL NO. 4270  
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

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STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Board of Education and Administration  
June 30, 2024

**BOARD OF DIRECTORS**

<u>Name</u>		<u>Position</u>
Sarah Chebli	6/30/2024	Board Chair
Hamada Aboubakr	6/30/2024	Board Vice Chair
Mahdi Nur	6/30/2024	Board Treasurer
Omran Alzahrani	6/30/2024	Member
Abshiro Jateny	6/30/2024	Member

**ADMINISTRATION**

<u>Name</u>	<u>Position</u>
Magdy Rabeaa	Executive Director

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FINANCIAL SECTION

STEAM ACADEMY  
CHARTER SCHOOL NO. 4270  
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education  
STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota

### Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the STEAM Academy, (the Charter School), St. Paul, Minnesota as of June 30, 2024, 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, the major fund, and the aggregate remaining fund information of the Charter School as of June 30, 2024, and the respective changes in financial position and, where applicable, the respective budgetary comparison for the General fund for the period 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 STEAM Academy 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 STEAM Academy'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 STEAM Academy'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 STEAM Academy'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 Teacher Retirement Association Contributions and the Schedule of Employer's Public Employees Retirement Association Contributions on page 54 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 Charter School's basic financial statements. The accompanying individual fund financial schedules and table are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 individual fund financial schedules and table are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information 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 20, 2024 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 report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.



**Abdo**  
Minneapolis, Minnesota  
December 20, 2024



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## **Management's Discussion and Analysis**

As management of the STEAM 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, 2024.

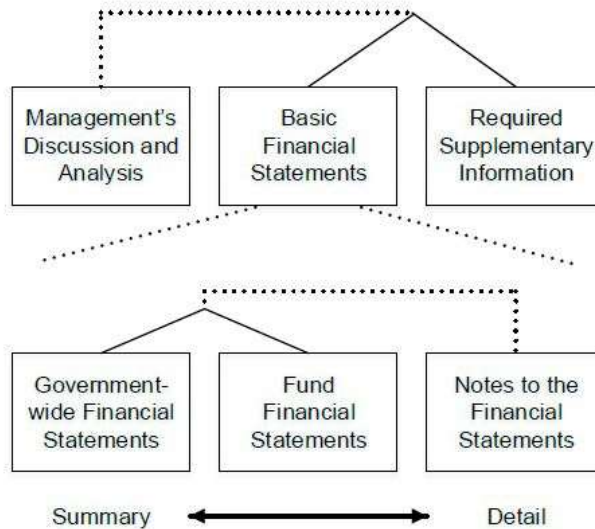
### **Financial Highlights**

- The Charter School's liabilities and deferred inflow of resources exceeded assets and deferred outflow of resources at the close of the most recent fiscal year, as shown in the summary of net position on the following pages.
- The Charter School's total net position decreased as shown in the summary of changes in net position on the following pages. This was primarily a result from the recognition of pension expense as it relates to the pension liability.
- At the close of the current fiscal year, the Charter School's governmental fund balances are shown in the Financial Analysis of the School's funds section of the MD&A. The total fund balance increased in comparison with the prior year, primarily relating to revenue received from state sources sufficiently covering expenditures throughout the year.
- At the end of the current fiscal year, unassigned fund balance for the General fund, as shown in the financial analysis of the Charter School's funds section, increased 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 statements are followed by a section of individual fund schedules that further explains and supports the information in the financial statements. 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

	Government-wide Statements	Fund Financial 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	<ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance sheet</li> <li>Statement of revenues, expenditures, and changes in fund balances</li> </ul>
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 in flow/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 outflows of resources, and liabilities, with the difference between them 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, instructional support services and sites and buildings programs.

The government-wide financial statements can be found starting on page 22 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 two governmental funds. Information is presented in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the governmental funds.

The Charter School adopts an annual appropriated budget for its General fund and Food Service fund. A budgetary comparison statement and schedule for the funds are provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found starting on page 26 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 31 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 School's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found starting on page 54 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, the individual fund schedule and table can be found starting on page 62 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 of resources exceeded liabilities and deferred inflows of resources as shown in the summary of net position below at the close of the most recent fiscal year.

A portion of the Charter School's net position reflects its net investment in capital assets. The Charter School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Unrestricted net position carries a balance as shown below. At the end of the current fiscal year, the Charter School reported a negative balance in the unrestricted.

### STEAM Academy's Summary of Net Position

	Governmental Activities		
	2024	2023	Increase (Decrease)
<b>Assets</b>			
Current and other assets	\$ 636,308	\$ 437,272	\$ 199,036
Capital assets, net of depreciation	74,580	72,131	2,449
<b>Total Assets</b>	<u>710,888</u>	<u>509,403</u>	<u>201,485</u>
<b>Deferred Outflows of Resources</b>			
Deferred pension resources	69,506	115,209	(45,703)
<b>Liabilities</b>			
Noncurrent liabilities outstanding	411,990	223,597	188,393
Current and other liabilities	420,375	334,581	85,794
<b>Total Liabilities</b>	<u>832,365</u>	<u>558,178</u>	<u>274,187</u>
<b>Net Position</b>			
Investment in capital assets	74,580	72,131	2,449
Restricted for			
Student support	20,000	-	20,000
Unrestricted	(182,909)	(5,697)	(177,212)
<b>Total Net Position</b>	<u>\$ (88,329)</u>	<u>\$ 66,434</u>	<u>\$ (154,763)</u>
<b>Net Position as a Percent of Total</b>			
Net investment in capital assets	(84.43) %	108.58 %	
Restricted	(22.64)	-	
Unrestricted	207.08	(8.58)	
<b>Total</b>	<u>100.0 %</u>	<u>100.0 %</u>	

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

**Governmental Activities.** Governmental activities decreased the Charter School’s net position as shown below in the summary of changes in net position. Key elements of this decrease are shown in the table below.

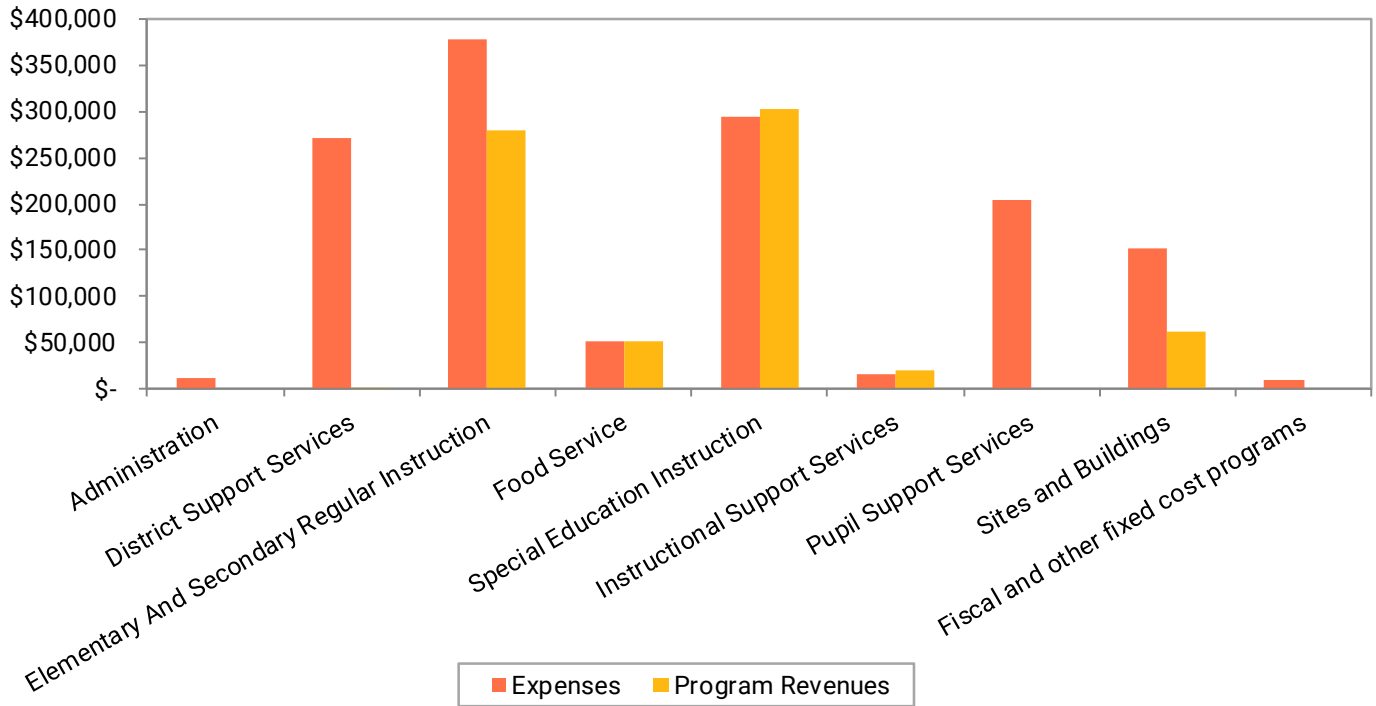
### STEAM Academy’s Changes in Net Position

	Governmental Activities		
	2024	2023	Increase (Decrease)
Revenues			
Program revenues			
Charges for services	\$ -	\$ 137	\$ (137)
Operating grants and contributions	716,985	852,457	(135,472)
General revenues			
State aid-formula grants	512,560	489,609	22,951
Other general revenues	4,301	4,468	(167)
Total Revenues	<u>1,233,846</u>	<u>1,346,671</u>	<u>(112,825)</u>
Expenses			
Administration	12,462	23,737	(11,275)
District support services	271,604	251,391	20,213
Elementary and secondary regular instruction	377,433	420,915	(43,482)
Special education instruction	293,420	286,170	7,250
Instructional support services	16,321	9,171	7,150
Pupil support services	203,424	298,292	(94,868)
Food Service	51,691	93,120	(41,429)
Sites and buildings	152,401	186,196	(33,795)
Fiscal and other fixed cost programs	9,853	3,980	5,873
Total Expenses	<u>1,388,609</u>	<u>1,572,972</u>	<u>(184,363)</u>
Change in Net Position	(154,763)	(226,301)	71,538
Net Position July 1	<u>66,434</u>	<u>292,735</u>	<u>(226,301)</u>
Net Position, June 30	<u>\$ (88,329)</u>	<u>\$ 66,434</u>	<u>\$ (154,763)</u>

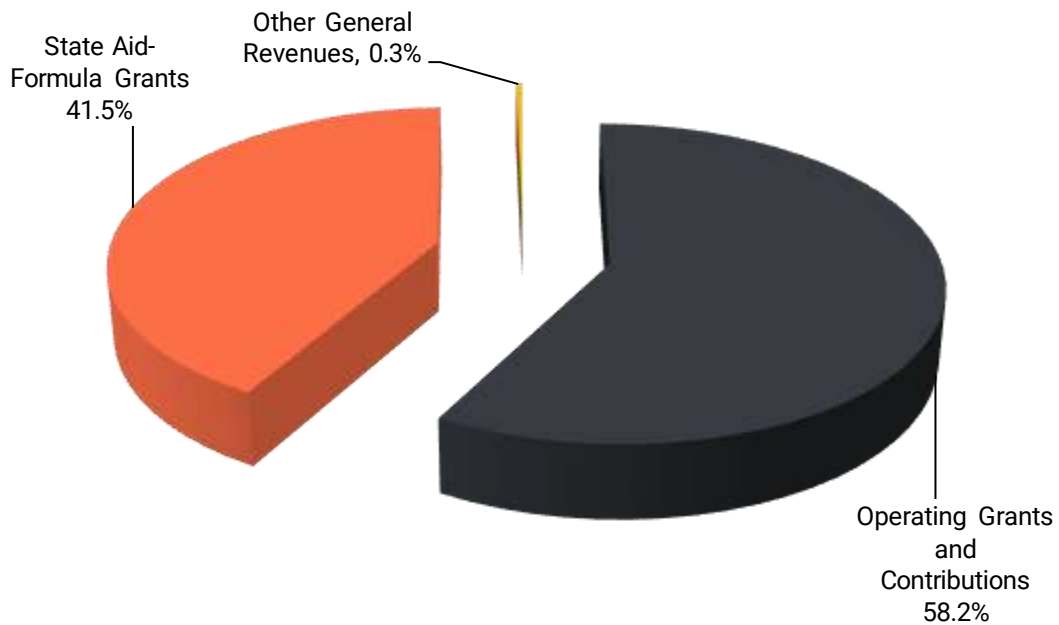
The decrease in revenues can be attributed to pension expense related to the School’s pension liability and related balances.

The following graph depicts various governmental activities and shows the expenses and program revenues directly related to those activities.

**Expenses and Program Revenue - Governmental Activities Graph**



**Revenue by Source - Governmental Activities Graph**



## 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. The table below outlines the governmental fund balances for the ending June 30, 2024.

	<u>General Fund</u>	<u>Prior Year Total</u>	<u>Increase/ (Decrease)</u>
Fund Balances			
Restricted for			
Student support	\$ 20,000	\$ -	\$ -
Unassigned	<u>195,933</u>	<u>102,691</u>	<u>93,242</u>
Total Fund Balance	<u>\$ 215,933</u>	<u>\$ 102,691</u>	<u>\$ 93,242</u>

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 39 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.

	<u>Current Year Ending Balance</u>	<u>Prior Year Ending Balance</u>	<u>Increase/ (Decrease)</u>
General Fund Fund Balances			
Restricted for			
Student support	\$ 20,000	\$ -	\$ 20,000
Unassigned	<u>195,933</u>	<u>102,691</u>	<u>93,242</u>
Total Fund Balance	<u>\$ 215,933</u>	<u>\$ 102,691</u>	<u>\$ 113,242</u>
General Fund expenditures	\$ 1,066,066	\$ 1,425,448	
Total Fund Balance as a percent of expenditures	20.3%	7.2%	

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 more than expected revenue from state sources.

## General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 1,397,317	\$ (331,994)	\$ 1,065,323	\$ 1,179,308	\$ 113,985
Expenditures	<u>1,367,404</u>	<u>(305,480)</u>	<u>1,061,924</u>	<u>1,066,066</u>	<u>(4,142)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,913	(26,514)	3,399	113,242	109,843
Other Financing Sources (Uses) Transfers out	<u>(10,335)</u>	<u>10,335</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	19,578	(16,179)	3,399	113,242	109,843
Fund Balances, July 1	<u>102,691</u>	<u>-</u>	<u>102,691</u>	<u>102,691</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ 122,269</u></u>	<u><u>\$ (16,179)</u></u>	<u><u>\$ 106,090</u></u>	<u><u>\$ 215,933</u></u>	<u><u>\$ 109,843</u></u>

It is the policy of the Board of Directors of the Charter School to set up the annual budget prior to June 30 for the subsequent year and utilize it as a guideline for revenues and expenditures over the course of the year. The Board periodically reviewed the budget versus actual revenues and expenditures and took note of deviations and their causes. The Board amended the budget during the current fiscal year.

Revenue sources were over budget for fiscal year 2024.

- The positive revenue variance from budget is mainly due to additional revenue from state sources, including general aid and special education revenue.

## Capital Assets

The following is a schedule of capital assets as of June 30, 2024 and 2023.

	Governmental Activities		
	2024	2023	Increase (Decrease)
Equipment	<u>\$ 74,580</u>	<u>\$ 72,131</u>	<u>\$ 2,449</u>

Major capital asset additions during the year include the acquisition of various equipment purchased for the Charter School. Additional information on the Charter School's capital assets can be found in Note 3B on page 42 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The Charter School is dependent on the State of Minnesota for its revenue authority. Schools are receiving a 2% increase to the general education formula for FY2025, and the holdback will continue at its current level of 10%.
- The school anticipates enrollment of 73 during the 2024-2025 school year.
- The school will strive to maintain its commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.
- These factors were considered in preparing the Charter School's budget for the 2024-25 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 STEAM Academy, 4100 66<sup>th</sup> Street E, Inver Grove Heights, MN 55076.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

STEAM ACADEMY  
CHARTER SCHOOL NO. 4270  
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Statement of Net Position  
June 30, 2024

	Governmental Activities
<b>Assets</b>	
Cash and temporary investments	\$ 548,246
Accounts receivable	1,434
Due from the department of education	7,222
Due from the federal government	79,406
Capital assets	
Depreciable assets, net of accumulated depreciation	74,580
Total Assets	710,888
<b>Deferred Outflow of Resources</b>	
Deferred pension resources	69,506
<b>Liabilities</b>	
Accounts payables	178,263
Accrued salaries payable	33,352
Due to other governments	81,949
Unearned revenue	126,811
Noncurrent liabilities	
Net pension liability	411,990
Total Liabilities	832,365
<b>Deferred Inflow of Resources</b>	
Deferred pension resources	36,358
<b>Net Position</b>	
Investment in capital assets	74,580
Restricted	
Student support	20,000
Unrestricted	(182,909)
Total Net Position	\$ (88,329)

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

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Administration	\$ 12,462	\$ -	\$ -	\$ -	\$ (12,462)
District support services	271,604	-	988	-	(270,616)
Elementary and secondary regular instruction	377,433	-	278,993	-	(98,440)
Special education instruction	293,420	-	302,595	-	9,175
Instructional support services	16,321	-	20,000	-	3,679
Pupil support services	203,424	-	-	-	(203,424)
Food service	51,691	-	51,691	-	-
Sites and buildings	152,401	-	62,718	-	(89,683)
Fiscal and other fixed cost programs	9,853	-	-	-	(9,853)
<b>Total Governmental Activities</b>	<b>\$ 1,388,609</b>	<b>\$ -</b>	<b>\$ 716,985</b>	<b>\$ -</b>	<b>(671,624)</b>
General Revenues					
State aid formula grants					512,560
Other general revenues					4,301
Total general revenues					<u>516,861</u>
Change in Net Position					(154,763)
Net Position July 1					<u>66,434</u>
Net Position, June 30					<u>\$ (88,329)</u>

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

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FUND FINANCIAL STATEMENTS

STEAM ACADEMY  
CHARTER SCHOOL NO. 4270  
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Balance Sheet  
Governmental Funds  
June 30, 2024

	General	Nonmajor Food Service	Total
<b>Assets</b>			
Cash and temporary investments	\$ 538,645	\$ 9,601	\$ 548,246
Accounts receivable	132	1,302	1,434
Due from the department of education	7,205	17	7,222
Due from federal government	74,825	4,581	79,406
	<u>620,807</u>	<u>15,501</u>	<u>636,308</u>
Total Assets	<u>\$ 620,807</u>	<u>\$ 15,501</u>	<u>\$ 636,308</u>
<b>Liabilities</b>			
Accounts payables	\$ 177,091	\$ 1,172	\$ 178,263
Accrued salaries payable	33,352	-	33,352
Due to other governments	81,949	-	81,949
Unearned revenue	112,482	14,329	126,811
	<u>404,874</u>	<u>15,501</u>	<u>420,375</u>
Total Liabilities	<u>404,874</u>	<u>15,501</u>	<u>420,375</u>
<b>Fund Balances</b>			
Restricted for			
Student support	20,000	-	20,000
Unassigned	195,933	-	195,933
	<u>215,933</u>	<u>-</u>	<u>215,933</u>
Total Fund Balance	<u>215,933</u>	<u>-</u>	<u>215,933</u>
	<u>\$ 620,807</u>	<u>\$ 15,501</u>	<u>\$ 636,308</u>
Total Liabilities and Fund Balances	<u>\$ 620,807</u>	<u>\$ 15,501</u>	<u>\$ 636,308</u>

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

STEAM Academy  
 Charter School No. 4270  
 St. Paul, Minnesota  
 Reconciliation of the Balance Sheet  
 to the Statement of Net Position  
 Governmental Funds  
 June 30, 2024

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

Total Fund Balances - Governmental Funds	\$	215,933
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>		
Cost of capital assets		99,082
Less accumulated depreciation		(24,502)
<p>Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
<p>Noncurrent liabilities at year-end consist of</p>		
Net pension liability		(411,990)
<p>Governmental funds do not report long-term amounts related to pensions.</p>		
Deferred outflow of pension resources		69,506
Deferred inflow of pension resources		(36,358)
		(88,329)
Total Net Position - Governmental Activities	\$	(88,329)

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

STEAM Academy  
 Charter School No. 4270  
 St. Paul, Minnesota  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2024

	General	Nonmajor Food Service	Total
<b>Revenues</b>			
Other local revenue	\$ 1,454	\$ -	\$ 1,454
Revenue from state sources	1,094,466	703	1,095,169
Revenue from federal sources	83,388	50,988	134,376
Total Revenues	<u>1,179,308</u>	<u>51,691</u>	<u>1,230,999</u>
<b>Expenditures</b>			
<b>Current</b>			
Administration	7,195	-	7,195
District support services	258,664	-	258,664
Elementary and secondary regular instruction	250,179	-	250,179
Special education instruction	165,379	-	165,379
Instructional support services	7,686	-	7,686
Pupil support services	192,418	-	192,418
Food service	-	51,691	51,691
Sites and buildings	49,739	-	49,739
Fiscal and other fixed cost programs	9,853	-	9,853
<b>Capital outlay</b>			
Instructional support services	22,291	-	22,291
Sites and buildings	102,662	-	102,662
Total Expenditures	<u>1,066,066</u>	<u>51,691</u>	<u>1,117,757</u>
Net Change in Fund Balance	113,242	-	113,242
Fund Balance, July 1	<u>102,691</u>	<u>-</u>	<u>102,691</u>
Fund Balance, June 30	<u>\$ 215,933</u>	<u>\$ -</u>	<u>\$ 215,933</u>

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



STEAM Academy  
 Charter School No. 4270  
 St. Paul, 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, 2024

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

Net Change in Fund Balances - Governmental Funds	\$	113,242
<p>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.</p>		
Capital outlays		17,070
Depreciation expense		(14,621)
<p>Long-term pension activity is not reported in governmental funds.</p>		
Pension expense		(273,301)
Pension revenue		2,847
		(270,454)
Change in Net Position - Governmental Activities	\$	(154,763)

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

**STEAM Academy**  
**Charter School No. 4270**  
 St. Paul, Minnesota  
 Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2024

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Other local revenue	\$ 7,500	\$ -	\$ 1,454	\$ 1,454
Revenue from state sources	1,316,517	974,659	1,094,466	119,807
Revenue from federal sources	73,300	90,664	83,388	(7,276)
<b>Total Revenues</b>	<u>1,397,317</u>	<u>1,065,323</u>	<u>1,179,308</u>	<u>113,985</u>
<b>Expenditures</b>				
<b>Current</b>				
Administration	8,530	8,530	7,195	1,335
District support services	292,098	217,358	258,664	(41,306)
Elementary and secondary regular instruction	356,195	243,191	250,179	(6,988)
Special education instruction	289,295	156,906	165,379	(8,473)
Instructional support services	155	155	7,686	(7,531)
Pupil support services	201,433	197,933	192,418	5,515
Sites and buildings	82,139	98,742	49,739	49,003
Fiscal and other fixed cost programs	12,600	10,000	9,853	147
<b>Capital outlay</b>				
Instructional support services	5,000	26,109	22,291	3,818
Sites and buildings	119,959	103,000	102,662	338
<b>Total Expenditures</b>	<u>1,367,404</u>	<u>1,061,924</u>	<u>1,066,066</u>	<u>(4,142)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	29,913	3,399	113,242	109,843
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(10,335)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	19,578	3,399	113,242	109,843
<b>Fund Balance, July 1</b>	<u>102,691</u>	<u>102,691</u>	<u>102,691</u>	<u>-</u>
<b>Fund Balances, June 30</b>	<u>\$ 122,269</u>	<u>\$ 106,090</u>	<u>\$ 215,933</u>	<u>\$ 109,843</u>

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

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Notes to the Financial Statements  
June 30, 2024

## Note 1: Summary of Significant Accounting Policies

### A. Reporting Entity

STEAM Academy (the Charter School), St. Paul, Minnesota is a nonprofit that was incorporated on October 8, 2018 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 the Novation Educational Opportunities. The permanent governing body consists of a minimum five members on the Board of Directors.

The Charter School has considered all potential units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Charter School are such that exclusion would cause the Charter School's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government. The Charter School has no component units that meet the GASB criteria.

Aside from its authorization, Novation Educational Opportunities has no authority, control, power, or administrative responsibilities over the Charter School. Therefore, the Charter School is not considered a component unit of Novation Educational Opportunities.

For the period ended June 30, 2024, the Charter School does not have any extracurricular student activities 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 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.

### 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.

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Notes to the Financial Statements  
June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

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 fund has been established by the State of Minnesota Department of Education. The fund is accounted for as an independent entity. Descriptions of the fund 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.

***Non-Major Governmental Funds***

The *Food Service special revenue fund* is used to account for food service revenue and expenditures. The major sources of revenues are food service sales and federal and state grants, which are restricted for this purpose.

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

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Notes to the Financial Statements  
June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

**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 school district 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 a formal investment policy.

**Accounts Receivable**

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. No allowance for uncollectible accounts has been recorded. The only receivable not expected to be collected within one year are delinquent property taxes receivable.

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Notes to the Financial Statements  
June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Due from the Minnesota Department of Education***

Due from Minnesota Department of Education include amounts for expenditures that have been incurred before year end and will be reimbursed with State funding. No substantial losses are anticipated from present balances, therefore no allowance for uncollectible has been recorded.

***Due from the Federal Government***

Due from the Department of Education 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 government-wide and fund financial statements.

**Capital Assets**

Capital assets include equipment. Capital assets are defined by the Academy as assets with an initial, group cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost, estimated historical cost if purchased or constructed or for right to use assets, the present value of future lease payments. 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 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 Academy are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 3 to 10 years for equipment.

**Deferred Outflows of Resources**

In addition to assets, the statement of net 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 assets 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 has one item that qualifies for reporting in this category. Accordingly, the deferred pension resources are reported only in the statement of net position. The pension resources result from actuarial calculations and current year pension contributions made subsequent to the measurement date.

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Notes to the Financial Statements  
June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

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 GERP and TRA is as follows:

	GERP	TRA	Total All Plans
School's proportionate share	\$ 127,290	\$ 167,831	\$ 295,121
Proportionate share of State's contribution	16	2,831	2,847
Total pension expense	\$ 127,306	\$ 170,662	\$ 297,968

**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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Charter School has one item which qualifies for reporting in this category. Deferred pension resources are reported only in the statement of net position and results from actuarial calculations.

**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.

*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 Education, 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 Education 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 Education itself or by an official to which the governing body delegates the authority.

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

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Notes to the Financial Statements  
June 30, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

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 School's policy is to maintain a minimum fund balance of 20 percent of budgeted operating expenditures for cash-flow timing needs.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Investment in capital assets - Consists of capital assets, net of accumulated depreciation.
- 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 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 Education.
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.



STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Notes to the Financial Statements  
June 30, 2024

**Note 2: Stewardship, Compliance and Accountability (Continued)**

**B. Excess of Actual Expenditures over Appropriations**

For the year ended June 30, 2024, expenditures exceeded appropriations in the following fund:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 1,061,924	\$ 1,066,066	\$ 4,142

The excess expenditures were funded by available fund balance and revenues in excess of budget.

**Note 3: Detailed Notes on All Funds**

**A. Deposits**

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 Education, 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, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

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.

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Notes to the Financial Statements  
June 30, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

At period end, the Charter School's carrying amount of deposits and bank balance are shown in the chart below. The entire balance was covered by federal depository insurance.

Carrying amount of deposits		<u>\$ 548,246</u>
Bank balance		\$ 550,389
Covered by FDIC		<u>(250,000)</u>
Collateralized with securities pledged in Charter School's name		<u>\$ 300,389</u>

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets Being Depreciated Equipment	\$ 82,012	\$ 17,070	\$ -	\$ 99,082
Less Accumulated Depreciation for Equipment	<u>(9,881)</u>	<u>(14,621)</u>	<u>-</u>	<u>(24,502)</u>
Governmental Activities Capital Assets, Net	<u>\$ 72,131</u>	<u>\$ 2,449</u>	<u>\$ -</u>	<u>\$ 74,580</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

<b>Governmental Activities</b>	
District support services	\$ 4,220
Elementary and secondary regular instruction	6,987
Instructional support services	<u>3,414</u>
Total depreciation expense - governmental activities	<u>\$ 14,621</u>

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Notes to the Financial Statements  
June 30, 2024

**Note 4: Defined Benefit Pension Plans - Statewide**

**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 members, 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 (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 Defined Contribution Retirement Plan (DCR) administered by Minnesota State.

**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 benefits 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

With these provisions:

1. Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or
2. Three percent per year early retirement reduction factor 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**

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

**Tier II:**

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9% per year for coordinated members and 2.7% 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 benefit 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 Plan is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

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

**3. Contribution Rates**

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

Plan	Ending June 30, 2022		Ending June 30, 2023		Ending June 30, 2024	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.00%	12.34%	11.00%	12.55%	11.25%	12.75%
Coordinated	7.50%	8.34%	7.50%	8.55%	7.75%	8.75%

The Charter School's contributions to TRA for the year ending June 30, 2024, 2023, and 2022 were \$22,998, \$19,147, and \$13,103, respectively. The Charter School's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

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

Employer Contributions Reported in TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	\$ 508,764,000
Deduct Employer Contributions not Related to Future Contribution Efforts	(87,000)
Deduct TRA's contributions not included in allocation	<u>(643,000)</u>
Total Employer Contributions	508,034,000
Total Non-employer Contributions	<u>35,587,000</u>
Total Contributions Reported in Schedule of Employer and Non-employer Pension Allocations	<u><u>\$ 543,621,000</u></u>

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

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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	
Valuation Date	July 1, 2023
Experience Study	June 30, 2023
	June 28, 2019 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% thereafter
Projected Salary Increase	2.85% to 8.85% before July 1, 2028 and 3.5% to 9.25% thereafter
Cost of Living Adjustment	1% 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 six 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 adjustments.

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	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	<u>100.0 %</u>	

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

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

Changes in actuarial assumptions since the 2022 valuation:

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

- The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
- The employee contribution rate will increase from 7.75% to 8% on July 1, 2025
- The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

The 2024 Omnibus Pensions and Retirement Bill:

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

**5. Discount Rate**

The discount rate used to measure the total pension liability was 7%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2023 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

**6. Net Pension Liability**

On June 30, 2024, The Charter School reported a liability of \$288,968 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Charter School's proportion of the net pension liability was based on 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 0.0035% at the end of the measurement period and 0.0021% 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	\$ 288,968
State's Proportionate Share of Net Pension Liability Associated with the Charter School	<u>20,370</u>
Total	<u><u>\$ 309,338</u></u>

For the year ended June 30, 2024, the Charter School recognized pension expense of \$167,831. It also recognized recognized \$2,831 as an increase to pension expense for the support provided by direct aid.

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St. Paul, Minnesota  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

On June 30, 2024, the Charter School had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 494	\$ 2,638
Net Difference Between Projected and Actual Investment Earnings	36,349	-
Contributions Paid to PERA Subsequent to the Measurement Date	22,998	-
Total	\$ 59,841	\$ 2,638

Deferred outflows of resources totaling \$22,998 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, 2025. Deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

2025	\$ 9,388
2026	9,388
2027	9,388
2028	9,388
2029	(2,909)
Thereafter	(438)

**7. Pension Liability Sensitivity**

The following presents the net pension liability of TRA calculated using the discount rate of 7%, 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%) or one percentage point higher (8%) than the current rate.

	Charter School's Proportionate Share of NPL		
	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
Teachers Retirement Association	\$ 460,882	\$ 288,968	\$ 88,702

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.

**8. 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 <https://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 cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (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.

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

General Employees Retirement Plan

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

**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 Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

**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 2023 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 the years ending June 30, 2024, 2023, and 2022 were \$1,669, \$13,088 and \$3,076, respectively. The Charter School's contributions were equal to the required contributions for each year as set by state statute.



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

**4. Pension Costs**

General Employees Fund Pension Costs

At June 30, 2024, the Charter School reported a liability of \$123,022 for its proportionate share of the General Employees 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 \$3,450. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Charter School's proportionate share 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, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers. The Charter School's proportionate share was 0.0022 percent at the end of the measurement period and 0.0007 percent for the beginning of the period.

Charter School's Proportionate Share of Net Pension Liability	\$ 123,022
State's Proportionate Share of Net Pension Liability Associated with the Charter School	<u>3,450</u>
 Total	 <u><u>\$ 126,472</u></u>

For the year ended June 30, 2024, the Charter School recognized pension expense of \$127,290 for its proportionate share of the General Employees Plan's pension expense. In addition, the Charter School recognized \$16 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2024, the 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 3,379	\$ -
Changes in Actuarial Assumptions	253	33,720
Net Difference Between Projected and Actual Investment Earnings	4,364	-
Contributions Paid to PERA Subsequent to the Measurement Date	<u>1,669</u>	<u>-</u>
 Total	 <u><u>\$ 9,665</u></u>	 <u><u>\$ 33,720</u></u>

The \$1,669 reported as deferred outflows of resources related to pensions resulting from the Charter School's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (7,592)
2026	(7,592)
2027	(7,872)
2028	(2,668)

STEAM Academy  
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**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	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	<u>100.0 %</u>	

**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 7.0 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 7.0 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. The tables are adjusted slightly to fit PERA's experience.

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

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

General Employees Fund

Changes in Actuarial Assumptions

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

STEAM Academy  
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Notes to the Financial Statements  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

Changes in Plan Provisions

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

**7. Discount Rate**

The discount rate used to measure the total pension liability in 2023 was 7.0 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 were 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 (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	\$ 217,635	\$ 123,022	\$ 45,198

**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](http://www.mnpera.org).

STEAM Academy  
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**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 2024.

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. 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, 2024. The Association's tax returns are subject to possible examination by the taxing authorities.

REQUIRED SUPPLEMENTARY INFORMATION

STEAM ACADEMY  
CHARTER SCHOOL NO. 4270  
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Required Supplementary Information  
June 30, 2024

**Schedule of Employer's Share of TRA Net Pension Liability**

Fiscal Year Ending	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the District (b)	Total (a+b)	District's Covered Payroll (c)	District'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
06/30/23	0.0035 %	\$ 288,968	\$ 20,370	\$ 309,338	\$ 223,941	129.0 %	76.4 %
06/30/22	0.0021	168,157	12,404	180,561	157,110	107.0	76.2

**Schedule of Employer's TRA Contributions**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
06/30/24	\$ 22,998	\$ 22,998	\$ -	\$ 262,834	8.75 %
06/30/23	19,147	19,147	-	223,941	8.55
06/30/22	13,103	13,103	-	157,110	8.34

STEAM Academy  
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**Notes to the Required Supplementary Information - TRA**

Changes in Actuarial Assumptions

2023 - The 2023 Tax Finance and Policy Bill, effective July 1, 2025 and The 2024 Omnibus Pensions and Retirement Bill contained a number of changes

- The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025.
- The employee contribution rate will increase from 7.75% to 8% on July 1, 2025
- The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.
- The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024.
- TRA's amortization date will remain the same at 2048.

2022 – 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

2019 - No changes noted.

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

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.

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**Notes to the Required Supplementary Information – TRA (Continued)**

Changes in Plan Provisions

2023 - No changes noted.

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.



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St. Paul, Minnesota  
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**Schedule of Employer's Share of PERA Net Pension Liability**

Fiscal Year Ending	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the District (b)	Total (a+b)	District's Covered Payroll (c)	District'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
06/30/23	0.0022 %	\$ 123,022	\$ 3,450	\$ 126,472	\$ 174,513	70.5	83.1 %
06/30/22	0.0007	55,440	1,579	57,019	41,013	135.2	76.7

**Schedule of Employer's PERA Contributions**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
06/30/24	\$ 1,669	\$ 1,669	\$ -	\$ 22,253	7.50 %
06/30/23	13,088	13,088	-	174,513	7.50
06/30/22	3,076	3,076	-	41,013	7.50

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Required Supplementary Information  
June 30, 2024

**Notes to the Required Supplementary Information - PERA**

Changes in Actuarial Assumptions

2023 - The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

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.

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
Required Supplementary Information  
June 30, 2024

**Notes to the Required Supplementary Information – PERA (Continued)**

Changes in Plan Provisions

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

2022 - 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

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INDIVIDUAL FUND SCHEDULES AND TABLE

STEAM ACADEMY  
CHARTER SCHOOL NO. 4270  
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

STEAM Academy  
Charter School No. 4270  
St. Paul, Minnesota  
General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Continued on the Following Page)  
For the Year Ended June 30, 2024  
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
<b>Revenues</b>					
Other local revenue	\$ 7,500	\$ -	\$ 1,454	\$ 1,454	\$ 2,500
Revenue from state sources	1,316,517	974,659	1,094,466	119,807	1,080,229
Revenue from federal sources	73,300	90,664	83,388	(7,276)	202,964
Total Revenues	<u>1,397,317</u>	<u>1,065,323</u>	<u>1,179,308</u>	<u>113,985</u>	<u>1,285,693</u>
<b>Expenditures</b>					
<b>Current</b>					
<b>Administration</b>					
Salaries	-	-	-	-	6,591
Fringe benefits	-	-	-	-	2,213
Other	8,530	8,530	7,195	1,335	8,037
Total administration	<u>8,530</u>	<u>8,530</u>	<u>7,195</u>	<u>1,335</u>	<u>16,841</u>
<b>District Support Services</b>					
Salaries	18,358	9,102	3,750	5,352	1,242
Fringe benefits	12,945	7,012	7,888	(876)	3,096
Purchased services	255,613	196,061	238,242	(42,181)	212,073
Supplies and materials	5,182	5,183	8,435	(3,252)	17,639
Other	-	-	349	(349)	60
Total district support services	<u>292,098</u>	<u>217,358</u>	<u>258,664</u>	<u>(41,306)</u>	<u>234,110</u>
<b>Elementary and secondary regular instruction</b>					
<b>regular instruction</b>					
Salaries	226,067	148,555	161,094	(12,539)	200,831
Fringe benefits	48,161	26,090	39,717	(13,627)	50,094
Purchased services	69,400	55,850	40,069	15,781	18,634
Supplies and materials	12,567	12,696	9,299	3,397	51,256
Total elementary and secondary regular instruction	<u>356,195</u>	<u>243,191</u>	<u>250,179</u>	<u>(6,988)</u>	<u>320,815</u>
<b>Special education instruction</b>					
Salaries	182,181	94,746	101,508	(6,762)	190,421
Fringe benefits	29,774	15,484	16,559	(1,075)	44,437
Purchased services	75,964	45,300	45,995	(695)	57,250
Supplies and materials	1,376	1,376	1,317	59	2,323
Total special education instruction	<u>289,295</u>	<u>156,906</u>	<u>165,379</u>	<u>(8,473)</u>	<u>294,431</u>

STEAM Academy  
 Charter School No. 4270  
 St. Paul, Minnesota  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual (Continued)  
 For the Year Ended June 30, 2024  
 (With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Instructional support services					
Purchased services	\$ -	\$ -	\$ 3,784	\$ (3,784)	\$ -
Supplies and materials	155	155	3,902	(3,747)	390
Total instructional support services	155	155	7,686	(7,531)	390
Pupil support services					
Salaries	-	-	-	-	7,659
Fringe benefits	-	-	-	-	1,937
Purchased services	201,375	197,875	192,358	5,517	289,465
Supplies and materials	58	58	60	(2)	363
Total pupil support services	201,433	197,933	192,418	5,515	299,424
Sites and buildings					
Purchased services	75,140	91,743	42,284	49,459	72,706
Supplies and materials	6,999	6,999	7,455	(456)	6,692
Total sites and buildings	82,139	98,742	49,739	49,003	79,398
Fiscal and other fixed cost programs					
Purchased services	12,600	10,000	9,853	147	3,980
Total current	1,242,445	932,815	941,113	(8,298)	1,249,389
Capital outlay					
District Support Services	-	-	-	-	43,084
Elementary and secondary regular instruction	-	-	-	-	21,105
Instructional support services	5,000	26,109	22,291	3,818	5,072
Sites and buildings	119,959	103,000	102,662	338	106,798
Total capital outlay	124,959	129,109	124,953	4,156	176,059
Total Expenditures	1,367,404	1,061,924	1,066,066	(4,142)	1,425,448
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,913	3,399	113,242	109,843	(139,755)
Other Financing Sources (Uses)					
Transfers out	(10,335)	-	-	-	(19,115)
Net Change in Fund Balances	19,578	3,399	113,242	109,843	(158,870)
Fund Balance, July 1	102,691	102,691	102,691	-	261,561
Fund Balance, June 30	\$ 122,269	\$ 106,090	\$ 215,933	\$ 109,843	\$ 102,691

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STEAM Academy  
 Charter School No. 4270  
 St. Paul, Minnesota  
 Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 Food Service  
 For the Year Ended June 30, 2024

	Food Service			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Revenue from state sources	\$ -	\$ -	\$ 703	\$ 703
Revenue from federal sources	58,565	56,500	50,988	(5,512)
Total Revenues	<u>58,565</u>	<u>56,500</u>	<u>51,691</u>	<u>(4,809)</u>
Expenditures				
Current				
Food service	<u>68,900</u>	<u>56,500</u>	<u>51,691</u>	<u>4,809</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,335)	-	-	-
Other Financing Sources (Uses)				
Transfer in	<u>10,335</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**Fiscal Compliance Report - 6/30/2024**  
**District: STEAM ACADEMY CHARTER (4270-7)**

	<b>Audit</b>	<b>UFARS</b>	<b>Audit - UFARS</b>		<b>Audit</b>	<b>UFARS</b>	<b>Audit - UFARS</b>
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$1,179,308	<u>\$1,179,304</u>	<u>\$4</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$1,066,066	<u>\$1,066,061</u>	<u>\$5</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>	4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>	4.13 Funded by COP/FP	\$0	<u>\$0</u>	<u>\$0</u>
4.03 Staff Development	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.12 Literacy Incentive Aid	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.14 Operating Debt	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.16 Levy Reduction	\$0	<u>\$0</u>	<u>\$0</u>				
4.17 Taconite Building Maint	\$0	<u>\$0</u>	<u>\$0</u>	<b>07 DEBT SERVICE</b>			
4.20 American Indian Education Aid	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.24 Operating Capital	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>	<i>Non Spendable:</i>			
4.27 Disabled Accessibility	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.28 Learning & Development	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.34 Area Learning Center	\$0	<u>\$0</u>	<u>\$0</u>	4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	<u>\$0</u>	4.33 Maximum Effort Loan Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	<u>\$0</u>	4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>
4.38 Gifted & Talented	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.39 English Learner	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted:</i>			
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.41 Basic Skills Programs	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.43 School Library Aid	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>				
4.49 Safe Schools Levy	\$0	<u>\$0</u>	<u>\$0</u>	<b>08 TRUST</b>			
4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.53 Unfunded Sev & Retiremt Levy	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.59 Basic Skills Extended Time	\$0	<u>\$0</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.71 Student Support Personnel Aid	\$20,000	<u>\$20,000</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
4.72 Medical Assistance	\$0	<u>\$0</u>	<u>\$0</u>				
<i>Restricted:</i>				<b>18 CUSTODIAL</b>			
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.75 Title VII Impact Aid	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.76 Payments in Lieu of Taxes	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
<i>Committed:</i>				4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.18 Committed for Separation	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.61 Committed Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>
<i>Assigned:</i>				4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.62 Assigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>				
<i>Unassigned:</i>				<b>20 INTERNAL SERVICE</b>			
4.22 Unassigned Fund Balance	\$195,933	<u>\$195,935</u>	<u>(\$2)</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
				Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<b>02 FOOD SERVICES</b>				4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
Total Revenue	\$51,691	<u>\$51,692</u>	<u>(\$1)</u>	<b>25 OPEB REVOCABLE TRUST</b>			
Total Expenditures	\$51,691	<u>\$51,692</u>	<u>(\$1)</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>				66 Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>

Minnesota Department of Education

4.60 Non Spendable Fund Balance <i>Restricted / Reserved:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

**04 COMMUNITY SERVICE**

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance <i>Restricted / Reserved:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	\$0	<u>\$0</u>	<u>\$0</u>
4.32 E.C.F.E	\$0	<u>\$0</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	\$0	<u>\$0</u>	<u>\$0</u>
4.47 Adult Basic Education	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
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**45 OPEB IRREVOCABLE TRUST**

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>

**47 OPEB DEBT SERVICE**

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

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OTHER REQUIRED REPORTS

STEAM ACADEMY  
CHARTER SCHOOL NO. 4270  
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
JUNE 30, 2024

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**INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE**

Members of the Board of Education  
STEAM Academy  
Charter School No. 4270  
St. Paul, 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 Accounting Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of STEAM Academy (the Charter School), St. Paul, Minnesota as of and for the year ended June 30, 2024, 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 20, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the Charter School failed to comply with the provisions of the charter school and uniform financial accounting and reporting standards for Charter Schools sections of the *Minnesota Legal Compliance Audit Guide for Charter Schools*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65. 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 STEAM Academy and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.



**Abdo**  
Edina, Minnesota  
December 20, 2024

**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 Education  
STEAM Academy  
Charter School No. 4270  
St. Paul, 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, the major fund, and the aggregate remaining fund information of STEAM Academy (the Charter School), St. Paul, Minnesota, as of and for the year ended June 30, 2024, 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 20, 2024.

**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 preceding paragraph 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 is 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.



**Abdo**  
Minneapolis, Minnesota  
December 20, 2024