Wayzata Public Schools

Excellence. For each and every student.

## BOARD OF EDUCATION

Regular Meeting - December 13, 2021 - 7:00 PM
Wayzata City Hall
600 Rice Street
Wayzata, Minnesota 55391

# AGENDA

Agenda Item: 1

# Board of Education

Work Session Meeting – December 13, 2021

**AGENDA SECTION:** Call to Order

**ITEM:** Roll Call Attendance

**COMMENTS BY:** Andrea Cuene, Board Chair

| | PRESENT | ABSENT |
|---|---|---|
| Linda Cohen | | |
| Jay Hesby | | |
| Sarah Johansen | | |
| Chris McCullough | | |
| Cheryl Polzin | | |
| Bonita Lucky | | |
| Andrea Cuene | | |
| Chace Anderson, ex-officio | | |

Regular Meeting
Monday, November 8, 2021 7:00 PM Central

Wayzata City Hall
600 Rice Street
Wayzata, Minnesota 55391

| | |
|---|---|
| Linda Cohen: | Present |
| Andrea Cuene: | Present |
| Jay Hesby: | Present |
| Sarah Johansen: | Present |
| Bonita Lucky: | Present |
| Chris McCullough: | Present |
| Cheryl Polzin: | Present |

Present: 7.

1. **CALL TO ORDER/ROLL CALL**

2. **APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS**

Approval of agenda and consent agenda items. This motion, made by Linda Cohen and seconded by Cheryl Polzin, Passed.
Linda Cohen: Aye, Andrea Cuene: Aye, Jay Hesby: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0

2.A. Approval of Minutes

2.B. Finance and Business Services

2.B.1. Agenda Sheet - Finance Consent Agenda November 2021

2.B.2. Board Gifts - October 2021

2.B.3. Check Report October 2021

2.B.4. Wire, EFT, & ACH Report - September 2021

2.B.5. P-Card Authorizations

2.C. Human Resource Services

2.C.1. Monthly Recommendations

2.D. Change in Status of Surrogate Parent Designation

3. **SWEARING IN OF APPOINTED SCHOOL BOARD MEMBER**

4. **REPORTS FROM ORGANIZATIONS**

4.A. Wayzata High School Student Council Representative

5. **RECOGNITIONS**

5.A. November Employee of the Month

5.B. Retiree Recognition

5.C. National Merit Scholarship Program Semifinalists

6. **AUDIENCE OPPORTUNITY TO ADDRESS SCHOOL BOARD**

7. **STUDENT CURRICULUM PRESENTATION**
(There is no student curriculum presentation for this meeting.)

8. **ADMINISTRATIVE REPORTS AND RECOMMENDATIONS**

8.A. Superintendent

8.B. Teaching and Learning

8.C. Finance and Business Services

8.C.1. Monthly Financial Reports

8.C.1.i. Analysis of Financial Reports - September 2021

8.C.1.ii. Statement of Revenues - September 2021

8.C.1.iii. Statement of Expenditures - September 2021

8.C.1.iv. Investment Summary - September 2021

8.C.2. Agenda Sheet - Permanent ECFE Transfer to Community Ed

8.C.2.i. Resolution - Permanent ECFE Transfer to Community Ed
Approve the resolution of the permanent fund transfer from Early Childhood Family Education Fund Balance as of June 30, 2021 in the amount of $175,000.00 to the Community Education Fund. This motion, made by Sarah Johansen and seconded by Bonita Lucky, Passed.
Linda Cohen: Aye, Andrea Cuene: Aye, Jay Hesby: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0

8.C.3. Canvassing Return of Votes 2021 General Election

8.C.3.i. Resolution - Canvassing Return of Votes General Election 2021
Approve the school district clerk to certify the results of the election to the county auditor of each county in which the school district is located for the following candidates: Sarah Johansen, Heidi Kader, and Milind Sohoni. This motion, made by Chris McCullough and seconded by Jay Hesby, Passed.
Linda Cohen: Aye, Andrea Cuene: Aye, Jay Hesby: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0

8.C.4. Certificates of Election 2021

8.C.4.i. Resolution - Certificates of Election 2021
Approve the chair and clerk to authorize the execution of certificates of election on behalf of the school board for the following candidates: Sarah Johansen, Heidi Kader, and Milind Sohoni. This motion, made by Cheryl Polzin and seconded by Linda Cohen, Passed.

Linda Cohen: Aye, Andrea Cuene: Aye, Jay Hesby: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0

8.D. Human Resource Services

9. **OTHER BOARD ACTION**

10. **BOARD REPORTS**

11. **ADJOURN**

Motion to adjourn meeting at 8:08 p.m. This motion, made by Sarah Johansen and seconded by Linda Cohen, Passed.
Linda Cohen: Aye, Andrea Cuene: Aye, Jay Hesby: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0

Agenda Item: 2.A

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Approval of Agenda and Consent Agenda Items

**ITEM:** Approval of Board Minutes

**COMMENTS BY:** Bonita Lucky, Board Clerk

Approve the minutes of the following meetings:

- November 8, 2021 Regular Meeting
- November 22, 2021 Special Session

**Recommended Action**: Approve the minutes of the Board meetings.

**Motion by:** ____________ **Yes:** ________ **Passed:** ____________

**Second by:** ____________ **No:** ________ **Failed:** ____________

**Abstentions:** ____________

**November 22, 2021 at 4:00 PM - Special Meeting**

1. **ROLL CALL/CALL TO ORDER**

**Presenter:** Andrea Cuene

1.A. **APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS**

**Action(s):**

Motion Passed:

*Approve the agenda and the consent agenda items. This motion, made by Jay Hesby and seconded by Sarah Johansen, Passed.*

- Chris McCullough: *Aye*
- Cheryl Polzin: *Aye*
- Jay Hesby: *Aye*
- Linda Cohen: *Aye*
- Sarah Johansen: *Aye*
- Bonita Lucky: *Aye*
- Andrea Cuene: *Aye*

No Action(s) have been added to this Agenda Item.

**Attachments:** (1)

- Board Action, Consent Agenda, November 22, 2021

1.B. **Superintendent's Reports**

(There is no Superintendent for this meeting)

**Presenter:** Superintendent Chace B. Anderson

1.C. **Teaching and Learning Reports**

(There is no student Teaching and Learning Report for this meeting.)

1.D. **Human Resource Services Reports**

**Presenter:** Stacie Vos

**Description:** Consent Agenda items are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion of these items unless a Board member or citizen so requests, in which event the item will be removed as a Consent Agenda item and addressed. Consent Agenda items are as follows:

1.D.1. Monthly Recommendations

**Attachments:** (1)

- HR Recommendations - Attachment

1.E. **Business and Finance Services Reports**

(There is no Business and Fiance Services Report for this meeting.)

**Presenter:** Jim Westrum

2. **ADJOURN**

**Presenter:** Andrea Cuene

**Action(s):**

Motion Passed:

*Adjourn the meeting at 4:03 PM. This motion, made by Linda Cohen and seconded by Bonita Lucky, Passed.*

- Cheryl Polzin: *Aye*
- Jay Hesby: *Aye*
- Linda Cohen: *Aye*
- Sarah Johansen: *Aye*
- Bonita Lucky: *Aye*
- Chris McCullough: *Aye*
- Andrea Cuene: *Aye*

No Action(s) have been added to this Agenda Item.

Agenda Item: 2.B

# BOARD OF EDUCATION

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Approval of Agenda and Consent Agenda Items

**ITEM:** Finance and Business Services Recommendations

**COMMENTS BY:** DeeDee Kahring, Executive Director, Finance and Operations

**Finance and Business Services Recommendations**

These routine items are presented for School Board review and approval through a single consent motion.

**Monthly Bills**

The attached lists itemize claims for which the School Board is requested to authorize payment:

| | |
|---|---|
| General Checking Account for November 2021 | $2,376,017 |
| Wire Transfers, EFTs, and ACHs for October 2021 | $12,276,703 |

**Acknowledgement of Contributions**

Minnesota Statutes 465.03 – Gifts to Municipalities:

"Any city, county, school district or town may accept a grant or devise of real or personal property and maintain such property for the benefit of its citizens in accordance with the terms prescribed by the donor. Nothing herein shall authorize such acceptance or use for religious or sectarian purposes. Every such acceptance shall be by resolution of the governing body adopted by a two-thirds majority of its members, expressing such terms in full."

The School Board is requested to accept the attached list of donations received in November 2021:

| | |
|---|---|
| Cash Donations | $7,422 |
| In-Kind Donations | $960 |

**Recommended Action:** Approve the checking account and wire transfer payments and accept with appreciation the donations, which comply with current state and local policies and guidelines.

**Motion by:** ________________ **ROLL CALL** **Passed:** ________________

**Second by:** ________________ **Failed:** ________________



**Abstentions:** ________________________________________

# 2021-22 School Year Gifts & Bequests

**For the Month Ended November 30, 2021**

Wayzata Public Schools

Excellence. For each and every student.

**Acknowledgment of Contributions:**

Per Minnesota Statues § 465.03, Gifts to Municipalities, "Any city, county, school district or town may accept a grant or devise of real or personal property and maintain such property for the benefit of its citizens in accordance with the terms prescribed by the donor. Nothing herein shall authorize such acceptance or use for religious or sectarian purposes. Every such acceptance shall be by resolution of the governing body adopted by a two-thirds majority of its members, expressing such terms in full."

A schedule of such gifts received in November of 2021 can be found below:

| Donor | Purpose | Amount |
|---|---|---|
| Target Corporation | Gleason Lake Elementary - Student Activities | $ 60.00 |
| Marcia Thoen | West Middle School - Assistance for Student Meals | 100.00 |
| Joe Bovee | West Middle School - Uniforms for WMS Cafés | 125.00 |
| The Blackbaud Giving Fund | Sunset Hill Elementary - Classroom Supplies | 30.00 |
| Oakwood PTA | Oakwood Elementary - Contribution for 1st Grade Field Trips | 120.00 |
| The Blackbaud Giving Fund | North Woods Elementary - To Support Student Activities | 282.08 |
| Greenwood PTA | Greenwood Elementary - To Purchase Playground Equipment | 375.09 |
| Greenwood PTA | Greenwood Elementary - To Purchase Classroom Supplies | 469.79 |
| Greenwood PTA | Greenwood Elementary - To Purchase Media Center Books & Supplies | 2,000.00 |
| Greenwood PTA | Greenwood Elementary - To fund student Field Trips | 3,855.00 |
| Meadow Ridge PTO | Meadow Ridge Elementary - To Purchase to Teacher Supplies | 270.97 |
| The Blackbaud Giving Fund | Sunset Hill Elementary - To Purchase Classroom Supplies | 60.00 |
| The Blackbaud Giving Fund | Sunset Hill Elementary - To Purchase Classroom Supplies | 65.00 |
| | **Total Cash Donations** | **$ 7,812.93** |
| Hyvee - Plymouth | 48 Cases of Lysol Wipes | 960.00 |
| | **Total In-Kind Donations** | **$ 960.00** |
| | **Total 2021-22 School Year Gifts and Donations*** | **$ 178,815.14** |

**Total amount for the 2021-22 school year reflects cash gifts and in-kind donations submitted for School Board approval in 2021-22.*

# 2021-22 School Year
# Check Report
## For the Month Ended November 30, 2021

WAYZATA PUBLIC SCHOOLS
Excellence. For each and every student.

| Check No. | Vendor | Description | Date | Amount |
|---|---|---|---|---|
| 19669 | Main Line Transportation Inc (MTI) | Transportation | 11/16/2021 | $ 375,474.52 |
| 19601 | Xcel Energy | Monthly Serv | 11/9/2021 | 177,568.34 |
| 19422 | Sentra-Sota Sheet Metal Inc | PC - 23B Combined Mechanical | 11/2/2021 | 169,950.29 |
| 19591 | Upper Lake Foods | WK - Oakwood | 11/9/2021 | 168,654.26 |
| 19336 | Century Construction Company | PC - 06A Carpentry | 11/2/2021 | 78,651.64 |
| 19674 | Mn Dept Of Education | Federal Funds Overpayment | 11/16/2021 | 74,310.85 |
| 19715 | Upper Lake Foods | PC - Prime Vendor | 11/16/2021 | 72,892.95 |
| 19610 | Wayzata Education Assn | Payroll Accrual | 11/11/2021 | 68,627.20 |
| 19418 | R J Mechanical Inc | Bottle Fill Stations | 11/2/2021 | 48,091.28 |
| 19362 | Innovative Office Solutions | Mobile Cascade Storage | 11/2/2021 | 40,917.70 |
| 19420 | S & J Glass Inc | PC - 08F Entrances, Storefront And Curtainwall | 11/2/2021 | 31,255.00 |
| 19709 | Trimark Hockenburgs | Hs - Custom Serving Trays | 11/16/2021 | 30,249.72 |
| 19696 | Sport Lockrz | Lockers For Bho | 11/16/2021 | 28,250.40 |
| 19486 | Bullis Insurance Agency LLC | Builders Risk Insurance | 11/9/2021 | 27,890.00 |
| 19367 | Kamida | EMS - Concrete Slab | 11/2/2021 | 27,140.00 |
| 19385 | Mn Historical Society | Northern Lights Digital Access | 11/2/2021 | 27,130.00 |
| 19355 | Hildi Inc | Actuarial Valuation | 11/2/2021 | 25,710.00 |
| 19682 | Now Micro | Staff Laptops | 11/16/2021 | 24,000.00 |
| 19638 | City Of Plymouth | Birchview Water | 11/16/2021 | 22,033.87 |
| 19515 | First Student Inc | Transportation | 11/9/2021 | 20,792.47 |
| 19335 | Careertech Media LLC | Career Guide | 11/2/2021 | 20,750.00 |
| 19489 | Ceso Transportation, LLC | Transportation | 11/9/2021 | 20,425.49 |
| 19605 | Madison National Life Insurance Company | Ins. Tracking Billing | 11/10/2021 | 19,868.82 |
| 19607 | Life Insurance Co Of North America | Payroll Accrual | 11/11/2021 | 19,736.74 |
| 19550 | Northwest Asphalt Inc | Repairs Whs | 11/9/2021 | 18,269.38 |
| 19621 | Aspiredu Inc | Subscription | 11/16/2021 | 16,800.00 |
| 19717 | Waste Management Of Wi | Monthly Serv | 11/16/2021 | 16,173.84 |
| 19413 | Promowear | Wellness | 11/2/2021 | 14,727.20 |
| 19560 | Phasor Electric Co | WHS Repair Irrigation | 11/9/2021 | 14,166.00 |
| 19439 | Turnitin LLC | Prof Serv | 11/2/2021 | 13,750.00 |
| 19705 | The Math Learning Ctr | Bridges Math Order | 11/16/2021 | 13,595.42 |
| 19309 | Alexandra Mccannel LLC | Am Counseling | 11/2/2021 | 13,230.00 |
| 19466 | Amazon Capital Services Inc | WHS English Curriculum Supplies | 11/9/2021 | 13,050.63 |
| 19415 | Red Cedar Steel Erectors Inc | PC - 05B Structural Steel - Erection | 11/2/2021 | 12,255.00 |
| 19344 | Elite Av LLC | Installation Of Cabling Upgrade | 11/2/2021 | 11,875.00 |
| 19365 | ISD #011 Anoka-Hennepin | Tuition C & T 20-21 | 11/2/2021 | 11,835.80 |
| 19609 | School Service Employees | Payroll Accrual | 11/11/2021 | 11,770.97 |
| 19364 | Iocp | Comm Ed Rent | 11/2/2021 | 10,796.09 |
| 19579 | The Math Learning Ctr | Bridges Math Book Order | 11/9/2021 | 10,794.44 |
| 19357 | Horizon Equipment | GI - Demo Kitchen Equipment | 11/2/2021 | 10,747.13 |
| 19353 | Hennepin Technical College | Facility Rental | 11/2/2021 | 10,611.25 |
| 19608 | Life Insurance Co Of North America | Payroll Accrual | 11/11/2021 | 10,544.11 |
| 711221 | Pioneer Manufacturing Co | Soccer Field Paint | 11/4/2021 | 10,445.05 |
| 19693 | Region 6Aa | Section Football Game Vs Osseo | 11/16/2021 | 10,225.00 |
| 19310 | Alpha Video & Audio Inc | Supplies | 11/2/2021 | 10,066.00 |
| 19675 | Mpls Regional Chamber | Real Time Talent Research And Contracts | 11/16/2021 | 10,000.00 |
| 19718 | Ymca Camp Ihduhapi | CMS Camp Ihduhapi 6Th Graders | 11/16/2021 | 9,900.00 |
| 19517 | Frsecure LLC | Quarterly Security Services | 11/9/2021 | 9,776.25 |
| 711229 | Team Sporting Goods, Inc | Tennis Counter | 11/4/2021 | 9,643.59 |
| 19352 | Hanus Enterprises,Llp | Bus Garage Rent | 11/2/2021 | 9,178.11 |
| 19633 | Cdw Government LLC | Adobe Software Renewal | 11/16/2021 | 8,538.78 |
| 19551 | Northern Star Council/Bsa | Base Camp Field Trip | 11/9/2021 | 8,280.00 |
| 711267 | Trio Supply Co | CSF - Paper Supplies | 11/11/2021 | 7,937.89 |
| 19694 | Risk Administration Services Inc | Deductible Billing | 11/16/2021 | 7,700.91 |
| 19323 | Autumn Ridge Landscaping Inc | Prof Serv | 11/2/2021 | 7,606.00 |
| 19425 | Sonova Usa Inc | Special Education Supplies & Materials | 11/2/2021 | 7,018.98 |
| 19695 | Savvas Learning Company LLC | Digital Access 9Th Gr Phys Science Thru June 2023 | 11/16/2021 | 6,970.00 |
| 19470 | Apres Event Decor And Tent Rental | PSAT | 11/9/2021 | 6,944.10 |
| 19619 | Amazon Capital Services Inc | OW Supplies and Materials | 11/16/2021 | 6,896.57 |
| 19342 | Diversified Sports Specialities | Prof Serv | 11/2/2021 | 6,650.00 |
| 19627 | Bix Produce Company LLC | NW - Produce | 11/16/2021 | 6,376.30 |
| 19646 | Flagship Recreation | 30 Ft Octagon Gaga Pit | 11/16/2021 | 6,335.93 |
| 19561 | Promowear | Wayzata Players | 11/9/2021 | 6,315.58 |
| 19320 | Aqua Logic Inc | Wms - 13A Swimming Pool | 11/2/2021 | 6,200.00 |
| 711271 | Xerox Corporation | NW D110 Copier Lease & Maintenance | 11/11/2021 | 6,113.93 |
| 19604 | Life Insurance Co Of North America | Ins. Tracking Billing | 11/10/2021 | 6,094.12 |

| Check No. | Vendor | Description | Date | Amount |
|---|---|---|---|---|
| 19412 | Professional Interpreting | Professional Interpreting For English Language Learners | 11/2/2021 | 5,994.00 |
| 711228 | Staples Business Advantage | Teacher Supplies | 11/4/2021 | 5,921.96 |
| 19692 | Region 5Aa | Quarterfinal & Semifinal Volleyball Matches | 11/16/2021 | 5,440.00 |
| 19516 | Frontline Education | Prof Serv | 11/9/2021 | 5,215.89 |
| 19480 | Bix Produce Company LLC | KL - Produce | 11/9/2021 | 5,188.07 |
| 19620 | Arvig | Monthly Internet | 11/16/2021 | 4,603.95 |
| 19708 | Transportation Plus Inc | Transportation | 11/16/2021 | 4,452.00 |
| 19319 | Amazon Capital Services Inc | Xerox Room Supplies | 11/2/2021 | 4,396.57 |
| 19322 | Athletica/Sport Systems Unlimited | Arena Materials | 11/2/2021 | 4,207.30 |
| 19338 | Commercial Door Systems LLC | CSF Shop Stock | 11/2/2021 | 4,195.30 |
| 19361 | Ingram Library Services | Books | 11/2/2021 | 4,180.59 |
| 19582 | Tyson Foods Inc | Commodity Beef Crumbles | 11/9/2021 | 4,136.10 |
| 19539 | Main Line Transportation Inc (Mti) | Transportation | 11/9/2021 | 3,938.50 |
| 19576 | St Paul Beverage Solutions, LLC | GL - Milk Products | 11/9/2021 | 3,871.11 |
| 711231 | Trio Supply Co | CSF - Paper Supplies | 11/4/2021 | 3,852.14 |
| 19491 | Cogent Communications Inc | Monthly Internet | 11/9/2021 | 3,600.00 |
| 711240 | Commercial Kitchen Services | Hs - Equipment Repairs | 11/11/2021 | 3,554.99 |
| 19545 | Mint Roofing Inc | Prof Serv | 11/9/2021 | 3,535.00 |
| 19596 | Us Foods Culinary E & S | KL - Serving Supplies | 11/9/2021 | 3,528.37 |
| 19416 | Regents Of The Univ Of Mn | Rimington Princ Academy | 11/2/2021 | 3,500.00 |
| 19326 | Bayada Home Health Care Inc | Nursing Services | 11/2/2021 | 3,450.00 |
| 711266 | Team Sporting Goods, Inc | WMS Equipment | 11/11/2021 | 3,440.19 |
| 19446 | Zee Medical Service | Supplies | 11/2/2021 | 3,431.70 |
| 19530 | Ingram Library Services | Books | 11/9/2021 | 3,343.57 |
| 19345 | Everyday Speech LLC | Supbscrptions - Paulette Churness - Cms | 11/2/2021 | 3,339.86 |
| 19537 | Lifetime Fitness, Inc. | Lifetime Fitness Locker Room Rental | 11/9/2021 | 3,335.93 |
| 19363 | Intereum | HR Office Furniture | 11/2/2021 | 3,263.84 |
| 19436 | Top 20 Training, LLC | Prof Development Seminar Fee | 11/2/2021 | 3,250.00 |
| 19524 | Groves Academy | Prof Serv | 11/9/2021 | 3,250.00 |
| 19577 | T-Mobile Usa, Inc | Monthly Data Hot Spots | 11/9/2021 | 3,237.40 |
| 711215 | Hillyard Inc Minneapolis | CMS - Custodial Supplies | 11/4/2021 | 3,128.08 |
| 19704 | St Paul Beverage Solutions, LLC | NW - Milk Products | 11/16/2021 | 3,085.09 |
| 19494 | Crowd Control Warehouse | WHS Athletic Supplies Stanchions | 11/9/2021 | 2,958.48 |
| 711265 | Staples Business Advantage | CEM Supplies and Materials | 11/11/2021 | 2,926.37 |
| 19430 | Superior Painting & Decorating Inc | PC - 09K Painting And Wall Covering | 11/2/2021 | 2,907.00 |
| 19578 | Taft Stettinius & Hollister Llp | Prof Serv | 11/9/2021 | 2,900.00 |
| 711222 | Pro-Tec Design | Prof Serv | 11/4/2021 | 2,864.70 |
| 19429 | St Paul Beverage Solutions, LLC | HS - Milk Products | 11/2/2021 | 2,863.04 |
| 19710 | Ultra Green Packaging | Compostable Serving Trays | 11/16/2021 | 2,856.25 |
| 19622 | Bauer, Elle | Project: Jaxx - 17 Costumes | 11/16/2021 | 2,824.55 |
| 19681 | Ninjas United Athletics LLC | Phys Ed | 11/16/2021 | 2,640.00 |
| 19373 | Lowe, Leann | Prof Serv | 11/2/2021 | 2,593.87 |
| 19640 | City Of Wayzata | CSF Water Due | 11/16/2021 | 2,475.53 |
| 19603 | Ymca - Ridgedale | Gym Membership | 11/9/2021 | 2,396.71 |
| 19628 | Blick Art Materials | Tempera Cakes And Sets | 11/16/2021 | 2,305.15 |
| 711232 | Xerox Corporation | Wms Xerox D110 Copier | 11/4/2021 | 2,286.10 |
| 711217 | Mcgraw Hill School Education Holdings LLC | Textbooks West Luthean | 11/4/2021 | 2,245.20 |
| 19347 | Frontier Fire Protection Inc | PC - 21A Fire Protection | 11/2/2021 | 2,194.50 |
| 19496 | Delightex Inc | CMS WEF Social Studies Classrooms | 11/9/2021 | 2,167.50 |
| 19400 | Performance Food Group Inc | Hs Ala Carte Items | 11/2/2021 | 2,147.81 |
| 19370 | Laurent, Timothy | Prof Serv | 11/2/2021 | 2,112.50 |
| 19676 | Mri Software LLC | Prof Serv | 11/16/2021 | 2,093.90 |
| 711218 | Mei - Minnesota Elevator Inc | Monthly Serv | 11/4/2021 | 2,069.31 |
| 19434 | Tierney Brothers, Inc. | Projector Bulbs | 11/2/2021 | 1,985.00 |
| 19392 | Ncs Pearson Inc | Special Education Supplies & Materials | 11/2/2021 | 1,952.59 |
| 19666 | Kindem Design Inc. | Prof Serv | 11/16/2021 | 1,940.00 |
| 19643 | Deca | Membership | 11/16/2021 | 1,911.00 |
| 19419 | Rtl Construction Inc | PC - 09A Drywall | 11/2/2021 | 1,900.00 |
| 19564 | School Nutrition Association | Membership | 11/9/2021 | 1,893.00 |
| 19331 | Braun Interec Corp | Prof Serv | 11/2/2021 | 1,886.50 |
| 19531 | Institute For Multi-Sensory Education LLC | Dyslexia Practicum Julie Schneier | 11/9/2021 | 1,875.00 |
| 19475 | Berry Coffee Company | HS - Ala Carte - Coffee Products | 11/9/2021 | 1,852.06 |
| 711239 | Bsn Sports | 9Th Gr Bbb Uniforms | 11/11/2021 | 1,849.10 |
| 19546 | Mn Clay Usa - Midwest | Kiln Repair | 11/9/2021 | 1,830.37 |
| 19334 | Canon Financial Services Inc | WPS Copier Fleet Lease | 11/2/2021 | 1,824.84 |
| 19533 | Iscorp (Integrated Office Systems Corp) | Service Bureau Fee | 11/9/2021 | 1,800.00 |
| 19592 | Us Bank | Admin Fees | 11/9/2021 | 1,800.00 |
| 19639 | City Of St Louis Park | Field Trip Westwood Hills | 11/16/2021 | 1,800.00 |
| 19379 | Mn Assn Of Secondary School Principals | Membership | 11/2/2021 | 1,730.00 |
| 19679 | Napa Auto Parts Of Corcoran | Hs John Deere 4600 | 11/16/2021 | 1,725.05 |
| 19492 | College Town Pizza Inc | EMS - Menued Pizza | 11/9/2021 | 1,712.75 |
| 19432 | The Bakken | 4Th Gr Field Trip Admission | 11/2/2021 | 1,674.00 |
| 19417 | Rifton Equipment | Special Education Supplies & Materials | 11/2/2021 | 1,627.50 |
| 19671 | Meeker & Wright Spec Ed Cooperative #938 | C & T 20/21 Tuition | 11/16/2021 | 1,610.86 |
| 19368 | Kd & Company Recycling Inc | WHS Rock | 11/2/2021 | 1,569.34 |
| 19661 | Intereum | GW Small Gp Room Furniture | 11/16/2021 | 1,560.69 |
| 19325 | Batteries R Us | Batteries | 11/2/2021 | 1,559.96 |
| 19504 | Energyprint | Prof Serv | 11/9/2021 | 1,530.00 |

| Check No. | Vendor | Description | Date | Amount |
|---|---|---|---|---|
| 711256 | Pro-Tec Design | WHS Prof Serv | 11/11/2021 | 1,499.58 |
| 711245 | Follett School Solutions Inc | Reader'S Notebooks Fourth & Fifth Grades | 11/11/2021 | 1,496.20 |
| 19673 | Mn Clay Usa - Midwest | Mystery Science Materials | 11/16/2021 | 1,495.87 |
| 19449 | 3X Gear LLC | T-Shirts | 11/9/2021 | 1,427.00 |
| 19556 | Pan-O-Gold Baking Co | CSF Fresh Bakery | 11/9/2021 | 1,417.00 |
| 19520 | Gateway Music Festivals & Tours Inc | Band | 11/9/2021 | 1,340.00 |
| 19690 | Professional Interpreting | Professional Interpreting For English Language Learners | 11/16/2021 | 1,316.20 |
| 19691 | Promowear | Wellness | 11/16/2021 | 1,305.00 |
| 19481 | Blick Art Materials | Art Materials | 11/9/2021 | 1,273.47 |
| 19547 | Mn Dept Of Human Services | Admin Fee | 11/9/2021 | 1,265.00 |
| 19706 | The Bakken | 4Th Grade Field Trip | 11/16/2021 | 1,260.00 |
| 19667 | Lbc Bakery Equipment Inc | Hs - 2 Each - Roll In Rack Shelving Units | 11/16/2021 | 1,230.38 |
| 19382 | Mn Teachers Of Eng To Speakers Of Other Lang. | Conference Registration | 11/2/2021 | 1,220.00 |
| 19555 | Oxherd Pizza Inc. | WMS - Pizza On Menu | 11/9/2021 | 1,209.00 |
| 19623 | Bayfield Fruit Co LLC | All Schools - Produce | 11/16/2021 | 1,198.50 |
| 19498 | Digital Designed Solutions LLC | White Boards For B & G Hockey | 11/9/2021 | 1,181.00 |
| 19543 | Midstate Crane Service, Inc | Whs Roof Project | 11/9/2021 | 1,163.75 |
| 19683 | Pan-O-Gold Baking Co | Hs - Fresh Bakery Items | 11/16/2021 | 1,162.24 |
| 19372 | Lettermen Sports | Supplies | 11/2/2021 | 1,154.85 |
| 19402 | Pro-Ed, Inc | Special Education Supplies & Materials | 11/2/2021 | 1,153.90 |
| 711212 | Ecm Publishers, Inc | Prof Serv | 11/4/2021 | 1,150.50 |
| 212200284 | Wandschneider, Drew | Reimbursement | 11/3/2021 | 1,148.24 |
| 19558 | Performance Food Group Inc | HS Ala Carte Items | 11/9/2021 | 1,145.73 |
| 19340 | Contemporary Images Inc | Supplies | 11/2/2021 | 1,134.34 |
| 19569 | Stages Theatre Co | MR Kdg Field Trip | 11/9/2021 | 1,114.00 |
| 19388 | Mn State Bar Assn | Mn Mock Trial Prog Appl | 11/2/2021 | 1,100.00 |
| 19473 | Batteries R Us | Dist Use Sink Batteries | 11/9/2021 | 1,092.54 |
| 19659 | Home Depot/Gecf | Supplies | 11/16/2021 | 1,056.81 |
| 19519 | Garvey Communications | Prof Serv | 11/9/2021 | 1,050.00 |
| 19330 | Blick Art Materials | Paper Cutters For Art Departments | 11/2/2021 | 1,033.24 |
| 19484 | Brin Glass Service | EMS Window Repair | 11/9/2021 | 1,000.00 |
| 19471 | B'S Music Shop | WHS Intonation Curriculum Supplies | 11/9/2021 | 979.30 |
| 19526 | Hirequest | Janitorial Serv | 11/9/2021 | 978.00 |
| 19535 | Jostens, Inc | WHS Awards For Students | 11/9/2021 | 961.80 |
| 19349 | Grainger Inc., W. W. | WHS Repair Parts | 11/2/2021 | 958.31 |
| 19359 | Hufcor Inc | WMS - 10D Special Partition/Media Center | 11/2/2021 | 939.65 |
| 19337 | City Of Plymouth | Police Service Football Game Security | 11/2/2021 | 927.43 |
| 19553 | Nutrislice Inc | Signage Player Bundle Diy | 11/9/2021 | 858.00 |
| 19536 | Kinect Energy Inc | Nov 21 Monthly Mgmt Fee | 11/9/2021 | 836.00 |
| 19399 | Pepsi Beverages Company | Ala Carte Items - High School | 11/2/2021 | 801.08 |
| 711249 | Iron Mountain | Storage | 11/11/2021 | 794.48 |
| 19684 | Performance Food Group Inc | Hs Ala Carte Items | 11/16/2021 | 742.60 |
| 19532 | Intereum | Abe Mobile Peds | 11/9/2021 | 739.18 |
| 19390 | Music Theatre Intl | CMS Musical Play 6Th Grade 2021-22 | 11/2/2021 | 734.00 |
| 19383 | Mn Assn Of Student Councils | Membership | 11/2/2021 | 715.00 |
| 711236 | Ancom Communications | Wk Supplies Walkies Ear Piece | 11/11/2021 | 715.00 |
| 19522 | Gillund Enterprises | CSF Shop Stock | 11/9/2021 | 710.88 |
| 19424 | Soderberg, Jay | Prof Serv | 11/2/2021 | 709.50 |
| 711255 | Pepper & Son Inc., J. W. | CMS Choir Classroom Supplies | 11/11/2021 | 701.81 |
| 711253 | Olsen Chain & Cable Inc | Dome Up | 11/11/2021 | 701.20 |
| 212200344 | Sonstegard, Laurie | Reimbursement | 11/17/2021 | 685.34 |
| 19444 | Wayzata Results, Inc | Prof Serv | 11/2/2021 | 677.00 |
| 19397 | On Site Sanitation | Prof Serv | 11/2/2021 | 676.00 |
| 19448 | State Tournament Banquet | 2021 State Volleyball Banquet | 11/8/2021 | 672.00 |
| 711250 | Loffler Companies Inc | WHS Copy Center Ions Software Maintenance | 11/11/2021 | 670.00 |
| 19401 | Plymouth Ice Ctr | Phys Ed Ice Time | 11/2/2021 | 665.00 |
| 19568 | Spraying Systems Co | Dist Use | 11/9/2021 | 662.13 |
| 19341 | Creating Art Inc | Prof Serv | 11/2/2021 | 635.00 |
| 19670 | Math Masters Of Mn | Registration | 11/16/2021 | 630.00 |
| 19474 | Bayada Home Health Care Inc | Nursing Services | 11/9/2021 | 620.00 |
| 19665 | Kenmark, Inc. | CMS Winter Play 2021-22 | 11/16/2021 | 610.00 |
| 19333 | Brown'S Ice Cream Co | Wms - Food Service Products | 11/2/2021 | 608.55 |
| 19663 | Jimmy'S Johnnys Inc | Prof Serv | 11/16/2021 | 597.81 |
| 711238 | Braun Interec Corp | GL Prof Serv | 11/11/2021 | 597.50 |
| 212200293 | Chorley, Alison | Reimbursement | 11/10/2021 | 595.79 |
| 19483 | Breadsmith | HS - Bread Products | 11/9/2021 | 594.22 |
| 19356 | Hirequest | Prof Serv | 11/2/2021 | 586.80 |
| 711234 | Adi | WHS Athletics | 11/11/2021 | 581.98 |
| 19664 | Jostens, Inc | Athletic Pins | 11/16/2021 | 580.48 |
| 19685 | Phasor Electric Co | WHS Service | 11/16/2021 | 580.00 |
| 19387 | Mn Safety Council | Prof Serv | 11/2/2021 | 575.00 |
| 711233 | Acco Brands Corporation | Acco - Laminator Repair/Service | 11/11/2021 | 560.69 |
| 19557 | Partners In Learning Programs, Inc | Posters | 11/9/2021 | 539.10 |
| 711246 | Goodin Co | WMS Repair Parts | 11/11/2021 | 531.23 |
| 19566 | Sfm Mutual Insurance Co | SFM Work Comp Claims | 11/9/2021 | 523.16 |
| 212200314 | Sorenson, Grant | Reimbursement | 11/10/2021 | 502.38 |
| 19562 | Richardson, Ronald | Prof Serv | 11/9/2021 | 500.00 |
| 711237 | Bio Corporation | WHS Peter Fuller Science Lab Products | 11/11/2021 | 493.04 |

| Check No. | Vendor | Description | Date | Amount |
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| 19384 | Mn Clay Usa - Midwest | WHS - Art Supplies | 11/2/2021 | 483.94 |
| 19381 | Mn Future Problem Solving Program | WHS Future Problem Solving Regional | 11/2/2021 | 480.00 |
| 711223 | Schmitt Music Co | Band Repair | 11/4/2021 | 471.79 |
| 19523 | Grainger Inc., W. W. | Tr#A15 Parts | 11/9/2021 | 468.00 |
| 19377 | Meridian Consulting Group LLC | Prof Serv | 11/2/2021 | 467.50 |
| 19686 | Popp Communications | Monthly Serv | 11/16/2021 | 460.45 |
| 19398 | Pan-O-Gold Baking Co | HS - Fresh Bakery Items | 11/2/2021 | 458.40 |
| 19414 | R & R Specialties, Inc. | Arena | 11/2/2021 | 456.25 |
| 19548 | Minnesota Interpreters & Translators | Interpreter | 11/9/2021 | 455.00 |
| 19354 | Herc-U-Lift, Inc | Prof Serv | 11/2/2021 | 454.08 |
| 711247 | Horizon Commercial Pool Supply | EMS Pool | 11/11/2021 | 452.90 |
| 19583 | Unlimited Supplies | Dome-Up | 11/9/2021 | 450.00 |
| 19652 | H2I Group, Inc | Tech Ed | 11/16/2021 | 450.00 |
| 19502 | Ebc (Educators Benefit Consultants) | Admin And Compliance Service | 11/9/2021 | 445.18 |
| 19634 | Centerpoint Energy | Monthly Serv | 11/16/2021 | 430.29 |
| 212200336 | Munsterteiger, Jill | Reimbursement | 11/17/2021 | 429.62 |
| 19644 | Discover Yourself Inc | Prof Serv | 11/16/2021 | 427.20 |
| 19378 | Metro Volleyball Official Association, LLC | Girls Volleyball | 11/2/2021 | 416.00 |
| 19435 | Tischendorf, Michael | Prof Serv | 11/2/2021 | 400.00 |
| 19648 | Fred T Miller Photography | Prof Serv | 11/16/2021 | 400.00 |
| 19500 | Earl F Andersen Inc | Dist Use Field Signage | 11/9/2021 | 376.45 |
| 19542 | Medina Entertainment Ctr | Girls Tennis Banquet | 11/9/2021 | 376.04 |
| 19672 | Mn Assn Of Secondary School Principals | CMS Admn Staff Development 2021-22 | 11/16/2021 | 365.00 |
| 19469 | Apple Valley High School | Entry Fee Mock Trial | 11/9/2021 | 360.00 |
| 212200323 | Christenson, Erik | Reimbursement | 11/17/2021 | 357.95 |
| 19707 | Tierney Brothers, Inc. | Replacement Parts For Usb Extenders And Smart Pens | 11/16/2021 | 351.45 |
| 711268 | Uline Shipping Supply | Dome Up | 11/11/2021 | 347.91 |
| 19631 | Brown'S Ice Cream Co | EMS - Ice Cream Products | 11/16/2021 | 345.44 |
| 19649 | Gamma Sports | WHS Athletics Supplies | 11/16/2021 | 340.98 |
| 212200332 | Jacklitch, Michelle | Reimbursement | 11/17/2021 | 329.28 |
| 19447 | Ziegler Inc | Equipment Repair | 11/2/2021 | 320.39 |
| 19358 | House Of Note | Supplies | 11/2/2021 | 320.00 |
| 19668 | Ldt Booster Club | Eastview Invitational Registration Fee | 11/16/2021 | 320.00 |
| 212200300 | Klein, Jeri | Reimbursement | 11/10/2021 | 313.60 |
| 711248 | Innovative Office Solutions | WPS SS Master Keys | 11/11/2021 | 307.10 |
| 19544 | Minnesota Casters | OW S/O#35646 | 11/9/2021 | 305.86 |
| 711210 | Commercial Kitchen Services | NW - Equipment Repairs | 11/4/2021 | 304.00 |
| 19386 | Mn Junior High School Math League | CMS Math League 2021-22 Registration | 11/2/2021 | 300.00 |
| 19389 | Mteea Super Mileage | Entry Fee | 11/2/2021 | 300.00 |
| 19485 | Bruegger'S Enterprises Inc | HS - Bread Products | 11/9/2021 | 296.72 |
| 19497 | Dempsey, John | Pro Serv | 11/9/2021 | 293.89 |
| 19421 | Schwartz, Lisa | (A)Posters For Seniors For Boys Soccer | 11/2/2021 | 289.80 |
| 19602 | Xerox Financial Services | Copier Lease | 11/9/2021 | 288.00 |
| 19437 | Trans-Mississippi Biological | Science Center Kit Supplies | 11/2/2021 | 282.15 |
| 19632 | Bruegger'S Enterprises Inc | HS - Bread Products | 11/16/2021 | 276.74 |
| 19655 | Hennepin County | Fleet Support | 11/16/2021 | 270.05 |
| 19442 | Vistar | HS Ala Carte Items | 11/2/2021 | 264.36 |
| 19581 | Tierney Brothers, Inc. | AV Shelving | 11/9/2021 | 260.00 |
| 19571 | Story Jar Publications LLC | CMS Media Center Books | 11/9/2021 | 254.25 |
| 212200269 | Davison, Lisa | Reimbursement | 11/3/2021 | 252.63 |
| 19366 | Jah Scheduling | 2021 Soccer Scheduling | 11/2/2021 | 246.00 |
| 19527 | Identisys | CSF Badge Printer Ink | 11/9/2021 | 245.91 |
| 711235 | Allegra Print & Imaging | Volleyball Posters For Youth Night | 11/11/2021 | 242.82 |
| 19521 | Genest-Stein, Phyllis | DHH Mentor | 11/9/2021 | 240.00 |
| 212200276 | Kline, Lawrence | Reimbursement | 11/3/2021 | 239.37 |
| 711259 | School Health Corp | Special Education Supplies & Materials | 11/11/2021 | 234.16 |
| 212200326 | Fieldseth, Joanne | Reimbursement | 11/17/2021 | 233.76 |
| 19394 | Nokomis Shoe Shop Inc | Shoes | 11/2/2021 | 224.85 |
| 19559 | Perry, Mark | B & G Soccer | 11/9/2021 | 216.00 |
| 19549 | Nasco-Fort Atkinson | Art Supplies For Specialist | 11/9/2021 | 212.74 |
| 711257 | Scholastic Inc | CMS 8Th Grade Social Studies Subscription | 11/11/2021 | 203.28 |
| 19597 | Usi Education & Government Sales | Special Education Supplies & Materials | 11/9/2021 | 203.24 |
| 711209 | Allegra Print & Imaging | Prof Serv | 11/4/2021 | 200.00 |
| 212200338 | Olson, Bradley | Reimbursement | 11/17/2021 | 200.00 |
| 19647 | Franz Reprographics | Student Council | 11/16/2021 | 198.58 |
| 19518 | Futura Language Professionals | Spanish Services For Fall Semester 2021 | 11/9/2021 | 198.00 |
| 212200274 | Karch, Joanne | Reimbursement | 11/3/2021 | 197.96 |
| 711213 | Goodin Co | WHS Parts | 11/4/2021 | 197.35 |
| 711216 | Hubert Co | Serving Supplies | 11/4/2021 | 191.71 |
| 19650 | Gerber, Jenny | Girls Varsity Soccer Senior Night | 11/16/2021 | 191.68 |
| 19488 | Centerpoint Energy | Monthly Serv | 11/9/2021 | 190.81 |
| 212200292 | Brisley, Susan | Reimbursement | 11/10/2021 | 178.58 |
| 212200308 | Rogers, Judy | Reimbursement | 11/10/2021 | 178.26 |
| 19630 | Breakout Inc | Breakout Edu Platform Access Bloom Tls | 11/16/2021 | 178.00 |
| 19324 | Barnes & Noble Booksellers Inc | Wells English Books | 11/2/2021 | 172.66 |
| 212200286 | Wong, Diana | Reimbursement | 11/3/2021 | 172.46 |
| 212200281 | Sonstegard, Laurie | Reimbursement | 11/3/2021 | 170.34 |
| 19503 | Ekon-O-Pac LLC | Bags For Meal Prep | 11/9/2021 | 170.00 |

| Check No. | Vendor | Description | Date | Amount |
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| 19660 | Ingram Library Services | Books | 11/16/2021 | 165.39 |
| 19606 | Florida State Disbursement Unit | Payroll Accrual | 11/11/2021 | 165.30 |
| 19332 | Brotherton, James | Official | 11/2/2021 | 160.00 |
| 19350 | Haase, Jason | Official | 11/2/2021 | 160.00 |
| 19431 | Taylor, Brandon | Official | 11/2/2021 | 160.00 |
| 19468 | Apollo High School | Mock Tiral Invitational | 11/9/2021 | 160.00 |
| 19570 | Stewart, Charles | Official | 11/9/2021 | 160.00 |
| 19600 | Withers, Gerald | Official | 11/9/2021 | 160.00 |
| 711224 | Sign Producers, The | Hs Signs | 11/4/2021 | 160.00 |
| 212200337 | Noelting, Melanie | Reimbursement | 11/17/2021 | 151.70 |
| 19697 | Stowe, Marsha | Girls Swim & Dive Supplies | 11/16/2021 | 150.70 |
| 19487 | Burgeson, Nancy | Prof Serv | 11/9/2021 | 150.00 |
| 19505 | Fastsigns | OW Door Signage | 11/9/2021 | 145.04 |
| 19567 | Site One Landscape Supply LLC | CSF Shop Stock | 11/9/2021 | 143.81 |
| 19371 | Lee & Low Books Inc | Kindergarten Classroom Library Books | 11/2/2021 | 141.08 |
| 19716 | Us Foods Culinary E & S | GL - Serving Supplies | 11/16/2021 | 137.38 |
| 19611 | Acco Brands Corporation | CMS - Laminating Film 4 Rolls | 11/16/2021 | 136.16 |
| 19472 | Barnes & Noble Booksellers Inc | Ow Awe Book | 11/9/2021 | 135.90 |
| 711214 | Gopher Sport | Playground Equipment PTA | 11/4/2021 | 134.92 |
| 19328 | Berry Coffee Company | Supplies | 11/2/2021 | 134.15 |
| 19423 | Sitspots | Music Supplies | 11/2/2021 | 133.14 |
| 212200342 | Ridley, Sara | Reimbursement | 11/17/2021 | 130.48 |
| 19495 | Cub Foods | Food | 11/9/2021 | 128.74 |
| 19393 | Nisam, Zoe | Drama Club Supplies | 11/2/2021 | 128.70 |
| 19348 | Georgakopoulos, Tess | Prof Serv | 11/2/2021 | 125.00 |
| 212200287 | Yusuf, Huma | Reimbursement | 11/3/2021 | 125.00 |
| 212200347 | Windsor, Cynthia | Reimbursement | 11/17/2021 | 123.87 |
| 212200320 | Anderson, Ashli | Reimbursement | 11/17/2021 | 123.76 |
| 711225 | Site One Landscape Supply LLC | WHS Irrigation | 11/4/2021 | 123.19 |
| 19654 | Hamel Building Ctr | Supplies | 11/16/2021 | 121.88 |
| 19308 | Academic Competition Federation | Team Registration | 11/2/2021 | 120.00 |
| 212200329 | Ghent, Marsha | Reimbursement | 11/17/2021 | 119.95 |
| 212200299 | Ice, Krista | Reimbursement | 11/10/2021 | 117.83 |
| 212200285 | Wold, Anne-Marie | Reimbursement | 11/3/2021 | 114.00 |
| 19629 | Breadsmith | Hs - Bread Products | 11/16/2021 | 113.96 |
| 212200305 | Morin, Dylan | Reimbursement | 11/10/2021 | 113.56 |
| 711251 | Mckesson Medical-Surgical Government Solution | Health Non Public | 11/11/2021 | 106.32 |
| 212200307 | Pashina, Ken | Reimbursement | 11/10/2021 | 105.00 |
| 212200283 | Wan, Xiao | Reimbursement | 11/3/2021 | 104.97 |
| 212200268 | Bobek, Daniel | Reimbursement | 11/3/2021 | 102.93 |
| 19635 | City Of Medina | ESC At Hwy 55 Water/Sewer Water | 11/16/2021 | 102.01 |
| 19565 | Severson, Laurel | Prof Serv | 11/9/2021 | 100.00 |
| 212200312 | Skerbitz, William | Reimbursement | 11/10/2021 | 100.00 |
| 212200278 | Potter, Meghan | Reimbursement | 11/3/2021 | 96.32 |
| 212200267 | Beise, Barbara | Reimbursement | 11/3/2021 | 94.53 |
| 711252 | Norcostco Inc | Wayzata Players | 11/11/2021 | 92.50 |
| 19327 | Bean, William | Official | 11/2/2021 | 92.00 |
| 19339 | Conley, Benson | Official | 11/2/2021 | 92.00 |
| 19375 | Madsen, John | Official | 11/2/2021 | 92.00 |
| 19433 | Thurow, Joshua | Official | 11/2/2021 | 92.00 |
| 19443 | Vrieze, Tyler | Official | 11/2/2021 | 92.00 |
| 19376 | Mckesson Medical-Surgical Government Solution | Non Public Heath Supplies | 11/2/2021 | 90.10 |
| 19525 | Hammer Sports LLC | Girls Volleyball Officials | 11/9/2021 | 89.00 |
| 212200270 | Hansen, Lauren | Reimbursement | 11/3/2021 | 88.92 |
| 711242 | Demco, Inc. | Media Center Materials | 11/11/2021 | 88.86 |
| 212200288 | Beck, Marie | Reimbursement | 11/10/2021 | 88.31 |
| 212200306 | Nelson, Zachary | Reimbursement | 11/10/2021 | 87.25 |
| 19490 | Citi-Cargo & Storage | Dome Storage | 11/9/2021 | 87.00 |
| 19450 | Almaer, Simon | Culinary Refund | 11/9/2021 | 85.70 |
| 19374 | Mackin Educational Resources | EMS Media | 11/2/2021 | 85.50 |
| 212200324 | Elmhirst, David | Reimbursement | 11/17/2021 | 82.88 |
| 19369 | Kovach, James | Official | 11/2/2021 | 80.00 |
| 19426 | Stewart, Charles | Official | 11/2/2021 | 80.00 |
| 19438 | Turnbull, Blaine | Official | 11/2/2021 | 80.00 |
| 19493 | Crotteau, Adam | Official | 11/9/2021 | 80.00 |
| 19499 | Downs, Tyler | Official | 11/9/2021 | 80.00 |
| 19554 | Oliver, Joe | Official | 11/9/2021 | 80.00 |
| 19541 | Medart,Inc. | CSF Order Fulfillment | 11/9/2021 | 79.62 |
| 19482 | Bound To Stay Bound Books | Library Books | 11/9/2021 | 78.00 |
| 19351 | Hadley, Samarah | Official | 11/2/2021 | 77.00 |
| 711243 | Ferguson Enterprises, Inc #1657 | WHS Repair Parts | 11/11/2021 | 75.34 |
| 19343 | Doughty, Jeffrey | Showstoppers Apparel | 11/2/2021 | 75.00 |
| 19563 | Robbins, Tammy | Senior Ipad | 11/9/2021 | 75.00 |
| 19321 | Assn For Middle Level Education (Amle) | Membership | 11/2/2021 | 74.98 |
| 212200271 | Hodena, Melissa | Reimbursement | 11/3/2021 | 74.42 |
| 212200303 | Kupka, Anthony | Reimbursement | 11/10/2021 | 70.00 |
| 212200313 | Somers, Cathy | Reimbursement | 11/10/2021 | 66.62 |
| 212200273 | Johnson, Jeri | Reimbursement | 11/3/2021 | 66.36 |

| Check No. | Vendor | Description | Date | Amount |
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| 212200310 | Schmidt, Amy | Reimbursement | 11/10/2021 | 65.50 |
| 212200290 | Bialozynski, Samantha | Reimbursement | 11/10/2021 | 64.23 |
| 212200341 | Rasmussen, Stephanie | Reimbursement | 11/17/2021 | 62.22 |
| 212200289 | Berg, Carrie | Reimbursement | 11/10/2021 | 62.08 |
| 19540 | Mcintosh, Alan | Official | 11/9/2021 | 62.00 |
| 19599 | Weinandt, Sydney | Official | 11/9/2021 | 62.00 |
| 19641 | Coach Cliff'S Gaga Ball Pits LLC | Metal Sign For Gaga Pit | 11/16/2021 | 61.00 |
| 19380 | Mn Division On Visual Impairments | Special Education Supplies & Materials | 11/2/2021 | 60.00 |
| 212200280 | Skerbitz, William | Reimbursement | 11/3/2021 | 60.00 |
| 212200321 | Beugen, Mara | Reimbursement | 11/17/2021 | 59.53 |
| 19642 | Cub Foods | Hs Groceries | 11/16/2021 | 57.20 |
| 19346 | Frederick Bethke Violins LLC | Prof Serv | 11/2/2021 | 54.00 |
| 212200295 | Fehrenbach, Ann | Reimbursement | 11/10/2021 | 53.59 |
| 212200340 | Prondzinski, Jeff | Reimbursement | 11/17/2021 | 53.50 |
| 212200322 | Carson, Elisa | Reimbursement | 11/17/2021 | 52.66 |
| 212200319 | Allen, Stephanie | Reimbursement | 11/17/2021 | 52.30 |
| 19687 | Premium Waters Inc | DAB Water Service | 11/16/2021 | 51.00 |
| 19467 | American Regions Math League | Entry Fee | 11/9/2021 | 50.00 |
| 19528 | Ihrke, Darci | Ipad Keyboard | 11/9/2021 | 50.00 |
| 212200339 | Perrizo, Stephanie | Reimbursement | 11/17/2021 | 49.84 |
| 212200327 | Foley, Gerrene | Reimbursement | 11/17/2021 | 48.85 |
| 212200331 | Heidelberger, Kellie | Reimbursement | 11/17/2021 | 48.16 |
| 19645 | Edmentum Inc | 6 Reading Eggs Licenses For Special Ed | 11/16/2021 | 48.00 |
| 212200330 | Hansen, Andrew | Reimbursement | 11/17/2021 | 47.50 |
| 711241 | Decker Inc | Door Stops | 11/11/2021 | 46.75 |
| 212200328 | Gale, Christa | Reimbursement | 11/17/2021 | 46.37 |
| 711261 | Shred-N-Go | MR Shredding | 11/11/2021 | 45.00 |
| 19598 | Vivanco, Jennifer | Culinary Refund | 11/9/2021 | 44.90 |
| 212200346 | Thomas, Kalyn | Reimbursement | 11/17/2021 | 44.58 |
| 212200302 | Krueger, Elsie | Reimbursement | 11/10/2021 | 42.78 |
| 212200275 | Kemmis, Colin | Reimbursement | 11/3/2021 | 40.77 |
| 212200291 | Brisley, Andrew | Reimbursement | 11/10/2021 | 40.54 |
| 19396 | Novak, Janice | Prof Serv | 11/2/2021 | 40.00 |
| 19552 | Novak, Janice | Prof Serv | 11/9/2021 | 40.00 |
| 212200309 | Runge, Amy | Reimbursement | 11/10/2021 | 39.87 |
| 212200325 | Farmer, Kathleen | Reimbursement | 11/17/2021 | 39.80 |
| 19680 | Nasco-Fort Atkinson | OW Art Supplies | 11/16/2021 | 39.36 |
| 711244 | Flinn Scientific, Inc. | Science Classroom Supplies | 11/11/2021 | 38.26 |
| 212200296 | Hagen, Leah | Reimbursement | 11/10/2021 | 38.08 |
| 212200311 | Seeland, Elizabeth | Reimbursement | 11/10/2021 | 37.24 |
| 212200266 | Austin, Brigid | Reimbursement | 11/3/2021 | 36.34 |
| 212200298 | Huynh, Mai | Reimbursement | 11/10/2021 | 36.29 |
| 212200272 | Jacklitch, Michelle | Reimbursement | 11/3/2021 | 35.99 |
| 212200333 | Johnson, Emma | Reimbursement | 11/17/2021 | 34.00 |
| 212200277 | Peterson, Lauri | Reimbursement | 11/3/2021 | 32.59 |
| 212200282 | Thao, Jonpa | Reimbursement | 11/3/2021 | 31.42 |
| 212200315 | Sour, Lydia | Reimbursement | 11/10/2021 | 30.91 |
| 19580 | Theneedindeed | Prof Serv | 11/9/2021 | 30.00 |
| 212200335 | Kreisle, Virginia | Reimbursement | 11/17/2021 | 28.67 |
| 212200316 | Thao, Jonpa | Reimbursement | 11/10/2021 | 28.56 |
| 212200297 | Hogan-Naroji, Nicole | Reimbursement | 11/10/2021 | 28.06 |
| 19445 | Westside Wholesale Tire, Inc | T-4000 Tire Repair | 11/2/2021 | 25.00 |
| 711260 | School Specialty, LLC | Digital Access For Enr Phy Sci | 11/11/2021 | 20.00 |
| 19440 | Unlimited Supplies | Dome Parts | 11/2/2021 | 19.80 |
| 212200279 | Ruchti, Julie | Reimbursement | 11/3/2021 | 17.00 |
| 212200265 | Althoff, Adam | Reimbursement | 11/3/2021 | 16.74 |
| 711230 | Tri-Dim Filter Corp | NW Belts | 11/4/2021 | 16.24 |
| 212200334 | Kemmis, Colin | Reimbursement | 11/17/2021 | 15.10 |
| 212200301 | Kosin, Susan | Reimbursement | 11/10/2021 | 15.00 |
| 212200318 | Wood, Carolyn | Reimbursement | 11/10/2021 | 14.19 |
| 19441 | US Foods Culinary E & S | CMS - Serving Supplies | 11/2/2021 | 13.46 |
| 212200343 | Rohweder, Matthew | Reimbursement | 11/17/2021 | 13.26 |
| 212200304 | Lauer, Rebecca | Reimbursement | 11/10/2021 | 12.77 |
| 212200345 | Swanson, Angela | Reimbursement | 11/17/2021 | 11.50 |
| 19651 | Gopher Stage Lighting | Wayzata Players | 11/16/2021 | 11.45 |
| 19329 | Billington, Kaylene | Culinary Refund | 11/2/2021 | 11.30 |
| 19501 | Easykeys.Com Inc | Esc-Cabinet Key | 11/9/2021 | 10.97 |
| 212200317 | Whitworth, Jenniffer | Reimbursement | 11/10/2021 | 10.42 |
| 19391 | National Archery In The Schools Program Inc | WHS Bow Limb Replacement | 11/2/2021 | 10.00 |
| 19534 | Johnstone Supply | GL Repairs | 11/9/2021 | 7.90 |
| 711219 | Pepper & Son Inc., J. W. | WHS Mark Gitch Orchestra | 11/4/2021 | 6.00 |
| 212200294 | Derubeis, Emma | Reimbursement | 11/10/2021 | 5.99 |
| 19395 | Northwest Asphalt Inc | WHS - 2021 Pavement Rehab | 11/2/2021 | - |
| | | | **Total Value of Checks Issued** | **$ 2,376,016.80** |

# 2021-22 School Year
# Wire, EFT, & ACH Activity
## For the Month Ended October 31, 2021

WAYZATA PUBLIC SCHOOLS

Excellence. For each and every student.

| From | To | Description | Date | Amount |
|---|---|---|---|---|
| US Bank - Checking | US Bank - Payroll | District Payroll | Multiple | $ 6,171,906.30 |
| US Bank - Checking | Internal Revenue Service | Federal Payroll Taxes | 10/1/2021 | 1,061,464.61 |
| US Bank - Checking | Internal Revenue Service | Federal Payroll Taxes | 10/18/2021 | 1,130,540.97 |
| US Bank - Checking | Minnesota Department of Revenue | State Payroll Taxes | 10/1/2021 | 179,081.15 |
| US Bank - Checking | Minnesota Department of Revenue | State Payroll Taxes | 10/20/2021 | 189,849.31 |
| US Bank - Checking | Delta Dental | Dental Claims | Multiple | 83,798.87 |
| US Bank - Checking | Preferred One | Health Claims | Multiple | 960,211.18 |
| US Bank - Checking | Wells Fargo Commercial Card | Purchase Card Program | 10/5/2021 | 56,025.41 |
| US Bank - Checking | Further | Flex Benefits | Multiple | 464,440.09 |
| US Bank - Checking | Preferred One | Broker/Reinsurance Fees | 10/14/2021 | 130,000.31 |
| US Bank - Checking | Payroll Vendors (TRA, EBC, MSRS, etc.) | Electronic Payments | Multiple | 1,527,900.99 |
| US Bank - Checking | District Employees | Expense Reimbursements | Multiple | 23,815.25 |
| US Bank - Checking | Commerce Bank | Electronic Accounts Payable | Multiple | 258,437.86 |
| US Bank - Checking | Minnesota Department of Revenue | Sales & Use Tax Payment | 10/19/2021 | 4,985.00 |
| US Bank - Checking | Edutrack, Alerus, Eleyo, RevTrack | Electronic Payment Fees | Multiple | 33,909.63 |
| US Bank - Checking | Minnesota School District Liquid Asset Fund | Service Fee | 10/15/2021 | 335.86 |
| | | | **Total Wires, EFTs, and ACHs** | **$ 12,276,702.79** |

WAYZATA PUBLIC SCHOOLS

Agenda Item: 2.B.4

# BOARD OF EDUCATION

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Administrative Reports and Recommendations

**ITEM:** Finance and Business Services Recommendations

**COMMENTS BY:** DeeDee Kahring, Executive Director, Finance and Operations

**Wayzata High School Partial Roof Rehabilitation Project**

The bid opening for 2022 Partial Roof Rehabilitation Project at Wayzata High School ("the project") was held at 295 Highway 55, Medina, MN 55340 on Tuesday, November 30, 2021 at 2:00 p.m.

The scope of the project includes removal of the existing roof systems and associated materials on approximately 32,000 ft of the facility and installation of new roofing systems as specified; removal and installation of approximately 325 ft of through wall flashing and replacement of 23 windows.

The project is funded by long-term facilities maintenance revenue (LTFM). Attached are the lowest responsible bidders and their base bid amount for purposes of contract award. Also attached is bid tabulation and recommendation from ZMD Engineered Solutions, LLC.

**Recommended Action:** Award construction contracts for the project to to John A. Dalsin & Son, Inc. in the amount of $692,781 for the base bid and $137,111 for Alternate No. 1 for a total of $829,892.

**Motion by:** ________________ **ROLL CALL** **Passed:** ________________

**Second by:** ________________ **Failed:** ________________

**Abstentions:** ________________

ZMD Engineered Solutions, LLC

28 – 2nd Street NW
Suite #100
Osseo, MN 55369
763-515-8733

December 2, 2021

Rodney Peterson, Construction Project Coordinator
ISD 284 – Wayzata Public Schools
17305 19th Avenue North
Plymouth, MN 55447

Re: 2022 Partial Roof Rehabilitation at Wayzata High School

Dear Mr. Peterson:

Bids were received for the aforementioned project at ISD 284 on November 30, 2021. The three lowest combined bids (Base Bid and Add Alternate #1) received were from Central Roofing Company ($829,035.00), John A. Dalsin & Son, Inc. ($829,892.00) and Mint Roofing Inc. ($830,800.00). All three of the low contractors were asked to submit the same additional information such that we could further evaluate their bids (see attached).

The low bidder (Central Roofing Company) clearly states that they will be providing only a seven (7) person crew with their provided additional information while it is clearly stated in the Advertisement for Bids that "The Responsible Contractor that provides the lowest responsive Base Bid is required to provide one roofing crew working within the District, fully equipped and staged, consisting of 8 to 10 laborers until completion of the Contract…". The second low bidder (John A. Dalsin & Son, Inc.) clearly stated that they will provide a crew of nine (9) workers.

It was also clearly communicated at the pre-bid meeting and in the Bid Documents that the District intended to start the work as soon as possible once the contracts are fully executed. Central Roofing clearly states in their additional information submission that the reroofing portion of the work would begin June 6 while John A. Dalsin & Son, Inc. could begin the work in mid-April and preferably (weather permitting) in March.

After review of the additional information and discussion with you, it is our recommendation and, in the District's best interests, to accept the bid from John A. Dalsin & Son, Inc. in the amount of $829,892.00.

We have discussed the bid results with Jim Dalsin of John A. Dalsin & Son, Inc., and he indicated they have reviewed their bid proposal and would be pleased to complete the Work (Base Bid and Add Alternate #1) for their submitted amount of $829,892.00.

ZMD's staff has reviewed references and has past work history with John A. Dalsin & Son, Inc. They have performed satisfactory roof replacement services for ZMD on past projects.

It is our opinion that John A. Dalsin & Son, Inc. is capable of performing the Work as specified. We would like this letter to serve as ZMD's formal letter of recommendation for John A. Dalsin & Son, Inc. to perform the 2022 Roof Rehabilitation at Wayzata High School for Independent School District 284.

Sincerely,

ZMD Engineered Solutions, LLC

Nathan Foss

Nathan Foss
Project Manager

CC: Mr. Jon Deutsch, ISD 284
Mr. Jim Dalsin, John A. Dalsin & Son, Inc.

# 2022 ISD 284 Roof Rehabilitation

## Independent School District 284

**November 30, 2021 - 2:00 p.m.**

ZMD Engineered Solutions, LLC

| | Berwald Roofing Company Inc | Central Roofing Company | BL Dalsin Roofing | John A. Dalsin & Son, Inc. | McPhillips Bros. Roofing Co. | Mint Roofing Inc. | Palmer West Const Co, Inc. |
|---|---|---|---|---|---|---|---|
| BASE BID | $ 783,000.00 | $ 695,256.00 | $ 699,197.00 | $ 692,781.00 | $ 720,000.00 | $ 688,400.00 | $ 682,700.00 |
| ADD ALTERNATE BID #1 (AREA H5) | $ 169,000.00 | $ 133,779.00 | $ 148,183.00 | $ 137,111.00 | $ 139,000.00 | $ 142,400.00 | $ 165,400.00 |
| START DATE | 6/10/2022 | 4/19/2022 | ASAP | 4/15/2022 | June 2022 | ASAP | ASAP |
| COMPLETION DATE | 8/10/2022 | 8/12/2022 | 8/12/2022 | 8/8/2022 | August 2022 | 8/22/2022 | 8/12/2022 |
| NUMBER OF CREWS / CREW SIZE | 1 / 8 | 1 / 7-10 | 1 / 8-10 | 1 / 9 | 1 / 10 | 1 / 9-10 | 1 / 10 |
| BID SECURITY | X | X | X | X | X | X | X |
| UNIT PRICE 1: Exist Insul Repl, Per Bd Ft | | | | | | | |
| a. + / - Polyisocyanurate Insul | $ 12.50 | $ 14.25 | $ 5.90 | $ 15.40 | $ 5.00 | $ 4.85 | $ 3.50 |
| UNIT PRICE 2: Deter Wood Nailers Repl, Per Ln Ft | | | | | | | |
| a. 2 X 4 | $ 3.00 | $ 3.50 | $ 6.00 | $ 9.70 | $ 2.00 | $ 3.40 | $ 3.00 |
| b. 2 X 6 | $ 3.60 | $ 4.50 | $ 6.67 | $ 9.95 | $ 2.25 | $ 3.95 | $ 3.50 |
| c. 2 X 8 | $ 4.00 | $ 5.50 | $ 7.32 | $ 10.25 | $ 2.50 | $ 4.75 | $ 4.00 |
| d. 2 X 10 | $ 4.75 | $ 6.50 | $ 7.49 | $ 10.70 | $ 3.00 | $ 5.90 | $ 4.50 |
| e. 2 X 12 | $ 6.00 | $ 7.50 | $ 8.33 | $ 11.05 | $ 4.00 | $ 8.10 | $ 5.00 |
| f. 4 X 4 (cant) | $ 4.00 | $ 5.00 | $ 6.25 | $ 10.50 | $ 2.00 | $ 5.40 | $ 3.00 |
| g. 6 X 6 (cant) | $ 6.00 | $ 7.00 | $ 7.51 | $ 11.70 | $ 4.00 | $ 8.30 | $ 4.50 |
| h. 1/2" Plywood, per 4'x8' sheet | $ 75.00 | $ 160.00 | $ 227.27 | $ 320.00 | $ 50.00 | $ 135.00 | $ 75.00 |
| i. 3/4" Plywood, per 4'x8' sheet | $ 96.00 | $ 175.00 | $ 238.46 | $ 344.00 | $ 65.00 | $ 175.00 | $ 85.00 |
| ADDENDUM NO 1 | X | X | X | X | X | X | X |

WAYZATA PUBLIC SCHOOLS

Agenda Item: 2.B.5

# BOARD OF EDUCATION

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Approval of Agenda and Consent Agenda Items

**ITEM:** Finance and Business Services Recommendations

**COMMENTS BY:** DeeDee Kahring, Executive Director, Finance and Operations

**OPEB Investment Policy Statement and Appointment of OPEB Committee Members**

The Other Post-Employment Benefits (OPEB) Committee utilizes an investment policy statement to guide their investment strategies. The OPEB committee, along with the assistance of an investment advisor, invests funds placed in the irrevocable trust for post-employment pension obligations. On an annual basis, the School Board is requested to review the policy statement and reaffirm their guidance to this committee.

The OPEB Committee is currently comprised of:

- Members of the Finance subcommittee of the School Board – Linda Cohen, Andrea Cuene, and Sarah Johansen
- Two members of the Citizens Financial Advisory Council (CFAC) - Jerry Trenda and Ted Victor
- Wayzata Education Association (WEA) President Cory Knudtson
- District administration: Chace Anderson, DeeDee Kahring, Nathan Flansburg, Jill Schwint, Mert Woodard, and David Draskovich

Also in attendance at committee meetings are representatives from the School Board appointed investment advisor, PFM Asset Management, a wholly owned subsidiary of U.S. Bank.

**Recommended Action:** Appoint to the OPEB committee the members noted above and reaffirm the attached investment policy statement to be used as guidance for OPEB investment strategies,.

**Motion by:** ________________ **ROLL CALL** **Passed:** ________________

**Second by:** ________________ **Failed:** ________________

**Abstentions:** ________________________________________

# INVESTMENT POLICY STATEMENT

# FOR

# INDEPENDENT SCHOOL DISTRICT 284
# OTHER POST EMPLOYMENT BENEFITS TRUST

**Revision Dated December 14, 2015**

Reaffirmed by School Board:
December 12, 2016
December 11, 2017
December 10, 2018
December 9, 2019
December 14, 2020

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The Independent School District 284 (Wayzata Public Schools) ("the District") has established the Independent School District 284 (Wayzata Public Schools) Other Post-Employment Benefits Trust (the "Trust"). This Trust is intended to provide funding of non-pension post-employment health care, dental and life benefits ("OPEB") for those employees who meet the age and service requirements outlined in the plan document. The Trustees of the Trust hereby adopt this Investment Policy Statement ("Policy Statement") for the following purposes:

## Purpose

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill Wayzata Public Schools' current and long-term OPEB obligations.

The purpose of the Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations, and investment guidelines for Trust assets.

2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges, and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.

3. Establish investment guidelines to control overall risk and liquidity.

4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.

5. Comply with fiduciary, prudence, due diligence and legal requirements for Trust assets.

## Investment Authority

The District's School Board has appointed an OPEB Oversight Board (the "Trust Board") to oversee certain policies and procedures related to the operation and administration of the Trust pursuant to Minnesota State Statute 356A. The Board will have authority to implement the investment policy and guidelines in the best interest and purpose of the Trust.

In implementing this Policy Statement, the Board believes it may delegate certain functions to:

1. An investment advisor ("Advisor") to assist the Trust Board in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the Trust Board in establishing investment policy objectives and guidelines. The Advisor will adjust asset allocation for the Trust subject to the guidelines and

limitations set forth in this Policy Statement. The Advisor will also select investment managers ("Managers") and strategies consistent with its role as a fiduciary for the Trust. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor is also responsible for monitoring and reviewing investment managers; measuring and evaluating performance; and other tasks as deemed appropriate in its role as Advisor for Trust assets. The Advisor may also select investments with discretion to purchase, sell, or hold specific securities, that will be used to meet the Trust's investment objectives. The Advisor shall never take possession of securities, cash or other assets of the Trust, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian selected by the Trust to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The regular custodian will perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.

3. A trustee appointed by the Trust, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the School Board shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.

4. Specialists such as attorneys, auditors, actuaries, and retirement plan consultants to assist the Trust Board in meeting its responsibilities and obligations to administer Trust assets prudently.

## STATEMENT OF INVESTMENT OBJECTIVES

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.

2. To provide for funding and/or anticipated withdrawals on a continuing basis for payment of benefits and reasonable or related expenses of operation of the Trust.

3. To conserve and enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining an investment risk profile as approved by the School Board.

4. To minimize principal fluctuations over the Time Horizon (as defined below).

5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled "Performance Expectations".

## INVESTMENT GUIDELINES

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

> "Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds, private or leveraged equity, and certain real estate investments.
>
> "Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts, and certain real estate investments.
>
> "Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities, commodities, and certain real estate investments.

### Time Horizon

The Trust's investment objectives are based on a long-term investment horizon ("Time Horizon") of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Board has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

### Liquidity and Diversification

In general, the Trust may hold some cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the "Trust Distributions") as directed by and in coordination with the Trust Board. Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments, or industries.

**Asset Allocation**

The School Board believes that to achieve the greatest likelihood of meeting the Trust's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust's target rate of return over the long-term, as described in the section titled, "Performance Expectations".

| | Asset Weightings | |
|---|---|---|
| **Asset Classes** | **Range** | **Target** |
| **Growth Assets** | **Range 50 - 70%** | |
| Domestic Equity | 19% - 59% | 39% |
| International Equity | 1% - 41% | 21% |
| Other | 0% - 20% | 0% |
| **Income Assets** | **Range 30 - 50%** | |
| Fixed Income | 20% - 60% | 36% |
| Other | 0% - 20% | 0% |
| **Real Return Assets** | 0% - 20% | 0% |
| **Cash Equivalents** | 0% - 20% | 4% |

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

**Rebalancing Philosophy**

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The advisor may also rebalance based on market conditions.

**Risk Tolerance**

Subject to investment objectives and performance expectations, the Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

**Performance Expectations**

Over the long-term, five years or longer, the performance objective for the Trust will be to achieve an average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate. Additionally, it is expected that the annual rate of return on Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust investments and blended benchmark comparisons for the Trust in its entirety.

## SELECTION OF INVESTMENT MANAGERS

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS®), Securities & Exchange Commission ("SEC"), Financial Industry Regulatory Agency ("FINRA") or industry recognized standards, as appropriate.

- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal ("RFP") completed by the Manager or regulatory disclosure.

- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.

- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

## Guidelines for Portfolio Holdings

### Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the "Guidelines for Portfolio Holdings"). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments. As soon as the deviation comes to the attention of the Advisors, the Advisor will take corrective action and make appropriate changes as soon as possible.

### Limitations on Managers' Portfolios

Equities:

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

*Domestic Equities:* Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

*International Equities:* The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

Fixed Income:

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization ("NRSRO"). In accordance with Minnesota State Statute 356A total fixed income assets rated below investment grade will be limited to 5% of the total portfolio. Additionally, any below investment grade strategies will be brought to the Trust Board to review prior to implementation.

Other Assets (Alternatives):

Alternatives may consist of non-traditional asset classes such as hedge funds, private equity, real estate and commodities, when deemed appropriate. Any illiquid or non-publically traded investments, such as hedge funds or private funds, must have prior notification and explicit approval from the Trust Board before asset acquisitions. The Trust Board may defer to the School Board for additional prior approval. The total allocation to this category may not exceed 20% of the overall portfolio.

*Hedge Funds:* Primary objective shall be to enhance the risk-return profile of the overall portfolio. This can be accomplished by using a combination of hedge fund strategies that may enhance returns at a reasonable level of risk or reduce volatility while providing a reasonable level of return. These asset classes may differ from traditional public market asset classes due to the use of certain strategies including short-selling, leverage, and derivatives. Hedge funds may also invest across asset classes. The use of direct hedge funds and fund-of-hedge funds are allowed. For purposes of asset allocation targets and limitations, single strategy hedge funds will be categorized under the specific asset class of the fund. For example, a long/short U.S. equity fund will be categorized as "Other" in the Growth Assets category while a long/short credit fund will be categorized as "Other" in the Income Assets category. Multi-strategy hedge funds that cannot be easily categorized under one asset class will be included in "Other" under either the Growth Assets or Income Assets category depending on the risk-return profile of the strategy.

*Private Equity:* Private equity is less liquid than publicly traded equity securities and can provide returns that are greater than what is available in publicly traded markets. The private equity portfolio may include investments in a variety of commingled/partnership and direct investment vehicles including, but not limited to, venture capital, buyout, turnaround, mezzanine, distressed security, and special situation funds. The private equity portfolio is recognized to be long-term in nature and highly illiquid. Due to their higher risk, private equity investments are expected to provide higher returns than publicly traded equity securities. For purposes of asset allocation targets and limitations, these funds will be categorized as "Other" under the Growth Assets category.

*Real Estate:* Consists of publicly traded Real Estate Investment Trust ("REIT") securities and/or non-publicly traded private real estate and shall be diversified across a broad array of property types and geographic locations. Investments of this type are designed to provide a stable level of income combined with potential for price appreciation, particularly in periods of unexpected inflation. For private real estate, the illiquid, long-term nature should be considered. For purposes of asset allocation targets and limitations, publicly traded REITs will be categorized as "Other" under the Growth Assets category. Depending on the investment characteristics of a private real estate fund, the fund will be categorized as "Other" under either the Income Assets category, for example, a core real estate fund, or under the Growth Assets category, for example, an opportunistic real estate fund where capital gains are expected to make up a significant portion of the total return.

*Inflation Hedge:* Shall consist of pooled vehicles holding among other assets: Treasury Inflation Protected Securities ("TIPS"), commodities or commodity contracts, index-linked derivative contracts, certain real estate or real property funds and the equity of companies in businesses thought to hedge inflation. Inflation hedge assets will be reported in the Real Return Assets category.

Cash Equivalents:

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

**Portfolio Risk Hedging**

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Trust assets. One example of a hedge vehicle is an exchange traded fund ("ETF") which takes short positions. Any "ETF" or hedge vehicle acquisitions must have prior notification and explicit approval from the Trust Board.

**Prohibited Investments**

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of Rule 144A securities). Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited.

**Safekeeping**

All assets of the Trust shall be held by a custodian approved by the School Board for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

## CONTROL PROCEDURES

### Review of Investment Objectives

The Advisor shall review annually and report to the School Board the appropriateness of this Policy Statement for achieving the Trust's stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

### Review of Investment Performance

The Advisor shall report on a quarterly basis to the Trust Board to review the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the Trust Board advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate benchmarks, as well as market indices in both equity and debt markets. Examples of benchmarks and indexes that will be used include the Russell 3,000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies; MSCI Europe, Australia, and Far East Index (EAFE) Index for developed markets, international equities, Barclays Capital Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

### Voting of Proxies

The Trust Board recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

## ADOPTION OF INVESTMENT POLICY STATEMENT

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the School Board. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

Approved by the Wayzata Public Schools School Board.

Resolved by:

Member

12-14-15

Date

WAYZATA PUBLIC SCHOOLS

**Agenda Item: 2.C.**

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Approval of Agenda and Consent Agenda Items

**ITEM:** Human Resource Recommendations

**COMMENTS BY:** Stacie Vos, Executive Director of Human Resource Services

Attached are the recommendations regarding personnel actions including: employment, separations and leaves of absence.

**Recommended Action**: Approve the Human Resource actions as recommended in the attachment.

**Motion by:** ____________________ **ROLL CALL** **Passed:** ____________________

**Second by:** ____________________ **Failed:** ____________________

**Abstentions:** ______________________________________________________________

# HUMAN RESOURCES RECOMMENDATIONS - Consent Agenda - December 13, 2021

## EMPLOYMENT

| Name | Position | Location | Start Date |
|---|---|---|---|
| Lakshmi Sandu | Wayzata Café | Oakwood | 12/1/2021 |
| Kelly Basten | Administrative Professional | High School | 12/8/2021 |
| Katie Heuring | Grade 4 | English/Language Arts | 12/2/2021 |
| Sunita Sahoo | Wayzata Kids | Early Learning School | 12/17/2021 |
| Ashley Janisch | Wayzata Kids | Birchview | 12/20/2021 |
| Kimberly Aanestad | Paraprofessional | Sunset Hill | 1/3/2022 |
| Daniel Foley | Custodian | Central Services | 1/24/2022 |

## CONTRACT MODIFICATION

| Name | Position | Location | Modification | Date |
|---|---|---|---|---|
| Taunya Kolbinger | Teacher - Language Arts | East/West Middle | 1.0FTE to .54FTE | 12/2/2021 |

## LEAVE OF ABSENCE

| Name | Position | Location | Leave Date |
|---|---|---|---|
| Mark Popp | Teacher - English Language Arts | High School | Approximately 3/18/22-6/10/22 |
| Shawna Fairchild | Teacher - 1st Grade | Kimberly Lane | 11/15/21-12/23/21 |
| Makayla Pagel | Teacher - DAPE | GW, KL, NW, OW | 12/5/21-3/11/22 |
| Kristian Bejarin | Teacher - 6th Grade | East Middle | Approximately 4/2/22-4/8/22,11/28/22-12/22/22 |
| Erin Tuttle | Teacher - 4th Grade | Sunset Hill | Approximately 4/22/22-6/10/22 |
| Diane Dittrich | Teacher - Spanish | High School | 1/31/22-3/11/22 |
| Jennifer Samec | Teacher - Media Specialist | High School | Intermittent, beginning 11/29/21 |



## RESIGNATION

| Name | Position | Location | Resign Date | |
|---|---|---|---|---|
| Olivia Gallagher | Paraprofessional | Community Education | | 11/18/2021 |
| Glenna Kirscht | Wayzata Kids | Birchview | | 12/3/2021 |
| Megan Shipley | Paraprofessional | Early Learning School | | 11/30/2021 |
| Xiao Wan | Wayzata Café | High School | | 12/17/2021 |
| Sherry Paavola | Wayzata Café | High School | | 12/15/2021 |
| Carolyn Colvin | Wayzata Café | High School | | 12/6/2021 |
| Melissa Garrity | Wayzata Café | High School | | 11/19/2021 |

**RETIREMENT**

| Name | Position | Location | Retirement Date | |
|---|---|---|---|---|
| Rebecca O'Toole | Paraprofessional | Kimberly Lane | | 12/7/2021 |

**EXTRA ASSIGNMENTS**

| Name | Position | Location | Assignment | Date |
|---|---|---|---|---|
| AASEN, SEAN | BOYS BASKETBALL, 8TH GR | Central Middle School | Extra Curricular | 8/30/2021 |
| AASEN, SEAN | GIRLS BASKETBALL, 7TH GR | Central Middle School | Extra Curricular | 8/30/2021 |
| BALKO, MICHAEL | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| BARTELS, CHAD | ATHLETIC COORDINATOR | Central Middle School | Extra Curricular | 8/30/2021 |
| BARTELS, CHAD | GIRLS BASKETBALL, 7TH GR | Central Middle School | Extra Curricular | 8/30/2021 |
| BARTELS, CHAD | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| BLUMER, WARD | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| BLUMER, WARD | BOYS BASKETBALL, 8TH GR | Central Middle School | Extra Curricular | 8/30/2021 |
| BOBEK, DANIEL | GIRLS TENNIS, 7TH & 8TH GR | Central Middle School | Extra Curricular | 8/30/2021 |
| BOBEK, DANIEL | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| BRUA, LISA | MATH LEAGUE | Central Middle School | Extra Curricular | 8/30/2021 |
| CASPAR, ANNA | BUS SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| CASPAR, ANNA | SCIENCE CLUB | Central Middle School | Extra Curricular | 8/30/2021 |
| DAVIDSON, ERIC | BAND CONCERT | Central Middle School | Extra Curricular | 8/30/2021 |
| DAVIDSON, ERIC | JAZZ BAND | Central Middle School | Extra Curricular | 8/30/2021 |
| DAVIN, MOLLY | STUDENT COUNCIL ADVISOR | Central Middle School | Extra Curricular | 8/30/2021 |
| DEENEY, BRIAN | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |

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|---|---|---|---|---|
| EICHELDINGER, MATTHEW | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| EICHELDINGER, MATTHEW | YEARBOOK | Central Middle School | Extra Curricular | 8/30/2021 |
| FLADWOOD, TREVOR | BAND CONCERT | Central Middle School | Extra Curricular | 8/30/2021 |
| FLADWOOD, TREVOR | JAZZ BAND | Central Middle School | Extra Curricular | 8/30/2021 |
| FRAWLEY, KAREN | BAND CONCERT | Central Middle School | Extra Curricular | 8/30/2021 |
| FRAWLEY, KAREN | JAZZ BAND | Central Middle School | Extra Curricular | 8/30/2021 |
| GIMSE, SARA | BOYS BASKETBALL, 8TH GR | Central Middle School | Extra Curricular | 8/30/2021 |
| GIMSE, SARA | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| GOETZ, CONNER | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| GRIEBEL, JOSHUA | MATH LEAGUE | Central Middle School | Extra Curricular | 8/30/2021 |
| GUZMAN, DOMINIQUE | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| HART, ALLISON | VOCAL MUSIC CONCERT | Central Middle School | Extra Curricular | 8/30/2021 |
| HERZOG, JORDAN | BUILDING MENTOR | Central Middle School | Extra Curricular | 8/30/2021 |
| HERZOG, JORDAN | GIRLS BASKETBALL, 7TH GR | Central Middle School | Extra Curricular | 8/30/2021 |
| HERZOG, JORDAN | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| KRAUS, EMILY | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| KRAUS, EMILY | MATH LEAGUE | Central Middle School | Extra Curricular | 8/30/2021 |
| KREITZER, CHARLES | ORCHESTRA CONCERT | Central Middle School | Extra Curricular | 8/30/2021 |
| KUSCHEL, COURTNEY | MATH COUNTS | Central Middle School | Extra Curricular | 8/30/2021 |
| LACHMANSINGH, LEWIS | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| LACKAS, BRENT | GIRLS VOLLEYBALL, 8TH GR | Central Middle School | Extra Curricular | 8/30/2021 |
| LACKAS, BRENT | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| LARSEN, DREW | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| LARSON, CHRISTOPHER | AUDIO VISUAL | Central Middle School | Extra Curricular | 8/30/2021 |
| LARSON, CHRISTOPHER | PLAY DIRECTOR | Central Middle School | Extra Curricular | 8/30/2021 |
| LARSON, CHRISTOPHER | VOCAL MUSIC CONCERT | Central Middle School | Extra Curricular | 8/30/2021 |
| LAUGEN, POLLY | SCIENCE CLUB | Central Middle School | Extra Curricular | 8/30/2021 |
| NELSON, ROSS | STUDENT COUNCIL ADVISOR | Central Middle School | Extra Curricular | 8/30/2021 |
| NEWMAN, STEVEN | BOYS WRESTLING, 7TH & 8TH GR | Central Middle School | Extra Curricular | 8/30/2021 |
| NEWMAN, STEVEN | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| O'MARA, BAILEY | PLAY DIRECTOR | Central Middle School | Extra Curricular | 8/30/2021 |
| OLSON, AMY | MATH MASTERS | Central Middle School | Extra Curricular | 8/30/2021 |
| OSTERHOLT, NICHOLE | SPELLING BEE | Central Middle School | Extra Curricular | 8/30/2021 |
| PIEPER, THOMAS | CHAMBER STRINGS ORCHESTRA | Central Middle School | Extra Curricular | 8/30/2021 |
| PIEPER, THOMAS | ORCHESTRA CONCERT | Central Middle School | Extra Curricular | 8/30/2021 |
| RICHARDS, MICHAEL | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| RYBERG, AUDREY | PLAY DIRECTOR | Central Middle School | Extra Curricular | 8/30/2021 |
| SCHULTZ, DAVID | BUS SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| SCHULTZ, DAVID | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| SCHWARTZ, ANN | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| SOBOTA-PAXTON, LAUREN | BUILDING MENTOR | Central Middle School | Extra Curricular | 8/30/2021 |

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|---|---|---|---|---|
| SWARTCHICK, KRISTINE | GIRLS VOLLEYBALL, 7TH GR | Central Middle School | Extra Curricular | 8/30/2021 |
| SWARTCHICK, KRISTINE | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| TUOMINEN, JULIE | ART CLUB | Central Middle School | Extra Curricular | 8/30/2021 |
| VOIGT, ALEX | LUNCHROOM SUPERVISION | Central Middle School | Extra Curricular | 8/30/2021 |
| VOIGT, ALEX | YEARBOOK | Central Middle School | Extra Curricular | 8/30/2021 |
| WERNER, AISHA | MATH MASTERS | Central Middle School | Extra Curricular | 8/30/2021 |
| PETERSON, JENNA M | GIRLS RUN CLUB | SUNSET HILL | Extra Curricular | 8/30/2021 |
| SPRATT, ALLISON B | GIRLS RUN CLUB | SUNSET HILL | Extra Curricular | 8/30/2021 |
| TUTTLE, ERIN M | GIRLS RUN CLUB | SUNSET HILL | Extra Curricular | 8/30/2021 |
| METLING, CAROLINE E | VIDEO NEWS | SUNSET HILL | Extra Curricular | 8/30/2021 |
| HULL, MICHELE LEE | BUILDING MENTOR | SUNSET HILL | Extra Curricular | 8/30/2021 |
| HULL, MICHELE LEE | LEGO LEAGUE | SUNSET HILL | Extra Curricular | 8/30/2021 |
| HULL, MICHELE LEE | STUDENT COUNCIL ADVISOR | SUNSET HILL | Extra Curricular | 8/30/2021 |
| HULL, MICHELE LEE | BUS SUPERVISION | SUNSET HILL | Extra Curricular | 8/30/2021 |
| RANDALL, JAMES | BUS SUPERVISION | SUNSET HILL | Extra Curricular | 8/30/2021 |
| SEELEY, JENNIFER A | LEGO LEAGUE | SUNSET HILL | Extra Curricular | 8/30/2021 |
| VANKOEVERDEN, CASSANDRA | STUDENT COUNCIL ADVISOR | SUNSET HILL | Extra Curricular | 8/30/2021 |
| VANKOEVERDEN, CASSANDRA | ELEMENTARY ASSESSMENT COORDINATOR | SUNSET HILL | Extra Curricular | 8/30/2021 |
| WILLIAMS, JESSICA ROSE | BUS SUPERVISION | SUNSET HILL | Extra Curricular | 8/30/2021 |
| BRYANT, ANDREW J | BUILDING MENTOR | MEADOW RIDGE | Extra Curricular | 8/30/2021 |
| FINN, LORI A | MORNING GREETER | MEADOW RIDGE | Extra Curricular | 8/30/2021 |
| LACHMILLER, YVONNE R | BUS SUPERVISION | MEADOW RIDGE | Extra Curricular | 8/30/2021 |
| MARTIN, JOEL P | BUS SUPERVISION | MEADOW RIDGE | Extra Curricular | 8/30/2021 |
| AVELAR, REBECCA K | STUDENT COUNCIL ADVISOR | PLYMOUTH CREEK | Extra Curricular | 8/30/2021 |
| HAWKINSON, CRAIG M | BUS SUPERVISION | PLYMOUTH CREEK | Extra Curricular | 8/30/2021 |
| KAUS, ANDREW J | BUS SUPERVISION | PLYMOUTH CREEK | Extra Curricular | 8/30/2021 |
| MARTIN, ALLISON M | BUS SUPERVISION | PLYMOUTH CREEK | Extra Curricular | 8/30/2021 |
| MCAULIFF, TIA E. TILBURY | STUDENT COUNCIL ADVISOR | PLYMOUTH CREEK | Extra Curricular | 8/30/2021 |
| RIMNAC, ALEXANDRA BURKE | BUILDING MENTOR | PLYMOUTH CREEK | Extra Curricular | 8/30/2021 |
| BERGMANN, TROY S | PEDESTRIAN SUPERVISION | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| GASCH, DIANNE M | BUS SUPERVISION | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| GASCH, DIANNE M | SCHOOL PATROL | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| GASPAR, BRADFORD W | DISMISSAL DUTY | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| KOPPERUD, ADAM J | BUS SUPERVISION | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| POWELL, JOAN M | ELEMENTARY ASSESSMENT COORDINATOR | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| ROTH, DANIEL J | DISMISSAL DUTY | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| BJERK, JANELLE M | BUILDING MENTOR | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| ROTH, DANIEL J | STUDENT COUNCIL ADVISOR | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| WHITLOCK, REBECCA MARIE | STUDENT COUNCIL ADVISOR | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| WHITLOCK, REBECCA MARIE | BOOK CLUB | GLEASON LAKE | Extra Curricular | 8/30/2021 |
| BACKSTRAND, BRENNA NAOM | BOOK ROOM COORDINATOR | BIRCHVIEW | Extra Curricular | 8/30/2021 |

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| HANSEN, LAUREN MARIE | BUILDING MENTOR | BIRCHVIEW | Extra Curricular | 8/30/2021 |
| MILLER, DANIELLE MARIE | SCHOOL PATROL | BIRCHVIEW | Extra Curricular | 8/30/2021 |
| MILLER, DANIELLE MARIE | MATH MASTERS | BIRCHVIEW | Extra Curricular | 8/30/2021 |
| MONDOUX, MICHELE S | STUDENT COUNCIL ADVISOR | BIRCHVIEW | Extra Curricular | 8/30/2021 |
| ROBERTSON, ELIZABETH A | VIDEO EVENTS | BIRCHVIEW | Extra Curricular | 8/30/2021 |
| ROBERTSON, ELIZABETH A | BOOK CLUB | BIRCHVIEW | Extra Curricular | 8/30/2021 |
| SNOW, TRINA C | BOOK CLUB | BIRCHVIEW | Extra Curricular | 8/30/2021 |
| SYKES, SCOTT D | BUS SUPERVISION | BIRCHVIEW | Extra Curricular | 8/30/2021 |
| SYKES, SCOTT D | VIDEO NEWS | BIRCHVIEW | Extra Curricular | 8/30/2021 |
| YLITALO, MCKENZIE JO | BUS SUPERVISION | BIRCHVIEW | Extra Curricular | 8/30/2021 |
| AUGUSTINE, DARREN R | ELEMENTARY ASSESSMENT COORDINATOR | OAKWOOD | Extra Curricular | 8/30/2021 |
| HOBBS, QUINN M | BUS SUPERVISION | OAKWOOD | Extra Curricular | 8/30/2021 |
| HULLINGER, RHONDA D | BUS SUPERVISION | OAKWOOD | Extra Curricular | 8/30/2021 |
| ILIFF, BRIDGET JEANNE | SCHOOL PATROL | OAKWOOD | Extra Curricular | 8/30/2021 |
| LIEN, AMY JO | SCHOOL PATROL | OAKWOOD | Extra Curricular | 8/30/2021 |
| LUTGEN-GALLATY, DENISE M | CHOIR DIRECTOR, CONCERT | OAKWOOD | Extra Curricular | 8/30/2021 |
| FUZZEY, JENNIFER L | BUS SUPERVISION | North Woods | Extra Curricular | 8/30/2021 |
| SCHULTZ, SHEILA SCHONROC | BUS SUPERVISION | North Woods | Extra Curricular | 8/30/2021 |
| BRADSHER, SUSAN N | MATH MASTERS | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| DEGAYNER, KELSEY JO | CHOIR DIRECTOR, CONCERT | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| ENGEBRETSON, DEBRA L | BUS SUPERVISION | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| FALKOWSKI, RACHEL MARIE G | BUILDING MENTOR | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| GADIENT, MICHAEL C | BUS SUPERVISION | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| GEINERT, LISA ANN | VIDEO NEWS | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| HAMMERO, KATELYN E | ART CLUB | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| JACKSON, DAVID R | VIDEO NEWS | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| RINGATE, NICOLE ANDREA | VIDEO NEWS | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| SCHULTZ, ROBERT E | VIDEO NEWS | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| SELINGER, JUDITH A | ACCOMPANIST | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| SHADIS, NAOMI D | BOOK CLUB | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| WORTH, ANDREW P | ELEMENTARY ASSESSMENT COORDINATOR | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| DEGAYNER, KELSEY JO | UKELELE CLUB | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| LANGLAS, MARY E | MULTICULTURAL WEEK | KIMBERLY LANE | Extra Curricular | 8/30/2021 |
| Smith, Emily | Book Club | Greenwood | Extra Curricular | 8/30/2021 |
| ADAMS, VIRGINIA | ELEMENTARY ASSESSMENT COORDINATOR | Greenwood | Extra Curricular | 8/30/2021 |
| NGUYEN, NATHAN | ELEMENTARY ASSESSMENT COORDINATOR | Greenwood | Extra Curricular | 8/30/2021 |
| HINNENKAMP, ADAM | FILM PRODUCTION CLUB | Greenwood | Extra Curricular | 8/30/2021 |
| MOODY, KYLE R | BUS SUPERVISION | Greenwood | Extra Curricular | 8/30/2021 |
| WESTGARD, BRIAN MICHAEL | CHOIR DIRECTOR, CONCERT | Greenwood | Extra Curricular | 8/30/2021 |
| WESTGARD, BRIAN MICHAEL | SCIENCE ACADEMY | Greenwood | Extra Curricular | 8/30/2021 |
| CARGILL, KRIS | SCIENCE ACADEMY | Greenwood | Extra Curricular | 8/30/2021 |

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|---|---|---|---|---|
| WILLIAMS, JODI K | BREAKFAST SUPERVISION | Greenwood | Extra Curricular | 8/30/2021 |
| STEFAN, ELEANOR ZEMAN | BUILDING MENTOR | GREENWOOD | Extra Curricular | 8/30/2021 |

WAYZATA PUBLIC SCHOOLS

**Agenda Item:** 3

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Reports from Organizations

**ITEM:** Wayzata High School Student Council Report

**COMMENTS BY:** Student Council Representative

Agenda Item: 4.A

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Recognitions

**ITEM:** Girls Volleyball State Champions

**COMMENTS BY:** Chace B. Anderson, Superintendent

The Wayzata HS Varsity Volleyball Team won the MSHSL Class 4A State Volleyball Championship on Saturday, November 13th. They defeated a tough East Ridge HS team in the championship match, 3-1. The win capped an undefeated season for the team, 34 wins and 0 losses (and a staggering 88-7 record in individual sets) and pushed their unbeaten streak to 54 matches dating back to October 2019.

The team includes 17 student-athletes:

Sophomores: Avery Jesewitz, Olivia Swenson, Stella Swenson
Juniors: Ava Hendel, Sophia Johnson, Sophia Orwig, Kaitlyn Vogt
Seniors: Emma Goerger, Mel Goldstein, McKenna Leier, Sierra Moore, Jaden Morrison, Katy Riviere, Ani Rosen, Emily Soderlund, Molly Soderlund, Ella Voegele

Scott Jackson will attend, he has invited all team members as well.

WAYZATA PUBLIC SCHOOLS

Agenda Item: 4.B

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Recognitions

**ITEM:** Boys Cross Country State Champions

**COMMENTS BY:** Chace B. Anderson, Superintendent/ Mark Popp, Coach

The boys cross country team ran a great team race on Saturday, November 6th. At the midway point, the top two runners on the team were right together and moving well, while the other five runners were doing the same about 5-10 seconds behind them. In the end, they put all five scoring athletes between 26th and 45th place individually, with only 17 seconds in between them. This may be the only team to ever win a State XC Championship without an all-state individual. While Hamza Mohamed was the team's #1 finisher, 9th grader Will Weber was instrumental in pulling the pack along mid-race, which was crucial to the team's victory. In addition to Hamza and Will, the Wayzata team was made up of Alex Foss, Parker Dietrick, Daniel McCollor, Ethan Hanold, and Nick Cichoski. They scored 96 points on the day, beating out Minneapolis Southwest (118) and Mounds View (125).

*Mark will attend, he has invited team members as well.

WAYZATA PUBLIC SCHOOLS

Agenda Item: 4.C

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Recognitions

**ITEM:** Claire Reinke, Girls Swim and Dive State Champion

**COMMENTS BY:** Chace B. Anderson, Superintendent/ Elizabeth Hansen, Coach

Junior Claire Reinke won the 100 butterfly for the second time at the MSHSL Class AA State Championship on Saturday, November 21st. Claire won previously as a freshman (there was no state meet in 2020, her sophomore year, due to COVID). She set a school, pool and section record and earned Automatic All-American with a time of :53.97 seconds.

Elizabeth Hansen, Coach, will attend – Claire is unable to attend.

WAYZATA PUBLIC SCHOOLS

**Agenda Item: 4.D.**

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Recognitions

**ITEM:** Retiree Recognitions

**COMMENTS BY:** Chace B. Anderson, Superintendent

Tonight we would like to recognize the following employees who announced their retirement in 2021-2022. We would like to thank them for their years of service to Wayzata Public Schools and wish them well in their future endeavors.

| Name | Position | Years of Service |
| --- | --- | --- |
| Rebecca O'Toole | Paraprofessional, Kimberly Lane | 12 Years |

Agenda Item: 4.E.

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Recognitions

**ITEM:** Employee of the Month

**COMMENTS BY:** Chace B. Anderson, Superintendent

## Michele Hull – Sunset Hill Elementary School

*("Hull" like Popcorn Hull)*

Sunset Hill is pleased to nominate Michele Hull as Sunset Hill's Employee of the month for December 2021. Michele Hull is a reflective, supportive, solution-oriented colleague more than deserving of this recognition.

Michele challenges growth and expands the possibilities of students and staff from her daily lessons to professional development. She personifies empathy by making sure others have what they need and that everyone's voice is heard. She affirms and appreciates others' lived experiences. Michele embraces bold solutions for change. She embodies hope by creating opportunities for students and staff to reflect on what they can do better, especially as our professional development leader. She ensures equity and access for each and every through her practice and role on the Equity Team.

Michele is a total team player. In addition to her regular teaching responsibilities as Sunset Hill's enrichment specialist, she provides opportunities for kids and builds relationships by running Lego League, Student Council, and bus duty. Michele has also given her all as a cross country coach in Wayzata, another example of the desire to help others. She also provides opportunities for staff growth by teaching AWE classes, serving as our professional development lead, specialist team lead, and new teacher building and district mentor.

Michele adapts and goes above and beyond to support the school community. And, she does all these things with a smile on her face! She answers last-minute subbing needs, supports fall literacy assessments when needed, and provides an indescribable sense of belonging, collaboration, and support to anyone that works with her; staff, students, and parents.

When asked about how Michele's work, as an enrichment teacher, has impacted students, we had a number of parents respond with the following stories and celebrations on her behalf. Here is one example of those comments:

***"Ms. Hull has strong communication with Sunset Hill parents. Whether they have a new student or older student who previously participated in the gifted program. She informs parents of everything from curriculum to specific details about the program. Ms. Hull provided video introductions and full explanation of the gifted and talented program this year and it was easy to understand, and gave us the opportunity to rewatch and learn more about her. Ms. Hull gives students choices in their learning. Her students are proud and excited to be able to select classes that interest them and make them curious about the way they think."***

Michele is an inspiration to many imagining what could be and what we should strive to be. She provides perspective and always helps in thinking about the voices that are not heard or represented in anything she does. She is not afraid to provide her input. Michele has high expectations of herself and of others, which raises the bar and brings everyone further along in their own work and learning. Thank you, Michele.

WAYZATA PUBLIC SCHOOLS

**Agenda Item: 5**

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Student Curriculum Presentation

**ITEM:** Student Curriculum Presentation

**COMMENTS BY:** Andrea Cuene, Board Chair

There are not any student curriculum presentations for this board meeting.

WAYZATA PUBLIC SCHOOLS

Agenda Item: 6.A

# BOARD OF EDUCATION

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Administrative Reports and Recommendations

**ITEM:** Finance and Business Services Recommendations

**COMMENTS BY:** Mert Woodard, Director, Business Services

**Audit – Fiscal Year 2021**

The District's annual audit for the fiscal year ending June 30, 2021, has been completed by audit firm Malloy, Montague, Karnowski, Radosevich, & Co., P.A. The following reports have been issued:

- Comprehensive Annual Financial Report - June 30, 2021
- Management Report - June 30, 2021
- Special Purpose Audit Reports on Single Audit, Internal Controls, and Compliance with Laws and Regulations – June 30, 2021

A portion of the General fund balance is assigned by administration for specific purposes and is ratified by the School Board on an annual basis. The assigned fund balances as of June 30, 2021 were as follows:

| Assigned Fund Balance | Balance on June 30, 2021 |
|---|---|
| Site Carryover | $ 806,709 |
| Workers' Compensation Escrow | 70,000 |
| Q-Compensation | 923 |
| Opening of Schools | 695,305 |
| Post-Employment Obligations | 2,156,636 |
| Local Collaborative Time Study | 545,195 |
| Subsequent Years' Deficit | 3,500,828 |
| **Total Assigned Fund Balance** | **$ 7,775,597** |

**Recommended Action:** Approve the audited financial statements for the fiscal year ending June 30, 2021. Further, ratify the June 30, 2021 assigned fund balance in the amount of $7,775,597 to be used for the specific purposes noted above.

**Motion by:** ________________ **ROLL CALL** **Passed:** ________________

**Second by:** ________________ **Failed:** ________________

**Abstentions:** ________________________________

# INDEPENDENT SCHOOL DISTRICT NO. 284

Audit Report for Year Ended June 30, 2021

# AUDITOR'S ROLE

**OPINION ON FINANCIAL STATEMENTS**

- DISTRICT AUDIT
- SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**INTERNAL CONTROLS AND COMPLIANCE**

- FINANCIAL STATEMENT AUDIT
- FEDERAL "SINGLE AUDIT"
- STATE LAWS AND REGULATIONS

# AUDIT RESULTS

MMKR

**DISTRICT FINANCIAL AUDIT**

- Unmodified Opinion on Basic Financial Statements

**INTERNAL CONTROL AND COMPLIANCE – FINANCIAL AUDIT**

- No material weaknesses or instances of noncompliance reported in the current year.

# AUDIT RESULTS (CONTINUED)

MMKR

**MN LEGAL COMPLIANCE**

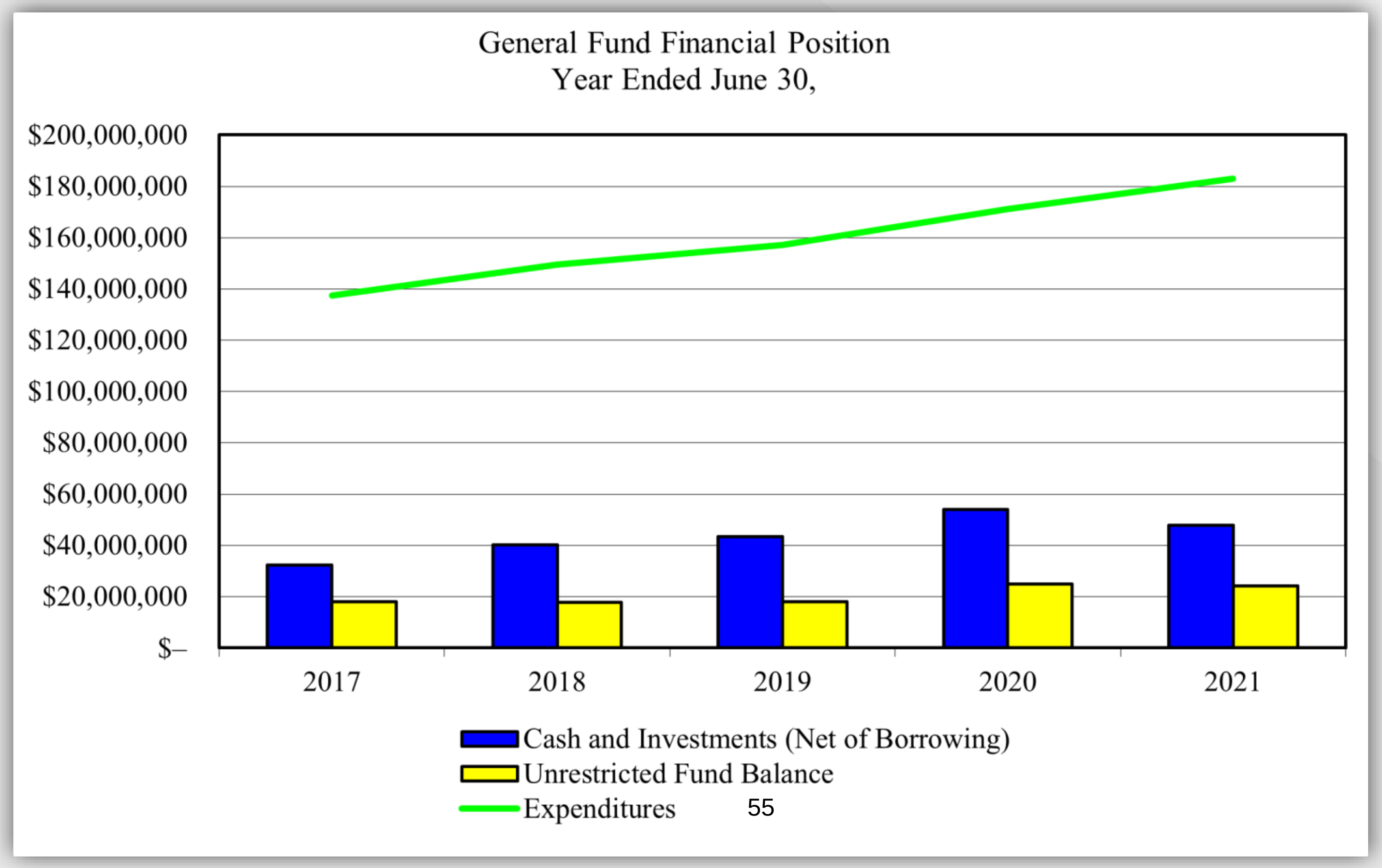
- Group Insurance Request for Proposal
- Withholding Affidavit

**SINGLE AUDIT of FEDERAL AWARDS**

- Clean opinion on SEFA
- No material weaknesses or instances of noncompliance reported in the current year.

# GENERAL FUND

## FINANCIAL POSITION – TREND ANALYSIS



# GENERAL FUND

## FINANCIAL POSITION – TREND ANALYSIS

| | June 30, | | | | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 |
| Nonspendable fund balances | $ 355,711 | $ 287,085 | $ 316,399 | $ 611,106 | $ 608,414 |
| Restricted fund balances (1) | (2,117,536) | 1,979,878 | 7,600,701 | 6,354,302 | 2,174,797 |
| Unrestricted fund balances | | | | | |
| Assigned | 4,918,059 | 5,712,743 | 5,369,294 | 5,529,336 | 7,775,597 |
| Unassigned | 12,992,870 | 12,095,480 | 12,681,756 | 19,452,216 | 16,298,209 |
| Total fund balance | $ 16,149,104 | $ 20,075,186 | $ 25,968,150 | $ 31,946,960 | $ 26,857,017 |
| Total expenditures | $ 137,460,334 | $ 149,384,155 | $ 157,201,516 | $ 171,077,324 | $ 182,882,315 |
| Unrestricted fund balances as a percentage of expenditures | 13.0% | 11.9% | 11.5% | 14.6% | 13.2% |
| Unassigned fund balances as a percentage of expenditures | 9.5% | 8.1% | 8.1% | 11.4% | 8.9% |

(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.



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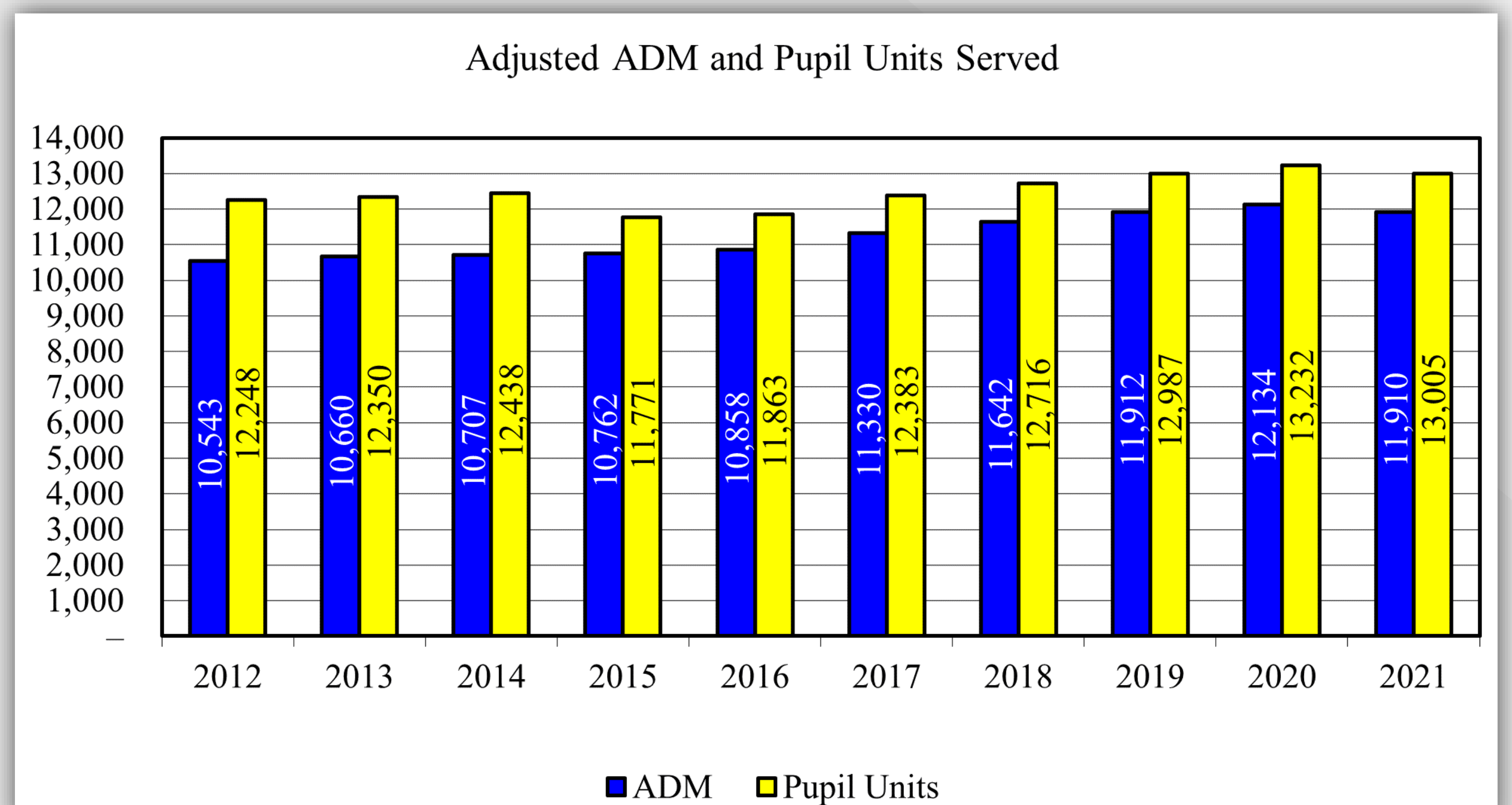
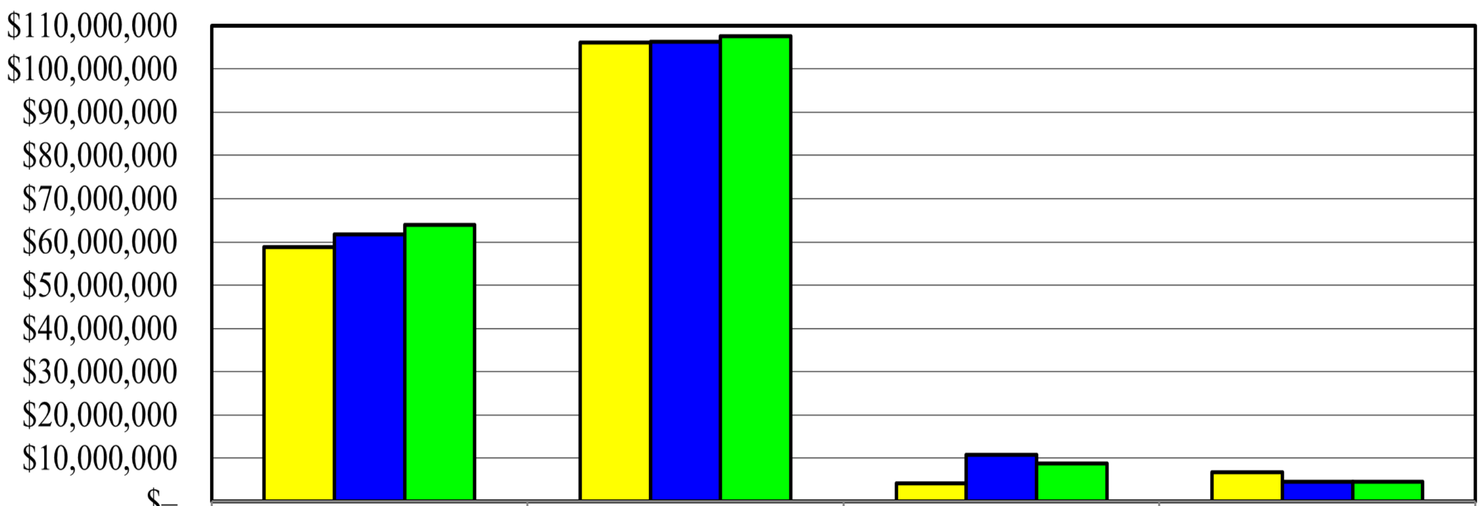
# ADJUSTED ADM PUPIL UNITS SERVED



# GENERAL FUND REVENUE

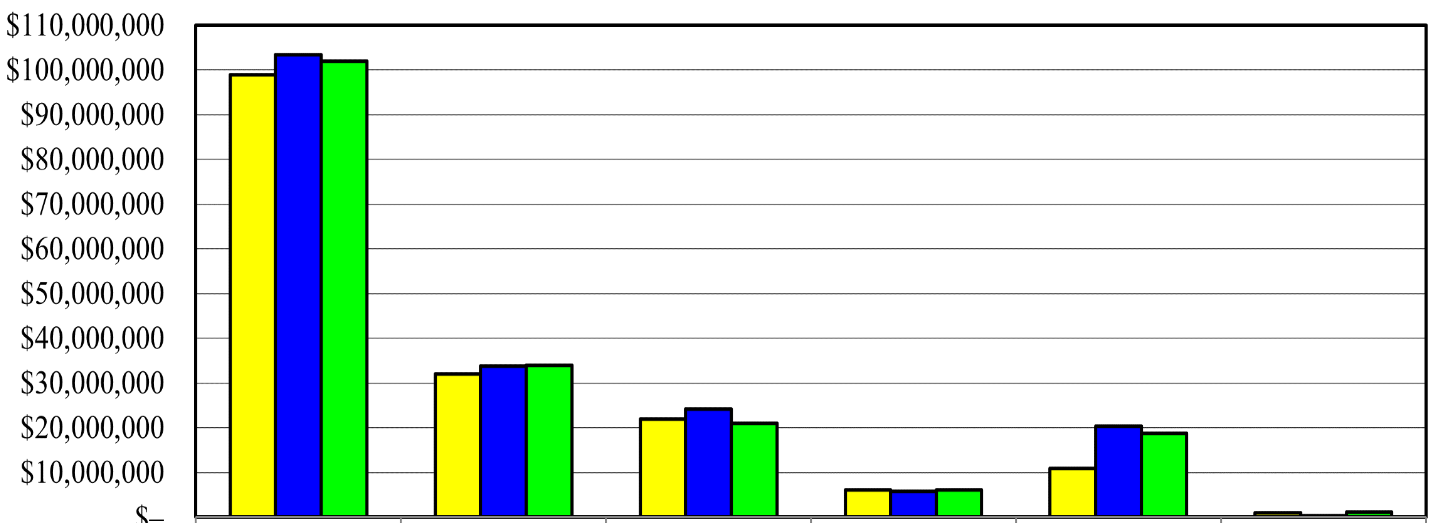
General Fund Revenue




| | Property Taxes | State Sources | Federal Sources | Other |
|---|---|---|---|---|
| Prior Year | $58,852,589 | $106,065,256 | $4,213,562 | $6,719,196 |
| Budget | $61,688,725 | $106,341,990 | $10,848,973 | $4,633,469 |
| Actual | $63,966,935 | $107,602,586 | $8,712,279 | $4,517,247 |

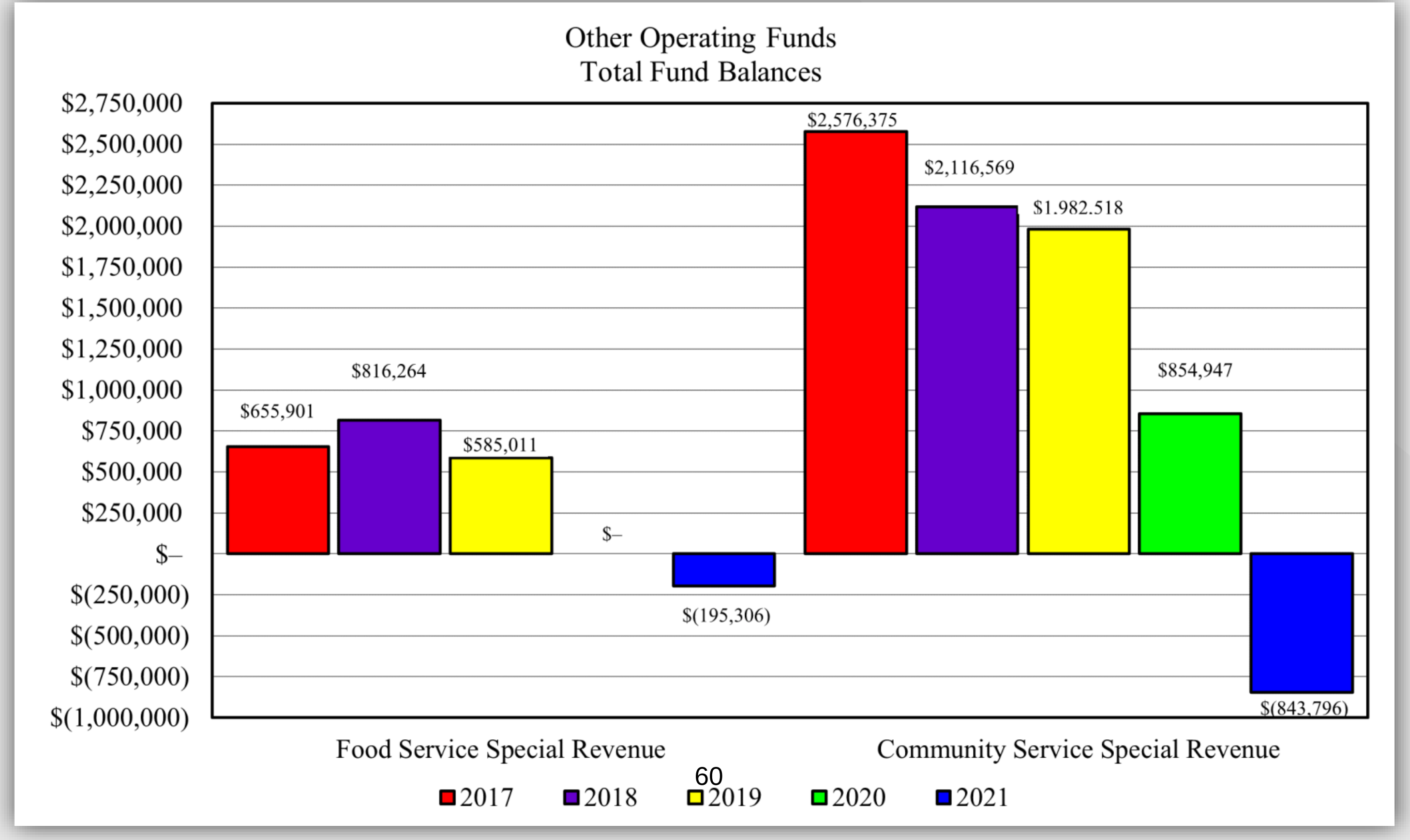
# GENERAL FUND EXPENDITURES

General Fund Expenditures




| | Salaries | Employee Benefits | Purchased Services | Supplies and Materials | Capital Expenditures | Other Expenditures |
|---|---|---|---|---|---|---|
| Prior Year | $98,992,135 | $32,087,296 | $21,911,491 | $6,118,074 | $10,922,074 | $1,046,254 |
| Budget | $103,368,171 | $33,811,979 | $24,211,211 | $5,800,461 | $20,312,486 | $379,036 |
| Actual | $101,922,548 | $33,942,421 | $21,012,950 | $6,104,636 | $18,744,471 | $1,155,289 |

# OTHER GOVERNMENTAL FUNDS



# INTERNAL SERVICE FUNDS

MMKR

| | June 30, 2020 | June 30, 2021 |
|---|---|---|
| Operating revenue | | |
| Charges for services | $ 19,431,294 | $ 20,826,489 |
| Operating expenses | | |
| Dental benefit claims | 1,319,164 | 1,439,891 |
| Health benefit claims | 15,814,054 | 21,423,882 |
| Early retirement incentive and sick leave benefits | 1,051,673 | 1,327,523 |
| Total operating expenses | 18,184,891 | 24,191,296 |
| Operating income (loss) | 1,246,403 | (3,364,807) |
| Nonoperating revenue | | |
| Investment earnings | 279,092 | 371,099 |
| Income (loss) before transfers | 1,525,495 | (2,993,708) |
| Transfers in | 22,148 | 3,744,935 |
| Transfers (out) | (315,468) | – |
| Change in net position | 1,232,175 | 751,227 |
| Net position | | |
| Beginning of year | 436,929 | 1,669,104 |
| End of year | $ 1,669,104 | $ 2,420,331 |

# DISTRICT-WIDE

## STATEMENT OF NET POSITION

| | June 30, 2021 | June 30, 2020 | Change |
|---|---|---|---|
| Net position – governmental activities | | | |
| Total fund balances – governmental funds | $ 42,544,231 | $ 54,389,633 | $ (11,845,402) |
| Total capital assets, net of depreciation | 261,547,329 | 260,420,109 | 1,127,220 |
| Bonds, certificates, and leases, net of premiums | (246,993,080) | (255,647,524) | 8,654,444 |
| Pensions, net of deferred outflows and inflows | (144,153,307) | (135,929,881) | (8,223,426) |
| OPEB, net of deferred outflows and inflows | (17,433,814) | (17,491,506) | 57,692 |
| Other adjustments | (1,690,805) | (2,362,991) | 672,186 |
| Total net position – governmental activities | $ (106,179,446) | $ (96,622,160) | $ (9,557,286) |
| Net position | | | |
| Net investment in capital assets | $ 29,989,500 | $ 27,572,468 | $ 2,417,032 |
| Restricted | 3,126,677 | 9,472,475 | (6,345,798) |
| Unrestricted | (139,295,623) | (133,667,103) | (5,628,520) |
| Total net position | $ (106,179,446) | $ (96,622,160) | $ (9,557,286) |



MMKR

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

## Annual Comprehensive Financial Report
## For the Fiscal Year Ended
## June 30, 2021

**Prepared by the**

**Department of Finance and Business Services**

WAYZATA PUBLIC SCHOOLS

Excellence. For each and every student.

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021

INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA, MINNESOTA

210 County Road 101 North
P.O. Box 660
Wayzata, MN 55391

Prepared by the
Department of Finance and Business Services

Jim Westrum • Executive Director of Finance and Business Services
Jill Schwint • Controller

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**Table of Contents**

**Table of Contents (continued)**

**Table of Contents (continued)**

Page

**SECTION III – STATISTICAL SECTION (UNAUDITED)**

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SECTION I

INTRODUCTORY SECTION

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WAYZATA PUBLIC SCHOOLS

District Administrative Offices
210 County Road 101 North, P.O. Box 660 | Wayzata, MN 55391-0660
763.745.5000 | Fax: 763.745.5091 | www.wayzata.k12.mn.us

December 6, 2021

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

**INTRODUCTION**

We respectfully submit the Annual Comprehensive Financial Report (ACFR) of Independent School District No. 284, Wayzata, Minnesota (the District), for the fiscal year ended June 30, 2021. Responsibility for the entire financial report rests with district management. The report contains all funds of the District in conformity with accounting principles generally accepted in the United States of America for defining the reporting entity.

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

The ACFR is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

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

## ECONOMIC CONDITION AND OUTLOOK

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

For 2020–2021, district facilities included nine elementary schools, three middle schools, a senior high school, a transition school, a district administration building, an educational services center, an early learning center, a central services facility, and the newly acquired district welcome center.

Enrollment for the 2020–2021 school year was 11,910 pupils in adjusted average daily membership, which represents a decrease of 224 students from the prior year. Demographic forecasts project an increase in enrollment for the next several years. Projected enrollment for the near future per an independent demographer hired by the District are:

| Fiscal Year | Enrollment |
|---|---|
| 2022 | 12,094 |
| 2023 | 12,403 |
| 2024 | 12,746 |

The tax base of the District increased 6.6 percent during the past year. The market value of all taxable property in the District in fiscal year 2021 was $14,839,903,276, compared to $13,916,257,860 in fiscal year 2020.

The net tax capacity of the District for fiscal year 2021 was $166,478,303, an increase of 6.7 percent over the prior year value of $156,060,319.

The state fiscal disparities law provides for the pooling of 40.0 percent of all new commercial/industrial property valuation added since 1971 in the seven-county Minneapolis-Saint Paul metropolitan area. The pooled valuation is redistributed among the taxing jurisdictions according to population and a ratio measuring relative fiscal capacity. Local tax rates reflect the net contribution/distribution of fiscal disparities valuation. The District has been a net contributor to the fiscal disparities pool in recent years. The District contributed $3,359,074 in fiscal year 2020 and $3,600,003 in fiscal year 2021.

## FINANCIAL INFORMATION

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

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

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

## DISTRICT FACILITIES

The District's educational facilities consist of 14 buildings originally constructed from 1949 to 2019. Each building has had numerous additions and improvements over the years. Despite the age of the facilities, all school buildings are maintained in a state of good repair, with building components modernized and updated on a systematic basis through the District's long-term facilities maintenance plan. Because of the continual improvement, all educational facilities will effectively service district operations for many years. During fiscal year 2021, the District opened the Wayzata Early Learning School, an addition to the existing Oakwood Elementary building, and acquired a building and land that will serve as the District's welcome center. The total district square footage for educational facilities is 2,095,369. The District owns two additional buildings for administrative purposes.

## LOOKING FORWARD

The District's commitment to fiscal responsibility has enabled the District to maintain positive fund balances in recent years. Currently, the General Fund has an unassigned fund balance (excluding restricted account deficits) of approximately $16.3 million, which represents 8.9 percent of total General Fund expenditures, in line with the School Board policy minimum fund balance of 5.0–7.0 percent of expenditures. The District has assigned an additional $7.8 million of fund balance for specific purposes.

In 2017, district voters approved an operating referendum to increase annual operating revenues, up to the maximum amount of $2,000 per pupil, expiring in fiscal year 2028. Voters also approved two capital projects levies to fund technology costs for existing technology infrastructure, as well as new services and equipment. The capital projects levies expire in fiscal years 2026 and 2030, respectively.

An indicator of continued financial health is the tremendous level of new private investment within the District's boundaries. The City of Plymouth (the City) is the largest municipality within the District. The City's levy payable 2020 total estimated market value was $13,084,571,899, an increase of $865,078,099 from 2019. The increase in total market value between payable 2019 and payable 2020 was 7.1 percent. The City's population increased 29.0 percent from 1990 to 2000; 7.0 percent from 2000 to 2010; and 13.0 percent from 2010 to 2019. As of 2020, the population is 79,650.

The state's support in the current economic environment, combined with additional local property tax support approved by residents of the District means the District's financial outlook is stable. The District was able to maintain existing staff ratios and programs for fiscal year 2022 and has adequate reserves.

Below are some facts about the 2021–2022 budget:

- Student enrollment is expected to increase; however, approximately 200 kindergarten students either postponed enrollment or chose alternative educational opportunities, due to the COVID-19 pandemic, resulting in a decrease of actual attendance during fiscal year 2021. At this time, the District cannot predict with certainty how many of the departing students will return during the 2021–2022 school year.
- The General Fund unassigned balance at year-end is projected to remain stable.

Revenues:

- General Fund revenue is projected to stay flat at $183.6 million.
- The basic per pupil funding amount from the state is $6,728 for fiscal year 2022.
- The voter-approved referendum levy is approximately $1,794 per pupil unit.
- Effective fiscal year 2021, the growth limit on state special education aid has been removed. The District continues to use its general resources to finance a great portion of special education services, as the state and federal government reimbursement rates are insufficient to fully fund these costs.

Expenditures:

- General Fund expenditures are expected to be $183.6 million.
- The capital projects (technology) levy will increase from $7.8 million to $8.4 million.
- Alternative Compensation Plan spending is approximately $3.0 million for staff development, peer coaching, and performance bonuses for teachers.
- Health insurance premiums are expected to increase by 2.0 percent. Dental insurance premiums are expected to increase by 2.0 percent.

Construction Projects:

- The District continues to access long-term facilities maintenance pay-as-you-go district levy dollars to make improvements in the areas of deferred maintenance and health and safety. The project costs of approximately $8–$12 million per year are utilized for roof repairs, paving projects, boiler and chiller replacements, windows, doors, painting, flooring, and a variety of other deferred maintenance projects.

**COVID-19 PANDEMIC**

In December 2019, a novel strain of coronavirus (COVID-19) was identified in Wuhan, Hubei Province, China. COVID-19 has since spread throughout the world, including to the United States, leading the World Health Organization to categorize the spread of the virus as a pandemic. The measures taken by federal, state, and local governments to limit the spread of COVID-19, have and will continue to have, significant impacts to the global, national, state, and local economies. The exact extent to which COVID-19 affects the District and its financial condition are uncertain and cannot be predicted by the District at this time.

## OTHER INFORMATION

State law requires an annual audit by independent certified public accountants. The accounting firm of Malloy, Montague, Karnowski, Radosevich & Co. P.A. was selected by the School Board to conduct the annual audit for the fiscal year ended June 30, 2021. In addition to meeting the requirements set forth by state law, the audit also was designed to meet the requirements of the federal Single Audit Act as amended in 1996, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The independent auditor's report on the financial statements is included in the financial section of this report. The independent auditor's reports related specifically to the single audit are issued as a separate report, which is available from the District upon request.

This report has been prepared following guidelines recommended by the Association of School Business Officials (ASBO) International and its Certificate of Excellence in Financial Reporting program. Achieving recognition by this program is a clear indication of the District's establishment of high standards in financial reporting and accountability. The District was awarded the ASBO International Certificate of Excellence in Financial Reporting for its 2020 CFR, the District's 37th consecutive year receiving the award. We believe our current report continues to conform to ASBO International's Certificate of Excellence program requirements.

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

We acknowledge the efforts of the entire accounting staff in providing complete and accurate data for the fiscal year 2021 ACFR. Credit is also due to the School Board for its governance and unfailing support of maintaining the highest standards of stewardship of the District's finances.

Respectfully submitted,

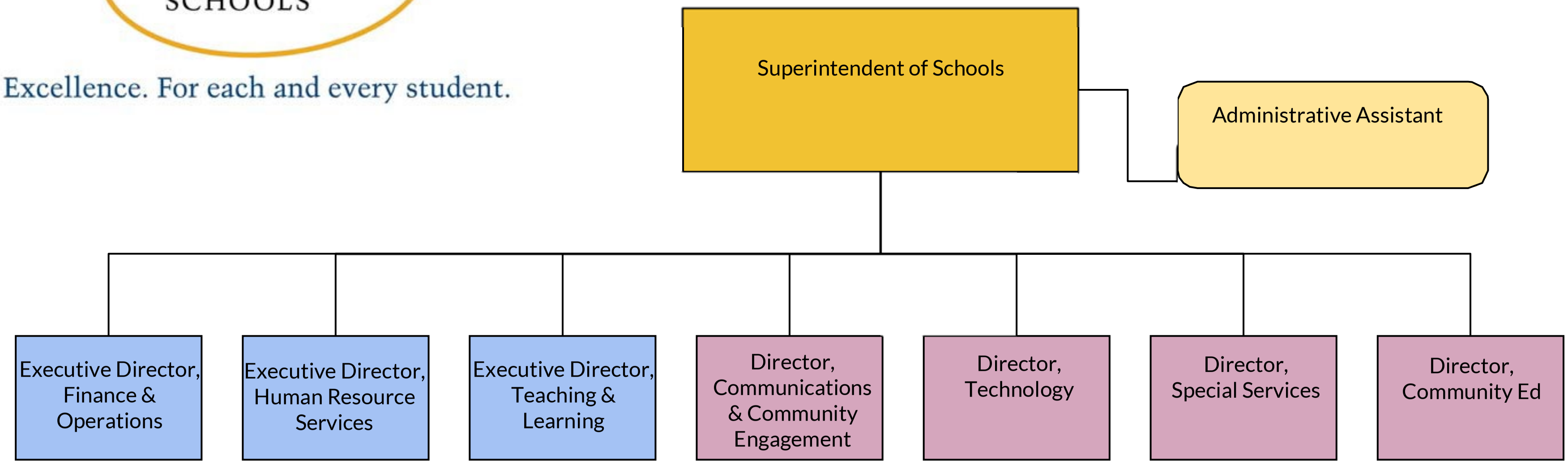
DeeDee Kahring

DeeDee Kahring Executive Director, Finance and Operations

WAYZATA PUBLIC SCHOOLS

Excellence. For each and every student.

## Wayzata Leadership Organizational Chart



INDEPENDENT SCHOOL DISTRICT NO. 284

School Board and Administration
Year Ended June 30, 2021

**SCHOOL BOARD**

| | Board Position |
|---|---|
| Ms. Andrea Cuene | Chairperson |
| Ms. Linda A. Cohen | Vice Chairperson |
| Ms. Sarah Johansen | Treasurer |
| Ms. Bonita Lucky | Clerk |
| Ms. Seanne Falconer | Director |
| Mr. Chris McCullough | Director |
| Ms. Cheryl Polzin | Director |

**ADMINISTRATION**

| | |
|---|---|
| Dr. Chace B. Anderson | Superintendent |
| Dr. Jill Johnson | Executive Director of Teaching and Learning |
| Ms. Stacie Vos | Executive Director of Human Resource Services |
| Mr. Jim Westrum | Executive Director of Finance and Business Services |
| Ms. Jill Schwint | Controller |

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

# Independent School District 284 - Wayzata Public Schools

for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.

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

CERTIFICATE OF EXCELLENCE
IN FINANCIAL REPORTING

W. Edward Chabal
President

David J. Lewis
Executive Director

SECTION II

FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

**PRINCIPALS**
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

# INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

## MANAGEMENT'S RESPONSIBILITY 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.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)



Malloy, Montague, Karnowski, Radosevich & Co., P.A.
5353 Wayzata Boulevard • Suite 410 • Minneapolis, MN 55416 • Phone: 952-545-0424 • Fax: 952-545-0569 • www.mmkr.com

**OPINIONS**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**OTHER MATTERS**

**Required Supplementary Information**

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

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

(continued)

**Prior Year Comparative Information**

We have previously audited the District's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 24, 2020. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
December 6, 2021

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This section of Independent School District No. 284's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the other components of the District's ACFR.

## FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2021 by $106,179,446 (net position deficit). The District's total net position decreased by $9,557,286 during the fiscal year ended June 30, 2021.

- Government-wide expenses totaled $222,947,761 and were $9,557,286 more than revenues of $213,390,475.

- The General Fund's total fund balance decreased $5,089,943 from the prior year, compared to a decrease of $3,000,187 planned in the budget.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or major funds, rather than the District as a whole. Funds (Food Service Special Revenue and Community Service Special Revenue) that do not meet the threshold to be classified as major funds are called nonmajor funds. Detailed financial information for nonmajor funds can be found in the supplemental information section.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America.

The District maintains the following kinds of funds:

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

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

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

**Table 1**
**Summary Statement of Net Position**
**as of June 30, 2021 and 2020**

| | 2021 | 2020 |
|---|---|---|
| Assets | | |
| Current and other assets | $ 139,653,188 | $ 156,748,434 |
| Capital assets, net of depreciation | 261,547,329 | 260,420,109 |
| Total assets | $ 401,200,517 | $ 417,168,543 |
| Deferred outflows of resources | | |
| Pension plan deferments | $ 57,464,739 | $ 81,711,791 |
| OPEB plan deferments | 2,606,961 | 2,992,906 |
| Total deferred outflows of resources | $ 60,071,700 | $ 84,704,697 |
| Liabilities | | |
| Current and other liabilities | $ 11,951,259 | $ 21,321,419 |
| Long-term liabilities, including due within one year | 385,802,105 | 384,339,690 |
| Total liabilities | $ 397,753,364 | $ 405,661,109 |
| Deferred inflows of resources | | |
| Property taxes levied for subsequent year | $ 79,233,092 | $ 75,636,264 |
| Pension plan deferments | 77,345,666 | 114,198,244 |
| OPEB plan deferments | 13,119,541 | 2,999,783 |
| Total deferred inflows of resources | $ 169,698,299 | $ 192,834,291 |
| Net position | | |
| Net investment in capital assets | $ 29,989,500 | $ 27,572,468 |
| Restricted | 3,126,677 | 9,472,475 |
| Unrestricted | (139,295,623) | (133,667,103) |
| Total net position | $ (106,179,446) | $ (96,622,160) |

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

The District's increase in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The District's decrease in net position restricted for capital asset acquisition, community service, and other state funding restrictions contributed to the change in the restricted portion of net position. The change in the District's share of the state-wide Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans also contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position.

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

**Table 2**
**Summary Statement of Activities**
**for the Years Ended June 30, 2021 and 2020**

| | 2021 | 2020 |
|---|---|---|
| Revenues | | |
| Program revenues | | |
| Charges for services | $ 6,836,705 | $ 14,297,419 |
| Operating grants and contributions | 24,733,862 | 20,694,796 |
| Capital grants and contributions | 1,389,335 | 1,517,914 |
| General revenues | | |
| Property taxes | 80,460,810 | 72,831,176 |
| General grants and aids | 96,793,030 | 90,978,084 |
| Investment earnings | 1,677,032 | 2,476,239 |
| Other | 1,499,701 | 2,621,106 |
| Total revenues | 213,390,475 | 205,416,734 |
| Expenses | | |
| Administration | 5,749,982 | 5,744,321 |
| District support services | 5,397,237 | 7,124,303 |
| Elementary and secondary regular instruction | 94,959,700 | 94,447,134 |
| Vocational education instruction | 3,897,753 | 3,448,696 |
| Special education instruction | 24,080,587 | 22,972,019 |
| Instructional support services | 18,730,543 | 20,521,549 |
| Pupil support services | 16,167,678 | 15,297,882 |
| Sites and buildings | 30,193,336 | 31,256,979 |
| Fiscal and other fixed cost programs | 420,778 | 539,743 |
| Food service | 5,743,363 | 6,743,253 |
| Community service | 9,728,339 | 11,509,169 |
| Interest and fiscal charges on debt | 7,878,465 | 8,353,500 |
| Total expenses | 222,947,761 | 227,958,548 |
| Change in net position | (9,557,286) | (22,541,814) |
| Net position – beginning | (96,622,160) | (74,080,346) |
| Net position – ending | $ (106,179,446) | $ (96,622,160) |

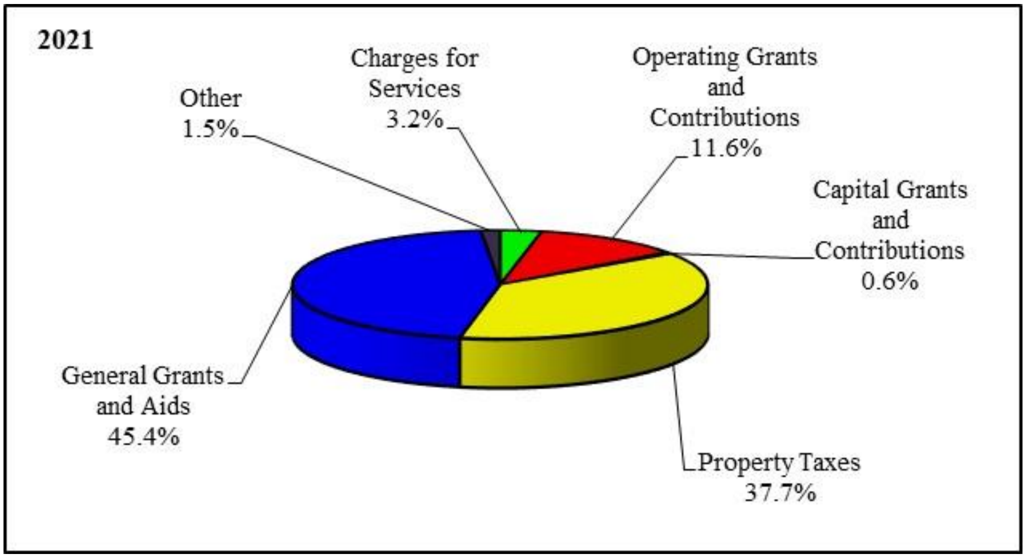
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

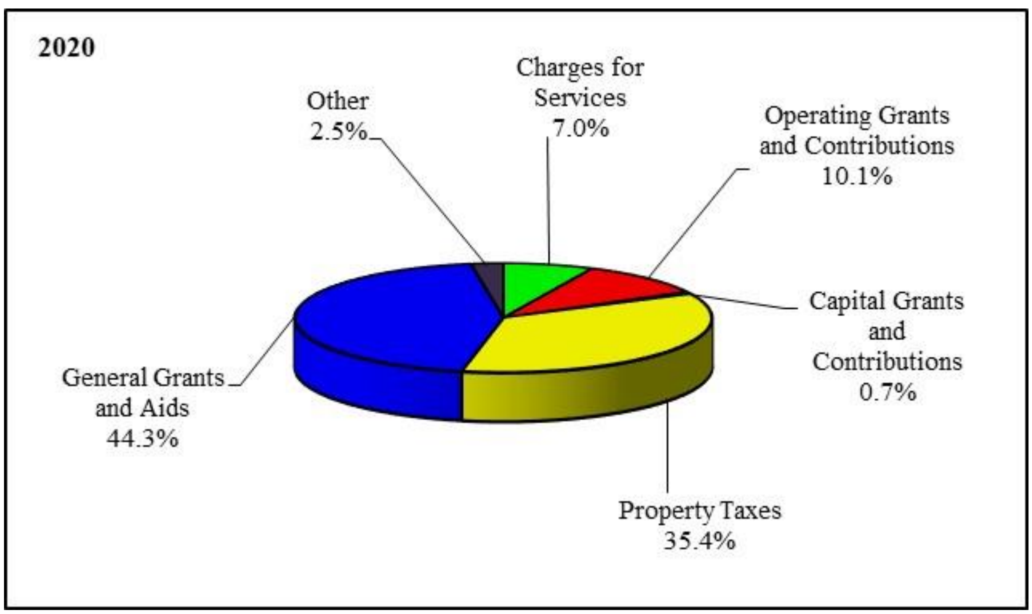
Governmental activities revenues increased $7,973,741 (3.9 percent) from the previous year, primarily attributable to increases in revenues from property taxes, special education funding, and revenues from federal sources recognized through new pandemic-related grants. These increases were partially offset by less charges for services and other local sources.

Governmental activities expenses decreased $5,010,787 (2.2 percent) from last year, mainly due to a decrease in leasing costs and a significant decrease in programming in the community service area. Expenses also changed to adapt to new distance and hybrid learning models impacting several other program areas.

Figure A shows further analysis of these revenue sources:

**Figure A – Sources of Revenues for Fiscal Years 2021 and 2020**



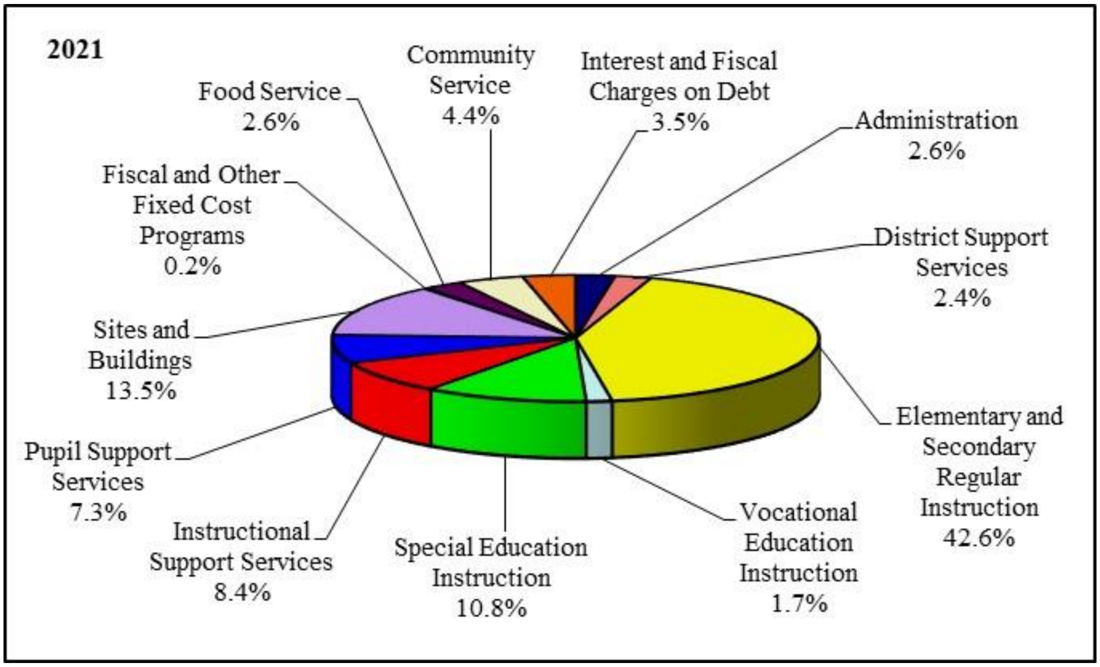

The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

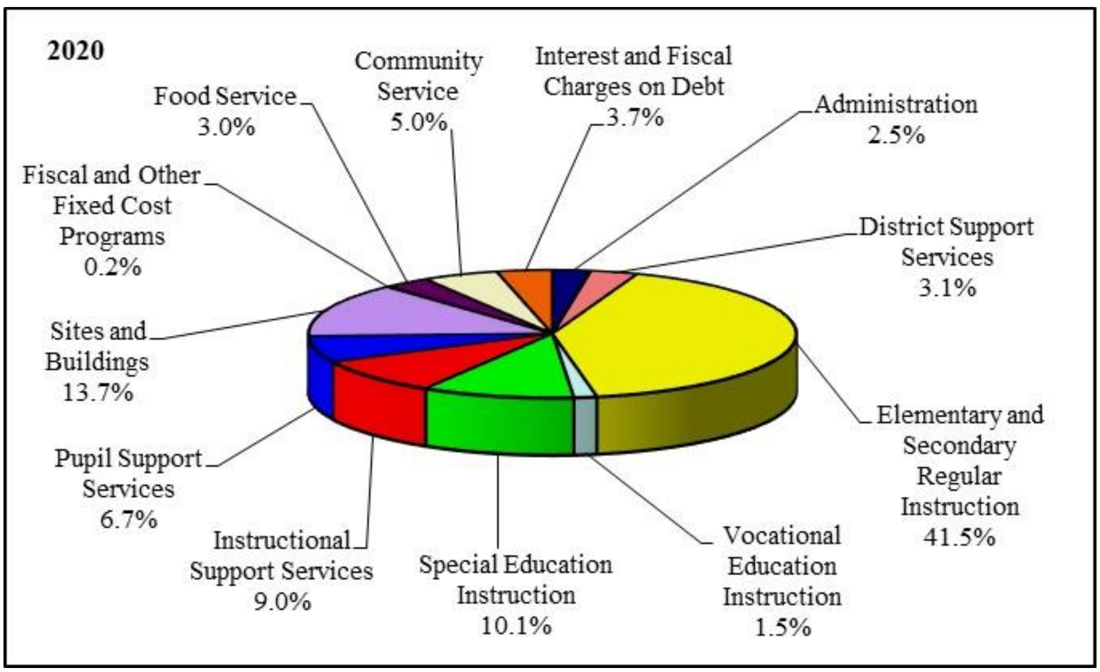
Property taxes are generally the next largest source of funding. The level of revenue property tax sources provide is not only dependent on district taxpayers by way of operating and building referenda, but also by decisions made by the Legislature in the mix of state aid and local effort in a variety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

The COVID-19 pandemic impacted current year revenue sources compared to the prior year as mentioned on the previous page.

Figure B shows further analysis of these expense functions:

**Figure B – Expenses for Fiscal Years 2021 and 2020**




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

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

**Table 3**
**Governmental Fund Balances**
**as of June 30, 2021 and 2020**

| | 2021 | 2020 | Change |
|---|---|---|---|
| Major funds | | | |
| General | $ 26,857,017 | $ 31,946,960 | $ (5,089,943) |
| Capital Projects – Building Construction | 13,926,905 | 18,904,352 | (4,977,447) |
| Debt Service | 2,799,411 | 2,683,374 | 116,037 |
| Nonmajor funds | | | |
| Food Service Special Revenue | (195,306) | – | (195,306) |
| Community Service Special Revenue | (843,796) | 854,947 | (1,698,743) |
| Total governmental funds | $ 42,544,231 | $ 54,389,633 | $ (11,845,402) |

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

At June 30, 2021, the District's governmental funds reported combined fund balances of $42,544,231, a decrease of $11,845,402 from the prior year. Approximately 33.1 percent of this amount ($14,102,328) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either 1) not in spendable form ($719,174), 2) restricted for particular purposes ($19,947,132), or 3) assigned for particular purposes ($7,775,597).

## ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

**Table 4**
**General Fund**
**Budget**

| | Original Budget | Final Budget | Change | Percent Change |
|---|---|---|---|---|
| Revenue and other financing sources | $ 185,042,479 | $ 184,883,157 | $ (159,322) | (0.1%) |
| Expenditures | $ 185,283,655 | $ 187,883,344 | $ 2,599,689 | 1.4% |

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

Table 5 summarizes the operating results of the General Fund:

**Table 5**
**General Fund**
**Operating Results**

| | | Over (Under) Final Budget | | Over (Under) Prior Year | |
|---|---|---|---|---|---|
| | 2021 Actual | Amount | Percent | Amount | Percent |
| Revenue and other financing sources | $ 186,149,192 | $ 1,266,035 | 0.7% | $ 1,907,325 | 1.0% |
| Expenditures and other financing uses | 191,239,135 | 3,355,791 | 1.8% | 11,788,118 | 6.6% |
| Net change in fund balances | $ (5,089,943) | $ (2,089,756) | | $ (9,880,793) | |

The fund balance of the General Fund decreased $5,089,943, compared to a planned decrease of $3,000,187 approved in the final budget.

General Fund revenues and other financing sources for 2021 increased $1,907,325, or 1.0 percent, compared to the prior year. This was $1,266,035, or 0.7 percent more than the budget. The largest variance to budget was in property taxes and state sources. Property taxes were $2,278,210 over budget, mainly due to delinquencies being better than anticipated. State sources were $1,260,596 over budget, mainly in special education. These variances were offset by federal sources, which was $2,136,694 less than projected, due to lower than anticipated education stabilization funds recognized in the current year. The overall revenue increase from the prior year was mainly due to an increase in the tax levy and more federal sources for coronavirus relief and education stabilization funds recognized in the current year. This was offset by proceeds received for the sale of a parcel of land in the prior year.

Total General Fund expenditures and other financing uses for 2021 increased $11,788,118, or 6.6 percent, over the prior year, and were $3,355,791, or 1.8 percent, over budget. The budget variance was spread across several programs and object categories of the General Fund. Sites and buildings expenditures were $2,463,891 over budget, due to a timing of projects. Transfers out were over budget $8,356,820, as the District does not budget for this category. These variances were offset by elementary and secondary regular instruction, which was $4,336,446 under budget, due to the use of staff development for teaching planning days, reduced substitute teacher costs, and restrictions placed on supply and contracted service expenditures by the District administration, due to the COVID-19 pandemic. The increase from the prior year was mainly in sites and buildings capital expenditures, due to more construction for long-term facilities maintenance projects being paid out of the General Fund during fiscal 2021.

## COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

### Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. This fund also received a transfer of $4,611,885 of long-term facilities maintenance levy proceeds from the General Fund to finance various capital projects. Fund balance decreased $4,977,447, as the District spent down proceeds from bonds and certificates of participation issued in a prior year. At June 30, 2021, the District had a fund balance of $13,926,905, which is restricted for various capital projects.

### Debt Service Fund

The Debt Service Fund revenues and other financing sources exceeded expenditures and other financing uses by $116,037 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of $2,799,411 at June 30, 2021 is available for meeting future debt service obligations.

### Other Governmental Funds

The Food Service Special Revenue Fund ended the year with expenditures exceeding revenues, decreasing equity by $195,306, compared to a planned fund balance decrease of $662,436. Both revenues and expenditures were more than projected in the budget, with programming changes under the Summer Food Service Program.

The Community Service Special Revenue Fund ended the year with expenditures exceeding revenues, decreasing equity by $1,698,743, compared to a planned fund balance decrease of $2,545,307. Revenues were over budget mainly in federal sources, due to more coronavirus relief funds recognized in the current year than anticipated. Expenditures were under budget mainly in salaries and supplies and materials. Both revenues and expenditures decreased from the prior year, due to less program participation caused by the ongoing COVID-19 pandemic.

### Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains two internal service funds. These funds are used to account for the District's self-insured medical and dental insurance activity, various early retirement benefit packages for employee groups, and post-retirement healthcare benefits.

Operating revenues for the internal service funds, consisting of charges to the District's governmental funds, for fiscal 2021 totaled $20,826,489, an increase from the fiscal year 2020 operating revenue level of $19,431,294. Operating expenses, consisting of health claims, dental claims, and other employee benefits totaled $24,191,296, which represents an increase from fiscal year 2020 operating expenses of $18,184,891. Nonoperating revenues, consisting of investment earnings, totaled $371,099, which is an increase from the fiscal year 2020 amount of $279,092. The net position balance for all internal service funds as of June 30, 2021 was $2,420,331, which is an increase of $751,227 from the prior year.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ended June 30, 2021 and 2020:

**Table 6**
**Capital Assets**

| | 2021 | 2020 | Change |
|---|---|---|---|
| Land | $ 33,685,187 | $ 33,220,187 | $ 465,000 |
| Construction in progress | 362,936 | 35,744,141 | (35,381,205) |
| Land improvements | 9,687,055 | 9,687,055 | – |
| Buildings and improvements | 345,325,478 | 301,147,255 | 44,178,223 |
| Equipment and transportation vehicles | 14,437,789 | 13,593,731 | 844,058 |
| Food service equipment | 1,280,350 | 1,185,973 | 94,377 |
| Less accumulated depreciation | (143,231,466) | (134,158,233) | (9,073,233) |
| Total | $ 261,547,329 | $ 260,420,109 | $ 1,127,220 |
| Depreciation expense | $ 9,073,233 | $ 8,209,331 | $ 863,902 |

By the end of 2021, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2021, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

The District defines capital assets as those with an initial, individual cost of $5,000 or more for equipment and $20,000 or more for construction and improvements, which benefit more than one fiscal year.

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

**Long-Term Liabilities**

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

**Table 7**
**Outstanding Long-Term Liabilities**

| | 2021 | 2020 | Change |
|---|---|---|---|
| General obligation bonds payable | $ 210,715,000 | $ 218,020,000 | $ (7,305,000) |
| Certificates of participation payable | 21,460,000 | 22,590,000 | (1,130,000) |
| Unamortized premium | 7,229,090 | 7,035,999 | 193,091 |
| Capital leases payable | 7,588,990 | 8,001,525 | (412,535) |
| Net pension liability | 128,125,770 | 107,693,203 | 20,432,567 |
| Net OPEB liability | 6,921,234 | 17,484,629 | (10,563,395) |
| Severance benefits payable | 2,748,541 | 2,731,496 | 17,045 |
| Compensated absences payable | 1,013,480 | 782,838 | 230,642 |
| Total | $ 385,802,105 | $ 384,339,690 | $ 1,462,415 |

The change in general obligation bonds payable, certificates of participation payable, and capital leases payable are primarily due to the scheduled principal payments offset by the sale of general obligation bonds and the issuance of a capital lease for technology in the current year.

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

The decrease in the net OPEB liability is due to assumption changes and the liability gain in the current year.

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 8). The District's outstanding net general obligation debt was $215,144,679 at June 30, 2021, or about 9.7 percent of the limit.

**Table 8**
**Limitations on Debt**

| | |
|---|---|
| District's market value | $ 14,839,903,276 |
| Limit rate | 15.0% |
| Legal debt limit | $ 2,225,985,491 |

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

## FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added $161, or 2.45 percent, per pupil to the basic general education funding formula for fiscal year 2022, and an additional $135, or 2.00 percent, per pupil to the formula for fiscal year 2023.

The COVID-19 pandemic caused numerous financial and operational challenges for school districts in fiscal 2021, and is expected to continue to have a significant impact in fiscal 2022 and possibly beyond.

The amount of funding a district receives is also dependent on the number of students it serves, meaning attracting and retaining students is critical to the District's financial well-being. The COVID-19 pandemic will impact how many students the District attracts and maintains. Students choosing to enroll in other online schools, private school options, or kindergarten families choosing to wait a year, will mean less revenue for the District.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 284, District Administrative Office, P.O. Box 660, Wayzata, Minnesota 55391-0660.

BASIC FINANCIAL STATEMENTS

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position
as of June 30, 2021
(With Partial Comparative Information as of June 30, 2020)

| | Governmental Activities | |
|---|---|---|
| | 2021 | 2020 |
| Assets | | |
| Cash and temporary investments | $ 83,119,552 | $ 99,792,462 |
| Cash and investments held by trustee | 100,509 | 150,505 |
| Receivables | | |
| Current taxes | 41,579,999 | 40,769,528 |
| Delinquent taxes | 709,693 | 481,946 |
| Accounts and interest receivable | 436,547 | 207,271 |
| Due from other governmental units | 11,637,714 | 10,604,087 |
| Due from post-employment benefits trust | 1,350,000 | 300,000 |
| Inventory | 261,759 | 296,404 |
| Prepaid items | 457,415 | 453,023 |
| Restricted assets – temporarily restricted | | |
| Cash and investments for capital asset acquisition | – | 3,393,208 |
| Cash and investments for debt service | – | 300,000 |
| Capital assets | | |
| Not depreciated | 34,048,123 | 68,964,328 |
| Depreciated, net of accumulated depreciation | 227,499,206 | 191,455,781 |
| Total capital assets, net of accumulated depreciation | 261,547,329 | 260,420,109 |
| Total assets | 401,200,517 | 417,168,543 |
| Deferred outflows of resources | | |
| Pension plan deferments | 57,464,739 | 81,711,791 |
| OPEB plan deferments | 2,606,961 | 2,992,906 |
| Total deferred outflows of resources | 60,071,700 | 84,704,697 |
| Total assets and deferred outflows of resources | $ 461,272,217 | $ 501,873,240 |
| Liabilities | | |
| Salaries payable | $ 446,068 | $ 457,683 |
| Accounts and contracts payable | 4,268,099 | 14,233,110 |
| Accrued interest payable | 3,532,772 | 3,657,482 |
| Due to other governmental units | 579,523 | 335,140 |
| Unearned revenue | 1,121,018 | 634,225 |
| Claims incurred, but not reported | 2,003,779 | 2,003,779 |
| Long-term liabilities | | |
| Due within one year | 11,712,708 | 10,025,643 |
| Due in more than one year | 374,089,397 | 374,314,047 |
| Total long-term liabilities | 385,802,105 | 384,339,690 |
| Total liabilities | 397,753,364 | 405,661,109 |
| Deferred inflows of resources | | |
| Property taxes levied for subsequent year | 79,233,092 | 75,636,264 |
| Pension plan deferments | 77,345,666 | 114,198,244 |
| OPEB plan deferments | 13,119,541 | 2,999,783 |
| Total deferred inflows of resources | 169,698,299 | 192,834,291 |
| Net position | | |
| Net investment in capital assets | 29,989,500 | 27,572,468 |
| Restricted for | | |
| Capital asset acquisition | 2,715,070 | 7,328,981 |
| Community service | 149,728 | 769,215 |
| Other purposes (state funding restrictions) | 261,879 | 1,374,279 |
| Unrestricted | (139,295,623) | (133,667,103) |
| Total net position | (106,179,446) | (96,622,160) |
| Total liabilities, deferred inflows of resources, and net position | $ 461,272,217 | $ 501,873,240 |

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Activities
Year Ended June 30, 2021
(With Partial Comparative Information for the Year Ended June 30, 2020)

| | 2021 | | | |
|---|---|---|---|---|
| | | Program Revenues | | |
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities | | | | |
| Administration | $ 5,749,982 | $ 215 | $ – | $ – |
| District support services | 5,397,237 | – | – | 87,691 |
| Elementary and secondary regular instruction | 94,959,700 | 776,860 | 2,361,217 | 1,184,850 |
| Vocational education instruction | 3,897,753 | – | 654,674 | – |
| Special education instruction | 24,080,587 | 437,583 | 14,691,824 | 4,033 |
| Instructional support services | 18,730,543 | 11,952 | – | – |
| Pupil support services | 16,167,678 | 172,328 | 680,263 | – |
| Sites and buildings | 30,193,336 | 326,747 | – | 112,761 |
| Fiscal and other fixed cost programs | 420,778 | – | – | – |
| Food service | 5,743,363 | 273,566 | 5,133,395 | – |
| Community service | 9,728,339 | 4,837,454 | 1,212,489 | – |
| Interest and fiscal charges | 7,878,465 | – | – | – |
| Total governmental activities | $ 222,947,761 | $ 6,836,705 | $ 24,733,862 | $ 1,389,335 |

General revenue
Taxes
Property taxes, levied for general purposes
Property taxes, levied for community service
Property taxes, levied for debt service
General grants and aids
Other general revenues
Investment earnings
Total general revenues

Change in net position

Net position – beginning

Net position – ending

See notes to basic financial statements

| Net (Expense) Revenue and Changes in Net Position | 2020 Net (Expense) Revenue and Changes in Net Position |
|---|---|
| Governmental Activities | Governmental Activities |
| $ (5,749,767) | $ (5,742,755) |
| (5,309,546) | (7,031,172) |
| (90,636,773) | (89,050,783) |
| (3,243,079) | (2,950,482) |
| (8,947,147) | (8,715,975) |
| (18,718,591) | (20,508,816) |
| (15,315,087) | (14,262,000) |
| (29,753,828) | (30,682,834) |
| (420,778) | (539,743) |
| (336,402) | (847,549) |
| (3,678,396) | (2,762,810) |
| (7,878,465) | (8,353,500) |
| (189,987,859) | (191,448,419) |
| 64,000,234 | 58,866,293 |
| 1,884,647 | 1,537,423 |
| 14,575,929 | 12,427,460 |
| 96,793,030 | 90,978,084 |
| 1,499,701 | 2,621,106 |
| 1,677,032 | 2,476,239 |
| 180,430,573 | 168,906,605 |
| (9,557,286) | (22,541,814) |
| (96,622,160) | (74,080,346) |
| $ (106,179,446) | $ (96,622,160) |

# Balance Sheet
## Governmental Funds
## as of June 30, 2021
## (With Partial Comparative Information as of June 30, 2020)

| | General Fund | Capital Projects – Building Construction Fund | Debt Service Fund |
|---|---|---|---|
| Assets | | | |
| Cash and temporary investments | $ 47,556,260 | $ 15,096,235 | $ 10,345,041 |
| Cash and investments held by trustee | 70,000 | 30,509 | – |
| Receivables | | | |
| Current taxes | 33,008,335 | – | 7,490,884 |
| Delinquent taxes | 563,165 | – | 131,845 |
| Accounts and interest | 400,341 | – | – |
| Due from other governmental units | 10,433,811 | – | 1,005 |
| Due from other funds | 2,036,727 | – | – |
| Inventory | 150,999 | – | – |
| Prepaid items | 457,415 | – | – |
| Total assets | $ 94,677,053 | $ 15,126,744 | $ 17,968,775 |
| Liabilities | | | |
| Salaries payable | $ 210,697 | $ – | $ – |
| Accounts and contracts payable | 2,847,976 | 1,159,839 | – |
| Due to other governmental units | 539,523 | 40,000 | – |
| Due to other funds | 1,716,048 | – | – |
| Unearned revenue | 192,293 | – | – |
| Total liabilities | 5,506,537 | 1,199,839 | – |
| Deferred inflows of resources | | | |
| Property taxes levied for subsequent year | 61,962,181 | – | 15,093,273 |
| Unavailable revenue – delinquent taxes | 351,318 | – | 76,091 |
| Total deferred inflows of resources | 62,313,499 | – | 15,169,364 |
| Fund balances (deficits) | | | |
| Nonspendable | 608,414 | – | – |
| Restricted | 2,976,949 | 13,926,905 | 2,799,411 |
| Assigned | 7,775,597 | – | – |
| Unassigned | 15,496,057 | – | – |
| Total fund balances | 26,857,017 | 13,926,905 | 2,799,411 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 94,677,053 | $ 15,126,744 | $ 17,968,775 |

See notes to basic financial statements

| Nonmajor Funds | Total Governmental Funds 2021 | Total Governmental Funds 2020 |
|---|---|---|
| $ 800,173 | $ 73,797,709 | $ 90,763,043 |
| – | 100,509 | 3,843,713 |
| 1,080,780 | 41,579,999 | 40,769,528 |
| 14,683 | 709,693 | 481,946 |
| 36,206 | 436,547 | 207,271 |
| 1,202,898 | 11,637,714 | 10,604,087 |
| – | 2,036,727 | 385,582 |
| 110,760 | 261,759 | 296,404 |
| – | 457,415 | 453,023 |
| $ 3,245,500 | $ 131,018,072 | $ 147,804,597 |
| $ 235,371 | $ 446,068 | $ 457,683 |
| 248,434 | 4,256,249 | 14,233,049 |
| – | 579,523 | 335,140 |
| 686,727 | 2,402,775 | 1,710,378 |
| 928,725 | 1,121,018 | 634,225 |
| 2,099,257 | 8,805,633 | 17,370,475 |
| 2,177,638 | 79,233,092 | 75,636,264 |
| 7,707 | 435,116 | 408,225 |
| 2,185,345 | 79,668,208 | 76,044,489 |
| 110,760 | 719,174 | 749,427 |
| 243,867 | 19,947,132 | 33,829,481 |
| – | 7,775,597 | 5,529,336 |
| (1,393,729) | 14,102,328 | 14,281,389 |
| (1,039,102) | 42,544,231 | 54,389,633 |
| $ 3,245,500 | $ 131,018,072 | $ 147,804,597 |

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INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2021
(With Partial Comparative Information as of June 30, 2020)

| | 2021 | 2020 |
|---|---|---|
| Total fund balances – governmental funds | $ 42,544,231 | $ 54,389,633 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources. | | |
| Cost of capital assets | 404,778,795 | 394,578,342 |
| Accumulated depreciation | (143,231,466) | (134,158,233) |
| Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance. | | |
| General obligation bonds payable | (210,715,000) | (218,020,000) |
| Certificates of participation payable | (21,460,000) | (22,590,000) |
| Unamortized premium | (7,229,090) | (7,035,999) |
| Capital leases payable | (7,588,990) | (8,001,525) |
| Net pension liability | (123,988,745) | (103,208,626) |
| Net OPEB liability | (6,921,234) | (17,484,629) |
| Compensated absences payable | (1,013,480) | (782,838) |
| Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. | 2,420,331 | 1,669,104 |
| Accrued interest payable is included in net position, but is excluded from fund balances until due and payable. | (3,532,772) | (3,657,482) |
| The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements. | | |
| Deferred outflows of resources – pension plan deferments | 57,123,520 | 81,405,008 |
| Deferred outflows of resources – OPEB plan deferments | 2,606,961 | 2,992,906 |
| Deferred inflows of resources – pension plan deferments | (77,288,082) | (114,126,263) |
| Deferred inflows of resources – OPEB plan deferments | (13,119,541) | (2,999,783) |
| Deferred inflows of resources – delinquent property taxes | 435,116 | 408,225 |
| Total net position – governmental activities | $ (106,179,446) | $ (96,622,160) |

See notes to basic financial statements

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021
(With Partial Comparative Information for the Year Ended June 30, 2020)

| | General Fund | Capital Projects – Building Construction Fund | Debt Service Fund |
|---|---|---|---|
| Revenue | | | |
| Local sources | | | |
| Property taxes | $ 63,966,935 | $ – | $ 14,581,711 |
| Investment earnings | 1,291,861 | 13,171 | 901 |
| Other | 3,225,386 | – | – |
| State sources | 107,602,586 | – | 10,051 |
| Federal sources | 8,712,279 | – | – |
| Total revenue | 184,799,047 | 13,171 | 14,592,663 |
| Expenditures | | | |
| Current | | | |
| Administration | 5,083,452 | – | – |
| District support services | 5,096,001 | – | – |
| Elementary and secondary regular instruction | 83,152,766 | – | – |
| Vocational education instruction | 3,670,138 | – | – |
| Special education instruction | 22,445,977 | – | – |
| Instructional support services | 18,149,211 | – | – |
| Pupil support services | 15,855,236 | – | – |
| Sites and buildings | 25,477,618 | – | – |
| Fiscal and other fixed cost programs | 420,778 | – | – |
| Food service | – | – | – |
| Community service | – | – | – |
| Capital outlay | – | 9,602,503 | – |
| Debt service | | | |
| Principal | 2,892,680 | – | 6,445,000 |
| Interest and fiscal charges | 638,458 | – | 8,122,681 |
| Total expenditures | 182,882,315 | 9,602,503 | 14,567,681 |
| Excess (deficiency) of revenue over expenditures | 1,916,732 | (9,589,332) | 24,982 |
| Other financing sources (uses) | | | |
| Bonds issued | – | – | 8,340,000 |
| Certificates of participation issued | – | – | – |
| Premium on debt issued | – | – | 951,055 |
| Capital lease issued | 1,350,145 | – | – |
| Bond refunding payments | – | – | (9,200,000) |
| Sale of capital assets | – | – | – |
| Transfers in | – | 4,611,885 | – |
| Transfers (out) | (8,356,820) | – | – |
| Total other financing sources (uses) | (7,006,675) | 4,611,885 | 91,055 |
| Net change in fund balances | (5,089,943) | (4,977,447) | 116,037 |
| Fund balances | | | |
| Beginning of year | 31,946,960 | 18,904,352 | 2,683,374 |
| End of year | $ 26,857,017 | $ 13,926,905 | $ 2,799,411 |

See notes to basic financial statements

| Nonmajor Funds | Total Governmental Funds 2021 | Total Governmental Funds 2020 |
|---|---|---|
| $ 1,885,273 | $ 80,433,919 | $ 72,813,330 |
| – | 1,305,933 | 2,197,147 |
| 5,111,020 | 8,336,406 | 16,918,525 |
| 964,587 | 108,577,224 | 107,226,242 |
| 5,381,297 | 14,093,576 | 5,924,132 |
| 13,342,177 | 212,747,058 | 205,079,376 |
| | | |
| – | 5,083,452 | 5,067,908 |
| – | 5,096,001 | 6,694,187 |
| – | 83,152,766 | 81,936,301 |
| – | 3,670,138 | 3,272,414 |
| – | 22,445,977 | 21,779,719 |
| – | 18,149,211 | 19,718,543 |
| – | 15,855,236 | 15,049,233 |
| – | 25,477,618 | 14,028,350 |
| – | 420,778 | 539,743 |
| 5,601,859 | 5,601,859 | 6,657,150 |
| 9,602,128 | 9,602,128 | 11,322,610 |
| 32,239 | 9,634,742 | 47,880,501 |
| | | |
| – | 9,337,680 | 7,992,578 |
| – | 8,761,139 | 8,371,309 |
| 15,236,226 | 222,288,725 | 250,310,546 |
| | | |
| (1,894,049) | (9,541,667) | (45,231,170) |
| | | |
| – | 8,340,000 | 7,455,000 |
| – | – | 17,000,000 |
| – | 951,055 | 1,690,099 |
| – | 1,350,145 | 1,824,796 |
| – | (9,200,000) | – |
| – | – | 6,251,000 |
| – | 4,611,885 | 8,667,013 |
| – | (8,356,820) | (8,373,693) |
| – | (2,303,735) | 34,514,215 |
| | | |
| (1,894,049) | (11,845,402) | (10,716,955) |
| | | |
| 854,947 | 54,389,633 | 65,106,588 |
| | | |
| $ (1,039,102) | $ 42,544,231 | $ 54,389,633 |

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Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2021
(With Partial Comparative Information for the Year Ended June 30, 2020)

| | 2021 | 2020 |
|---|---|---|
| Total net change in fund balances – governmental funds | $(11,845,402) | $(10,716,955) |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase. | | |
| Capital outlays | 12,975,299 | 34,446,498 |
| Depreciation expense | (9,073,233) | (8,209,331) |
| A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances. | (2,774,846) | (6,251,000) |
| The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities. | | |
| General obligation bonds payable | (8,340,000) | (7,455,000) |
| Certificates of participation payable | – | (17,000,000) |
| Capital leases payable | (1,350,145) | (1,824,796) |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities. | 751,227 | 1,232,175 |
| Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances. | | |
| General obligation bonds payable | 15,645,000 | 5,315,000 |
| Certificates of participation payable | 1,130,000 | 635,000 |
| Capital leases payable | 1,762,680 | 2,042,578 |
| Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due. | 124,710 | (426,643) |
| Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses. | (193,091) | (1,245,647) |
| Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances. | | |
| Net pension liability | (20,780,119) | (6,394,198) |
| Net OPEB liability | 10,563,395 | (5,595,547) |
| Compensated absences payable | (230,642) | (89,148) |
| The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements. | | |
| Deferred outflows of resources – pension plan deferments | (24,281,488) | (31,518,445) |
| Deferred outflows of resources – OPEB plan deferments | (385,945) | 2,235,735 |
| Deferred inflows of resources – pension plan deferments | 36,838,181 | 27,922,143 |
| Deferred inflows of resources – OPEB plan deferments | (10,119,758) | 337,921 |
| Deferred inflows of resources – delinquent property taxes | 26,891 | 17,846 |
| Change in net position – governmental activities | $ (9,557,286) | $(22,541,814) |

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2021

| | Budgeted Amounts | | | Over (Under) |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| Revenue | | | | |
| Local sources | | | | |
| Property taxes | $ 63,583,725 | $ 61,688,725 | $ 63,966,935 | $ 2,278,210 |
| Investment earnings | 1,900,000 | 1,200,000 | 1,291,861 | 91,861 |
| Other | 5,560,010 | 3,433,469 | 3,225,386 | (208,083) |
| State sources | 108,812,749 | 106,341,990 | 107,602,586 | 1,260,596 |
| Federal sources | 3,815,995 | 10,848,973 | 8,712,279 | (2,136,694) |
| Total revenue | 183,672,479 | 183,513,157 | 184,799,047 | 1,285,890 |
| Expenditures | | | | |
| Current | | | | |
| Administration | 5,304,788 | 5,146,925 | 5,083,452 | (63,473) |
| District support services | 6,298,530 | 6,247,621 | 5,096,001 | (1,151,620) |
| Elementary and secondary regular instruction | 84,578,332 | 87,489,212 | 83,152,766 | (4,336,446) |
| Vocational education instruction | 3,445,913 | 3,445,913 | 3,670,138 | 224,225 |
| Special education instruction | 22,663,063 | 22,814,154 | 22,445,977 | (368,177) |
| Instructional support services | 19,837,611 | 19,525,069 | 18,149,211 | (1,375,858) |
| Pupil support services | 15,510,446 | 15,769,478 | 15,855,236 | 85,758 |
| Sites and buildings | 23,213,727 | 23,013,727 | 25,477,618 | 2,463,891 |
| Fiscal and other fixed cost programs | 525,000 | 525,000 | 420,778 | (104,222) |
| Debt service | | | | |
| Principal | 3,252,226 | 3,252,226 | 2,892,680 | (359,546) |
| Interest and fiscal charges | 654,019 | 654,019 | 638,458 | (15,561) |
| Total expenditures | 185,283,655 | 187,883,344 | 182,882,315 | (5,001,029) |
| Excess (deficiency) of revenue over expenditures | (1,611,176) | (4,370,187) | 1,916,732 | 6,286,919 |
| Other financing sources (uses) | | | | |
| Capital lease issued | 1,355,000 | 1,355,000 | 1,350,145 | (4,855) |
| Transfers in | 15,000 | 15,000 | – | (15,000) |
| Transfers (out) | – | – | (8,356,820) | (8,356,820) |
| Total other financing sources (uses) | 1,370,000 | 1,370,000 | (7,006,675) | (8,376,675) |
| Net change in fund balances | $ (241,176) | $ (3,000,187) | (5,089,943) | $ (2,089,756) |
| Fund balances | | | | |
| Beginning of year | | | 31,946,960 | |
| End of year | | | $ 26,857,017 | |

See notes to basic financial statements

# INDEPENDENT SCHOOL DISTRICT NO. 284

## Statement of Net Position
## Internal Service Funds
## as of June 30, 2021
## (With Partial Comparative Information as of June 30, 2020)

| | 2021 | 2020 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | $ 366,027 | $ 444,702 |
| Investments | 8,955,816 | 8,584,717 |
| Due from other funds | 3,422,911 | 1,624,796 |
| Total current assets | 12,744,754 | 10,654,215 |
| | | |
| Deferred outflows of resources | | |
| Pension plan deferments | 341,219 | 306,783 |
| | | |
| Liabilities | | |
| Current liabilities | | |
| Accounts and contracts payable | 11,850 | 61 |
| Due to other funds | 1,706,863 | – |
| Claims incurred, but not reported | 2,003,779 | 2,003,779 |
| Severance benefits payable | 465,035 | 355,173 |
| Total current liabilities | 4,187,527 | 2,359,013 |
| | | |
| Long-term liabilities | | |
| Severance benefits payable | 2,283,506 | 2,376,323 |
| Total pension liability | 4,137,025 | 4,484,577 |
| Total long-term liabilities | 6,420,531 | 6,860,900 |
| | | |
| Total liabilities | 10,608,058 | 9,219,913 |
| | | |
| Deferred inflows of resources | | |
| Pension plan deferments | 57,584 | 71,981 |
| | | |
| Net position | | |
| Unrestricted | $ 2,420,331 | $ 1,669,104 |

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2021
(With Partial Comparative Information for the Year Ended June 30, 2020)

| | 2021 | 2020 |
|---|---|---|
| Operating revenue | | |
| Charges for services | $ 20,826,489 | $ 19,431,294 |
| Operating expenses | | |
| Dental benefit claims | 1,439,891 | 1,319,164 |
| Health benefit claims | 21,423,882 | 15,814,054 |
| Early retirement incentive and sick leave benefits | 1,327,523 | 1,051,673 |
| Total operating expenses | 24,191,296 | 18,184,891 |
| Operating income (loss) | (3,364,807) | 1,246,403 |
| Nonoperating revenue | | |
| Investment earnings | 371,099 | 279,092 |
| Income (loss) before transfers | (2,993,708) | 1,525,495 |
| Transfers in | 3,744,935 | 22,148 |
| Transfers (out) | – | (315,468) |
| Change in net position | 751,227 | 1,232,175 |
| Net position | | |
| Beginning of year | 1,669,104 | 436,929 |
| End of year | $ 2,420,331 | $ 1,669,104 |

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021
(With Partial Comparative Information for the Year Ended June 30, 2020)

| | 2021 | 2020 |
|---|---|---|
| Cash flows from operating activities | | |
| Charges for services | $ 20,735,237 | $ 19,265,197 |
| Payments for health and dental claims | (22,851,984) | (17,140,876) |
| Payments for retirement benefits | (1,706,863) | (1,390,136) |
| Net cash flows from operating activities | (3,823,610) | 734,185 |
| Cash flows from noncapital financing activities | | |
| Cash advance from other funds | 1,706,863 | – |
| Cash paid to other funds | (1,706,863) | – |
| Purchase of investments | – | (1,701,767) |
| Sale of investments | – | 1,701,767 |
| Transfers in | 3,744,935 | 22,148 |
| Transfers (out) | – | (315,468) |
| Net cash flows from noncapital financing activities | 3,744,935 | (293,320) |
| Net change in cash and cash equivalents | (78,675) | 440,865 |
| Cash and cash equivalents | | |
| Beginning of year | 444,702 | 3,837 |
| End of year | $ 366,027 | $ 444,702 |
| Reconciliation of operating income (loss) to net cash flows from operating activities | | |
| Operating income (loss) | $ (3,364,807) | $ 1,246,403 |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities | | |
| Changes in assets | | |
| Due from other funds | (91,252) | (166,097) |
| Deferred outflows of resources – pension plan deferments | (34,436) | (33,602) |
| Changes in liabilities and deferred inflows | | |
| Accounts and contracts payable | 11,789 | (7,658) |
| Severance benefits payable | 17,045 | (192,744) |
| Total pension liability | (347,552) | (97,720) |
| Deferred inflows of resources – pension plan deferments | (14,397) | (14,397) |
| Net cash flows from operating activities | $ (3,823,610) | $ 734,185 |

See notes to basic financial statements

## Statement of Fiduciary Net Position
as of June 30, 2021

| | Post-Employment Benefits Trust Fund |
|---|---|
| Assets | |
| Investments held by trustee, at fair value | |
| Mutual funds | $ 41,155,746 |
| Liabilities | |
| Current liabilities | |
| Due to district governmental funds | 1,350,000 |
| Net position | |
| Restricted for OPEB | $ 39,805,746 |

## Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2021

| | Post-Employment Benefits Trust Fund |
|---|---|
| Additions | |
| Investment earnings | |
| Total investment earnings | $ 8,438,126 |
| Less investment expense | 119,683 |
| Net investment earnings | 8,318,443 |
| Deductions | |
| Benefits to plan members | 1,350,000 |
| Change in net position | 6,968,443 |
| Net position | |
| Beginning of year | 32,837,303 |
| End of year | $ 39,805,746 |

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Organization

Independent School District No. 284 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A School Board elected by the voters of the District governs the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### B. Reporting Entity

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

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

### C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

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

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### D. Fund Financial Statement Presentation

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

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

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

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

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

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

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Description of Funds

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

### Major Governmental Funds

**General Fund** – The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

**Capital Projects – Building Construction Fund** – The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue or under the long-term facilities maintenance program.

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

### Nonmajor Governmental Funds

**Food Service Special Revenue Fund** – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program.

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

### Proprietary Funds

**Internal Service Funds** – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District has established two internal service funds to account for the District's liabilities for self-insured benefits and early retirement benefits.

### Fiduciary Funds

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### E. Budgetary Information

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Expenditures in the Food Service Special Revenue and Debt Service Funds exceeded budgeted appropriations by $850,709 and $296,900, respectively, during the year ended June 30, 2021. Revenues in excess of budget, along with available fund balance, financed these variances.

### F. Use of Estimates

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

### G. Cash and Temporary Investments

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

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

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

Investments are generally stated at fair value, except for investments in external investment pools, which are stated at amortized cost, and investments in life insurance contracts, which are reported at the cash surrender value. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. Treasury and agency obligations) purchased with a remaining maturity of one year or less may also be reported at amortized cost. Investment income is accrued at the Balance Sheet date.

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

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the District's recurring fair value measurements as of year-end.

## H. Receivables

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

At June 30, 2021, the District reported the following receivables due from other governmental units:

| | | |
|---|---|---|
| Due from the MDE | $ | 11,375,762 |
| Due from other Minnesota school districts | | 145,602 |
| Due from Hennepin County | | 116,350 |
| Total due from other governmental units | $ | 11,637,714 |

## I. Inventories

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

## J. Prepaid Items

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

## K. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes $4,546,907 of the property tax levy collectible in 2021 as revenue to the District in fiscal year 2020–2021. The remaining portion of the taxes collectible in 2021 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### L. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The District defines capital assets as those with an initial, individual cost of $5,000 or more for equipment and $20,000 or more for construction and improvements, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings and improvements and 5 to 15 years for equipment and vehicles. Land and construction in progress are not depreciated.

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

### M. Long-Term Obligations

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

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

### N. Employee Benefits

1. **Compensated Absences** – Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.

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

   Severance payable is recorded as a liability in the government-wide financial statements, as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements when the liability matures, due to employee termination.

3. **Early Retirement Incentive** – The District provides early retirement incentive benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. No individual can receive benefits in excess of one year's salary. See the Defined Benefit Pension Plan – District note for further information.

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

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

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

   The TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into the TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association in 2015.

## O. Risk Management and Self-Insurance

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

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

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

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

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

| | Balance – Beginning of Year | Charges and Changes in Estimates | Claim Payments | Balance – End of Year |
|---|---|---|---|---|
| 2020 | $ 2,003,779 | $ 16,205,987 | $ 16,205,987 | $ 2,003,779 |
| 2021 | $ 2,003,779 | $ 21,254,306 | $ 21,254,306 | $ 2,003,779 |

## P. Deferred Outflows/Inflows of Resources

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

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

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

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

### Q. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Unrestricted Net Position** – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

### R. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board policy, the District's superintendent and executive director of finance and business services are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### S. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Components of Cash and Investments

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

| | |
|---|---|
| Deposits | $ 396,912 |
| Investments | 123,978,895 |
| Total | $ 124,375,807 |

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

| | |
|---|---|
| Statement of Net Position | |
| Cash and temporary investments | $ 83,119,552 |
| Cash and investments held by trustee | 100,509 |
| Statement of Fiduciary Net Position | |
| Investments held by trustee | |
| Post-Employment Benefits Trust Fund | 41,155,746 |
| Total | $ 124,375,807 |

### B. Deposits

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

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

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

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

At year-end, the carrying amount of the District's deposits was $396,912, while the balance on the bank records was $358,907. At June 30, 2021, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### C. Investments

The District has the following investments at year-end:

| Investment Type | Credit Risk Rating | Credit Risk Agency | Fair Value Measurements Using | Interest Risk – Maturity Duration | Total |
|---|---|---|---|---|---|
| Life insurance contracts | Not Rated | | N/A | N/A | $ 34,025,503 |
| Investment pools/mutual funds | | | | | |
| First American Government Obligation Fund | AAA | S&P | Level 1 | N/A | 2,618,829 |
| Mutual funds – fixed income | Not Rated | | Level 1 | N/A | 10,443,123 |
| Mutual funds – equities | Not Rated | | Level 1 | N/A | 28,093,794 |
| MNTrust Investment Shares Portfolio | AAA | S&P | Amortized Cost | N/A | 6,272,526 |
| Minnesota School District Liquid Asset Fund | AAA | S&P | Amortized Cost | N/A | 42,525,120 |
| Total investments | | | | | $ 123,978,895 |

N/A – Not Applicable

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

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

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

**Custodial Credit Risk** – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although the District's investment policies do not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

## NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 is as follows:

| | Balance – Beginning of Year | Additions | Deletions | Completed Construction | Balance – End of Year |
|---|---|---|---|---|---|
| Capital assets, not depreciated | | | | | |
| Land | $ 33,220,187 | $ 465,000 | $ – | $ – | $ 33,685,187 |
| Construction in progress | 35,744,141 | 9,493,117 | (2,774,846) | (42,099,476) | 362,936 |
| Total capital assets, not depreciated | 68,964,328 | 9,958,117 | (2,774,846) | (42,099,476) | 34,048,123 |
| Capital assets, depreciated | | | | | |
| Land improvements | 9,687,055 | – | – | – | 9,687,055 |
| Buildings and improvements | 301,147,255 | 2,078,747 | – | 42,099,476 | 345,325,478 |
| Equipment and transportation vehicles | 13,593,731 | 844,058 | – | – | 14,437,789 |
| Food service equipment | 1,185,973 | 94,377 | – | – | 1,280,350 |
| Total capital assets, depreciated | 325,614,014 | 3,017,182 | – | 42,099,476 | 370,730,672 |
| Less accumulated depreciation for | | | | | |
| Land improvements | (8,156,987) | (204,562) | – | – | (8,361,549) |
| Buildings and improvements | (113,310,326) | (8,458,962) | – | – | (121,769,288) |
| Equipment and transportation vehicles | (11,860,175) | (362,351) | – | – | (12,222,526) |
| Food service equipment | (830,745) | (47,358) | – | – | (878,103) |
| Total accumulated depreciation | (134,158,233) | (9,073,233) | – | – | (143,231,466) |
| Net capital assets, depreciated | 191,455,781 | (6,056,051) | – | 42,099,476 | 227,499,206 |
| Total capital assets, net | $ 260,420,109 | $ 3,902,066 | $ (2,774,846) | $ – | $ 261,547,329 |

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

| | |
|---|---|
| Administration | $ 11,386 |
| Elementary and secondary regular instruction | 4,067,425 |
| Instructional support services | 133,896 |
| Sites and buildings | 4,821,291 |
| Food service | 39,235 |
| Total depreciation expense | $ 9,073,233 |

## NOTE 4 – LONG-TERM LIABILITIES

### A. General Obligation Bonds Payable

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

| Issue | Issue Date | Interest Rate | Face/Par Value | Final Maturity | Principal Outstanding |
|---|---|---|---|---|---|
| General obligation bonds payable | | | | | |
| School building bonds | 05/22/2014 | 1.50–4.00% | $ 109,645,000 | 02/01/2035 | $ 105,130,000 |
| Alternative facilities bonds | 05/22/2014 | 3.00–4.00% | $ 27,160,000 | 02/01/2036 | 27,160,000 |
| School building bonds | 02/15/2018 | 3.00–5.00% | $ 66,895,000 | 02/01/2038 | 62,965,000 |
| Tax abatement bonds | 11/07/2019 | 2.00–4.00% | $ 7,455,000 | 02/01/2035 | 7,120,000 |
| Refunding bonds | 11/12/2020 | 5.00% | $ 8,340,000 | 02/01/2024 | 8,340,000 |
| Total general obligation bonds payable | | | | | $ 210,715,000 |

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

In November 2020, the District issued $8,340,000 of General Obligation Alternative Facilities Refunding Bonds, Series 2020A. The proceeds were used to refund, in advance of their stated maturities, the remaining maturities of the District's General Obligation Alternative Facilities Bonds, Series 2012A. This current refunding reduced the District's total future debt service payments by $434,527, and resulted in a present value savings of $427,829. The difference between the carrying amount of the refunded debt and its reacquisition price was not material, and was included in current year expense on the government-wide financial statements.

### B. Certificates of Participation Payable

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

| Issue | Issue Date | Interest Rate | Face/Par Value | Final Maturity | Principal Outstanding |
|---|---|---|---|---|---|
| 2013A Certificates of Participation | 02/27/2013 | 2.00–2.60% | $ 9,980,000 | 10/01/2027 | $ 4,945,000 |
| 2019B Certificates of Participation | 11/14/2019 | 2.25–4.00% | $ 17,000,000 | 02/01/2040 | 16,515,000 |
| Total certificates of participation payable | | | | | $ 21,460,000 |

These certificates of participation were issued to finance construction of capital facilities. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on these certificates. These certificates of participation are being paid by the General Fund.

**NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)**

**C. Capital Leases Payable**

On October 26, 2012, the District entered into a master lease purchase agreement with Apple, Inc. for iPads. The District acquires equipment from time to time under this master agreement as needed. Each lease schedule added under this master lease agreement adds equipment to the lease and carries its own lease term and payment schedule. The lease schedules have interest rates ranging from zero percent–0.89 percent and mature in fiscal year 2023. Upon payment in full of all scheduled lease payments, the lessor's (Apple, Inc.'s) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The assets acquired through this capital lease were not capitalized, as individual asset amounts do not meet the capitalization threshold requirements. The General Fund will be used to liquidate this liability. In the event of default, lessor may do any of the following: a) provide written notice to lessee of the event of default; b) declare due and payable any and all amounts which may then be due and payable under the lease, plus all lease payments remaining through the end of the then current fiscal period; c) with or without terminating the lease term under such lease, i) enter the premises where the equipment is located and retake possession of such equipment or require lessee at lessee's expense to promptly return any or all of such equipment to the possession of lessor and ii) at lessee's expense, sell or lease such equipment, or sublease such equipment continuing to hold lessee liable for the difference between the lease payment payable by lessee and net proceeds or any such sale, lease, or sublease.

The District entered into a capital lease agreement to finance the construction of a turf field. The lease has an effective interest rate of 2.28 percent and calls for annual principal and interest payments through February 1, 2026. The leased assets were recorded in buildings and improvements at $3,986,000, and total accumulated depreciation on these assets at June 30, 2021 was $896,850. The lease is being paid through the General Fund.

The District entered into a capital lease agreement to finance the construction of a building addition to Meadow Ridge Elementary School. The lease has an effective interest rate of 2.24 percent and calls for semiannual principal and interest payments through April 1, 2032. The leased assets were recorded in buildings and improvements at $5,030,000, and total accumulated depreciation on these assets at June 30, 2021 was $352,100. The lease is being paid through the General Fund.

**D. Other Long-Term Liabilities**

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

**NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)**

District employees participate in several pension plans described later in these notes, including two state-wide, cost-sharing, multiple-employer defined benefit plans administered by the PERA and the TRA, one single-employer defined benefit plan administered by the District, and one single-employer defined contribution plan administered by the District. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2021:

| Pension Plans | Net Pension Liabilities | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense |
|---|---|---|---|---|
| Defined benefit plans | | | | |
| State-wide, multiple-employer – PERA | $ 23,436,241 | $ 3,627,576 | $ 1,014,830 | $ 1,395,543 |
| State-wide, multiple-employer – TRA | 100,552,504 | 53,495,944 | 76,273,252 | 16,333,398 |
| Single-employer – District | 4,137,025 | 341,219 | 57,584 | 364,970 |
| Defined contribution plan | | | | |
| Single-employer – District | – | – | – | 206,482 |
| Total | $ 128,125,770 | $ 57,464,739 | $ 77,345,666 | $ 18,300,393 |

## E. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds, certificates of participation, and capital leases are as follows:

| Year Ending | General Obligation Bonds | | Certificates of Participation | | Capital Leases | |
|---|---|---|---|---|---|---|
| June 30, | Principal | Interest | Principal | Interest | Principal | Interest |
| 2022 | $ 7,170,000 | $ 7,700,477 | $ 1,280,000 | $ 629,626 | $ 1,784,193 | $ 138,384 |
| 2023 | 8,380,000 | 7,302,719 | 1,320,000 | 591,476 | 1,192,458 | 116,456 |
| 2024 | 9,600,000 | 6,930,519 | 1,360,000 | 551,681 | 759,300 | 99,566 |
| 2025 | 10,985,000 | 6,559,819 | 1,400,000 | 509,881 | 776,575 | 82,291 |
| 2026 | 12,275,000 | 6,166,769 | 1,445,000 | 466,046 | 794,243 | 64,623 |
| 2027–2031 | 67,340,000 | 23,737,644 | 5,575,000 | 1,679,541 | 1,880,357 | 162,773 |
| 2032–2036 | 73,615,000 | 10,741,613 | 4,795,000 | 919,963 | 401,864 | 6,764 |
| 2037–2040 | 21,350,000 | 1,032,531 | 4,285,000 | 289,231 | – | – |
| | $ 210,715,000 | $ 70,172,091 | $ 21,460,000 | $ 5,637,445 | $ 7,588,990 | $ 670,857 |

## F. Changes in Long-Term Liabilities

| | Beginning Balance | Additions | Retirements | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| General obligation bonds payable | $ 218,020,000 | $ 8,340,000 | $ 15,645,000 | $ 210,715,000 | $ 7,170,000 |
| Certificates of participation payable | 22,590,000 | – | 1,130,000 | 21,460,000 | 1,280,000 |
| Unamortized premium | 7,035,999 | 951,055 | 757,964 | 7,229,090 | – |
| Total bonds payable | 247,645,999 | 9,291,055 | 17,532,964 | 239,404,090 | 8,450,000 |
| Capital leases payable | 8,001,525 | 1,350,145 | 1,762,680 | 7,588,990 | 1,784,193 |
| Net pension liability | 107,693,203 | 30,121,312 | 9,688,745 | 128,125,770 | – |
| Net OPEB liability | 17,484,629 | 44,535 | 10,607,930 | 6,921,234 | – |
| Severance benefits payable | 2,731,496 | 443,064 | 426,019 | 2,748,541 | 465,035 |
| Compensated absences payable | 782,838 | 1,610,925 | 1,380,283 | 1,013,480 | 1,013,480 |
| | $ 384,339,690 | $ 42,861,036 | $ 41,398,621 | $ 385,802,105 | $ 11,712,708 |

## NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. When applicable, certain restrictions, which have an accumulated deficit balance at June 30, are included in unassigned fund balance in the District's financial statements in accordance with accounting principles generally accepted in the United States of America. A description of these deficit balance restrictions is included on the following page since the District has specific authority to future resources for such deficits.

### A. Classifications

At June 30, 2021, a summary of the District's governmental fund balance classifications are as follows:

| | General Fund | Capital Projects – Building Construction Fund | Debt Service Fund | Nonmajor Funds | Total |
|---|---|---|---|---|---|
| Nonspendable | | | | | |
| Inventory | $ 150,999 | $ – | $ – | $ 110,760 | $ 261,759 |
| Prepaid items | 457,415 | – | – | – | 457,415 |
| Total nonspendable | 608,414 | – | – | 110,760 | 719,174 |
| Restricted | | | | | |
| Scholarships | 261,879 | – | – | – | 261,879 |
| Capital projects levy | 2,715,070 | – | – | – | 2,715,070 |
| Capital projects | – | 13,926,905 | – | – | 13,926,905 |
| Debt service | – | – | 2,799,411 | – | 2,799,411 |
| Early childhood family education programs | – | – | – | 82,758 | 82,758 |
| School readiness | – | – | – | 160,103 | 160,103 |
| Community service | – | – | – | 1,006 | 1,006 |
| Total restricted | 2,976,949 | 13,926,905 | 2,799,411 | 243,867 | 19,947,132 |
| Assigned | | | | | |
| Local collaborative time study | 545,195 | – | – | – | 545,195 |
| Site carryover | 806,710 | – | – | – | 806,710 |
| Q compensation | 923 | – | – | – | 923 |
| School opening costs | 695,305 | – | – | – | 695,305 |
| Workers' compensation escrow | 70,000 | – | – | – | 70,000 |
| Post-employment obligations | 2,156,636 | – | – | – | 2,156,636 |
| Enrollment | 3,500,828 | – | – | – | 3,500,828 |
| Total assigned | 7,775,597 | – | – | – | 7,775,597 |
| Unassigned | | | | | |
| Long-term facilities maintenance restricted account deficit | (802,152) | – | – | – | (802,152) |
| Community education programs restricted account deficit | – | – | – | (1,087,663) | (1,087,663) |
| Unassigned | 16,298,209 | – | – | (306,066) | 15,992,143 |
| Total unassigned | 15,496,057 | – | – | (1,393,729) | 14,102,328 |
| Total | $ 26,857,017 | $ 13,926,905 | $ 2,799,411 | $ (1,039,102) | $ 42,544,231 |

### B. Minimum Unassigned Fund Balance Policy

The District's adopted fund balance policy for the General Fund establishes a year-end minimum unassigned fund balance of 5.0–7.0 percent of the previous year's expenditures, increased to compensate for any negative balances in the Food Service Special Revenue Fund and/or Community Service Special Revenue Fund. If the unassigned fund balance for the General Fund falls below the projected minimum balance of 7.0 percent, the District's administration will notify the School Board and present a plan to restore the fund balance to the acceptable level. At June 30, 2021, the unassigned fund balance of the General Fund, excluding restricted account deficits, was 8.9 percent of fiscal 2021 expenditures.

## NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

### A. Plan Descriptions

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

#### 1. General Employees Retirement Fund (GERF)

The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

All full-time and certain part-time employees of the District other than teachers are covered by the GERF. GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

#### 2. Teachers Retirement Association (TRA)

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

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul Public Schools or Minnesota State Colleges and Universities (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage or coverage through the Defined Contribution Plan (DCP) administered by Minnesota State.

### B. Benefits Provided

The PERA and the TRA provide retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. 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.

#### 1. GERF Benefits

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 the 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 Plan members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7 percent 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 age 66.

Benefit increases are provided to benefit recipients each January. The post-retirement increase will be equal to 50.0 percent of the cost of living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.0 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. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

## 2. TRA Benefits

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

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

### Tier I Benefits

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

With these provisions:

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

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

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

**Tier II Benefits**

For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for Coordinated Plan members and 2.7 percent per year for Basic Plan members applies. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for Coordinated Plan members and 2.7 percent per year for Basic Plan members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statutes. 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 Life Plan is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

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

## C. Contributions

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

### 1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2021, were $1,942,777. The District's contributions were equal to the required contributions as set by state statutes.

### 2. TRA Contributions

Minnesota Statutes, Chapter 354 sets the rates for employer and employee contributions. Rates for each fiscal year were:

| | Year Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2019 | | 2020 | | 2021 | |
| | Employee | Employer | Employee | Employer | Employee | Employer |
| **Basic Plan** | 11.00 % | 11.71 % | 11.00 % | 11.92 % | 11.00 % | 12.13 % |
| **Coordinated Plan** | 7.50 % | 7.71 % | 7.50 % | 7.92 % | 7.50 % | 8.13 % |

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2021, were $6,762,053. The District's contributions were equal to the required contributions for each year as set by state statutes.

The following is a reconciliation of employer contributions in the TRA's Comprehensive Annual Financial Report Statement of Changes in Fiduciary Net Position to the employer contributions used in the Schedule of Employer and Nonemployer Pension Allocations:

| | | *in thousands* |
|---|---|---|
| Employer contributions reported in the TRA's Comprehensive Annual Financial Report Statement of Changes in Fiduciary Net Position | $ | 425,223 |
| Add employer contributions not related to future contribution efforts | | (56) |
| Deduct the TRA's contributions not included in allocation | | (508) |
| Total employer contributions | | 424,659 |
| Total nonemployer contributions | | 35,587 |
| Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations | $ | 460,246 |

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. The TRA has rounded percentage amounts to the nearest ten thousandths.

## D. Pension Costs

### 1. GERF Pension Costs

At June 30, 2021, the District reported a liability of $23,436,241 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled $722,773. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.3909 percent at the end of the measurement period and 0.3687 percent for the beginning of the period.

| | | |
|---|---|---|
| District's proportionate share of the net pension liability | $ | 23,436,241 |
| State's proportionate share of the net pension liability associated with the District | $ | 722,773 |

For the year ended June 30, 2021, the District recognized pension expense of $1,332,640 for its proportionate share of the GERF's pension expense. In addition, the District recognized $62,903 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual $16 million contribution.

At June 30, 2021, the District reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual economic experience | $ 201,609 | $ 88,672 |
| Changes in actuarial assumptions | – | 842,947 |
| Net collective difference between projected and actual investment earnings | 505,194 | – |
| Changes in proportion | 977,996 | 83,211 |
| District's contributions to the GERF subsequent to the measurement date | 1,942,777 | – |
| Total | $ 3,627,576 | $ 1,014,830 |

The $1,942,777 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30, | Pension Expense Amount |
|---|---|
| 2022 | $ (911,142) |
| 2023 | $ 264,433 |
| 2024 | $ 750,449 |
| 2025 | $ 566,229 |

**2. TRA Pension Costs**

At June 30, 2021, the District reported a liability of $100,552,504 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District's proportionate share was 1.3610 percent at the end of the measurement period and 1.2994 percent for the beginning of the period.

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

| | |
|---|---|
| District's proportionate share of the net pension liability | $ 100,552,504 |
| State's proportionate share of the net pension liability associated with the District | $ 8,426,843 |

**NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

For the year ended June 30, 2021, the District recognized pension expense of $15,561,443. It also recognized $771,955 as an increase to pension expense for the support provided by direct aid.

At June 30, 2021, the District 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 | $ 2,016,485 | $ 1,377,786 |
| Changes in actuarial assumptions | 30,922,615 | 74,808,864 |
| Net difference between projected and actual investment earnings on pension plan investments | 2,392,720 | – |
| Changes in proportion | 11,402,071 | 86,602 |
| District's contributions to the TRA subsequent to the measurement date | 6,762,053 | – |
| Total | $ 53,495,944 | $ 76,273,252 |

A total of $6,762,053 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year Ending June 30, | Pension Expense Amount |
|---|---|
| 2022 | $ 4,250,749 |
| 2023 | $ (23,356,682) |
| 2024 | $ (15,333,795) |
| 2025 | $ 3,827,527 |
| 2026 | $ 1,072,840 |

## E. Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

| Assumptions | GERF | TRA |
|---|---|---|
| Inflation | 2.25% | 2.50% |
| Wage growth rate | | 2.85% before July 1, 2028, and 3.25% thereafter |
| Projected salary increase | 3.00% | |
| Active member payroll growth | | 2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter |
| Investment rate of return | 7.50% | 7.50% |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on Pub-2010 General Employee Mortality Table for the GERF Plan and the RP-2014 tables for the TRA for males and females, as appropriate, with slight adjustments to fit the PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the GERF and 1.00 percent for January 2020 through January 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually for the TRA.

## NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Actuarial assumptions used in the June 30, 2020 valuations were based on the results of actuarial experience studies. The most recent four-year experience study in the GERF plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent experience study in the TRA plan was completed in 2015, with economic assumptions updated in 2017.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

### 1. GERF

#### CHANGES IN ACTUARIAL ASSUMPTIONS

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

#### CHANGES IN PLAN PROVISIONS

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

### 2. TRA

#### CHANGES IN ACTUARIAL ASSUMPTIONS

- Employer contribution rate increased from 7.92 percent to 8.13 percent in July 2020.

## NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The State Board of Investment, which manages the investments of the PERA and the TRA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of 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 | 35.50 % | 5.10 % |
| Private markets | 25.00 | 5.90 % |
| Fixed income | 20.00 | 0.75 % |
| International equity | 17.50 | 5.30 % |
| Cash equivalents | 2.00 | – % |
| Total | 100.00 % | |

### F. Discount Rate

#### 1. GERF

The discount rate used to measure the total pension liability in 2020 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### 2. TRA

The discount rate used to measure the total pension liability was 7.50 percent. There was no change since the prior measurement. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2020 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).

## G. Pension Liability Sensitivity

The following table presents the District’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

| | 1% Decrease in Discount Rate | Discount Rate | 1% Increase in Discount Rate |
|---|---|---|---|
| GERF discount rate | 6.50% | 7.50% | 8.50% |
| District’s proportionate share of the GERF net pension liability | $ 37,560,166 | $ 23,436,241 | $ 11,785,139 |
| TRA discount rate | 6.50% | 7.50% | 8.50% |
| District’s proportionate share of the TRA net pension liability | $ 153,944,820 | $ 100,552,504 | $ 56,559,934 |

## H. 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 PERA website at www.mnpera.org.

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

## NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

### A. Plan Description

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

These benefits are summarized as follows:

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

**Specialists and Wayzata Kids Site Managers Pension Benefits** – For eligible specialists and site managers with at least 20 years of service (or 10 years in-district specialist/manager capacity with a total of 20 years of in-district service, or 25 years of directly related service with 15 of the years in the District), hired before July 1, 2003 for specialists and July 1, 2004 for site managers and not participating in the early retirement incentive matching contribution program, and at least 55 years of age, the District pays a benefit equal to 75 days' pay.

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

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

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

### B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. There are no invested plan assets accumulated for payment of future benefits. The operating funds are used for the funding of all pension/retirement benefits, which are accounted for in an Internal Service Fund. The District has not established a trust fund to finance these pension benefits.

## NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

### C. Membership

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

| | |
|---|---|
| Retirees and beneficiaries receiving benefits | 29 |
| Active plan members | 410 |
| Total members | 439 |

### D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of July 1, 2020 and measurement date as of June 30, 2021, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Discount rate | 2.10% |
| 20-year municipal bond yield | 2.10% |
| Inflation rate | 2.50% |
| Salary increases | Service graded table |

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

### E. Discount Rate

The discount rate used to measure the total pension liability was 2.10 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due. The District discount rate used in the prior measurement date was 2.40 percent.

### F. Changes in the Total Pension Liability

| | Total Pension Liability |
|---|---|
| Beginning balance – July 1, 2020 | $ 4,484,577 |
| Changes for the year | |
| Service cost | 214,722 |
| Interest | 103,701 |
| Assumption changes | 26,516 |
| Plan changes | (2,433) |
| Differences between expected and actual experience | 71,297 |
| Benefit payments | (761,355) |
| Total net changes | (347,552) |
| Ending balance – June 30, 2021 | $ 4,137,025 |

**NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)**

Assumption changes since the prior measurement date include the following:

- The mortality tables were updated from RP-2104 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 2.40 percent to 2.10 percent.

Plan changes since the prior measurement date include the following:

- Wayzata Kids site managers are covered by the specialists' contract. Therefore, the GASB 73 benefit for employees who meet the eligibility requirements is now 75 percent of 100 days (instead of 100 percent of 80 days) times daily rate of pay, which is paid as a lump sum to a 403(b) plan. The remaining 25 percent is paid to a Healthcare Savings Plan and is included under GASB 75.

**G. Total Pension Liability Sensitivity to Discount Rate Changes**

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

| | 1% Decrease in Discount Rate | Discount Rate | 1% Increase in Discount Rate |
|---|---|---|---|
| Pension discount rate | 1.10% | 2.10% | 3.10% |
| Total pension liability | $ 4,305,039 | $ 4,137,025 | $ 3,971,771 |

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

For the current year ended, the District recognized pension expense of $364,970. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual economic experience | $ 221,151 | $ – |
| Changes in actuarial assumptions | 120,068 | 57,584 |
| Total | $ 341,219 | $ 57,584 |

## NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

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

| Year Ending June 30, | Pension Expense Amount |
|---|---|
| 2022 | $ 48,980 |
| 2023 | $ 48,980 |
| 2024 | $ 48,980 |
| 2025 | $ 48,984 |
| 2026 | $ 63,369 |
| Thereafter | $ 24,342 |

## NOTE 8 – DEFINED CONTRIBUTION PENSION PLAN – DISTRICT

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

Employer contributions are payable within 60 days following June 30th of each of the 10 years the employee is eligible to receive the benefits, and are deposited into the Minnesota State Retirement System Healthcare Savings Plan and an IRC § 403(b) retirement account. All employer contributions are tax deferred until the time of withdrawal. At June 30, 2021, there were 22 active plan participants. The District has not established a trust fund to finance these pension benefits.

Total contributions made by the District during the fiscal year ended June 30, 2021 were $206,482, which is equal to the required contributions and has been recognized as pension expense in the Early Retirement Accounts Internal Service Fund.

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

### A. Plan Description

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

The District has established the Post-Employment Benefits Trust Fund to account for the assets of the plan and finance these obligations. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan. The plan does not issue a publicly available financial report.

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

### B. Benefits Provided

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

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

### C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District.

### D. Membership

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

| | |
|---|---|
| Retirees and beneficiaries receiving benefits | 114 |
| Active plan members | 1,577 |
| Total members | 1,691 |

### E. Net OPEB Liability of the District

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. The components of the net OPEB liability of the District at year-end were as follows:

| | |
|---|---|
| Total OPEB liability | $ 46,726,980 |
| Plan fiduciary net position | (39,805,746) |
| District's net OPEB liability | $ 6,921,234 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 85.2% |

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

### F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Discount rate | 3.50% |
| Expected long-term investment return | 6.30% (net of investment expenses) |
| 20-year municipal bond yield | 2.10% |
| Inflation rate | 2.50% |
| Salary increases | Service graded table |
| Medical trend rate | 6.50% grading to 5.00% over 6 years, then to 4.00% over the next 48 years |
| Dental trend rate | 4.00% |

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.

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

The District's policy regarding the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statutes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

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

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic equity | 39.00 % | 7.50 % |
| International equity | 21.00 | 7.70 % |
| Fixed income | 36.00 | 4.50 % |
| Cash | 4.00 | 2.40 % |
| Total | 100.00 % | 6.30 % |

### G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 25.7 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

## H. Discount Rate

The discount rate used to measure the total OPEB liability was 3.50 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been taken into account. The District discount rate used in the prior measurement date was 2.80 percent.

## I. Changes in the Net OPEB Liability

| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
|---|---|---|---|
| Beginning balance – July 1, 2020 | $ 50,321,932 | $ 32,837,303 | $ 17,484,629 |
| Changes for the year | | | |
| Service cost | 3,011,908 | – | 3,011,908 |
| Interest | 1,473,157 | – | 1,473,157 |
| Assumption changes | (5,116,533) | – | (5,116,533) |
| Plan changes | 24,568 | – | 24,568 |
| Contributions – paid through operating funds | – | 102,227 | (102,227) |
| Projected investment return | – | 1,949,067 | (1,949,067) |
| Difference between expected and actual experience | (1,535,825) | 6,369,376 | (7,905,201) |
| Benefit payments – paid through trust | (1,350,000) | (1,350,000) | – |
| Benefit payments – paid through operating funds | (102,227) | (102,227) | – |
| Total net changes | (3,594,952) | 6,968,443 | (10,563,395) |
| Ending balance – June 30, 2021 | $ 46,726,980 | $ 39,805,746 | $ 6,921,234 |

Assumption changes since the prior measurement date include the following:

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.
- The expected long-term investment return was changed from 4.00 percent to 6.30 percent.
- This discount rate was changed from 2.80 percent to 3.50 percent.

Plan changes since the prior measurement date include the following:

- The superintendent's eligibility for GASB 75 post-employment subsidies changed from age 55 with 9 years of service to age 55 with 10 years of service. Also, the District paid life insurance subsidy based on $750,000 now ends at age 70 instead of age 65.
- Wayzata Kids site managers are now covered by the specialists' contract. Therefore, 25 percent of the 100 days of pay severance benefit is now paid to a Healthcare Savings Plan and is included in this valuation. The other 75 percent is paid to a 403(b) plan and is included under GASB 73. Also, the District paid dental subsidy is up to $120 per month instead of the full single premium amount.

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

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

| | 1% Decrease in Discount Rate | Discount Rate | 1% Increase in Discount Rate |
|---|---|---|---|
| OPEB discount rate | 2.50% | 3.50% | 4.50% |
| Net OPEB liability | $ 10,027,571 | $ 6,921,234 | $ 3,948,137 |

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

| | 1% Decrease in Healthcare Cost Trend Rate | Healthcare Cost Trend Rate | 1% Increase in Healthcare Cost Trend Rate |
|---|---|---|---|
| OPEB medical trend rate | 5.50% decreasing to 4.00% then 3.00% | 6.50% decreasing to 5.00% then 4.00% | 7.50% decreasing to 6.00% then 5.00% |
| OPEB dental trend rate | 3.00% | 4.00% | 5.00% |
| Net OPEB liability | $ 3,953,877 | $ 6,921,234 | $ 10,341,037 |

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

For the current year ended, the District recognized OPEB expense of $44,535. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual economic experience | $ – | $ 2,054,314 |
| Changes in actuarial assumptions | 2,606,961 | 5,274,224 |
| Differences between projected and actual investment earnings | – | 5,791,003 |
| Total | $ 2,606,961 | $ 13,119,541 |

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

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

| Year Ending June 30, | | OPEB Expense Amount |
|---|---|---|
| 2022 | $ | (2,184,511) |
| 2023 | $ | (1,984,103) |
| 2024 | $ | (1,924,039) |
| 2025 | $ | (1,799,046) |
| 2026 | $ | (525,174) |
| Thereafter | $ | (2,095,707) |

## NOTE 10 – FLEXIBLE BENEFIT PLAN

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

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

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

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

## NOTE 11 – INTERFUND BALANCES AND TRANSACTIONS

### A. Interfund Receivables and Payables

The District had the following interfund receivables and payables at June 30, 2021:

| | Due From Other Funds | Due To Other Funds |
|---|---|---|
| General Fund | $ 2,036,727 | $ 1,716,048 |
| Nonmajor funds | – | 686,727 |
| Internal Service Fund | 3,422,911 | 1,706,863 |
| Post-Employment Benefits Trust Fund | – | 1,350,000 |
| | $ 5,459,638 | $ 5,459,638 |

As of June 30, 2021, the District had an interfund receivable in the General Fund of $1,350,000 due from the Post-Employment Benefits Trust Fund to reimburse post-employment benefit costs.

As of June 30, 2021, the District had an interfund receivable in the General Fund of $686,727 due from the Food Service Special Revenue Fund to eliminate temporary cash balance deficits.

As of June 30, 2021, the District's Internal Service Fund had an interfund receivable of $1,716,048 due from the General Fund for medical and dental insurance premiums.

As of June 30, 2021, the District's Self-Insurance Accounts Internal Service Fund had an interfund receivable of $1,706,863 due from the Early Retirement Accounts Internal Service Fund to eliminate temporary cash balance deficits.

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

### B. Interfund Transfers

| | Transfers In | | |
|---|---|---|---|
| | Governmental Funds | Proprietary Funds | |
| Transfers Out | Capital Projects – Building Construction Fund | Internal Service Fund | Total |
| Governmental funds | | | |
| General Fund | $ 4,611,885 | $ 3,744,935 | $ 8,356,820 |

The General Fund transferred $4,611,885 to the Capital Projects – Building Construction Fund to allocate revenues levied by the General Fund required to be expended by the Capital Projects – Building Construction Fund.

The General Fund also transferred $3,744,935 to the Self-Insurance Internal Service Fund to allocate additional resources to the fund.

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

## NOTE 12 – COMMITMENTS AND CONTINGENCIES

### A. Operating Leases

The District is obligated under several operating leases for buildings and office and other equipment. Annual minimum lease payments for the operating leases are as follows:

| Year Ending June 30, | Amount |
|---|---|
| 2022 | $ 355,829 |
| 2023 | 192,333 |
| 2024 | 164,991 |
| 2025 | 14,162 |
| | $ 727,315 |

Expenditures under the operating leases for the year ended June 30, 2021 were $456,029.

### B. Legal Claims

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

### C. Federal and State Revenues

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

### D. Construction Contracts

At June 30, 2021, the District had commitments totaling $7,612,261 under various construction contracts for which the work was not yet completed.

### E. COVID-19

The COVID-19 pandemic has caused numerous financial and operational challenges for districts in fiscal 2021, and is expected to have a significant impact for fiscal 2022 and possibly beyond. Any potential effects it may have on the District's future operations and financial condition cannot be determined at this time and have not been reflected in these financial statements.

## NOTE 13 – SUBSEQUENT EVENTS

### A. General Obligation Bonds

In July 2021, the District issued $132,865,000 of Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A with interest rates ranging from 1.65–3.00 percent. The bonds mature in February 2036.

### B. Capital Lease

In July 2021, the District entered into a capital lease for technology equipment totaling $2,251,230 with an interest rate of zero percent and payments over three years. The lease matures in July 2023.

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REQUIRED SUPPLEMENTARY INFORMATION

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2021

| District Fiscal Year-End Date | PERA Fiscal Year-End Date (Measurement Date) | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability | Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|---|---|---|---|---|---|---|---|---|
| 06/30/2015 | 06/30/2014 | 0.4010% | $ 18,836,971 | $ – | $ 18,836,971 | $ 21,580,149 | 87.29% | 78.70% |
| 06/30/2016 | 06/30/2015 | 0.3690% | $ 19,123,495 | $ – | $ 19,123,495 | $ 21,662,426 | 88.28% | 78.20% |
| 06/30/2017 | 06/30/2016 | 0.3669% | $ 29,790,460 | $ 388,978 | $ 30,179,438 | $ 22,576,588 | 131.95% | 68.90% |
| 06/30/2018 | 06/30/2017 | 0.3681% | $ 23,499,261 | $ 295,505 | $ 23,794,766 | $ 23,723,555 | 99.05% | 75.90% |
| 06/30/2019 | 06/30/2018 | 0.3717% | $ 20,620,393 | $ 676,399 | $ 21,296,792 | $ 24,982,890 | 82.54% | 79.50% |
| 06/30/2020 | 06/30/2019 | 0.3687% | $ 20,384,597 | $ 633,639 | $ 21,018,236 | $ 26,067,142 | 78.20% | 80.20% |
| 06/30/2021 | 06/30/2020 | 0.3909% | $ 23,436,241 | $ 722,773 | $ 24,159,014 | $ 27,873,561 | 84.08% | 79.10% |

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2021

| District Fiscal Year-End Date | Statutorily Required Contributions | Contributions in Relation to the Statutorily Required Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 06/30/2015 | $ 1,591,536 | $ 1,591,536 | $ – | $ 21,662,426 | 7.35% |
| 06/30/2016 | $ 1,693,427 | $ 1,693,427 | $ – | $ 22,576,588 | 7.50% |
| 06/30/2017 | $ 1,778,667 | $ 1,778,667 | $ – | $ 23,723,555 | 7.50% |
| 06/30/2018 | $ 1,874,024 | $ 1,874,024 | $ – | $ 24,982,890 | 7.50% |
| 06/30/2019 | $ 1,957,080 | $ 1,957,080 | $ – | $ 26,067,142 | 7.51% |
| 06/30/2020 | $ 2,090,441 | $ 2,090,441 | $ – | $ 27,873,561 | 7.50% |
| 06/30/2021 | $ 1,942,777 | $ 1,942,777 | $ – | $ 25,899,722 | 7.50% |

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2021

| District Fiscal Year-End Date | TRA Fiscal Year-End Date (Measurement Date) | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability | Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|---|---|---|---|---|---|---|---|---|
| 06/30/2015 | 06/30/2014 | 1.2442% | $ 57,331,835 | $ 4,033,134 | $ 61,364,969 | $ 59,468,413 | 96.41% | 81.50% |
| 06/30/2016 | 06/30/2015 | 1.1745% | $ 72,654,441 | $ 8,912,006 | $ 81,566,447 | $ 59,480,901 | 122.15% | 76.80% |
| 06/30/2017 | 06/30/2016 | 1.1661% | $ 278,142,672 | $ 27,917,266 | $ 306,059,938 | $ 60,632,426 | 458.74% | 44.88% |
| 06/30/2018 | 06/30/2017 | 1.1747% | $ 234,491,429 | $ 22,668,335 | $ 257,159,764 | $ 63,155,618 | 371.29% | 51.57% |
| 06/30/2019 | 06/30/2018 | 1.2131% | $ 76,194,035 | $ 7,158,801 | $ 83,352,836 | $ 66,998,054 | 113.73% | 78.07% |
| 06/30/2020 | 06/30/2019 | 1.2994% | $ 82,824,029 | $ 7,329,713 | $ 90,153,742 | $ 73,710,617 | 112.36% | 78.21% |
| 06/30/2021 | 06/30/2020 | 1.3610% | $ 100,552,504 | $ 8,426,843 | $ 108,979,347 | $ 79,018,615 | 127.25% | 75.48% |

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2021

| District Fiscal Year-End Date | Statutorily Required Contributions | Contributions in Relation to the Statutorily Required Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 06/30/2015 | $ 4,460,131 | $ 4,460,131 | $ – | $ 59,480,901 | 7.50% |
| 06/30/2016 | $ 4,549,049 | $ 4,549,049 | $ – | $ 60,632,426 | 7.50% |
| 06/30/2017 | $ 4,742,705 | $ 4,742,705 | $ – | $ 63,155,618 | 7.51% |
| 06/30/2018 | $ 5,026,531 | $ 5,026,531 | $ – | $ 66,998,054 | 7.50% |
| 06/30/2019 | $ 5,687,795 | $ 5,687,795 | $ – | $ 73,710,617 | 7.72% |
| 06/30/2020 | $ 6,263,877 | $ 6,263,877 | $ – | $ 79,018,615 | 7.93% |
| 06/30/2021 | $ 6,762,053 | $ 6,762,053 | $ – | $ 83,120,796 | 8.14% |

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Defined Benefit Pension Plan
Schedule of Changes in the District's Total
Pension Liability and Related Ratios
Year Ended June 30, 2021

| | District Fiscal Year-End Date | | | | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 |
| Total pension liability | | | | | |
| Service cost | $ 252,269 | $ 235,778 | $ 211,666 | $ 241,804 | $ 214,722 |
| Interest | 177,900 | 178,321 | 211,234 | 140,881 | 103,701 |
| Assumption changes | – | (115,172) | 56,141 | 83,005 | 26,516 |
| Plan changes | – | – | (1,726,541) | – | (2,433) |
| Difference between expected and actual experience | – | – | 256,067 | – | 71,297 |
| Benefit payments | (512,772) | (283,900) | (495,456) | (563,410) | (761,355) |
| Net change in total pension liability | (82,603) | 15,027 | (1,486,889) | (97,720) | (347,552) |
| Total pension liability – beginning of year | 6,136,762 | 6,054,159 | 6,069,186 | 4,582,297 | 4,484,577 |
| Total pension liability – end of year | $ 6,054,159 | $ 6,069,186 | $ 4,582,297 | $ 4,484,577 | $ 4,137,025 |
| Covered-employee payroll | $ 28,004,800 | $ 28,844,944 | $ 19,728,311 | $ 20,320,160 | $ 16,542,845 |
| Total pension liability as a percentage of covered-employee payroll | 21.62% | 21.04% | 23.23% | 22.07% | 25.01% |

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

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Net
OPEB Liability and Related Ratios
Year Ended June 30, 2021

| | District Fiscal Year-End Date | | | | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 |
| Total OPEB liability | | | | | |
| Service cost | $ 2,551,063 | $ 2,390,402 | $ 2,693,689 | $ 3,223,065 | $ 3,011,908 |
| Interest | 1,454,492 | 1,513,499 | 1,677,230 | 1,731,921 | 1,473,157 |
| Assumption changes | – | (1,204,821) | 851,818 | 2,621,680 | (5,116,533) |
| Plan changes | – | (1,097,125) | 871,345 | – | 24,568 |
| Difference between expected and actual experience | – | – | (1,008,111) | – | (1,535,825) |
| Benefit payments | (1,993,798) | (2,327,031) | (1,956,000) | (1,665,554) | (1,452,227) |
| Net change in total OPEB liability | 2,011,757 | (725,076) | 3,129,971 | 5,911,112 | (3,594,952) |
| Total OPEB liability – beginning of year | 39,994,168 | 42,005,925 | 41,280,849 | 44,410,820 | 50,321,932 |
| Total OPEB liability – end of year | 42,005,925 | 41,280,849 | 44,410,820 | 50,321,932 | 46,726,980 |
| Plan fiduciary net position | | | | | |
| Contributions – employer | 293,798 | 27,031 | – | 65,554 | 102,227 |
| Projected investment return | 1,366,041 | 1,456,650 | 1,648,705 | 1,290,620 | 1,949,067 |
| Difference between expected and actual experience | 1,657,592 | 1,002,046 | 300,328 | 624,945 | 6,369,376 |
| Benefit payments | (1,993,798) | (2,327,031) | (1,956,000) | (1,665,554) | (1,452,227) |
| Net change in plan fiduciary net position | 1,323,633 | 158,696 | (6,967) | 315,565 | 6,968,443 |
| Plan fiduciary net position – beginning of year | 31,046,376 | 32,370,009 | 32,528,705 | 32,521,738 | 32,837,303 |
| Plan fiduciary net position – end of year | 32,370,009 | 32,528,705 | 32,521,738 | 32,837,303 | 39,805,746 |
| Net OPEB liability | $ 9,635,916 | $ 8,752,144 | $ 11,889,082 | $ 17,484,629 | $ 6,921,234 |
| Fiduciary net position as a percentage of the total OPEB liability | 77.06% | 78.80% | 73.23% | 65.25% | 85.19% |
| Covered-employee payroll | $ 82,333,402 | $ 84,803,404 | $ 91,067,372 | $ 93,799,393 | $ 101,974,315 |
| Net OPEB liability as a percentage of covered-employee payroll | 11.70% | 10.32% | 13.06% | 18.64% | 6.79% |

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

# Other Post-Employment Benefits Plan
## Schedule of Investment Returns
## Year Ended June 30, 2021

| Year | Annual Money-Weighted Rate of Return, Net of Investment Expense |
|---|---|
| 2017 | 9.7% |
| 2018 | 7.6% |
| 2019 | 6.0% |
| 2020 | 5.9% |
| 2021 | 25.7% |

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

## PERA – GENERAL EMPLOYEES RETIREMENT FUND

### 2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2020 CHANGES IN PLAN PROVISIONS

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

## PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

### 2019 CHANGES IN PLAN PROVISIONS

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

### 2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2018 CHANGES IN PLAN PROVISIONS

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

### 2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

## PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

### 2017 CHANGES IN PLAN PROVISIONS

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

### 2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2015 CHANGES IN PLAN PROVISIONS

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

### 2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

## TEACHERS RETIREMENT ASSOCIATION (TRA)

### 2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The cost of living adjustment (COLA) was reduced from 2.00 percent each January 1 to 1.00 percent, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.10 percent each year until reaching the ultimate rate of 1.50 percent on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit, are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.50 percent if the funded ratio was at least 90.00 percent for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.00 percent to 3.00 percent, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50 percent to 7.50 percent, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years, (7.71 percent in 2018, 7.92 percent in 2019, 8.13 percent in 2020, 8.34 percent in 2021, 8.55 percent in 2022, and 8.75 percent in 2023). In addition, the employee contribution rate will increase from 7.50 percent to 7.75 percent on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.
- The single discount rate changed from 5.12 percent to 7.50 percent.

### 2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

## TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

### 2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2015 CHANGES IN PLAN PROVISIONS

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

### 2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

## PENSION BENEFITS PLAN

### 2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2021 CHANGES IN PLAN PROVISIONS

- Wayzata Kids site managers are covered by the specialists' contract. Therefore, the GASB 73 benefit for employees who meet the eligibility requirements is now 75 percent of 100 days (instead of 100 percent of 80 days) times daily rate of pay which is paid as a lump sum to a 403(b) plan. The remaining 25 percent is paid to a Healthcare Savings Plan and is included under GASB 75.

### 2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2019 CHANGES IN PLAN PROVISIONS

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

### 2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

## PENSION BENEFITS PLAN (CONTINUED)

### 2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

## OTHER POST-EMPLOYMENT BENEFITS PLAN

### 2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and contract group.
- The expected long-term investment return was changed from 4.00 percent to 6.30 percent.
- The discount rate was changed from 2.80 percent to 3.50 percent.

### 2021 CHANGES IN PLAN PROVISIONS

- The superintendent's eligibility for GASB 75 post-employment subsidies changed from age 55 with 9 years of service to age 55 with 10 years of service. The district-paid life insurance subsidy based on $750,000 now ends at age 70 instead of age 65.
- Wayzata Kids site managers are now covered by the specialists' contract. Therefore, 25 percent of the 100 days of pay severance benefit is now paid to a Healthcare Savings Plan and is included in this valuation. The other 75 percent is paid to a 403(b) plan and is included under GASB 73. Also, the district paid dental subsidy is up to $120 per month instead of the full single premium amount.

### 2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 4.50 percent to 5.10 percent.
- The discount rate was changed from 3.90 percent to 3.70 percent.

## OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

### 2019 CHANGES IN PLAN PROVISIONS

- A sunset date of June 30, 2018 was added for custodians, food service employees, Home Base site managers, paraprofessionals, secretaries, specialists, and support staff. Only employees hired before this date are eligible for GASB 75 post-employment subsidies.
- The teachers' limits on post-employment medical subsidies were increased from $920 to $980 per month for employees and an additional increase of $490 to $540 per month for spouses.
- Post-employment subsidies were changed for Home Base site managers, specialists, and support staff. They now receive $1,000 per month toward medical insurance and up to $120 per month toward dental insurance (with the exception of Home Base site managers who will receive full single dental premiums while retired) payable from retirement until age 65, but calculated at retirement and paid as a lump sum to a Healthcare Savings Plan.

### 2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

### 2018 CHANGES IN PLAN PROVISIONS

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

### 2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

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SUPPLEMENTAL INFORMATION

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## GOVERNMENTAL FUNDS

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

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

Nonmajor Governmental Funds
Combining Balance Sheet
as of June 30, 2021

| | Special Revenue Funds | | |
|---|---|---|---|
| | Food Service | Community Service | Total |
| **Assets** | | | |
| Cash and temporary investments | $ – | $ 800,173 | $ 800,173 |
| Receivables | | | |
| Current taxes | – | 1,080,780 | 1,080,780 |
| Delinquent taxes | – | 14,683 | 14,683 |
| Accounts and interest | – | 36,206 | 36,206 |
| Due from other governmental units | 972,492 | 230,406 | 1,202,898 |
| Inventory | 110,760 | – | 110,760 |
| Total assets | $ 1,083,252 | $ 2,162,248 | $ 3,245,500 |
| **Liabilities** | | | |
| Salaries payable | $ 15,427 | $ 219,944 | $ 235,371 |
| Accounts and contracts payable | 180,375 | 68,059 | 248,434 |
| Due to other funds | 686,727 | – | 686,727 |
| Unearned revenue | 396,029 | 532,696 | 928,725 |
| Total liabilities | 1,278,558 | 820,699 | 2,099,257 |
| **Deferred inflows of resources** | | | |
| Property taxes levied for subsequent year | – | 2,177,638 | 2,177,638 |
| Unavailable revenue – delinquent taxes | – | 7,707 | 7,707 |
| Total deferred inflows of resources | – | 2,185,345 | 2,185,345 |
| **Fund balances** | | | |
| Nonspendable for inventory | 110,760 | – | 110,760 |
| Restricted | – | 243,867 | 243,867 |
| Unassigned | (306,066) | (1,087,663) | (1,393,729) |
| Total fund balances | (195,306) | (843,796) | (1,039,102) |
| Total liabilities, deferred inflows of resources, and fund balances | $ 1,083,252 | $ 2,162,248 | $ 3,245,500 |

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2021

| | Special Revenue Funds | | |
|---|---|---|---|
| | Food Service | Community Service | Total |
| Revenue | | | |
| Local sources | | | |
| Property taxes | $ – | $ 1,885,273 | $ 1,885,273 |
| Other | 273,566 | 4,837,454 | 5,111,020 |
| State sources | – | 964,587 | 964,587 |
| Federal sources | 5,133,395 | 247,902 | 5,381,297 |
| Total revenue | 5,406,961 | 7,935,216 | 13,342,177 |
| Expenditures | | | |
| Current | | | |
| Food service | 5,601,859 | – | 5,601,859 |
| Community service | – | 9,602,128 | 9,602,128 |
| Capital outlay | 408 | 31,831 | 32,239 |
| Total expenditures | 5,602,267 | 9,633,959 | 15,236,226 |
| Net change in fund balances | (195,306) | (1,698,743) | (1,894,049) |
| Fund balances | | | |
| Beginning of year | – | 854,947 | 854,947 |
| End of year | $ (195,306) | $ (843,796) | $ (1,039,102) |

General Fund
Comparative Balance Sheet
as of June 30, 2021 and 2020

| | 2021 | 2020 |
|---|---|---|
| Assets | | |
| Cash and temporary investments | $ 47,556,260 | $ 55,246,328 |
| Cash and investments held by trustee | 70,000 | 120,000 |
| Receivables | | |
| Current taxes | 33,008,335 | 32,336,857 |
| Delinquent taxes | 563,165 | 377,600 |
| Accounts and interest | 400,341 | 203,793 |
| Due from other governmental units | 10,433,811 | 10,083,540 |
| Due from other funds | 2,036,727 | 385,582 |
| Inventory | 150,999 | 158,933 |
| Prepaid items | 457,415 | 452,173 |
| Total assets | $ 94,677,053 | $ 99,364,806 |
| Liabilities | | |
| Salaries payable | $ 210,697 | $ 244,722 |
| Accounts and contracts payable | 2,847,976 | 5,699,919 |
| Due to other governmental units | 539,523 | 335,140 |
| Due to other funds | 1,716,048 | 1,624,796 |
| Unearned revenue | 192,293 | 58,343 |
| Total liabilities | 5,506,537 | 7,962,920 |
| Deferred inflows of resources | | |
| Property taxes levied for subsequent year | 61,962,181 | 59,136,907 |
| Unavailable revenue – delinquent taxes | 351,318 | 318,019 |
| Total deferred inflows of resources | 62,313,499 | 59,454,926 |
| Fund balances (deficits) | | |
| Nonspendable for inventory | 150,999 | 158,933 |
| Nonspendable for prepaid items | 457,415 | 452,173 |
| Restricted for scholarships | 261,879 | 279,947 |
| Restricted for staff development | – | 561,290 |
| Restricted for capital projects levy | 2,715,070 | 1,357,564 |
| Restricted for operating capital | – | 4,043,930 |
| Restricted for safe schools levy | – | 191,570 |
| Restricted for Medical Assistance | – | 341,472 |
| Assigned for local collaborative time study | 545,195 | 248,832 |
| Assigned for reemployment insurance | – | 12,985 |
| Assigned for site carryover | 806,710 | 2,053,501 |
| Assigned for Q compensation | 923 | 901 |
| Assigned for school opening costs | 695,305 | 695,305 |
| Assigned for workers' compensation escrow | 70,000 | 120,000 |
| Assigned for post-employment obligations | 2,156,636 | 2,156,636 |
| Assigned for subsequent year budget | – | 241,176 |
| Assigned for enrollment | 3,500,828 | – |
| Unassigned – long-term facilities maintenance restricted account deficit | (802,152) | (421,471) |
| Unassigned | 16,298,209 | 19,452,216 |
| Total fund balances | 26,857,017 | 31,946,960 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 94,677,053 | $ 99,364,806 |

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Budget | Actual | Over (Under) Budget | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Property taxes | $ 61,688,725 | $ 63,966,935 | $ 2,278,210 | $ 58,852,589 |
| Investment earnings | 1,200,000 | 1,291,861 | 91,861 | 1,619,758 |
| Other | 3,433,469 | 3,225,386 | (208,083) | 5,099,438 |
| State sources | 106,341,990 | 107,602,586 | 1,260,596 | 106,065,256 |
| Federal sources | 10,848,973 | 8,712,279 | (2,136,694) | 4,213,562 |
| Total revenue | 183,513,157 | 184,799,047 | 1,285,890 | 175,850,603 |
| Expenditures | | | | |
| Current | | | | |
| Administration | | | | |
| Salaries | 3,639,060 | 3,649,044 | 9,984 | 3,641,497 |
| Employee benefits | 1,244,941 | 1,274,611 | 29,670 | 1,203,212 |
| Purchased services | 145,897 | 75,271 | (70,626) | 94,964 |
| Supplies and materials | 57,177 | 31,785 | (25,392) | 78,905 |
| Capital expenditures | 11,500 | 4,286 | (7,214) | 7,844 |
| Other expenditures | 48,350 | 48,455 | 105 | 41,486 |
| Total administration | 5,146,925 | 5,083,452 | (63,473) | 5,067,908 |
| District support services | | | | |
| Salaries | 3,275,376 | 3,139,923 | (135,453) | 3,105,935 |
| Employee benefits | 820,346 | 1,014,644 | 194,298 | 852,070 |
| Purchased services | 1,585,824 | 788,691 | (797,133) | 2,541,284 |
| Supplies and materials | 538,839 | 128,498 | (410,341) | 167,936 |
| Capital expenditures | 16,159 | 17,446 | 1,287 | 20,916 |
| Other expenditures | 11,077 | 6,799 | (4,278) | 6,046 |
| Total district support services | 6,247,621 | 5,096,001 | (1,151,620) | 6,694,187 |
| Elementary and secondary regular instruction | | | | |
| Salaries | 60,168,531 | 59,044,879 | (1,123,652) | 56,481,359 |
| Employee benefits | 19,402,888 | 18,085,928 | (1,316,960) | 17,523,835 |
| Purchased services | 2,235,123 | 2,033,311 | (201,812) | 3,038,289 |
| Supplies and materials | 2,586,285 | 1,575,954 | (1,010,331) | 2,083,713 |
| Capital expenditures | 3,009,916 | 1,809,901 | (1,200,015) | 2,076,988 |
| Other expenditures | 86,469 | 602,793 | 516,324 | 732,117 |
| Total elementary and secondary regular instruction | 87,489,212 | 83,152,766 | (4,336,446) | 81,936,301 |


(continued)

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Budget | Actual | Over (Under) Budget | Actual |
| Expenditures (continued) | | | | |
| Current (continued) | | | | |
| Vocational education instruction | | | | |
| Salaries | 1,886,137 | 2,000,430 | 114,293 | 1,813,448 |
| Employee benefits | 635,310 | 685,308 | 49,998 | 601,038 |
| Purchased services | 862,866 | 931,803 | 68,937 | 800,286 |
| Supplies and materials | 28,020 | 22,229 | (5,791) | 33,183 |
| Capital expenditures | 9,140 | 8,770 | (370) | 3,368 |
| Other expenditures | 24,440 | 21,598 | (2,842) | 21,091 |
| Total vocational education instruction | 3,445,913 | 3,670,138 | 224,225 | 3,272,414 |
| Special education instruction | | | | |
| Salaries | 16,138,170 | 16,083,285 | (54,885) | 15,752,802 |
| Employee benefits | 5,684,196 | 5,647,620 | (36,576) | 5,499,043 |
| Purchased services | 773,625 | 407,697 | (365,928) | 207,766 |
| Supplies and materials | 193,463 | 122,226 | (71,237) | 147,787 |
| Capital expenditures | 19,000 | 22,165 | 3,165 | 7,507 |
| Other expenditures | 5,700 | 162,984 | 157,284 | 164,814 |
| Total special education instruction | 22,814,154 | 22,445,977 | (368,177) | 21,779,719 |
| Instructional support services | | | | |
| Salaries | 9,761,719 | 9,468,791 | (292,928) | 9,895,086 |
| Employee benefits | 3,147,547 | 4,056,077 | 908,530 | 3,273,600 |
| Purchased services | 2,113,757 | 636,173 | (1,477,584) | 824,638 |
| Supplies and materials | 1,291,119 | 1,858,016 | 566,897 | 2,250,836 |
| Capital expenditures | 3,188,327 | 2,101,405 | (1,086,922) | 3,439,294 |
| Other expenditures | 22,600 | 28,749 | 6,149 | 35,089 |
| Total instructional support services | 19,525,069 | 18,149,211 | (1,375,858) | 19,718,543 |
| Pupil support services | | | | |
| Salaries | 3,046,738 | 3,232,106 | 185,368 | 2,904,315 |
| Employee benefits | 774,792 | 1,091,803 | 317,011 | 984,294 |
| Purchased services | 11,438,876 | 10,914,630 | (524,246) | 10,517,736 |
| Supplies and materials | 377,584 | 321,956 | (55,628) | 324,756 |
| Capital expenditures | 130,438 | 293,042 | 162,604 | 317,578 |
| Other expenditures | 1,050 | 1,699 | 649 | 554 |
| Total pupil support services | 15,769,478 | 15,855,236 | 85,758 | 15,049,233 |


(continued)

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Budget | Actual | Over (Under) Budget | Actual |
| Expenditures (continued) | | | | |
| Current (continued) | | | | |
| Sites and buildings | | | | |
| Salaries | 5,452,440 | 5,304,090 | (148,350) | 5,397,693 |
| Employee benefits | 2,101,959 | 2,086,430 | (15,529) | 2,150,204 |
| Purchased services | 4,530,243 | 4,831,296 | 301,053 | 3,375,485 |
| Supplies and materials | 727,974 | 2,043,972 | 1,315,998 | 1,030,958 |
| Capital expenditures | 10,021,761 | 10,956,318 | 934,557 | 2,057,653 |
| Other expenditures | 179,350 | 255,512 | 76,162 | 16,357 |
| Total sites and buildings | 23,013,727 | 25,477,618 | 2,463,891 | 14,028,350 |
| Fiscal and other fixed cost programs | | | | |
| Purchased services | 525,000 | 394,078 | (130,922) | 511,043 |
| Other expenditures | – | 26,700 | 26,700 | 28,700 |
| Total fiscal and other fixed cost programs | 525,000 | 420,778 | (104,222) | 539,743 |
| Debt service | | | | |
| Principal | 3,252,226 | 2,892,680 | (359,546) | 2,677,578 |
| Interest and fiscal charges | 654,019 | 638,458 | (15,561) | 313,348 |
| Total debt service | 3,906,245 | 3,531,138 | (375,107) | 2,990,926 |
| Total expenditures | 187,883,344 | 182,882,315 | (5,001,029) | 171,077,324 |
| Excess (deficiency) of revenue over expenditures | (4,370,187) | 1,916,732 | 6,286,919 | 4,773,279 |
| Other financing sources (uses) | | | | |
| Capital lease issued | 1,355,000 | 1,350,145 | (4,855) | 1,824,796 |
| Sale of assets | – | – | – | 6,251,000 |
| Transfers in | 15,000 | – | (15,000) | 315,468 |
| Transfers (out) | – | (8,356,820) | (8,356,820) | (8,373,693) |
| Total other financing sources (uses) | 1,370,000 | (7,006,675) | (8,376,675) | 17,571 |
| Net change in fund balances | $ (3,000,187) | (5,089,943) | $ (2,089,756) | 4,790,850 |
| Fund balances | | | | |
| Beginning of year | | 31,946,960 | | 27,156,110 |
| End of year | | $ 26,857,017 | | $ 31,946,960 |

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2021 and 2020

| | 2021 | 2020 |
|---|---|---|
| Assets | | |
| Receivables | | |
| Accounts and interest | $ – | $ 1,179 |
| Due from other governmental units | 972,492 | 405,514 |
| Inventory | 110,760 | 137,471 |
| Total assets | $ 1,083,252 | $ 544,164 |
| Liabilities | | |
| Salaries payable | $ 15,427 | $ 16,706 |
| Accounts and contracts payable | 180,375 | 23,676 |
| Due to other funds | 686,727 | 85,582 |
| Unearned revenue | 396,029 | 418,200 |
| Total liabilities | 1,278,558 | 544,164 |
| Fund balances | | |
| Nonspendable for inventory | 110,760 | 137,471 |
| Unassigned | (306,066) | (137,471) |
| Total fund balances | (195,306) | – |
| Total liabilities and fund balances | $ 1,083,252 | $ 544,164 |

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Budget | Actual | Over (Under) Budget | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Other – primarily meal sales | $ 143,964 | $ 273,566 | $ 129,602 | $ 4,000,966 |
| State sources | – | – | – | 184,168 |
| Federal sources | 3,945,158 | 5,133,395 | 1,188,237 | 1,710,570 |
| Total revenue | 4,089,122 | 5,406,961 | 1,317,839 | 5,895,704 |
| Expenditures | | | | |
| Current | | | | |
| Salaries | 1,921,453 | 2,124,515 | 203,062 | 2,327,298 |
| Employee benefits | 773,409 | 863,163 | 89,754 | 928,179 |
| Purchased services | 413,640 | 429,096 | 15,456 | 727,752 |
| Supplies and materials | 1,617,820 | 2,170,199 | 552,379 | 2,659,032 |
| Other expenditures | 16,854 | 14,886 | (1,968) | 14,889 |
| Capital outlay | 8,382 | 408 | (7,974) | 73,110 |
| Total expenditures | 4,751,558 | 5,602,267 | 850,709 | 6,730,260 |
| Excess (deficiency) of revenue over expenditures | (662,436) | (195,306) | 467,130 | (834,556) |
| Other financing sources | | | | |
| Transfers in | – | – | – | 249,545 |
| Net change in fund balances | $ (662,436) | (195,306) | $ 467,130 | (585,011) |
| Fund balances | | | | |
| Beginning of year | | – | | 585,011 |
| End of year | | $ (195,306) | | $ – |

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2021 and 2020

| | 2021 | 2020 |
|---|---|---|
| Assets | | |
| Cash and temporary investments | $ 800,173 | $ 2,057,080 |
| Receivables | | |
| Current taxes | 1,080,780 | 965,284 |
| Delinquent taxes | 14,683 | 9,848 |
| Accounts and interest | 36,206 | 2,299 |
| Due from other governmental units | 230,406 | 114,390 |
| Prepaid items | – | 850 |
| Total assets | $ 2,162,248 | $ 3,149,751 |
| Liabilities | | |
| Salaries payable | $ 219,944 | $ 193,783 |
| Accounts and contracts payable | 68,059 | 46,329 |
| Unearned revenue | 532,696 | 157,682 |
| Total liabilities | 820,699 | 397,794 |
| Deferred inflows of resources | | |
| Property taxes levied for subsequent year | 2,177,638 | 1,888,677 |
| Unavailable revenue – delinquent taxes | 7,707 | 8,333 |
| Total deferred inflows of resources | 2,185,345 | 1,897,010 |
| Fund balances | | |
| Nonspendable for prepaid items | – | 850 |
| Restricted for community education programs | – | 649 |
| Restricted for early childhood family education programs | 82,758 | 357,530 |
| Restricted for school readiness | 160,103 | 114,044 |
| Restricted for community service | 1,006 | 381,874 |
| Unassigned – community education programs restricted account deficit | (1,087,663) | – |
| Total fund balances | (843,796) | 854,947 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 2,162,248 | $ 3,149,751 |

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Budget | Actual | Over (Under) Budget | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Property taxes | $ 1,809,796 | $ 1,885,273 | $ 75,477 | $ 1,536,443 |
| Other – primarily tuition and fees | 4,764,472 | 4,837,454 | 72,982 | 7,775,972 |
| State sources | 947,264 | 964,587 | 17,323 | 970,387 |
| Federal sources | 79,338 | 247,902 | 168,564 | – |
| Total revenue | 7,600,870 | 7,935,216 | 334,346 | 10,282,802 |
| Expenditures | | | | |
| Current | | | | |
| Salaries | 6,470,865 | 6,228,264 | (242,601) | 7,153,215 |
| Employee benefits | 2,264,927 | 2,213,466 | (51,461) | 2,408,176 |
| Purchased services | 923,482 | 873,119 | (50,363) | 1,316,770 |
| Supplies and materials | 437,588 | 281,892 | (155,696) | 434,781 |
| Other expenditures | 8,075 | 5,387 | (2,688) | 9,668 |
| Capital outlay | 41,240 | 31,831 | (9,409) | 87,763 |
| Total expenditures | 10,146,177 | 9,633,959 | (512,218) | 11,410,373 |
| Net change in fund balances | $ (2,545,307) | (1,698,743) | $ 846,564 | (1,127,571) |
| Fund balances | | | | |
| Beginning of year | | 854,947 | | 1,982,518 |
| End of year | | $ (843,796) | | $ 854,947 |

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2021 and 2020

| | 2021 | 2020 |
|---|---|---|
| Assets | | |
| Cash and temporary investments | $ 15,096,235 | $ 23,946,236 |
| Cash and investments held by trustee | 30,509 | 3,423,713 |
| Total assets | $ 15,126,744 | $ 27,369,949 |
| Liabilities | | |
| Salaries payable | $ – | $ 2,472 |
| Accounts and contracts payable | 1,159,839 | 8,463,125 |
| Due to other governmental units | 40,000 | – |
| Total liabilities | 1,199,839 | 8,465,597 |
| Fund balances (deficits) | | |
| Restricted for projects funded by COP | – | 1,448,716 |
| Restricted for capital projects | 13,926,905 | 22,067,521 |
| Unassigned – long-term facilities maintenance restricted account deficit | – | (4,611,885) |
| Total fund balances | 13,926,905 | 18,904,352 |
| Total liabilities and fund balances | $ 15,126,744 | $ 27,369,949 |

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Budget | Actual | Over (Under) Budget | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Investment earnings | $ – | $ 13,171 | $ 13,171 | $ 577,389 |
| Other | – | – | – | 42,149 |
| Total revenue | – | 13,171 | 13,171 | 619,538 |
| Expenditures | | | | |
| Capital outlay | | | | |
| Salaries | 63,600 | 49,450 | (14,150) | 63,100 |
| Employee benefits | 9,600 | 7,153 | (2,447) | 9,235 |
| Purchased services | 1,041,200 | 1,673,288 | 632,088 | 5,849,324 |
| Capital expenditures | 9,585,600 | 7,872,612 | (1,712,988) | 41,797,969 |
| Debt service | | | | |
| Interest and fiscal charges | 300,000 | – | (300,000) | 491,461 |
| Total expenditures | 11,000,000 | 9,602,503 | (1,397,497) | 48,211,089 |
| Excess (deficiency) of revenue over expenditures | (11,000,000) | (9,589,332) | 1,410,668 | (47,591,551) |
| Other financing sources | | | | |
| Bonds issued | – | – | – | 7,454,135 |
| Certificates of participation issued | – | – | – | 16,700,000 |
| Premium on debt issued | – | – | – | 1,690,099 |
| Transfers in | – | 4,611,885 | 4,611,885 | 8,102,000 |
| Total other financing sources | – | 4,611,885 | 4,611,885 | 33,946,234 |
| Net change in fund balances | $ (11,000,000) | (4,977,447) | $ 6,022,553 | (13,645,317) |
| Fund balances | | | | |
| Beginning of year | | 18,904,352 | | 32,549,669 |
| End of year | | $ 13,926,905 | | $ 18,904,352 |

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2021 and 2020

| | 2021 | 2020 |
|---|---|---|
| Assets | | |
| Cash and temporary investments | $ 10,345,041 | $ 9,513,399 |
| Cash and investments held by trustee | – | 300,000 |
| Receivables | | |
| Current taxes | 7,490,884 | 7,467,387 |
| Delinquent taxes | 131,845 | 94,498 |
| Due from other governmental units | 1,005 | 643 |
| Total assets | $ 17,968,775 | $ 17,375,927 |
| Deferred inflows of resources | | |
| Property taxes levied for subsequent year | $ 15,093,273 | $ 14,610,680 |
| Unavailable revenue – delinquent taxes | 76,091 | 81,873 |
| Total deferred inflows of resources | 15,169,364 | 14,692,553 |
| Fund balances | | |
| Restricted for debt service | 2,799,411 | 2,683,374 |
| Total deferred inflows of resources and fund balances | $ 17,968,775 | $ 17,375,927 |

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Budget | Actual | Over (Under) Budget | Actual |
| Revenue | | | | |
| Local sources | | | | |
| Property taxes | $ 14,109,517 | $ 14,581,711 | $ 472,194 | $ 12,424,298 |
| Investment earnings | – | 901 | 901 | – |
| State sources | 5,400 | 10,051 | 4,651 | 6,431 |
| Total revenue | 14,114,917 | 14,592,663 | 477,746 | 12,430,729 |
| Expenditures | | | | |
| Debt service | | | | |
| Principal | 6,445,000 | 6,445,000 | – | 5,315,000 |
| Interest | 7,733,262 | 8,033,262 | 300,000 | 7,564,363 |
| Fiscal charges and other | 92,519 | 89,419 | (3,100) | 2,137 |
| Total expenditures | 14,270,781 | 14,567,681 | 296,900 | 12,881,500 |
| Excess (deficiency) of revenue over expenditures | (155,864) | 24,982 | 180,846 | (450,771) |
| Other financing sources (uses) | | | | |
| Bonds issued | 8,340,000 | 8,340,000 | – | 865 |
| Premium on bonds issued | 951,055 | 951,055 | – | – |
| Certificates of participation issued | – | – | – | 300,000 |
| Bond refunding payments | (9,200,000) | (9,200,000) | – | – |
| Total other financing sources (uses) | 91,055 | 91,055 | – | 300,865 |
| Net change in fund balances | $ (64,809) | 116,037 | $ 180,846 | (149,906) |
| Fund balances | | | | |
| Beginning of year | | 2,683,374 | | 2,833,280 |
| End of year | | $ 2,799,411 | | $ 2,683,374 |

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## INTERNAL SERVICE FUNDS

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

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

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2021
(With Comparative Totals as of June 30, 2020)

| | Self-Insurance Accounts | Early Retirement Accounts | Totals 2021 | Totals 2020 |
|---|---|---|---|---|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | $ 366,027 | $ – | $ 366,027 | $ 444,702 |
| Investments | 4,139,008 | 4,816,808 | 8,955,816 | 8,584,717 |
| Due from other funds | 3,422,911 | – | 3,422,911 | 1,624,796 |
| Total current assets | 7,927,946 | 4,816,808 | 12,744,754 | 10,654,215 |
| Deferred outflows of resources | | | | |
| Pension plan deferments | – | 341,219 | 341,219 | 306,783 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Accounts and contracts payable | 11,850 | – | 11,850 | 61 |
| Due to other funds | – | 1,706,863 | 1,706,863 | – |
| Claims incurred, but not reported | 2,003,779 | – | 2,003,779 | 2,003,779 |
| Severance benefits payable | – | 465,035 | 465,035 | 355,173 |
| Total current liabilities | 2,015,629 | 2,171,898 | 4,187,527 | 2,359,013 |
| Long-term liabilities | | | | |
| Severance benefits payable | – | 2,283,506 | 2,283,506 | 2,376,323 |
| Total pension liability | – | 4,137,025 | 4,137,025 | 4,484,577 |
| Total long-term liabilities | – | 6,420,531 | 6,420,531 | 6,860,900 |
| Total liabilities | 2,015,629 | 8,592,429 | 10,608,058 | 9,219,913 |
| Deferred inflows of resources | | | | |
| Pension plan deferments | – | 57,584 | 57,584 | 71,981 |
| Net position | | | | |
| Unrestricted | $ 5,912,317 | $ (3,491,986) | $ 2,420,331 | $ 1,669,104 |

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

| | Self-Insurance Accounts | Early Retirement Accounts | Totals 2021 | Totals 2020 |
|---|---|---|---|---|
| Operating revenue | | | | |
| Charges for services | $ 20,826,489 | $ – | $ 20,826,489 | $ 19,431,294 |
| Operating expenses | | | | |
| Dental benefit claims | 1,439,891 | – | 1,439,891 | 1,319,164 |
| Health benefit claims | 21,423,882 | – | 21,423,882 | 15,814,054 |
| Early retirement incentive and sick leave benefits | – | 1,327,523 | 1,327,523 | 1,051,673 |
| Total operating expenses | 22,863,773 | 1,327,523 | 24,191,296 | 18,184,891 |
| Operating income (loss) | (2,037,284) | (1,327,523) | (3,364,807) | 1,246,403 |
| Nonoperating revenue | | | | |
| Investment earnings | 171,507 | 199,592 | 371,099 | 279,092 |
| Income (loss) before transfers | (1,865,777) | (1,127,931) | (2,993,708) | 1,525,495 |
| Transfers in | 3,744,935 | – | 3,744,935 | 22,148 |
| Transfers (out) | – | – | – | (315,468) |
| Change in net position | 1,879,158 | (1,127,931) | 751,227 | 1,232,175 |
| Net position | | | | |
| Beginning of year | 4,033,159 | (2,364,055) | 1,669,104 | 436,929 |
| End of year | $ 5,912,317 | $ (3,491,986) | $ 2,420,331 | $ 1,669,104 |

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

| | Self-Insurance Accounts | Early Retirement Accounts | Totals 2021 | Totals 2020 |
|---|---|---|---|---|
| Cash flows from operating activities | | | | |
| Charges for services | $ 20,735,237 | $ – | $ 20,735,237 | $ 19,265,197 |
| Payments for health and dental claims | (22,851,984) | – | (22,851,984) | (17,140,876) |
| Payments for retirement benefits | – | (1,706,863) | (1,706,863) | (1,390,136) |
| Net cash flows from operating activities | (2,116,747) | (1,706,863) | (3,823,610) | 734,185 |
| Cash flows from noncapital financing activities | | | | |
| Cash advance from other funds | – | 1,706,863 | 1,706,863 | – |
| Cash paid to other funds | (1,706,863) | – | (1,706,863) | – |
| Purchase of investments | – | – | – | (1,701,767) |
| Sale of investments | – | – | – | 1,701,767 |
| Transfers in | 3,744,935 | – | 3,744,935 | 22,148 |
| Transfers (out) | – | – | – | (315,468) |
| Net cash flows from noncapital financing activities | 2,038,072 | 1,706,863 | 3,744,935 | (293,320) |
| Net change in cash and cash equivalents | (78,675) | – | (78,675) | 440,865 |
| Cash and cash equivalents | | | | |
| Beginning of year | 444,702 | – | 444,702 | 3,837 |
| End of year | $ 366,027 | $ – | $ 366,027 | $ 444,702 |
| Reconciliation of operating income (loss) to net cash flows from operating activities | | | | |
| Operating income (loss) | $ (2,037,284) | $ (1,327,523) | $ (3,364,807) | $ 1,246,403 |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities | | | | |
| Changes in assets | | | | |
| Due from other funds | (91,252) | – | (91,252) | (166,097) |
| Deferred outflows of resources – pension plan deferments | – | (34,436) | (34,436) | (33,602) |
| Changes in liabilities and deferred inflows | | | | |
| Accounts and contracts payable | 11,789 | – | 11,789 | (7,658) |
| Severance benefits payable | – | 17,045 | 17,045 | (192,744) |
| Total pension liability | – | (347,552) | (347,552) | (97,720) |
| Deferred inflows of resources – pension plan deferments | – | (14,397) | (14,397) | (14,397) |
| Net cash flows from operating activities | $ (2,116,747) | $ (1,706,863) | $ (3,823,610) | $ 734,185 |

SECTION III

STATISTICAL SECTION

(UNAUDITED)

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This section of Independent School District No. 284's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

**Contents**

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Indicators**

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

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

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

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 |
| Governmental activities | | | | |
| Net investment in capital assets | $ 41,301,936 | $ 46,152,372 | $ 60,689,911 | $ 65,253,780 |
| Restricted | 26,816,481 | 27,560,100 | 12,624,943 | 13,091,641 |
| Unrestricted | 44,210,849 | 45,130,907 | 40,787,379 | (50,117,797) |
| Total governmental activities net position | $ 112,329,266 | $ 118,843,379 | $ 114,102,233 | $ 28,227,624 |

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased net position by approximately $87.5 million. Prior year amounts have not been restated.

Note 2: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately $29.9 million. Prior year amounts have not been restated.

Note 3: The District implemented GASB Statement No. 84 in fiscal 2020, reported as a change in accounting principle as a result of implementing this standard, which increased net position by approximately $1.2 million. Prior year amounts have not been restated.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| $ 31,901,934 | $ 40,112,576 | $ 37,679,712 | $ 37,050,317 | $ 27,572,468 | $ 29,989,500 |
| 13,662,842 | 7,822,506 | 10,695,169 | 10,648,975 | 9,472,475 | 3,126,677 |
| (46,927,869) | (122,259,148) | (158,453,974) | (122,967,598) | (133,667,103) | (139,295,623) |
| $ (1,363,093) | $ (74,324,066) | $(110,079,093) | $ (75,268,306) | $ (96,622,160) | $(106,179,446) |

INDEPENDENT SCHOOL DISTRICT NO. 284

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

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 |
| Governmental activities | | | | |
| Expenses | | | | |
| Administration | $ 3,903,810 | $ 3,995,998 | $ 3,833,741 | $ 3,839,848 |
| District support services | 3,889,519 | 4,154,320 | 4,924,827 | 4,577,951 |
| Elementary and secondary regular instruction | 61,370,368 | 59,732,311 | 64,030,267 | 67,230,737 |
| Vocational education instruction | 2,244,616 | 2,629,151 | 2,376,614 | 2,922,503 |
| Special education instruction | 15,647,448 | 16,037,522 | 16,664,813 | 16,695,866 |
| Instructional support services | 9,285,367 | 8,464,618 | 9,446,640 | 9,267,077 |
| Pupil support services | 10,890,255 | 11,528,889 | 11,606,924 | 11,997,753 |
| Sites and buildings | 12,087,843 | 19,492,550 | 23,108,226 | 16,373,431 |
| Fiscal and other fixed cost programs | 296,088 | 318,578 | 355,757 | 385,547 |
| Food service | 5,140,315 | 5,193,226 | 5,367,185 | 5,619,154 |
| Community service | 7,960,867 | 7,913,272 | 8,343,413 | 7,512,257 |
| Interest and fiscal charges | 2,170,792 | 2,059,956 | 4,117,943 | 5,748,064 |
| Unallocated depreciation | 936,783 | – | – | – |
| Total governmental activities expenses | 135,824,071 | 141,520,391 | 154,176,350 | 152,170,188 |
| Program revenues | | | | |
| Charges for services | | | | |
| Administration | 151,210 | 275,959 | 202,982 | 166,265 |
| Elementary and secondary regular instruction | 1,002,847 | 1,080,264 | 1,021,619 | 1,159,389 |
| Vocational education instruction | – | 2,270 | 1,324 | – |
| Special education instruction | 9,404 | 4,441 | 560 | 247,585 |
| Instructional support services | 316 | 2,485 | 18,905 | 9,493 |
| Pupil support services | 88,946 | 14,543 | 28,369 | 28,178 |
| Sites and buildings | 471,737 | 461,493 | 662,870 | 512,766 |
| Food service | 3,860,359 | 3,884,424 | 3,806,157 | 4,222,938 |
| Community service | 5,865,887 | 6,137,955 | 6,529,492 | 5,556,600 |
| Operating grants and contributions | 17,204,917 | 15,850,856 | 15,171,555 | 15,216,756 |
| Capital grants and contributions | – | 252,929 | 346,713 | 910,167 |
| Total governmental activities program revenues | 28,655,623 | 27,967,619 | 27,790,546 | 28,030,137 |
| Net (expense) revenue | (107,168,448) | (113,552,772) | (126,385,804) | (124,140,051) |
| General revenues and other changes in net position | | | | |
| Taxes | | | | |
| Property taxes, levied for general purposes | 34,707,170 | 35,975,717 | 22,503,184 | 38,153,378 |
| Property taxes, levied for community service | 1,420,146 | 1,458,919 | 781,857 | 1,524,385 |
| Property taxes, levied for debt service | 10,416,814 | 10,992,579 | 11,203,441 | 11,401,371 |
| General grants and aids | 66,145,035 | 67,408,720 | 84,572,800 | 72,170,101 |
| Other general revenues | 1,544,009 | 3,459,844 | 1,413,287 | 1,376,993 |
| Investment earnings | 855,344 | 771,106 | 1,170,089 | 1,185,644 |
| Special item | – | – | – | – |
| Total general revenues and other changes in net position | 115,088,518 | 120,066,885 | 121,644,658 | 125,811,872 |
| Change in net position | $ 7,920,070 | $ 6,514,113 | $ (4,741,146) | $ 1,671,821 |

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

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| $ 4,817,133 | $ 6,700,296 | $ 6,052,169 | $ 4,265,884 | $ 5,744,321 | $ 5,749,982 |
| 5,033,300 | 6,114,326 | 5,347,446 | 5,961,373 | 7,124,303 | 5,397,237 |
| 68,238,658 | 97,927,589 | 98,324,381 | 57,568,978 | 94,447,134 | 94,959,700 |
| 2,804,948 | 3,737,593 | 3,782,104 | 2,163,529 | 3,448,696 | 3,897,753 |
| 17,678,829 | 23,736,177 | 23,646,291 | 15,166,922 | 22,972,019 | 24,080,587 |
| 10,313,332 | 13,276,121 | 18,777,288 | 13,281,310 | 20,521,549 | 18,730,543 |
| 12,363,815 | 14,566,050 | 14,370,024 | 12,799,455 | 15,297,882 | 16,167,678 |
| 31,109,967 | 35,215,528 | 23,723,765 | 21,884,093 | 31,256,979 | 30,193,336 |
| 417,879 | 566,951 | 281,446 | 541,321 | 539,743 | 420,778 |
| 5,896,122 | 6,484,275 | 6,469,883 | 6,943,797 | 6,743,253 | 5,743,363 |
| 8,207,904 | 9,811,345 | 10,971,816 | 10,774,854 | 11,509,169 | 9,728,339 |
| 5,134,248 | 5,326,192 | 6,692,718 | 7,556,619 | 8,353,500 | 7,878,465 |
| – | – | – | – | – | – |
| 172,016,135 | 223,462,443 | 218,439,331 | 158,908,135 | 227,958,548 | 222,947,761 |
| | | | | | |
| 215,357 | 57,422 | 39,922 | 117,202 | 1,566 | 215 |
| 1,262,298 | 1,287,405 | 1,323,071 | 1,339,296 | 1,435,317 | 776,860 |
| – | – | – | – | – | – |
| 322,586 | 350,928 | 498,813 | 307,962 | 431,278 | 437,583 |
| 7,808 | 6,703 | 15,338 | 14,469 | 12,733 | 11,952 |
| 25,773 | 22,018 | 152,731 | 148,244 | 185,197 | 172,328 |
| 575,910 | 558,826 | 628,772 | 591,360 | 454,390 | 326,747 |
| 4,447,648 | 5,067,696 | 5,357,091 | 5,318,392 | 4,000,966 | 273,566 |
| 6,382,167 | 7,410,890 | 8,164,553 | 8,933,531 | 7,775,972 | 4,837,454 |
| 16,140,494 | 17,625,350 | 16,357,459 | 16,952,023 | 20,694,796 | 24,733,862 |
| 911,502 | 1,351,039 | 2,870,495 | 1,534,850 | 1,517,914 | 1,389,335 |
| 30,291,543 | 33,738,277 | 35,408,245 | 35,257,329 | 36,510,129 | 32,959,902 |
| | | | | | |
| (141,724,592) | (189,724,166) | (183,031,086) | (123,650,806) | (191,448,419) | (189,987,859) |
| | | | | | |
| 38,434,705 | 42,239,180 | 52,196,919 | 55,461,620 | 58,866,293 | 64,000,234 |
| 1,244,109 | 1,096,913 | 993,672 | 1,222,047 | 1,537,423 | 1,884,647 |
| 15,673,366 | 14,587,642 | 8,274,499 | 12,085,201 | 12,427,460 | 14,575,929 |
| 74,485,371 | 83,119,553 | 81,977,981 | 82,036,235 | 90,978,084 | 96,793,030 |
| 1,240,454 | 2,001,619 | 1,672,313 | 1,429,838 | 2,621,106 | 1,499,701 |
| 1,162,703 | 1,886,224 | 2,160,675 | 3,191,342 | 2,476,239 | 1,677,032 |
| – | – | – | 3,035,310 | – | – |
| 132,240,708 | 144,931,131 | 147,276,059 | 158,461,593 | 168,906,605 | 180,430,573 |
| $ (9,483,884) | $ (44,793,035) | $ (35,755,027) | $ 34,810,787 | $ (22,541,814) | $ (9,557,286) |

INDEPENDENT SCHOOL DISTRICT NO. 284

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

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | |
| Nonspendable | $ 599,557 | $ 153,963 | $ 139,900 | $ 170,070 |
| Restricted | 7,276,447 | 9,081,101 | 6,474,793 | 6,549,824 |
| Committed | – | 2,889,790 | 2,889,790 | 2,889,790 |
| Assigned | 2,270,381 | 1,859,114 | 1,766,330 | 2,508,237 |
| Unassigned | 12,213,903 | 11,476,097 | 10,926,181 | 9,306,757 |
| Total General Fund | $ 22,360,288 | $ 25,460,065 | $ 22,196,994 | $ 21,424,678 |
| All other governmental funds | | | | |
| Nonspendable | | | | |
| Special revenue funds | $ 83,637 | $ 81,947 | $ 82,038 | $ 90,176 |
| Capital Projects – Building Construction Fund | 114,560 | 195,050 | 103,151 | 29,382 |
| Restricted | | | | |
| Special revenue funds | 2,589,169 | 2,963,665 | 3,157,131 | 2,763,831 |
| Capital Projects – Building Construction Fund | 15,319,262 | 14,174,369 | 124,613,839 | 94,734,895 |
| Debt Service Fund | 2,373,561 | 1,948,293 | 4,904,822 | 2,044,497 |
| Unassigned | | | | |
| Special revenue funds | – | – | – | – |
| Capital Projects – Building Construction Fund | – | – | – | – |
| Total all other governmental funds | $ 20,480,189 | $ 19,363,324 | $ 132,860,981 | $ 99,662,781 |
| Total all governmental funds | $ 42,840,477 | $ 44,823,389 | $ 155,057,975 | $ 121,087,459 |

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| $ 196,566 | $ 355,711 | $ 287,085 | $ 316,399 | $ 611,106 | $ 608,414 |
| 5,838,351 | 2,824,355 | 5,770,694 | 7,600,701 | 6,775,773 | 2,976,949 |
| 2,889,790 | – | – | – | – | – |
| 5,482,867 | 4,918,059 | 5,712,743 | 5,369,294 | 5,529,336 | 7,775,597 |
| 9,347,456 | 8,050,979 | 8,304,664 | 12,681,756 | 19,030,745 | 15,496,057 |
| $ 23,755,030 | $ 16,149,104 | $ 20,075,186 | $ 25,968,150 | $ 31,946,960 | $ 26,857,017 |
| $ 94,839 | $ 100,667 | $ 108,812 | $ 87,830 | $ 138,321 | $ 110,760 |
| 3,795 | 370,688 | 357,895 | 19,169 | – | – |
| 2,777,607 | 3,131,609 | 2,824,021 | 2,479,699 | 854,097 | 243,867 |
| 25,480,370 | 8,669,298 | 68,914,606 | 33,749,841 | 23,516,237 | 13,926,905 |
| 2,618,143 | 2,475,932 | 2,606,958 | 2,833,280 | 2,683,374 | 2,799,411 |
| – | – | – | – | (137,471) | (1,393,729) |
| – | (528,128) | – | (1,219,341) | (4,611,885) | – |
| $ 30,974,754 | $ 14,220,066 | $ 74,812,292 | $ 37,950,478 | $ 22,442,673 | $ 15,687,214 |
| $ 54,729,784 | $ 30,369,170 | $ 94,887,478 | $ 63,918,628 | $ 54,389,633 | $ 42,544,231 |

INDEPENDENT SCHOOL DISTRICT NO. 284

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

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 |
| Revenues | | | | |
| Local sources | | | | |
| Taxes | $ 46,494,356 | $ 48,582,021 | $ 34,451,771 | $ 51,053,987 |
| Investment earnings | 18,459 | 29,798 | 37,847 | 144,163 |
| Other | 12,893,963 | 13,621,129 | 13,441,482 | 13,280,276 |
| State sources | 78,173,924 | 79,118,659 | 95,680,683 | 84,196,712 |
| Federal sources | 5,170,995 | 4,393,844 | 4,402,856 | 4,100,243 |
| Total revenues | 142,751,697 | 145,745,451 | 148,014,639 | 152,775,381 |
| Expenditures | | | | |
| Current | | | | |
| Administration | 3,882,175 | 3,942,490 | 3,809,563 | 3,882,636 |
| District support services | 3,725,817 | 3,966,678 | 3,812,160 | 3,831,038 |
| Elementary and secondary regular instruction | 54,146,054 | 55,749,366 | 57,161,164 | 61,261,179 |
| Vocational education instruction | 2,224,383 | 2,596,694 | 2,282,764 | 2,898,253 |
| Special education instruction | 15,542,974 | 15,890,551 | 16,143,749 | 16,675,799 |
| Instructional support services | 9,253,668 | 8,432,986 | 9,359,060 | 9,518,374 |
| Pupil support services | 10,753,896 | 11,487,282 | 11,181,875 | 12,151,446 |
| Sites and buildings | 9,023,841 | 9,429,780 | 9,618,077 | 10,212,586 |
| Fiscal and other fixed cost programs | 296,088 | 318,578 | 355,757 | 385,547 |
| Food service | 5,073,799 | 5,085,281 | 5,226,866 | 5,574,751 |
| Community service | 7,863,889 | 7,841,272 | 8,491,628 | 7,537,839 |
| Capital outlay | 12,957,206 | 21,516,463 | 38,000,191 | 37,044,922 |
| Debt service | | | | |
| Principal | 8,695,000 | 9,580,000 | 10,130,000 | 11,526,756 |
| Interest and fiscal charges | 2,582,338 | 2,405,085 | 3,522,846 | 5,410,994 |
| Total expenditures | 146,021,128 | 158,242,506 | 179,095,700 | 187,912,120 |
| Excess of revenues over (under) expenditures | (3,269,431) | (12,497,055) | (31,081,061) | (35,136,739) |
| Other financing sources (uses) | | | | |
| Sale of equipment | 5,370 | 2,900 | – | – |
| Sale of real property | – | 2,889,790 | – | – |
| Insurance recovery proceeds | 105,785 | 9,861 | 251,612 | – |
| Bonds issued | 15,800,000 | – | 136,805,000 | 10,255,000 |
| Certificates of participation issued | – | 9,980,000 | – | – |
| Premium on debt issued | 512,660 | 214,066 | 3,023,175 | 867,145 |
| Capital leases issued | – | 1,383,350 | 1,235,860 | 1,099,078 |
| Payment to refunded bond escrow agent | – | – | – | (11,055,000) |
| Transfers in | 7,264,007 | 7,673,940 | 7,253,826 | 6,901,900 |
| Transfers out | (7,264,007) | (7,673,940) | (7,253,826) | (6,901,900) |
| Total other financing sources (uses) | 16,423,815 | 14,479,967 | 141,315,647 | 1,166,223 |
| Net change in fund balances | $ 13,154,384 | $ 1,982,912 | $ 110,234,586 | $ (33,970,516) |
| Debt service as a percentage of noncapital expenditures | 8.5% | 8.8% | 9.7% | 11.2% |

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| $ 55,577,523 | $ 57,642,494 | $ 61,547,600 | $ 68,770,016 | $ 72,813,330 | $ 80,433,919 |
| 135,329 | 538,191 | 838,461 | 2,770,330 | 2,197,147 | 1,305,933 |
| 14,480,001 | 17,174,010 | 17,856,126 | 18,202,110 | 16,918,525 | 8,336,406 |
| 87,767,205 | 93,888,892 | 96,910,458 | 101,283,833 | 107,226,242 | 108,577,224 |
| 3,770,162 | 4,239,619 | 4,329,494 | 4,609,793 | 5,924,132 | 14,093,576 |
| 161,730,220 | 173,483,206 | 181,482,139 | 195,636,082 | 205,079,376 | 212,747,058 |
| 3,960,854 | 4,307,817 | 4,380,862 | 4,785,410 | 5,067,908 | 5,083,452 |
| 4,214,722 | 4,856,373 | 4,807,590 | 5,445,961 | 6,694,187 | 5,096,001 |
| 61,793,156 | 64,754,485 | 68,352,055 | 76,186,117 | 81,936,301 | 83,152,766 |
| 2,775,891 | 2,782,707 | 2,953,500 | 3,043,470 | 3,272,414 | 3,670,138 |
| 17,390,283 | 17,738,153 | 18,658,389 | 20,099,837 | 21,779,719 | 22,445,977 |
| 10,107,948 | 9,841,449 | 15,992,693 | 16,158,133 | 19,718,543 | 18,149,211 |
| 12,289,246 | 13,117,743 | 13,098,157 | 14,067,489 | 15,049,233 | 15,855,236 |
| 10,577,248 | 18,089,426 | 17,692,885 | 14,265,340 | 14,028,350 | 25,477,618 |
| 417,879 | 566,951 | 281,446 | 541,321 | 539,743 | 420,778 |
| 5,705,994 | 6,173,350 | 6,403,380 | 6,737,168 | 6,657,150 | 5,601,859 |
| 8,008,491 | 8,912,116 | 10,298,600 | 11,073,210 | 11,322,610 | 9,602,128 |
| 82,087,300 | 26,537,306 | 18,646,356 | 40,253,946 | 47,880,501 | 9,634,742 |
| 11,364,273 | 11,554,610 | 5,789,891 | 6,547,836 | 7,992,578 | 9,337,680 |
| 6,467,926 | 6,023,460 | 6,081,787 | 7,937,194 | 8,371,309 | 8,761,139 |
| 237,161,211 | 195,255,946 | 193,437,591 | 227,142,432 | 250,310,546 | 222,288,725 |
| (75,430,991) | (21,772,740) | (11,955,452) | (31,506,350) | (45,231,170) | (9,541,667) |
| – | 21,653 | – | – | – | – |
| – | – | – | – | 6,251,000 | – |
| – | – | – | – | – | – |
| 1,820,000 | – | 66,895,000 | – | 7,455,000 | 8,340,000 |
| – | – | – | – | 17,000,000 | – |
| 57,459 | – | 3,406,305 | – | 1,690,099 | 951,055 |
| 6,750,775 | 767,400 | 6,172,455 | 537,500 | 1,824,796 | 1,350,145 |
| (1,835,000) | – | – | – | – | (9,200,000) |
| 9,709,564 | 13,006,244 | 6,779,299 | 2,042,900 | 8,667,013 | 4,611,885 |
| (7,429,482) | (13,117,868) | (6,779,299) | (2,042,900) | (8,373,693) | (8,356,820) |
| 9,073,316 | 677,429 | 76,473,760 | 537,500 | 34,514,215 | (2,303,735) |
| $ (66,357,675) | $ (21,095,311) | $ 64,518,308 | $ (30,968,850) | $ (10,716,955) | $ (11,845,402) |
| 10.3% | 9.7% | 6.7% | 7.6% | 7.6% | 8.6% |

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INDEPENDENT SCHOOL DISTRICT NO. 284

Tax Capacities and Market Values
Last Ten Fiscal Years

| Fiscal Year | Net Tax Capacity | Taxable Market Value | Percent Tax Capacity of Estimated Market Value |
|---|---|---|---|
| 2012 | $ 111,127,795 | $ 9,963,416,806 | 1.1 % |
| 2013 | 109,891,883 | 9,821,945,763 | 1.1 |
| 2014 | 109,307,508 | 9,628,799,946 | 1.1 |
| 2015 | 111,197,389 | 9,846,198,999 | 1.1 |
| 2016 | 119,387,105 | 10,688,657,739 | 1.1 |
| 2017 | 127,889,211 | 11,410,014,227 | 1.1 |
| 2018 | 137,065,114 | 12,249,671,471 | 1.1 |
| 2019 | 146,188,244 | 13,028,383,691 | 1.1 |
| 2020 | 156,060,319 | 13,916,257,860 | 1.1 |
| 2021 | 166,478,303 | 14,839,903,276 | 1.1 |

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

Source: Hennepin County Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

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

| Fiscal Year | ISD No. 284 | Corcoran | Maple Grove | Medicine Lake | Medina |
|---|---|---|---|---|---|
| 2012 | 24.034% | 37.041% | 36.890% | 38.677% | 18.977% |
| 2013 | 25.325% | 39.617% | 39.640% | 36.548% | 21.342% |
| 2014 | 25.236% | 46.111% | 42.342% | 40.691% | 24.639% |
| 2015 | 24.571% | 49.743% | 42.463% | 37.508% | 25.501% |
| 2016 | 26.252% | 45.311% | 39.831% | 34.127% | 23.577% |
| 2017 | 26.106% | 45.691% | 39.196% | 40.413% | 23.301% |
| 2018 | 26.290% | 45.994% | 38.245% | 35.525% | 22.270% |
| 2019 | 25.464% | 45.357% | 36.709% | 45.247% | 21.521% |
| 2020 | 24.833% | 45.160% | 34.746% | 42.765% | 21.529% |
| 2021 | 26.681% | 45.013% | 32.756% | 48.696% | 22.493% |

**County Auditor's Gross Spread Levies**

| Fiscal Year | ISD No. 284 | Corcoran | Maple Grove | Medicine Lake | Medina |
|---|---|---|---|---|---|
| 2012 | $ 45,966,048 | $ 138,081 | $ 2,255,318 | $ 368,215 | $ 3,037,776 |
| 2013 | 47,606,841 | 142,834 | 2,523,404 | 380,891 | 3,047,129 |
| 2014 | 48,622,654 | 97,245 | 2,577,001 | 340,359 | 2,965,982 |
| 2015 | 49,995,136 | 100,000 | 2,699,999 | 350,000 | 3,149,999 |
| 2016 | 55,954,344 | 167,872 | 3,189,576 | 391,702 | 3,749,151 |
| 2017 | 58,429,819 | 233,740 | 3,272,362 | 409,045 | 4,090,453 |
| 2018 | 68,605,225 | 304,340 | 3,226,004 | 426,076 | 4,199,892 |
| 2019 | 72,641,789 | 480,237 | 3,567,472 | 480,237 | 4,802,366 |
| 2020 | 79,764,941 | 797,649 | 3,828,717 | 558,355 | 5,344,251 |
| 2021 | 83,771,787 | 921,490 | 3,853,502 | 586,403 | 5,612,710 |

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

Source: Hennepin County Taxpayer Services Division

| Minnetonka | Orono | Plymouth | Wayzata | Hennepin County | Special Districts |
|---|---|---|---|---|---|
| 33.705% | 14.991% | 27.490% | 23.032% | 45.840% | 9.172% |
| 35.595% | 16.283% | 28.716% | 24.274% | 48.231% | 9.523% |
| 37.567% | 17.667% | 29.309% | 26.020% | 49.461% | 8.400% |
| 38.194% | 17.815% | 30.114% | 26.311% | 49.959% | 8.858% |
| 37.089% | 17.387% | 28.374% | 25.705% | 46.398% | 9.785% |
| 35.674% | 17.325% | 27.330% | 24.673% | 45.356% | 9.530% |
| 36.378% | 16.759% | 26.482% | 23.352% | 44.087% | 9.319% |
| 35.710% | 16.555% | 26.344% | 21.749% | 42.808% | 8.973% |
| 34.676% | 16.406% | 25.920% | 21.672% | 41.861% | 8.550% |
| 36.574% | 16.512% | 25.796% | 21.055% | 41.084% | 8.219% |
| | | | | | |
| $ 7,548,413 | $ 598,350 | $ 25,544,933 | $ 6,535,821 | $ 669,404,998 | $ 117,993,952 |
| 7,951,103 | 571,337 | 26,138,655 | 6,856,041 | 668,415,787 | 116,862,928 |
| 8,168,606 | 534,849 | 26,839,705 | 7,098,907 | 670,175,143 | 132,283,063 |
| 8,399,998 | 550,000 | 27,499,994 | 7,249,998 | 681,253,275 | 127,112,287 |
| 9,177,027 | 615,532 | 30,832,572 | 7,834,047 | 695,586,226 | 129,960,888 |
| 9,641,782 | 584,350 | 32,022,403 | 8,180,906 | 726,763,726 | 135,429,950 |
| 9,556,277 | 608,680 | 33,903,780 | 8,643,257 | 759,408,857 | 142,541,391 |
| 10,771,020 | 686,052 | 37,870,083 | 9,947,758 | 788,559,712 | 147,240,760 |
| 11,964,741 | 717,884 | 45,226,722 | 11,326,622 | 829,555,042 | 154,800,273 |
| 12,565,768 | 753,946 | 47,749,919 | 11,728,050 | 868,958,906 | 156,344,726 |

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INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Property Taxpayers
Current Year and Nine Years Ago

| Taxpayer | Type of Property | 2021 Net Tax Capacity | 2021 Rank | 2021 Percentage of Tax Capacity Value | 2012 Net Tax Capacity | 2012 Rank | 2012 Percentage of Tax Capacity Value |
|---|---|---|---|---|---|---|---|
| Ridgedale Center, LLC | Commercial | $ 2,101,290 | 1 | 1.26 % | $ 2,299,250 | 1 | 2.07 % |
| Medica Health Plans | Commercial | 1,533,850 | 2 | 0.92 | – | – | – |
| IRET Properties | Apartment | 1,298,050 | 3 | 0.78 | – | – | – |
| AX 601 Tower, LP | Commercial | 1,271,110 | 4 | 0.76 | – | – | – |
| TFO REVA Wildamerica PPC, LLC | Commercial | 1,120,550 | 5 | 0.67 | – | – | – |
| Pembroke TCM Atria, LLC | Commercial | 1,105,250 | 6 | 0.66 | – | – | – |
| WHQ, LLC | Commercial | 1,102,050 | 7 | 0.66 | – | – | – |
| RREEFAmerica Reit II Corp. | Apartment | 957,975 | 8 | 0.58 | 531,650 | 5 | 0.48 |
| CVIII Vicksburg Village, LLC | Apartment | 878,719 | 9 | 0.53 | 383,663 | 10 | 0.35 |
| CenterPoint Energy | Utility | 632,272 | 10 | 0.38 | – | – | – |
| Carlson Real Estate Co., Inc. | Commercial | – | – | – | 2,224,858 | 2 | 2.00 |
| Individual | Commercial | – | – | – | 785,250 | 3 | 0.71 |
| Talcott III Atria, LLC | Commercial | – | – | – | 749,250 | 4 | 0.67 |
| Invesco Real Estate | Apartment | – | – | – | 500,000 | 6 | 0.45 |
| TCA R E, LLC | Commercial | – | – | – | 499,250 | 7 | 0.45 |
| Plymouth Corp Center DE, LLC | Industrial | – | – | – | 445,750 | 8 | 0.40 |
| Bay Holdings, LLC | Commercial | – | – | – | 431,250 | 9 | 0.39 |
| Total | | $ 12,001,116 | | 7.21 % | $ 8,850,171 | | 7.96 % |

Sources: Fiscal year 2021 information: obtained from the Official Statement associated with the District's General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A (prepared by Ehlers and Associates, Inc.)

Fiscal year 2012 information: Hennepin County Department of Property Tax and Public Records

INDEPENDENT SCHOOL DISTRICT NO. 284

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

| | Taxes Levied for the Fiscal Year | | | Collections First Year Levy Recognized | |
|---|---|---|---|---|---|
| Fiscal Year | Operating Tax Levy | Debt Tax Levy | Total | Amount | Percentage of Levy |
| 2012 | $ 35,363,239 | $ 10,602,809 | $ 45,966,048 | $ 45,528,016 | 99.0 % |
| 2013 | 36,564,682 | 11,042,159 | 47,606,841 | 47,324,720 | 99.4 |
| 2014 | 37,383,176 | 11,239,478 | 48,622,654 | 48,401,803 | 99.5 |
| 2015 | 38,442,757 | 11,552,379 | 49,995,136 | 49,855,092 | 99.7 |
| 2016 | 40,225,448 | 15,728,896 | 55,954,344 | 55,775,065 | 99.7 |
| 2017 | 43,779,692 | 14,650,127 | 58,429,819 | 58,223,020 | 99.6 |
| 2018 | 56,479,703 | 12,125,522 | 68,605,225 | 68,580,763 | 100.0 |
| 2019 | 60,211,031 | 12,430,758 | 72,641,789 | 72,441,691 | 99.7 |
| 2020 | 65,155,424 | 14,609,517 | 79,764,941 | 79,555,962 | 99.7 |
| 2021 | 68,681,032 | 15,090,755 | 83,771,787 | 83,353,377 | 99.5 |

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

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

| Received in Subsequent Years | Total to Date | | Delinquent | |
|---|---|---|---|---|
| | Amount | Percentage of Levy | Amount | Percent |
| $ 438,032 | $ 45,966,048 | 100.0 % | $ – | – % |
| 282,121 | $ 47,606,841 | 100.0 | – | – |
| 220,851 | $ 48,622,654 | 100.0 | – | – |
| 140,044 | $ 49,995,136 | 100.0 | – | – |
| 152,256 | $ 55,927,321 | 99.9 | 27,023 | – |
| 132,568 | $ 58,355,588 | 99.8 | 74,231 | 0.1 |
| (5,463) | $ 68,575,300 | 99.9 | 29,925 | – |
| 131,579 | $ 72,573,270 | 99.9 | 68,519 | 0.1 |
| 117,396 | $ 79,673,358 | 99.8 | 91,583 | 0.1 |
| – | $ 83,353,377 | 99.5 | 418,410 | 0.5 |
| | | | $ 709,693 | |

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| | Governmental Activities | | | | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Premium (Discount) on Bonds | Certificates of Participation | Capital Leases | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
| 2012 | $ 65,135,000 | $ 2,349,744 | $ 2,190,000 | $ 9,019 | $ 69,683,763 | 2.0 % | $ 1,161 |
| 2013 | 56,070,000 | 2,095,615 | 11,655,000 | 918,096 | 70,738,711 | 2.0 | 1,169 |
| 2014 | 184,045,000 | 4,628,582 | 10,355,000 | 1,300,465 | 200,329,047 | 5.3 | 3,246 |
| 2015 | 174,070,000 | 4,359,617 | 9,220,000 | 1,182,787 | 188,832,404 | 4.9 | 2,982 |
| 2016 | 165,110,000 | 3,625,490 | 8,495,000 | 6,239,289 | 183,469,779 | 4.5 | 2,826 |
| 2017 | 156,210,000 | 3,120,929 | 7,755,000 | 5,092,079 | 172,178,008 | N/A | 2,588 |
| 2018 | 220,160,000 | 6,208,464 | 7,000,000 | 9,174,643 | 242,543,107 | N/A | 3,646 |
| 2019 | 215,880,000 | 5,790,352 | 6,225,000 | 8,219,307 | 236,114,659 | N/A | 3,421 |
| 2020 | 218,020,000 | 7,035,999 | 22,590,000 | 8,001,525 | 255,647,524 | N/A | 3,600 |
| 2021 | 210,715,000 | 7,229,090 | 21,460,000 | 7,588,990 | 246,993,080 | N/A | 3,383 |

N/A – Not Available

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

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratio of Net General Obligation Bonded Debt
to Tax Capacity and Net General Obligation Bonded Debt
per Capita
Last Ten Fiscal Years

| Fiscal Year | Gross Bonded Debt | Less Debt Service Funds on Hand | Net Bonded Debt | Net Tax Capacity | Percent of Net Debt to Net Tax Capacity | Estimated Population (1) | Net Bonded Debt per Capita |
|---|---|---|---|---|---|---|---|
| 2012 | $ 62,801,663 | $ 2,373,561 | $ 60,428,102 | $ 111,127,795 | 54.38 % | 60,017 | $ 1,007 |
| 2013 | 54,201,743 | 1,948,293 | 52,253,450 | 109,891,883 | 47.55 | 60,517 | 863 |
| 2014 | 179,273,752 | 4,904,822 | 174,368,930 | 109,307,508 | 159.52 | 61,717 | 2,825 |
| 2015 | 172,218,764 | 2,044,497 | 170,174,267 | 111,197,389 | 153.04 | 63,317 | 2,688 |
| 2016 | 168,735,490 | 2,618,143 | 166,117,347 | 119,387,105 | 139.14 | 64,917 | 2,559 |
| 2017 | 159,330,929 | 2,475,932 | 156,854,997 | 127,889,211 | 122.65 | 66,517 | 2,358 |
| 2018 | 226,368,464 | 2,606,958 | 223,761,506 | 137,065,114 | 163.25 | 66,517 | 3,364 |
| 2019 | 221,670,352 | 2,833,280 | 218,837,072 | 146,188,244 | 149.70 | 69,017 | 3,171 |
| 2020 | 225,055,999 | 2,683,374 | 222,372,625 | 156,060,319 | 142.49 | 71,017 | 3,131 |
| 2021 | 217,944,090 | 2,799,411 | 215,144,679 | 166,478,303 | 129.23 | 73,017 | 2,947 |

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

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INDEPENDENT SCHOOL DISTRICT NO. 284

Direct and Overlapping Debt
as of June 30, 2021

| Governmental Unit | Tax Collection Calendar Year – 2021 Taxable Net Tax Capacity | Bonded Debt (1) | Debt Applicable to Tax Capacity in ISD No. 284 (2) Percent | Amount |
|---|---|---|---|---|
| Direct debt | | | | |
| Independent School District No. 284 | $ 168,309,459 | $ 210,715,000 | 100.00 % | $ 210,715,000 |
| Overlapping debt | | | | |
| Hennepin County | 2,261,068,019 | 1,071,610,000 | 7.81 | 83,659,521 |
| Cities | | | | |
| Corcoran | 11,570,962 | 5,055,000 | 17.30 | 874,424 |
| Maple Grove | 119,234,828 | 69,630,000 | 7.21 | 5,021,507 |
| Medina | 20,575,637 | 7,735,000 | 56.31 | 4,355,439 |
| Minnetonka | 118,338,055 | 25,875,000 | 22.18 | 5,739,800 |
| Orono | 39,404,286 | 4,240,000 | 4.00 | 169,519 |
| Plymouth | 155,173,737 | 43,855,000 | 65.47 | 28,713,930 |
| Wayzata | 23,891,211 | 16,330,000 | 99.50 | 16,248,383 |
| Other | | | | |
| Metropolitan Council | 4,884,505,255 | 187,200,000 | 3.61 | 6,765,221 |
| Three Rivers Park District | 1,563,969,505 | 51,320,000 | 11.29 | 5,792,334 |
| Total overlapping debt | | | | 157,340,078 |
| Total direct and overlapping debt | | | | $ 368,055,078 |

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

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

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

Legal Debt Margin Information
Last Ten Fiscal Years

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 |
| Debt limit | $ 1,523,458,227 | $ 1,468,885,209 | $ 1,470,794,289 | $ 1,504,001,884 |
| Total net debt applicable to the limit | 60,428,102 | 52,253,450 | 174,368,930 | 170,174,267 |
| Legal debt margin | $ 1,463,030,125 | $ 1,416,631,759 | $ 1,296,425,359 | $ 1,333,827,617 |
| Total net debt applicable to the limit as a percentage of debt limit | 3.97% | 3.56% | 11.86% | 11.31% |

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

Source: State of Minnesota School Tax Report

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| $ 1,603,298,661 | $ 1,711,502,134 | $ 1,837,450,721 | $ 1,954,257,554 | $ 2,087,438,679 | $ 2,225,985,491 |
| 166,117,347 | 156,854,997 | 223,761,506 | 218,837,072 | 222,372,625 | 215,144,679 |
| $ 1,437,181,314 | $ 1,554,647,137 | $ 1,613,689,215 | $ 1,735,420,482 | $ 1,865,066,054 | $ 2,010,840,812 |
| 10.36% | 9.16% | 12.18% | 11.20% | 10.65% | 9.67% |

| Legal Debt Margin Calculation for Fiscal Year 2021 | |
|---|---|
| Market value | $14,839,903,276 |
| Debt limit (15% of market value) | 2,225,985,491 |
| Debt applicable to the limit | |
| General obligation bonds | 217,944,090 |
| Less amount set aside for repayment of general obligation debt | (2,799,411) |
| Total net debt applicable to the limit | 215,144,679 |
| Legal debt margin | $ 2,010,840,812 |

INDEPENDENT SCHOOL DISTRICT NO. 284

Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year | Population | Personal Income | Per Capita Personal Income | School Enrollment | Unemployment Rate |
|---|---|---|---|---|---|
| 2012 | 60,017 | $ 3,548,565,142 | $ 59,126 | 10,544 | 5.7 % |
| 2013 | 60,517 | 3,621,095,212 | 59,836 | 10,657 | 5.1 |
| 2014 | 61,717 | 3,754,121,676 | 60,828 | 10,708 | 4.5 |
| 2015 | 63,317 | 3,893,488,964 | 61,492 | 10,747 | 3.7 |
| 2016 | 64,917 | 4,103,857,989 | 63,217 | 10,858 | 3.7 |
| 2017 | 66,517 | N/A | N/A | 11,330 | 3.5 |
| 2018 | 66,517 | N/A | N/A | 11,642 | 2.8 |
| 2019 | 69,017 | N/A | N/A | 11,912 | 3.2 |
| 2020 | 71,017 | N/A | N/A | 12,134 | 9.8 |
| 2021 | 73,017 | N/A | N/A | 11,910 | 4.7 |

N/A – Not Available

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

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

Enrollment information from district records.

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

Principal Employers
Current Year and Nine Years Ago

| Employer | Fiscal Year 2021 Employees | 2021 Rank | 2012 Employees | 2012 Rank |
|---|---|---|---|---|
| Carlson Companies | 4,500 | 1 | 4,500 | 1 |
| Independent School District No. 284 | 1,587 | 2 | 1,484 | 4 |
| Medica Health | 1,300 | 3 | – | – |
| Aimia | 1,000 | 4 | – | – |
| Huntington Bank | 1,000 | 4 | – | – |
| Sioux Falls Leased Housing | 1,000 | 4 | – | – |
| Abbott Laboratories | 800 | 7 | – | – |
| US Foods | 500 | 8 | – | – |
| CWT | 400 | 9 | – | – |
| Wagner Spray Tech Corp. | 400 | 9 | – | – |
| Cargill, Inc. | – | – | 2,180 | 2 |
| United Health Group | – | – | 2,000 | 3 |
| Polaris | – | – | 1,400 | 5 |
| Independent School District No. 276 | – | – | 1,050 | 6 |
| TCF National Bank | – | – | 1,000 | 7 |
| Uniprise, Inc. | – | – | 600 | 8 |
| New Horizon Enterprises, Inc. | – | – | 550 | 9 |
| Nilfisk-Advance, Inc. | – | – | 450 | 10 |
| Total | 12,487 | | 15,214 | |
| Total ISD No. 284 population (see the Schedule of Demographic and Economic Statistics) | 73,017 | | 60,017 | |
| Percent of principal employers to total ISD No. 284 population | 17.1% | | 25.3% | |

Sources: Fiscal year 2012 information from the District's 2012 ACFR

Fiscal year 2021 information was obtained from the Official Statement associated with the District's General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A (prepared by Ehlers and Associates, Inc.)

## Employees by Classification
Last Ten Fiscal Years

| Employees | 2012 | 2013 | 2014 | Fiscal Year 2015 |
|---|---|---|---|---|
| Administration | | | | |
| Principals | 11.0 | 11.0 | 11.0 | 12.0 |
| Associate principals | 8.0 | 8.0 | 8.0 | 8.0 |
| Unaffiliated | 36.1 | 37.2 | 35.4 | 37.2 |
| Total administration | 55.1 | 56.2 | 54.4 | 57.2 |
| Instructional administrators | | | | |
| High school classroom teachers | 158.8 | 153.4 | 154.3 | 157.5 |
| Middle school classroom teachers | 126.3 | 132.5 | 132.3 | 134.6 |
| Elementary classroom teachers | 189.7 | 191.0 | 183.0 | 213.0 |
| High school – area learning center | 8.0 | 8.7 | 8.0 | 8.0 |
| Middle school – area learning center | 2.0 | 2.0 | 2.0 | 2.0 |
| Community education – extended day kindergarten | 6.0 | 8.0 | 16.0 | N/A |
| Community education – early childhood family education | 3.1 | 3.7 | 4.2 | 3.8 |
| Special services | 79.4 | 80.6 | 77.1 | 77.0 |
| Elementary specialists and intervention | 65.2 | 63.3 | 66.4 | 65.6 |
| Total instructional administrators | 638.5 | 643.2 | 643.3 | 661.5 |
| Student services | | | | |
| Curriculum and instruction – resource, peer, alt comp | 19.5 | 20.5 | 20.0 | 20.0 |
| Media centers – elementary | 7.0 | 7.1 | 7.0 | 7.0 |
| High school – professional development | 0.3 | 0.3 | 0.3 | 0.3 |
| High school – counselors, media, Vision 21, intervention | 13.0 | 13.0 | 13.0 | 13.0 |
| Middle schools – counselors, media, Vision 21, intervention | 10.5 | 15.5 | 15.0 | 14.0 |
| Technology | 3.0 | 3.0 | 3.0 | 3.0 |
| Special services – social workers, psychologists, nurses, etc. | 43.6 | 44.9 | 45.4 | 46.2 |
| Total student services | 96.9 | 104.3 | 103.7 | 103.5 |
| Support services | | | | |
| Clerical/secretarial | 46.0 | 48.0 | 48.0 | 49.9 |
| Custodial | 74.4 | 73.0 | 73.0 | 73.0 |
| Food service | 42.4 | 43.8 | 43.8 | 44.9 |
| Paraprofessionals | 256.8 | 254.2 | 254.2 | 244.6 |
| Unaffiliated specialists | 19.5 | 20.8 | 22.5 | 22.8 |
| Unaffiliated support staff | 6.0 | 5.0 | 5.0 | 4.0 |
| Total support services | 445.1 | 444.8 | 446.5 | 439.2 |
| District-wide totals | 1,235.6 | 1,248.5 | 1,247.9 | 1,261.4 |

N/A – Not Available

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

Source: The District's Human Resources Department

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| 12.0 | 12.0 | 12.0 | 13.0 | 13.0 | 13.0 |
| 6.0 | 6.0 | 6.0 | 7.0 | 7.0 | 8.0 |
| 36.1 | 38.2 | 39.1 | 43.1 | 43.1 | 45.0 |
| 54.1 | 56.2 | 57.1 | 63.1 | 63.1 | 66.0 |
| | | | | | |
| 153.0 | 155.7 | 155.4 | 157.8 | 162.3 | 163.3 |
| 131.7 | 133.4 | 137.2 | 139.5 | 139.7 | 149.6 |
| 203.0 | 219.0 | 230.0 | 241.0 | 250.0 | 248.5 |
| 6.3 | 7.7 | 6.7 | 6.7 | 6.7 | 7.0 |
| 1.5 | 1.5 | 1.0 | 3.0 | 3.3 | 1.5 |
| N/A | N/A | N/A | N/A | N/A | N/A |
| 5.5 | 3.5 | 3.5 | 3.5 | 3.7 | 4.2 |
| 66.0 | 68.6 | 96.6 | 92.3 | 88.6 | 103.3 |
| 64.7 | 72.2 | 82.7 | 87.9 | 93.9 | 102.7 |
| 631.7 | 661.5 | 713.1 | 731.7 | 748.3 | 780.1 |
| | | | | | |
| 21.0 | 15.5 | 16.5 | 23.0 | 25.0 | 21.3 |
| 7.0 | 8.0 | 7.9 | 8.0 | 9.0 | 9.0 |
| 0.3 | 0.3 | 0.3 | 0.3 | – | – |
| 17.0 | 18.7 | 18.5 | 20.4 | 23.0 | 23.0 |
| 15.5 | 18.2 | 19.3 | 20.0 | 19.4 | 19.8 |
| 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| 59.2 | 54.9 | 38.3 | 58.6 | 58.9 | 62.9 |
| 123.0 | 118.6 | 103.8 | 133.3 | 138.3 | 139.0 |
| | | | | | |
| 50.9 | 50.9 | 49.9 | 47.9 | 45.7 | 44.7 |
| 75.0 | 83.5 | 85.5 | 86.0 | 88.2 | 89.2 |
| 46.2 | 48.8 | 49.4 | 57.0 | 55.0 | 50.2 |
| 246.9 | 238.6 | 239.7 | 228.2 | 243.7 | 208.2 |
| 22.8 | 20.9 | 21.9 | 20.5 | 29.1 | 26.0 |
| 4.0 | 4.8 | 5.7 | 6.7 | 10.4 | 15.0 |
| 445.8 | 447.5 | 452.1 | 446.3 | 472.1 | 433.3 |
| | | | | | |
| 1,254.6 | 1,283.8 | 1,326.1 | 1,374.4 | 1,421.8 | 1,418.4 |

INDEPENDENT SCHOOL DISTRICT NO. 284

Operating Statistics
Last Ten Fiscal Years

| Fiscal Year | Enrollment | Operating Expenditures | Cost per Pupil | Percentage Change | Teaching Staff | Pupil/ Teacher Ratio | Percentage of Students Receiving Free or Reduced-Priced Meals |
|---|---|---|---|---|---|---|---|
| 2012 | 10,544 | $ 121,786,584 | $ 11,550 | 3.2 % | 475 | 22.2 | 14.4 % |
| 2013 | 10,657 | 124,740,958 | 11,705 | 1.3 | 477 | 22.3 | 14.6 |
| 2014 | 10,708 | 132,892,192 | 12,411 | 6.0 | 470 | 22.8 | 12.9 |
| 2015 | 10,747 | 133,929,448 | 12,462 | 0.4 | 505 | 21.3 | 13.0 |
| 2016 | 10,858 | 136,420,224 | 12,564 | 0.8 | 488 | 22.3 | 13.9 |
| 2017 | 11,330 | 143,803,361 | 12,692 | 1.0 | 508 | 22.3 | 14.0 |
| 2018 | 11,642 | 154,352,148 | 13,258 | 4.5 | 523 | 22.3 | 12.0 |
| 2019 | 11,912 | 167,080,676 | 14,026 | 5.8 | 538 | 22.1 | 12.0 |
| 2020 | 12,134 | 178,135,010 | 14,681 | 4.7 | 552 | 22.0 | 11.5 |
| 2021 | 11,910 | 179,341,831 | 15,058 | 2.6 | 561 | 21.2 | 10.3 |

Note: Operating expenditures are total expenditures less debt service and capital outlays.

Source: Nonfinancial information from district records

Building Information
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| **Elementary schools** | | | | | | | | | | |
| Birchview (1969) | | | | | | | | | | |
| Square feet | 59,720 | 59,720 | 59,720 | 59,720 | 59,720 | 59,720 | 59,720 | 59,720 | 59,720 | 59,720 |
| Capacity | 592 | 592 | 592 | 592 | 592 | 550 | 550 | 550 | 550 | 550 |
| Enrollment | 651 | 653 | 647 | 622 | 586 | 481 | 499 | 474 | 447 | 415 |
| Gleason Lake (1988) | | | | | | | | | | |
| Square feet | 80,710 | 80,710 | 80,710 | 80,710 | 80,710 | 80,710 | 80,710 | 80,710 | 80,710 | 80,710 |
| Capacity | 690 | 690 | 690 | 690 | 690 | 690 | 690 | 690 | 690 | 690 |
| Enrollment | 663 | 655 | 663 | 636 | 622 | 571 | 568 | 586 | 634 | 602 |
| Greenwood (1964) | | | | | | | | | | |
| Square feet | 72,007 | 72,007 | 88,016 | 88,016 | 88,016 | 88,016 | 88,016 | 88,016 | 88,016 | 88,016 |
| Capacity | 690 | 690 | 820 | 820 | 820 | 780 | 780 | 780 | 780 | 780 |
| Enrollment | 685 | 726 | 821 | 863 | 856 | 747 | 794 | 813 | 775 | 722 |
| Kimberly Lane (1991) | | | | | | | | | | |
| Square feet | 83,000 | 83,000 | 83,000 | 83,000 | 83,000 | 83,000 | 83,000 | 83,000 | 83,000 | 83,000 |
| Capacity | 690 | 690 | 690 | 690 | 690 | 710 | 710 | 710 | 710 | 710 |
| Enrollment | 757 | 717 | 744 | 764 | 718 | 649 | 760 | 778 | 628 | 571 |
| Meadow Ridge (2016) | | | | | | | | | | |
| Square feet | – | – | – | – | – | 85,208 | 102,508 | 102,508 | 102,508 | 102,508 |
| Capacity | – | – | – | – | – | 710 | 828 | 828 | 828 | 828 |
| Enrollment | – | – | – | – | – | 758 | 853 | 869 | 768 | 769 |
| North Woods (2020) | | | | | | | | | | |
| Square feet | – | – | – | – | – | – | – | – | 104,611 | 104,611 |
| Capacity | – | – | – | – | – | – | – | – | 760 | 760 |
| Enrollment | – | – | – | – | – | – | – | – | 569 | 601 |
| Oakwood (1957) | | | | | | | | | | |
| Square feet | 85,490 | 85,490 | 95,476 | 95,476 | 95,476 | 95,476 | 95,476 | 95,476 | 95,476 | 139,570 |
| Capacity | 475 | 475 | 690 | 690 | 690 | 640 | 640 | 640 | 640 | 640 |
| Enrollment | 538 | 504 | 527 | 576 | 675 | 475 | 515 | 562 | 494 | 458 |
| Plymouth Creek (1988) | | | | | | | | | | |
| Square feet | 81,000 | 81,000 | 81,000 | 81,000 | 81,000 | 81,000 | 81,000 | 81,000 | 81,000 | 81,000 |
| Capacity | 690 | 690 | 690 | 690 | 690 | 710 | 710 | 710 | 710 | 710 |
| Enrollment | 772 | 866 | 746 | 747 | 762 | 669 | 690 | 714 | 675 | 629 |
| Sunset Hill (1963) | | | | | | | | | | |
| Square feet | 64,983 | 64,983 | 73,598 | 73,598 | 73,598 | 73,598 | 73,598 | 73,598 | 73,598 | 73,598 |
| Capacity | 592 | 592 | 690 | 690 | 690 | 660 | 660 | 660 | 660 | 660 |
| Enrollment | 577 | 563 | 560 | 581 | 596 | 664 | 681 | 681 | 682 | 621 |
| **Middle schools** | | | | | | | | | | |
| East (1967) | | | | | | | | | | |
| Square feet | 146,111 | 146,111 | 146,111 | 146,111 | 146,111 | 146,111 | 146,111 | 146,111 | 146,111 | 146,111 |
| Capacity | 800 | 800 | 800 | 800 | 800 | 850 | 850 | 850 | 850 | 850 |
| Enrollment | 777 | 821 | 772 | 771 | 743 | 780 | 733 | 747 | 690 | 677 |
| West (1949) | | | | | | | | | | |
| Square feet | 167,000 | 167,000 | 167,000 | 167,000 | 167,525 | 167,525 | 167,525 | 167,525 | 167,525 | 167,525 |
| Capacity | 900 | 900 | 900 | 900 | 900 | 850 | 850 | 850 | 850 | 850 |
| Enrollment | 736 | 744 | 736 | 745 | 772 | 791 | 771 | 758 | 748 | 723 |
| Central (1961) | | | | | | | | | | |
| Square feet | 308,568 | 308,568 | 308,568 | 308,568 | 308,568 | 308,568 | 308,568 | 308,568 | 308,568 | 308,568 |
| Capacity (1) | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 |
| Enrollment | 987 | 1,034 | 1,066 | 1,036 | 1,118 | 1,209 | 1,268 | 1,320 | 1,316 | 1,401 |
| **High school** | | | | | | | | | | |
| Peony (1997) | | | | | | | | | | |
| Square feet | 487,432 | 487,432 | 487,432 | 487,432 | 487,432 | 656,432 | 656,432 | 656,432 | 656,432 | 656,432 |
| Capacity | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,900 | 3,900 | 3,900 | 3,900 | 3,900 |
| Enrollment | 3,266 | 3,265 | 3,257 | 3,305 | 3,334 | 3,410 | 3,453 | 3,558 | 3,669 | 3,685 |
| Transition School (2020) | | | | | | | | | | |
| Square feet | – | – | – | – | – | – | – | – | 4,000 | 4,000 |
| Capacity | – | – | – | – | – | – | – | – | 30 | 30 |
| Enrollment | – | – | – | – | – | – | – | – | 15 | 30 |

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

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

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Management Report

for

Independent School District No. 284
Wayzata, Minnesota

June 30, 2021

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MMKR
CERTIFIED PUBLIC ACCOUNTANTS

**PRINCIPALS**
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 284's (the District) financial statements for the year ended June 30, 2021. We have organized this report into the following sections:

- Audit Summary
- Funding Public Education in Minnesota
- Financial Trends of Your District
- Legislative Summary
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the District, management, and those with responsibility for oversight of the District's financial reporting process comments resulting from our audit and information relevant to school district financing in Minnesota. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
December 6, 2021



Malloy, Montague, Karnowski, Radosevich & Co., P.A.
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## AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the School Board, administration, or those charged with governance of the District.

### OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS*, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

### AUDIT OPINION AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2021:

- We have issued an unmodified opinion on the District's basic financial statements.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses. It should be understood that internal controls are never perfected, and those controls which protect the District's funds from such things as fraud and accounting errors need to be continually reviewed by your management and modified as necessary.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our testing indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

- We reported two findings based on our testing of the District's compliance with Minnesota laws and regulations:

    1. The District entered into a group insurance contract that was not awarded based on Minnesota Statutes. This finding is further described in the Schedule of Findings and Questioned Costs as finding 2021-001.

    2. For one of seven contracts tested, the District did not obtain the required Contractor's Withholding Affidavit or Commissioner of Revenue Form IC 134 prior to making final payment to the contractor or subcontractor. This finding is further described in the Schedule of Findings and Questioned Costs as finding 2021-002.

**OTHER OBSERVATIONS AND RECOMMENDATIONS**

**Uniform Guidance Written Controls and Micro-Purchase Threshold**

Federal Uniform Guidance requires that nonfederal entities must have and use documented procurement procedures consistent with 2CFR § 200.317-320 for the acquisition of property or services required under a federal award or subaward. Effective August 31, 2020, the federal micro-purchase threshold, which is the threshold that allows for procurements without soliciting competitive price or rate quotations given certain conditions, was increased from $3,500 to $10,000 in the Federal Acquisition Regulations (FAR).

Effective November 12, 2020, the Uniform Guidance was also revised to allow nonfederal entities to establish a micro-purchase threshold higher than the $10,000 threshold established in the FAR under certain circumstances. The nonfederal entity may self-certify a micro-purchase threshold up to $50,000 if the requirements in 2CFR § 200.320(a)(1)(iv) are followed. Requirements include an ***annual*** self-certification and clear documentation of the justification to support the increase in the threshold. Acceptable reasons for justification must meet ***one*** of the following criteria:

- A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit,
- An annual internal institutional risk assessment to identify, mitigate, and manage financial risks, or,
- A higher threshold consistent with state law.

This flexibility would allow Minnesota local governments to increase and align their federal procurement procedures, specifically the micro-purchase threshold, with state law, which allows for procurements below $25,000 to be made without competitive price or rate quotations.

We recommend that the District review its current federal procurement policy. If the micro-purchase threshold in your currently adopted policy is below the allowable FAR limit of $10,000, you would need to make a one-time amendment to the policy to adopt the $10,000 FAR limit before using it. If you prefer to increase your federal micro-purchase threshold to $25,000 to align it with state law, in addition to amending your federal procurement policy, you would need to annually certify the higher threshold and the justification for using the higher threshold.

**SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2021.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

**ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.

Special education state aid includes an adjustment related to tuition billings to and from other school districts for special education services, which are computed using formulas derived by the Minnesota Department of Education (MDE). Because of the timing of the calculations, this adjustment for the current fiscal year is not finalized until after the District has closed its financial records. The impact of this adjustment on the receivable and revenue recorded for state special education aid is calculated using preliminary information available to the District.

The District has recorded a liability in the Statement of Net Position for severance benefits payable for which it is probable employees will be compensated. The "vesting method" used by the District to calculate this liability is based on assumptions involving the probability of employees becoming eligible to receive the benefits (vesting), the potential use of accumulated sick leave prior to termination, and the age at which such employees are likely to retire.

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies primarily described in Governmental Accounting Standards Board (GASB) Statement Nos. 68, 73, 74, and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

The depreciation of capital assets involves estimates pertaining to useful lives.

The District's self-insured activities require recording a liability for claims incurred, but not yet reported, which are based on estimates.

We evaluated the key factors and assumptions used by management to develop the estimates discussed on the previous page in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to OPEB and pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

### DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit’s financial statements taken as a whole.

### DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

### MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated December 6, 2021.

### MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis (MD&A) and the pension and OPEB-related required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental information accompanying the financial statements, and the separately issued Schedule of Expenditures of Federal Awards and the Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements, but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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## FUNDING PUBLIC EDUCATION IN MINNESOTA

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this report. A summary of legislative changes affecting school districts included later in this report gives an indication of how complicated the funding system is. This section provides selected state-wide funding and financial trend information.

### BASIC GENERAL EDUCATION REVENUE

The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to average daily membership (ADM). Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

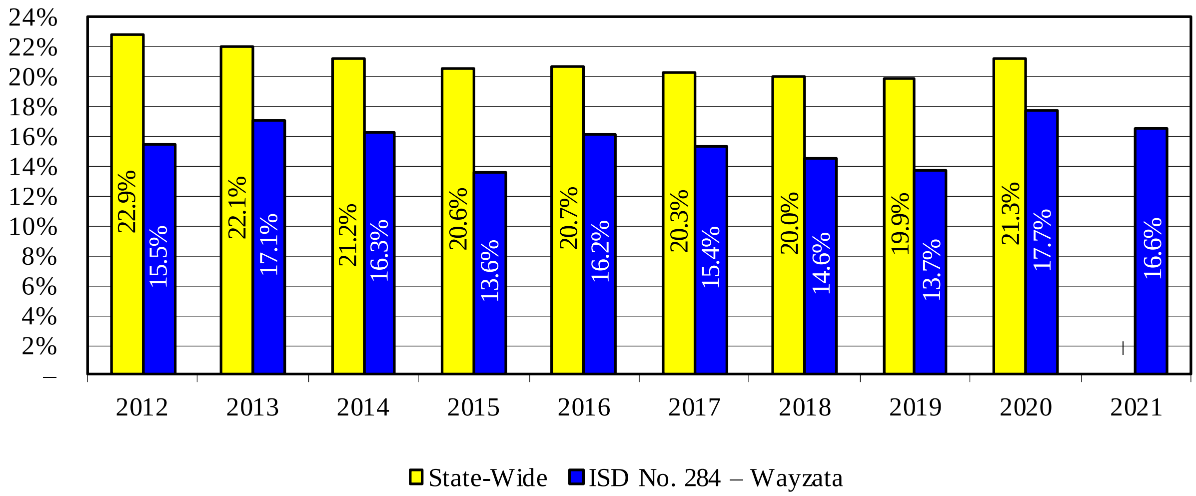
The table below presents a summary of the formula allowance for the past decade and as approved for the next two fiscal years. The 2021 Legislature approved per pupil increases of $161 for fiscal 2022 and $135 for fiscal 2023. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the "roll-in" of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The $529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately $105, or 2.0 percent, state-wide.

| | Formula Allowance | |
|---|---|---|
| Fiscal Year Ended June 30, | Amount | Percent Increase |
| 2012 | $ 5,174 | 1.00 % |
| 2013 | $ 5,224 | 1.00 % |
| 2014 | $ 5,302 | 1.50 % |
| 2015 | $ 5,831 | 2.00 % |
| 2016 | $ 5,948 | 2.00 % |
| 2017 | $ 6,067 | 2.00 % |
| 2018 | $ 6,188 | 2.00 % |
| 2019 | $ 6,312 | 2.00 % |
| 2020 | $ 6,438 | 2.00 % |
| 2021 | $ 6,567 | 2.00 % |
| 2022 | $ 6,728 | 2.45 % |
| 2023 | $ 6,863 | 2.00 % |

**STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH**

One of the most common and comparable statistics used to evaluate school district financial health is the unrestricted operating fund balance as a percentage of operating expenditures.

State-Wide Unrestricted Operating Fund Balance
as a Percentage of Operating Expenditures




Note: State-wide information is not available for fiscal 2021.

The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts decreased gradually from 22.9 percent at the end of fiscal 2012 to 19.9 percent at the end of fiscal 2019, a period of relative stability in the state's economic condition and school funding. This ratio increased back up to 21.3 percent at the end of fiscal 2020, the highest level since 2014.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 16.6 percent at the end of the current year, as compared to 17.7 percent at June 30, 2020.

The table below shows a comparison of governmental fund revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction Fund. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

**Governmental Funds Revenue per Student (ADM) Served**

| | State-Wide | | Metro Area | | ISD No. 284 – Wayzata | | |
|---|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2021 |
| General Fund | | | | | | | |
| Property taxes | $ 2,140 | $ 2,345 | $ 2,796 | $ 3,100 | $ 4,622 | $ 4,818 | $ 5,354 |
| Other local sources | 556 | 538 | 454 | 417 | 447 | 550 | 378 |
| State | 9,883 | 10,144 | 9,885 | 10,127 | 8,355 | 8,682 | 9,006 |
| Federal | 475 | 480 | 499 | 499 | 295 | 345 | 729 |
| Total General Fund | 13,054 | 13,507 | 13,634 | 14,143 | 13,719 | 14,395 | 15,467 |
| Special revenue funds | | | | | | | |
| Food Service | 559 | 554 | 556 | 539 | 545 | 483 | 453 |
| Community Service | 676 | 632 | 797 | 732 | 920 | 842 | 664 |
| Debt Service Fund | 1,229 | 1,322 | 1,287 | 1,385 | 1,009 | 1,018 | 1,221 |
| Total revenue | $ 15,518 | $ 16,015 | $ 16,274 | $ 16,799 | $ 16,193 | $ 16,738 | $ 17,805 |
| ADM served per MDE School District Profiles Report (current year estimated) | | | | | 11,999 | 12,216 | 11,948 |

Note: Excludes the Capital Projects – Building Construction Fund.

Source of state-wide and metro area data: School District Profiles Report published by the MDE

ADM used in the table above and on the next page are based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables.

The mix of local and state revenues vary from year-to-year, primarily based on funding formulas and the state's financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The District earned $212,733,887 in the governmental funds reflected above in fiscal 2021, an increase of $8,274,049 (4.1 percent) from the prior year, or $1,067 per ADM. Total General Fund revenue increased $1,072 per ADM from the previous year. General Fund property tax revenue was $536 per ADM higher than last year, primarily due to increases in the tax levy. Federal sources increased $384 per ADM, with coronavirus relief and education stabilization funds recognized for COVID-19 pandemic-related spending. Revenue from state sources also increased $324 per ADM, mainly in special education funding. Significant programming changes with the COVID-19 pandemic limited program participation, resulting in a reduction in other local revenues in the Community Service Special Revenue Fund. The per capita Debt Service Fund spending increased, as anticipated in approved debt financing plans.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction Fund. Other financing uses, such as bond refundings and transfers, are also excluded.

**Governmental Funds Expenditures per Student (ADM) Served**

| | State-Wide | | Metro Area | | ISD No. 284 – Wayzata | | |
|---|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2021 |
| General Fund | | | | | | | |
| Administration and district support | $ 1,065 | $ 1,093 | $ 1,078 | $ 1,100 | $ 850 | $ 960 | $ 850 |
| Elementary and secondary regular instruction | 5,787 | 5,881 | 6,112 | 6,231 | 6,235 | 6,537 | 6,808 |
| Vocational education instruction | 180 | 186 | 165 | 171 | 254 | 268 | 306 |
| Special education instruction | 2,380 | 2,481 | 2,505 | 2,626 | 1,674 | 1,782 | 1,877 |
| Instructional support services | 669 | 683 | 751 | 787 | 1,215 | 1,333 | 1,343 |
| Pupil support services | 1,178 | 1,203 | 1,282 | 1,316 | 1,171 | 1,206 | 1,302 |
| Sites and buildings and other | 960 | 952 | 907 | 910 | 1,259 | 1,269 | 1,546 |
| Total General Fund – noncapital | 12,219 | 12,479 | 12,800 | 13,141 | 12,658 | 13,355 | 14,032 |
| General Fund capital expenditures | 721 | 748 | 675 | 717 | 444 | 649 | 1,273 |
| Total General Fund | 12,940 | 13,227 | 13,475 | 13,858 | 13,102 | 14,004 | 15,305 |
| Special revenue funds | | | | | | | |
| Food Service | 561 | 556 | 556 | 548 | 565 | 551 | 469 |
| Community Service | 675 | 661 | 799 | 774 | 931 | 934 | 806 |
| Debt Service Fund | 1,313 | 1,360 | 1,308 | 1,379 | 990 | 1,054 | 1,219 |
| Total expenditures | $ 15,489 | $ 15,804 | $ 16,138 | $ 16,559 | $ 15,588 | $ 16,543 | $ 17,799 |
| ADM served per MDE School District Profiles Report (current year estimated) | | | | | 11,999 | 12,216 | 11,948 |

Note: Excludes the Capital Projects – Building Construction Fund.

Source of state-wide and metro area data: School District Profiles Report published by the MDE

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs.

The District spent $212,686,222 in the governmental funds reflected above in fiscal 2021, an increase of $10,586,765 (5.2 percent) from the prior year, which represents an increase of $1,256 per ADM. General Fund operating expenditures increased $677 per ADM, mainly in sites and buildings and other ($277 per ADM) and elementary and secondary regular instruction ($271 per ADM). The increase in sites and buildings and other is due to additional personal protective equipment purchased in the current year and increased purchased service costs. Elementary and secondary regular instruction increased, due to contractual salary and benefit increases. General Fund capital expenditures increased $624 per ADM, due to more construction for long-term facilities maintenance projects being paid out of the General Fund during fiscal 2021.

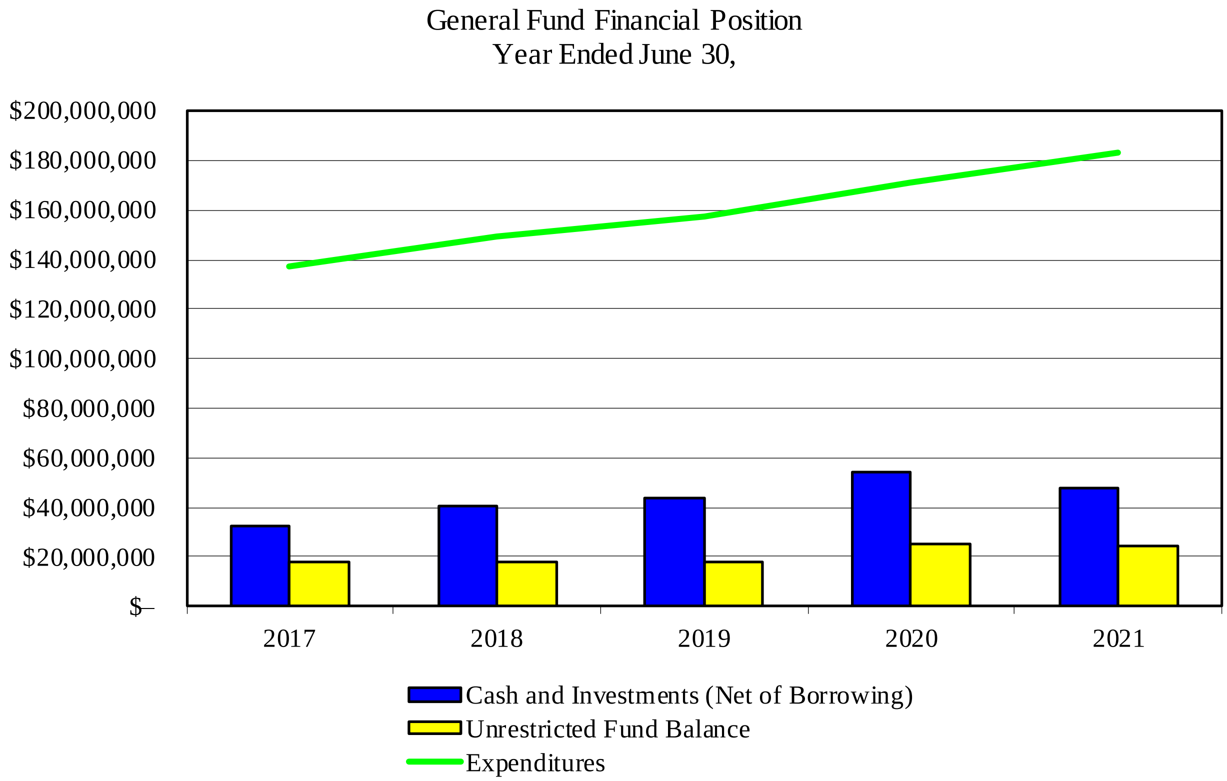
## SUMMARY

The COVID-19 pandemic caused numerous financial and operational challenges for districts in fiscal 2021; creating instability in student populations, requiring numerous shifts in the delivery of educational services, and resulting in substantial new and unfamiliar federal revenue streams, to name a few. Such challenges are expected to continue into the foreseeable future, as districts strive to provide a safe and effective learning experience for their students in this uncertain and unprecedented environment.

**FINANCIAL TRENDS OF YOUR DISTRICT**

**GENERAL FUND FINANCIAL POSITION**

The following graph displays the District's General Fund trends of financial position and changes in the volume of financial activity. Unrestricted fund balance and cash balance are two indicators of financial health, while annual expenditures are often used to measure the size of the operation.




The District ended fiscal year 2021 with a General Fund cash balance (net of interfund borrowing excluding cash and investments held with trustee) of $47,876,939, a decrease of $6,130,175 from the prior year. Total fund balance at year-end was $26,857,017, a decrease of $5,089,943.

## GENERAL FUND COMPONENTS OF FUND BALANCE

The following table presents the components of the General Fund balance for the past five years:

| | June 30, 2017 | June 30, 2018 | June 30, 2019 | June 30, 2020 | June 30, 2021 |
|---|---|---|---|---|---|
| Nonspendable fund balances | $ 355,711 | $ 287,085 | $ 316,399 | $ 611,106 | $ 608,414 |
| Restricted fund balances (1) | (2,117,536) | 1,979,878 | 7,600,701 | 6,354,302 | 2,174,797 |
| Unrestricted fund balances | | | | | |
| Assigned | 4,918,059 | 5,712,743 | 5,369,294 | 5,529,336 | 7,775,597 |
| Unassigned | 12,992,870 | 12,095,480 | 12,681,756 | 19,452,216 | 16,298,209 |
| Total fund balance | $ 16,149,104 | $ 20,075,186 | $ 25,968,150 | $ 31,946,960 | $ 26,857,017 |
| Total expenditures | $ 137,460,334 | $ 149,384,155 | $ 157,201,516 | $ 171,077,324 | $ 182,882,315 |
| Unrestricted fund balances as a percentage of expenditures | 13.0% | 11.9% | 11.5% | 14.6% | 13.2% |
| Unassigned fund balances as a percentage of expenditures | 9.5% | 8.1% | 8.1% | 11.4% | 8.9% |

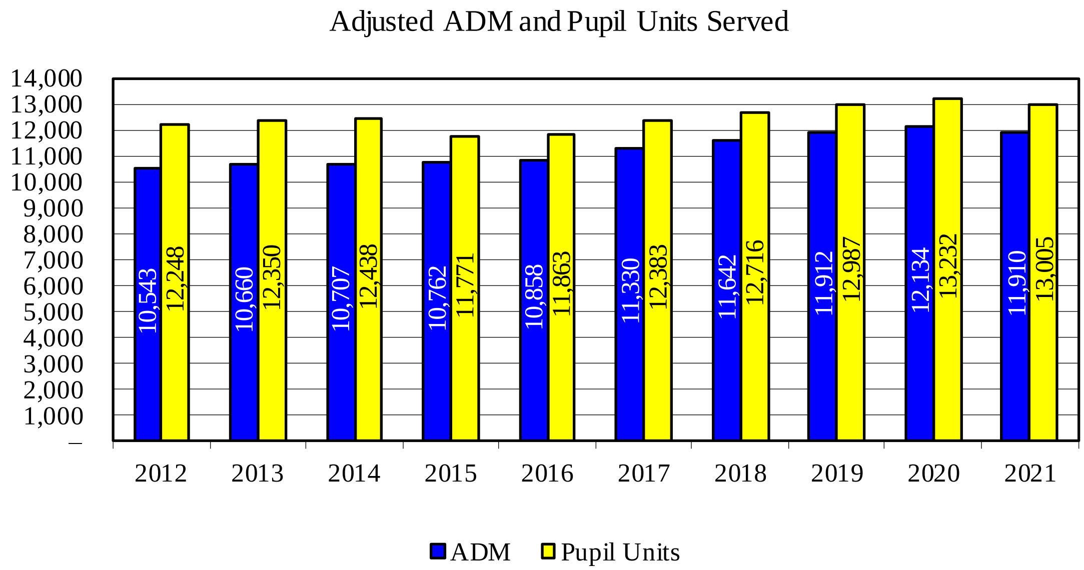
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.

The table above reflects the total General Fund unrestricted fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

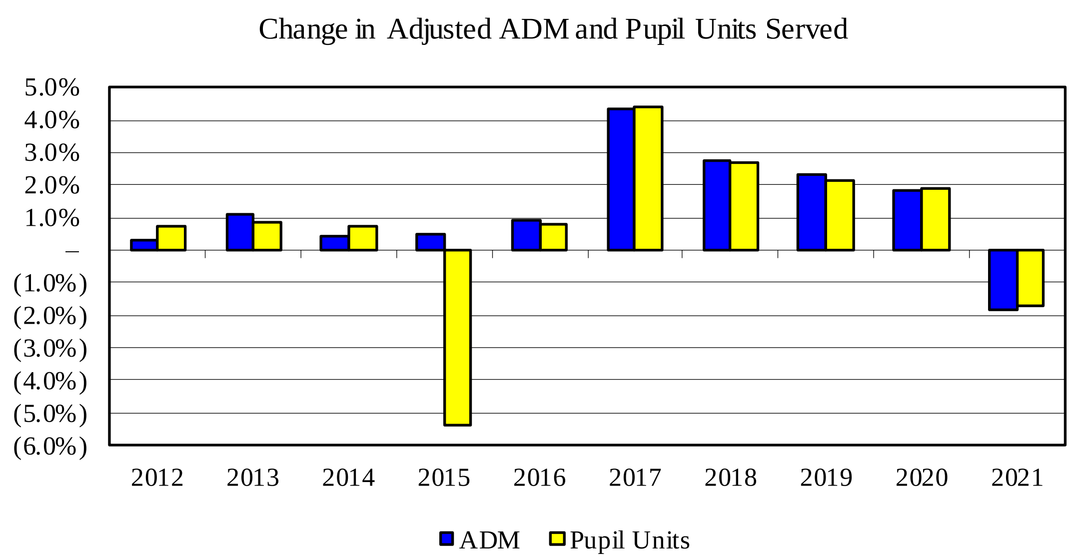
At June 30, 2021, unassigned fund balance in the General Fund (excluding restricted fund balance deficits) represented 8.9 percent of annual expenditures, or less than five weeks of operations assuming level spending throughout the year.

## AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS

The following graph presents the District's adjusted ADM and pupil units served for the past 10 years:




The following graph shows the rate of change in ADM served by the District from year to year, along with the change in the resulting pupil units:




The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

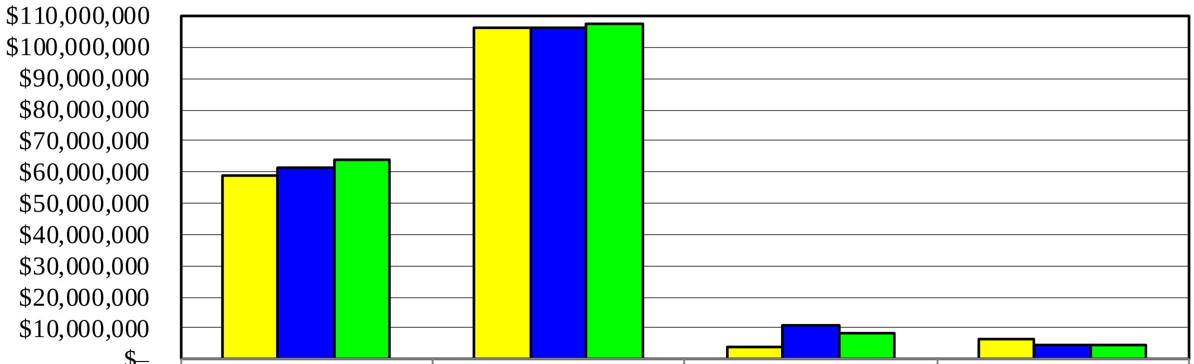
ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments which affect this year's revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated ADM of 11,910 in 2021, a decrease of 224 ADM (1.8 percent) from the prior year. The resulting pupil units served by the District decreased by 227 (1.7 percent) to 13,005.

## GENERAL FUND REVENUES

The following graph presents the District's General Fund revenues for 2021:

General Fund Revenue




| | Property Taxes | State Sources | Federal Sources | Other |
|---|---|---|---|---|
| Prior Year | $58,852,589 | $106,065,256 | $4,213,562 | $6,719,196 |
| Budget | $61,688,725 | $106,341,990 | $10,848,973 | $4,633,469 |
| Actual | $63,966,935 | $107,602,586 | $8,712,279 | $4,517,247 |

Total General Fund revenues were $184,799,047 for the year ended June 30, 2021, which was an increase of $8,948,444 (5.1 percent) from the prior year, and $1,285,890 (0.7 percent) more than projected in the final budget.

The variance to budget was in property taxes, state sources, and federal sources. Property taxes was $2,278,210 more than budget, mainly due to delinquencies being better than anticipated. State sources were $1,260,596 over budget, mainly in special education. These variances were offset by federal sources, which was $2,136,694 less than projected, due to lower than anticipated education stabilization funds recognized in the current year.

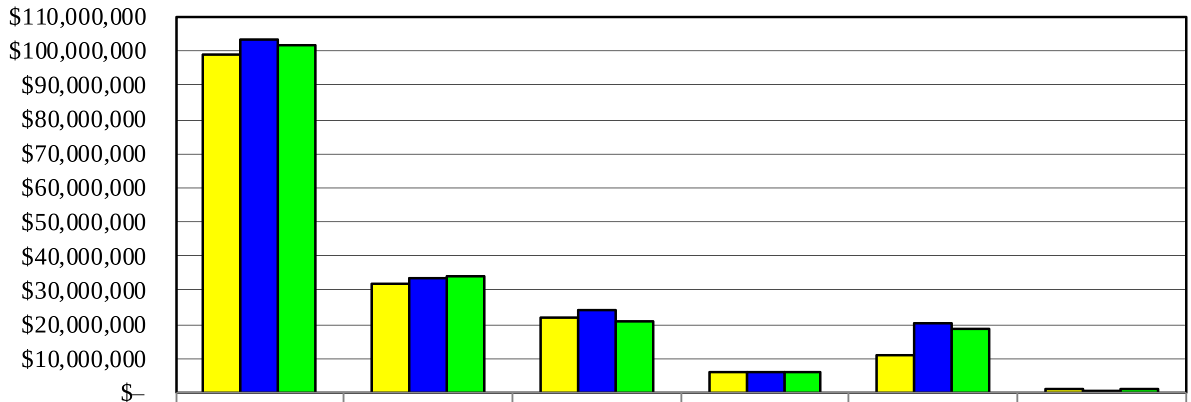
The increase from the prior year was mainly in property taxes and federal sources. Property taxes increased $5,114,346, as a result of the increased levy in fiscal 2021. Federal sources increased $4,498,717, due to coronavirus relief and education stabilization funds recognized in the current year.

The graph above reflects the concentration of state sources (58.2 percent) followed by property taxes (34.6 percent) received to finance General Fund operations.

## GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2021:

General Fund Expenditures




| | Salaries | Employee Benefits | Purchased Services | Supplies and Materials | Capital Expenditures | Other Expenditures |
|---|---|---|---|---|---|---|
| Prior Year | $98,992,135 | $32,087,296 | $21,911,491 | $6,118,074 | $10,922,074 | $1,046,254 |
| Budget | $103,368,171 | $33,811,979 | $24,211,211 | $5,800,461 | $20,312,486 | $379,036 |
| Actual | $101,922,548 | $33,942,421 | $21,012,950 | $6,104,636 | $18,744,471 | $1,155,289 |

Total General Fund expenditures were $182,882,315 for the year ended June 30, 2021, which was an increase of $11,804,991 (6.9 percent) from the prior year, but $5,001,029 (2.7 percent) under the final budget.

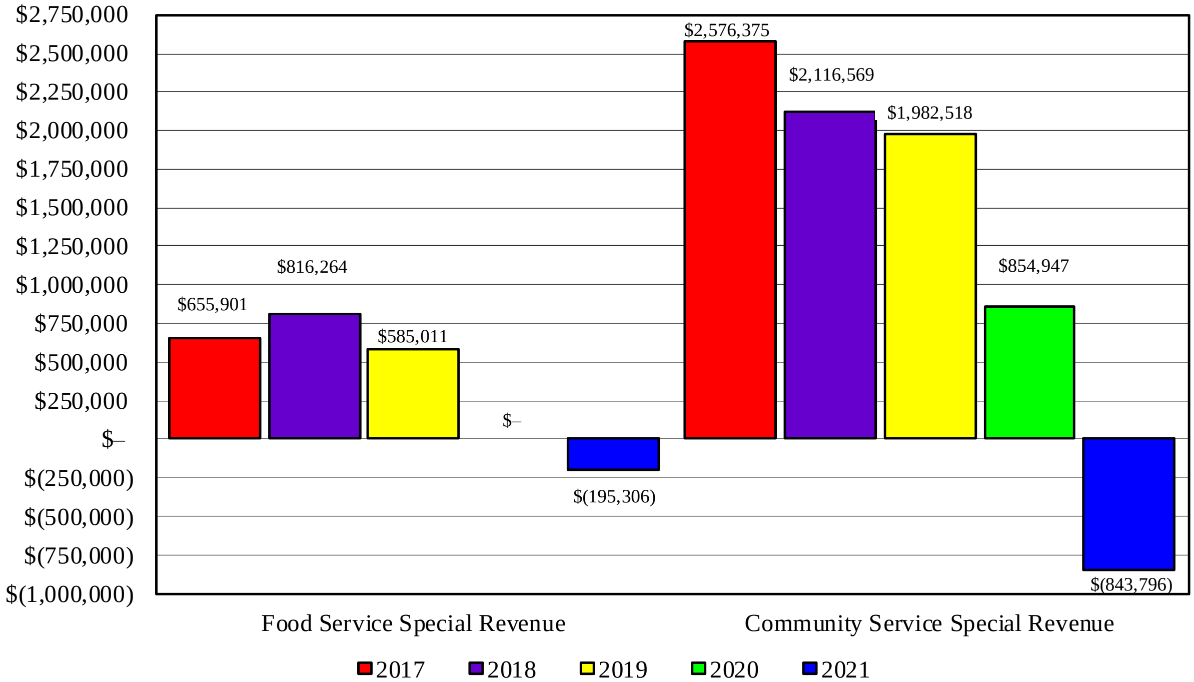
The variance to budget was primarily in purchased services and capital expenditures. Purchased services were $3,198,261 under budget, mainly due to the timing of technology needs, elimination of operating leases, and reduced purchasing resulting from operational changes necessitated by the COVID-19 pandemic. Capital expenditures were $1,568,015 under budget, mainly due to the timing of projects.

Expenditure increases were mainly in capital expenditures, salaries, and benefits. The increase in capital expenditures was due to more construction for long-term facilities maintenance projects being paid out of the General Fund during fiscal 2021. The increase in salaries and benefits was mostly due to contractual increases in the current year.

## OTHER FUNDS OF THE DISTRICT

The following graph shows what is referred to as the other operating funds. The remaining nonoperating funds are only included in narrative form below, since their level of fund balance can fluctuate significantly, due to such things as issuing and spending the proceeds of refunding or building bonds and, therefore, the trend of fund balance levels is not necessarily a key indicator of financial health. It does not mean that these funds cannot experience financial trouble or that their fund balances are unimportant.

Other Operating Funds
Total Fund Balances




### Food Service Special Revenue Fund

The District’s Food Service Special Revenue Fund ended fiscal 2021 with a fund balance deficit of $195,306, which is a decrease of $195,306 from last year, compared to a budgeted decrease of $662,436. Food service revenue was $5,406,961, which was over budget by $1,317,839, due to more federal sources than anticipated. Expenditures of $5,602,267 were over budget by $850,709, as supplies and materials were more than projected. Participation levels were difficult to anticipate with the changing learning models, along with programming changes allowed under the federal Summer Food Service Program for Children during the ongoing COVID-19 pandemic, contributing to the variances in revenues and expenditures compared to budget.

### Community Service Special Revenue Fund

The District’s Community Service Special Revenue Fund ended fiscal 2021 with a fund balance decrease of $1,698,743, compared to a budgeted decrease of $2,545,307. Revenues of $7,935,216 were over budget by $334,346, while actual expenditures totaling $9,633,959 were under budget by $512,218. Program participation was impacted by the COVID-19 pandemic causing significant changes to the prior year and budget and actual results for both revenues and expenditures.

Over the years, we have emphasized to our clients that food service and community service operations should be self-sustaining, and should not become an additional burden on general education funds.

**Capital Projects – Building Construction Fund**

The Capital Projects – Building Construction Fund ended the year with a fund balance decrease of $4,977,447, compared to a $11,000,000 decrease in the anticipated budget. The year-end fund balance of $13,926,905 is restricted for capital projects.

**Debt Service Fund**

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. It is important to remember that resources of the Debt Service Fund are restricted to the payment of outstanding debt obligations of the District. As of June 30, 2021, the District has $2,799,411 available for general debt service. The District issued $8,340,000 of refunding bonds that were used to refund outstanding debt in the current year in order to reduce future debt service costs for district taxpayers.

**Proprietary Funds – Internal Service Funds**

The District uses internal service funds to account for the District's liabilities for self-insured benefits and early retirement benefits. The following table presents the combined activity reported for the past two fiscal years for the internal service funds:

| | June 30, | |
|---|---|---|
| | 2020 | 2021 |
| Operating revenue | | |
| Charges for services | $ 19,431,294 | $ 20,826,489 |
| Operating expenses | | |
| Dental benefit claims | 1,319,164 | 1,439,891 |
| Health benefit claims | 15,814,054 | 21,423,882 |
| Early retirement incentive and sick leave benefits | 1,051,673 | 1,327,523 |
| Total operating expenses | 18,184,891 | 24,191,296 |
| Operating income (loss) | 1,246,403 | (3,364,807) |
| Nonoperating revenue | | |
| Investment earnings | 279,092 | 371,099 |
| Income (loss) before transfers | 1,525,495 | (2,993,708) |
| Transfers in | 22,148 | 3,744,935 |
| Transfers (out) | (315,468) | – |
| Change in net position | 1,232,175 | 751,227 |
| Net position | | |
| Beginning of year | 436,929 | 1,669,104 |
| End of year | $ 1,669,104 | $ 2,420,331 |

**Post-Employment Benefits Trust Fund**

The District has established a Post-Employment Benefits Trust Fund to account for an irrevocable trust account established to finance the District's liability for post-employment healthcare benefits. At year-end, trust net position of $39,805,746 is available for future OPEB payments.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The District's financial statements include fund-based information that focuses on budgetary compliance, and the sufficiency of the District's current assets to finance its current liabilities. The governmental reporting model also requires the inclusion of two government-wide financial statements designed to present a clear picture of the District as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering educational services, including capital assets and long-term liabilities.

Theoretically, net position represents district resources available for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, this statement divides net position into three components: net investment in capital assets, restricted, and unrestricted. The following table presents a summarized reconciliation of the District's governmental fund balances to net position, and the separate components of net position for the last two years:

| | June 30, 2021 | June 30, 2020 | Change |
|---|---|---|---|
| Net position – governmental activities | | | |
| Total fund balances – governmental funds | $ 42,544,231 | $ 54,389,633 | $ (11,845,402) |
| Total capital assets, net of depreciation | 261,547,329 | 260,420,109 | 1,127,220 |
| Bonds, certificates, and leases, net of premiums | (246,993,080) | (255,647,524) | 8,654,444 |
| Pensions, net of deferred outflows and inflows | (144,153,307) | (135,929,881) | (8,223,426) |
| OPEB, net of deferred outflows and inflows | (17,433,814) | (17,491,506) | 57,692 |
| Other adjustments | (1,690,805) | (2,362,991) | 672,186 |
| Total net position – governmental activities | $ (106,179,446) | $ (96,622,160) | $ (9,557,286) |
| Net position | | | |
| Net investment in capital assets | $ 29,989,500 | $ 27,572,468 | $ 2,417,032 |
| Restricted | 3,126,677 | 9,472,475 | (6,345,798) |
| Unrestricted | (139,295,623) | (133,667,103) | (5,628,520) |
| Total net position | $ (106,179,446) | $ (96,622,160) | $ (9,557,286) |

Some of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory restrictions) or by the nature of the fund they are in (e.g., Food Service Special Revenue Fund balance can only be spent for food service program costs). The unrestricted net position category consists mainly of the General Fund unrestricted fund balances, offset against noncapital long-term obligations, such as vacation payable, severance payable, net pension, and net OPEB liabilities.

Total net position decreased by $9,557,286 during fiscal 2021. As presented in the table above, this change was partially in unrestricted net position, due to changes in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension plan liabilities and related deferments. The District's decrease in net position restricted for capital asset acquisition, community service, and other state funding restrictions contributed to the change in the restricted portion of net position.

The District's net investment in capital assets increased $2,417,032 this year. The change in this category of net position typically depends on the relationship between the rate at which the District's capital assets are being added, depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets.

## LEGISLATIVE SUMMARY

In a typical year, the primary focus of the 2021 Minnesota legislative session would have been the development of the state's fiscal year (FY) 2022–2023 biennial budget. However, given the significant events of the preceding year, including the COVID-19 pandemic and death of George Floyd while in police custody, the focus of the regular session shifted to legislation responding to the pressing issues that resulted from these events. The business of setting a biennial budget and passing an education finance bill were ultimately not addressed until a June special session.

There was positive news on the state's budget outlook entering the session. A May 2020 special pandemic budget projection had predicted the state would finish the FY 2020–2021 biennium with a $2.4 billion shortfall. By the regular budget and economic forecast in February 2021, the state's fiscal outlook had improved, projecting a positive budgetary variance of $940 million at the end of the biennium, reducing the threat of potential funding cuts to local government programs. The resulting education finance bill passed and signed by the Governor on June 30, 2021, included appropriation increases of approximately $554 billion for the FY 2022–2023 biennium, and $669 billion for the FY 2024–2025 biennium.

The following is a brief summary of specific legislative changes from the 2021 Legislature impacting Minnesota school districts in future years.

**General Education Revenue** – The Legislature approved annual increases of 2.45 percent and 2.00 percent to the basic general education formula allowance for the FY 2022–2023 biennium. The per pupil allowance will increase $161 to $6,728 for FY 2022, and another $135 to $6,863 for FY 2023.

**English Learner Cross Subsidy Aid** – Approved annual appropriations of $2 million to provide English learner cross-subsidy aid for FY 2022 through FY 2025. This new funding will be allocated annually to school districts and charter schools based on their proportionate share of English learner and concentration revenue from the preceding fiscal year, and must be used and accounted for within the basic skills program.

**Special Education Revenue** – The Legislature had previously approved enhancements to special education funding designed to hold the state average cross-subsidy per pupil constant at the FY 2019 level of $82 per ADM for FY 2021, which included establishing a new component of the state special education funding formula, known as cross-subsidy reduction aid. Cross subsidy reduction aid will equal a percentage of each district's "initial cross-subsidy" for the prior fiscal year, with the percentages set at 6.43 percent for 2021. Initial cross-subsidy is defined as the district's nonfederal special education costs, including transportation, less state special education aid after tuition adjustments and general education aid attributable to students receiving special education services outside of the regular classroom for at least 60.00 percent of the school day. The 2021 Legislature approved an additional appropriation of $10.425 million to fund a one-time increase to cross-subsidy for FY 2022, which is estimated to increase the percentage funded by 1.24 percent to a total of 7.67 percent. Charter schools are not eligible for cross-subsidy reduction aid.

**Voluntary Pre-Kindergarten (VPK) and School Readiness Plus (SRP)** – The Legislature approved continued funding for FY 2022 and FY 2023 to maintain 4,000 state-wide VPK and SRP seats set to expire after FY 2021. The Local Optional Revenue (LOR) second tier equalization factor was increased for FY 2023 only to offset the state-wide impact of levy changes for the VPK/SRP continuation, which should result in a levy increase for VPK/SRP districts and a levy decrease for most other districts.

**Hiring Bonuses** – Districts or schools are authorized to offer a hiring or retention bonus of $2,500–$5,000 to attract teachers who are American Indians or persons of color, or $4,000–$8,000 to meet staffing needs in shortage areas and to attract teachers who are American Indians or persons of color.

**Sales Tax Exemption** – A previous sales tax exemption for sales made by school-associated student groups for funding extracurricular student activities, that was eliminated by the 2019 omnibus education bill, was restored.

**Staff Development** – Teacher mentorship was added as an eligible use of general education aid restricted for staff development as part of a mandate for districts to develop teacher mentoring programs.

**Lunch Shaming Prohibited** – Students approved for free or reduced-price meal status must be served reimbursable meals irrespective of any outstanding individual student lunch account debt. Districts are required to post this policy.

## ACCOUNTING AND AUDITING UPDATES

The following is a summary of GASB standards expected to be implemented in the next few years. Due to the COVID-19 pandemic, the GASB has delayed the original implementation dates of these and other standards as described below.

### GASB STATEMENT NO. 87, *LEASES*

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of the four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for fiscal years beginning after June 15, 2021.

### GASB STATEMENT NO. 92, *OMNIBUS 2020*

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post-employment benefits

- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post-employment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

**GASB STATEMENT NO. 96, *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS***

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

This statement provides an exception for short-term SBITAs with a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

### GASB STATEMENT NO. 97, *CERTAIN COMPONENT UNIT CRITERIA, AND ACCOUNTING AND FINANCIAL REPORTING FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLANS—AN AMENDMENT OF GASB STATEMENT NO. 14 AND NO. 84, AND A SUPERSESSION OF GASB STATEMENT NO. 32*

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this statement that (1) exempt primary governments that perform the duties that a government board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this statement.

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# INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA, MINNESOTA

Special Purpose Audit Reports

Year Ended
June 30, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 284

Special Purpose Audit Reports
Year Ended June 30, 2021

**Table of Contents**

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

| Federal Grantor/Pass-Through Grantor/Program Title | Federal ALN | Federal Expenditures | | Passed Through to Subrecipients |
|---|---|---|---|---|
| **U.S. Department of Agriculture** | | | | |
| Passed through Minnesota Department of Education | | | | |
| Child nutrition cluster | | | | |
| Summer Food Service Program for Children | 10.559 | $ 297,176 | | |
| COVID-19 – Summer Food Service Program for Children | 10.559 | 4,836,219 | | |
| Total ALN 10.559/child nutrition cluster | | | $ 5,133,395 | |
| **U.S. Department of Justice** | | | | |
| Direct | | | | |
| Public Safety Partnership and Community Policing Grants | 16.710 | | 67,620 | |
| **U.S. Department of the Treasury** | | | | |
| Passed through Minnesota Department of Education | | | | |
| COVID-19 – Coronavirus Relief Fund | 21.019 | 3,061,151 | | |
| Passed through Minnesota Department of Human Services | | | | |
| COVID-19 – Coronavirus Relief Fund | 21.019 | 81,000 | | |
| Total ALN 21.019 | | | 3,142,151 | |
| Passed through Minnesota Department of Education | | | | |
| COVID-19 – Coronavirus State and Local Fiscal Recovery Funds | 21.027 | | 3,327 | |
| **U.S. Department of Education** | | | | |
| Passed through Minnesota Department of Education | | | | |
| Special education cluster | | | | |
| Special Education Grants to States | 84.027 | 2,106,484 | | |
| Special Education Preschool Grants | 84.173 | 72,685 | | |
| Total special education cluster | | | 2,179,169 | |
| Title I Grants to Local Educational Agencies | 84.010 | | 446,129 | |
| Career and Technical Education – Basic Grants to States | 84.048 | | 567,303 | $ 334,017 |
| Special Education – Grants for Infants and Families | 84.181 | | 36,184 | |
| English Language Acquisition State Grants | 84.365 | | 97,434 | |
| Supporting Effective Instruction State Grants | 84.367 | | 143,719 | |
| Student Support and Academic Enrichment Program | 84.424 | | 56,683 | |
| Education Stabilization Fund | | | | |
| COVID-19 – Governor's Emergency Education Relief (GEER) Fund | 84.425C | 137,283 | | |
| COVID-19 – Elementary and Secondary School Emergency Relief (ESSER) Fund | 84.425D | 1,811,584 | | |
| Total ALN 84.425 | | | 1,948,867 | |
| **U.S. Department of Health and Human Services** | | | | |
| Direct | | | | |
| Drug-Free Communities Support Program Grants | 93.276 | | 113,547 | |
| Passed through Minnesota Department of Human Services | | | | |
| Child Care and Development Fund Cluster | | | | |
| COVID-19 – Child Care and Development Block Grant | 93.575 | | 113,625 | |
| Total federal awards | | | $14,049,153 | |

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: All pass-through entities listed above use the same Assistance Listing Number (ALN) as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.

Note 4: The District had $292,622 of noncash assistance included in the Summer Food Service Program for Children, ALN 10.559.

Note 5: Unaudited Disclosure – The District received donated personal protective equipment (PPE) with an estimated value of $37,190. The District was unable to determine whether federal dollars were used to purchase the donated PPE.

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Kalen T. Karnowski, CPA

# 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

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2021.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

(continued)



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**COMPLIANCE AND OTHER MATTERS**

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

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
December 6, 2021

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# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Independent School District No. 284's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

## MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

(continued)



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## OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

## PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

(continued)

**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 6, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
December 6, 2021

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# INDEPENDENT AUDITOR'S REPORT

# ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2021.

## MINNESOTA LEGAL COMPLIANCE

In connection with our audit, we noted that the District failed to comply with provisions of the contracting and bidding standards section of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters as described in the Schedule of Findings and Questioned Costs as findings 2021-001 and 2021-002. Also, in connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

## DISTRICT'S RESPONSES TO FINDINGS

The District's responses to the legal compliance findings identified in our audit have been included in the Schedule of Findings and Questioned Costs. The District's responses were not subject to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on them.

(continued)



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**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
December 6, 2021

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

## A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

**Financial Statements**

| | | | | |
|---|---|---|---|---|
| What type of auditor's report is issued? | X | Unmodified | | |
| | | Qualified | | |
| | | Adverse | | |
| | | Disclaimer | | |
| Internal control over financial reporting: | | | | |
| Material weakness(es) identified? | | Yes | X | No |
| Significant deficiency(ies) identified? | | Yes | X | None reported |
| Noncompliance material to the financial statements noted? | | Yes | X | No |

**Federal Awards**

| | | | | |
|---|---|---|---|---|
| Internal controls over major federal award programs: | | | | |
| Material weakness(es) identified? | | Yes | X | No |
| Significant deficiency(ies) identified? | | Yes | X | None reported |
| Type of auditor's report issued on compliance for major programs? | | | | |
| U.S. Department of the Treasury – COVID-19 – Coronavirus Relief Fund | | | | Unmodified |
| U.S. Department of Education – COVID-19 – Education Stabilization Fund | | | | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | | Yes | X | No |

Programs tested as major programs:

| Program or Cluster(s) | Federal ALN |
|---|---|
| U.S. Department of the Treasury – COVID-19 – Coronavirus Relief Fund | 21.019 |
| U.S. Department of Education – COVID-19 – Education Stabilization Fund | 84.425 |

| | | | | |
|---|---|---|---|---|
| Threshold for distinguishing type A and B programs. | | $ 750,000 | | |
| Does the auditee qualify as a low-risk auditee? | X | Yes | | No |

## B. FINANCIAL STATEMENT FINDINGS

None.

## C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

## D. MINNESOTA LEGAL COMPLIANCE FINDINGS

### 2021-001 GROUP INSURANCE REQUEST FOR PROPOSAL

**Criteria** – Minnesota Statutes § 471.6161.

**Condition** – A school district that provides group insurance for 25 or more employees shall request proposals from and enter into contracts with entities that in the judgment of the school district are best qualified to provide coverage. The request for proposals shall be in writing and at a minimum shall include: coverage to be provided, criteria for evaluation of proposals, and the aggregate claims records for the appropriate period. Public notice of the request for proposals must be provided in a newspaper or trade journal at least 21 days before the final date for submitting proposals. Independent School District No. 284 (the District) did not comply with this statute for one group insurance contract entered into during fiscal year 2021.

**Questioned Costs** – Not applicable.

**Context** – One contract tested was not in compliance.

**Repeat Finding** – This is a current year finding.

**Cause** – This was an oversight by district personnel.

**Effect** – The District did not follow state statutes for group insurance request for proposals before entering into a new contract.

**Recommendation** – We recommend that the District review group insurance request for proposal procedures and obtain required documentation for future contracts.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District will review its procedures relating to group insurance request for proposal to ensure compliance in the future. The District has separately issued a Corrective Action Plan related to this finding.

## D. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)

### 2021-002 WITHHOLDING AFFIDAVIT

**Criteria** – Minnesota Statutes § 270C.66.

**Condition** – Before making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor or subcontractors, a district must obtain a certificate by the Commissioner of Revenue that the contractor or subcontractor has complied with the withholding requirements of Minnesota Statutes § 290.92 (either a Commissioner of Revenue Form IC134 or a Contractor's Withholding Affidavit). The District did not obtain the required certificate for one of seven contracts selected for testing prior to making final settlement during fiscal year 2021.

**Questioned Costs** – Not applicable.

**Context** – One of seven contracts tested was not in compliance.

**Repeat Finding** – This is a current year finding.

**Cause** – This was an oversight by district personnel.

**Effect** – The District did not obtain the required documentation of either a Contractor's Withholding Affidavit or Commissioner of Revenue Form IC134 as required by state statutes prior to making final settlement.

**Recommendation** – We recommend that the District review purchasing procedures and obtain required documentation prior to making final settlement for future contracts.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District will review its procedures relating to withholding affidavits to ensure compliance in the future. The District has separately issued a Corrective Action Plan related to this finding.

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# INDEPENDENT AUDITOR'S REPORT ON UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2021.

Auditing standards referred to in the previous paragraph require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education (MDE), and is not a required part of the basic financial statements of the District. The UFARS Compliance Table is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the UFARS Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(continued)



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The purpose of this report on the UFARS Compliance Table, required by the MDE, is solely to describe the scope of our testing of the UFARS Compliance Table and the results of that testing based on our audit. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
December 6, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 284

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2021

| | | Audit | UFARS | Audit – UFARS |
|---|---|---|---|---|
| **General Fund** | | | | |
| Total revenue | | $ 184,799,047 | $ 184,799,046 | $ 1 |
| Total expenditures | | $ 182,882,315 | $ 182,882,312 | $ 3 |
| Nonspendable | | | | |
| 460 | Nonspendable fund balance | $ 608,414 | $ 608,414 | $ – |
| Restricted | | | | |
| 401 | Student activities | $ – | $ – | $ – |
| 402 | Scholarships | $ 261,879 | $ 261,879 | $ – |
| 403 | Staff development | $ – | $ – | $ – |
| 406 | Health and safety | $ – | $ – | $ – |
| 407 | Capital projects levy | $ 2,715,070 | $ 2,715,070 | $ – |
| 408 | Cooperative revenue | $ – | $ – | $ – |
| 413 | Projects funded by COP | $ – | $ – | $ – |
| 414 | Operating debt | $ – | $ – | $ – |
| 416 | Levy reduction | $ – | $ – | $ – |
| 417 | Taconite building maintenance | $ – | $ – | $ – |
| 423 | Certain teacher programs | $ – | $ – | $ – |
| 424 | Operating capital | $ – | $ – | $ – |
| 426 | $25 taconite | $ – | $ – | $ – |
| 427 | Disabled accessibility | $ – | $ – | $ – |
| 428 | Learning and development | $ – | $ – | $ – |
| 434 | Area learning center | $ – | $ – | $ – |
| 435 | Contracted alternative programs | $ – | $ – | $ – |
| 436 | State approved alternative program | $ – | $ – | $ – |
| 438 | Gifted and talented | $ – | $ – | $ – |
| 440 | Teacher development and evaluation | $ – | $ – | $ – |
| 441 | Basic skills programs | $ – | $ – | $ – |
| 448 | Achievement and integration | $ – | $ – | $ – |
| 449 | Safe schools levy | $ – | $ – | $ – |
| 450 | Pre-kindergarten | $ – | $ – | $ – |
| 451 | QZAB payments | $ – | $ – | $ – |
| 452 | OPEB liability not in trust | $ – | $ – | $ – |
| 453 | Unfunded severance and retirement levy | $ – | $ – | $ – |
| 459 | Basic skills extended time | $ – | $ – | $ – |
| 467 | Long-term facilities maintenance | $ (802,152) | $ (802,152) | $ – |
| 472 | Medical Assistance | $ – | $ – | $ – |
| 473 | PPP loans | $ – | $ – | $ – |
| 474 | EIDL loans | $ – | $ – | $ – |
| 464 | Restricted fund balance | $ – | $ – | $ – |
| 475 | Title VII – Impact Aid | $ – | $ – | $ – |
| 476 | PILT | $ – | $ – | $ – |
| Committed | | | | |
| 418 | Committed for separation | $ – | $ – | $ – |
| 461 | Committed fund balance | $ – | $ – | $ – |
| Assigned | | | | |
| 462 | Assigned fund balance | $ 7,775,597 | $ 7,775,597 | $ – |
| Unassigned | | | | |
| 422 | Unassigned fund balance | $ 16,298,209 | $ 16,298,209 | $ – |
| **Food Service** | | | | |
| Total revenue | | $ 5,406,961 | $ 5,406,962 | $ (1) |
| Total expenditures | | $ 5,602,267 | $ 5,602,267 | $ – |
| Nonspendable | | | | |
| 460 | Nonspendable fund balance | $ 110,760 | $ 110,760 | $ – |
| Restricted | | | | |
| 452 | OPEB liability not in trust | $ – | $ – | $ – |
| 464 | Restricted fund balance | $ – | $ – | $ – |
| Unassigned | | | | |
| 463 | Unassigned fund balance | $ (306,066) | $ (306,066) | $ – |
| **Community Service** | | | | |
| Total revenue | | $ 7,935,216 | $ 7,935,216 | $ – |
| Total expenditures | | $ 9,633,959 | $ 9,633,959 | $ – |
| Nonspendable | | | | |
| 460 | Nonspendable fund balance | $ – | $ – | $ – |
| Restricted | | | | |
| 426 | $25 taconite | $ – | $ – | $ – |
| 431 | Community education | $ (1,087,663) | $ (1,087,663) | $ – |
| 432 | ECFE | $ 82,758 | $ 82,758 | $ – |
| 440 | Teacher development and evaluation | $ – | $ – | $ – |
| 444 | School readiness | $ 160,103 | $ 160,103 | $ – |
| 447 | Adult basic education | $ – | $ – | $ – |
| 452 | OPEB liability not in trust | $ – | $ – | $ – |
| 473 | PPP loans | $ – | $ – | $ – |
| 474 | EIDL loans | $ – | $ – | $ – |
| 464 | Restricted fund balance | $ 1,006 | $ 1,006 | $ – |
| Unassigned | | | | |
| 463 | Unassigned fund balance | $ – | $ – | $ – |

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2021

| | | Audit | UFARS | Audit – UFARS |
|---|---|---|---|---|
| **Building Construction** | | | | |
| Total revenue | | $ 13,171 | $ 13,171 | $ – |
| Total expenditures | | $ 9,602,503 | $ 9,602,504 | $ (1) |
| Nonspendable | | | | |
| 460 | Nonspendable fund balance | $ – | $ – | $ – |
| Restricted | | | | |
| 407 | Capital projects levy | $ – | $ – | $ – |
| 413 | Projects funded by COP | $ – | $ – | $ – |
| 467 | Long-term facilities maintenance | $ – | $ – | $ – |
| 464 | Restricted fund balance | $ 13,926,905 | $ 13,926,904 | $ 1 |
| Unassigned | | | | |
| 463 | Unassigned fund balance | $ – | $ – | $ – |
| **Debt Service** | | | | |
| Total revenue | | $ 14,592,663 | $ 14,592,664 | $ (1) |
| Total expenditures | | $ 14,567,681 | $ 14,567,681 | $ – |
| Nonspendable | | | | |
| 460 | Nonspendable fund balance | $ – | $ – | $ – |
| Restricted | | | | |
| 425 | Bond refundings | $ – | $ – | $ – |
| 433 | Maximum effort loan | $ – | $ – | $ – |
| 451 | QZAB payments | $ – | $ – | $ – |
| 467 | Long-term facilities maintenance | $ – | $ – | $ – |
| 464 | Restricted fund balance | $ 2,799,411 | $ 2,799,411 | $ – |
| Unassigned | | | | |
| 463 | Unassigned fund balance | $ – | $ – | $ – |
| **Trust** | | | | |
| Total revenue | | $ – | $ – | $ – |
| Total expenditures | | $ – | $ – | $ – |
| 401 | Student activities | $ – | $ – | $ – |
| 402 | Scholarships | $ – | $ – | $ – |
| 422 | Net position | $ – | $ – | $ – |
| **Custodial Fund** | | | | |
| Total revenue | | $ – | $ – | $ – |
| Total expenditures | | $ – | $ – | $ – |
| 401 | Student activities | $ – | $ – | $ – |
| 402 | Scholarships | $ – | $ – | $ – |
| 448 | Achievement and integration | $ – | $ – | $ – |
| 464 | Restricted fund balance | $ – | $ – | $ – |
| **Internal Service** | | | | |
| Total revenue | | $ 21,197,588 | $ 21,197,588 | $ – |
| Total expenditures | | $ 24,191,296 | $ 24,191,296 | $ – |
| 422 | Net position | $ 2,420,331 | $ 2,420,331 | $ – |
| **OPEB Revocable Trust Fund** | | | | |
| Total revenue | | $ – | $ – | $ – |
| Total expenditures | | $ – | $ – | $ – |
| 422 | Net position | $ – | $ – | $ – |
| **OPEB Irrevocable Trust Fund** | | | | |
| Total revenue | | $ 8,438,126 | $ 8,438,126 | $ – |
| Total expenditures | | $ 1,469,683 | $ 1,469,683 | $ – |
| 422 | Net position | $ 39,805,746 | $ 39,805,746 | $ – |
| **OPEB Debt Service Fund** | | | | |
| Total revenue | | $ – | $ – | $ – |
| Total expenditures | | $ – | $ – | $ – |
| Nonspendable | | | | |
| 460 | Nonspendable fund balance | $ – | $ – | $ – |
| Restricted | | | | |
| 425 | Bond refundings | $ – | $ – | $ – |
| 464 | Restricted fund balance | $ – | $ – | $ – |
| Unassigned | | | | |
| 463 | Unassigned fund balance | $ – | $ – | $ – |

Note: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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WAYZATA PUBLIC SCHOOLS

Agenda Item: 7.A

# BOARD OF EDUCATION

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Truth in Taxation for Taxes Payable in 2022

**ITEM:** Truth in Taxation Requirements and Presentation

**COMMENTS BY:** DeeDee Kahring, Executive Director, Finance and Operations

**Truth in Taxation – Taxes Payable in 2022**

School districts are required to meet the Truth in Taxation requirements for levy year 2021, taxes payable 2022. While school districts are no longer required to hold a separate Truth in Taxation hearing, they are required to discuss the payable 2022 levy and the current year budget at a regularly scheduled school board meeting.

The Truth in Taxation requirements are as follows:

- On or before September 30, 2021, each school district must adopt a proposed 2021 payable 2022 property tax levy and certify and submit it to the county auditor.
- The country auditor mails parcel specific tax notices to each owner in the district.
- The school district is required to discuss the payable 2022 levy and current year budget.
- The public is given time to speak.
- The school board must adopt a final levy by December 31, 2021.

**Recommended Action:** No School Board action is required.

**Motion by:** ________________ **ROLL CALL** **Passed:** ________________

**Second by:** ________________ **Failed:** ________________

**Abstentions:** ________________________________

WAYZATA PUBLIC SCHOOLS

# Truth-in-Taxation
# Presentation for Taxes Payable in 2022

December 13, 2021
School Board Regular Meeting
7:00 p.m.

# Agenda

Requirements/Background

2021-22 Budget

Tax Levy

# Requirements

- Held during regular meeting between November 25 & December 28th at 6:00 pm or later
- All school districts must hold a meeting
- Levy may be adopted at same meeting
- Review of current year budget
- Proposed levy discussed including:
    - Percent increase
    - Specific purpose and reasons for increases
- Public allowed to comment



WAYZATA PUBLIC SCHOOLS

# Funding School Districts

**State of Minnesota:**

- Sets funding formulas
- Sets tax policy
- Sets maximum authorized property tax levy
- Authorizes school board to submit referendums for operating and capital needs to voters for approval



WAYZATA PUBLIC SCHOOLS

# Levy Development

## General Levy

- Student enrollment
- Voter approved operating referendum
- Voter approved capital project referendum
- Facilities

## Community Service

- Based on population:
  - Adults
  - Children <5 years

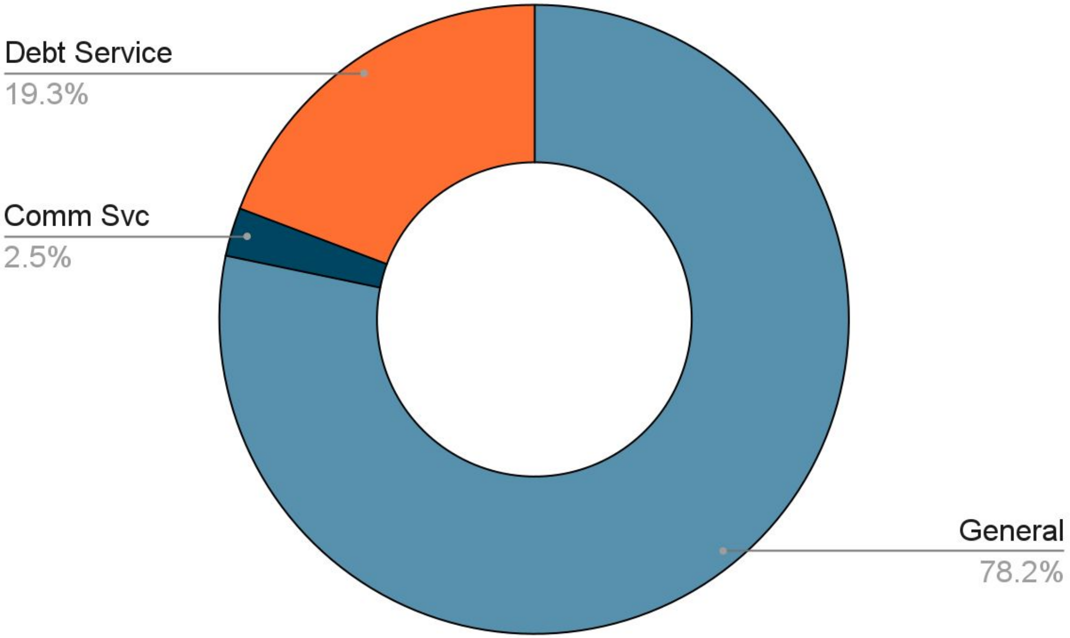
## Debt Service

- Levy to pay bond principal & interest
  - Voter approved
  - Alternative Facility



WAYZATA PUBLIC SCHOOLS

# Wayzata Public School Tax Levy




**General**

Provides funding for regular and special education instructional programs, transportation, equipment, capital projects, long term facility maintenance

**Community Service**

Levy for community education services

**Debt Service**

Levy for principal & interest payments

# WPS 2021-22 Budget

# FY 2021-22 Budget - All Funds

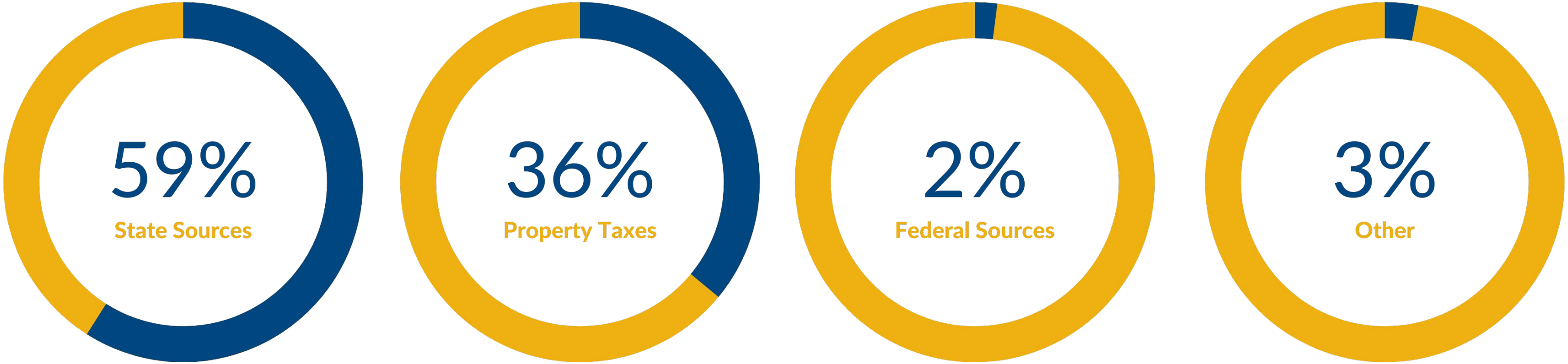
| Fund | Revenue | % of Total | Expenditures | % of Total |
|---|---|---|---|---|
| General | 183,606,144 | 83.8% | 183,577,259 | 82.1% |
| Food Service | 8,015,696 | 3.7% | 7,219,935 | 3.2% |
| Community Service | 12,567,918 | 5.7% | 11,798,122 | 5.3% |
| Construction | 0 | | 6,000,000 | 2.7% |
| Debt Service | 14,986,155 | 6.8% | 14,872,977 | 6.7% |
| **Total** | **219,175,913** | **100%** | **223,468,293** | **100%** |





WAYZATA PUBLIC SCHOOLS

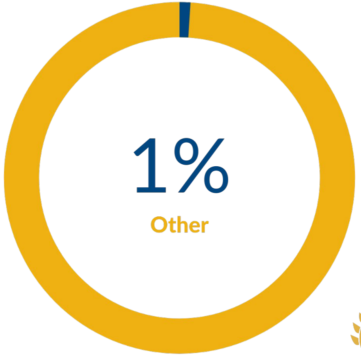
# General Fund – Source of Revenue 2021-22



# General Fund – Expenses 2021-22





# General Fund – Expenses by Category 2021-22

78.5 cents of every dollar goes to support students

15.2 ¢
Operations & Fixed Costs


3.0 ¢
District & School Administration

3.3 ¢
District Support

69.6 ¢
Instruction & Instructional Support

8.9 ¢
Pupil Support



WAYZATA PUBLIC SCHOOLS

# ISD #284 Tax Levy

# Final Proposed Pay 2022 Levy

**2022 Proposed Levy: $85,835,161.74**

**2021 Certified Levy: $83,771,787.11**

**Change: $2,063,374.63 or 2.46%**

**Tax base increased by 6%**

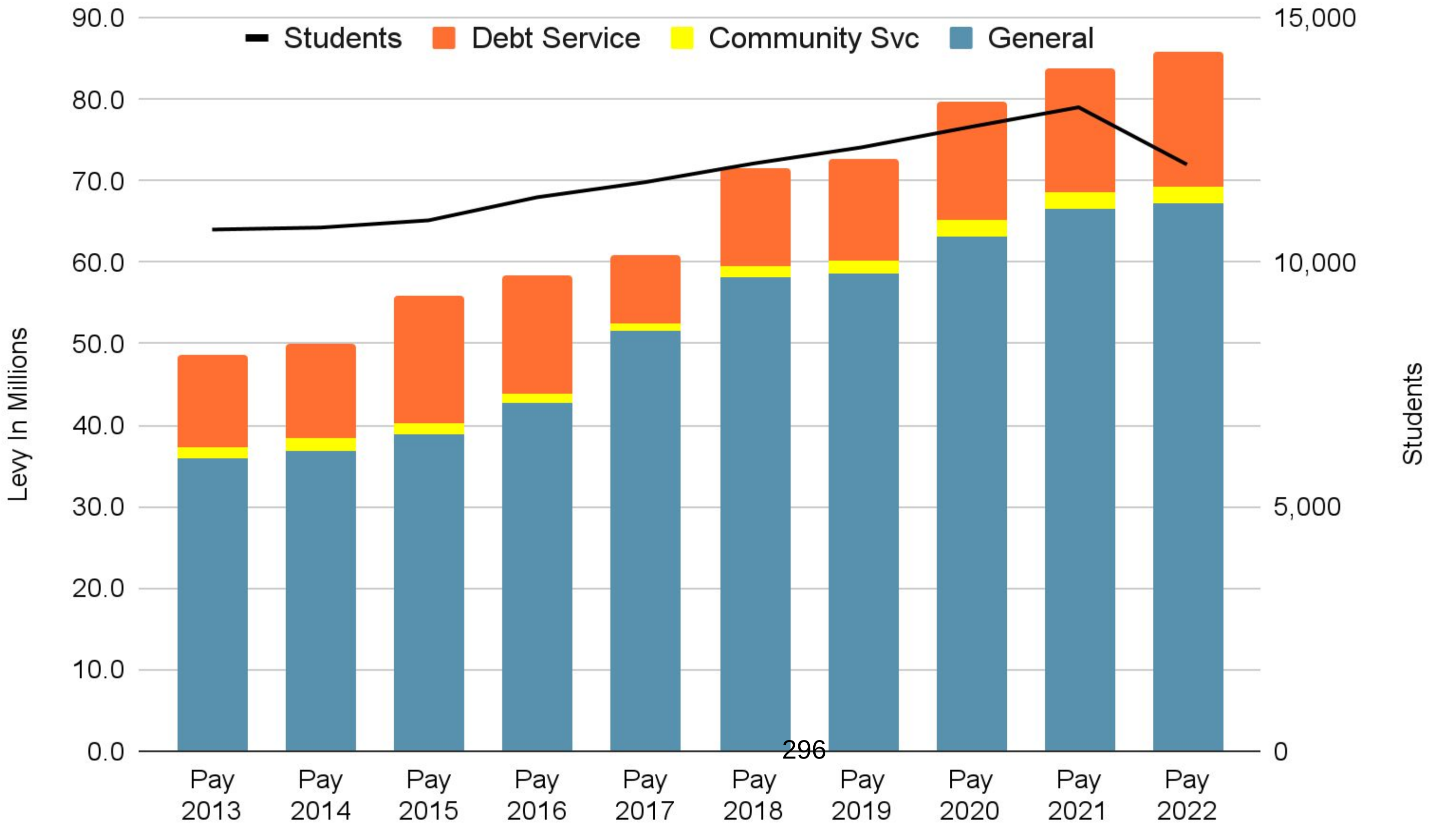
# ISD #284 Tax Levy

| Fund | 2022 Proposed Levy | 2021 Certified Levy | Change ($) | Change (%) |
|---|---|---|---|---|
| General | $67,202,463 | $66,503,536 | $698,928 | 1.05% |
| Community Service | 2,105,551 | 2,177,497 | (71,946) | (3.30%) |
| Debt Service | 16,527,148 | 15,090,755 | 1,436,393 | 9.52% |
| **Total** | **$85,835,162** | **$83,771,787** | **$2,063,375** | **2.46%** |

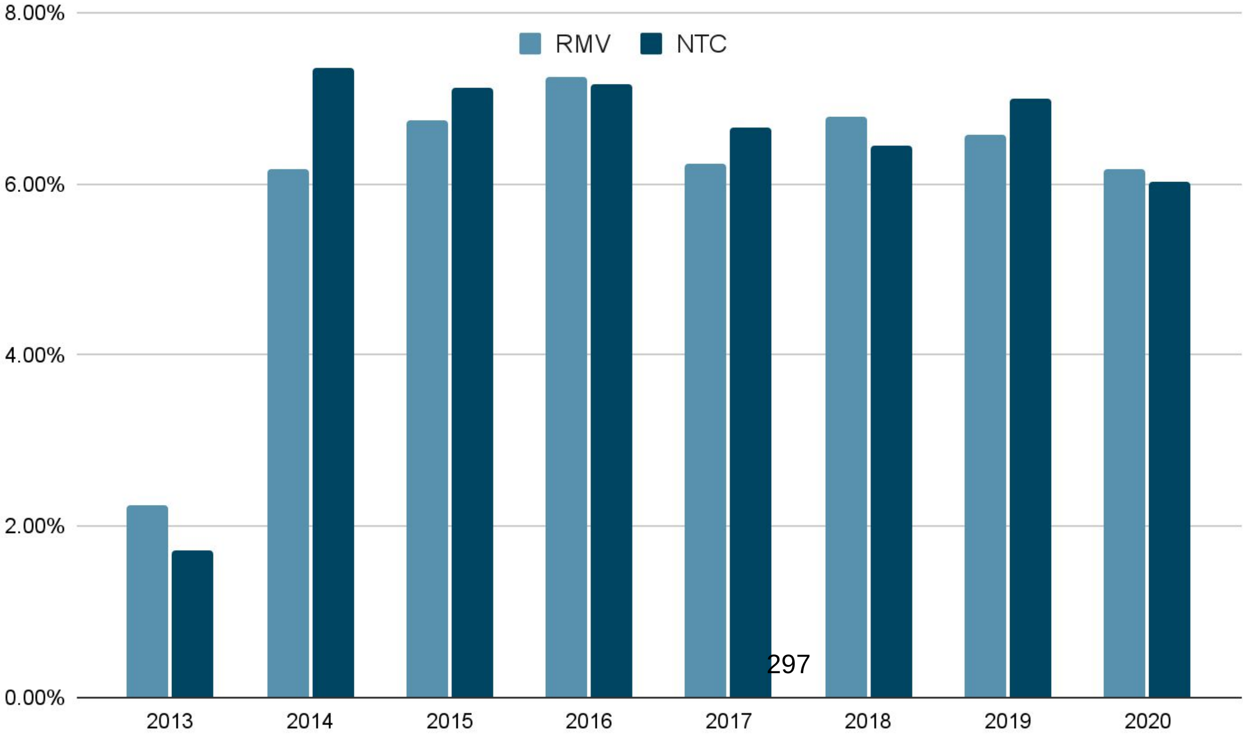


WAYZATA PUBLIC SCHOOLS

# Property Tax Levy History



# Changes in Referendum Market Value (RMV) & Net Tax Capacity (NTC)



# School District Taxes - Residential Homestead

| Estimated Market Value | Taxes Pay 2021 | Taxes Pay 2022 | $ Change | % Change |
|---|---|---|---|---|
| 200,000 | $930 | $907 | -$23 | -2.5% |
| 300,000 | $1,446 | $1,415 | -$31 | -2.1% |
| 400,000 | $1,961 | $1,924 | -$37 | -1.9% |
| 500,000 | $2,455 | $2,409 | -$46 | -1.9% |
| 600,000 | $3,014 | $2,965 | -$49 | -1.6% |
| 700,000 | $3,572 | $3,520 | -$52 | -1.5% |
| 800,000 | $4,131 | $4,076 | -$55 | -1.3% |
| 900,000 | $4,689 | $4,631 | -$58 | -1.2% |





WAYZATA PUBLIC SCHOOLS

Figures provided by Ehlers - Public Finance Advisors

# School District Taxes - Commercial/Apartments

| Estimated Market Value | Category | Taxes Pay 2021 | Taxes Pay 2022 | $ Change | % Change |
|---|---|---|---|---|---|
| 500,000 | Commercial | $2,663 | $2,636 | -$27 | -1.0% |
| 750,000 | Commercial | $4,058 | $4,023 | -$35 | -0.9% |
| 1,000,000 | Commercial | $5,452 | $5,410 | -$42 | -0.8% |
| 2,000,000 | Commercial | $11,030 | $10,959 | -$71 | -0.6% |
| 500,000 | Apartments | $2,792 | $2,777 | -$15 | -0.5% |
| 1,000,000 | Apartments | $5,584 | $5,554 | -$30 | -0.5% |
| 2,000,000 | Apartments | $11,167 | $11,109 | -$58 | -0.5% |
| 4,000,000 | Apartments | $22,335 | $22,218 | -$117 | -0.5% |



WAYZATA PUBLIC SCHOOLS



Figures provided by Ehlers - Public Finance Advisors

# Reasons for Change in Levy

**General Fund**

- Decrease of $3.5M in operating referendum levy caused by changes in enrollment due to Pandemic
- Technology Capital Projects Levy Increased by $500K
- Increase in Long Term Facility Maintenance by $3.8M
- Decrease in reemployment levy by $350K

**Debt Service**

- Retention of debt excess $1.0M

# Final Levy

| General Fund | Community Service | Debt Service |
|---|---|---|
| $66,503,536 | $2,177,497 | $15,090,755 |

+ +

**Total Levy**

**$83,771,787**



WAYZATA PUBLIC SCHOOLS

# Public Comment

Comments/Questions must be relevant to:

– 2021 Payable 2022 Tax Certification (fiscal year 2021-22)

– Wayzata Public School's portion of taxes (not City or County taxes)

Speaker must be a District 284 taxpayer, must state name and address for the record

Hennepin County Determines Property Valuation – Contact Hennepin County with any valuation questions

•



WAYZATA PUBLIC SCHOOLS

WAYZATA PUBLIC SCHOOLS


DeeDee Kahring

Executive Director of Finance & Operations

deedee.kahring@wayzataschools.org

763-745-5023

WAYZATA PUBLIC SCHOOLS

**Agenda Item:** 8

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Public Comment on Truth in Taxation

**ITEM:** Public Comment on Truth in Taxation

**COMMENTS BY:** Andrea Cuene, Board Chair

This section of the agenda provides an opportunity for members of the audience to address the School Board regarding the Truth in Taxation presentation. Speakers will be allotted approximately three minutes.

**Please note** that this time is provided for citizens to address the Board; this is not an appropriate venue for a discussion or debate. If the speaker would like follow-up contact from the Board of Education, they may leave their contact information with the administrative assistant.

WAYZATA PUBLIC SCHOOLS

Agenda Item: 9

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Audience Opportunity to Address the Board

**ITEM:** Audience Opportunity to Address the Board

**COMMENTS BY:** Andrea Cuene, Board Chair

This section of the agenda provides an opportunity for members of the audience to address the School Board. Speakers will be allotted approximately three minutes.

**Please note** that this time is provided for citizens to address the Board; this is not an appropriate venue for a discussion or debate. If the speaker would like follow-up contact from the Board of Education, they may leave their contact information with the administrative assistant.

WAYZATA PUBLIC SCHOOLS

**Agenda Item: 10**

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Administrative Reports and Recommendations

**ITEM:** Administrative Reports and Recommendations

**COMMENTS BY:** Andrea Cuene, Board Chair

Agenda Item: 10.C.1

# BOARD OF EDUCATION

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Administrative Reports and Recommendations

**ITEM:** Finance and Business Services Recommendations

**COMMENTS BY:** Mert Woodard, Director, Business Services

**Monthly Financial Reports**

Enclosed for School Board review and information are the following financial reports for the month ended October 31, 2021:

- Analysis of Financial Reports
- Statement of Revenues
- Statement of Expenditures
- Investments Summary

**Recommended Action:** No School Board action is required.

**Motion by:** ________________ **ROLL CALL** **Passed:** ________________

**Second by:** ________________ **Failed:** ________________

**Abstentions:** ____________________________________________

# 2021-22 School Year Financial Report Analysis

## For the Month Ended October 31, 2021

Wayzata Public Schools

Excellence. For each and every student.

**Statement of Revenues Analysis**

This analysis reflects revenue received by the month end noted above. Overall revenues are consistent with prior years with the exception of the Community Services Fund, Food Service Fund, and Debt Service Fund.

**Community Services Fund:** Community Services Fund revenue through October 31, 2021 was $4,885,578 compared to $2,991,013 the prior year. The favorable increase is due to less strict COVID-19 social distancing requirements than the prior year, yielding increased revenues from fee for service programs. Also, revenues from federal sources in the amount of $124,473 have been recognized in the Community Services fund compared to $0 at the same period of the prior fiscal year.

**Food Service Fund:** Food Service Fund revenue through October 31, 2021 was $1,389,941 compared to $741,010 the prior year. The favorable increase is due to the return to in-person learning at school sites, which has generated increased participation in the District's breakfast and lunch programs. Additionally, during fiscal year 2022 the District is operating under the federal *Seamless Summer Option* program which provides free breakfast and lunch to all students in the District.

**Debt Service Fund:** On June 28, 2021 the School Board approved the sale of bonds to refund the Series 2014A and Series 2014B General Obligation bonds. The District received the proceeds of the refunding bonds, the Series 2021A Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, on July 22, 2021. The proceeds received by the District totaled $137,249,726 and will be used to refund all maturities of the 2014A and 2014B bonds in February 2023, generating savings for taxpayers of the District in future years.

**Statement of Expenditures Analysis**

This analysis reflects expenditures incurred by the month end noted above and does not include encumbrances. Overall expenditures are consistent with prior years except for the following items:

**General Fund:** Year to date salary and benefit expenditures are approximately 2.0% higher than the previous fiscal year due to renewed collectively bargaining agreements and changes to employee benefit elections. The budget will be adjusted mid-year to better reflect current year activity. Capital expenditures made through the General Fund were $6,060,615 compared to $7,779,359 the previous fiscal year. The decrease is attributed to the District's purchase of the Welcome Center the prior fiscal year.

**Food Service Fund:** Salary and benefit expenditures of $775,201 represent a 23.4% increase over the prior year figure of $628,401. The increase is primarily attributed to increases to the collective bargaining agreement as well as the return to in-person instruction, necessitating the hiring of a portion of the positions that were left vacant during distance learning. Food and milk expenditures are also higher during the current fiscal year due to the return to in-person instruction and timing of food purchases and inventory usage.

**Debt Service Fund:** Year-to-date expenditures in the Debt Service Fund are lower than the previous year by $1,361,513 due to the bond refunding described above. The escrow established for the refunding paid for all or part of the August 2014A & 2014B debt service payments.

# 2021-22 School Year Statement of Revenues

## For the Month Ended October 31, 2021

WAYZATA PUBLIC SCHOOLS

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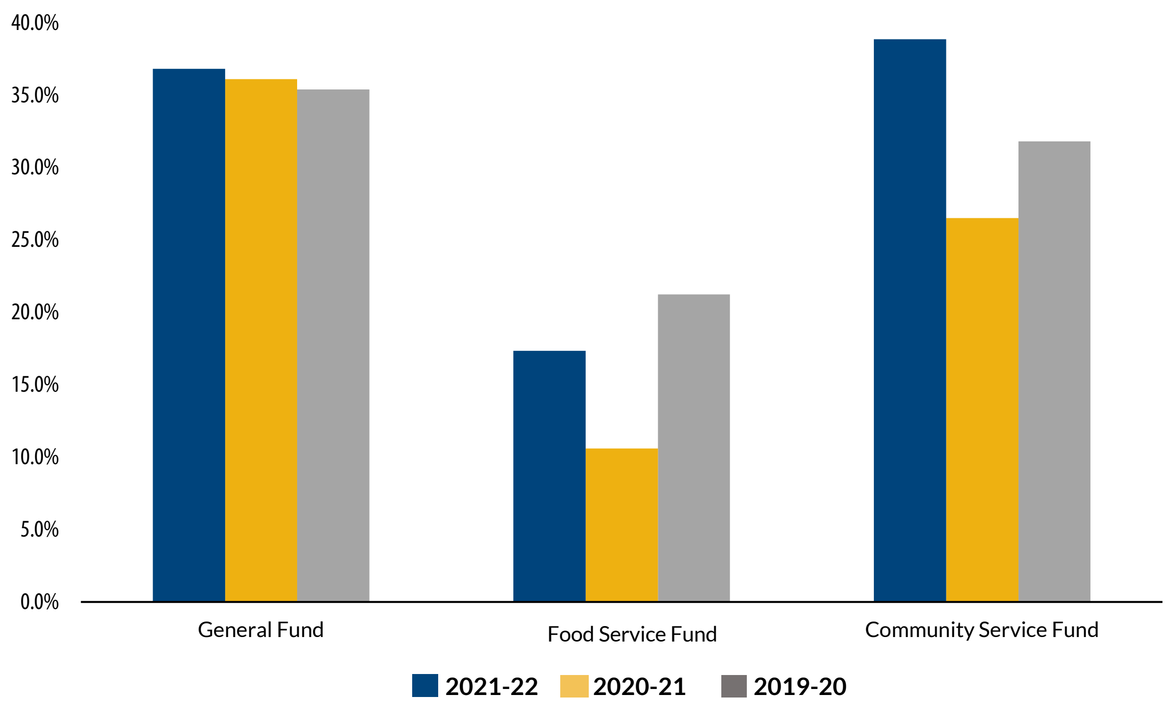
| Fund | 2021-22 Budget | 2021-22 Actuals | Year-to-Date % of Budget 2021-22 | 2020-21 | 2019-20 |
|---|---|---|---|---|---|
| **General Fund** | | | | | |
| Property Taxes | $ 66,123,535 | $ 49,418,156 | 74.7% | 73.8% | 70.4% |
| State Aids | 107,595,534 | 16,621,486 | 15.4% | 16.6% | 16.5% |
| Federal Aids | 4,095,772 | 174,295 | 4.3% | 0.1% | - |
| Miscellaneous Local Revenue | 5,791,303 | 1,401,240 | 24.2% | 17.8% | 29.2% |
| Other Financing Sources | - | - | - | 100.0% | - |
| Total General Fund Revenue | $ 183,606,144 | $ 67,615,176 | 36.8% | 36.1% | 35.4% |
| Food Service Fund | 8,015,696 | 1,389,941 | 17.3% | 10.6% | 21.2% |
| Community Service Fund | 12,567,918 | 4,885,578 | 38.9% | 26.5% | 31.8% |
| Debt Service Fund | 14,896,155 | 11,227,165 [1] | 75.4% | 71.8% | 70.8% |
| Construction Fund | - | 635,647 | - | - | - |
| **Total Revenue All Funds** | **$ 219,085,913** | **$ 85,753,508** | **39.1%** | **35.4%** | **37.0%** |

**Percent Comparison**
Year-To-Date to Total Budget




**Notes:**

1 - In July 2021 the District received the proceeds of the Series 2021A General Obligation School Building and Alternative Facilities Refunding bonds in the amount of $137,249,726. This extraordinary event was omitted from the above report for presentation and data comparability purposes.

# 2021-22 School Year Investment Summary

For the Month Ended October 31, 2021

WAYZATA PUBLIC SCHOOLS

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**General Fund:**

| Investment Held At | Type of Investment | Purchase Date | Maturity Date | Investment Cost | Maturity Amount | Interest Earned | Yield |
|---|---|---|---|---|---|---|---|
| PMA/MN Trust | Money Market | N/A | NOW | N/A | $ 3,482,746 | N/A | 0.01% |
| MSDLAF+ Liquid | Money Market | N/A | NOW | N/A | 2,252,648 | N/A | 0.01% |
| MSDLAF+ Max | Money Market | N/A | NOW | N/A | 27,448,764 | N/A | 0.03% |
| | | | **Total General Fund** | **$ -** | **$ 33,184,157** | **$ -** | |

**Alternative Facilities Bonds:**

| Investment Held At | Type of Investment | Purchase Date | Maturity Date | Investment Cost | Maturity Amount | Interest Earned | Yield |
|---|---|---|---|---|---|---|---|
| MSDLAF+ Liquid | Money Market | N/A | NOW | N/A | $ 1,393,729 | N/A | 0.01% |
| MSDLAF+ Max | Money Market | N/A | NOW | N/A | 5,037,721 | N/A | 0.03% |
| | | | **Total Alternative Facilities Bonds** | **$ -** | **$ 6,431,450** | **$ -** | |

**2014 General Obligation School Building Bonds:**

| Investment Held At | Type of Investment | Purchase Date | Maturity Date | Investment Cost | Maturity Amount | Interest Earned | Yield |
|---|---|---|---|---|---|---|---|
| MSDLAF+ Liquid | Money Market | N/A | NOW | N/A | $ 90,852 | N/A | 0.01% |
| MSDLAF+ Max | Money Market | N/A | NOW | N/A | 494,479 | N/A | 0.03% |
| | | | **Total 2014 General Obligation School Building Bonds** | **$ -** | **$ 585,330** | **$ -** | |

**2018 General Obligation School Building Bonds:**

| Investment Held At | Type of Investment | Purchase Date | Maturity Date | Investment Cost | Maturity Amount | Interest Earned | Yield |
|---|---|---|---|---|---|---|---|
| MSDLAF+ Liquid | Money Market | N/A | NOW | N/A | $ 7,218,124 | N/A | 0.01% |
| MSDLAF+ Max | Money Market | N/A | NOW | N/A | 3,978,494 | N/A | 0.03% |
| | | | **Total 2018 General Obligation School Building Bonds** | **$ -** | **$ 11,196,618** | **$ -** | |

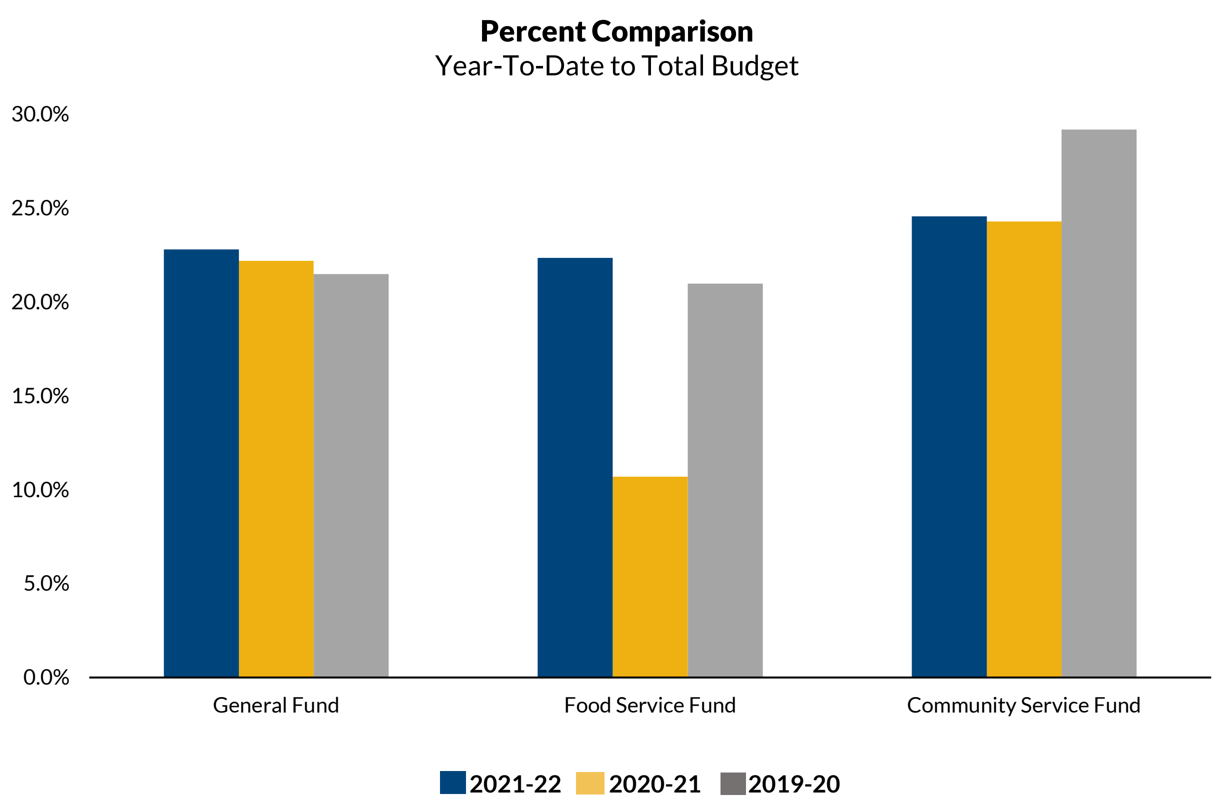
# 2021-22 School Year Statement of Expenditures

**For the Month Ended October 31, 2021**

WAYZATA PUBLIC SCHOOLS

Excellence. For each and every student.

| Fund | 2021-22 Budget | 2021-22 Actuals | Year-to-Date % of Budget 2021-22 | Year-to-Date % of Budget 2020-21 | Year-to-Date % of Budget 2019-20 |
|---|---|---|---|---|---|
| **General Fund** | | | | | |
| Salaries | $ 101,377,802 | $ 21,283,169 | 21.0% | 20.2% | 20.6% |
| Benefits | 31,966,136 | 7,546,043 | 23.6% | 21.6% | 22.1% |
| Purchased Services | 35,583,857 | 4,298,325 | 12.1% | 11.0% | 14.0% |
| Supplies & Materials | 5,282,996 | 2,441,055 | 46.2% | 38.4% | 48.2% |
| Capital Expenditures | 8,447,088 | 6,060,615 | 71.7% | 98.8% | 72.0% |
| Other Expenditures | 919,379 | 236,200 | 25.7% | 33.1% | 2.0% |
| Total General Fund Expenditures | $ 183,577,259 | $ 41,865,407 | 22.8% | 22.2% | 21.5% |
| Food Service Fund | 7,219,935 | 1,614,132 | 22.4% | 10.7% | 21.0% |
| Community Service Fund | 11,798,122 | 2,899,269 | 24.6% | 24.3% | 29.2% |
| Debt Service Fund | 14,872,977 | 2,533,515 [1] | 17.0% | 27.5% | 29.4% |
| Construction Fund | 6,000,000 | 3,202,858 | - | - | - |
| **Total Expenditures All Funds** | **$ 223,468,293** | **$ 52,115,180** | **23.3%** | **24.9%** | **25.7%** |




**Notes:**

1 - In July 2021 the District received the proceeds of the Series 2021A General Obligation School Building and Alternative Facilities Refunding bonds in the amount of $137,249,726. This extraordinary event was omitted from the above report for presentation and data comparability purposes. The costs of issuance related to the refunding are included.

WAYZATA PUBLIC SCHOOLS

Agenda Item: 10.C.2

# BOARD OF EDUCATION

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Administrative Reports and Recommendations

**ITEM:** Finance and Business Services Recommendations

**COMMENTS BY:** Mert Woodard, Director, Business Services

**Certification of 2021 Payable 2022 Property Tax Levy**

District administration recommends certification of the 2021 Payable 2022 Property Tax Levy in the amount of $85,835,161.74. This amount represents a $2.063 million, or 2.46% increase from the Payable 2021 levy, while the district's property tax base has grown by approximately 6.00%. Levy amounts by fund or type are as follows:

| | |
|---|---|
| General Fund – Referendum Market Value – Voter Approved | $22,456,559.04 |
| General Fund – Referendum Market Value – Other | 9,746,7657.98 |
| General Fund – Net Tax Capacity – Voter Approved | 8,867,336.29 |
| General Fund – Net Tax Capacity – Other | 26,131,800.07 |
| Community Service Fund | 2,105,550.84 |
| Debt Service Fund – Net Tax Capacity – Voter Approved | 10,792,242.81 |
| Debt Service Fund – Net Tax Capacity - Other | 5,734,904.71 |
| **Total Certified Levy** | **$85,835,161.74** |

**Recommended Action:** Approve and certify the maximum allowable levy amount of $85,835,161.74 and authorize the Board Clerk to sign the attached final 2021 Payable 2022 Levy for Independent School District 284.

**Motion by:** ________________ **ROLL CALL** **Passed:** ________________

**Second by:** ________________ **Failed:** ________________

**Abstentions:** ________________________________

Minnesota Department of Education
Levy Limitation and Certification Report
2021 Payable 2022

District Number-Type: 0284-01
District Name: Wayzata Public School District
Home County: HENNEPIN

Date Printed: 12/13/21
Limits Updated: 11/30/21
Certified Submitted: 12/13/21

| | LIMIT | PROPOSED | CERTIFIED |
|---|---|---|---|
| **SUBTOTALS BY LEVY CATEGORY** | | | |
| GENERAL - RMV VOTER - JOBZ EXEMPT | 22,456,559.04 | 22,456,559.04 | 22,456,559.04 |
| GENERAL - RMV OTHER - JOBZ EXEMPT | 9,746,767.98 | 9,746,767.98 | 9,746,767.98 |
| GENERAL - NTC VOTER - JOBZ EXEMPT | 8,867,336.29 | 8,867,336.29 | 8,867,336.29 |
| GENERAL - NTC OTHER GENED - EXEMPT | 0.00 | 0.00 | 0.00 |
| GENERAL - NTC OTHER - JOBZ EXEMPT | 26,131,800.07 | 26,131,800.07 | 26,131,800.07 |
| COMMUNITY SERVICE - NTC OTHER - JOBZ EXEMPT | 2,105,550.84 | 2,105,550.84 | 2,105,550.84 |
| GENERAL DEBT - NTC VOTER - JOBZ NONEXEMPT | 10,792,242.81 | 10,792,242.81 | 10,792,242.81 |
| GENERAL DEBT - NTC OTHER - JOBZ NONEXEMPT | 5,734,904.71 | 5,734,904.71 | 5,734,904.71 |
| OPEB DEBT - NTC VOTER - JOBZ NONEXEMPT | 0.00 | 0.00 | 0.00 |
| OPEB DEBT - NTC OTHER - JOBZ NONEXEMPT | 0.00 | 0.00 | 0.00 |
| **SUBTOTALS BY FUND** | | | |
| GENERAL FUND | 67,202,463.38 | 67,202,463.38 | 67,202,463.38 |
| COMMUNITY SERVICES FUND | 2,105,550.84 | 2,105,550.84 | 2,105,550.84 |
| GENERAL DEBT SERVICE FUND | 16,527,147.52 | 16,527,147.52 | 16,527,147.52 |
| OPEB/PENSION DEBT SERVICE FUND | 0.00 | 0.00 | 0.00 |
| **SUBTOTALS BY TAX BASE** | | | |
| REFERENDUM MARKET VALUE | 32,203,327.02 | 32,203,327.02 | 32,203,327.02 |
| NET TAX CAPACITY | 53,631,834.72 | 53,631,834.72 | 53,631,834.72 |
| **SUBTOTALS BY TRUTH IN TAXATION CATEGORY** | | | |
| VOTER APPROVED | 42,116,138.14 | 42,116,138.14 | 42,116,138.14 |
| OTHER | 43,719,023.60 | 43,719,023.60 | 43,719,023.60 |
| **TOTAL LEVY** | | | |
| TOTAL LEVY | 85,835,161.74 | 85,835,161.74 | 85,835,161.74 |

The school district must submit the completed original of this form to the home county auditor by December 28, 2021. A duplicate form must be submitted to Minnesota Department of Education, School Finance Division, 1500 Highway 36 West, Roseville, MN 55113, by January 7, 2022.

The certified levy listed above is the levy voted by the school board for taxes payable in 2022.

Signature of School Board Clerk ______________________________

Date of Certification ______________________________

WAYZATA PUBLIC SCHOOLS

Agenda Item: 10.C.3

# BOARD OF EDUCATION

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Administrative Reports and Recommendations

**ITEM:** Finance and Business Services Recommendations

**COMMENTS BY:** Mert Woodard, Director, Business Services

**Establishing Combined Polling Places and Designating Hours (SUBJECT TO CHANGE)**

Minnesota Statues, Section 205A.11, requires the establishment of polling places for the next year be adopted by December 31st. The law requires each combined polling place must be a polling place designated by a county or municipality. For those calendar years the District is not scheduled to hold an election, it is highly recommended by the Minnesota School Board Association to establish polling places annually in the event of a special election. For example, a special election may need to be held if a school board member is unable to serve the remainder of their term.

On November 8, 2022, Wayzata Public Schools will hold a special school board election. This election will be held in conjunction **with** a statewide election. Voters will vote at the polling places established by the City in which they reside.

For elections held in calendar year 2023 and/or School District elections **not** held on the same day as a statewide election, the School Board is establishing five combined polling places for multiple precincts. The precincts are detailed in the attached resolution. The Board reaffirms that the polling places will remain open for voting between the hours of 7:00 o'clock a.m. and 8:00 o'clock p.m. The selected polling locations have been designated by a county or municipality, as required by law. School district residents that reside within the City of Minnetonka will vote at polling places and hours established by the City of Minnetonka. The polling places for the elections **not** held on the same day as a statewide election may change in calendar 2023 due to redistricting. This happens every ten years after the decennial census. As the population changes, it is important to re-draw the polling place precincts, so the population is distributed as evenly as possible between polling sites. Once the State and City governments complete their work, the School District determines which polling places are combined and how many polling locations are required. Those changes, if needed, are scheduled to be presented to the School Board in late Spring, but delays are anticipated at the State level

**Recommended Action:** Adopt the resolution establishing combined polling places for the calendar year 2023 and School District elections **not** held on the same day as a statewide election and designating hours during which the polling places will remain open.

**Motion by:** ________________ **ROLL CALL** **Passed:** ________________

**Second by:** ________________ **Failed:** ________________

**Abstentions:** ________________________________

# WAYZATA PUBLIC SCHOOLS

**Independent School District 284**
**Wayzata, Minnesota**

# BOARD OF EDUCATION

**Regular Meeting – December 13, 2021**

## RESOLUTION ESTABLISHING COMBINED POLLING PLACES FOR MULTIPLE PRECINCTS AND DESIGNATING HOURS DURING WHICH THE POLLING PLACES WILL REMAIN OPEN FOR VOTING FOR SCHOOL DISTRICT ELECTIONS NOT HELD ON THE DAY OF A STATEWIDE ELECTION

**BE IT RESOLVED** by the School Board of Independent School District No. 284, State of Minnesota, as follows:

1. Pursuant to Minnesota Statutes, Section 205A.11, the precincts and polling places for school district elections are those precincts or parts of precincts located within the boundaries of the school district which have been established by the cities or towns located in whole or in part within the school district. The Board hereby confirms those precincts and polling places so established by those municipalities.

2. Pursuant to Minnesota Statutes, Section 205A.11, the Board has established combined polling places for several precincts for school elections not held on the day of a statewide election. Each combined polling place must be a polling place that has been designated by a county or municipality. The following combined polling places have been established to serve the precincts specified for all school district special and general elections not held on the same day as a statewide election:

**District 284 Polling Place #1**

Wayzata City Hall, 600 Rice Street East, Wayzata

*Includes:*
- Orono Precinct Number 4A
- Plymouth Precinct Numbers 8, 10, and 11
- City of Wayzata Precinct Number 1

**District 284 Polling Place #2**

Peace Lutheran Church of Plymouth, 3695 County Road 101 N, Plymouth

*Includes:*
- Plymouth Precinct Numbers 6, 7, and 9

**District 284 Polling Place #3**

Fourth Baptist Church, 900 Forestview Lane North, Plymouth

*Includes:*
- City of Medicine Lake Precinct 1
- Plymouth Precinct Numbers 12, 14, 15, 16, and 17

**District 284 Polling Place #4**

Wayzata High School, 4955 Peony Lane, Plymouth

*Includes:*

- City of Corcoran Precinct Number 3
- City of Medina Precinct Number 1B
- City of Plymouth Precinct Numbers 1 and 2
- City of Maple Grove Precinct Numbers 11, 18, 21, and 23

**District 284 Polling Place #5**

Plymouth Creek Center, 14800 34th Ave N., Plymouth

*Includes:*

- City of Plymouth Precinct Numbers 3, 4, 5, and 13

**City of Minnetonka** – Independent School District 284 residents of the City of Minnetonka will vote in conjunction with the City elections at their respective precinct sites – Precincts W-2 P-A, W-3 P-A, W-3 P-B, and W-3 P-D. If combined, the polling place will be at one of the precinct sites noted above as determined by the City of Minnetonka.

3. Pursuant to Minnesota Statutes, Section 205A.09, the polling places will remain open for voting for school district elections not held on the same day as a statewide election between the hours of 7:00 o'clock a.m. and 8:00 o'clock p.m.

4. The clerk is directed to file a certified copy of this resolution with the county auditors of each of the counties in which the school district is located in whole or in part within 30 days after adoption.

5. As required by Minnesota Statues, Section 204B.16, Subdivision 1a, the clerk is hereby authorized and directed to give written notice of new polling place locations to each affected household with at least one registered voter in the school district whose school district polling place location has been changed. The notice must be a non-forwardable notice mailed at least twenty-five (25) days before the date of the first election to which it will apply. A notice that is returned as undeliverable must be forwarded immediately to the appropriate County Auditor, who shall change the registrant's status to "challenged" in the statewide registration system.

Dated: December 13, 2021 BY ORDER OF THE SCHOOL BOARD

________________________________

Bonita Lucky
School Board Clerk

WAYZATA PUBLIC SCHOOLS

Agenda Item: 11

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Other Board Action

**ITEM:** Other Board Action

**COMMENTS BY:** Andrea Cuene, Board Chair

This section of the agenda provides an opportunity for action on any other items that may not fit into the standard agenda template. There are no other board action items for this meeting.

WAYZATA PUBLIC SCHOOLS

**Agenda Item: 12**

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Board Reports

**ITEM:** Board Reports

**COMMENTS BY:** Andrea Cuene, Board Chair

This section of the agenda provides an opportunity for Board members to update school board members on school board-related work or to make announcements of interest to the public.

WAYZATA PUBLIC SCHOOLS

Agenda Item: 13

# Board of Education

Regular Meeting – December 13, 2021

**AGENDA SECTION:** Adjourn

**ITEM:** Adjourn

**COMMENTS BY:** Andrea Cuene, Board Chair

This agenda item brings closure to the School Board meeting.

**Recommended Action**: Call the meeting to a close.

**Motion by:** ____________ **Yes:** ______ **Passed:** ____________

**Second by:** ____________ **No:** ______ **Failed:** ____________

**Time of Adjournment:** ______________________