

Agenda
Regular School Board Meeting
March 8, 2022
6:30 PM

1. Call to Order, Roll Call

2. Agenda Adjustments

3. Announcements, Comments

4. Community Input

5. Consent Agenda
 - a. Minutes - Board Meeting of February 22, 2022 3

 - b. Payment of Bills 5

 - c. Personnel - Resignations, Appointments, Reductions 7

 - d. Gifts 13

6. Reports and Non-Action Items
 - a. Issuance of \$13,250,000 General Obligation Facilities Maintenance Bonds, Series 2022A 14

b.	2022 Minnesota Student Survey	25
7.	Action Items	
a.	Revised COVID Health and Safety Mitigation Strategies	34
1.	Rescind Resolution Requiring the Use of Masks in All Roseville Area Schools Buildings	
2.	Delegate Authority to the Superintendent to Impose a Face Covering Requirement	
3.	Rescind Resolution Requiring All Roseville Area Schools Staff Either to be Vaccinated Against COVID-19 or to Submit to Regularly Scheduled COVID-19 Testing	
b.	Approval of Final 2022-23 and Draft 2023-24 Calendars	36
c.	Acceptance of 2020-21 Audit	41
8.	Board Reports	
9.	Adjournment	

MINUTES OF THE REGULAR MEETING, SCHOOL BOARD, INDEPENDENT
SCHOOL DISTRICT NO. 623, 1251 West County Road B2, Roseville, MN 55113

February 22, 2022

Chair Curtis Johnson called the school board meeting to order at 6:30 p.m. Board members present: Todd Anderson, Mike Boguszewski, Rose Chu, Mannix Clark, Kitty Gogins, Curtis Johnson. Board members absent: none. Also present: Jenny Loeck, superintendent of schools, and approximately twenty-two other visitors or staff who attended all or part of the meeting.

Community Input. Community members shared their thoughts about curriculum and instructional materials, COVID-19 mitigation strategies, student safety, a statement from the superintendent regarding the death of Amir Locke, the experiences of LGBTQ+ students and equity in education.

- (50) Consent Agenda. Boguszewski moved, Chu seconded acceptance of the consent agenda including the minutes of the regular and special school board meetings on February 8, 2022; payment of bills; resignations, appointments, reductions, adjustments; gifts; an Area Learning Center cooperation agreement with South Washington County Schools; and a construction fund disbursement request. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.
- (51) Retirements. Anderson moved, Gogins seconded the retirements of Rhonda Carlson, Patricia Grossen, Michele Heinsch, Sarah Johnston, Colleen Novak and Gail Roufs with appreciation. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.

2022-23 and 2023-24 Draft Calendars. Melissa Sonnek, assistant superintendent, and Jake Von De Linde, director of student achievement, presented the proposed 2022-2023 and 2023-2024 draft calendars for the district's nine-month and year-round schools.

Monthly Financial Report. Shari Thompson, director of business services, reviewed the district's federal COVID-19 relief fund expenditures.

American Indian Program Report. Delon Smith, director of equity and integration; Gabriella Carroll, Native American education program coordinator; Ursala Pankonin, American Indian Parent Advisory Committee chair; and Rhonda Rousseau, AIPAC vice chair, presented information about the district's American Indian education program.

- (52) American Indian Education Transmittal of Resolution and Parent Committee Roster. School districts that enroll ten or more American Indian students are required by Minnesota law to establish an American Indian Parent Advisory Committee and complete the resolution of concurrence or non-concurrence each school year. Roseville Area Schools' AIPAC passed a resolution of concurrence on February 15, 2022. Gogins moved, Anderson seconded acceptance of the American Indian Education transmittal of resolution and parent committee roster. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.

- (53) 2022-23 Achievement and Integration Budget. Anderson moved, Boguszewski seconded approval of the 2022-2023 Achievement and Integration program budget. Ayes: Anderson, Boguszewski, Chu, Clark, Gogins, Johnson. Nays: none. Motion carried unanimously.

Study Session Report. Director Boguszewski reported on the February 8 work study session. The board discussed a potential Area Learning Center cooperation agreement with South Washington County Schools. Staff reviewed future instructional programming initiatives such as AVID Elementary, Language Essentials for Teachers of Reading and Spelling (LETRS) training for elementary staff, and a potential districtwide online learning program. Superintendent Loeck provided an update on the district's strategic planning process.

Board Reports. Todd Anderson and other board members attended the Tonic Sol-fa performance and participated in the Falcon Families for Equity and Justice solidarity walk. Rose Chu and Kitty Gogins attended a Finance Advisory Committee meeting. Director Gogins provided an update on the LGBTQ+ Equity Council, attended a community conversation at Edgerton Elementary, and shared information about the district's strategic planning consultant interview process. She and Mike Boguszewski also attended a community connection event at Harambee Elementary. Director Boguszewski provided an update from Equity Alliance MN. Mannix Clark attended a Special Education Advisory Council meeting. Curtis Johnson encouraged the community to attend the All Bands Concert at Roseville Area High School.

Superintendent's Report. Superintendent Jenny Loeck recognized school board members during School Board Recognition Week. She also announced that the board will be discussing the district's masking requirements on March 8 as part of a COVID Health and Safety agenda item.

The Chair declared the meeting adjourned at 9:36 p.m.

Signed

Clerk

Approved

Chair

February 22, 2022

Meeting Date: March 8, 2022

PAYMENT OF BILLS:
 - February 1 - February 15, 2022

That bills in the amount of: **\$6,073,710.78** by the following funds be approved:

GENERAL	\$5,567,396.31
FOOD SERVICE	\$121,092.69
COMMUNITY SERVICE	\$277,441.98
BUILDING FUND	\$55,630.20
DEBT FUND	\$475.00
READING RECOVERY	\$0.00
AMSD	\$13,104.46
OPEB DEBT	\$475.00
DENTAL INS FUND	\$37,862.00
NO SUBURBAN COLLABORATIVE	\$233.14
EXTRA CURRICULAR-STU ACTIVITY	\$13,408.87

RECOMMENDATION:

That above payments are included in check numbers:

WIRE TRANSFERS	202100346	through	202100365	
CHECKS	339116	through	339341	
COMMERCE A/P CHECKS		through		*start 6852
ACH A/P		through		*start 212210755

PAYMENT DISTRIBUTION BY FUND:

	GENERAL	FOOD SERVICE	COMMUNITY SERVICE	BUILDING CONSTRUCT	DEBT FUND	Delta Dental Self Insured	28-RR Fiscal Agent	29-AMSD Fiscal Agent	OPEB	N SUB COLL/ SCHLSHP	EXTRA CURR-STU ACTIVITY	TOTAL DISBURSEMENTS
WIRE TRANSFERS	\$2,656,804.00	\$27,462.82	\$103,171.37			\$37,862.00		\$3,711.15		\$233.14	\$84.16	\$2,829,328.64
CHECKS	\$1,217,132.38	\$43,092.57	\$20,183.88	\$55,630.20	\$475.00			\$656.45	\$475.00		\$13,324.71	\$1,350,970.19
COMMERCE A/P	\$0.00	\$0.00	\$0.00								\$0.00	\$0.00
ACH A/P	\$0.00	\$0.00	\$0.00								\$0.00	\$0.00
TRANSFER TO P/R	\$1,693,459.93	\$50,537.30	\$154,086.73					\$8,736.86		\$0.00		\$1,906,820.82
VOID CHECKS	\$0.00	\$0.00	\$0.00							\$0.00	\$0.00	\$0.00
TOTAL	\$5,567,396.31	\$121,092.69	\$277,441.98	\$55,630.20	\$475.00	\$37,862.00	\$0.00	\$13,104.46	\$475.00	\$233.14	\$13,408.87	\$6,087,119.65

	February 1, 2022			
	Cash & Investments	Revenue	Disbursements	Balance
BOND CONSTRUCTION FUNDS	Balance	2/1 to 2/28	2/1 to 2/28	Remaining as of 2/28/22
	\$17,048,326.02	\$0.00	\$1,649,919.71	\$15,398,406.31

RECOMMENDATION:

The above disbursements include check numbers:

CHECKS February 1 - February 15, 2022	102344	through	102380	\$803,932.31	
WIRES		through		\$0.00	*start with 202100164
VOID CHECKS				\$0.00	

RECOMMENDATION: That investments in the amount of: **\$0.00** be approved

INVESTMENT DETAIL:

Bank	Purchase Date	Type of Purchase	Interest Rate	Date of Maturity	Amount of Purchase	Record Number	Interest Earnings	Value at Maturity
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CP/CD: COMMERCIAL PAPER/CERTIFICATE OF DEPOSIT

CD: CERTIFICATE OF DEPOSIT

RP: REPURCHASE AGREEMENT

Total: **\$0.00** \$ - \$ -

Human Resources Information

School Board

3/8/22

Change in Continuing Contract

Moriarty , Elisabeth Appétu Téča Education Center E C S E Teacher
 Changed contract from .9 FTE to 1.0 FTE effective February 22, 2022 to June 10, 2022.

Leave - Non - Licensed

Holmgren , Debbie Emmet D. Williams Nutrition Manager
 Leave of absence effective February 22, 2022 to May 10, 2022.

New Personnel-Licensed Long Term Sub

Mark , Dakkota Brimhall Elementary Music Teacher
 Hired working 1.0 FTE from February 28, 2022 to June 10, 2022.

Osweiler , Gretchen Districtwide Social Worker
 Hired working 1.0 FTE from February 23, 2022 to May 11, 2022.

New Personnel-Non-Licensed Staff

Ayala , Ginger Districtwide Latinx Cultural Liaison
 Hired working 8 hrs/day effective February 22, 2022.

Brown , Nyasha Roseville Area High School Clerical
 Hired working 8 hrs/day effective February 22, 2022.

Human Resources Information

School Board

3/8/22

Roycraft , Jason	Central Park Elementary	O S T Site Coordinator
Hired working 8 hrs/day effective February 22, 2022.		
Stimmel , Jake	Roseville Area High School	Paraprofessional
Hired working 7 hrs/day effective February 22, 2022.		
Thosaengsiri , Ratsamee	Harambee Community School	O S T Program Specialist
Hired working 8 hrs/day effective February 28, 2022.		

Resignation-Licensed

Andresen - , Kate	Little Canada Elementary School	E L Teacher
Resigning effective June 11, 2022.		
Barnes , Sophie	Harambee Community School	E L Teacher
Resigning effective July 28, 2022.		
Espinoza Cortes , Oscar	Harambee Community School	Teacher
Resigned effective November 26, 2021.		

Human Resources Information

School Board

3/8/22

Kong , Youa Brimhall Elementary Teacher
Resigned effective July 27, 2021.

Murphy , Beth Districtwide Homebound Teacher
Resigned effective March 4, 2022.

Resignation-Non-Licensed

Berry , Michael Emmet D. Williams Paraprofessional
Resigned effective January 28, 2022.

Billings , Brittany Appétu Téca Education Center O S T
Resigned effective December 15, 2021.

Boeser , Rachael Parkview Center School Paraprofessional
Resigned effective October 15, 2021.

Brandt , Kristin Brimhall Elementary Clerical
Resigned effective October 29, 2021.

Human Resources Information

School Board

3/8/22

Bridges , Karl Resigned effective December 17, 2021.	Districtwide	Custodian Cleaner
Bunker , Sarah Resigned effective September 28, 2021.	Central Park Elementary	Paraprofessional
Cavallaro , Nicholas Resigned effective November 19, 2021.	Roseville Area High School	Custodian Specialist
Clay , Celeste Resigned effective September 29, 2021.	Parkview Center School	Paraprofessional
Collins , Joshua Resigned effective February 11, 2022.	District Center	Communications Director
Dahl , Jennifer Resigned effective November 24, 2021.	Districtwide	Paraprofessional
Daul-van Baalen , Wieke Resigned effective October 15, 2021.	Districtwide	Pre-k Paraprofessional

Human Resources Information

School Board

3/8/22

Decker , Sarah Resigned effective February 1, 2022.	Brimhall Elementary	Clerical
Dobbz , Trayjuan Resigned effective November 5, 2021.	Districtwide	C L T Worker
Dollerschell , Abigail Resigned effective September 29, 2021.	Edgerton Elementary	Kitchen Manager
Dukes , Mario Resigned effective December 17, 2021.	Roseville Area Middle School	Paraprofessional
Dunleap , Elizabeth Resigned effective February 24, 2022.	Districtwide	Avid Tutor
Eayrs Jr , James Resigning effective March 11, 2022.	Roseville Area High School	Paraprofessional
Feliciano , Genesis Resigned effective December 6, 2021.	Parkview Center School	Paraprofessional

Human Resources Information

School Board

3/8/22

Feske ,Laurn Edgerton Elementary O S T Site Coordinator
Resigned effective November 12, 2021.

Florine ,Kimberly Anpétu Téča Education Center Building Aide
Resigned effective November 30, 2021.

Retired-Licensed

Bartling ,Frederick Anpétu Téča Education Center Teacher
Retired effective September 10, 2021. Mr. Bartling worked in the district for 7 years.

**GIFTS TO SCHOOLS
2021/22**

SCHOOL BUILDING	NAME/ADDRESS OF DONOR	GIFT	USE
Anpétu Téča Education Center	Como Park Lutheran Church 1376 Hoyt Avenue W St. Paul, MN 55108	\$1,269.00	Meals on Wheels program
Roseville Area High School	RAHS Girls Hockey Booster Club 1240 County Rd B2 W Roseville, MN 55113	\$3,750.00	Additional coaches
Roseville Area High School	YourCause Blackbaud - on behalf of Karen Doherty 65 Fairchild Street Charleston, SC 29492	\$12.00	Principal's discretion



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

Agenda Item: 6a

Agenda Topic: Intent to Issue Bonds - Long-Term Facilities Maintenance
Meeting Date: March 8, 2022
Contact Person: Shari Thompson

Background:

As part of the Long-Term Facilities Maintenance Plan (LTFM) adopted last summer, the board re-authorized funding for long-term facilities maintenance projects with a combination of pay-as-you-go levy and LTFM bonds over a 10-year period. The plan calls for the issuance of \$13,250,000 in LTFM bonds for the facility maintenance projects to be completed at Brimhall Elementary and Falcon Heights Elementary over the next two years. Projects include the replacement of heating pumps and air handling units along with associated piping and distribution, upgrades to LED lighting, and floor and ceiling replacements in areas undergoing mechanical work.

Ehlers has prepared the attached presale report summarizing the sale of bonds and projected interest rates. Please note that these figures are estimates as it is likely that interest rates will vary between now and the sale date.

The bond sale will take place on March 22, 2022, and the results of the sale will be presented at the regular board meeting that evening.

Jodie Zesbaugh and Aaron Bushberger from Ehlers will be present at the meeting to review the presale report. This will be an informational report only, as the resolution authorizing the issuance of the bonds was passed on September 28, 2021, with the intent to issue bonds in spring 2022.

Recommendation:

Action Required

XX

Informational – No Board Action Requested

February 24, 2022

Pre-Sale Report for

Independent School District No. 623 (Roseville Area Schools), Minnesota

\$13,250,000 General Obligation Facilities
Maintenance Bonds, Series 2022A



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, MN 55113

Advisors:

Jodie Zesbaugh, Senior Municipal Advisor
Shelby McQuay, Senior Municipal Advisor
Aaron Bushberger, Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

\$13,250,000 General Obligation Facilities Maintenance Bonds, Series 2022A

Purposes:

The proposed issue will finance deferred maintenance projects at school district facilities included in the district's ten-year facility plan approved by the Commissioner of Education.

Debt service will be paid from property tax levies and state aid received as part of the Long Term Facilities Maintenance Program.

Authority:

The Bonds are being issued pursuant to Minnesota Statutes, Section 123B.595 and Chapter 475.

The Bonds will be general obligations of the District for which its full faith, credit and taxing powers are pledged.

Term/Call Feature:

The Bonds are being issued for a term of 17 years and 9 months. Principal on the Bonds will be due on February 1 of 2023 and 2033 through 2040. Interest will be due every six months beginning February 1, 2023.

The Bonds maturing on or after February 1, 2033 will be subject to prepayment at the discretion of the District on February 1, 2031 or any date thereafter.

Bank Qualification:

Because the District is issuing more than \$10,000,000 in tax-exempt obligations during the calendar year, the District will be not able to designate the Bonds as "bank qualified" obligations.

State Credit Enhancement:

By resolution the District covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation.

To qualify for the credit enhancement, the District must submit an application to the State. Ehlers will coordinate the application process to the State on your behalf.

Rating:

Under current bond ratings, the state credit enhancement would bring a Moody's "Aa2" rating. The District's most recent bond issues were rated by Moody's Investors Service. The current ratings on those bonds are "Baa1" (underlying rating) and "Aa2" (credit-enhanced rating). The District will request a new rating for the Bonds.

If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the District's bond rating in the event that the bond rating of the insurer is higher than that of the District.

Basis for Recommendation:

Based on your objectives and characteristics of various municipal financing options, we are recommending the issuance of General Obligation Facilities Maintenance Bonds as a suitable option to finance the planned projects.

- General Obligation Bonds will result in lower interest rates than some other financing options.
- The District will qualify for Long Term Facilities Maintenance Aid to finance a portion of the payments on the Bonds.
- Unlike with some other financing options, the District will be able to finance the payments with an additional debt service levy.

Method of Sale/Placement:

We will solicit competitive bids for the purchase of the Bonds from underwriters and banks. We will include an allowance for discount bidding in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

Premium Pricing:

In some cases, investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered "reoffering premium." The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or "discount") but will pay the remainder of the premium to the District. Any net premium received may be used to reduce the principal amount of the Bonds, increase the net proceeds for the project, or to fund a portion of the interest on the Bonds.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the District and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the District's outstanding debt and will alert you to any future refunding opportunities.

Continuing Disclosure:

The District will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The District is already obligated to provide such reports for its existing bonds and has contracted with Ehlers to prepare and file the reports.

Arbitrage Monitoring:

The District must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations ("Arbitrage Rules") throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The District's specific arbitrage responsibilities will be detailed in the Tax Certificate (the "Tax Compliance Document") prepared by your Bond Attorney and provided at closing.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

We recommend that the District review its specific responsibilities related to the Bonds with an arbitrage expert in order to utilize one or more of the exceptions listed above.

Investment of Bond Proceeds:

Ehlers can assist the District in developing a strategy to invest your Bond proceeds until the funds are needed to pay project costs.

Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

Bond Counsel: Kennedy & Graven, Chartered

Paying Agent: Bond Trust Services Corporation

Rating Agency: Moody's Investors Services, Inc.

This presale report summarizes our understanding of the District's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the District's objectives.

PROPOSED DEBT ISSUANCE SCHEDULE

School Board Approved Resolution Authorizing Sale of the Bonds:	September 28, 2021
Ehlers Presents Pre-Sale Report to School Board:	March 8, 2022
Due Diligence Call to Review Official Statement:	Week of March 7, 2022
Conference with Rating Agency:	Week of March 7, 2022
Distribute Official Statement:	March 10, 2022
Ehlers Receives and Evaluates Proposals for Purchase of Bonds:	March 22, 2022
School Board Meeting to Award Sale of Bonds:	March 22, 2022
Estimated Closing Date:	April 14, 2022

Attachments

Estimated Sources and Uses of Funds

Estimated Debt Service Schedule

Updated Long-Term Financing Plan for Debt and Capital Payments and Levies

EHLERS' CONTACTS

Jodie Zesbaugh, Senior Municipal Advisor	(651) 697-8526
Shelby McQuay, Senior Municipal Advisor	(651) 697-8548
Aaron Bushberger, Municipal Advisor	(651) 697-8532
Nate Gilger, Public Finance Analyst	(651) 697-8538
Brian Shannon, Manager, Senior Financial Analyst	(651) 697-8515

Roseville School District No. 623

\$13,250,000 General Obligation Facilities Maintenance Bonds, Series 2022A

Dated: April 14, 2022

Sources & Uses

Dated 04/14/2022 | Delivered 04/14/2022

Sources Of Funds

Par Amount of Bonds	\$13,250,000.00
Reoffering Premium	82,777.05
Total Sources	\$13,332,777.05

Uses Of Funds

Total Underwriter's Discount (1.000%)	132,500.00
Costs of Issuance	83,550.00
Deposit to Project Construction Fund	13,116,727.05
Total Uses	\$13,332,777.05

Roseville School District No. 623

\$13,250,000 General Obligation Facilities Maintenance Bonds, Series 2022A

Dated: April 14, 2022

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/14/2022	-	-	-	-	-
02/01/2023	60,000.00	5.000%	334,486.54	394,486.54	394,486.54
08/01/2023	-	-	208,282.50	208,282.50	-
02/01/2024	-	-	208,282.50	208,282.50	416,565.00
08/01/2024	-	-	208,282.50	208,282.50	-
02/01/2025	-	-	208,282.50	208,282.50	416,565.00
08/01/2025	-	-	208,282.50	208,282.50	-
02/01/2026	-	-	208,282.50	208,282.50	416,565.00
08/01/2026	-	-	208,282.50	208,282.50	-
02/01/2027	-	-	208,282.50	208,282.50	416,565.00
08/01/2027	-	-	208,282.50	208,282.50	-
02/01/2028	-	-	208,282.50	208,282.50	416,565.00
08/01/2028	-	-	208,282.50	208,282.50	-
02/01/2029	-	-	208,282.50	208,282.50	416,565.00
08/01/2029	-	-	208,282.50	208,282.50	-
02/01/2030	-	-	208,282.50	208,282.50	416,565.00
08/01/2030	-	-	208,282.50	208,282.50	-
02/01/2031	-	-	208,282.50	208,282.50	416,565.00
08/01/2031	-	-	208,282.50	208,282.50	-
02/01/2032	-	-	208,282.50	208,282.50	416,565.00
08/01/2032	-	-	208,282.50	208,282.50	-
02/01/2033	600,000.00	4.000%	208,282.50	808,282.50	1,016,565.00
08/01/2033	-	-	196,282.50	196,282.50	-
02/01/2034	610,000.00	4.000%	196,282.50	806,282.50	1,002,565.00
08/01/2034	-	-	184,082.50	184,082.50	-
02/01/2035	640,000.00	4.000%	184,082.50	824,082.50	1,008,165.00
08/01/2035	-	-	171,282.50	171,282.50	-
02/01/2036	665,000.00	3.000%	171,282.50	836,282.50	1,007,565.00
08/01/2036	-	-	161,307.50	161,307.50	-
02/01/2037	2,150,000.00	3.000%	161,307.50	2,311,307.50	2,472,615.00
08/01/2037	-	-	129,057.50	129,057.50	-
02/01/2038	2,360,000.00	3.000%	129,057.50	2,489,057.50	2,618,115.00
08/01/2038	-	-	93,657.50	93,657.50	-
02/01/2039	3,800,000.00	3.000%	93,657.50	3,893,657.50	3,987,315.00
08/01/2039	-	-	36,657.50	36,657.50	-
02/01/2040	2,365,000.00	3.100%	36,657.50	2,401,657.50	2,438,315.00
Total	\$13,250,000.00	-	\$6,444,791.54	\$19,694,791.54	-

Yield Statistics

Bond Year Dollars	\$206,103.19
Average Life	15.555 Years
Average Coupon	3.1269731%
Net Interest Cost (NIC)	3.1510984%
True Interest Cost (TIC)	3.1626999%
Bond Yield for Arbitrage Purposes	3.0572693%
All Inclusive Cost (AIC)	3.2149248%

IRS Form 8038

Net Interest Cost	3.0785664%
Weighted Average Maturity	15.500 Years

ESTIMATES PRIOR TO BOND SALE

Roseville School District No. 623
Preliminary Financing Plan for Future Projects

Updated Debt Plan for Fiscal Year 2022 and Beyond 5 Facilities Maintenance Bond Issues in 2022, 2024, 2026, 2028 and 2030
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Future Bond Issues

Type of Bond	Amount	Dated	Int. Rate
Facilities Maintenance	\$13,250,000	4/14/2022	3.16%
Facilities Maintenance	\$10,685,000	2/1/2024	4.00%
Facilities Maintenance	\$11,855,000	2/1/2026	4.00%
Facilities Maintenance	\$11,505,000	2/1/2028	4.00%
Facilities Maintenance	\$7,785,000	2/1/2030	4.00%

February 22, 2022

Levy Payable Year	Fiscal Year	Tax Capacity Value ¹		Debt Service Levies - Existing Bonds ²						Other	Facilities Maintenance Funding					Combined Totals		
		(\$000s)	% Chg	Building Bonds	Alt. Fac./FM Bonds	OPEB Bonds	Est. Debt Excess ³	Net Levy	Tax Rate	Lease Levy ⁴	General Fund Revenue	Principal	Interest	Addl. Debt Excess ³	Est. LTFM Aid	Debt Levy	Total Levy	Tax Rate
2019	2020	67,192	6.8%	11,443,058	419,790	949,949	(129,024)	12,683,772	18.88	682,204	6,850,785	-	-	-	(230,148)	-	19,986,613	29.75
2020	2021	70,847	5.4%	11,368,013	763,560	957,508	(159,518)	12,929,564	18.25	565,936	7,359,191	-	-	-	(375,532)	-	20,479,159	28.91
2021	2022	77,203	9.0%	12,340,913	854,561	901,754	(439,139)	13,658,089	17.69	2,185,987	5,383,654	-	-	-	(379,526)	-	20,848,204	27.00
2022	2023	78,369	1.5%	12,057,256	782,951	1,240,221	(408,189)	13,672,238	17.45	2,133,624	5,178,196	60,000	334,487	-	(222,218)	417,375	21,179,215	27.03
2023	2024	79,544	1.5%	11,637,518	797,861	1,805,764	(577,567)	13,663,575	17.18	2,133,624	5,380,006	-	416,565	-	(112,965)	437,393	21,501,634	27.03
2024	2025	80,738	1.5%	10,709,003	748,931	2,439,833	(640,851)	13,256,914	16.42	2,133,624	5,776,981	-	843,965	-	(226,755)	886,163	21,826,927	27.03
2025	2026	81,545	1.0%	10,979,063	743,681	3,409,613	(625,399)	14,506,956	17.79	2,133,624	4,777,006	-	843,965	(39,877)	(219,633)	846,286	22,044,239	27.03
2026	2027	82,360	1.0%	8,864,625	2,339,681	4,243,523	(680,956)	14,766,872	17.93	2,133,624	4,238,006	-	1,318,165	(38,083)	(219,633)	1,345,990	22,264,860	27.03
2027	2028	82,360	0.0%	8,945,475	2,343,881	4,241,213	(695,152)	14,835,416	18.01	2,133,624	4,192,006	-	1,318,165	(60,570)	(219,633)	1,323,504	22,264,917	27.03
2028	2029	82,360	0.0%	10,276,350	2,350,391	2,555,438	(698,876)	14,483,303	17.59	2,133,624	4,058,006	-	1,778,365	(59,558)	(219,633)	1,807,726	22,263,025	27.03
2029	2030	82,360	0.0%	12,163,988	2,357,216	-	(683,198)	13,838,005	16.80	2,133,624	4,723,996	-	1,778,365	(81,348)	(219,633)	1,785,936	22,261,928	27.03
2030	2031	82,360	0.0%	12,240,375	2,355,851	-	(653,454)	13,942,772	16.93	2,133,624	4,292,425	-	2,089,765	(80,367)	(219,633)	2,113,886	22,263,074	27.03
2031	2032	82,360	0.0%	12,207,563	2,351,546	-	(656,830)	13,902,278	16.88	2,133,624	4,347,006	-	2,089,765	(95,125)	(219,633)	2,099,128	22,262,403	27.03
2032	2033	82,360	0.0%	12,201,525	559,301	-	(655,160)	12,105,666	14.70	2,133,624	5,512,006	600,000	2,089,765	(94,461)	(219,633)	2,729,792	22,261,455	27.03
2033	2034	82,360	0.0%	12,166,140	551,121	-	(574,237)	12,143,024	14.74	2,133,624	5,512,006	610,000	2,065,765	(122,841)	(219,633)	2,686,713	22,255,734	27.02
2034	2035	82,360	0.0%	12,133,170	568,992	-	(572,277)	12,129,886	14.73	2,133,624	5,512,006	640,000	2,041,365	(120,902)	(219,633)	2,694,531	22,250,414	27.02
2035	2036	82,360	0.0%	12,111,750	586,100	-	(571,597)	12,126,252	14.72	2,133,624	5,512,006	665,000	2,015,765	(121,254)	(219,633)	2,693,549	22,245,798	27.01
2036	2037	82,360	0.0%	12,116,580	591,691	-	(571,403)	12,136,868	14.74	584,924	5,512,006	2,150,000	1,995,815	(121,210)	(219,633)	4,231,896	22,246,060	27.01
2037	2038	82,360	0.0%	11,946,480	675,210	-	(571,872)	12,049,818	14.63	584,924	5,512,006	2,360,000	1,931,315	(190,435)	(219,633)	4,315,445	22,242,560	27.01
2038	2039	82,360	0.0%	-	2,451,698	-	(567,976)	1,883,721	2.29	584,924	5,512,006	3,805,000	1,860,515	(194,195)	(219,633)	5,754,596	13,515,614	16.41
2039	2040	82,360	0.0%	-	1,567,472	-	(110,326)	1,457,145	1.77	584,924	5,512,006	4,390,000	1,746,315	(258,957)	(219,633)	6,184,174	13,518,616	16.41
2040	2041	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	5,950,000	1,592,000	(278,288)	(219,633)	7,640,812	13,518,109	16.41
2041	2042	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	6,250,000	1,354,000	(343,837)	(219,633)	7,640,363	13,517,660	16.41
2042	2043	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	6,500,000	1,104,000	(343,816)	(219,633)	7,640,384	13,517,680	16.41
2043	2044	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	6,760,000	844,000	(343,817)	(219,633)	7,640,383	13,517,680	16.41
2044	2045	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	7,030,000	573,600	(343,817)	(219,633)	7,639,963	13,517,260	16.41
2045	2046	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	7,310,000	292,400	(343,798)	(219,633)	7,638,722	13,516,018	16.41
2046	2047	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(219,633)	-	5,877,297	7.14
2047	2048	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(219,633)	-	5,877,297	7.14
2048	2049	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(219,633)	-	5,877,297	7.14
2049	2050	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(219,633)	-	5,877,297	7.14
2050	2051	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(219,633)	-	5,877,297	7.14
2051	2052	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(219,633)	-	5,877,297	7.14
2052	2053	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(219,633)	-	5,877,297	7.14
2053	2054	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(219,633)	-	5,877,297	7.14
2054	2055	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(219,633)	-	5,877,297	7.14
2055	2056	82,360	0.0%	-	-	-	-	-	-	584,924	5,512,006	-	-	-	(219,633)	-	5,877,297	7.14
Totals				217,908,842	26,761,484	22,744,813	(11,243,003)	256,172,136		45,003,343	198,845,408	55,080,000	34,318,192	(3,676,555)	(8,355,773)	90,194,710	581,859,824	

1 Tax capacity values include the actual value for taxes payable thru 2021, estimates for taxes payable 2022 are from the County and estimated percentage changes for later years are as shown above.
2 Initial debt service levies are set at 105 percent of the principal and interest payments during the next fiscal year.
3 The debt excess adjustments for taxes payable in 2019 through 2022 are the actual amounts. Taxes payable 2023 is an estimate based on audited amounts and estimates for future years are based on 4.5% of the prior years' total debt service levy.
4 Lease levy amounts for future years are based on the best available estimates of future payments for all current and planned future leases.

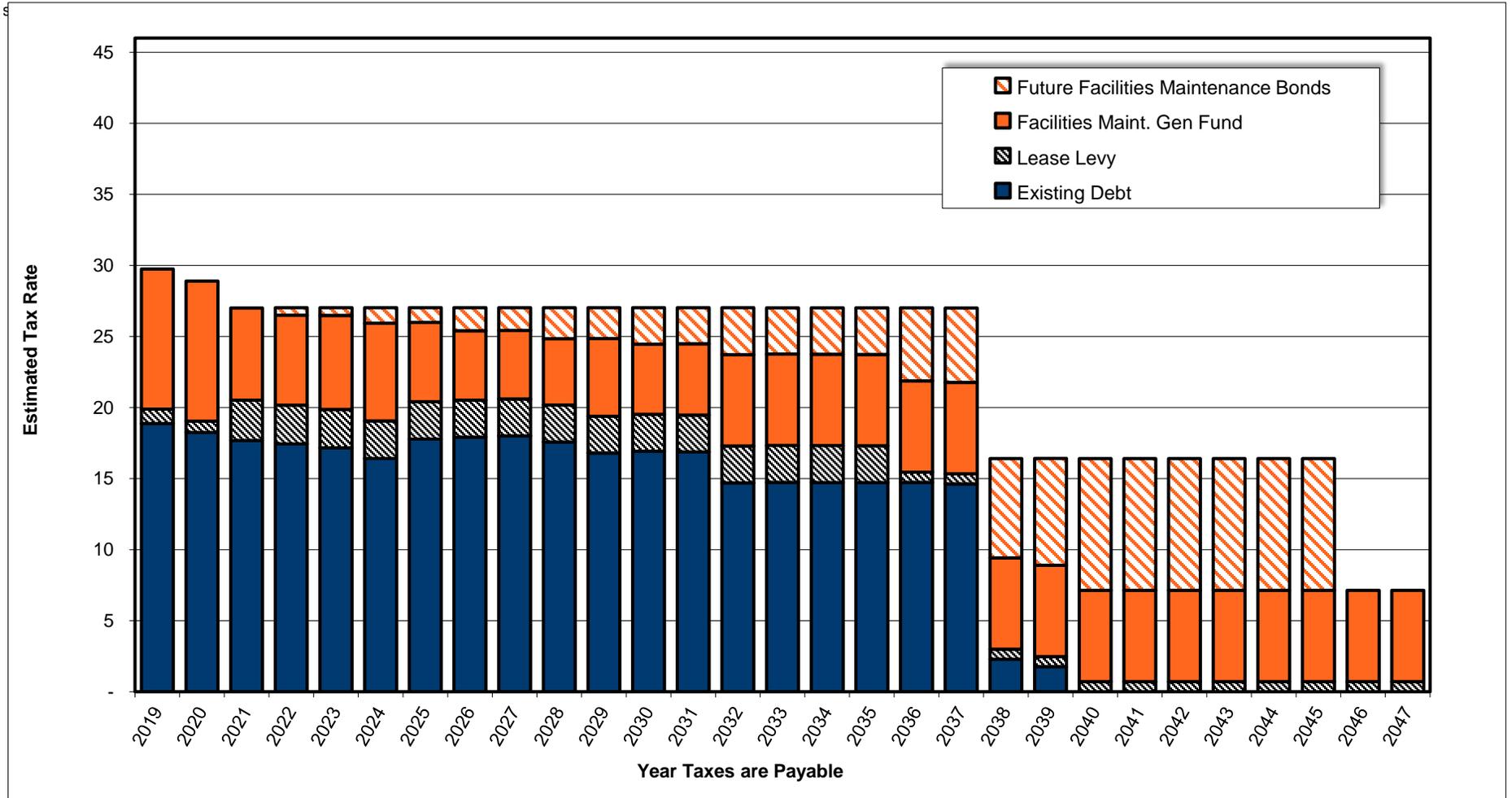


ESTIMATES PRIOR TO BOND SALE

Roseville School District No. 623
 Estimated Tax Rates for Capital and Debt Service Levies

Updated Debt Plan for Fiscal Year 2022 and Beyond
 5 Facilities Maintenance Bond Issues in
 2022, 2024, 2026, 2028 and 2030

Date Prepared: February 22, 2022





Agenda Topic: 2022 Minnesota Student Survey
Meeting Date: March 8, 2022
Contact Person: Jake Von De Linde

Background:

The Roseville Area School District is asking students in grades 5, 8, 9 and 11 to participate in the 2022 Minnesota Student Survey (MSS). The MSS is conducted in schools across our state every three years and will be administered in Roseville Area Schools between March and May 2022.

Questions on this anonymous survey are about many topics relating to young people's lives. The survey asks about how well school is going, future plans, out-of-school activities, physical and mental health, relationships, substance use and more. High school students are asked about sexual behavior. This useful information about their thoughts and behaviors helps communities and schools develop effective programs and provide better services. High-level results from the survey will be made public in the fall. *No student-specific results will be made public.*

Parents have the right to review a copy of the survey. Links to survey questions for each grade level are available below:

- [2022 MSS Level One Questions \(Grade 5\)](#)
- [2022 MSS Level Two Questions \(Grade 8\)](#)
- [2022 MSS Level Three Questions \(Grades 9 and 11\)](#)

The survey is anonymous. To prevent individuals or families from being identified, students do not provide their names, student identification numbers, or other personal information.

This survey is voluntary. Parents may choose to have their child not take the survey by completing an online form or by calling 651-604-3742. Students may also decline to take any part of the survey or the whole survey. They are informed of that option by staff.

Jake Von De Linde, director of student achievement, will review additional information about the MSS.

Recommendation:

_____ Action Required XX Informational – No Board Action Requested

MN Student Survey 2022

School Board Updates



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

What is it?

- The MN Student Survey (MSS) is a collaborative effort between the MN Departments of Education, Health, Human Services, and Public Safety
- Administered every 3 years since 1989, one of the longest running youth surveys in the nation
- Provided entirely online



Roseville Area Schools

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Why do we participate?

- Provides districts, public health agencies, community non-profits, and the state with student voice and information about:
 - Developmental Assets
 - Development Supports
 - Developmental Challenges
- Helps communities and schools develop effective programs and provide better services
- See longer term trends in behavior, academics, and challenges



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Who takes the survey?

- Students in Grades 5, 8, 9, and 11
- The survey is anonymous (there is no identifiable information provided by students)
- The survey is voluntary (students and families can opt out of the entire survey or skip questions that they are uncomfortable answering)



How will families know about the survey?

- Information was sent out in the District News on March 2, 2022
 - Information was also included in Spanish, Somali, and Hmong
- Schools will also send the information out in their weekly newsletter prior to their administration date
- Information about what is on the survey as well as a link to a copy of the survey is included
- Families and/or students can opt out of the survey



When does the survey take place?

- Survey is open between January- June
- Each school sets their own administration time
- Our students will take it sometime between March through May



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

Where can I find out more information?

- mnstudentsurvey.org - site with specific information about the MN Student Survey
- FAQs on the Minnesota Department of Education website



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

Questions and Discussion



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do



Agenda Topic: Revised COVID Health and Safety Mitigation Strategies
Meeting Date: March 8, 2022
Contact Person: Superintendent Jenny Loeck and Deb Legan

Background:

With the recent change in guidance from the Centers for Disease Control and Prevention (CDC) on masking indoors, district administration is bringing the following recommendations to the school board for its consideration.

1. Administration recommends that beginning Monday, March 14 masks will no longer be required on school buses or in school buildings for staff, visitors and students in early childhood through grade 12, as well as adult learners. This change also applies to Community Education programming. The majority of students in the district will return from spring break on March 21.

Masks will be required for students and staff who test positive for COVID-19 and choose to return to school on days 6 through 10 following a positive test or onset of symptoms.

The school board adopted a Resolution Requiring the Use of Masks in All Roseville Area Schools Buildings on August 17, 2021. Administration recommends that the board rescind this resolution effective March 14.

2. Administration recommends that the school board delegate authority to the Superintendent to impose a face covering requirement for staff, visitors and students at all of the district's schools and at events and at all activities held on school property, if the Superintendent concludes, based on new developments and professional judgment, that immediate or prompt implementation of such a requirement is necessary or appropriate.
3. The school board adopted a Resolution Requiring All Roseville Area Schools Staff Either to be Vaccinated Against COVID-19 or to Submit to Regularly Scheduled COVID-19 Testing on September 14, 2021. Administration recommends that the board rescind this resolution effective March 14.

The CDC, Minnesota Department of Health and other public health experts consistently say the most effective protection from serious COVID-19 illness remains vaccination. We strongly support vaccination for all individuals who are eligible, however we will not require vaccination for any staff.

In making these recommendations, we have carefully reviewed other school districts, cities, and counties as they updated their COVID-19 mitigation strategies. We have continuously reviewed CDC, MDH and Ramsey County Public Health written guidance. We have consulted with our MDH Regional Support Team and Ramsey County public health officials, in addition to listening to input from our school community.



Roseville Area Schools will be supportive of all staff, students and visitors in our schools who choose to continue wearing a mask while at school.

We propose the board vote on each recommendation separately. Suggestions for motions are below.

Recommendation:

It is recommended that the board approve the following motions:

1. Rescind the Resolution Requiring the Use of Masks in All Roseville Area Schools Buildings effective March 14.
2. Delegate authority to the Superintendent to impose a face covering requirement for staff, visitors and students at all of the district's schools and at events and at all activities held on school property.
3. Rescind the Resolution Requiring All Roseville Area Schools Staff Either to be Vaccinated Against COVID-19 or to Submit to Regularly Scheduled COVID-19 Testing effective March 14.

XX Action Required

 Informational – No Board Action Requested



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

Agenda Item: 7b

Agenda Topic: Final 2022-23 and Draft 2023-24 School Year Calendars
Meeting Date: March 8, 2022
Contact Person: Jake Von De Linde

Background:

The proposed final 2022-23 and draft 2023-24 school year calendars for the district will be presented for review. The attachments include the calendar for the nine-month schools and a year-round calendar for Harambee Elementary.

Recommendation:

It is recommended that the board approve the final 2022-23 and draft 2023-24 school year calendars as presented.

XX Action Required

 Informational – No Board Action Requested

Roseville Area Schools 2022-23

August				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
T 29	T 30	T 31		

September				
M	T	W	T	F
			T 1	2
Labor Day 5	First Day Grades 1-9, RAMS 7 6	First Day K and 10-12, RAMS 8 7	8	9
First Day PreK 12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

October				
M	T	W	T	F
T 3	4	5	6	7
10	11	12	13	14
17	18	19	Fall Recess 20	21
24	25	26	27	28
31				

November				
M	T	W	T	F
	1	2	3	4
7	T 8	9	10	11
14	15	16	17	18
21	22	23	Thanksgiving 24	25
28	29	30		

December				
M	T	W	T	F
			End Tri 1 1	T 2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	Winter Break 23
26	27	28	29	30

January				
M	T	W	T	F
Winter Break 2	3	4	5	6
9	10	11	12	13
M Luther King Day 16	17	18	19	20
23	24	25	26	27
T K-8 30	31			

February				
M	T	W	T	F
		1	2	3
6	7	8	9	T 10
13	14	15	16	17
Pres Day 20	21	22	23	24
27	28			

March				
M	T	W	T	F
		1	2	3
6	7	8	End Tri 2 9	T 10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	31

April				
M	T	W	T	F
				7
3	4	5	6	
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28

May				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	T 26
Memorial Day 29	30	31		

June				
M	T	W	T	F
			1	2
5	6	7	Last Day of School 8	T 9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

July				
M	T	W	T	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31				

Trimesters: Tri 1 = 57 days, Tri 2 = 59 days, Tri 3 = 56 days
T = Teacher Workshop (no School) Shaded Days = No School

Roseville Area Schools 2022-23 Year Round Option

August				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
T 29	T 30	T 31		

September				
M	T	W	T	F
			T 1	2
Labor Day 5	First Day Grades 1-6 6	First Day Grade K 7	8	9
First Day PreK 12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

October				
M	T	W	T	F
T 3	4	5	6	7
10	11	12	13	14
17	18	Conferences 19	Fall Recess 20	21
24	25	26	27	28
31				

November				
M	T	W	T	F
	1	2	3	4
7	T 8	9	10	End Qtr 1 11
14	15	16	17	18
21	22	23	Thanksgiving 24	25
28	29	30		

December				
M	T	W	T	F
			1	T 2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	Winter Break 23
26	27	Winter Break 28	29	30

January				
M	T	W	T	F
Winter Break 2	3	4	5	6
9	10	11	12	13
M Luther King Day 16	17	18	19	20
23	24	25	26	27
T K-8 30	31			

February				
M	T	W	T	F
		1	2	3
6	7	8	End Qtr 2 9	T 10
13	14	15	16	17
Pres Day 20	21	22	23	24
27	28			

March				
M	T	W	T	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	31

April				
M	T	W	T	F
			Conferences 6	7
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28

May				
M	T	W	T	F
1	2	3	4	5
8	9	10	End Qtr 3 11	T 12
15	16	17	18	19
22	23	24	25	26
Memorial Day 29	30	31		

June				
M	T	W	T	F
			1	2
5	6	7	8	T 9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

July				
M	T	W	T	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	Last Day of School 26	T 27	28
31				

Quarters: Qtr 1 = 44 days, Qtr 2 = 44 days, Qtr 3 = 52 days, Qtr 4 = 31 days

T = Teacher Workshop (no School) Shaded Days = No School

Roseville Area Schools 2023-24

August				
M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
T 28	T 29	T 30	T 31	

September				
M	T	W	T	F
				1
Labor Day 4	First Day Grades 1-9, RAMS 7 5	First Day K and 10-12, RAMS 8 6	7	8
First Day PreK 11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

October				
M	T	W	T	F
T 2	3	4	5	6
9	10	11	12	13
16	17	18	Fall Recess 19	20
23	24	25	26	27
30	31			

November				
M	T	W	T	F
		1	2	3
6	T 7	8	9	10
13	14	15	16	17
20	21	22	Thanksgiving 23	24
27	28	29	End Tri 1 30	

December				
M	T	W	T	F
				T 1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	Winter Break 22
25	26	27	28	29

January				
M	T	W	T	F
Winter Break 1	2	3	4	5
8	9	10	11	12
MLK Jr. Day 15	16	17	18	19
22	23	24	25	26
T K-8 29	30	31		

February				
M	T	W	T	F
			1	2
5	6	7	8	T 9
12	13	14	15	16
Pres Day 19	20	21	22	23
26	27	28	29	

March				
M	T	W	T	F
				1
4	5	6	End Tri 2 7	T 8
11	12	13	14	Spring Break 15
18	19	20	21	22
25	26	27	28	29

April				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30			

May				
M	T	W	T	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	T 24
Memorial Day 27	28	29	30	31

June				
M	T	W	T	F
3	4	5	Last Day of School 6	T 7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28

July				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

Trimesters: Tri 1 = 57 days, Tri 2 = 59 days, Tri 3 = 56 days
T = Teacher Workshop (no School) Shaded Days = No School

Roseville Area Schools 2023-24 Year Round Option

August				
M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
T 28	T 29	T 30	T 31	

September				
M	T	W	T	F
				1
Labor Day 4	First Day Grades 1-6 5	First Day Grade K 6	7	8
First Day PreK 11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

October				
M	T	W	T	F
T 2	3	4	5	6
9	10	11	12	13
16	17	Conferences 18	Fall Recess 19	20
23	24	25	26	27
30	31			

November				
M	T	W	T	F
		1	2	3
6	T 7	8	9	End Qtr 1 10
13	14	15	16	17
20	21	22	Thanksgiving 23	24
27	28	29	30	

December				
M	T	W	T	F
				T 1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	Winter Break 22
25	26	Winter Break 27	28	29

January				
M	T	W	T	F
Winter Break 1	2	3	4	5
8	9	10	11	12
MLK Jr. Day 15	16	17	18	19
22	23	24	25	26
T K-8 29	30	31		

February				
M	T	W	T	F
			1	2
5	6	7	End Qtr 2 8	T 9
12	13	14	15	16
Pres Day 19	20	21	22	23
26	27	28	29	

March				
M	T	W	T	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	Conference 28	29

April				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30			

May				
M	T	W	T	F
		1	2	3
6	7	8	End Qtr 3 9	T 10
13	14	15	16	17
20	21	22	23	24
Memorial Day 27	28	29	30	31

June				
M	T	W	T	F
3	4	5	6	7
10	11	12	13	T 14
17	18	19	20	21
24	25	26	27	28

July				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	Last Day of School 30	T 31		

Quarters: Qtr 1 = 44 days, Qtr 2 = 44 days, Qtr 3 = 47 days, Qtr 4 = 36 days

T = Teacher Workshop (no School) Shaded Days = No School



Agenda Topic: 2020-2021 Audit Acceptance
Meeting Date: March 8, 2022
Contact Person: Shari Thompson

Background:

The annual audit for the fiscal year ended June 30, 2021, has been completed by the auditing firm CliftonLarsonAllen LLP.

Upon acceptance, the following reports related to the audit for the period ending June 30, 2021 will be posted to the district website at www.isd623.org/our-district/district-services/business-services/financial-data-publications:

- Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2021
- Executive Audit Summary and Management Report, June 30, 2021
- Schedule of Expenditures of Federal Awards and Other Required Reports, June 30, 2021

The district ended the year with an unassigned general fund balance of \$3,124,292 compared to \$6,624,473 at June 30, 2020. The ending unassigned fund balance represents 2.8 percent of general fund expenditures. School board policy has set a goal to maintain a minimum general fund balance of 3 percent of the annual budget, and this balance falls slightly below those parameters.

The Food Service fund balance increased during the year by \$1,424,209 to \$1,706,032. The majority of this increase is a result of Nutrition Services providing students not only breakfast and lunch but also a super snack, aka a light dinner through USDA-sponsored programs during our extended distance learning periods. Nutrition Services continues to use a portion of its revenue to replace worn-out equipment while maintaining a fund balance. This fund balance allows us to make a larger investment in replacement equipment in the coming year.

The Community Service fund balance increased by \$504,237 during this same period for a final year-end balance of \$1,244,780 for a fund balance of 17.9 percent of total expenditures, bearing in mind that many reserve accounts make up this fund. The majority of the Community Service revenues are programming fees.

The Capital Projects or Construction fund balance ended the year with a fund balance of \$27,320,095. This fund is currently used to finance specific building projects funded by the bond referendum that was approved by voters in November 2017, as well as Long-Term Facilities Maintenance (LTFM) projects totaling \$2,000,000 or more per project, to improve the structural integrity of aging district facilities.



Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

Agenda Item: 7c

The Debt Service fund includes both a regular debt service fund that is used to pay off principal and interest of bonds issued in prior years for building construction and improvements and an account for Other Post-Employment Benefit (OPEB) bonds. The combined debt service fund ended with a fund balance of \$2,155,505. The balance is adequate to meet the district's short-term debt obligations.

Attached is a copy of the Executive Audit Summary and Comprehensive Annual Financial Report.

Recommendation:

It is recommended that the school board accept the 2020-2021 Financial Statements and Supplemental Information for Fiscal Year Ending June 30, 2021.

XX Action Required

_____ Informational – No Board Action Requested

REPORT DATE

School Board
Independent School District No. 623
Roseville Area Schools
Roseville, Minnesota

This Executive Audit Summary and Management Report presents information which we believe is important to you as members of the school board. We encourage you to review the sections of this report, the audited financial statements, and the auditor's reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation to the District for the courtesies, cooperation, and assistance extended to us during the course of our work.

CliftonLarsonAllen LLP

A handwritten signature in black ink that reads "Michelle Hoffman". The signature is written in a cursive, flowing style.

Michelle Hoffman, CPA
Principal

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623**

EXECUTIVE AUDIT SUMMARY (EAS)

JUNE 30, 2021

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
TABLE OF CONTENTS
JUNE 30, 2021**

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**EXECUTIVE AUDIT SUMMARY (EAS)
FOR
ROSEVILLE AREA SCHOOLS
YEAR ENDED JUNE 30, 2021**

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the District's financial records for the year ended June 30, 2021.

Audit Opinion – The financial statements are fairly stated. We issued what is known as a “clean” or “unmodified” audit report.

Yellow Book Opinion – No compliance issues were noted in our review of laws, regulations, contracts, and grants that could have significant financial implications to the District.

Internal Controls – Six material weaknesses in internal controls were noted. These were related to a prior period restatement for \$2.1 million in LTFM expenditures recorded in the incorrect fund, \$1.6 million in federal program revenue recorded in the incorrect fund, audit adjustments to current year capital asset activity including a \$24.9 million adjustment to ending CIP and a \$1.6 million adjustment to depreciation, the District over reporting meals served in May and under reporting meals served in June, a prior period restatement for \$13.9 million in assets which were double recorded in CIP and buildings in the previous year, and the District not reconciling ending capital assets schedules and financial statement amounts to the capital asset software, resulting in a variance of \$20.8 million between the system and audited amounts .There was also one significant deficiency noted related to an audit adjustment to unearned revenue.

Single Audit – Three federal programs were tested as major as part of the federal single audit. The District complied with all direct and material requirements of the Education Stabilization Fund (ESSER and GEER) and the Coronavirus Relief Fund (CRF). We reported two findings related to the Child and Adult Care Food Program. The first was a material weakness related to conducting suspension and debarment procedures prior to entering into covered transactions. The second was a significant deficiency related to following required procurement procedures for transactions exceeding the micro-purchase threshold.

Legal Compliance – Two compliance issues were noted with respect to Minnesota Statutes, one related to the prompt payment of bills and one related to contracting and bidding requirements.

Fund Balance – The District's General Fund unassigned fund balance (UFARS basis) decreased by \$3,500,180 during fiscal 2020-2021, decreasing from a balance of \$6,624,473 to a balance of \$3,124,293 at June 30, 2021. Total fund balance of the General Fund decreased by \$5,130,054, including a prior period restatement to beginning fund balance, ending at \$3,720,882 as of June 30, 2021. The ending unassigned fund balance represents a balance of 2.80% of General Fund expenditures. A District's fund balance is an important aspect in considering the District's financial well-being since a healthy fund balance represents things such as cashflow, as a cushion against unanticipated expenditures, enrollment declines, funding deficiencies, state aid metering changes and aid prorations at the state level and similar problems.

Enrollment – For fiscal 2020-2021, Roseville Area Schools had an estimated total adjusted average daily membership of 7,299.38 (or 7,981.72 adjusted pupil units). For fiscal 2019-2020, Roseville Area Schools had total adjusted average daily membership of 7,579.86 (or 8,278.21 adjusted pupil units).

Budget to Actual – Total revenues on a net basis in the General Fund were \$7,141,569 (or 6.67%) higher than the amended budget amount while total expenditures on a net basis were \$1,989,464 (or 1.82%) more than had been budgeted. Including other financing sources and uses, the net effect was a decrease in total fund balance that was \$675,391 more than had been reflected in the District's budget.

Statement of Net Position

The Statement of Net Position essentially tells you what your District owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net position represents the resources the District has leftover to use 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, the statement divides the net position into three components: net investment in capital assets, restricted net position, and unrestricted net position. Beginning in fiscal 2015, the District was required to implement GASB Statement No. 68, which significantly impacted the District's ending net position as a result of recording the District's estimated share of the respective unfunded liability for the statewide pension plans for TRA and PERA. The ending balance of the Net Pension Liability at June 30, 2021, was approximately \$75.5 million. The following table presents components of the District's net position at year-end, along with a simplified reconciliation of the difference between the governmental fund balances and total net position:

	As of June 30,	
	2021	2020
Total Fund Balance for Governmental Funds	\$ 36,245,847	\$ 72,751,671
Capital Assets, Less Accumulated Depreciation	217,890,612	164,412,530
Long-Term Liabilities	(202,109,063)	(187,619,186)
Net Pension Liability	(75,564,664)	(66,308,954)
Deferred Inflows/Outflows for Pensions - Net	(25,109,539)	(30,731,409)
Other Postemployment Benefits	(1,263,679)	(458,538)
Deferred Inflows/Outflows for OPEB - Net	312,340	355,357
Other - Net	(2,007,735)	(2,426,142)
Total Net Position - Governmental Activities	<u>\$ (51,605,881)</u>	<u>\$ (50,024,671)</u>
Net Position		
Net Investment in Capital Assets	\$ 33,374,393	\$ 35,487,015
Restricted	15,202,918	6,099,942
Unrestricted	(100,183,192)	(91,611,628)
Total Net Position - Governmental Activities	<u>\$ (51,605,881)</u>	<u>\$ (50,024,671)</u>

Most of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory reserves) or by the nature of the fund they are in (e.g. unrestricted food service fund balance can only be spent for food service program costs). The unrestricted net position category consists mainly of the General Fund unreserved fund balances, offset against noncapital long-term obligations such as vacation or severance payable and beginning in fiscal 2015, the District's estimated share of the unfunded portion of statewide pension plans. Consequently, many Minnesota school districts have accumulated deficits in this component of net position.

Statement of Activities

The Statement of Activities tracks the District’s yearly revenues and expenses, as well as any other transactions that increase or reduce total net position. These amounts represent the full cost of providing education. This statement provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses. As mentioned previously, the line item for “Change in Net Pension Liability – Defined Benefit Plans” was a new requirement beginning in fiscal 2015. The following table presents a simplified reconciliation of the change in the District’s governmental fund balances to the change in total net position for fiscal years 2021 and 2020:

	As of June 30,	
	2021	2020
Net Change in Fund Balance - Total Governmental Funds	\$ (36,505,824)	\$ (62,278,306)
Capital Asset Purchases	65,759,713	90,570,338
Depreciation	(4,051,840)	(2,640,737)
Debt Proceeds	(20,789,017)	(14,795,000)
Change in Net Pension Liability and Related Deferred Outflow and Deferred Inflows	(3,633,840)	(5,983,167)
Repayment of Debt	5,450,000	12,440,000
Change in Other Long-Term Liabilities	168,888	(489,519)
Other - Net	250,501	228,883
Change in Net Position - Governmental Activities	<u>\$ 6,648,581</u>	<u>\$ 17,052,492</u>

FINANCIAL RESULTS

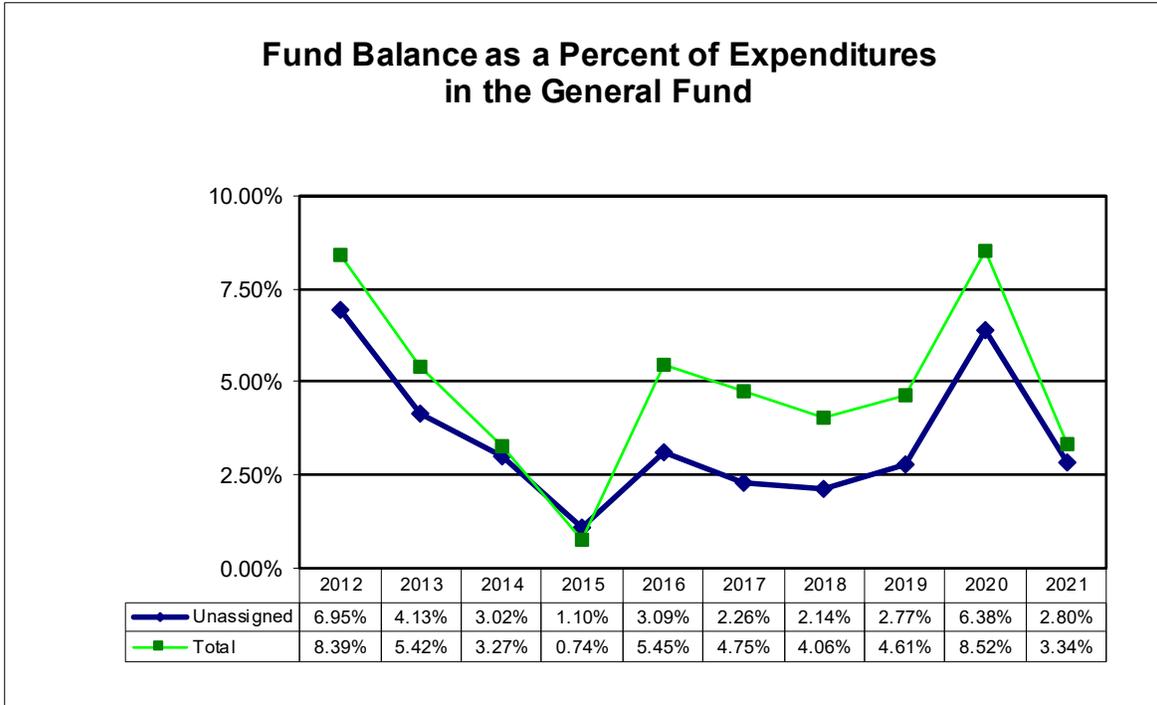
ROSEVILLE AREA SCHOOLS
AUDITED FUND BALANCES THROUGH JUNE 30, 2021

FUND DESCRIPTION	6/30/2020 AUDITED BALANCE	2020-2021 AUDITED REVENUES	2020-2021 AUDITED EXPENDITURES	2020-2021 APPROVED TRANSFER	6/30/2021 AUDITED BALANCE
GENERAL FUND					
A. UNASSIGNED (UFARS BASIS)	\$ 6,624,473	\$ 101,787,048	\$ 105,287,193	\$ (36)	\$ 3,124,292
B. NONSPENDABLE FOR:					
INVENTORY	\$ 40,915	\$ 11,542	\$ 40,915	\$ -	\$ 11,542
PREPAIDS	\$ 614,408	\$ 579,875	\$ 614,408	\$ -	\$ 579,875
B. NONSPENDABLE TOTAL	\$ 655,323	\$ 591,417	\$ 655,323	\$ -	\$ 591,417
C. ASSIGNED FOR					
Extracurricular Activities	\$0	\$576,945			\$576,945
C. ASSIGNED TOTAL	\$0	\$576,945	\$0		\$576,945
C. RESTRICTED FOR:					
STUDENT ACTIVITIES	\$ -	\$ 140,690	\$ -	\$ -	\$ 140,690
STAFF DEVELOPMENT	\$ -	\$ 1,048,218	\$ 1,016,527	\$ -	\$ 31,691
SAFE SCHOOLS PROGRAM	\$ 7,665	\$ 435,953	\$ 443,654	\$ 36	\$ -
OPERATING CAPITAL	\$ 1,563,475	\$ 2,461,898	\$ 2,956,720	\$ -	\$ 1,068,653
LONG-TERM FACILITIES MAINTENANCE	\$ (2,119,123)	\$ 7,291,706	\$ 7,062,288	\$ -	\$ (1,889,705)
OTHER PURPOSES	\$ -	\$ 76,899	\$ -	\$ -	\$ 76,899
C. RESTRICTED TOTAL	\$ (547,983)	\$ 11,455,364	\$ 11,479,189	\$ 36	\$ (571,772)
TOTAL GENERAL FUND	\$ 6,731,813	\$ 114,410,774	\$ 117,421,705		\$ 3,720,882
BUDGET		\$ 107,178,701	\$ 109,501,241		
DIFFERENCE		\$ 7,232,073	\$ 7,920,464		
% VARIANCE		6.75%	7.23%		
FOOD SERVICE					
NONSPENDABLE FOR INVENTORY	\$ 46,932	\$ 45,647	\$ 46,932		\$ 45,647
NONSPENDABLE FOR PREPAIDS	\$ 11,166	\$ 12,906	\$ 11,166		\$ 12,906
RESTRICTED FOR FOOD SERVICE PROG	\$ 321,823	\$ 6,215,623	\$ 4,791,414		\$ 1,746,032
TOTAL FOOD SERVICE	\$ 379,921	\$ 6,274,176	\$ 4,849,512		\$ 1,804,585
BUDGET		\$ 4,940,380	\$ 4,875,755		
DIFFERENCE		\$ 1,333,796	\$ (26,243)		
% VARIANCE		27.00%	-0.54%		
COMMUNITY EDUCATION					
NONSPENDABLE FOR PREPAIDS	\$ 1,310	\$ 12,870	\$ 1,310		\$ 12,870
RESTRICTED FOR REGULAR COMMUNITY ED	\$ (114,799)	\$ 4,763,493	\$ 4,292,072		\$ 356,622
RESTRICTED FOR EARLY CHILDHOOD FAMILY ED	\$ 190,710	\$ 475,123	\$ 357,266		\$ 308,567
RESTRICTED FOR SCHOOL READINESS	\$ 57,383	\$ 505,838	\$ 418,048		\$ 145,173
RESTRICTED FOR ADULT BASIC EDUCATION	\$ 316,570	\$ 1,224,867	\$ 1,130,634		\$ 410,803
RESTRICTED FOR OTHER PURPOSES	\$ 289,369	\$ 485,772	\$ 764,396		\$ 10,745
TOTAL COMMUNITY EDUCATION	\$ 740,543	\$ 7,467,963	\$ 6,963,726		\$ 1,244,780
BUDGET		\$ 6,784,467	\$ 7,091,203		
DIFFERENCE		\$ 683,496	\$ (127,477)		
% VARIANCE		10.07%	-1.80%		
CAPITAL PROJECTS FUND					
OPERATING	\$ 54,211,068	\$ 26,984,793	\$ 54,747,617		\$ 26,448,244
LONG TERM FACILITIES MAINTENANCE	\$ 8,959,138	\$ -	\$ 8,087,287		\$ 871,851
TOTAL CAPITAL PROJECTS	\$ 63,170,206	\$ 26,984,793	\$ 62,834,904		\$ 27,320,095
BUDGET		\$ 7,994,258	\$ 46,000,000		
DIFFERENCE		\$ 18,990,535	\$ 16,834,904		
DEBT SERVICE					
RESTRICTED FOR DEBT SERVICE - OPERATING	\$ 1,514,555	\$ 12,007,621	\$ 11,562,439		\$ 1,959,737
RESTRICTED FOR OPEB BOND DEBT SERVICE	\$ 214,633	\$ 893,048	\$ 911,913		\$ 195,768
TOTAL DEBT SERVICE	\$ 1,729,188	\$ 12,900,669	\$ 12,474,352		\$ 2,155,505
BUDGET		\$ 12,900,034	\$ 12,666,903		
DIFFERENCE		\$ 635	\$ (192,551)		
% VARIANCE		0.00%	-1.52%		
FIDUCIARY AND INTERNAL SERVICE FUNDS					
FAMILY COLLABORATIVE	\$ -	\$ 714,052	\$ 714,052		\$ -
OPEB TRUST FUND	\$ 8,588,551	\$ 113,102	\$ 734,023		\$ 7,967,630
SELF-INSURANCE DENTAL FUND	\$ 602,253	\$ 990,069	\$ 988,767		\$ 603,555
TOTAL TRUST AND INTERNAL SERVICE FUNDS	\$ 9,190,804	\$ 1,817,223	\$ 2,436,842		\$ 8,571,185

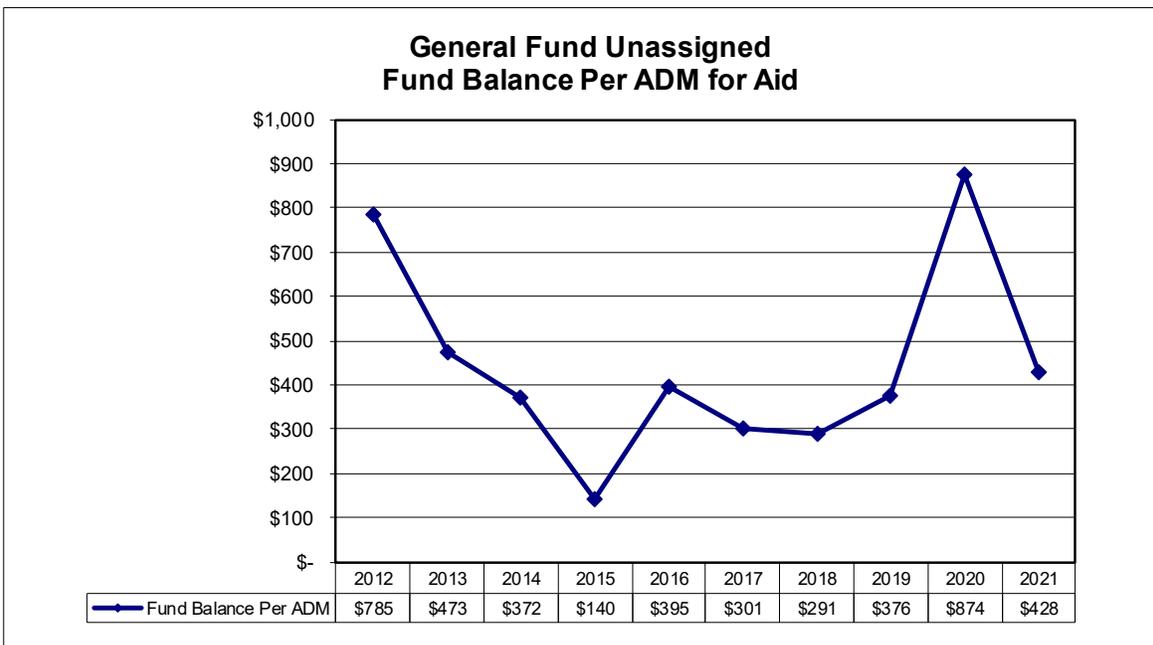
FINANCIAL RESULTS (CONTINUED)

Fund Balances (Continued)

As a percentage of annual expenditures:



Per student served for aid.

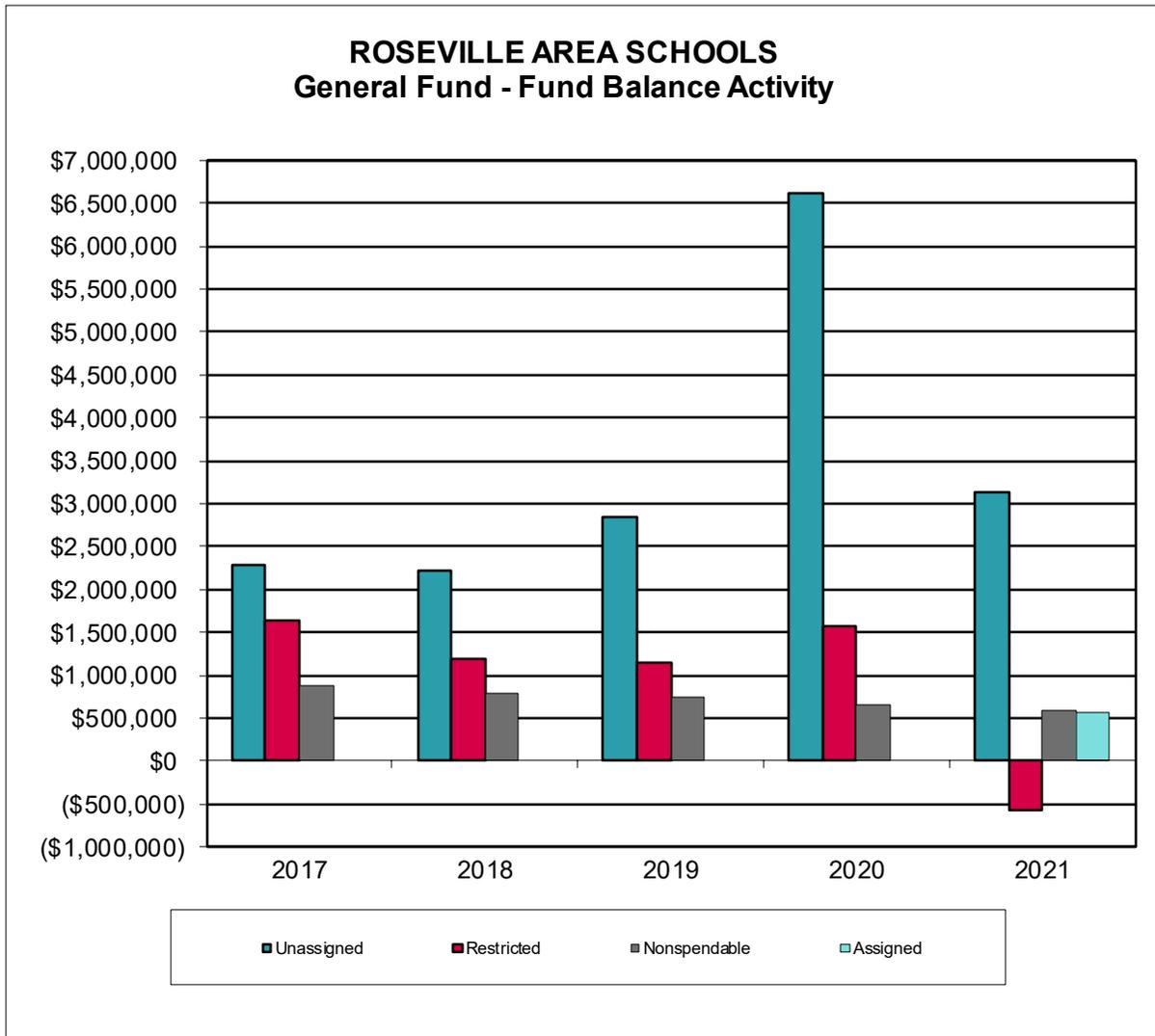


FINANCIAL RESULTS (CONTINUED)

Fund Balances of the General Fund

Unless otherwise noted, all graphs and charts reflect the combined activity of the District’s General Fund, including the pupil transportation and capital expenditure sub-funds.

UFARS Basis	2017	2018	2019	2020	2021
Nonspendable Fund Balance	\$ 869,406	\$ 792,020	\$ 749,779	\$ 655,323	\$ 591,417
Restricted Fund Balance	1,645,357	1,199,824	1,146,771	1,571,140	(571,773)
Assigned Fund Balance	-	-	-	-	576,945
Unassigned Fund Balance	2,285,861	2,225,462	2,853,523	6,624,473	3,124,293
Total Fund Balance	\$ 4,800,624	\$ 4,217,306	\$ 4,750,073	\$ 8,850,936	\$ 3,720,882
Total Expenditures	\$ 101,133,134	\$ 104,001,452	\$ 103,056,035	\$ 103,885,979	\$ 111,503,705
Unassigned Fund Balance as a % of Total Expenditures	2.26%	2.14%	2.77%	6.38%	2.80%

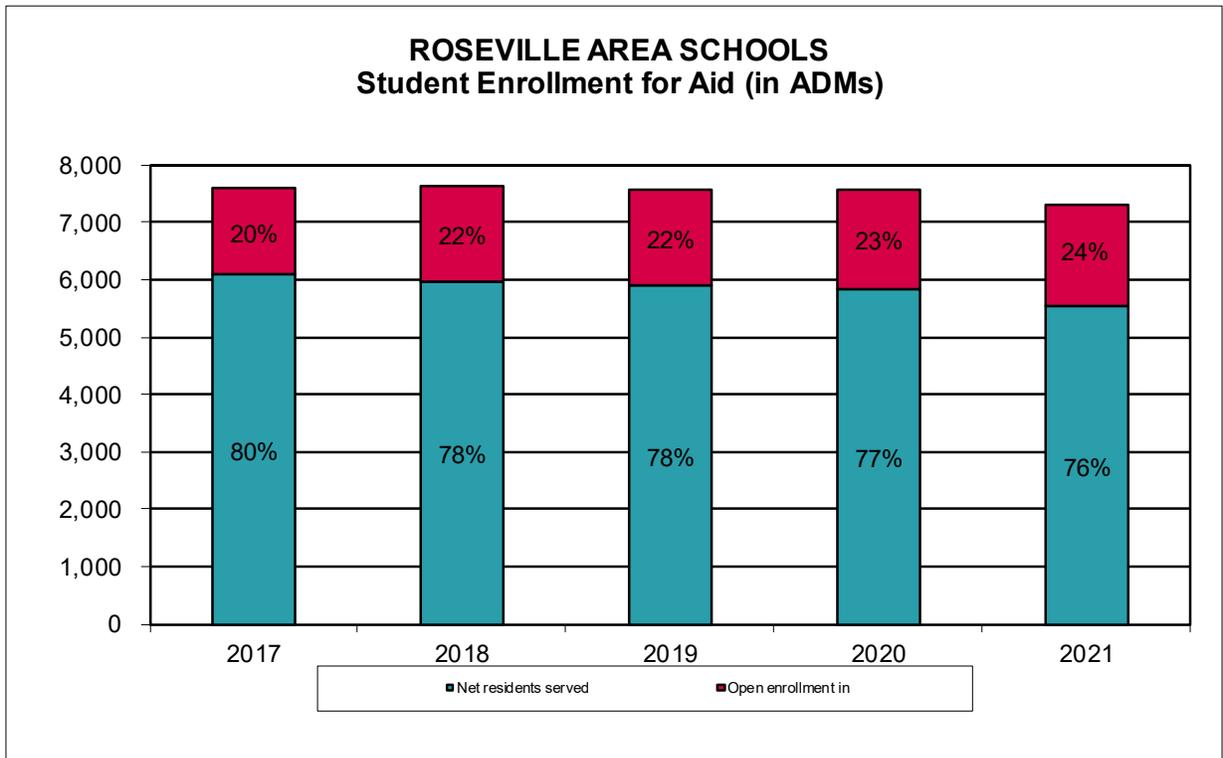


As reflected in the graph above, the District has utilized unassigned fund balance of the General Fund, to balance the District’s budget.

FINANCIAL RESULTS (CONTINUED)

Students Served for Aid

	2017	2018	2019	2020	2021
Total Residents	7,062.93	6,966.81	6,993.72	7,049.09	6,829.86
Charter Enrollment Out	(484.14)	(495.18)	(559.44)	(668.98)	(699.68)
Open Enrollment Out	(491.56)	(493.11)	(540.40)	(531.38)	(592.06)
Net Residents Served	6,087.23	5,978.52	5,893.88	5,848.73	5,538.12
Open Enrollment In	1,519.57	1,672.99	1,686.38	1,731.13	1,761.26
Net ADM Served	7,606.80	7,651.51	7,580.26	7,579.86	7,299.38
Net Pupil Units Served	8,298.21	8,347.77	8,274.79	8,278.21	7,981.72
Net Residents Served %	80%	78%	78%	77%	76%
Open Enrollment In %	20%	22%	22%	23%	24%



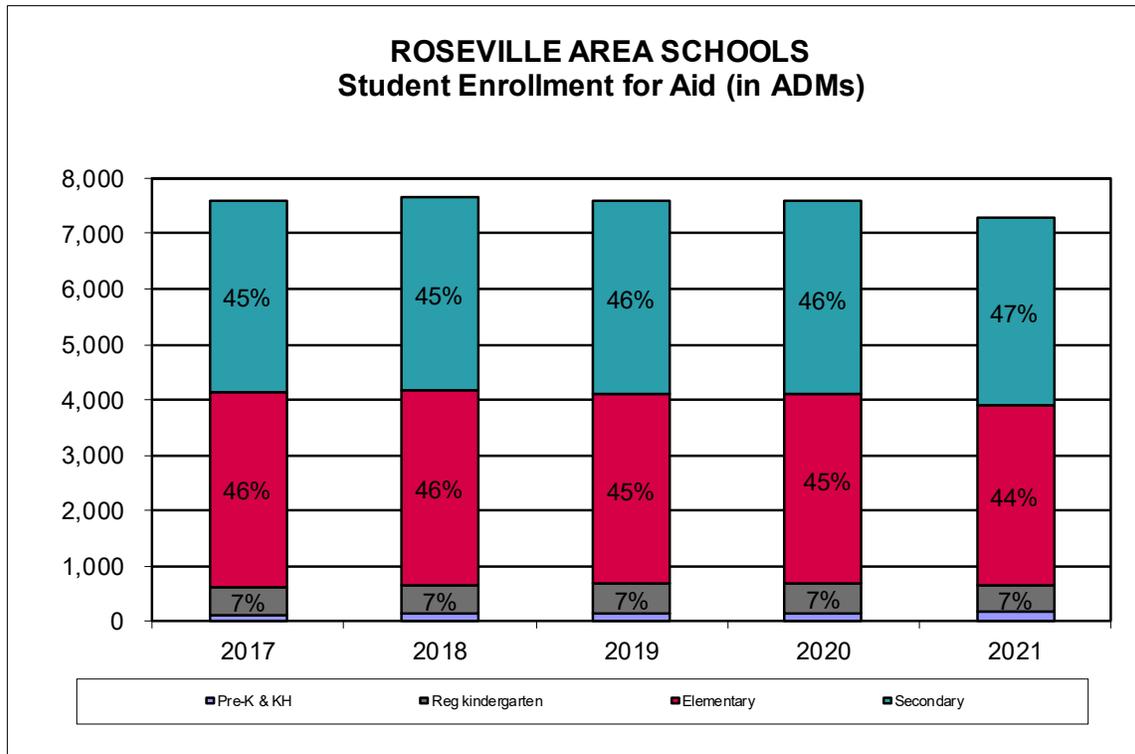
As reflected in the above chart and graph, the District continues to attract more students through open enrollment than resident students choosing to attend elsewhere.

APPENDIX A

FINANCIAL TRENDS OF YOUR DISTRICT

Within this report there are a number of areas where condensed financial statement data has been presented.

Student Enrollment



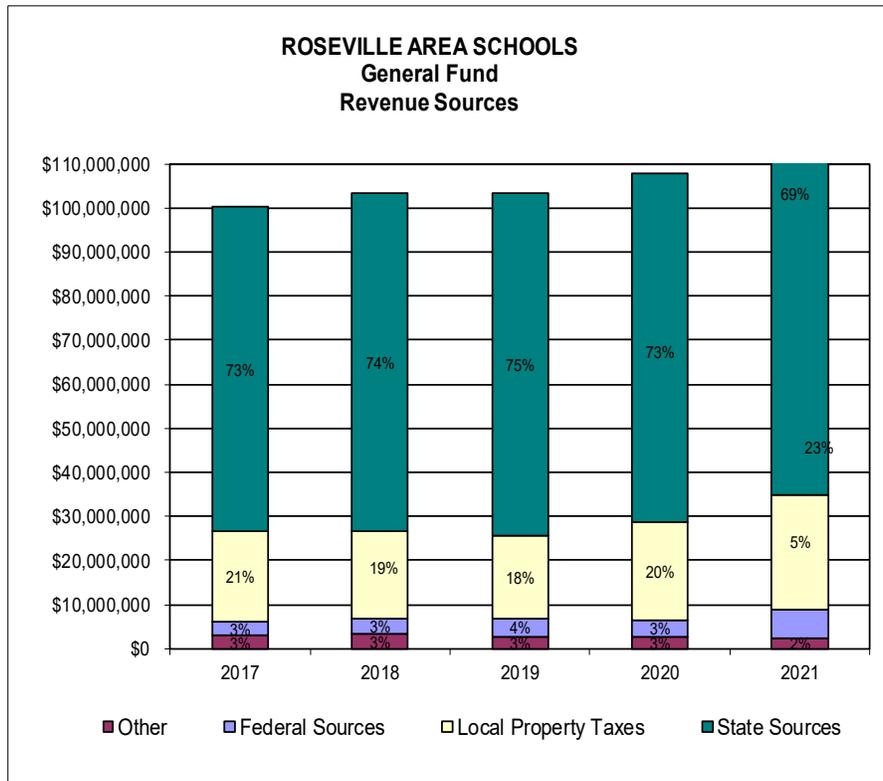
	2017	2018	2019	2020	2021
Pre-K & KH	102.93	124.88	152.54	154.08	169.16
Reg Kindergarten	526.18	526.53	514.18	533.63	477.10
Elementary	3,520.59	3,518.80	3,440.37	3,400.46	3,241.38
Secondary	3,457.10	3,481.30	3,473.17	3,491.69	3,411.74
Net ADM Served	<u>7,606.80</u>	<u>7,651.51</u>	<u>7,580.26</u>	<u>7,579.86</u>	<u>7,299.38</u>
Percent Change	0.80%	0.59%	-0.93%	-0.01%	-3.70%

As noted in the above chart, the District's student count for fiscal 2020-2021 was 7,299 students (or 3.70%) lower than for the prior year.

APPENDIX A (CONTINUED)

General Fund Revenue

The following table and graph summarizes the District’s General Fund Revenue sources for the last five years.



The table below illustrates the fluctuation that occurs between the taxes and state aid categories based on legislative activity. The Legislature determines what portion of the general education funding formula will be paid by local taxpayers. In addition, when the tax shift percentage changes or the state provides property tax relief, this only impacts the mix between state aids and taxes and does not change total revenue. School finance in Minnesota continues to be a very difficult subject to explain to the general public.

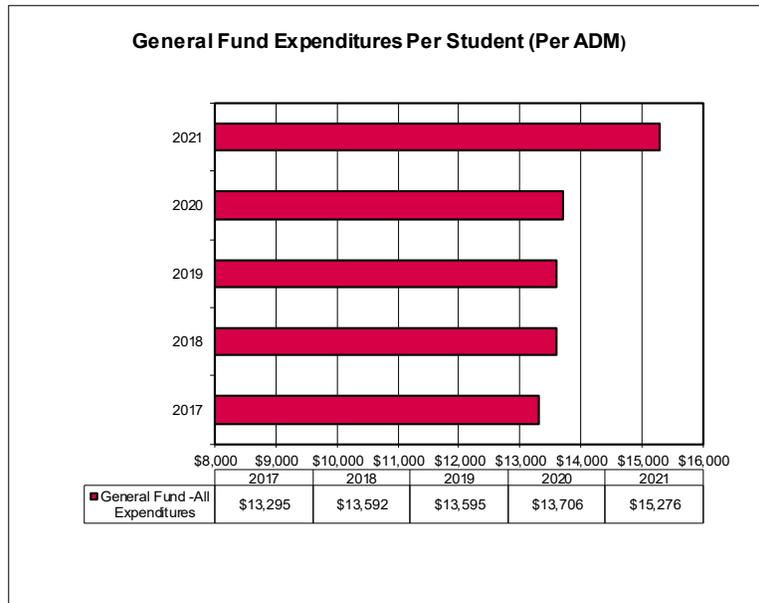
	2017	2018	2019	2020	2021
Local Property Taxes	\$ 20,586,463	\$ 19,967,049	\$ 18,702,561	\$ 22,080,685	\$ 26,281,211
State Sources	73,365,339	76,436,526	78,013,377	79,312,339	79,292,664
Federal Sources	3,267,258	3,528,365	3,923,104	3,700,151	6,265,862
Other	2,880,344	3,298,210	2,849,509	2,848,510	2,486,533
Total Revenues	\$ 100,099,404	\$ 103,230,150	\$ 103,488,551	\$ 107,941,685	\$ 114,326,270

	2017	2018	2019	2020	2021
Local Property Taxes	21%	19%	18%	20%	23%
State Sources	73%	74%	75%	73%	69%
Federal Sources	3%	3%	4%	3%	5%
Other	3%	3%	3%	3%	2%
Total Revenues	100%	100%	100%	100%	100%

APPENDIX A (CONTINUED)

Expenditures Per Student

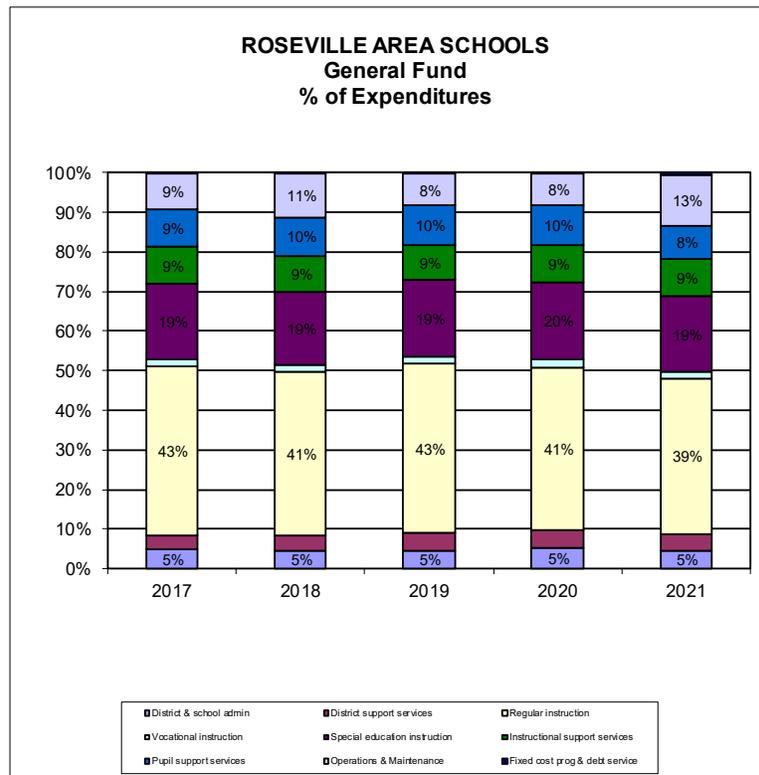
Expenditures per Student (average daily membership) are summarized in the following graph.



General Fund expenditures for fiscal 2021 were \$111,503,705 which represents a net increase of \$829,944 or 0.73% from fiscal 2020.

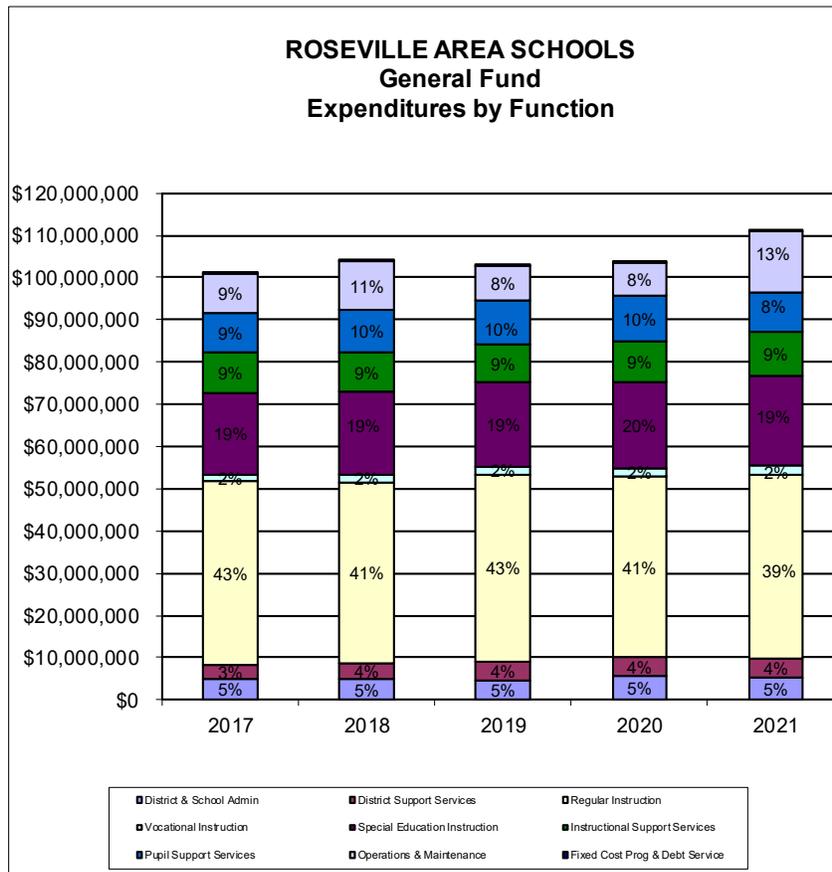
General Fund Expenditures

The following schedule shows total expenditures of the General Fund by program type:



APPENDIX A (CONTINUED)

General Fund Expenditures (Continued)



	2017	2018	2019	2020	2021
District and School Admin	\$ 5,046,782	\$ 4,881,528	\$ 4,733,506	\$ 5,545,225	\$ 5,224,686
District Support Services	3,290,001	3,767,920	4,437,109	4,535,054	4,651,153
Regular Instruction	43,376,138	42,923,698	44,226,248	42,744,235	43,592,426
Vocational Instruction	1,646,034	1,807,372	1,840,397	2,053,518	1,897,445
Special Education Instruction	19,431,017	19,470,686	19,933,088	20,359,744	21,372,548
Instructional Support Services	9,355,193	9,417,740	9,092,554	9,506,429	10,540,032
Pupil Support Services	9,504,382	10,075,797	10,215,853	10,801,775	9,351,072
Operations and Maintenance	9,351,957	11,409,829	8,306,748	8,051,505	14,421,280
Fixed Cost Prog and Debt Service	131,630	246,882	270,532	288,494	453,063
Total Expenditures	\$ 101,133,134	\$ 104,001,452	\$ 103,056,035	\$ 103,885,979	\$ 111,503,705

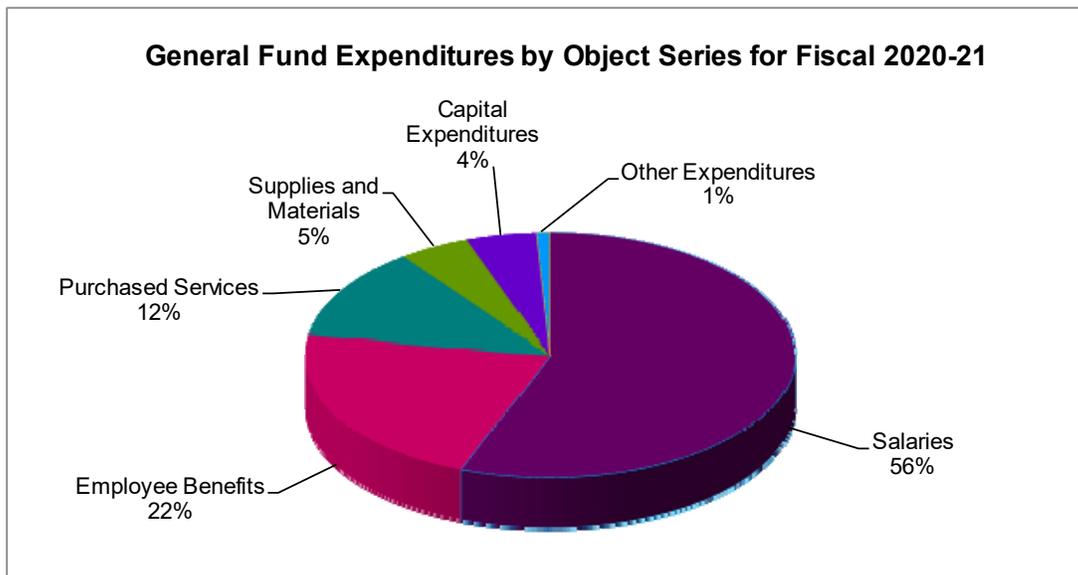
APPENDIX A (CONTINUED)

General Fund Expenditures (Continued)

The following chart summarizes District General Fund budget to actual expenditures by program dimension with capital outlay broken out and one year of comparative actual expenditures.

	2021				2020	Change from the Prior Year
	Final Amended Budget	Actual	Over (Under) Budget	%	Actual	
District and School Admin	\$ 5,066,770	\$ 5,224,686	\$ 157,916	3.1%	\$ 5,545,225	\$ (320,539)
District Support Services	4,541,691	4,651,153	109,462	2.4%	4,351,885	299,268
Regular Instruction	44,094,625	43,592,426	(502,199)	-1.1%	42,565,307	1,027,119
Vocational Instruction	2,121,830	1,897,445	(224,385)	-10.6%	2,051,518	(154,073)
Special Education Instruction	22,274,915	21,372,548	(902,367)	-4.1%	20,359,525	1,013,023
Instructional Support Services	11,323,719	10,540,032	(783,687)	-6.9%	9,392,968	1,147,064
Pupil Support Services	10,470,302	9,351,072	(1,119,230)	-10.7%	10,424,327	(1,073,255)
Operations and Maintenance	7,272,557	9,310,618	2,038,061	28.0%	6,947,084	2,363,534
Capital Outlay	1,663,832	5,110,662	3,446,830	207.2%	1,959,646	3,151,016
Fixed Cost	684,000	453,063	(230,937)	-33.8%	288,494	164,569
Total Expenditures	\$ 109,514,241	\$ 111,503,705	\$ 1,989,464	1.8%	\$ 103,885,979	\$ 7,617,726

The following graph and chart summarizes District General Fund budget to actual expenditures by object type with two years of comparative actual expenditures.



	2021				2020	2019
	Budget	Actual	Over (Under) Budget	%	Actual	Actual
Salaries	\$ 62,718,011	\$ 62,217,501	\$ (500,510)	-0.8%	\$ 60,389,255	\$ 59,244,657
Employee Benefits	25,653,542	24,360,556	(1,292,986)	-5.0%	24,413,475	24,002,031
Purchased Services	14,222,060	13,579,546	(642,514)	-4.5%	13,208,804	14,295,383
Supplies and Materials	5,026,156	5,259,174	233,018	4.6%	3,785,711	4,081,349
Capital Expenditures	1,663,832	5,110,662	3,446,830	207.2%	1,959,646	1,320,133
Other Expenditures	220,640	976,266	755,626	342.5%	129,088	112,482
Total Expenditures	\$ 109,504,241	\$ 111,503,705	\$ 1,999,464	1.8%	\$ 103,885,979	\$ 103,056,035

As reflected above, total expenditures of the General Fund on a net basis were 0.7% under the budgeted amount.

APPENDIX A (CONTINUED)

General Fund Operations and Financial Position

The following table presents five years of comparative operating results for the District's General Fund.

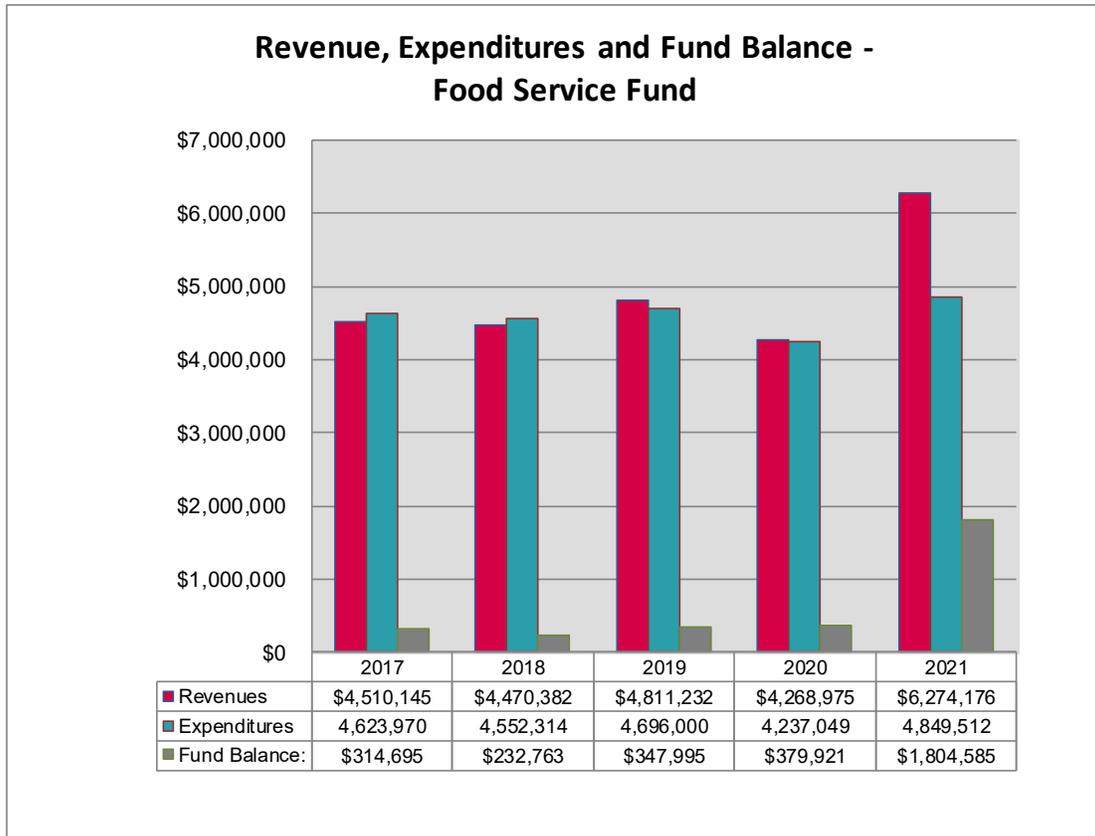
	Year Ended June 30,				
	2017	2018	2019	2020	2021
Revenues	\$ 100,099,404	\$ 103,230,150	\$ 103,488,551	\$ 107,941,685	\$ 114,326,270
Expenditures	101,133,134	104,001,452	103,056,035	103,885,979	111,503,705
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,033,730)	(771,302)	432,516	4,055,706	2,822,565
Other Financing Sources (Uses):					
Proceeds from Sale of Equipment	-	-	-	-	1,500
Proceeds from Sale of Real Property	-	-	316	-	23,852
Proceeds from Insurance Recovery	571,429	187,984	99,935	45,157	59,152
Operating Transfers (Out)	-	-	-	-	(5,918,000)
Total Other Financing Sources	571,429	187,984	100,251	45,157	(5,833,496)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(462,301)	(583,318)	532,767	4,100,863	(3,010,931)
Fund Balance:					
Beginning of Year	5,262,925	4,800,624	4,217,306	4,750,073	6,731,813
End of Year	\$ 4,800,624	\$ 4,217,306	\$ 4,750,073	\$ 8,850,936	\$ 3,720,882
Nonspendable Fund Balance	\$ 869,406	\$ 792,020	\$ 749,779	\$ 655,323	\$ 591,417
Restricted Fund Balance	1,645,357	1,199,824	1,146,771	1,571,140	(571,773)
Assigned Fund Balance	-	-	-	-	576,945
Unassigned Fund Balance	2,285,861	2,225,462	2,853,523	6,624,473	3,124,293
Total Fund Balance	\$ 4,800,624	\$ 4,217,306	\$ 4,750,073	\$ 8,850,936	\$ 3,720,882
Unassigned Fund Balance as a Percentage of Expenditures	2.26%	2.14%	2.77%	6.38%	2.80%
Total Fund Balance as a Percentage of Expenditures	4.75%	4.06%	4.61%	8.52%	3.34%

The District's General Fund unassigned fund balance decreased by \$3,500,180 during fiscal 2020-2021, decreasing from a balance of \$6,624,473 to a balance of \$3,124,293 at June 30, 2021. Total fund balance of the General Fund decreased by \$3,010,931, ending at \$3,720,882 as of June 30, 2021. The ending unassigned fund balance as defined by UFARS represents 2.80% of General Fund expenditures.

APPENDIX A (CONTINUED)

Food Service Fund

The following chart reflects the growth of the Food Service Program over the past five years:



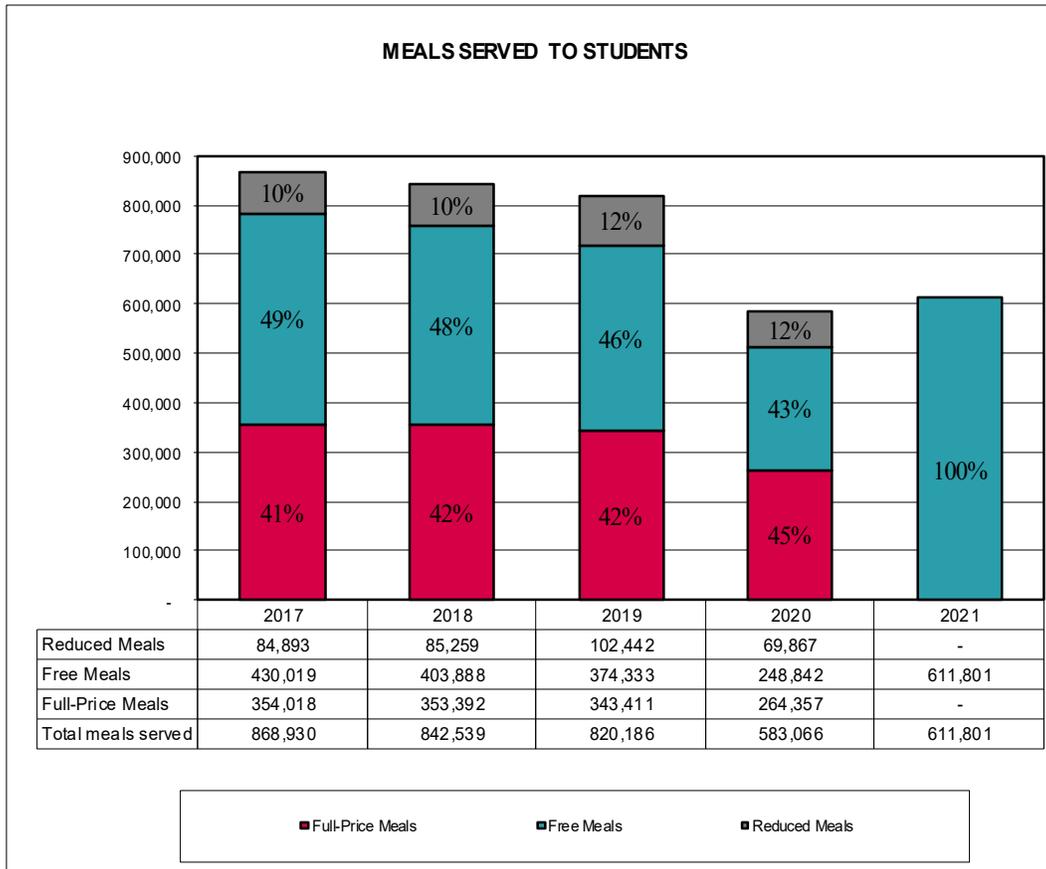
Total revenues exceeded expenditures by \$1,424,664 in the District’s Food Service Fund for fiscal 2021, resulting in a fund balance of \$1,804,585 at June 30, 2021.

Total actual revenues were more than the budgeted amount by \$1,333,796. Total expenditures were lower than the budgeted amount by \$26,243. The net impact of these variances was an increase in fund balance that was \$1,360,039 less than had been reflected in the budget. As part of any budget update initiated for fiscal 2021-2022, the food service department will want to take these variances into consideration in order to limit budget variances to every extent possible.

APPENDIX A (CONTINUED)

Food Service Fund (Continued)

The following chart reflects the number and type of meals served to students over the past five years:

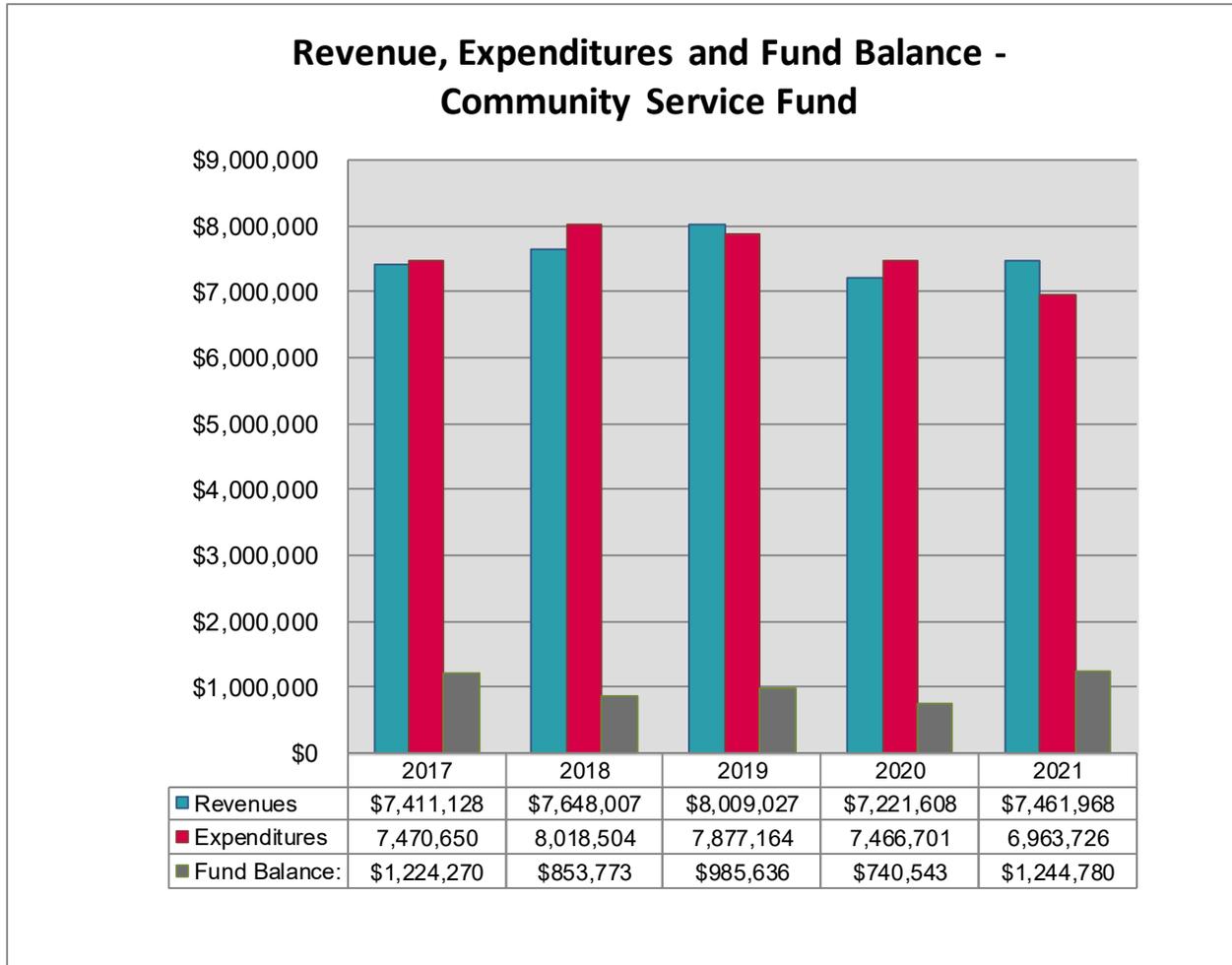


	Year Ended June 30,				
	2017	2018	2019	2020	2021
Percentage of Total Meals Served by Type:					
Full Price Meals	40.7%	41.9%	41.9%	45.3%	0.0%
Reduced Price Meals	9.8%	10.1%	12.5%	12.0%	0.0%
Free Meals	49.5%	47.9%	45.6%	42.7%	100.0%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

APPENDIX A (CONTINUED)

Community Service Fund

The following table presents five years of comparative operating results for the District's Community Service Fund:



The District's Community Service Fund had an excess of revenues and other financing sources over expenditures of \$504,237 for fiscal 2021, increasing the combined fund balance to \$1,244,780 at June 30, 2021.

Total revenues of the District's Community Service Fund for 2021 were \$683,496 more than the budgeted amount while total expenditures were \$127,477 lower than the budgeted amount. The net impact of these variances was to increase total fund balance by \$810,973 more than had been reflected in the budget. As part of any budget update initiated for fiscal 2021-2022, the community services department will want to take these variances into consideration in order to limit budget variances to every extent possible.

APPENDIX B

The table below reflects the comparative data available from the Minnesota Department of Education for all expenditures incurred for the benefit of pre-elementary through secondary education, except building construction.

Expenditures Per Student (ADM) Served

	Statewide			ISD No. 623 Roseville		
	All Districts	Seven County Metro Area	Enrollment > than 4,000			
	2020	2020	2020	2019	2020	2021
District and School Admin and Support Services	\$ 1,154	\$ 1,100	\$ 1,049	\$ 1,146	\$ 1,284	\$ 1,342
Regular Instruction (including Co- & Extra-Curricular)	5,830	6,231	6,033	5,684	5,522	5,925
Vocational Instruction (Career & Technical)	174	171	174	237	266	258
Special Education Instruction	2,510	2,626	2,664	2,572	2,641	2,905
Instructional Support Services	662	787	769	1,162	1,219	1,433
Pupil Support Services (Including Transportation)	1,205	1,317	1,272	1,310	1,352	1,269
Operations and Maintenance and Other	941	910	910	1,017	939	2,349
General Fund Subtotal (excluding Capital Expenditures)	12,476	13,142	12,871	13,128	13,223	15,482
Food Service	554	548	543	585	533	638
Community Service	622	774	733	1,014	963	943
Capital Expenditures (excluding Building Constr Fund)	838	717	715	193	277	721
Debt Service	1,345	1,472	1,440	1,700	1,594	1,696
Total Pre-K - 12 Expenditures	<u>\$ 15,835</u>	<u>\$ 16,653</u>	<u>\$ 16,302</u>	<u>\$ 16,621</u>	<u>\$ 16,590</u>	<u>\$ 19,479</u>
Percent Change from Prior Year				6.26%	-0.19%	17.42%

Source of Statewide Data: School District Profiles published by the Minnesota Department of Education

District and school admin and support services - all costs related to providing administration to the District (school board, superintendent,

Regular instruction - includes all activities dealing directly with the teaching of pupils including co-curricular and extra-curricular activities and the interaction between teachers and pupils in the classroom (excluding exceptional, vocational and community education instruction) and includes activities of aides or assistants of any type (paraprofessionals, clerks, graders, etc.) who assist in the educational process, except spec ed aides

Vocational instruction - consists of costs related to courses and activities which develop knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability

Special education instruction - consists of activities providing learning experiences for pupils of any age, who because of certain atypical characteristics or conditions, have been identified as requiring, or who would benefit by, educational programs differentiated from those provided pupils in regular or vocational instruction

Instructional support services - activities for assisting instructional staff with content and process of providing learning experiences for pupils in K-12 (curriculum, staff dev, educ media, libraries and media centers, etc.)

Pupil support services - all services to pupils not classified as instructional (counseling & guidance, health services, psychological services, social work, pupil transportation and safety, etc.)

Operations and maintenance - activities related to the operation, maintenance, repair and remodeling of all physical plant, facilities and grounds of the District

Food service - all costs of the Food Service Fund

Community service - all costs of the Community Service Fund

Capital expenditures - all capital expenditures charged to operating funds

Debt service - all debt service costs (principal, interest and fiscal agent costs)

APPENDIX C

LEGISLATIVE ACTIVITY

What follows are some education-related highlights of the 2021 legislative sessions as summarized from information made available by the Minnesota Department of Education, the Minnesota School Boards Association, and the Minnesota House of Representatives.

General Education

The General Education Revenue formula allowance was increased by 2.45% (by \$161 per pupil unit to \$6,728) for fiscal year 2022 and by another 2% (by \$296 per pupil unit to \$6,863) for fiscal year 2023 and later.

English Learner Cross-Subsidy Reduction Aid

Additional statewide, supplemental aid (not on the formula) is provided for four years only to English learners. The aid is increased by \$2 million per year for fiscal years 2022, 2023, 2024 and 2025. The aid must be allocated to school districts and charter schools proportionate to their English learner revenue.

Special Education Cross-Subsidy Aid

A one-time special education cross-subsidy aid is provided for each school district equal the ratio of the school district's initial special education cross-subsidy in fiscal year 2021 to the total initial special education cross-subsidy for all districts in that year.

Early Education

The 4,000 voluntary prekindergarten/school readiness plus seats program was extended for two years that would have otherwise expired. For fiscal years 2022 and 2023 only. Makes no policy changes to the administration of VPK or SR+.

Local Optional Revenue

Increases local optional aid (and correspondingly lowers the local optional levy) for fiscal year 2023 only by setting the second-tier equalizing factor at \$548,842 per pupil unit. Lowers the equalizing factor back to \$510,000 for fiscal year 2024 and later.

Respectful School Meal Policies

Requires a participant in the national school lunch program to adopt and post a school meals policy to:

- be in writing, reasonable, well-defined, and clearly communicate student meal charges when payment cannot be collected. Requires the policy to maintain the dignity of students by prohibiting lunch shaming;
- address whether a collections agency is used by the participant to collect unpaid school meals debt;
- ensure that once a meal is placed on a tray or otherwise served to a student that the meal is not withdrawn from the student; and
- ensure that a student who is eligible for a free or reduced-price lunch is always served a reimbursable meal even if they have outstanding debt.

APPENDIX C (CONTINUED)

School Meal Policies (Continued)

If a school contracts with a third party it must provide the vendor with its school meals policy and require the vendor to adhere to the policy for contracts entered or modified after July 1, 2021.

Prohibits a participant from denying a school lunch to a student who qualifies for free or reduced-price lunch whether the student has outstanding school meal debt attributable to a la carte purchases or for any other reason.

Requires the participant to provide meals to students in a respectful manner. The law provides examples of prohibited activities, which include dumping meals, withdrawing a meal that has been served, announcing or listing students' names publicly, or affixing stickers, stamps, or pins. Prohibits a participant from limiting a student's participation in any school activities, graduation ceremonies, field trips, athletics, activity clubs, or other extracurricular activities or access to materials, technology, or other items provided to students due to an unpaid student meal balance due to unpaid student meal balance.

Teacher Mentoring Programs

School districts are required to develop teacher mentoring programs. Requires districts to use staff development revenue (2 percent of basic revenue) for teacher mentorship under MN statute 122A.70, subdivision 1. Current law requires revenue to be used for this purpose only if extra funds remain after being used for other purposes.

Special Education Recovery Services and Supports

To address the impact of learning disruptions due to COVID-19, a school district or charter school is required to invite the parents of a student with a disability to a meeting of each individualized education program team as soon as practicable, to determine whether special education services and supports are necessary to address the lack of progress on IEP goals or in the general education curriculum. The services and supports may include extended school year services, additional IEP services, compensatory services, or other appropriate services. Requires services and supports be included in the IEP of the student. The school district or charter school is required to report to the commissioner the services and supports provided to students with disabilities under this section, including the cost. Allows a school district or charter school to use federal funds to comply with this section.

Mental Health Education for Teachers

Suicide and self-harm prevention training must be accessible to teachers in every school district, charter school, Intermediate school districts, service cooperative and tribal schools in Minnesota.

Seizure Training and Action Plan

Requires a school district or charter school where a student with a seizure disorder and prescribed seizure medication is enrolled to have a seizure action plan. The action plan must identify a school nurse or designated individual who can administer seizure medication and require training on seizures. Requires a school district or charter school to provide all licensed school nurses or other designated individuals, and other staff with self-study materials on seizure disorders.

APPENDIX C (CONTINUED)

Leave of Absence Due to COVID-19

Between December 27, 2020, and September 4, 2021, certain “leaves of absence” by an applicant are considered involuntary, so the leave does not make the applicant ineligible for unemployment insurance benefits. Leaves considered involuntary during the COVID-19 pandemic include: (1) determination by a health authority or health care professional that the applicant’s presence in the workplace is a risk to the health of others; (2) quarantine or isolation order; (3) self-isolation or self-quarantine; (4) direction by employer not to come to work; or (5) schools or childcare are cancelled or unavailable and no other childcare or time off from employer is available. Effective date: Applies retroactively to December 27, 2020. Continues Laws 2020, chapter 71, article 2, section 23.

Unemployment Eligibility for High School Students

Allows high school students to qualify for unemployment insurance if they otherwise meet eligibility requirements. Currently, high school students are excluded from receiving unemployment benefits under Minnesota law but may be eligible for temporary Pandemic Unemployment Assistance under federal law following a recent Minnesota Court of Appeals decision. Effective date: This section is effective July 3, 2022.

Limit on Screen Time for Children in Preschool and Kindergarten

Prohibits a child in a publicly funded preschool or kindergarten program from using an individual-use screen without engagement from a teacher or other students. Excludes a child with an individualized family service plan, an individualized education program, or a 504 plan from the application of this section. This section is effective July 1, 2022.

Fundraising Sales Tax Exemptions

During the 2021 legislative session, there was a change made to Minnesota Statute 297A.70, subdivision 13, restoring the fundraising exemption for school-associated student groups. Starting July 1, 2021, fundraising sales made by school-associated student groups are exempt from sales tax, even when the money must be recorded as part of school district revenues, when the following apply:

- The sales are for fundraising purposes of a club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports activities, educational activities, or other extracurricular activities.
- The school district reserves the revenue raised for extracurricular activities, as provided in Minnesota Statute 123B.49, subdivision 4 (e), and spends the revenue raised by a particular extracurricular activity only for that extracurricular activity.

The sales tax exemption to the student fundraising organization applies only to the first \$20,000 of the gross annual receipts of the student group from fundraising.

APPENDIX D

ACCOUNTING UPDATE

GASB Statement No. 87 – Leases

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Specifically, this statement:

1. Establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
2. Defines the “lease term” and clarifies when lessees and lessors should reassess the lease term due to lease modifications or terminations.
3. Defines and establishes recognition criteria for short-term leases.
4. Amends accounting and financial reporting requirements for contracts with multiple components, contract combinations, subleases, and leaseback transactions.

The statement was to be effective for reporting periods beginning after December 15, 2019. However, due to the impact of COVID-19, the effective date was moved back one and a half years to reporting periods beginning after June 15, 2021. Earlier application is encouraged.

STEPS THAT SHOULD BE TAKEN NOW

- 1) **Gather leases and contracts.** Depending on the number of leases your organization has, this will likely be a bigger challenge than anticipated. Keep in mind that not all leases are written “lease” agreements. Some contracts also include embedded leases that were previously treated as expenses, so you may be surprised to find more operating leases than you realized. Checking accounts payable for recurring payments may help you locate agreements that you’ll need to analyze.
- 2) **Analyze all contracts to determine which are leases under the new standard.** GASB 87 defines a lease as a “contract that conveys control of the right to use another entity’s nonfinancial asset (the underlying asset), as specified in the contract, for a period of time in an exchange or exchange-like transaction.” Here are some of the agreements that can be excluded:
 - Short-term leases that are one year or less in duration.
 - Intangibles, such as investment assets, software licenses, and patents.
 - Financed purchases, where ownership of the asset transfers at the end of the lease without an additional payment.
- 3) **Review leases for multiple components.** Some leases include service agreements that will need to be split off from the entire lease. Many agreements (like service agreements and supply contracts) may qualify as leases under GASB 87. Some examples of service contracts that may have embedded leases can include cafeteria equipment, soda fountains, water coolers, coffee machines, solar panels, etc., where the government may get to use a particular piece of equipment for free in return for the exclusive use of the provider’s products.
- 4) **Determine appropriate materiality thresholds for capitalization.** Work with your auditor to determine what this should be. Be aware that items that are well below that threshold individually may be material in the aggregate.

APPENDIX D (CONTINUED)

- 5) **Select a technology solution such as leasing software to help manage your leases.** Unless your organization only has a few leases, the calculations for journal entries and footnote disclosures will most likely be beyond the capabilities of Excel. When choosing a software solution, keep in mind that tracking this information from leases will be an ongoing project, so look for one that's easy to use and provides your organization with all the information you'll need. Make sure to consider document storage as part of the capabilities. Entities with greater than 10-20 identified leases may wish to seriously consider a lease software solution and not rely on spreadsheets. Keep in mind that if a government has many similar leases, it may choose to amortize the leased assets as a group rather than individually. Composite depreciation is applied to groups of dissimilar assets, but should not be applied across classes of assets, such as buildings, equipment, furniture, and vehicles.

- 6) **Consider the district's bond covenants, loan covenants, and debt limitations to determine impact.** While a recent update from GASB (GASB 88) specifies that lease liabilities are excluded from the definition of debt for the purposes of financial statement disclosures, it's not clear whether banks, credit rating agencies, or other stakeholders will take a similar stance.

Adding liabilities for operating leases to the balance sheet may mean that covenants for bond contracts and loan agreements will be violated. If this is the case, you may need to renegotiate those agreements. Contacting these stakeholders and other interested parties early on is crucial.

Adding to the complexity, the rules and statutes governing debt limitations vary across states, counties and municipalities. You may need to consult with an attorney to determine whether lease liabilities count as debt for those limitations.

- 7) **Develop new district policies and procedures as necessary.** Unlike many other financial controls, you'll need to work as a team with people outside of accounting, including procurement, IT, and legal, to make sure all leases and contracts go through accounting. You may need to educate others about the balance sheet impacts of leases.
- 8) **Do your initial calculations and run the results past your auditor.** Because the calculations are different from the previous treatment of leases, some advisors are recommending performing a trial calculation on a subset of your leases. Then, ask us as your auditors to check your numbers before you do the entire population of leases.
- 9) **Start learning and keep learning.** Early adopters report that they need two or three hours per lease to analyze and extract the data. Adding to the challenge, many government finance professionals wear many hats, and dealing with financial matters may be only a small part of their responsibilities. Be sure to keep the resulting information very organized and accessible and also keep in mind the new information that will be required for footnote disclosures.
- 10) **Begin Implementing the Standard Now.** Ensuring that someone is able to learn and understand the new standard and how to implement it is important for a successful implementation year. If you find you are having issues with stretched resources within your organization, don't understand the standard, how to properly implement it, or simply don't have the time to do it, feel free to consult with us. CLA is helping many of our clients through this implementation and is providing various levels of assistance depending on the needs of our clients. We would be happy to discuss the various ways in which we can help and be involved if you determine you will need help with the lease determinations, calculations, or implementation related to the new standard.

APPENDIX D (CONTINUED)

GASB Statement No. 91 – Conduit Debt Obligations

The primary objective of GASB Statement No. 91 is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Initially effective for reporting periods beginning after December 15, 2020 but postponed to reporting periods beginning after December 15, 2021.

GASB Statement No. 92 – Omnibus 2020

The primary objectives of this statement are to enhance comparability and consistency 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 postemployment 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 postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment 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

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. Effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

APPENDIX D (CONTINUED)

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

This statement clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units. It also modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans. The requirements related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. Requirements relating to the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans are effective immediately.

APPENDIX E

FORMAL REQUIRED COMMUNICATIONS

Board of Education
Independent School District No. 623
Roseville Area Schools
Roseville, Minnesota

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Roseville Area Schools (the District) as of and for the year ended June 30, 2021, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities 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), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

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 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 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

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:

- Due from Minnesota Department of Education
- Due from federal through the Minnesota Department of Education
- Estimated useful lives of depreciable capital assets
- Retirement Pay and Other Compensated Absences Payable
- Other Postemployment Benefits Payable
- Estimated proportionate share of PERA's and TRA's net pension liability

Management's estimate of the due from Minnesota Department of Education (MDE) is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2021. The most significant of these is the aid portion of general education revenue. 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 statewide database, Minnesota Automated Reporting Student System (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 fiscal year 2021 is not finalized until well into the next fiscal year. MDE calculates amounts owed to the District for special education excess cost tuition billing and adds the amount to the District's special education aid. Because the tuition amounts are based on estimated information, final entitlements are not expected to be known until well into the following fiscal year. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of due from federal through the MDE is based on amounts anticipated to be received through the state for various federal aid entitlements for fiscal 2021. Many federal entitlements require that supporting financial reporting information be provided both in the Uniform Financial Accounting and Reporting Standards (UFARS) accounting system and also the SEDRA reporting system. To the extent that these two separate systems are not in agreement and reported in a timely manner, the estimated aid entitlement may be adversely affected. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of the useful lives for depreciable capital assets is based on guidance recommended by the MDE and other sources. The useful life of a depreciable capital asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

Accounting estimates (Continued)

Management's estimate of Retirement Pay and Other Compensated Absences Payable is based on certain assumptions made by the District. As required by GASB Statement No. 16, the District has recorded a liability for accumulated sick leave convertible to early retirement pay for which it is probable the 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), and the potential use of accumulated sick leave prior to termination.

Management's estimate of other postemployment benefits payable is based on an actuarially determined calculation. The total liability is reduced by the amount held in the Other Postemployment Benefit Trust for the payment of such liabilities.

Management's estimate of the District's proportionate share of PERA's and TRA's Net Pension Liability is based on guidance from GASB Statement No. 68 and each plan's respective allocation tables. Each plan's allocation tables allocate a portion of the plan's net pension liability based on the District's prior fiscal year contributions as a percentage of the total contributions received for the related year by the plan.

We reviewed and tested management's procedures and underlying supporting documentation in the areas discussed above and evaluated the key factors and assumptions used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole. We concluded that the accounting estimates and management judgments appeared to consider all significant factors and resulted in appropriate accounting recognition.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures. The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

The completion of our audit was delayed as there were issues with reconciling the District's capital asset activity and balances for the year. We are continuing to work with the District to add efficiencies to this overall process going forward.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The uncorrected misstatements of the financial statements are summarized below. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole:

Management passed on recording a lease agreement as a capital lease. The effect of passing on this adjustment is an understatement of assets of \$261,585, an understatement of liabilities of 348,760, and an overstatement of ending net position of \$87,175.

Corrected misstatements

The following material misstatements detected as a result of audit procedures were corrected by management:

~Beginning net position on the statement of net position was restated by \$13.9 million to reflect assets which had been recorded in both CIP and buildings in the previous year.

~Beginning fund balance in the General fund and Capital Projects Fund were both restated by \$1.6 million to reflect LTFM expenditures which were incorrectly recorded in the Capital Projects Fund in the prior year.

~\$1.6 million in Coronavirus Relief Fund revenues were moved from the Community Service Fund to the General Fund to match where the expenditures were incurred.

~Current year construction in progress activity and ending balances were adjusted by \$23.9 million.

~\$720 thousand in unearned revenue in the General Fund was adjusted to properly recognize revenue and restrict fund balance.

~Current year depreciation expense on capital assets was increased \$709 thousand to account for assets which were placed into service in the last two years but for which no depreciation was taken by the software system.

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 auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated REPORT DATE.

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 auditors' 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.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement 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 engagement.

Other audit findings or issues

We have provided a separate letter to you dated REPORT DATE, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Other information in documents containing audited financial statements (Continued)

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

With respect to the individual fund financial statements and the Uniform Financial Accounting and Reporting Standards Compliance Table (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, 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 or the reasons for such changes, 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 have issued our report thereon dated REPORT DATE.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This information is intended solely for the use of the Board of Education and management of the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Board of Education
Independent School District No. 623
Roseville Area Schools

CliftonLarsonAllen LLP

Minneapolis, Minnesota
REPORT DATE

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
ROSEVILLE, MINNESOTA**

YEAR ENDED JUNE 30, 2021

**PREPARED BY THE
BUSINESS SERVICES DEPARTMENT**

**SHARI THOMPSON
DIRECTOR OF BUSINESS SERVICES**

**DENISE STOOS
ACCOUNTING SERVICES COORDINATOR**

**KATHY ENGLUND
DISTRICT ACCOUNTANT**

**POLLY LUTZKA
ACCOUNTS PAYABLE**

**LAURA GARNJOBST
ACCOUNTS RECEIVABLE**

**PEGGY SEPION
PAYROLL**

**MAUREEN WILLET
PAYROLL**

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INDEPENDENT SCHOOL DISTRICT NO. 623
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DRAFT



Roseville Area Schools

1251 County Road B2 West • Roseville, MN 55113
PHONE 651-635-1600 • FAX 651-635-1659 • www.isd623.org

REPORT DATE

FISCAL YEAR 2021

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

To: Independent School District No. 623 – Roseville Area Schools School Board Members and Citizens

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 623 – Roseville Area Schools (the District) for the fiscal year ended June 30, 2021, is submitted herewith. Minnesota state law requires that public school districts publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021. The District is required to undergo an annual Single Audit in conformity with the provisions of the U.S. Office of Management and Budget's Uniform Guidance. The District is also required to undergo an annual Minnesota State legal compliance audit under Minnesota Statutes § 6.65. Independent auditor reports and a Schedule of Expenditures of Federal Awards are included in a separately issued document.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the management's discussion and analysis (MD&A), basic financial statements, required supplementary information, and combining and individual fund statements and schedules presented as supplemental information, as well as the independent auditor's report on the financial statements. The statistical section includes a number of tables of unaudited data depicting the financial history of the District for the past 10 years, demographics, and other miscellaneous information.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

District Center • 1251 County Rd B2 West • Roseville, MN 55113-3299
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Roseville Area School District 623 is an equal opportunity affirmative action educator and employer, committed to a culturally diverse workforce.

PROFILE OF THE DISTRICT

The District was incorporated in 1949 and serves portions of seven suburban communities on the north edge of the Minneapolis/St. Paul metropolitan area. The District enrolled 7,580 students in fiscal year (FY) 2020 from a population of 57,443 citizens residing in a 21.65 square mile area. The District encompasses the cities of Arden Hills, Falcon Heights, Little Canada, Lauderdale, Maplewood, Roseville, and Shoreview.

The District is governed by an elected six-member School Board. The seated School Board consists of six members who are elected at large in odd-numbered years. Members serve alternating four-year terms.

The School Board hires the superintendent and delegates the authority and responsibility to administer school district operations. The superintendent serves as an ex-officio member of the School Board.

Roseville Area Schools offer four option schools. The first is Parkview Center School offering a kindergarten through eighth grade model. The second is our Spanish Dual Language Immersion Program at Little Canada Elementary. The goal of Dual Language Immersion programs is to create bi-lingual, bi-literate, multi-cultural students who are better prepared for success in the ever-expanding global community. The third is our year-round school, Harambee Elementary, with a focus on Environmental Science and Community Cultures. Last is the SPARK Program at Central Park Elementary which focuses on Science, Technology, Engineering, Arts and Math.

The District's students reflect the global community, coming from homes where 82 dialects or languages other than English are spoken. Diverse demographics contribute to rich, real-life learning environments that prepare students for the 21st century workplace.

Gifted education programs serve the academic, social, and emotional needs of gifted/talented learners.

Co-curricular offerings build character, stretch minds, and challenge the body. Students have been recognized as state champions in various sports; Minnesota State High School League Academic Excellence award winners; state qualifiers in multiple sports; and All-Conference musicians

Preschool is offered at early childhood centers and most elementary schools. Free all-day kindergarten is available at all elementary sites. High quality before- and after-school care (Friendship Connection) is available to all elementary and middle school students.

The financial reporting entity includes all the funds of the primary government (the District). Component units are legally separate entities for which the District (primary government) is financially accountable. There are no organizations considered to be component units of the District.

The District is required to adopt an initial budget for the fiscal year no later than June 30th preceding the beginning of the fiscal year on July 1st. This annual budget serves as the foundation for the District's financial planning and control.

LOCAL ECONOMY

During FY 2020, the District operated 12 buildings: 1 high school, 1 middle school, 1 kindergarten through eighth grade, 7 elementary schools, 1 community center including the alternative high school, and a central administration building. The instructional program is organized using several grade configurations: Pre-K–6, K-8, 7–8, and 9–12. The District had a budgeted enrollment of 7,591 average daily membership for FY 2020 and an actual enrollment of 7,580. At the time the current year budget was developed, the District's student enrollment for the current year was projected to increase slightly with an estimated student enrollment of 7,633. Due to the current ongoing pandemic, the district will revise its estimates to reflect a decrease of approximately 164 students for an estimated revised total student enrollment of 7,469. The pandemic has primarily impacted the elementary enrollment with families opting to hold back kindergarteners another year, families choosing to home school, or others choosing to enroll in an online program or enroll in private schools. The 7th through 12th grade enrollments continue to be areas of increase. A slight increase in enrollment is projected over the next three years.

The District's school buildings were built between 1951 and 1996. Although some of the school buildings are over 50 years old, the District participates in the Long-Term Facilities Maintenance Program through the state of Minnesota, and has a 10-year spending plan of \$120 million for deferred maintenance and health and safety facility needs. In FY 2018 the District was successful in passing a \$144 million dollar bond for improvement and expansion of buildings in the District. The District has completed slightly over half of the new construction projects, with the final phase of construction scheduled to be completed by December 2021. To date, the District has been able to stay on schedule and on budget for all construction projects.

The District intentionally focuses on efforts of staff and other resources to identify financial resources that are available in order to maximize revenue. With the exception of locally imposed fees for things like student activities, the District is dependent on the state of Minnesota for its revenue authority and state aid. Some revenue authority, such as operating referenda and building bonds, also require voter approval. For the past several biennia, the funding provided for public education in the state of Minnesota has not been sufficient to meet instructional program needs, due to increased inflationary costs and required mandates.

Due to a strong economic position at the time, the 2019 Legislature authorized a 2 percent increase in the basic funding formula for the 2019-20 and 2020-21 school years. Since the outbreak in March, the pandemic has made economic conditions in Minnesota as well as other states, extremely volatile. The May 2020 forecast from Minnesota Management and Budget shows a General Fund forecasted deficit of \$2.4 billion for the current biennium ending June 30, 2021. As other details become known, they will be incorporated into the FY2021 mid-year budget adjustment process, if necessary.

Numerous factors affect public school finance and are monitored on an on-going basis, such as:

- State aid versus local taxpayer funding for programs and services
- Economic factors, such as unemployment and overall revenue collections by the state
- Mandated programs that are not fully funded, such as special education
- Compliance and implementation of governmental pronouncements
- Impact to local taxpayers for funding requests
- Increased competition for students from other public schools, as well as charter schools
- Housing development and growth
- Enrollment trends
- Health insurance cost increases
- Pension obligations, both local and state
- Management of federal and other special funded state programs

INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROL

The District complies with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota Schools. UFARS, established in 1976, dictates a modified accrual basis of accounting. An audited annual financial report must be provided to the Minnesota Department of Education by December 31, subsequent to year-end on June 30.

The District has established a system of internal controls that provide reasonable assurance that assets are safeguarded from misuse or losses. Reasonable assurance means the cost of controls is weighed against the benefits received. The District utilizes an integrated payroll/finance system for all financial recordkeeping.

Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line item budgets when issued. Each site and department administrator has access to the finance system to extract reports and review detailed budget activity specific to their area of responsibility. The district administration receives and reviews monthly financial reports. These reports are also presented to the Board of Education and are publicly available as part of the Board's meeting materials.

The District's budgeting process begins with a review and estimation of the projected student enrollment. Student enrollment is the main driver of the allocation of the unrestricted revenue resources. A majority of the budgeting decisions are made centrally including staffing, capital expenditures, and infrastructure improvements. Budget managers receive an allocation for site or department-specific needs.

Legal budgetary control is at the fund level; however, directors, principal, coordinators, and other budget managers are responsible for monitoring their budget centers within each of the funds. All appropriations lapse at year-end.

MISSION, CORE VALUES, AND STRATEGIC OBJECTIVES

The District’s mission, core values, and strategic objectives provide direction for the investment of human and financial resources across the system.



Roseville Area Schools Strategic Plan

OUR MISSION

Quality Teaching and Learning for All...Equity in All We Do

OUR EQUITY VISION

Roseville Area Schools is committed to ensuring an equitable and respectful learning environment for every student, family, and staff member regardless of: race, gender, gender identity, sexual orientation, socioeconomic status, ability, home or first language, religion, national origin, age, physical appearance.

OUR COMMITMENT	CORE VALUES	FOCUS AREAS
<p>Roseville Area Schools, working in partnership with all families and the community, is a learning organization of engaged, motivated, and high achieving lifelong learners.</p> <p>We will achieve our mission when:</p> <ul style="list-style-type: none"> • All students are ready for kindergarten • All students read well by third grade • All achievement gaps are closed • All students are ready for career and college by graduation • All students graduate 	<ul style="list-style-type: none"> Equity Responsibility Integrity Respect Compassion Commitment Sense of Belonging Curiosity 	<ul style="list-style-type: none"> • Improve learning for students of color, American Indian students, English learners, students receiving special education services, and pre-kindergarten learners • Improve communication and genuine engagement with families and communities, especially with our underrepresented communities • Strengthen support for the social and emotional development of students • Expand support for college and career readiness • Secure and manage resources to provide a quality education and improve facilities

VALUES

EQUITY	Accepting and valuing each individual for who they are and providing the structures, environment, and resources each person needs to reach their greatest potential.
RESPONSIBILITY	Understanding and accepting the impact and consequence of personal actions and decisions; striving to fulfill obligations to self, others, and the greater good of society.
INTEGRITY	Practicing truthfulness and sincerity in relationships and actions; shaping a clear set of beliefs and ethics that directs thoughts and actions.
RESPECT	Appreciating the unique qualities of others and oneself; displaying courtesy and appreciation for others.
COMPASSION	Caring about others; expressing kindness, concern and empathy; helping others through action.
COMMITMENT	Believing in one's personal capacity to make a difference; investing the hard work needed to realize goals; seeking ways to consistently improve; and persisting through setbacks.
SENSE OF BELONGING	Feeling safe, welcome and included.
CURIOSITY	Actively and eagerly pursuing knowledge, insight and understanding.

FOCUS AREAS

Roseville Area Schools strives to fully develop each student's potential. We expect every student to succeed academically, socially, and emotionally and will focus on each student's potential for excellence. In order to achieve our commitment to prepare all students, we must intentionally focus on student populations experiencing the biggest disparities in opportunity. We do this to prevent inequitable outcomes. In an effort to inspire all students to attain the highest levels of achievement, we will implement evidence-based educational practices and collaborate with families and communities to fully engage students in learning. Successfully addressing the following focus areas will help us achieve our mission of *Quality Teaching and Learning for All . . . Equity in All We Do*.

FOCUS AREA 1

Improve learning for students of color, American Indian students, English learners, students receiving special education services, and pre-kindergarten learners

STRATEGIES

- Prepare all staff to be culturally responsive and competent
- Provide a safe, challenging, and equitable learning environment
- Provide curriculum that reflects the diverse cultures of families and students
- Increase staff expectations for students of color and American Indian students
- Increase student engagement
- Strengthen relationships between staff and students of color and American Indian students
- Align early childhood to kindergarten programming including benchmarks, assessments, and curriculum
- Increase participation of families of color and families of English learners in early childhood education programs
- Improve program transitions for English learners and students receiving special education services
- Increase intensive research-based interventions to support individual student needs
- Analyze English learner needs and develop an action plan for improving instruction
- Align special education instruction, curriculum, and assessments to district wide standards and evidence-based practices

FOCUS AREA 2

Improve communication and genuine engagement with families and communities, especially with our underrepresented communities

STRATEGIES

- Strengthen outreach and effectiveness of communication to all families and communities
- Create clear and comprehensive documentation of school and community resources available for families and students
- Strengthen partnerships with families from early learning years through graduation for student success
- Increase accessibility and understanding of district services for racially, culturally, and linguistically diverse communities and families
- Explore additional models for schools and staff to assist parents/guardians in navigating the educational system
- Recruit and retain more staff of color and American Indian staff

FOCUS AREA 3

Strengthen support for the social and emotional development of students

STRATEGIES

- Improve transitions from pre-kindergarten to elementary, elementary to middle level, middle level to high school, and high school to career and college for all students
- Develop additional non-punitive responses for unacceptable behavior
- Select and implement social and emotional curricula
- Enhance staff expertise to better meet the social and emotional needs of all students

FOCUS AREA 4

Expand support for college and career readiness

STRATEGIES

- Increase opportunities for apprenticeships, job shadowing, and internships
- Expand opportunities and remove obstacles for high school students to obtain college credit
- Increase the number of teachers qualified to teach college credit-bearing courses
- Increase support to reduce the number of students who take remedial classes in college
- Expand mentoring participation and opportunities

FOCUS AREA 5

Secure and manage resources to provide a quality education and improve facilities

STRATEGIES

- Develop a long range facilities plan to provide quality education
- Explore opportunities to increase revenue
- Prioritize expenditures based on focus areas
- Leverage resources responsibly to ensure the fiscal security of the district

RELEVANT FINANCIAL POLICIES

The District has adopted a comprehensive set of financial policies. The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and with Minnesota Uniform Financial Accounting and Reporting Standards. The internal control framework is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits require estimates and judgments by management.

School Board Policy 744 addresses fund balance. The policy is in place to ensure the financial stability of the District, to provide a sound basis to justify continuation of the strong financial rating, and to provide a reserve enabling the District to deal with unforeseen budget expenditures. The School Board strives to maintain an unassigned fund balance that will not fall below 3 percent of the District's General Fund operating expenditure budget, excluding capital programs.

Minnesota Statutes § 123B.83 requires districts to "limit its expenditures so that its net unreserved General Fund balance does not constitute statutory operating debt under § 123B.81." The District's unreserved General Fund balance is above the statutory guidelines for statutory operating debt.

Unassigned fund balance in the General Fund Operating Account (UFARS basis) at June 30, 2021 was \$3,124,293 or 2.85 percent of total General Fund Operating Account expenditures. This amount was just below the policy guidelines set by the School Board for budgetary and planning purposes.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

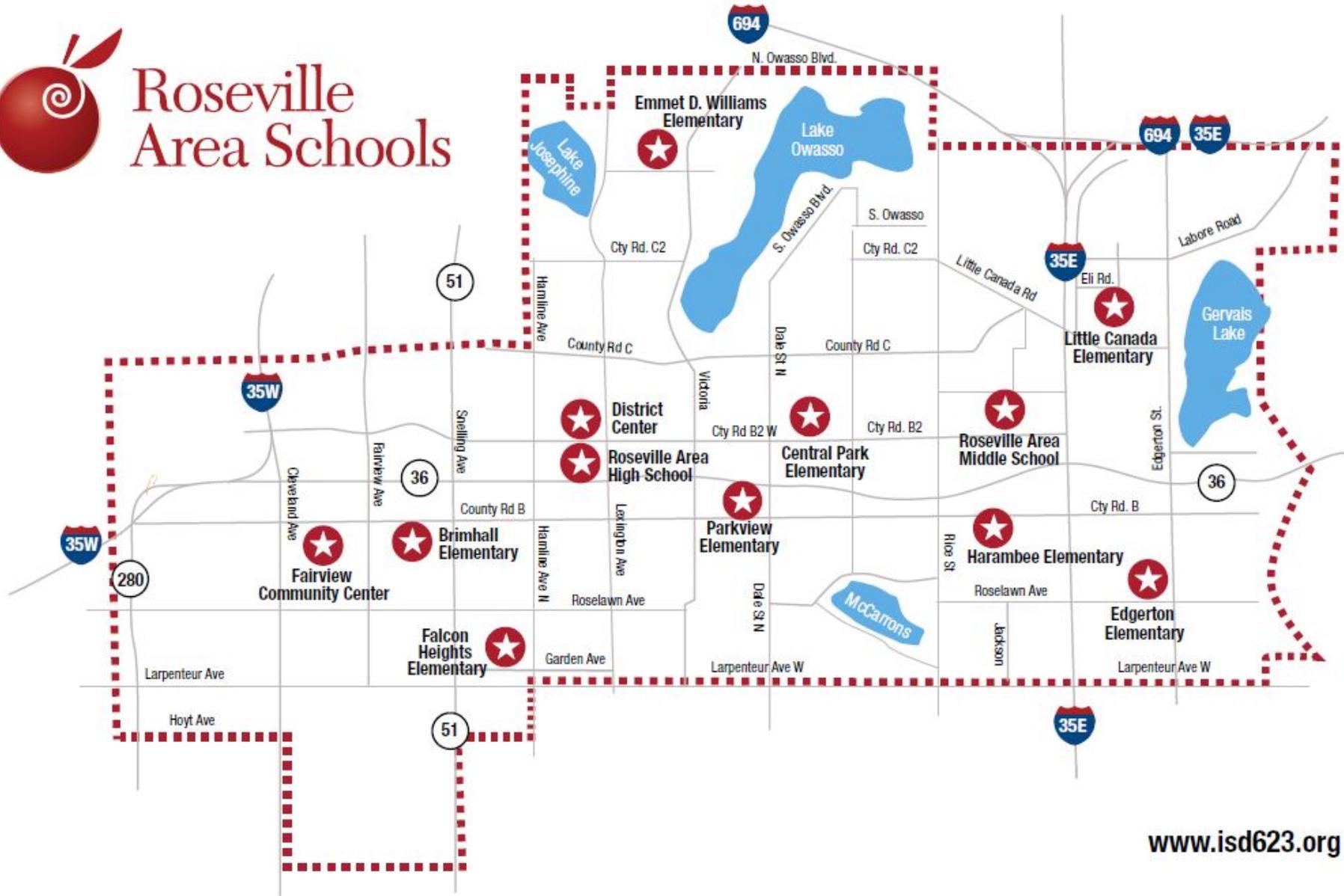
Respectfully
submitted,



Shari Thompson
Director of Finance & Operations



Roseville Area Schools



www.isd623.org

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2021**

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Mike Boguszewski	December 31, 2023	Chairperson
Todd Anderson	December 31, 2023	Clerk
Kitty Gogins	December 31, 2021	Treasurer
Curtis Johnson	December 31, 2021	Director
Rose Chu	December 31, 2023	Director
Frank Shaw	December 31, 2021	Director

ADMINISTRATION

Cabinet:

Aldo Sicoli	Superintendent
Dr. Jennifer Loeck	Assistant Superintendent
Dr. Michael Favor	Assistant Superintendent
Jacob Von De Linde	Director of Teaching and Learning
Karen Filla	Director of Student Services
Shari Thompson	Director of Business Services
Karen Schaub	Director of Community Education

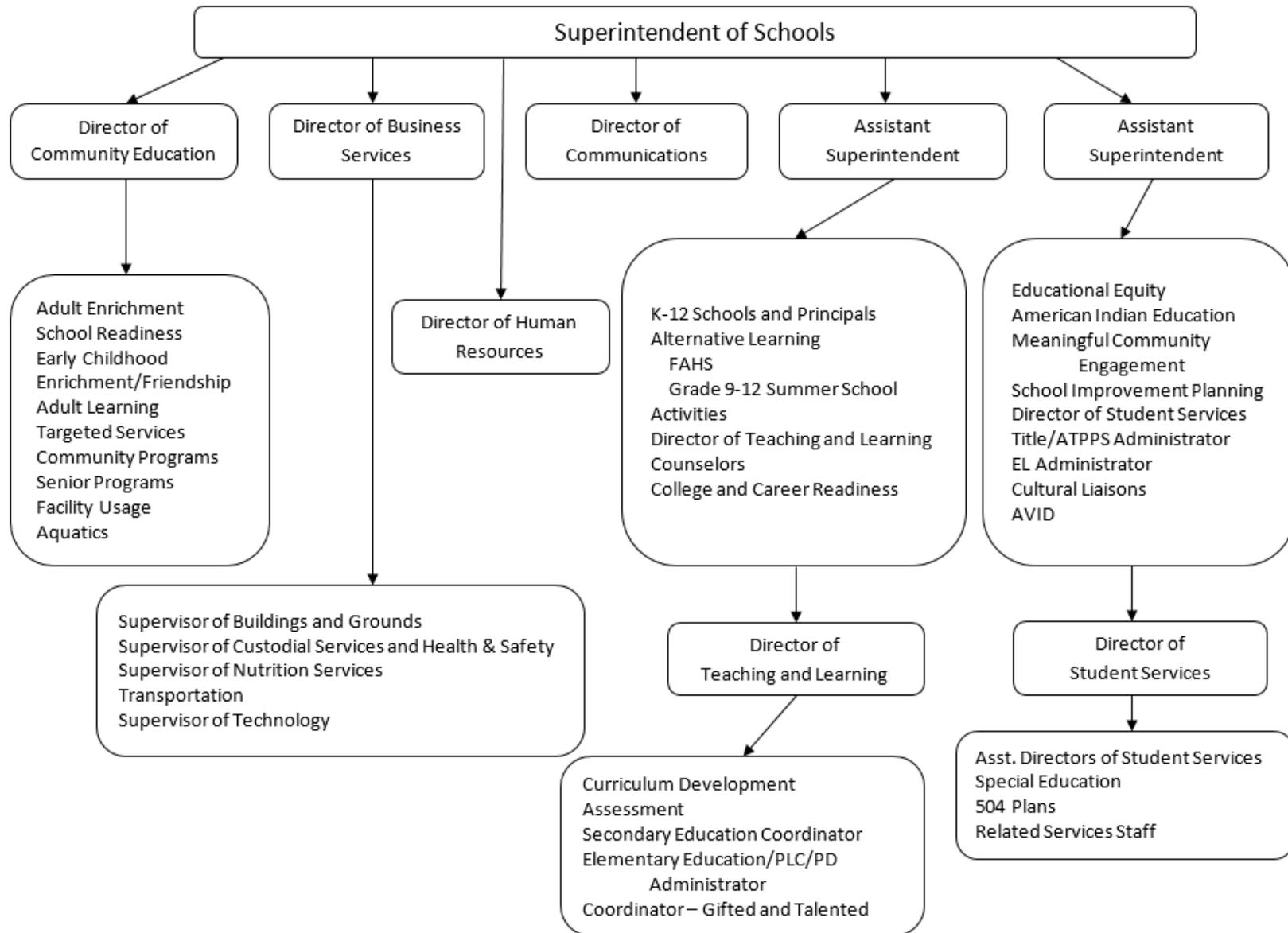
Business Services Office:

Denise Stoos	Controller
Kathy Englund	District Accountant

District Offices:

Independent School District No. 623
Roseville Area Schools
1251 West. County Road B-2
Roseville, MN 55113-3299
(651) 635-1600

**ROSEVILLE AREA SCHOOLS
ORGANIZATIONAL CHART
2020-2021**



ROSEVILLE AREA SCHOOLS



The Certificate of Excellence in Financial Reporting
is presented to

Roseville Area Schools ISD 623

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.



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

FINANCIAL SECTION

DRAFT

INDEPENDENT AUDITORS' REPORT

School Board
Independent School District No. 623
Roseville Area Schools
Roseville, 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 Roseville Area Schools Independent School District No. 623 (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.

Auditors' 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 auditors' 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.

Opinions

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

Emphasis of Matters

During fiscal year ended June 30, 2021, the District restated its beginning net position for capital assets which were double counted in both construction in progress and buildings in the previous year as well as for an overstatement of accumulated depreciation. See Note 14 for additional information on this restatement. Our auditors' opinion was not modified with respect to this restatement.

Also, during fiscal year ended June 30, 2021, the District restated its beginning fund balances in both the general fund and capital projects fund to reflect expenditures which had incorrectly been recorded in the capital projects fund rather than the general fund in the previous year. See Note 14 for additional information on this restatement. Our auditors' opinion was not modified with respect to this restatement.

Other Matters

Report on Summarized Comparative Information

We have previously audited the District's 2020 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and we expressed unmodified audit opinions on those audited financial statements in our report dated December 4, 2020. In our opinion, the summarized 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the District's net other postemployment benefits (OPEB) liability and related ratios, the schedule of money-weighted rate of return on plan assets – OPEB, schedules of District's proportionate share of net pension liability and schedules of District's pension contributions, 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund financial statements and the Uniform Financial Accounting and Reporting Standards Compliance Table are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and Uniform Financial Accounting and Reporting Standards Compliance Table, collectively, the supplementary information, are the responsibility of management and were derived from and relate 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 supplementary 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 of them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
REPORT DATE

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

This section of Roseville Area Schools – Independent School District No. 623's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follow this section. The Management's Discussion and Analysis (MD&A) is a required element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year include the following:

- Net position increased by \$6,648,581 from current year activity in 2021.
- Overall General Fund revenues were \$114,326,270 as compared to \$111,503,705 of expenditures.
- The total fund balance of the General Fund decreased overall by \$5,130,054 from the prior year, including a prior period restatement of (\$2,119,123). The fund balance in the unassigned fund balance category decreased by \$5,389,886, having begun the year with a balance of \$6,624,473 and ending with a balance of \$1,234,587. While a decrease of \$2,335,540 in fund balance from the prior year was projected in the revised budgets adopted by the Board, the additional decrease of just over \$675,000 was a result of higher than anticipated expenditures within the general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others to whom the resources belong.

District-Wide Statements

The district-wide statements 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. 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.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The two district-wide statements report the District's net position and how they have 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 an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in one category:

- *Governmental Activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., food service).

The District has three kinds of funds:

- *Governmental Funds* – Most of 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 funds statements provide a detailed short-term view that helps to determine whether there are more or fewer 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 district-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationship (or differences) between them.
- *Proprietary Funds* – The District uses an internal service fund to report activities that provide supplies and services for the District's other programs and activities. The District currently has an internal service fund for self-insurance of dental benefits.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the Suburban Ramsey Family Collaborative Custodial Fund. The District has also established an irrevocable trust fund for other postemployment benefits (OPEB). This trust was funded with the proceeds from General Obligation OPEB Bonds issued in 2009. 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 district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's *combined* net position was \$(51,605,881) on June 30, 2021, a decrease of \$1,581,210, or 3.16%, from the prior year (see Table A-1). Total assets increased by approximately \$0.8 million or 0.3%. Capital assets increased by approximately \$53.5 million or 33% as the amount of capital asset additions exceeded the amount of depreciation expense in the current fiscal year. Total liabilities increased by approximately \$7.4 million or 2.6% with current liabilities decreasing by approximately \$17 million and long-term liabilities increasing by approximately \$24.5 million. The decrease in short-term liabilities is primarily attributable to decreased contracts and retainage payable as the District's ongoing capital projects get closer to completion.

**Table A-1
The District's Net Position**

	Governmental Activities as of June 30,		Percentage Change
	2021	2020	
Current and Other Assets	\$ 82,323,034	\$ 134,593,312	(38.84)%
Capital Assets	217,890,612	164,412,530	32.53
Total Assets	<u>300,213,646</u>	<u>299,005,842</u>	0.40
Deferred Outflows of Resources	30,964,231	51,254,117	(39.59)
Current Liabilities	10,030,442	27,194,934	(63.12)
Net Pension Liability	75,564,664	66,308,954	13.96
Long-Term Liabilities	203,372,742	188,077,724	8.13
Total Liabilities	<u>288,967,848</u>	<u>281,581,612</u>	2.62
Deferred Inflows of Resources	<u>93,815,910</u>	<u>118,703,018</u>	(20.97)
Net Position:			
Net Investment in Capital Assets	33,374,393	35,487,015	(5.95)
Restricted	15,202,918	6,099,942	149.23
Unrestricted	(100,183,192)	(91,611,628)	9.36
Total Net Position	<u>\$ (51,605,881)</u>	<u>\$ (50,024,671)</u>	3.16

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The largest positive portion of the District's net position represents its investment in capital assets (land, buildings, equipment, etc.) less any related debt used to acquire those assets that is still outstanding. The District is able to report positive balances in the Capital Assets portion of its net position. Another portion of the District's net position, restricted net position, represents resources that are subject to external restrictions on how they may be used. The restricted portion of the District's net position increased by approximately \$9.1 million during the current year. The remaining unrestricted portion is that which may be used to meet the District's ongoing obligations. This portion of net position decreased by approximately \$8.6 million, to a year-end balance of (\$100,183,192). The District's overall net position has been a deficit balance since fiscal year 2015 when the District implemented Governmental Accounting Standards Board Statement No. 68, which required recording the District's long-term liabilities for pensions.

Changes in Net Position

In Table A-2, Change in Net Position, operations are reported on a governmental-wide basis with no reference to funds. This format is similar to the fund financial statements, except it is presented on an accrual basis of accounting.

Total revenues for all governmental activities were \$141,539,095 for the year ended June 30, 2021. Property taxes and state formula aid accounted for 65% of total revenue for the year (see Figure A-1). 3% from charges for services, and the remaining 32% from operating grants and contributions.

Total revenues for fiscal year 2021 were \$2,557,666 higher than the prior year. The main increase was in federal aid, which was offset by decreases in charges for services, state aid, and investment earnings.

Expenses increased \$12,961,577 compared to fiscal year 2020 levels. After considering a prior period restatement of \$8,229,791 which would have increased prior expenses by that amount, expenses increased \$4,731,786. The increase was partially due to an increase in depreciation expense with the District adding a large amount of capital assets in the previous couple of years.

Total revenues were \$141,539,095 while total expenses were \$134,890,514, increasing net position by \$6,648,581 for fiscal year 2021 before a prior period restatement to decrease beginning net position by \$8,229,791.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

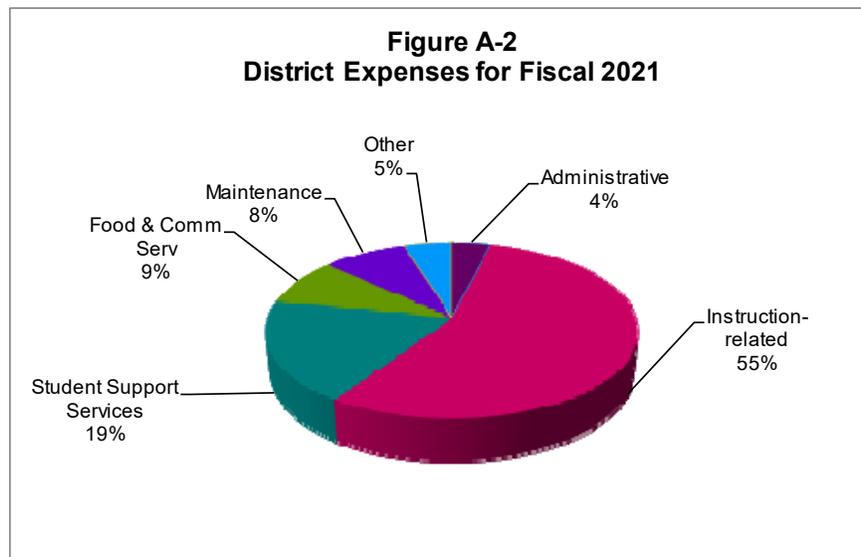
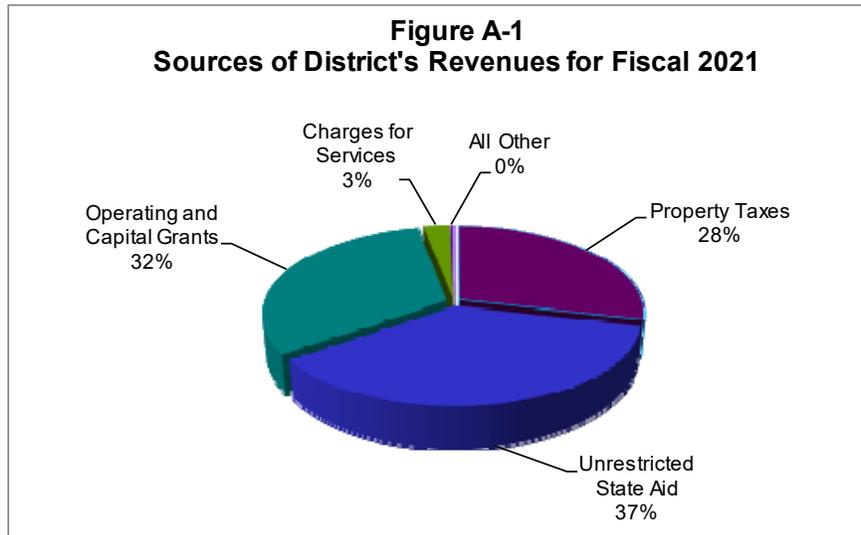
**Table A-2
Change in Net Position**

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2021	2020	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 3,810,248	\$ 6,183,855	(38.38)%
Operating Grants and Contributions	43,545,473	35,629,136	22.22
Capital Grants and Contributions	1,132,180	1,184,933	(4.45)
<u>General Revenues</u>			
Property Taxes	40,173,427	40,389,064	(0.53)
Unrestricted State Aid	52,498,407	53,533,726	(1.93)
Investment Earnings	288,861	2,015,558	(85.67)
Other	90,499	45,157	100.41
Total Revenues	<u>141,539,095</u>	<u>138,981,429</u>	1.84
Expenses			
Administration	5,280,207	5,948,248	(11.23)
District Support Services	4,681,295	4,347,348	7.68
Regular Instruction	50,300,028	48,407,934	3.91
Vocational Education Instruction	2,015,161	2,187,037	(7.86)
Special Education Instruction	22,434,079	21,823,100	2.80
Instructional Support Services	10,994,308	9,723,062	13.07
Pupil Support Services	9,583,128	10,808,725	(11.34)
Sites and Buildings	11,428,925	263,203	4242.25
Fiscal and Other Fixed Cost Programs	453,063	288,494	57.04
Food Service	4,783,454	4,156,549	15.08
Community Service	6,878,034	7,534,582	(8.71)
Interest and Fiscal Charges on Long-Term Liabilities	6,058,832	6,440,655	(5.93)
Total Expenses	<u>134,890,514</u>	<u>121,928,937</u>	10.63
Change in Net Position	6,648,581	17,052,492	
Beginning Net Position	(50,024,671)	(67,077,163)	
Prior Period Restatement, See Not 14	(8,229,791)	-	
Beginning Net Position, as Restated	<u>(58,254,462)</u>	<u>(67,077,163)</u>	
Ending Net Position	<u>\$ (51,605,881)</u>	<u>\$ (50,024,671)</u>	3.16

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The cost of all *governmental* activities this year was \$134,890,514.

- Some of the cost was paid by the users of the District's programs (Table A-2, Charges for Services, \$3,810,248). The majority of this category, approximately \$3.68 million, comes from food service meals and community education class tuition.
- The federal and state governments subsidized specific programs with grants and contributions (\$44,677,653). \$1,132,180 of these grants were capital related.
- Most of the District's costs (\$92,671,834), however, were paid for by District taxpayers, taxpayers of our state, and other miscellaneous general revenues.
- Of the amount paid for by taxpayers of the District and the state, \$40,173,427 came in the form of property taxes, and \$52,498,407 in the form of unrestricted state aid based primarily on the statewide education aid formula.
- The remaining revenue came from investment earnings and other miscellaneous revenue.



**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

All governmental activities include not only funds received for the general operation of the District, which are used for classroom instruction, but also includes resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance classroom instruction resources. The District cannot take funds from these restricted areas and use the funds to hire teachers to enhance instruction.

**Table A-3
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2021	2020		2021	2020	
Administration	\$ 5,280,207	\$ 5,948,248	(11.23)%	\$ 2,156,346	\$ 4,468,474	(51.74)%
District Support Services	4,681,295	4,347,348	7.68	3,406,466	3,252,413	4.74
Regular Instruction	50,300,028	48,407,934	3.91	34,684,299	34,621,988	0.18
Vocational Education Instruction	2,015,161	2,187,037	(7.86)	1,989,512	2,175,733	(8.56)
Special Education Instruction	22,434,079	21,823,100	2.80	6,844,795	7,542,836	(9.25)
Instructional Support Services	10,994,308	9,723,062	13.07	10,887,339	9,554,457	13.95
Pupil Support Services	9,583,128	10,808,725	(11.34)	9,042,746	9,765,755	(7.40)
Sites and Buildings	11,428,925	263,203	4242.25	10,831,089	(450,195)	(2505.87)
Fiscal and Other Fixed Cost Programs	453,063	288,494	57.04	453,063	288,494	57.04
Food Service	4,783,454	4,156,549	15.08	(804,375)	(112,426)	615.47
Community Service	6,878,034	7,534,582	(8.71)	852,501	1,382,829	(38.35)
Interest and Fiscal Charges on Long-Term Liabilities	6,058,832	6,440,655	(5.93)	6,058,832	6,440,655	(5.93)
Total	<u>\$ 134,890,514</u>	<u>\$ 121,928,937</u>	10.63	<u>\$ 86,402,613</u>	<u>\$ 78,931,013</u>	9.47

The cost of all governmental activities this year was \$134,890,514, an increase of \$12,961,577 over the prior year. After applying program specific revenue, the net cost of all governmental activities this year was \$86,402,613 or an increase of \$7,471,600 from the prior year.

The significant year-to-year change in the percentage of expenses incurred in the sites and buildings program can be attributed to prior year expenses being understated by \$8,229,791, resulting in a prior period restatement of beginning net position in the current year. Considering this adjustment, current year expenses would have increased by a revised \$4,731,786 with the net cost decreasing \$758,191. The increase to total cost of services is mainly the result of continued costs incurred to address students' needs in the ongoing pandemic.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a *combined* fund balance of \$36,245,847 which is \$36,505,824 less than last year's ending fund balance of \$72,751,671. This decrease is primarily attributable to capital expenditures on the District's construction projects being funded by the bonds issued in the District's fiscal year 2018.

Revenues for the District's governmental funds were \$141,240,859, an increase of \$2,704,834 compared to fiscal year 2020. Expenditures in all governmental funds totaled \$198,626,199, a decrease of \$10,584,162 from the prior year.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

GENERAL FUND

The General Fund reflects the primary operations of the District that provide educational services to students from Pre-K and kindergarten through grade 12. This includes K-12 educational activities, district instructional support, and student support programs, expenditures for the superintendent, district administration, normal operations and maintenance, pupil transportation, capital outlay projects, and other legal school district expenditures not specifically designated to be accounted for in any other fund.

Approximately 90% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources available to the District. This includes special education state aid that is based upon a cost reimbursement model providing approximately 68% of personnel expenditures. The revenue is later prorated to a lesser amount dependent on the total revenue appropriated by the Legislature for this purpose. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid. The state further controls the timing of payments made to school districts, which affects the cash balances available to meet ongoing costs.

ENROLLMENT

Enrollment is a critical factor in determining revenue with approximately 90% of General Fund revenue being determined by enrollment. The following chart shows that previous year's enrollment growth has slowed, the total enrollment from 2020 to 2021 decreased 281, or 3.7%. The majority of the decline in enrollment is attributed to the ongoing pandemic.

**Table A-4
Enrollment Trend
Average Daily Membership (ADM)**

Grade	-	-	-	-	2021
ECSE	58	69	93	94	102
Kdgt.	572	583	574	594	544
1-3	1,740	1,693	1,713	1,706	1,613
4-6	1,782	1,826	1,727	1,694	1,628
7-12	3,463	3,481	3,473	3,492	3,412
Total K-12	7,615	7,652	7,580	7,580	7,299
ADM Change	66	37	(72)	-	(281)
Percent Change	0.9%	0.5%	-0.9%	0.0%	-3.7%

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

From the period of 2005 through 2018, the District experienced increased enrollment in average daily membership served. Both resident enrollment and the number of students enrolling from neighboring districts through the options programs increased during this time. In 2020-2021, the District served 1,761 students from other districts, while about 592 of our District's residents attended other school districts, and 700 resident students attended public charter schools. The students served, plus resident students served by other districts under tuition agreements, all generate revenue, mostly through the General Education Aid formula. Short-term, due to the ongoing pandemic, it is expected that the District will continue to enroll a reduced number of students at all grade levels, particularly at the elementary grades, with some families opting for home school or other options during this time. Beyond 2021-2022, the pre-school population is expected to remain steady or increase slightly and provide approximately 580 kindergarten students annually, in addition to stable enrollment of students throughout most grade levels. Going forward it is anticipated that numbers of both resident students as well as those from other districts will increase as space permits in classrooms and programs.

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

	Year Ended		Change	
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 26,281,211	\$ 22,080,685	\$ 4,200,526	19.0 %
Earnings on Investments	11,085	170,395	(159,310)	(93.5)
Other	2,475,448	2,678,115	(202,667)	(7.6)
State Sources	79,292,664	79,312,339	(19,675)	(-)
Federal Sources	6,265,862	3,700,151	2,565,711	69.3
Total General Fund Revenue	<u>\$ 114,326,270</u>	<u>\$ 107,941,685</u>	<u>\$ 6,384,585</u>	5.9

General Fund Revenue increased by \$6,384,585 or 5.9% from the previous year. Property tax revenue shows an increase of \$4,200,526. Property tax revenue is driven by student enrollment, Minnesota State Legislative approved funding, local voter approved funding, and the final levy is determined by the amount approved by the school board to levy each year. The increase in property tax revenue is attributed to an increase in Long-Term Facilities Maintenance Fund (LTFM) revenues of \$5,885,302 in the general fund.

Interest earnings decreased by \$159,310. Other revenue decreased by \$202,667. State aid decreased \$19,675, due a decline in enrollment offset by the increase in the basic formula allowance for general education state aid.

Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of mostly state aid revenue. Other state-authorized revenues, which include the operating levy referendum, operating capital revenue, and the property tax shift involve an equalized mix of property tax and state aid revenue. The mix of property tax and state aid can change significantly from year to year without any net change in total revenue and is dependent on legislative action.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Federal revenue increased \$2,565,711, or 69.3%, due to additional federal programs and finding in the current year to assist in addressing costs related to the ongoing pandemic.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2021	June 30, 2020		
Salaries	\$ 62,217,501	\$ 60,389,255	\$ 1,828,246	3.0 %
Employee Benefits	24,360,556	24,413,475	(52,919)	(0.2)
Purchased Services	14,032,609	13,208,804	823,805	6.2
Supplies and Materials	5,259,174	3,785,711	1,473,463	38.9
Capital Expenditures	5,110,662	1,959,646	3,151,016	160.8
Other Expenditures	523,203	129,088	394,115	305.3
Total General Fund Expenditures	<u>\$ 111,503,705</u>	<u>\$ 103,885,979</u>	<u>\$ 7,617,726</u>	7.3

Total General Fund Expenditures increased by \$7,617,726 or 7.3% over the previous year.

In fiscal year 2021, salaries increased 3.0% and employee benefits decreased 0.2%. The increase in salaries and benefits is attributed to employee contract improvements. The slight decrease in employee benefits is related to employees' participation in the district employee insurance programs.

Purchased Services expenditures increased by 6.2%. The increase is due largely to costs for contracted services including transportation services, utility costs, tuition costs for students attending programs off-site.

Supplies and Materials consist of expenditures for diesel and gasoline, natural gas and building fuel oil, maintenance repairs, instructional supplies, and textbooks. Supplies and materials expenditures increased by 38.9% during fiscal year 2021. The increased costs were attributable to the pandemic and additional technology and supplies purchased to assist with distance learning.

Spending for capital expenditures increased by \$3,151,016 over the prior year. The majority of the increase was driven by the need to purchase additional technology devices for both and hotspots to implement the distance learning model.

In 2020-21, total General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$3,010,931. Therefore, the total fund balance decreased from a restated balance of \$6,731,813 at June 30, 2020, to a balance of \$3,720,882 at June 30, 2021. After deducting statutory restrictions and nonspendable balances, the general unassigned fund balance decreased from \$6,624,473 at June 30, 2020 to \$1,308,747 at June 30, 2021 – a decrease of \$5,315,726.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The unassigned fund balance is the single best measure of overall financial health of a school district. The unassigned general fund balance totals \$1,308,747. The Minnesota Department of Education divides this balance by the expenditures related to these balances to calculate the fund balance as a percentage of expenditures. The District's fund balance at June 30, 2021, represents 1.17% of applicable annual expenditures. The School Board has set a goal to maintain a minimum target fund balance of 3%. The current fund balance of 1.17% does not meet the target set by the District. This fund balance has been fluctuating both above and below the set target in recent years. The School Board and District administration are taking appropriate actions to balance the budget and build necessary budget surpluses to provide adequate budget reserves into the future. The district closely monitors its fund balances.

GENERAL FUND BUDGETARY HIGHLIGHTS

Following approval of the budget prior to the beginning of the fiscal year, the District revises the annual operating budget in mid-year. These budget adjustments typically fall into two categories:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating unexpended funds being carried over.
- Legislation passed subsequent to budget adoption, changes necessitated by collective bargaining agreements, and increases in appropriations for significant unbudgeted costs.

Actual revenues were \$7,147,569, or 6.67% more than expected. Favorable variances in property tax collections due to the shifting of LTFM property tax levy for individual projects costing less than \$2,000,00 each were shifted from Fund 06 Construction to Fund 01 General Fund Assigned funds were a key driver in the variance.

Actual General Fund expenditures were \$1,989,464, or 1.82% more than budgeted. Expenditures in these categories are limited to the shift of LTFM expenditures for projects costing below \$2,000,000 from Fund 06 Construction to Fund 01. In addition, capital expenditure expenses were higher due to the technology purchases incurred to keep up with ongoing pandemic related needs of the schools. actual revenue generated.

While the District's final budget for the total General Fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by \$2,335,540, the actual results for the year show that expenditures and other financing uses exceeded revenues and other financing sources by \$3,010,931, a negative difference of \$675,391.

OTHER MAJOR FUNDS

The Food Service Fund revenue for 2020-2021 totaled \$6,274,176 and expenditures were \$4,849,512. The June 30, 2021, fund balance is \$1,804,585, an increase of \$1,424,664 from fiscal year 2020. Actual revenues were \$1,333,796 higher than budgeted due to additional federal aid received for the food service program as well as additional food services provided to the community which were funded through federal programs, specifically the Child Care Adult Food Program which funds the Super Snack program which was used at a much higher rate during distance learning in the pandemic. Actual expenditures were \$26,243 lower than budgeted. These variances resulted in the change in fund balance being \$1,360,039 higher than expected.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The Community Service Fund revenue for 2020-2021 totaled \$7,461,968 and expenditures were \$6,963,726. The June 30, 2021 fund balance is \$1,244,780, an increase of \$504,237. The increase in fund balance is a bit complex. Federal COVID-19 funds supplemented the cost of providing childcare to frontline workers during distance learning to avoid deficit spending within the childcare program even though overall community education programs and related revenues and expenditures decreased as a result of the ongoing pandemic. Many of the accounts that make up the Community Service Fund are reported under specific reserve accounts.

CAPITAL PROJECTS AND DEBT SERVICE FUNDS

The Capital Projects Fund is where the District's revenues and expenditures for Long Term Facilities Maintenance and new construction are being tracked. Because of the age of its buildings and their total square footage, the District is eligible to levy for funds to finance specific projects to maintain the structural integrity of the buildings. These projects are submitted to the state Department of Education and must be approved prior to authorizing the levy. This fund is permitted to go into deficit to the extent of approved and anticipated revenues.

The Combined Debt Service Funds are comprised of a regular debt service account and an account for Other Postemployment Benefit Bonds. Combined Debt Service Funds revenues and other financing sources exceeded expenditures and other financing uses by \$426,317.

Revenues in the Regular Debt Service Fund Account are used to pay off the principal and interest of bonds issued in past years for building construction and improvements. The total fund balance of the regular debt service account at June 30, 2021 is \$1,959,737. The Other Postemployment Benefits Bond Fund records the expenditures and revenues related to repayment of the bonded debt issued to create the Other Postemployment Benefits Trust. The OPEB fund balance of \$195,768, combined with revenues generated by levies on future property taxes, will be used to pay the obligation on the debt as it comes due.

INTERNAL SERVICE FUND

The District changed to a self-insured plan for dental benefits for District employees effective July 1, 2011, and an Internal Service Fund was created to record related revenues and expenses. The plan is administered by a third party. Revenues continue to exceed expenses. In 2020-2021, revenues exceeded expenses by \$1,302. Total net position for the plan is now \$603,555 or 61% of total claims and expenses. The efficiency in the administration of this funding model and the positive claims experience has allowed the District to maintain the same monthly dental premium amount for five consecutive years.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021, the District had invested more than \$301 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total net depreciation expense for the year was \$4,051,840.

**Table A-7
Capital Assets**

	<u>2021</u>	<u>2020</u>	<u>Percentage Change</u>
Land	\$ 1,862,539	\$ 1,746,318	7 %
Construction in Progress	47,352,738	52,816,383	(10.3)
Land Improvements	12,242,683	11,998,703	2.0
Buildings and Improvements	232,647,266	162,269,129	43.4
Equipment	7,376,865	6,923,839	6.5
Less: Accumulated Depreciation	<u>(83,591,479)</u>	<u>(79,571,633)</u>	5.1
Total District Capital Assets	<u>\$ 217,890,612</u>	<u>\$ 156,182,739</u>	39.5

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Long-Term Liabilities

At year-end, the District had \$166,005,000 in general obligation bonds outstanding – a decrease of \$5,450,000 from last year – as detailed in Note 5 to the financial statements. The District also had \$17,510,000 in certificates of participation outstanding related to the 2021A issuance. The District also had an estimated \$1,204,400 in vacation payable at June 30, 2021, an increase of \$71,696 from June 30, 2020. Other compensated absences totaled \$381,161 as of June 30, 2021, which is the amount estimated to be paid in severance to current employees in the future, a decrease of \$117,879 from June 30, 2020.

**Table A-8
Long-Term Liabilities**

	2021	2020	Percentage Change
General Obligation Bonds	\$ 166,005,000	\$ 171,455,000	(3.2)%
Net Bond Premium and Discount	17,008,502	14,532,442	17.0
Certificates of Participation Payable	17,510,000	-	N/A
Net Pension Liability	75,564,664	66,308,954	14.0
Vacation Payable	1,204,400	1,132,704	6.3
Other Compensated Absences Payable	381,161	499,040	(23.6)
Total Long-Term Liabilities	<u>\$ 277,673,727</u>	<u>\$ 253,928,140</u>	9.4
Long-Term Liabilities:			
Due Within One Year	\$ 7,695,050	\$ 5,508,818	
Due in More Than One Year	269,978,677	248,419,322	
Total	<u>\$ 277,673,727</u>	<u>\$ 253,928,140</u>	

FACTORS BEARING ON THE DISTRICT'S FUTURE

With the exception of voter-approved excess operating referendum, the District is dependent on the State of Minnesota for most of its revenue authority. School districts experienced many years without revenue increases which adequately met instructional program needs and increased costs due to inflation.

Thanks to the generous support of the Roseville Area Schools community, the District renewed an operating levy that was scheduled to sunset as of June 30, 2022. In addition, voters approved an additional operating levy increasing per pupil levy authority by an additional \$915 per pupil unit. These operating levies also have an annual inflationary factor built in. The added funds, over \$7,000,000 annually, will be used to decrease class sizes, increase social/emotional supports for our students, maintain academic programs, and allow the district to grow its fund balance and maintain financial stability.

The ongoing demands on limited resources continue to present challenges in funding education for Minnesota schools. The Legislature has added \$161, or 2.45%, per pupil to the basic general education funding formula for fiscal year 2022.

The COVID-19 pandemic has impacted how the District provides instruction. The District was in distance learning much of the time beginning in March 2020 through early spring 2021. 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 has impacted how many

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, means less revenue for the District.

The District will continue to seek all available sources of funding, respond to changes in enrollment, maintain systems that ensure financial stability, and adopt budgets that will allow the District to have adequate fund balance reserves in the various components of the General Fund Balance in the upcoming years.

The District completed work on an updated 10-year facilities plan in the spring of 2017. Goals of the plan are to provide the additional space required to accommodate increasing student enrollment, support the learning environment, safety and security needs, and initiatives for students, staff and community; address backlog of deferred maintenance in buildings; improve energy efficiency, and support strategic plan initiatives. The plan is being funded with a combination of a \$144 million GO Construction Bond approved by our taxpayers on November 7, 2017 and a planned \$12 million annual investment of Long-Term Facilities Maintenance funds over the next ten-year period.

The District has completed bond-funded construction at all of its elementary schools. Construction has also been completed at Parkview Center School and Roseville Area Middle School as of September 2020.

Construction at Roseville Area High School is a complex multi-year project that began in the fall of 2018. A new science wing opened on December 3, 2019, followed by the opening of a new career-tech auto shop in March 2020. Major construction will continue at the high school until late 2021. Construction of a new facility to replace Fairview Community Center began in the spring of 2020 and will be completed in fall 2021.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report 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 623, District Center, 1251 West County Road B-2, Roseville, Minnesota 55113.

Bond Ratings

The District's bonds presently carry a Moody's "A3" rating.

Limitations on Debt

The state limits the amount of general obligation debt the District can issue to 15% of the assessed value of all taxable property within the District's corporate limits. Our outstanding debt is significantly below this limit – which is currently \$939 million.

BASIC FINANCIAL STATEMENTS

DRAFT

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	Governmental Activities <u>2021</u>
ASSETS	
Cash and Investments	\$ 32,286,314
Cash with Fiscal Agent	12,793,664
Receivables:	
Property Taxes	22,909,547
Other Governments	12,567,659
Other	1,103,010
Prepaid Items	605,651
Inventories	57,189
Capital Assets:	
Land and Construction in Progress	49,215,277
Other Capital Assets, Net of Depreciation	<u>168,675,335</u>
Total Assets	<u>300,213,646</u>
DEFERRED OUTFLOWS OF RESOURCES	
Losses on Debt Refunding	80,566
Deferred Outflows - Pension Related	30,415,747
Deferred Outflows - Other Postemployment Benefits Related	<u>467,918</u>
Total Deferred Outflows	<u>30,964,231</u>
LIABILITIES	
Salaries Payable	413,346
Accounts and Contracts Payable	5,978,471
Accrued Interest	2,806,638
Due to Other Governmental Units	541,949
Claims Payable	18,716
Unearned Revenue	271,322
Long-Term Liabilities:	
Net Pension Liability	75,564,664
Net Other Postemployment Benefits Liability	1,263,679
Portion Due Within One Year	7,695,050
Portion Due in More Than One Year	<u>194,414,013</u>
Total Liabilities	<u>288,967,848</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	37,632,616
Gains on Debt Refunding	502,430
Deferred Inflows - Pension Related	55,525,286
Deferred Inflows - Other Postemployment Benefits Related	<u>155,578</u>
Total Deferred Inflows of Resources	<u>93,815,910</u>
NET POSITION	
Net Investment in Capital Assets	33,374,393
Restricted for:	
General Fund Operating Capital Purposes	1,068,653
General Fund State-Mandated Reserves	172,381
Food Service	1,746,032
Community Service	1,248,005
Capital Projects - Building Construction	10,890,948
Other Purposes	76,899
Unrestricted	<u>(100,183,192)</u>
Total Net Position	<u>\$ (51,605,881)</u>

See accompanying Notes to Basic Financial Statements.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

Functions	2021				Net (Expense) Revenue and Change in Net Position Total Governmental Activities
	Expenses	Charges for Services	Program Revenues		
			Operating	Capital	
			Grants and Contributions	Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Administration	\$ 5,280,207	\$ -	\$ 3,123,861	\$ -	\$ (2,156,346)
District Support Services	4,681,295	10,734	495,153	768,942	(3,406,466)
Regular Instruction	50,300,028	601,190	14,725,202	289,337	(34,684,299)
Vocational Education Instruction	2,015,161	-	25,649	-	(1,989,512)
Special Education Instruction	22,434,079	261,323	15,327,961	-	(6,844,795)
Instructional Support Services	10,994,308	7,428	64,221	35,320	(10,887,339)
Pupil Support Services	9,583,128	6,537	533,845	-	(9,042,746)
Sites and Buildings	11,428,925	-	559,255	38,581	(10,831,089)
Fiscal and Other Fixed Cost Programs	453,063	-	-	-	(453,063)
Food Service	4,783,454	195,381	5,392,448	-	804,375
Community Service	6,878,034	2,727,655	3,297,878	-	(852,501)
Interest and Fiscal Charges on Long-Term Liabilities	6,058,832	-	-	-	(6,058,832)
Total School District	<u>\$ 134,890,514</u>	<u>\$ 3,810,248</u>	<u>\$ 43,545,473</u>	<u>\$ 1,132,180</u>	<u>(86,402,613)</u>
GENERAL REVENUES					
Property Taxes Levied for:					
General Purposes					26,355,031
Community Service					961,380
Debt Service					12,857,016
Capital Projects					-
State Aid Not Restricted to Specific Purposes					52,498,407
Earnings on Investments					288,861
Miscellaneous					59,152
Gain on Sale of Capital Assets					31,347
Total General Revenues					<u>93,051,194</u>
CHANGE IN NET POSITION					
					6,648,581
Net Position - Beginning					(50,024,671)
Prior Period Restatement - See Note 14					(8,229,791)
Net Position - Beginning, as Restated					<u>(58,254,462)</u>
NET POSITION - ENDING					<u>\$ (51,605,881)</u>

See accompanying Notes to Basic Financial Statements.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	Major Funds			Major Funds		Total
	General	Food Service	Community Service	Capital Projects	Debt Service	Governmental Funds
						2021
ASSETS						
Cash and Investments	\$ 2,897,768	\$ 982,650	\$ 363,497	\$ 18,926,974	\$ 8,424,043	\$ 31,594,932
Cash with Fiscal Agent	-	-	-	12,793,664	-	12,793,664
Receivables:						
Current Property Taxes	14,374,483	-	553,488	-	7,476,931	22,404,902
Delinquent Property Taxes	338,040	-	13,388	-	153,217	504,645
Accounts and Interest Receivable	161,371	11,878	58,617	137,121	-	368,987
Due from Other Minnesota School Districts	17,325	88,175	610,013	-	-	715,513
Due from Minnesota Department of Education	7,262,783	62	323,830	-	8,960	7,595,635
Due from Federal through Minnesota Department of Education	2,424,731	891,830	484,932	-	-	3,801,493
Due from Other Governmental Units	412,895	-	42,123	-	-	455,018
Due from Other Funds	835,777	11,603	64,437	-	-	911,817
Inventory	11,542	45,647	-	-	-	57,189
Prepays	579,875	12,906	12,870	-	-	605,651
Total Assets	\$ 29,316,590	\$ 2,044,751	\$ 2,527,195	\$ 31,857,759	\$ 16,063,151	\$ 81,809,446
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
Liabilities:						
Salaries and Compensated Absences Payable	\$ 268,380	\$ 36,473	\$ 107,844	\$ -	\$ -	\$ 412,697
Payroll Deductions and Employer Contributions Payable	-	649	-	-	-	649
Accounts and Contracts Payable	1,431,600	52,639	65,251	4,359,870	-	5,909,360
Due to Other Governmental Units	529,938	-	12,011	-	-	541,949
Due to Other Funds	-	-	-	177,794	-	177,794
Unearned Revenue	55,157	150,405	65,760	-	-	271,322
Total Liabilities	2,285,075	240,166	250,866	4,537,664	-	7,313,771
Deferred Inflows of Resources:						
Unavailable Revenue - Property Taxes Levied for Subsequent Year	22,899,796	-	1,015,454	-	13,717,366	37,632,616
Unavailable Revenue - Delinquent Property Taxes	410,837	-	16,095	-	190,280	617,212
Total Deferred Inflows of Resources	23,310,633	-	1,031,549	-	13,907,646	38,249,828
Fund Balance:						
Nonspendable:						
Inventory	11,542	45,647	-	-	-	57,189
Prepays	579,875	12,906	12,870	-	-	605,651
Restricted for:						
Student Activities	140,690	-	-	-	-	140,690
Staff Development	31,691	-	-	-	-	31,691
Operating Capital	1,068,653	-	-	-	-	1,068,653
Community Education	-	-	356,622	-	-	356,622
Early Childhood and Family Education	-	-	308,567	-	-	308,567
School Readiness	-	-	145,173	-	-	145,173
Adult Basic Education	-	-	410,803	-	-	410,803
Safe Schools Levy	-	-	-	-	-	-
Long Term Facilities Maintenance	-	-	-	871,851	-	871,851
Restricted for Other Purposes	76,899	1,746,032	10,745	26,448,244	2,155,505	30,437,425
Assigned for Extracurricular Activities	576,945	-	-	-	-	576,945
Unassigned	1,234,587	-	-	-	-	1,234,587
Total Fund Balance	3,720,882	1,804,585	1,244,780	27,320,095	2,155,505	36,245,847
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 29,316,590	\$ 2,044,751	\$ 2,527,195	\$ 31,857,759	\$ 16,063,151	\$ 81,809,446

See accompanying Notes to Basic Financial Statements.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	2021
Total Fund Balance for Governmental Funds	\$ 36,245,847
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	1,862,539
Construction in Progress	47,352,738
Land Improvements, Net of Accumulated Depreciation	6,931,222
Buildings and Improvements, Net of Accumulated Depreciation	159,437,421
Equipment, Net of Accumulated Depreciation	2,306,692
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.	617,212
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(2,806,638)
Deferred amounts on refundings are not current financial resources and, therefore, are not reported in the governmental funds.	
Gains on Debt Refunding	(502,430)
Losses on Debt Refunding	80,566
The District's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:	
Net Pension Liability	(75,564,664)
Deferred Outflows of Resources - Pensions	30,415,747
Deferred Inflows of Resources - Pensions	(55,525,286)
The District's net other postemployment benefits liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end	
Net Other Postemployment Benefits Liability	(1,263,679)
Deferred Outflows of Resources - Other Postemployment Benefits	467,918
Deferred Inflows of Resources - Other Postemployment Benefits	(155,578)
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:	
Bonds Payable	(166,005,000)
Unamortized Premiums	(17,008,502)
Unamortized Discounts	-
Certificates of Participation Payable	(17,510,000)
Vacation Payable	(1,204,400)
Other Compensated Absences	(381,161)
Internal service funds are used by management to charge the costs of dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:	603,555
Total Net Position of Governmental Activities	<u>\$ (51,605,881)</u>

See accompanying Notes to Basic Financial Statements.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	Major Funds					Total Governmental Funds 2021
	General	Food Service	Community Service	Capital Projects	Debt Service	
REVENUES						
Local Sources:						
Property Taxes	\$ 26,281,211	\$ -	\$ 959,399	\$ -	\$ 12,811,065	\$ 40,051,675
Earnings and Investments	11,085	-	-	277,776	-	288,861
Other	2,475,448	195,381	3,485,933	-	-	6,156,762
State Sources	79,292,664	50,256	1,105,449	-	89,604	80,537,973
Federal Sources	6,265,862	6,028,539	1,911,187	-	-	14,205,588
Total Revenues	<u>114,326,270</u>	<u>6,274,176</u>	<u>7,461,968</u>	<u>277,776</u>	<u>12,900,669</u>	<u>141,240,859</u>
EXPENDITURES						
Current:						
Administration	5,224,686	-	-	-	-	5,224,686
District Support Services	4,651,153	-	-	-	-	4,651,153
Elementary and Secondary						
Regular Instruction	43,592,426	-	-	-	-	43,592,426
Vocational Education Instruction	1,897,445	-	-	-	-	1,897,445
Special Education Instruction	21,372,548	-	-	-	-	21,372,548
Instructional Support Services	10,540,032	-	-	-	-	10,540,032
Pupil Support Services	9,338,604	-	-	-	-	9,338,604
Sites and Buildings	9,310,618	-	-	7,516,221	-	16,826,839
Fiscal and Other Fixed						
Cost Programs	453,063	-	-	-	-	453,063
Food Service	-	4,694,952	-	-	-	4,694,952
Community Service	12,468	-	6,925,034	-	-	6,937,502
Capital Outlay	5,110,662	154,560	38,692	55,185,893	-	60,489,807
Debt Service:						
Principal	-	-	-	-	5,450,000	5,450,000
Interest and Fiscal Charges	-	-	-	132,790	7,024,352	7,157,142
Total Expenditures	<u>111,503,705</u>	<u>4,849,512</u>	<u>6,963,726</u>	<u>62,834,904</u>	<u>12,474,352</u>	<u>198,626,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,822,565	1,424,664	498,242	(62,557,128)	426,317	(57,385,340)
OTHER FINANCING SOURCES (USES)						
Sale of Real Property	23,852	-	-	-	-	23,852
Sale of Equipment	1,500	-	5,995	-	-	7,495
Insurance Recovery	59,152	-	-	-	-	59,152
Issuance of Bonds	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-
Issuance of Certificates of Participation	-	-	-	17,510,000	-	17,510,000
Capital Loans	-	-	-	3,279,017	-	3,279,017
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-
Transfers In	-	-	-	5,918,000	-	5,918,000
Transfers Out	(5,918,000)	-	-	-	-	(5,918,000)
Total Other Financing Sources (Uses)	<u>(5,833,496)</u>	<u>-</u>	<u>5,995</u>	<u>26,707,017</u>	<u>-</u>	<u>20,879,516</u>
NET CHANGE IN FUND BALANCE	(3,010,931)	1,424,664	504,237	(35,850,111)	426,317	(36,505,824)
FUND BALANCES						
Beginning of Year	8,850,936	379,921	740,543	61,051,083	1,729,188	72,751,671
Prior Period Restatement	(2,119,123)	-	-	2,119,123	-	-
Beginning of Year, as Restated	<u>6,731,813</u>	<u>379,921</u>	<u>740,543</u>	<u>63,170,206</u>	<u>1,729,188</u>	<u>72,751,671</u>
End of Year	<u>\$ 3,720,882</u>	<u>\$ 1,804,585</u>	<u>\$ 1,244,780</u>	<u>\$ 27,320,095</u>	<u>\$ 2,155,505</u>	<u>\$ 36,245,847</u>

See accompanying Notes to Basic Financial Statements.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021
Net Change in Fund Balance - Total Governmental Funds	\$ (36,505,824)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is:	
Capital Outlays	65,759,713
Gain (Loss) on Disposal of Capital Assets	31,347
Proceeds from the Sales of Capital Assets	(31,347)
Depreciation Expense	(4,051,840)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.	121,752
Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	(3,633,840)
Other postemployment benefit (OPEB) expenditures in the governmental funds are measured by current year employer contributions. OPEB expenses on the statement of activities are measured by the change in the net OPEB liability and the related deferred inflows and outflows of resources.	(848,158)
In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).	46,183
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:	
General Obligation Bonds Issued	-
Bond Premium or Discount	-
Certificates of Participation Issued	(17,510,000)
Certificates of Participation Premium or Discount	(3,279,017)
Payment to Refunded Bond Escrow Agent	-
Repayment of Bond Principal	5,450,000
Change in Accrued Interest - General Obligation Bonds	122,285
Amortization of Bond Premium	1,047,801
Amortization of Bond Discount	(153,040)
Amortization of Deferred Gain on Refunding	92,502
Amortization of Deferred Loss on Refunding	(11,238)
Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.	1,302
Total	\$ 6,648,581

See accompanying Notes to Basic Financial Statements.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 19,555,499	\$ 19,659,769	\$ 26,281,211	\$ 6,621,442
Earnings and Investments	5,000	5,000	11,085	6,085
Other	1,647,000	1,021,629	2,475,448	1,453,819
State Sources	81,735,595	80,340,379	79,292,664	(1,047,715)
Federal Sources	3,953,959	6,151,924	6,265,862	113,938
Total Revenues	<u>106,897,053</u>	<u>107,178,701</u>	<u>114,326,270</u>	<u>7,147,569</u>
EXPENDITURES				
Current:				
Administration	5,158,572	5,066,770	5,224,686	157,916
District Support Services	4,309,210	4,541,691	4,651,153	109,462
Elementary and Secondary				
Regular Instruction	43,722,186	44,094,625	43,592,426	(502,199)
Vocational Education Instruction	2,127,044	2,121,830	1,897,445	(224,385)
Special Education Instruction	22,413,616	22,274,915	21,372,548	(902,367)
Community Education and Services	13,000	13,000	12,468	(532)
Instructional Support Services	9,984,045	11,323,719	10,540,032	(783,687)
Pupil Support Services	10,445,504	10,457,302	9,338,604	(1,118,698)
Sites and Buildings	6,966,738	7,272,557	9,310,618	2,038,061
Fiscal and Other Fixed Cost Programs	320,000	684,000	453,063	(230,937)
Capital Outlay	1,625,886	1,663,832	5,110,662	3,446,830
Total Expenditures	<u>107,085,801</u>	<u>109,514,241</u>	<u>111,503,705</u>	<u>1,989,464</u>
EXCESS OF REVENUES OVER EXPENDITURES	(188,748)	(2,335,540)	2,822,565	5,158,105
OTHER FINANCING SOURCES				
Sale of Real Property	-	-	23,852	23,852
Sale of Equipment	-	-	1,500	1,500
Insurance Recovery	-	-	59,152	59,152
Transfers Out	-	-	(5,918,000)	(5,918,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(5,833,496)</u>	<u>(5,833,496)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (188,748)</u>	<u>\$ (2,335,540)</u>	(3,010,931)	<u>\$ (675,391)</u>
FUND BALANCE				
Beginning of Year			8,850,936	
Prior Period Restatement			(2,119,123)	
Beginning of Year - As Restated			<u>6,731,813</u>	
End of Year			<u>\$ 3,720,882</u>	

See accompanying Notes to Basic Financial Statements.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Other - Primarily Meal Sales	\$ 1,481,990	\$ 1,481,990	\$ 195,381	\$ (1,286,609)
State Sources	309,320	309,320	50,256	(259,064)
Federal Sources	3,149,070	3,149,070	6,028,539	2,879,469
Total Revenues	<u>4,940,380</u>	<u>4,940,380</u>	<u>6,274,176</u>	<u>1,333,796</u>
EXPENDITURES				
Current:				
Food Service	4,815,755	4,815,755	4,694,952	(120,803)
Capital Outlay	60,000	60,000	154,560	94,560
Total Expenditures	<u>4,875,755</u>	<u>4,875,755</u>	<u>4,849,512</u>	<u>(26,243)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 64,625</u>	<u>\$ 64,625</u>	1,424,664	<u>\$ 1,360,039</u>
FUND BALANCE				
Beginning of Year			379,921	
End of Year			<u>\$ 1,804,585</u>	

See accompanying Notes to Basic Financial Statements.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 979,114	\$ 979,090	\$ 959,399	\$ (19,691)
Other - Primarily Tuition and Fees	5,376,801	3,143,020	3,485,933	342,913
State Sources	819,955	781,128	1,105,449	324,321
Federal Sources	683,315	1,875,234	1,911,187	35,953
Total Revenues	<u>7,859,185</u>	<u>6,778,472</u>	<u>7,461,968</u>	<u>683,496</u>
EXPENDITURES				
Current:				
Community Service	8,209,880	7,009,926	6,925,034	(84,892)
Capital Outlay	70,850	81,277	38,692	(42,585)
Total Expenditures	<u>8,280,730</u>	<u>7,091,203</u>	<u>6,963,726</u>	<u>(127,477)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(421,545)	(312,731)	498,242	810,973
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	5,995	5,995	-
NET CHANGE IN FUND BALANCE	<u>\$ (421,545)</u>	<u>\$ (306,736)</u>	504,237	<u>\$ 810,973</u>
FUND BALANCE				
Beginning of Year			740,543	
End of Year			<u>\$ 1,244,780</u>	

See accompanying Notes to Basic Financial Statements.

ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	Governmental Activities - Internal Services Funds
	2021
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 691,382
LIABILITIES	
Current Liabilities:	
Accounts Payable	69,111
Claims Payable - Medical	18,716
Total Current Liabilities	87,827
NET POSITION	
Unrestricted	603,555
Total Net Position	\$ 603,555

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ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)

	Governmental Activities - Internal Service Funds
	2021
OPERATING REVENUES	
Charges for Services:	
Dental Insurance Premiums	\$ 990,069
OPERATING EXPENSES	
Dental Insurance Claim Payment	938,318
General Administrative Fees	50,449
Total Operating Expenses	988,767
CHANGE IN NET POSITION	1,302
Net Position - Beginning	602,253
NET POSITION - ENDING	\$ 603,555

DRAFT

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	Governmental Activities - Internal Service Funds
	2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Interfund Services Provided	\$ 990,069
Payments for Administrative Costs	(32,113)
Payments for Claims	(934,601)
Net Cash Provided by Operating Activities	23,355
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,355
Cash and Cash Equivalents - Beginning of Year	668,027
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 691,382
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in Net Position	\$ 1,302
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:	
Increase in Accounts Payable	18,336
Increase (Decrease) in Claims Payable	3,717
Total Adjustments	22,053
Net Cash Provided by Operating Activities	\$ 23,355

See accompanying Notes to Basic Financial Statements.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

	Other Postemployment Benefit Trust	Custodial Fund
ASSETS		
Cash and Investments	\$ 8,682,936	\$ 1,168,296
Interest Receivable	18,717	-
Due from Other Governments	-	246,558
Total Assets	8,701,653	1,414,854
LIABILITIES		
Accounts and Contracts Payable	-	122,169
Due to Other Funds	734,023	-
Due to Other MN School Districts	-	1,292,685
Total Liabilities	734,023	1,414,854
NET POSITION		
Restricted for OPEB/other purposes	\$ 7,967,630	\$ -

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

	Other Postemployment Benefit Trust	Custodial Fund
ADDITIONS		
Investment Income	\$ 113,102	\$ -
Contributions	-	714,052
Total Additions	113,102	714,052
DEDUCTIONS		
Benefits Paid to Participants or Beneficiaries	734,023	-
Purchased Services	-	713,260
Supplies and Materials	-	792
Total Deductions	734,023	714,052
CHANGE IN NET POSITION	(620,921)	-
Net Position - Beginning of Year	8,588,551	-
NET POSITION - END OF YEAR	\$ 7,967,630	\$ -

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NOTES TO BASIC FINANCIAL STATEMENTS

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 623 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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.

This financial report has been prepared in conformity with GASB Statement No. 34.

B. Financial Reporting Entity

The District is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

Accounting principles generally accepted in the United States of America (GAAP) require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. There are no other entities for which the District is financially accountable.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. In accordance with Minnesota state statutes, the District's student activity accounts are included in these financial statements in the District's General Fund.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation

The District-wide financial statements (i.e. the Statement of Net Position and the 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. The Fiduciary Funds are only reported in the statements of Fiduciary Net Position at the fund financial statement level.

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 items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Generally, the effect of material interfund activity has been removed from the District-wide financial statements.

Separate fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type. 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 District-wide statements.

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

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are fiduciary fund financial statements. 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.

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. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and accounting principles generally accepted in the United States of America. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds

The existence of the various District funds has been established by the state of Minnesota, Department of Education. The accounts of the district are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is 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. It includes the general operations and pupil transportation activities of the district, as well as the capital related activities such as maintenance of facilities equipment purchases, health and safety projects, and disabled accessibility projects.

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues for the Food Service Fund are generated from user fees, federal reimbursements, and state aids.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services. Revenues for the Community Service Fund are generated primarily from user fees, local property taxes and state aids.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs.

Proprietary Funds

Internal Service Fund

The Internal Service Fund is established to account for the District's self-insured dental insurance plan for its employees.

Fiduciary Funds

Other Postemployment Benefit Trust

The Other Postemployment Benefit Trust Fund is used to account for resources set aside and held in an irrevocable trust arrangement for postemployment benefits.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Fiduciary Funds (Continued)

Custodial Fund

The Custodial Fund is established to account for cash and other assets held by the District as the agent for others. This fund is used to account for a local collaborative time study grant.

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Capital Projects, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

Budget amounts include mid-year budget amendments as follows:

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 106,897,053	\$ 281,648	\$ 107,178,701
Special Revenue Fund:			
Food Service Fund	4,940,380	-	4,940,380
Community Service Fund	7,859,185	(1,080,713)	6,778,472
 <u>Expenditures</u>			
General Fund	\$ 107,085,801	\$ 2,428,440	\$ 109,514,241
Special Revenue Funds:			
Food Service Fund	4,875,755	-	4,875,755
Community Service Fund	8,280,730	(1,189,527)	7,091,203

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain restricted balances specified in Minnesota Statutes, exceeding 2.5% of expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

F. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in various securities as authorized by Minnesota Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations.

G. Accounts Receivable

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased paper supplies, 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, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Expense is allocated over the periods benefitted.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items in this category, one related to pensions (see Note 7 for details), one related to other postemployment benefits (see Note 8 for details), and one related to deferred losses on debt refunding.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has five types of deferred inflows, two of which are related to revenue recognition. The first is property taxes levied for subsequent year. As an imposed nonexchange revenue transaction, property taxes received or reported as a receivable before the period for which the property taxes are levied are reported as a deferred inflow of resources in the government-wide financial statements and in the governmental fund financial statements. The second type of deferred inflow of resources is delinquent property taxes. Governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. Delinquent taxes not collected within 60 days after the District's year-end are considered unavailable and reported as a deferred inflow of resources in the governmental fund financial statements. The third type of deferred inflow is for deferred gains on debt refunding, which is being amortized over the life of the bonds. The fourth type of deferred inflow is related to pensions (see Note 7 for details) and the fifth type is related to other postemployment benefits (see Note 8 for details).

K. Property Taxes

Property tax levies are established by the School Board in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes and are responsible for spreading all levies over taxable property. Such taxes become a lien on January 1. Taxes are generally due on May 15 and October 15 and counties generally remit taxes to Districts at periodic intervals as they are collected. A portion of property taxes levied is paid through state credits which are included in revenue from state sources in the financial statements.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Taxes (Continued)

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as deferred revenue (property taxes levied for subsequent year). The majority of District revenue in the General Fund (and to a lesser extent in the District's Community Service Special Revenue Fund) is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift".

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 deferred because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2021, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

L. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. 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 statement but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer 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 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Pensions

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

O. Accrued Employee Benefits

Vacation Pay

The District's twelve-month employees are entitled to annual vacations. These benefits are reported as liabilities in the government-wide financial statements and as expenditures when taken in the fund financial statements.

Sick Pay

Substantially all district employees are entitled to sick leave at various rates. For certain employees, unused sick leave is a factor in the calculation of an employee's severance pay upon retirement.

Severance and Health Benefits

Severance and health benefits consist of lump sum early retirement incentive payments and postemployment health care benefits. Accounting policies for severance and health benefits are described below.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Accrued Employee Benefits (Continued)

1. Early Retirement Incentive and Convertible Sick Leave

The District maintains various early retirement incentive payment plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. No employee can receive early retirement incentive payments exceeding one year's salary. For substantially all employees, early retirement incentive benefits are eliminated if employment with the District occurred subsequent to July 1, 1994. In addition, certain bargaining unit members are eligible to be compensated for unused accumulated sick leave upon termination subject to certain conditions. If retirement occurs by year-end, the related benefits are included with salaries and other compensated absences as a current liability. See Note 5 for further information.

2. Postemployment Health Care Benefits

Under the terms of certain collectively bargained employment contracts, including the teachers' and administrators' contracts, the District is required to pay the health and dental insurance premiums for retired employees until they reach specified age requirements such as Medicare eligibility. These plans are no longer available to employees hired subsequent to July 1, 1994. The long-term portion of the postemployment health care benefits liability is included as Other Postemployment Benefits of long-term debt. See Note 8 for further information.

P. Fund Balance

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

Nonspendable – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

Restricted – funds are constrained from outside parties (statute, grantors, bond agreements, etc.).

Committed – funds are established and modified by a resolution approved by the Board of Education.

Assigned – consists of internally imposed constraints. The Board of Education passed a resolution authorizing the Superintendent or the Superintendent's designee to assign fund balances and its intended uses.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts.

The District formally adopted a fund balance policy for the General Fund. The policy established a year-end target unassigned fund balance of 3% of the annual budget.

Q. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers compensation. The District purchases commercial insurance coverage for such risks.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. The District is self-insured for dental benefits. See Note 12 for details.

R. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide and fiduciary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position are reported as restricted in the District-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. Any residual net position/(deficit) is reported as unrestricted.

S. Comparative Data

The basic financial statements include certain prior year summarized 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.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2021:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	\$ 109,514,241	\$ 111,503,705	\$ 1,989,464
Capital Projects Fund	46,000,000	62,834,904	16,834,904

NOTE 3 DEPOSITS AND INVESTMENTS

A. Deposits

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and the balance sheet as "Cash and Investments." In accordance with Minnesota Statutes, the District maintains deposits at financial institutions which are authorized by the School District's Board.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

The carrying value and bank balance of the District's deposits, excluding fiduciary funds, in banks at June 30, 2021 is \$21,760,437 and \$26,207,457, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

At June 30, 2021, the District's petty cash fund totaled \$1,620.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

The District may also invest idle funds as authorized by Minnesota Statutes as follows:

- 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 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less
- General obligations rated “A” or better; revenue obligations rated “AA” or better
- General obligations of the Minnesota Housing Finance Agency rate “A” or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks, corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

In addition, investments held in the Other Postemployment Benefits Irrevocable Trust Fund may be invested as authorized by Minnesota State Statute 356A.06, Subdivision 7.

At June 30, 2021, the District had the following investments:

	Amortized Cost
MSDLAF+ Liquid Class	\$ 11,946,750
MSDLAF+ MAX Class	4,015,938
Money Market Mutual Fund	1,240,046
Total Investments at Amortized Cost	\$ 17,202,734

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

MSDLAF's investments are restricted to securities described in Minnesota Statutes §118.04. MSDLAF's Term Series portfolios are separate portfolios with a fixed investment term and a designated maturity. A Term Series portfolio consists of investments in certificates of deposit, obligations of the U.S. Government, its agencies and instrumentalities, and municipal obligations. These investments are reported at amortized cost.

	Fair Value
US Treasury Note	\$ 3,115,984
Federal Home Loan Bank Notes	3,261,272
Municipal Bonds	906,221
MN State Board of Investments Internal Fixed Pool	8,682,942
Total Investments at Fair Value	\$ 15,966,419

The District has established an Other Postemployment Benefits Irrevocable Trust Fund, which is administered by PERA, in accordance with Minnesota Statute 471.6175. In accordance with this statute, funds must be invested with the State Board of Investments (SBI). The District's trust funds are invested in an external investment pool comprised of fixed income securities. The average years to maturity for this investment pool is less than one year. The SBI investments are unrated. The fair value of the position in the pool is the same as the value of pool shares.

Custodial Credit Risk – For an investment, custodial risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for the School District's investments:

	Credit Rating	Amount
Federal Home Loan Bank Notes	AA	\$ 3,261,272
Municipal Bonds	AAA	370,017
Municipal Bonds	AA	100,385
Municipal Bonds	AA-	100,312
Municipal Bonds	Aa2	270,354
Municipal Bonds	Aa3	65,153
MN State Board of Investments Internal Fixed Pool	Not Rated	8,682,942
MSDLAF+ Liquid Class	AAAm	11,946,750
MSDLAF+ MAX Class	Not Rated	4,015,938
Money Market Mutual Fund	AAAm	1,240,046

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

note 3 Deposits and investments (continued)

B. Investments (Continued)

Concentration of Credit Risk

The District places no limit on the amount that the District may invest in any one issuer. The District's investments with issuers that individually comprise more than 5% of the District's investments are as follows:

<u>Issuer:</u>	<u>Amount</u>
Federal Home Loan Bank	\$ 3,261,272

The following table shows the distribution of the District's investments by maturity:

<u>Type</u>	<u>Total</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>
US Treasury Note	\$ 3,115,984	\$ 3,115,984	\$ -	\$ -
Federal Home Loan Bank Notes	3,261,272	3,261,272	-	-
Municipal Bonds	906,221	906,221	-	-
MN SBI Internal Fixed Pool	8,682,942	8,682,942	-	-
MSDLAF+ Liquid Class	11,946,750	11,946,750	-	-
MSDLAF+ MAX Class	4,015,938	4,015,938	-	-
Money Market Mutual Fund	1,240,046	1,240,046	-	-
Total	<u>\$ 33,169,153</u>	<u>\$ 33,169,153</u>	<u>\$ -</u>	<u>\$ -</u>

The deposits and investments are presented in the financial statements as follows:

Cash and Investments - Statement of Net Position	\$ 32,286,314
Cash and Investments - Statement of Fiduciary Net Position	9,851,232
Total Cash and Investments	<u>\$ 54,931,210</u>

C. Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

Assets measured at fair valued on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
US Treasury Note	\$ 3,115,984	\$ -	\$ -	\$ 3,115,984
Federal Home Loan Bank Note	-	3,261,272	-	3,261,272
Municipal Bonds	-	906,221	-	906,221
MN SBI Internal Fixed Pool	8,682,942	-	-	8,682,942
Total	<u>\$ 11,798,926</u>	<u>\$ 4,167,493</u>	<u>\$ -</u>	<u>\$ 15,966,419</u>

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 1,746,318	\$ 116,221	\$ -	\$ 1,862,539
Construction in Progress	52,816,383	56,486,037	(61,949,682)	47,352,738
Total Capital Assets, Not Being Depreciated	54,562,701	56,602,258	(61,949,682)	49,215,277
Capital Assets, Being Depreciated				
Land Improvements	11,998,703	243,980	-	12,242,683
Buildings and Improvements	162,269,129	70,378,137	-	232,647,266
Equipment	6,923,839	485,020	(31,994)	7,376,865
Total Capital Assets, Being Depreciated	181,191,671	71,107,137	(31,994)	252,266,814
Accumulated Depreciation for:				
Land Improvements	(4,724,592)	(586,869)	-	(5,311,461)
Buildings and Improvements	(69,860,952)	(3,348,893)	-	(73,209,845)
Equipment	(4,986,089)	(116,078)	31,994	(5,070,173)
Total Accumulated Depreciation	<u>(79,571,633)</u>	<u>(4,051,840)</u>	<u>31,994</u>	<u>(83,591,479)</u>
Total Capital Assets, Being Depreciated, Net	101,620,038	67,055,297	-	168,675,335
Governmental Activities Capital Assets, Net	<u>\$ 156,182,739</u>	<u>\$ 123,657,555</u>	<u>\$ (61,949,682)</u>	<u>\$ 217,890,612</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the District as follows:

Governmental Activities	
Administration	\$ 810
District Support Services	75,769
Regular Instruction	3,694,874
Special Education Instruction	2,026
Instructional Support Services	32,010
Sites and Buildings	192,057
Food Service	53,484
Community Service	810
Total Depreciation Expense	4,051,840
Governmental Activities	\$ 4,051,840

NOTE 5 LONG-TERM LIABILITIES

A. Components of Long-Term Debt

Issue Date	Net Interest Rate	Series Number	Original Issue	Final Maturity	Principal Outstanding	
					Due Within One Year	Total
11/5/2013	2.71%	2013B	\$ 6,850,000	2/1/2026	\$ 610,000	\$ 3,280,000
10/5/2017	1.30-3.125%	2017A	18,420,000	2/1/2029	360,000	16,985,000
12/28/2017	4.00%	2017B	9,995,000	2/1/2032	-	9,995,000
2/1/2018	4.00-5.00%	2018A	130,045,000	2/1/2038	3,625,000	122,805,000
11/6/2019	5.00%	2019A	6,610,000	2/1/2025	1,890,000	4,915,000
4/23/2020	2.00-4.00%	2020A	8,185,000	2/1/2040	205,000	8,025,000
3/9/2021	3.00-5.00%	2021A	17,510,000	4/1/2036	910,000	17,510,000
Total General Obligation Bonds					7,600,000	183,515,000
Bond Premiums					-	17,008,502
Accrued Vacation					-	1,204,400
Other Compensated Absences Payable					95,050	381,161
Total					\$ 7,695,050	\$ 202,109,063

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments

Minimum annual principal and interest payments required to retire long-term debt, not including severance, health benefits payable, or other compensated absences are as follows:

<u>Year Ending June 30.</u>	<u>General Obligation Bonds Payable</u>		<u>Certificates of Participation Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 6,690,000	\$ 6,735,930	\$ 910,000	\$ 779,068
2023	6,990,000	6,435,680	860,000	688,700
2024	7,460,000	6,102,993	905,000	645,700
2025	7,460,000	5,775,968	950,000	600,450
2026	8,965,000	5,446,768	1,000,000	552,950
2027-2031	48,785,000	25,713,315	5,795,000	1,963,500
2032-2036	53,365,000	10,721,150	7,090,000	664,550
2037-2041	26,290,000	1,661,553	-	-
Total	<u>\$ 166,005,000</u>	<u>\$ 68,593,357</u>	<u>\$ 17,510,000</u>	<u>\$ 5,894,918</u>

C. Description of Long-Term Debt

General Obligation School Building Bonds

These bonds were issued to finance acquisition, construction, and/or improvement of capital facilities or to refinance (refund) previous 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 are equal to 105% of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

On February 1, 2018, the District issued \$130,045,000 of General Obligation School Building Bonds, Series 2018A with interest rates ranging between 4.00% and 5.00%. The proceeds are being used to finance the acquisition and betterment of school sites and facilities, as authorized in a referendum on November 7, 2017.

On April 23, 2020, the District issued \$8,185,000 of General Obligation Facilities Maintenance Bonds, Series 2020A with interest rates ranging between 2.00% and 4.00%. The proceeds will be used to finance deferred maintenance projects included in the ten-year facility plan of the District.

General Obligation Taxable OPEB Bonds

These bonds were issued for funding actuarial liabilities to pay other postemployment benefits. Assets of the OPEB 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 are equal to 105% of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

General Obligation Taxable OPEB Bonds (Continued)

On October 5, 2017, the District issued \$18,420,000 of General Obligation Taxable OPEB Refunding Bonds, Series 2017A with interest rates ranging between 1.300% and 3.125%. The District issued the bonds to refund, in advance of their stated maturities, \$16,790,000 of the outstanding series 2009A General Obligation Taxable OPEB Bonds. The proceeds were used to call, in advance of their maturity, the remaining outstanding maturities of the 2009A bonds on their call date of February 1, 2019.

General Obligation Refunding Bonds

On November 5, 2013, the District issued \$6,850,000 of General Obligation School Building Refunding Bonds, Series 2013B. A total of \$7,185,000 of the proceeds (including bond premium of \$434,145) were used to refund, in advance of their stated maturities, the remaining outstanding maturities of the District's Series 2004 General Obligation School Building Refunding Bonds.

On November 6, 2019, the District issued \$6,610,000 of General Obligation School Building Refunding Bonds, Series 2019A. A total of \$7,195,000 of the proceeds (including bond premium of \$636,594) were used to refund, in advance of their stated maturities, the remaining outstanding maturities of the District's Series 2010B General Obligation School Building Refunding Bonds.

General Obligation Facilities Maintenance Bonds

On December 28, 2017, the District issued \$9,995,000 of General Obligation Facilities Maintenance Bonds, Series 2017B, bearing interest at a rate of 4.00%. The proceeds of this issuance will be used to finance a portion of the costs of deferred maintenance and health and safety projects included in the District's ten-year facility plan approved by the Commissioner of Education.

Certificates of Participation

On March 9, 2021, the District issued \$17,510,000 of Certificates of Participation, Series 2021A, bearing interest at a rate of 4.00%. The proceeds of the issuance will be used to finance a portion of the costs of the Fairview Community Center facility replacement and related site costs.

Subsequent Debt Issuances

On November 10, 2021, the District issued \$2,425,000 of General Obligation School Building Refunding Bonds, Series 2021B, bearing an interest rate of 5.00%. The proceeds of the issuance will be used to call and prepay, on 2/1/22, the 2023-2026 maturities of the District's Series 2013B bonds.

Severance and Other Postemployment Benefits Payable

Severance and other postemployment benefits payable consist of early retirement incentive payments, administrator experience benefits and postemployment health insurance benefits payable to employees upon retirement.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

D. Changes in Long-Term Debt

	June 30, 2020	Additions	Retirements	June 30, 2021
Bonds Payable	\$ 171,455,000	\$ -	\$ 5,450,000	\$ 166,005,000
Certificates of Participation	-	17,510,000	-	17,510,000
Premiums	14,777,286	3,279,017	1,047,801	17,008,502
Discounts	(244,844)	-	(244,844)	-
Vacation Payable	1,132,704	760,242	688,546	1,204,400
Other Compensated Absences	499,040	6,566	124,445	381,161
Total	<u>\$ 187,619,186</u>	<u>\$ 21,555,825</u>	<u>\$ 7,065,948</u>	<u>\$ 202,109,063</u>

Governmental compensated absences and retirement benefits are typically liquidated (paid) by the operating funds.

NOTE 6 FUND BALANCES

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. A description of deficit balance restrictions is included herein since the District has specific statutory authority to levy taxes for such deficits.

Restricted fund balances at June 30, 2021 are as follows:

- a. Restricted for Student Activities – This fund balance represents the resources available for the extracurricular activity funds raised by students.
- b. Restricted for Staff Development – This fund balance represents unspent staff development revenues set aside from General Education Revenue.
- c. Restricted for Operating Capital - The District levies taxes and receives state aid to be used for the purchase of equipment or facilities. The cumulative excess of such revenues over equipment and facilities expenditures is reported as a reservation of fund balance in the General Fund.
- d. Restricted for Community Education Programs - The fund balance restriction represents accumulated resources available to provide general community education programming.
- e. Restricted for Early Childhood and Family Education Programs - This fund balance restricted represents accumulated resources available to provide services for early childhood and family education programming.
- f. Restricted for School Readiness - This fund balance restriction represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.
- g. Restricted for Adult Basic Education - This fund balance restriction represents the balance of carryover monies for all activity involving Adult Basic Education.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 FUND BALANCES (CONTINUED)

- h. Restricted for Safe Schools Levy - This fund balance restriction represents unspent resources available from the safe schools levy.
- i. Restricted for Long Term Facilities Maintenance - Represents resources available to be used for long-term facilities maintenance projects in accordance with the District's 10-year plan.
- j. Restricted for Other Purposes - This fund balance represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

NOTE 7 DEFINED BENEFIT PENSION PLANS

A. Plan Description

The District participates in the following defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA). PERA's and TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's and TRA's defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

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

2. Teachers Retirement Fund (TRA)

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

Educators employed in Minnesota's public elementary and secondary 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 schools or Minnesota State Colleges and Universities).

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided

PERA and TRA provide retirement, disability, and death benefits. Benefit provisions are established by state statute 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. General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. TRA Benefits

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

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

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier 1 Benefits

Tier 1	Step Rate Formula	Percentage
Basic	First Ten Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First Ten Years if Service Years Are Up to July 1, 2006	1.2% per Year
	First Ten Years if Service Years Are July 1, 2006 or After	1.4% per Year
	All Other Years of Service if Service Years Are Up to July 1, 2006	1.7% per Year
	All Other Years of Service if Service Years Are July 1, 2006 or After	1.9% per Year

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) 3.0% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

Or

Tier II Benefits

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members. For years of service July 1, 2006 and after, a level formula of 1.9% per year for Coordinated members and 2.7% for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death 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.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2021 were \$1,296,954. The District's contributions were equal to the required contributions for each year as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354, rates for the current fiscal year for the coordinated plan were 7.5% for employees and 8.13% for employers. The District's contributions to TRA for the plan's fiscal year ended June 30, 2021 were \$4,055,152. The District's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At June 30, 2021, the District reported a liability of \$14,413,079 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 non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$444,425, for a total net pension liability of \$14,857,504 associated with the District. 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 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 entity's proportionate share was 0.2404% at the end of the measurement period and .2300% for the beginning of the period.

For the year ended June 30, 2021, the District recognized pension expense of \$441,608 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized \$38,678 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

At June 30, 2021, the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 131,412	\$ 54,532
Changes in Actuarial Assumptions	-	534,348
Net Difference Between Projected and Actual Earnings on Plan Investments	248,996	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	496,901	370,737
District Contributions Subsequent to the Measurement Date	1,296,954	-
Total	<u>\$ 2,174,263</u>	<u>\$ 959,617</u>

\$1,296,954 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended 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	\$ (890,122)
2023	19,927
2024	439,661
2025	348,226
2026	-
Thereafter	-

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs

At June 30, 2021, the District reported a liability of \$61,151,585 for its proportionate share of 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 TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.8277% at the end of the measurement period and 0.8408% for the beginning of the period.

The pension liability amount reflected a reduction due to direct aid provided to 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:

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	\$ 61,151,585
State's Proportionate Share of the Net Pension Liability Associated with the District	5,124,887
Total	<u>\$ 66,276,472</u>

For the year ended June 30, 2021, the District recognized pension expense of \$8,522,858. It also recognized \$469,455 as pension expense and grant revenue for the support provided by direct aid.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,226,334	\$ 926,880
Changes in Actuarial Assumptions	21,941,237	51,335,259
Net Difference Between Projected and Actual Earnings on Plan Investments	946,873	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	71,888	2,303,530
District Contributions Subsequent to the Measurement Date	4,055,152	-
Total	<u>\$ 28,241,484</u>	<u>\$ 54,565,669</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

\$4,055,152 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

<u>Year Ending June 30.</u>	<u>Pension Expense Amount</u>
2022	\$ 640,933
2023	(18,949,607)
2024	(13,124,388)
2025	1,020,827
2026	32,898
Thereafter	-

3. Aggregate Pension Costs

	<u>TRA</u>	<u>GERF</u>	<u>Total</u>
Net Pension Liability	\$ 61,151,585	\$ 14,413,079	\$ 75,564,664
Deferred Outflows of Resources	28,241,484	2,174,263	30,415,747
Deferred Inflows of Resources	54,565,669	959,617	55,525,286
Pension Expense	8,522,858	441,608	8,964,466

E. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions:

<u>Assumptions</u>	<u>GERF</u>	<u>TRA</u>
Inflation	2.25% per year	2.50%
Active Member Payroll Growth	3.00% per year	2.85% before July 1, 2028 and 3.25% after June 30, 2028
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 were based on Pub-2010 General Employee Mortality table for the General Employees Plan for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

**ROSEVILLE AREA SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

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

TRA pre-retirement mortality rates were based on the RP-2014 white-collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale. Post-retirement mortality rates were based on the RP-2014 white-collar annuitant table, male rates set back three years, and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

TRA assumptions are based on the full experience study dated June 2015 and the study of the economic assumptions presented to the Board in November 2017.

The following changes for PERA occurred in 2020:

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

Changes in Actuarial Assumptions Continued):

- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

The following changes for TRA occurred in 2020:

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses MP-2015 scale.
- Generational projection uses the MP-015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

The State Board of Investment, which manages the investments of PERA and 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 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	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	0.00%
Totals	<u>100.00 %</u>	

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Discount Rate

The discount rate used to measure the total General Employees Plan pension liability in 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current 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.

The discount rate used to measure the TRA pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year's 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 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 one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
<u>GERF Discount Rate</u>	6.50%	7.50%	8.50%
District's Proportionate Share of the GERF Net Pension Liability	\$ 23,099,166	\$ 14,413,079	\$ 7,247,755
<u>TRA Discount Rate</u>	6.50%	7.50%	8.50%
District's Proportionate Share of the TRA Net Pension Liability	\$ 93,622,430	\$ 61,151,585	\$ 34,397,250

H. Pension Plan Fiduciary Net Position

Detailed information about GERF's fiduciary's net position is available in a separately issued PERA financial report. That report may be obtained on the Internet at www.mnpera.org; by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

Detailed information about TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-2409 or 1-800-652-9026.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS PLAN

A. Plan Description

The District operates a single-employer retiree benefit plan (the Plan) that provides health, dental, and life insurance to eligible employees and their spouses. The plan includes 1,000 active participants, 260 retired participants, and 118 spouses. Benefit and eligibility provisions are established through negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

B. Funding Policy

The District has assets designated for OPEB. These assets are in a qualified irrevocable trust which is included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 3. The District is assumed to make no future contributions to the trust. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust. For fiscal year 2021, the District made no contribution to the plan; the current year benefits were paid from the District's OPEB Trust Fund.

C. Net OPEB Liability (Asset) of the District

The components of the net OPEB liability (asset) of the District at June 30, 2021 were as follows:

Total OPEB Liability	\$ 9,231,309
Plan Fiduciary Net Position	<u>7,967,630</u>
District's Net OPEB Liability	<u>\$ 1,263,679</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	86%

D. Actuarial Methods and Assumptions

The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return, and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions above are not met.

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 with a valuation date of July 1, 2020. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using the standard actuarial roll-forward techniques.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Actuarial Methods and Assumptions (Continued)

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Service graded table
Investment Rate of Return	3.10%
20-Year Municipal Bond Yield	2.10%
Health Care Trend Rates	6.50% decreasing to 5.00% over 6 years and then to 4.00% over the next

Best estimates of geometric real and nominal rates of return for each major asset class included in the OPEB plan's asset allocation as of the measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Fixed Income	100.00 %	3.10 %
Net Assumed Investment Return		<u>3.10 %</u>

The discount rate used to measure the total OPEB liability was 3.00%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trust's long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate was applied to the remaining expected benefit payments.

The expected employer asset return is based on the long-term expected return on short-term/cash-equivalent assets using our capital market assumption model.

Since the most recent valuation, the following changes have been made:

- The health care 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% per year for all employees to rates which vary by service and contract group.
- The expected long-term investment return was changed from 4.30% to 3.10%.
- The discount rate was changed from 3.00% to 2.30%.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2020	\$ 9,047,089	\$ 8,588,551	\$ 458,538
Changes for the Year:			
Service Cost	585,700	-	585,700
Interest Cost	278,055	-	278,055
Assumption Changes	26,147	-	26,147
Differences Between Expected and Actual Experience	28,341	(153,143)	181,484
Contributions-Employer	-	-	-
Net Investment income	-	266,245	(266,245)
Benefit Payments	(734,023)	(734,023)	-
Net Changes	<u>184,220</u>	<u>(620,921)</u>	<u>805,141</u>
Balances at June 30, 2021	<u>\$ 9,231,309</u>	<u>\$ 7,967,630</u>	<u>\$ 1,263,679</u>

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 one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (1.30%)	Discount Rate (2.30%)	1% Increase (3.30%)
Net OPEB Liability	\$ 1,827,547	\$ 1,263,679	\$ 731,122

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% point lower (5.50% decreasing to 4.00%, then 3.00%) or 1% point higher (7.50% decreasing to 6.00%, then 5.00%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (5.50% Decreasing to 4.00%, then 3.00%)	Current Trend Rates (6.50% Decreasing to 5.00%, then 4.00%)	1% Increase (7.50% Decreasing to 6.00%, then 5.00%)
Net OPEB Liability	\$ 388,978	\$ 1,263,679	\$ 2,285,226

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

E. Changes in the Net OPEB Liability (Continued)

For the year ended June 30, 2021, the District recognized OPEB expense of \$848,155. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 174,317	\$ -
Change of Assumptions	293,601	27,898
Net Difference Between Projected and Actual Investment Earnings	-	127,680
Total	<u>\$ 467,918</u>	<u>\$ 155,578</u>

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,	Future Recognition
2022	\$ 151,230
2023	47,576
2024	4,698
2025	75,178
2026	33,658
Thereafter	-
Total	<u>\$ 312,340</u>

NOTE 9 FLEXIBLE BENEFIT PLAN

The District has a flexible benefit plan which is classified as a “cafeteria plan” under Section 125 of the Internal Revenue Code. 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 pre-tax dollars withheld from payroll checks to the plan for health care and dependent care benefits.

Before the beginning of the plan year, which is July 1 to June 30, each participant designates a total amount of pre-tax dollars to be contributed to the plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions to the plan, whether or not such contributions have been made.

All assets of the plan are administered by a third-party administrator and held with a trustee according to a trust agreement established between the plan administrator and the trustee. Payments are made by the third-party administrator to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the participant.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 INTERFUND BALANCES

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

	Due from Other Fund	Due to Other Fund
General Fund	\$ 835,777	\$ -
Special Revenue Funds:		
Food Service Fund	11,603	-
Community Service Fund	64,437	-
Capital Projects Fund	-	177,794
Other Postemployment Benefits Trust	-	734,023
Total	\$ 911,817	\$ 911,817

The purpose of these interfund balances is as follows:

The Other Postemployment Benefits Trust owes the General Fund, Food Service Fund, and Community Service Fund for OPEB payments made by those funds. The capital projects fund owes the General Fund for capital project expenditures paid out of the General Fund.

NOTE 11 COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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

B. Contingencies

The District is subject to legal proceedings and claims which arise in the ordinary course of business. Management believes the resolution of these matters will not have a material impact on the District.

C. Commitments

The District has remaining construction contract commitments at June 30, 2021 on ongoing projects of \$6,615,839.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 DENTAL SELF-INSURANCE PLAN

The District established a self-insured plan for dental benefits for District employees effective July 1, 2011, and an Internal Service Fund was created to record related revenues and expenditures. The plan is administered by a third party. Total premiums paid in the year ended June 30, 2021 were \$990,069 while total claims payments and administration fees were \$938,318 and \$50,449, respectively.

Participants in the program make premium payments to the fund based on the insurance premium. The excess amount received above current year claims is used to establish a reserve for future claims. At June 30, 2021, there is a reserve of \$603,555.

District 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 such complex factors 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. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

There were no liabilities in excess of claims paid at June 30, 2021. There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$691,382 in cash and investments at June 30, 2021 for payment of claims. Schedule of changes in claims liability is as follows:

	2020	2019
Beginning of Fiscal Year Liability - July 1	\$ 14,999	\$ 40,905
Current Year Claims, Changes in Estimates, and Other Charges	938,318	925,121
Payments on Claims	(934,601)	(934,306)
End of Fiscal Year Liability - June 30	\$ 18,716	\$ 14,999

NOTE 13 GYMNASTICS GYMNASIUM AGREEMENT

In 1996, the City of Roseville paid \$920,000 to the District to construct a gymnastics gymnasium. Under the terms of the agreement, the City will allow the District to utilize the gymnasium in turn for the City's ability to use the High School. The agreement is cancelable by either party with 90 days' written notice. In the event of termination, the City will be entitled to the depreciated value of its investment, based on a 50-year life depreciated on a straight-line basis.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 PRIOR PERIOD RESTATEMENT

During fiscal year 2021, the District restated its beginning fund balance in the General Fund and capital Projects Fund to reflect LTFM aid which should have been recorded in the Capital Projects Fund but was recorded in the General Fund. The effects of the prior period restatement are below:

	General Fund	Capital Projects Fund
Beginning Fund Balance	\$ 8,850,936	\$ 61,051,083
Prior Period Restatement	(2,119,123)	2,119,123
Beginning Fund Balance, as Restated	<u>\$ 6,731,813</u>	<u>\$ 63,170,206</u>

In addition, during fiscal year 2021, the District restated its beginning net position in the governmental funds to reflect an overstatement of capital assets and accumulated depreciation in the prior year. The effects of the prior period restatement are below:

	Governmental Activities
Beginning Net Position	\$ (50,024,671)
Prior Period Restatement	(8,229,791)
Beginning Net Position, as Restated	<u>\$ (58,254,462)</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS**

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 585,700	\$ 543,390	\$ 491,646	\$ 350,169	\$ 305,193
Interest	278,055	312,793	366,477	407,579	415,532
Changes of Benefit Terms	-	-	23,877	-	-
Differences Between Expected and Actual Experience	28,341	-	379,117	-	-
Changes of Assumptions	26,147	235,612	(69,751)	313,178	-
Benefit Payments	<u>(734,023)</u>	<u>(869,053)</u>	<u>(787,884)</u>	<u>(892,054)</u>	<u>(956,705)</u>
Net Change in Total OPEB Liability	184,220	222,742	403,482	178,872	(235,980)
Total OPEB Liability - Beginning	<u>9,047,089</u>	<u>8,824,347</u>	<u>8,420,865</u>	<u>8,241,993</u>	<u>8,477,973</u>
Total OPEB Liability - Ending (a)	<u>\$ 9,231,309</u>	<u>\$ 9,047,089</u>	<u>\$ 8,824,347</u>	<u>\$ 8,420,865</u>	<u>\$ 8,241,993</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Member Contributions	-	-	-	-	-
Net Investment Income	113,102	792,417	730,983	(35,777)	91,284
Benefits Paid	(734,023)	(869,053)	(787,884)	(892,054)	(956,705)
Administrative Expense	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>(620,921)</u>	<u>(76,636)</u>	<u>(56,901)</u>	<u>(927,831)</u>	<u>(865,421)</u>
Plan Fiduciary Net Position - Beginning	<u>8,588,551</u>	<u>8,665,187</u>	<u>8,722,088</u>	<u>9,649,919</u>	<u>10,515,340</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,967,630</u>	<u>\$ 8,588,551</u>	<u>\$ 8,665,187</u>	<u>\$ 8,722,088</u>	<u>\$ 9,649,919</u>
District's Net OPEB Liability (Asset) - Ending (a) - (b)	\$ 1,263,679	\$ 458,538	\$ 159,160	\$ (301,223)	\$ (1,407,926)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	86.31%	94.93%	98.20%	103.58%	117.08%
Covered-Employee Payroll	\$ 63,168,156	\$ 61,218,059	\$ 59,435,009	\$ 52,665,303	\$ 51,131,362
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	2.00 %	0.75 %	0.27 %	(0.57)%	(2.75)%

*The District implemented GASB Statement Nos. 74 and 75 in fiscal year 2017, and the above table will be expanded to 10 years of information as the information becomes available.

**ROSEVILLE AREA SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 623
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN ON PLAN ASSETS - OPEB
 JUNE 30, 2021**

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	5.60%
2018	5.00%
2019	8.40%
2020	8.40%
2021	8.40%

*The District implemented GASB Statements Nos. 74 and 75 in fiscal year 2017, and the above table will be expanded to 10 years of information as the information becomes available.

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST SEVEN MEASUREMENT DATES**

PERA Schedule of the District's Proportionate Share of the Net Pension Liability

	Measurement Date June 30,						
	0	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.2404%	0.2300%	0.2385%	0.2451%	0.2488%	0.2535%	0.2717%
District's Proportionate Share of the Net Pension Liability	\$ 14,413,079	\$ 12,716,185	\$ 13,231,002	\$ 15,647,022	\$ 20,201,326	\$ 13,137,686	\$ 12,763,105
State's Proportionate Share of the Net Pension Liability Associated with District	444,425	395,231	433,960	196,782	263,785	-	-
Total	<u>\$ 14,857,504</u>	<u>\$ 13,111,416</u>	<u>\$ 13,664,962</u>	<u>\$ 15,843,804</u>	<u>\$ 20,465,111</u>	<u>\$ 13,137,686</u>	<u>\$ 12,763,105</u>
District's Covered Payroll	\$ 17,144,333	\$ 16,012,200	\$ 16,000,773	\$ 15,790,987	\$ 15,459,267	\$ 14,916,610	\$ 14,186,372
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	86.66%	81.88%	85.40%	100.33%	132.38%	88.07%	89.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.10%	80.23%	79.50%	75.90%	68.90%	78.20%	78.70%

TRA Schedule of the District's Proportionate Share of the Net Pension Liability

	Measurement Date June 30,						
	0	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.8277%	0.8408%	0.8493%	0.8589%	0.8565%	0.8650%	0.8650%
District's Proportionate Share of the Net Pension Liability	\$ 61,151,585	\$ 53,592,769	\$ 53,344,444	\$ 171,452,020	\$ 204,295,686	\$ 53,508,805	\$ 41,287,030
State's Proportionate Share of the Net Pension Liability Associated with District	5,124,887	4,742,755	5,011,862	16,573,240	20,506,603	6,563,362	2,904,390
Total	<u>\$ 66,276,472</u>	<u>\$ 58,335,524</u>	<u>\$ 58,356,306</u>	<u>\$ 188,025,260</u>	<u>\$ 224,802,289</u>	<u>\$ 60,072,167</u>	<u>\$ 44,191,420</u>
District's Covered Payroll	\$ 47,629,157	\$ 47,629,157	\$ 46,866,133	\$ 46,142,533	\$ 44,692,867	\$ 44,031,293	\$ 44,031,293
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	128.39%	112.52%	113.82%	371.57%	457.11%	121.52%	93.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.48%	78.21%	78.07%	51.57%	44.88%	76.80%	81.50%

The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
LAST SEVEN FISCAL YEARS**

PERA Schedule of District Contributions

	Fiscal Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 1,296,954	\$ 1,285,825	\$ 1,200,915	\$ 1,200,058	\$ 1,184,324	\$ 1,159,445	\$ 1,100,100
Contributions in Relation to the Statutorily Required Contribution	<u>(1,296,954)</u>	<u>(1,285,825)</u>	<u>(1,200,915)</u>	<u>(1,200,058)</u>	<u>(1,184,324)</u>	<u>(1,159,445)</u>	<u>(1,100,100)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 17,292,720	\$ 17,144,333	\$ 16,012,200	\$ 16,000,773	\$ 15,790,987	\$ 15,459,267	\$ 14,916,610
Contributions as a Percentage of Covered Payroll	7.500%	7.500%	7.500%	7.500%	7.500%	7.500%	7.375%

TRA Schedule of District Contributions

	Fiscal Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 4,055,152	\$ 3,813,848	\$ 3,672,208	\$ 3,514,960	\$ 3,460,690	\$ 3,351,965	\$ 3,302,347
Contributions in Relation to the Statutorily Required Contribution	<u>(4,055,152)</u>	<u>(3,813,848)</u>	<u>(3,672,208)</u>	<u>(3,514,960)</u>	<u>(3,460,690)</u>	<u>(3,351,965)</u>	<u>(3,302,347)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 49,878,868	\$ 48,154,646	\$ 47,629,157	\$ 46,866,133	\$ 46,142,533	\$ 44,692,867	\$ 44,031,293
Contributions as a Percentage of Covered Payroll	8.13%	7.92%	7.71%	7.50%	7.50%	7.50%	7.50%

The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

A. General Employees Fund

2020

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

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

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

2017

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

2016

- The assumed postretirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- 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% to 3.25% for payroll growth and 2.50% for inflation.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

The following changes were reflected in the valuation performed on behalf of the Teachers Retirement Association for the year ended June 30:

A. Coordinated Plan

2020

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

2019

- No changes.

2018

- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next four years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.
- The single discount rate was changed from 5.12% to 7.5%

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

2017

- The COLA was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5%, but remain at 2.0% for all future years.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate was changed from 4.66% to 5.12%

2016

- There was a change in actuarial assumptions that affected the measurement of the total liability since the prior measurement date.
- Post-retirement benefit adjustments are now assumed to stay level at 2.0% annually.
- The single discount rate was changed from 8.0% to 4.66%.

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

The following changes were reflected in the valuation performed on behalf of the District's Postemployment Benefits Plan for the year ended June 30:

2021

- The health care 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% per year for all employees to rates which vary by service and contract group.
- The expected long-term investment return was changed from 4.30% to 3.10%.
- The discount rate was changed from 3.00% to 2.30%.

2020

- The discount rate was changed from 3.50% to 3.00%

2019

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was 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.
- Pre-age 55 employees on long-term disability (LTD) are assumed to continue on one of the District's medical plans for five years. Previously, they were assumed to continue until age 65.
- The expected long-term investment return was changed from 5.00% to 4.30%
- The discount rate was changed from 4.30% to 3.50%

2018

- The expected long-term investment return was changed from 5.60% to 5.00%
- The discount rate was changed from 5.00% to 4.30%

SUPPLEMENTARY INFORMATION

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
GENERAL FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	2021	2020
ASSETS		
Cash and Investments	\$ 2,897,768	\$ 6,543,978
Receivables:		
Current Taxes	14,374,483	14,711,047
Delinquent Taxes	338,040	364,623
Accounts and Interest Receivable	161,371	256,523
Due from Other Minnesota School Districts	17,325	2,013
Due from Minnesota Department of Education	7,262,783	8,406,124
Due from Federal Through the Minnesota Department of Education	2,424,731	1,558,647
Due from Other Governmental Units	412,895	714,172
Due from Other Funds	835,777	891,712
Inventory	11,542	40,915
Prepays	579,875	614,408
	\$ 29,316,590	\$ 34,104,162
Total Assets		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 268,380	\$ 199,810
Payroll Deductions and Employer Contributions Payable	-	(1,345)
Accounts and Contracts Payable	1,431,600	576,681
Due to Other Minnesota School Districts	245,675	413,183
Due to Other Governmental Units	284,263	314,949
Unearned Revenue	55,157	799,994
Total Liabilities	2,285,075	2,303,272
Deferred Inflows:		
Unavailable Revenue - Property Taxes Levied for Subsequent Year	22,899,796	22,612,937
Unavailable Revenue - Delinquent Taxes	410,837	337,017
Total Deferred Inflows of Resources	23,310,633	22,949,954
Fund Balance:		
Nonspendable:		
Inventory	11,542	40,915
Prepays	579,875	614,408
Restricted for:		
Student Activities	140,690	-
Staff Development	31,691	-
Operating Capital	1,068,653	1,563,475
Safe Schools Crime Levy	-	7,665
Other Purposes	76,899	-
Assigned for Extracurricular Activities	576,945	-
Unassigned	1,234,587	6,624,473
Total Fund Balance	3,720,882	8,850,936
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 29,316,590	\$ 34,104,162

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021		2020	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 19,659,769	\$ 26,281,211	\$ 6,621,442	\$ 22,080,685
Earnings and Investments	5,000	11,085	6,085	170,395
Other	1,021,629	2,475,448	1,453,819	2,678,115
State Sources	80,340,379	79,292,664	(1,047,715)	79,312,339
Federal Sources	6,151,924	6,265,862	113,938	3,700,151
Total Revenues	<u>107,178,701</u>	<u>114,326,270</u>	<u>7,147,569</u>	<u>107,941,685</u>
EXPENDITURES				
Current:				
Administration:				
Salaries	3,553,945	3,629,307	75,362	3,879,822
Employee Benefits	1,346,025	1,365,910	19,885	1,531,968
Purchased Services	90,150	162,791	72,641	81,484
Supplies and Materials	7,750	4,270	(3,480)	6,847
Other Expenditures	68,900	62,408	(6,492)	45,104
Total Administration	<u>5,066,770</u>	<u>5,224,686</u>	<u>157,916</u>	<u>5,545,225</u>
District Support Services:				
Salaries	2,143,683	2,263,530	119,847	2,134,127
Employee Benefits	822,051	902,317	80,266	886,266
Purchased Services	276,337	288,297	11,960	164,367
Supplies and Materials	1,316,820	1,238,843	(77,977)	1,218,192
Other Expenditures	(17,200)	(41,834)	(24,634)	(51,067)
Total District Support Services	<u>4,541,691</u>	<u>4,651,153</u>	<u>109,462</u>	<u>4,351,885</u>
Elementary and Secondary Regular Instruction:				
Salaries	29,631,238	29,901,586	270,348	28,609,932
Employee Benefits	11,358,207	11,044,944	(313,263)	11,033,241
Purchased Services	1,940,511	1,073,678	(866,833)	1,774,821
Supplies and Materials	1,040,529	1,179,718	139,189	1,077,669
Other Expenditures	124,140	392,500	268,360	69,644
Total Elementary and Secondary Regular Instruction	<u>44,094,625</u>	<u>43,592,426</u>	<u>(502,199)</u>	<u>42,565,307</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021		2020	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
EXPENDITURES (CONTINUED)				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 1,165,645	\$ 1,090,261	\$ (75,384)	\$ 1,123,097
Employee Benefits	466,922	437,892	(29,030)	440,705
Purchased Services	482,263	354,709	(127,554)	462,204
Supplies and Materials	7,000	8,166	1,166	13,209
Total Vocational Education Instruction	<u>2,121,830</u>	<u>1,897,445</u>	<u>(224,385)</u>	<u>2,039,215</u>
Special Education Instruction:				
Salaries	14,233,817	14,130,386	(103,431)	13,258,302
Employee Benefits	6,254,106	6,009,314	(244,792)	5,761,467
Purchased Services	1,597,544	1,082,135	(515,409)	1,221,660
Supplies and Materials	183,648	144,737	(38,911)	115,357
Other Expenditures	5,800	5,976	176	2,739
Total Special Education Instruction	<u>22,274,915</u>	<u>21,372,548</u>	<u>(902,367)</u>	<u>20,359,525</u>
Community Education and Services:				
Purchased Services	13,000	12,468	(532)	12,303
Instructional Support Services:				
Salaries	6,790,628	6,226,148	(564,480)	6,405,582
Employee Benefits	2,675,951	2,346,370	(329,581)	2,411,632
Purchased Services	422,046	208,795	(213,251)	299,884
Supplies and Materials	1,399,094	1,678,237	279,143	217,692
Other Expenditures	36,000	80,482	44,482	58,178
Total Instructional Support Services	<u>11,323,719</u>	<u>10,540,032</u>	<u>(783,687)</u>	<u>9,392,968</u>
Pupil Support Services:				
Salaries	2,212,070	2,179,774	(32,296)	2,046,659
Employee Benefits	942,061	900,356	(41,705)	911,869
Purchased Services	807,263	(868,102)	(1,675,365)	447,135
Supplies and Materials	12,185	100,192	88,007	112,733
Other Expenditures	550	9,969	9,419	(59)
Total Pupil Support Services	<u>3,974,129</u>	<u>2,322,189</u>	<u>(1,651,940)</u>	<u>3,518,337</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021		2020	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
EXPENDITURES (CONTINUED)				
Current (Continued):				
Sites and Buildings:				
Salaries	\$ 2,888,861	\$ 2,702,581	\$ (186,280)	\$ 2,840,333
Employee Benefits	1,343,095	1,310,352	(32,743)	1,394,067
Purchased Services	1,973,971	4,386,686	2,412,715	1,685,786
Supplies and Materials	1,054,630	904,525	(150,105)	1,022,904
Other Expenditures	12,000	6,474	(5,526)	3,994
Total Sites and Buildings	<u>7,272,557</u>	<u>9,310,618</u>	<u>2,038,061</u>	<u>6,947,084</u>
Fiscal and Other Fixed Costs:				
Employee Benefits	404,000	-	(404,000)	3,600
Purchased Services	280,000	453,063	173,063	284,894
Total Fiscal and Other Fixed Costs	<u>684,000</u>	<u>453,063</u>	<u>(230,937)</u>	<u>288,494</u>
Transportation:				
Salaries	98,124	93,928	(4,196)	91,401
Employee Benefits	41,124	43,101	1,977	38,660
Purchased Services	6,338,975	6,878,089	539,114	6,774,266
Supplies and Materials	4,500	486	(4,014)	1,108
Other Expenditures	450	811	361	555
Total Transportation	<u>6,483,173</u>	<u>7,016,415</u>	<u>533,242</u>	<u>6,905,990</u>
Capital Outlay:				
District Support Services	381,800	243,838	(137,962)	183,169
Regular Instruction	170,873	198,643	27,770	178,928
Vocational Education Instruction	5,000	11,682	6,682	2,000
Special Education Instruction	10,850	3,629	(7,221)	219
Instructional Support Services	144,304	54,417	(89,887)	113,461
Pupil Support Services	100,000	-	(100,000)	377,448
Sites and Buildings	851,005	4,595,876	3,744,871	1,104,421
Total Capital Outlay	<u>1,663,832</u>	<u>5,110,662</u>	<u>3,446,830</u>	<u>1,959,646</u>
Total Expenditures	<u>109,501,241</u>	<u>111,503,705</u>	<u>1,989,464</u>	<u>103,885,979</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021		2020
	Final Budget	Actual Amounts	Over (Under) Final Budget
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (2,322,540)	\$ 2,822,565	\$ 5,158,105
OTHER FINANCING SOURCES			Actual Amounts
Sale of Real Property	-	23,852	23,852
Sale of Equipment	-	1,500	1,500
Insurance Recovery	-	59,152	59,152
Transfers Out	-	(5,918,000)	(5,918,000)
Total Other Financing Sources	-	(5,833,496)	(5,833,496)
NET CHANGE IN FUND BALANCE	<u>\$ (2,322,540)</u>	(3,010,931)	<u>\$ (675,391)</u>
FUND BALANCE			
Beginning of Year		8,850,936	4,750,073
Prior Period Restatement		(2,119,123)	-
Beginning of the Year - Restated		<u>6,731,813</u>	-
End of Year		<u>\$ 3,720,882</u>	<u>\$ 8,850,936</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Investments	\$ 982,650	\$ 141,741
Receivables:		
Accounts and Interest Receivable	11,878	132,814
Due from Other Minnesota School Districts	88,175	27,365
Due from Minnesota Department of Education	62	-
Due from Federal Through the Minnesota Department of Education	891,830	244,343
Due from Other Funds	11,603	15,195
Inventory	45,647	46,932
Prepays	12,906	11,166
	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,044,751</u>	<u>\$ 619,556</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 36,473	\$ 38,368
Payroll Deductions and Employer Contributions Payable	649	1,076
Accounts and Contracts Payable	52,639	27,582
Unearned Revenue	150,405	172,609
Total Liabilities	<u>240,166</u>	<u>239,635</u>
Fund Balance:		
Nonspendable:		
Inventory	45,647	46,932
Prepays	12,906	11,166
Restricted for:		
Other Purposes	<u>1,746,032</u>	<u>321,823</u>
Total Fund Balance	<u>1,804,585</u>	<u>379,921</u>
	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 2,044,751</u>	<u>\$ 619,556</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
FOOD SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021		2020
	Actual	Over (Under)	Actual
	Amounts	Final Budget	Amounts
	Final Budget		
REVENUES			
Local Sources:			
Other - Primarily Meal Sales	\$ 1,481,990	\$ 195,381	\$ (1,286,609)
State Sources	309,320	50,256	(259,064)
Federal Sources	3,149,070	6,028,539	2,879,469
Total Revenues	<u>4,940,380</u>	<u>6,274,176</u>	<u>1,333,796</u>
			4,268,975
EXPENDITURES			
Current:			
Salaries	1,771,082	1,685,886	(85,196)
Employee Benefits	815,068	795,124	(19,944)
Purchased Services	184,750	39,256	(145,494)
Supplies and Materials	2,031,375	2,166,986	135,611
Other Expenditures	13,480	7,700	(5,780)
Capital Outlay	60,000	154,560	94,560
Total Expenditures	<u>4,875,755</u>	<u>4,849,512</u>	<u>(26,243)</u>
			4,237,049
NET CHANGE IN FUND BALANCE	<u>\$ 64,625</u>	1,424,664	<u>\$ 1,360,039</u>
			31,926
FUND BALANCE			
Beginning of Year		379,921	347,995
End of Year		<u>\$ 1,804,585</u>	<u>\$ 379,921</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2021**

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	2021	2020
ASSETS		
Cash and Investments	\$ 363,497	\$ 677,538
Receivables:		
Current Taxes	553,488	544,477
Delinquent Taxes	13,388	15,420
Accounts and Interest Receivable	58,617	29,133
Due from Other Minnesota School Districts	610,013	483,964
Due from Minnesota Department of Education	323,830	121,118
Due from Federal Through the Minnesota Department of Education	484,932	153,706
Due from Other Governmental Units	42,123	43,340
Due from Other Funds	64,437	22,758
Prepays	12,870	1,310
	\$ 2,527,195	\$ 2,092,764
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 107,844	76,212
Payroll Deductions and Employer Contributions Payable	-	(656)
Accounts and Contracts Payable	65,251	73,997
Due to Other Minnesota School Districts	12,011	21,421
Unearned Revenue	65,760	202,187
Total Liabilities	250,866	373,161
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	1,015,454	964,946
Unavailable Revenue - Delinquent Taxes	16,095	14,114
Total Deferred Inflows of Resources	1,031,549	979,060
Fund Balance:		
Nonspendable:		
Prepays	12,870	1,310
Restricted for:		
Community Education	356,622	-
Early Childhood and Family Education	308,567	190,710
School Readiness	145,173	57,383
Adult Basic Education	410,803	316,570
Other Purposes	10,745	174,570
Total Fund Balance	1,244,780	740,543
	\$ 2,527,195	\$ 2,092,764

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
COMMUNITY SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021		2020
	Actual	Over (Under)	Actual
	Amounts	Final Budget	Amounts
REVENUES	<u>Final Budget</u>	<u>Final Budget</u>	<u>Final Budget</u>
Local Sources:			
Property Taxes	\$ 979,090	\$ 959,399	\$ (19,691)
Other - Primarily Tuition and Fees	3,143,020	3,485,933	342,913
State Sources	781,128	1,105,449	324,321
Federal Sources	1,875,234	1,911,187	35,953
Total Revenues	<u>6,778,472</u>	<u>7,461,968</u>	<u>683,496</u>
			7,221,608
EXPENDITURES			
Current:			
Salaries	4,532,435	4,335,789	(196,646)
Employee Benefits	1,446,586	1,617,264	170,678
Purchased Services	718,446	716,365	(2,081)
Supplies and Materials	289,308	241,064	(48,244)
Other Expenditures	23,151	14,552	(8,599)
Capital Outlay	81,277	38,692	(42,585)
Total Expenditures	<u>7,091,203</u>	<u>6,963,726</u>	<u>(127,477)</u>
			7,466,701
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(312,731)	498,242	810,973
			(245,093)
OTHER FINANCING SOURCES			
Sale of Equipment	5,995	5,995	-
			-
NET CHANGE IN FUND BALANCE	<u>\$ (306,736)</u>	504,237	<u>\$ 810,973</u>
			(245,093)
FUND BALANCE			
Beginning of Year		740,543	985,636
End of Year		<u>\$ 1,244,780</u>	<u>\$ 740,543</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Investments	\$ 18,926,974	\$ 82,359,285
Cash with Fiscal Agent	12,793,664	20,500
Receivables:		
Accounts and Interest Receivable	<u>137,121</u>	<u>84,500</u>
 Total Assets	 <u><u>\$ 31,857,759</u></u>	 <u><u>\$ 82,464,285</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Payroll Deductions and Employer Contributions Payable	\$ -	\$ (348)
Accounts and Contracts Payable	4,359,870	21,284,517
Due to Other Funds	<u>177,794</u>	<u>129,033</u>
Total Liabilities	4,537,664	21,413,202
 Fund Balance:		
Restricted for:		
Long Term Facilities Maintenance	871,851	6,840,015
Restricted for Other Purposes	<u>26,448,244</u>	<u>54,211,068</u>
Total Fund Balance	<u>27,320,095</u>	<u>61,051,083</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 31,857,759</u></u>	 <u><u>\$ 82,464,285</u></u>

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 7,009,258	\$ -	\$ (7,009,258)	\$ 4,756,765
Earnings and Investments	985,000	277,776	(707,224)	1,815,526
Total Revenues	<u>7,994,258</u>	<u>277,776</u>	<u>(7,716,482)</u>	<u>6,572,291</u>
EXPENDITURES				
Current:				
Salaries	-	109,662	109,662	89,000
Employee Benefits	-	68,132	68,132	40,033
Purchased Services	16,000,000	7,322,699	(8,677,301)	12,618,721
Supplies and Materials	-	15,728	15,728	45,867
Capital Outlay	30,000,000	55,185,893	25,185,893	68,254,658
Debt Service:				
Interest and Fiscal Charges	-	132,790	132,790	285,939
Total Expenditures	<u>46,000,000</u>	<u>62,834,904</u>	<u>16,834,904</u>	<u>81,334,218</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(38,005,742)	(62,557,128)	(24,551,386)	(74,761,927)
OTHER FINANCING SOURCES				
Issuance of Bonds	-	-	-	8,185,000
Bond Premium	-	-	-	114,279
Issuance of Certificates of Participation	-	17,510,000	17,510,000	-
Premium on Certificates of Participation	-	3,279,017	3,279,017	-
Transfers In	-	5,918,000	5,918,000	-
Total Other Financing Sources	<u>-</u>	<u>26,707,017</u>	<u>26,707,017</u>	<u>8,299,279</u>
NET CHANGE IN FUND BALANCE	<u>\$ (38,005,742)</u>	(35,850,111)	<u>\$ 2,155,631</u>	(66,462,648)
FUND BALANCE				
Beginning of Year		61,051,083		127,513,731
Prior Period Restatement		2,119,123		-
Beginning of Year- As Restated		<u>63,170,206</u>		<u>-</u>
End of Year		<u>\$ 27,320,095</u>		<u>\$ 61,051,083</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	Regular Debt Service	OPEB Debt Service	Totals	
			2021	2020
ASSETS				
Cash and Investments	\$ 7,836,182	\$ 587,861	\$ 8,424,043	\$ 7,339,239
Receivables:				
Current Taxes	7,009,883	467,048	7,476,931	7,279,005
Delinquent Taxes	139,966	13,251	153,217	152,284
Due from Minnesota Department of Education	8,960	-	8,960	3,023
Total Assets	<u>\$ 14,994,991</u>	<u>\$ 1,068,160</u>	<u>\$ 16,063,151</u>	<u>\$ 14,773,551</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Deferred Inflows of Resources:				
Property Taxes Levied for Subsequent Year	\$ 12,860,498	\$ 856,868	\$ 13,717,366	\$ 12,900,034
Unavailable Revenue - Delinquent Taxes	174,756	15,524	190,280	144,329
Total Deferred Inflows of Resources	<u>13,035,254</u>	<u>872,392</u>	<u>13,907,646</u>	<u>13,044,363</u>
Fund Balance:				
Restricted for:				
Restricted for Other Purposes	<u>1,959,737</u>	<u>195,768</u>	<u>2,155,505</u>	<u>1,729,188</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 14,994,991</u>	<u>\$ 1,068,160</u>	<u>\$ 16,063,151</u>	<u>\$ 14,773,551</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

	2021				2020	
	Final Budgeted Amounts	Regular Debt Service	Actual OPEB Debt Service	Total Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES						
Local Sources:						
Property Taxes	\$ 12,900,034	\$ 11,918,017	\$ 893,048	\$ 12,811,065	\$ (88,969)	\$ 12,471,621
Earnings and Investments	-	-	-	-	-	29,637
State Sources	-	89,604	-	89,604	89,604	30,208
Total Revenues	<u>12,900,034</u>	<u>12,007,621</u>	<u>893,048</u>	<u>12,900,669</u>	<u>635</u>	<u>12,531,466</u>
EXPENDITURES						
Debt Service:						
Bond Principal	5,728,590	5,045,000	405,000	5,450,000	(278,590)	5,245,000
Bond Interest	6,930,813	6,511,024	506,913	7,017,937	87,124	6,957,663
Paying Agent Fees and Other	7,500	6,415	-	6,415	(1,085)	83,751
Total Expenditures	<u>12,666,903</u>	<u>11,562,439</u>	<u>911,913</u>	<u>12,474,352</u>	<u>(192,551)</u>	<u>12,286,414</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	233,131	445,182	(18,865)	426,317	193,186	245,052
OTHER FINANCING SOURCES (USED)						
Sale of Bonds	-	-	-	-	-	6,610,000
Bond Premium	-	-	-	-	-	636,594
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(7,195,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,594</u>
NET CHANGE IN FUND BALANCE	<u>\$ 233,131</u>	<u>445,182</u>	<u>(18,865)</u>	<u>426,317</u>	<u>\$ 193,186</u>	<u>296,646</u>
FUND BALANCE						
Beginning of Year		1,514,555	214,633	1,729,188		1,432,542
End of Year		<u>\$ 1,959,737</u>	<u>\$ 195,768</u>	<u>\$ 2,155,505</u>		<u>\$ 1,729,188</u>

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
JUNE 30, 2021**

	AUDIT	UFARS	DIFFERENCE
01 GENERAL FUND			
Total Revenue	\$ 114,385,422	\$ 114,385,422	\$ -
Total Expenditures	111,503,705	111,503,705	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	591,417	591,417	-
<i>Restricted:</i>			
401 Student Activities	140,690	140,690	-
402 Scholarships	-	-	-
403 Staff Development	31,691	31,691	-
407 Capital Project Levy	-	-	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	1,068,653	1,068,653	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	-	-	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Safe Schools Crime Levy	-	-	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
459 Basic Skills Extended Time	-	-	-
467 Long Term Facilities Maintenance	(1,889,706)	(1,889,706)	-
472 Medical Assistance	-	-	-
464 Restricted Fund Balance	76,899	76,899	-
475 Title VII Impact Aid	-	-	-
476 Payments in Lieu of Taxes	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	576,945	576,945	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	3,124,293	3,124,293	-
02 FOOD SERVICE			
Total Revenue	6,274,176	6,274,176	-
Total Expenditures	4,849,512	4,849,512	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	58,553	58,553	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	1,746,032	1,746,032	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE			
Total Revenue	7,461,968	7,461,968	-
Total Expenditures	6,963,726	6,963,726	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	12,870	12,870	-
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	356,622	356,622	-
432 E.C.F.E.	308,567	308,567	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	145,173	145,173	-
447 Adult Basic Education	410,803	410,803	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	10,745	10,745	-

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE (CONTINUED)
JUNE 30, 2021**

	AUDIT	UFARS	DIFFERENCE
06 BUILDING CONSTRUCTION			
Total Revenue	\$ 277,776	\$ 277,776	\$ -
Total Expenditures	62,834,904	62,834,904	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
407 Capital Projects Levy	-	-	-
409 Alternative Facility Program	-	-	-
413 Projects Funded by COP	-	-	-
467 Long Term Facilities Maintenance	871,851	871,851	-
464 Restricted Fund Balance	26,448,244	26,448,244	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
07 DEBT SERVICE			
Total Revenue	12,007,621	12,007,621	-
Total Expenditures	11,562,439	11,562,439	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
464 Restricted Fund Balance	1,959,737	1,959,737	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
08 TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
18 CUSTODIAL			
Total Revenue	714,052	714,052	-
Total Expenditures	714,052	714,052	-
<i>Restricted/Reserved:</i>			
401 Student Activities	-	-	-
402 Scholarships	-	-	-
448 Achievement and Integration	-	-	-
20 INTERNAL SERVICE			
Total Revenue	990,069	990,069	-
Total Expenditures	988,767	988,767	-
<i>Net Position:</i>			
422 Net Position	603,555	603,555	-
25 OPEB REVOCABLE TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
45 OPEB IRREVOCABLE TRUST			
Total Revenue	113,102	113,102	-
Total Expenditures	734,023	734,023	-
<i>Net Position:</i>			
422 Net Position	7,967,630	7,967,630	-
47 OPEB DEBT SERVICE			
Total Revenue	893,048	893,048	-
Total Expenditures	911,913	911,913	-

STATISTICAL SECTION (UNAUDITED)

This part of Roseville Area Schools' Annual Comprehensive Financial Report 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.

<u>Contents</u>	<u>Page</u>
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.	108
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	116
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	122
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.	127
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to services the District provides and the activities it performs.	129

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
Governmental Activities				
Net Investment in Capital Assets	\$ 25,560,177	\$ 25,398,962	\$ 26,165,652	\$ 29,454,388
Restricted	1,997,901	1,903,236	1,497,091	12,897,412
Unrestricted	<u>(277,773)</u>	<u>(2,325,474)</u>	<u>(3,729,980)</u>	<u>(74,933,447)</u>
Total Governmental Activities Net Position	<u>\$ 27,280,305</u>	<u>\$ 24,976,724</u>	<u>\$ 23,932,763</u>	<u>\$ (32,581,647)</u>

Source: District's financial records.

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 29,788,218	\$ 31,082,118	\$ 20,772,076	\$ 24,551,012	\$ 35,487,015	\$ 33,374,393
14,755,133	4,595,020	154,103,599	8,718,947	6,099,942	15,202,918
<u>(73,654,824)</u>	<u>(101,604,940)</u>	<u>(272,898,615)</u>	<u>(100,347,122)</u>	<u>(91,611,628)</u>	<u>(100,183,192)</u>
<u>\$ (29,111,473)</u>	<u>\$ (65,927,802)</u>	<u>\$ (98,022,940)</u>	<u>\$ (67,077,163)</u>	<u>\$ (50,024,671)</u>	<u>\$ (51,605,881)</u>

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental Activities:				
Administration	\$ 4,441,721	\$ 4,138,752	\$ 4,331,253	\$ 4,926,467
District Support Services	2,797,026	2,684,018	2,817,125	3,537,993
Regular Instruction	36,765,581	39,613,915	43,259,223	44,469,287
Vocational Education Instruction	1,387,203	999,290	1,388,308	1,157,265
Special Education Instruction	14,382,497	15,337,200	17,297,056	18,486,701
Instructional Support Services	5,982,597	6,235,762	6,550,718	8,453,869
Pupil Support Services	7,595,594	7,937,372	8,676,305	9,076,026
Sites and Buildings	6,532,662	6,903,881	7,871,563	7,058,049
Fiscal and Other Fixed Cost Programs	174,663	189,790	213,642	227,700
Food Service	3,684,765	3,777,339	3,759,035	4,362,884
Community Service	7,573,088	6,398,580	6,552,021	6,598,502
Interest on Long-Term Debt	3,009,673	2,551,467	1,835,857	1,964,096
Total Governmental Activities Expenses	<u>\$ 94,327,070</u>	<u>\$ 96,767,366</u>	<u>\$ 104,552,106</u>	<u>\$ 110,318,839</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Administration	\$ -	\$ -	\$ -	\$ -
District Support Services	1,580	1,374	1,207	205
Regular Instruction	917,423	1,109,881	4,051,031	969,210
Vocational Education Instruction	-	-	1,110	-
Special Education Instruction	82,477	-	1,104,224	643,797
Instructional Support Services	35,505	22,199	17,284	20,513
Pupil Support Services	50,054	134,438	61,775	49,199
Sites and Buildings	149,836	56,216	137,281	171,413
Food Service	1,656,987	1,639,631	1,566,787	1,483,473
Community Service	3,879,287	3,992,644	4,187,507	3,996,088
Operating Grants and Contributions	18,670,294	15,169,327	16,867,030	18,621,151
Capital Grants and Contributions	1,746,319	1,787,465	1,806,308	1,806,308
Total Governmental Activities Program Revenue	<u>\$ 27,189,762</u>	<u>\$ 23,913,175</u>	<u>\$ 29,801,544</u>	<u>\$ 27,761,357</u>
Net Expense				
Governmental Activities	<u>\$ (67,137,308)</u>	<u>\$ (72,854,191)</u>	<u>\$ (74,750,562)</u>	<u>\$ (82,557,482)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes:				
General Purposes and Capital Projects	\$ 16,298,666	\$ 16,607,319	\$ 11,749,696	\$ 18,359,024
Community Service	809,446	845,137	420,050	907,044
Debt Service	3,977,225	4,236,089	4,337,948	4,341,458
Unrestricted Grants and Contributions	45,624,932	47,178,684	55,742,398	57,049,466
Unrestricted Investment Earnings	6,541	7,077	7,150	4,052
Miscellaneous	1,639,852	1,676,304	1,449,359	3,528,872
Gain on Sale of Capital Assets	-	-	-	-
Total Governmental Activities	<u>\$ 68,356,662</u>	<u>\$ 70,550,610</u>	<u>\$ 73,706,601</u>	<u>\$ 84,189,916</u>
Change in Net Position	<u>\$ 1,219,354</u>	<u>\$ (2,303,581)</u>	<u>\$ (1,043,961)</u>	<u>\$ 1,632,434</u>
Net Position - Beginning	26,060,951	27,280,305	24,976,724	23,932,763
Change in Accounting Principle	-	-	-	(58,146,844)
Prior Period Restatement	-	-	-	-
Net Position - Ending	<u>\$ 27,280,305</u>	<u>\$ 24,976,724</u>	<u>\$ 23,932,763</u>	<u>\$ (32,581,647)</u>

Source: District's financial records.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 5,302,720	\$ 6,722,609	\$ 6,220,212	\$ 3,482,502	\$ 5,948,248	\$ 5,280,207	
3,101,677	3,353,697	3,775,704	4,208,383	4,347,348	4,681,295	
46,210,131	62,326,785	61,376,632	31,908,065	48,407,934	50,300,028	
1,229,949	2,159,314	2,314,266	1,339,143	2,187,037	2,015,161	
18,513,528	25,951,953	25,045,146	14,632,985	21,823,100	22,434,079	
9,216,623	12,155,864	11,859,599	6,820,861	9,723,062	10,994,308	
8,943,604	10,843,988	11,099,498	9,546,883	10,808,725	9,583,128	
7,458,334	9,700,258	12,288,900	14,613,380	263,203	11,428,925	
231,433	131,630	246,882	270,532	288,494	453,063	
4,937,762	4,593,511	4,500,950	4,595,988	4,156,549	4,783,454	
7,064,253	8,388,465	8,625,757	7,002,228	7,534,582	6,878,034	
1,960,336	1,833,746	5,440,437	6,907,002	6,440,655	6,058,832	
<u>\$ 114,170,350</u>	<u>\$ 148,161,820</u>	<u>\$ 152,793,983</u>	<u>\$ 105,327,952</u>	<u>\$ 121,928,937</u>	<u>\$ 134,890,514</u>	
\$ -	\$ 15,783	\$ 15,215	\$ 15,512	\$ -	\$ -	
75	25,356	29,533	76,847	47,113	10,734	
1,004,708	984,464	989,088	922,188	644,160	601,190	
-	-	-	-	-	-	
651,906	676,517	744,332	726,628	376,011	261,323	
3,803	9,759	12,087	10,768	2,734	7,428	
54,892	47,477	47,520	45,864	23,451	6,537	
7,724	63,825	57,390	27,197	5,559	-	
1,401,588	1,344,572	1,318,093	1,407,903	1,113,318	195,381	
4,250,797	4,418,110	4,732,671	4,942,040	3,971,509	2,727,655	
21,306,839	31,494,304	33,432,300	34,386,287	35,629,136	43,545,473	
1,931,813	995,835	1,225,343	1,291,198	1,184,933	1,132,180	
<u>\$ 30,614,145</u>	<u>\$ 40,076,002</u>	<u>\$ 42,603,572</u>	<u>\$ 43,852,432</u>	<u>\$ 42,997,924</u>	<u>\$ 48,487,901</u>	
<u>\$ (83,556,205)</u>	<u>\$ (108,085,818)</u>	<u>\$ (110,190,411)</u>	<u>\$ (61,475,520)</u>	<u>\$ (78,931,013)</u>	<u>\$ (86,402,613)</u>	
\$ 20,648,918	\$ 20,492,568	\$ 19,987,128	\$ 24,839,630	\$ 26,827,077	\$ 26,355,031	
958,531	966,329	927,889	933,720	1,068,872	961,380	
4,161,665	4,427,647	4,313,325	12,433,541	12,493,115	12,857,016	
57,322,680	53,320,699	52,091,085	49,254,050	53,533,726	52,498,407	
6,310	7,375	587,862	4,860,105	2,015,558	288,861	
3,928,275	571,429	187,984	99,935	45,157	59,152	
-	-	-	316	-	31,347	
<u>\$ 87,026,379</u>	<u>\$ 79,786,047</u>	<u>\$ 78,095,273</u>	<u>\$ 92,421,297</u>	<u>\$ 95,983,505</u>	<u>\$ 93,051,194</u>	
\$ 3,470,174	\$ (28,299,771)	\$ (32,095,138)	\$ 30,945,777	\$ 17,052,492	\$ 6,648,581	
(32,581,647)	(29,111,473)	(65,927,802)	(98,022,940)	(67,077,163)	(50,024,671)	
-	(8,516,558)	-	-	-	-	
-	-	-	-	-	(8,229,791)	
<u>\$ (29,111,473)</u>	<u>\$ (65,927,802)</u>	<u>\$ (98,022,940)</u>	<u>\$ (67,077,163)</u>	<u>\$ (50,024,671)</u>	<u>\$ (51,605,881)</u>	

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 327,413	\$ 622,786	\$ 231,631	\$ 541,338
Restricted	790,143	415,021	(7,362)	(881,704)
Unassigned	5,423,035	3,335,634	2,704,376	1,051,272
Total General Fund	<u>6,540,591</u>	<u>4,373,441</u>	<u>2,928,645</u>	<u>710,906</u>
All Other Governmental Funds				
Nonspendable	52,980	57,749	59,343	86,394
Restricted, Reported in:				
Food Service Fund	487,694	491,554	560,849	475,029
Community Service Fund	974,561	1,216,969	1,012,157	1,098,652
Capital Projects Fund	118,875	117,910	123,970	120,057
Debt Service Funds	629,914	638,021	687,524	760,474
All Other Governmental Funds	<u>2,264,024</u>	<u>2,522,203</u>	<u>2,443,843</u>	<u>2,540,606</u>
Total All Funds	<u>\$ 8,804,615</u>	<u>\$ 6,895,644</u>	<u>\$ 5,372,488</u>	<u>\$ 3,251,512</u>

Source: District's financial records

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 734,087	\$ 869,406	\$ 792,020	\$ 749,779	\$ 655,323	\$ 591,417
2,472,900	1,645,357	1,199,824	1,146,771	1,571,140	1,894,878
<u>2,055,938</u>	<u>2,285,861</u>	<u>2,225,462</u>	<u>2,853,523</u>	<u>6,624,473</u>	<u>1,234,587</u>
5,262,925	4,800,624	4,217,306	4,750,073	8,850,936	3,720,882
68,270	54,514	68,904	489,947	59,408	71,423
362,728	266,283	165,934	279,768	321,823	1,746,032
1,281,314	1,218,168	851,698	981,048	739,233	1,231,910
115,743	115,743	151,504,112	127,096,599	61,051,083	27,320,095
714,080	936,447	18,638,594	1,432,542	1,729,188	2,155,505
<u>2,542,135</u>	<u>2,591,155</u>	<u>171,229,242</u>	<u>130,279,904</u>	<u>63,900,735</u>	<u>32,524,965</u>
<u>\$ 7,805,060</u>	<u>\$ 7,391,779</u>	<u>\$ 175,446,548</u>	<u>\$ 135,029,977</u>	<u>\$ 72,751,671</u>	<u>\$ 36,245,847</u>

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Local Sources:				
Property Taxes	\$ 20,893,715	\$ 21,789,796	\$ 16,518,719	\$ 23,424,439
Earnings on Investments	6,541	7,077	7,150	4,052
Other	8,421,426	8,641,112	12,585,990	8,921,401
State Sources	57,988,461	58,593,040	69,163,769	71,227,671
Federal Sources	8,053,084	5,542,436	5,251,967	6,249,254
Total Revenues	<u>95,363,227</u>	<u>94,573,461</u>	<u>103,527,595</u>	<u>109,826,817</u>
Expenditures				
Current:				
Administration	4,132,232	4,404,939	4,491,136	4,876,865
District Support Services	2,656,063	2,490,235	2,609,928	3,034,400
Regular Instruction	34,788,043	36,240,638	41,102,939	42,288,193
Vocational Education Instruction	1,189,367	1,194,943	1,362,393	1,116,633
Special Education Instruction	13,935,237	15,348,390	16,997,532	18,414,938
Instructional Support Services	5,636,187	5,545,977	6,050,378	8,159,483
Pupil Support Services	7,936,642	7,700,478	8,553,768	8,939,811
Sites and Buildings	5,903,894	5,911,419	6,708,539	6,678,180
Fiscal and Other Fixed Cost Programs	174,663	189,790	213,642	227,700
Food Service	3,577,503	3,750,638	4,015,452	4,366,088
Community Service Fund	7,167,438	6,275,411	6,463,018	6,392,397
Capital Outlay	2,692,273	3,031,387	2,180,649	3,225,049
Debt Service:				
Principal	1,755,000	1,995,000	2,095,000	2,115,000
Interest and Fiscal Charges	2,567,336	2,407,886	2,254,784	2,118,759
Total Expenditures	<u>94,111,878</u>	<u>96,487,131</u>	<u>105,099,158</u>	<u>111,953,496</u>
Deficiency of Revenues Under Expenditures	1,251,349	(1,913,670)	(1,571,563)	(2,126,679)
Other Financing Sources (Uses)				
Proceeds from Sale of Equipment	500	500	-	-
Proceeds from Sale of Real Property	-	-	-	-
Insurance Recovery	-	4,199	2,303	5,703
Face Value of Bonds/COPs Issued	-	-	6,850,000	-
Bond/COP Premium (Discount)	-	-	381,104	-
Payment to Refunded Bond Escrow Agent	-	-	(7,185,000)	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>500</u>	<u>4,699</u>	<u>48,407</u>	<u>5,703</u>
Net Change in Fund Balances	1,251,849	(1,908,971)	(1,523,156)	(2,120,976)
Fund Balance - Beginning	7,552,766	8,804,615	6,895,644	5,372,488
Fund Balance - Ending	<u>\$ 8,804,615</u>	<u>\$ 6,895,644</u>	<u>\$ 5,372,488</u>	<u>\$ 3,251,512</u>
Debt Service as a Percentage of Noncapital Expenditures	14.70%	10.60%	10.00%	12.40%

Sources: District's financial records

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	25,958,825	\$	26,014,153	\$	25,198,641	\$	38,038,250	\$	40,378,926	\$	40,051,675
	6,310		7,375		587,862		4,860,105		2,015,558		288,861
	8,893,649		9,042,739		9,656,164		9,503,264		8,356,860		6,156,762
	74,731,949		74,631,015		77,762,409		79,415,571		80,591,905		80,537,973
	5,829,383		6,780,960		6,952,531		7,584,384		7,192,776		14,205,588
	<u>115,420,116</u>		<u>116,476,242</u>		<u>120,157,607</u>		<u>139,401,574</u>		<u>138,536,025</u>		<u>141,240,859</u>
	5,176,243		5,046,403		4,877,844		4,733,506		5,545,225		5,224,686
	3,048,934		3,013,071		3,406,152		4,149,811		4,351,885		4,651,153
	42,727,091		43,190,679		42,655,871		44,047,533		42,565,307		43,592,426
	1,214,382		1,646,034		1,782,455		1,822,857		2,039,215		1,897,445
	18,397,284		19,390,490		19,470,686		19,933,088		20,359,525		21,372,548
	8,501,344		8,746,361		8,745,629		9,002,818		9,392,968		10,540,032
	8,897,544		9,457,968		10,007,799		10,151,062		10,424,327		9,338,604
	6,686,092		7,426,505		11,342,637		19,863,670		19,740,705		16,826,839
	231,433		131,630		246,882		270,532		288,494		453,063
	4,564,590		4,589,410		4,498,018		4,535,517		4,106,629		4,694,952
	6,933,921		7,413,838		7,997,568		7,871,819		7,436,971		6,937,502
	2,588,834		3,175,365		5,618,572		23,530,946		70,386,757		60,489,807
	2,215,000		2,275,000		2,760,000		4,790,000		5,245,000		5,450,000
	2,096,785		1,958,198		3,164,107		8,425,237		7,327,353		7,157,142
	<u>113,279,477</u>		<u>117,460,952</u>		<u>126,574,220</u>		<u>163,128,396</u>		<u>209,210,361</u>		<u>198,626,199</u>
	2,140,639		(984,710)		(6,416,613)		(23,726,822)		(70,674,336)		(57,385,340)
	2,790		-		-		316		-		7,495
	2,393,240		-		-		-		-		23,852
	16,879		571,429		187,984		99,935		45,157		59,152
	-		-		158,460,000		-		14,795,000		17,510,000
	-		-		15,823,398		-		750,873		-
	-		-		-		(16,790,000)		(7,195,000)		3,279,017
	-		-		-		-		-		5,918,000
	-		-		-		-		-		(5,918,000)
	<u>2,412,909</u>		<u>571,429</u>		<u>174,471,382</u>		<u>(16,689,749)</u>		<u>8,396,030</u>		<u>20,879,516</u>
	4,553,548		(413,281)		168,054,769		(40,416,571)		(62,278,306)		(36,505,824)
	3,251,512		7,805,060		7,391,779		175,446,548		135,029,977		72,751,671
\$	<u>7,805,060</u>	\$	<u>7,391,779</u>	\$	<u>175,446,548</u>	\$	<u>135,029,977</u>	\$	<u>72,751,671</u>	\$	<u>36,245,847</u>
	10.10%		8.20%		4.82%		4.82%		10.60%		9.49%

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

For Taxes Collectible	Tax Capacity Valuation						Taxable Market Value	Tax Capacity as a Percentage of Market Value
	Agricultural	Non-Agricultural	Fiscal Disparities		Tax Increment	Total Taxable		
			Contribution	Distribution				
2012	\$ 5,331	\$ 62,578,991	\$ (9,000,072)	\$ 6,916,716	\$ (1,877,119)	\$ 58,623,847	\$ 5,228,376,100	1.12
2013	9,127	59,584,897	(8,025,680)	7,048,370	(1,912,582)	56,704,132	4,951,329,500	1.15
2014	2,219	60,319,379	(8,056,622)	6,513,595	(1,628,353)	57,150,218	5,013,905,800	1.14
2015	1,456	63,716,481	(8,141,263)	6,569,476	(1,720,772)	60,425,378	5,333,812,300	1.13
2016	1,456	64,655,443	(7,894,090)	6,670,314	(1,413,807)	62,019,316	5,423,990,600	1.14
2017	2,716	67,191,992	(7,954,475)	7,349,115	(1,430,888)	65,158,460	5,705,909,900	1.14
2018	2,903	72,611,117	(8,649,546)	8,032,789	(1,027,494)	70,969,769	6,033,507,500	1.18
2019	2,995	77,362,316	(9,168,590)	8,319,736	(1,004,278)	75,512,179	6,431,234,700	1.17
2020	3,191	81,645,627	(9,729,174)	8,886,632	(1,072,923)	79,733,353	6,800,952,800	1.17
2021	3,287	88,362,570	(9,818,134)	9,446,851	(1,344,635)	86,649,939	7,279,489,500	1.19

Source: School Tax Report issued by the Minnesota Department of Education and Ramsey County

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

Rate	Tax Collection Calendar Fiscal Year	ISD No. 623	Overlapping Rates			
			Municipalities			
			Roseville	Maplewood	Shoreview	Little Canada
Tax Capacity Rate	2012	0.17065	0.34280	0.44056	0.33506	0.28062
Market Value Rate	2012	0.00196	0.00021	0.00020		
Tax Capacity Rate	2013	0.15464	0.40613	0.48659	0.37259	0.30935
Market Value Rate	2013	0.00246	0.00022	0.00022		
Tax Capacity Rate	2014	0.16251	0.41743	0.48378	0.37835	0.31407
Market Value Rate	2014	0.00258	0.00022	0.00020		
Tax Capacity Rate	2015	0.17180	0.40471	0.46353	0.35196	0.30696
Market Value Rate	2015	0.00259	0.00019	0.00009		
Tax Capacity Rate	2016	0.20958	0.39324	0.48507	0.35689	0.30331
Market Value Rate	2016	0.00210	0.00019	0.00009		
Tax Capacity Rate	2017	0.18894	0.38552	0.47248	0.34627	0.28903
Market Value Rate	2017	0.00193	0.00018	0.00008		
Tax Capacity Rate	2018	0.34396	0.38177	0.45911	0.33935	0.26664
Market Value Rate	2018	0.00220	0.00017	0.00007		
Tax Capacity Rate	2019	0.31687	0.37422	0.44693	0.32960	0.26131
Market Value Rate	2019	0.00253	0.01574	0.00657		
Tax Capacity Rate	2020	0.30668	0.39201	0.44646	0.32626	0.25773
Market Value Rate	2020	0.00198	0.09531	0.00633		
Tax Capacity Rate	2021	0.31250	0.37071	0.41953	0.32331	0.23983
Market Value Rate	2021	0.00169	0.00000	0.00000		

Source: Ramsey County Department of Property Tax and Public Records

(1) The miscellaneous other levy includes Metropolitan Council, mosquito control, watershed district, and other metro services. These miscellaneous levies vary slightly between municipalities.

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Overlapping Rates					
Municipalities			County	Misc.	Total
Arden Hills	Falcon Heights	Lauderdale	Ramsey	Other (1)	Roseville Resident
0.25544	0.23515	0.31192	0.61316	0.09705	1.22366 0.00217
0.27931	0.27884	0.31851	0.65240	0.11913	1.33230 0.00268
0.27950	0.24819	0.63735	0.63735	0.11447	1.33176 0.00280
0.27294	0.23470	0.28856	0.58922	0.10742	1.27315 0.00278
0.26539	0.25866	0.29042	0.58885	0.09052	1.28219 0.00229
0.27211	0.26342	0.28678	0.55850	0.08669	1.21965 0.00211
0.25532	0.31780	0.29919	0.53962	0.09086	1.35621 0.00236
0.25555	0.37356	0.29347	0.48565	0.25210	1.42884 0.01827
0.25414	0.35635	0.29330	0.52302	0.09270	1.31441 0.09729
0.25089	0.36348	0.27733	0.47760	0.08938	1.25019 0.00169

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2021 (1)			2012		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
PPF RTL Rosedale Shopping Ctr LLC	\$ 2,598,942	1	2.94%	\$ 2,499,250	2	3.38%
Xcel Energy	1,299,879	2	1.47%	5,618,352	1	7.61%
St. Jude Medical Inc.	886,166	3	1.00%	714,708	5	
Gateway Washington Inc & Co	789,250	4	0.89%	943,112	3	1.28%
Wilcal Crossroads LLC	679,864	5	0.77%	410,000	10	0.55%
Arrow Lexington Apartments, LLC	615,473	6	0.70%		N/A	
C/O Morgan Stanley Re Advisor	561,412	7	0.64%	879,250	4	1.20%
Rosedale Commons LP	497,188	8	0.56%	489,268	6	0.66%
Rosedale Marketplace Associate & C/O Tanurb Developments Inc.	440,248	9	0.50%	479,250	8	0.65%
Roseville Properties	387,534	10	0.44%	488,500	7	0.66%
Total	\$ 8,755,956		9.91%	\$ 10,022,440		12.61%

Source: Current Property Valuations, Net Tax Capacity by Classification. Trend Valuations and Larger Taxpayers have been furnished by Ramsey County.

1) 2021B Official Statement Document, dated October 12, 2021

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

For Taxes Collectible	Original Levy				First Year Levy Recognized	
	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread	Amount	Percentage of Levy
2012	\$ 19,066,617	\$ 2,315,701	\$ 224,881	\$ 21,607,199	\$ 20,643,534	95.5%
2013	19,835,718	2,599,020	268,242	22,702,980	21,789,795	96.0%
2014	21,177,786	2,601,943	270,074	24,049,803	23,220,186	96.6%
2015	23,082,763	2,747,542	262,018 *	26,092,323	25,961,837	99.5%
2016	23,014,487	2,858,884	243,935	26,117,306	26,013,744	99.6%
2017	22,147,148	3,055,799	218,646	25,421,593	25,198,644	99.1%
2018	34,891,855	3,026,465	200,048	38,118,368	38,127,149	100.0%
2019	35,779,776	4,612,447	197,120	40,589,343	39,861,273	98.2%
2020	35,204,430	4,732,099	213,160	40,149,689	39,821,716	99.2%
2021	36,410,633	4,694,269	-	41,104,902	18,700,000	45.5%

Note 1: A portion of the total spread levy is paid through various property tax credits which are paid through state aids and have been included in collections.

Note 2: Only a portion of calendar year 2021 taxes are collectible by June 30, 2021. A total of \$18,700,000 of 2021 taxes were collected by June 30, 2021.

Note 3: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write off of delinquent taxes receivable.

Source: State of Minnesota School Tax Report

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
PROPERTY TAX LEVIES AND COLLECTIONS (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Collections Received in Subsequent Years	Total Collections to Date		Uncollected Taxes Receivable as of June 30, 2020	
	Amount	Percentage of Levy	Delinquent	
			Amount	Percent
\$ 963,665	\$ 21,607,199	100.0 %	\$ -	- %
913,185	22,702,980	100.0	-	- %
829,617	24,049,803	100.0	-	- %
117,790	26,079,627	100.0	12,696	0.0 %
77,561	26,091,305	99.9	26,001	0.1 %
192,781	25,391,425	99.9	30,168	0.1 %
(95,407)	38,031,742	99.8	86,626	0.2 %
617,212	40,478,485	99.7	110,858	0.3 %
83,085	39,904,801	99.4	244,888	0.6 %
N/A	N/A	45.5	-	- %
			<u>\$ 511,237</u>	

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Governmental Activities			Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Certificates of Participation	Total Primary Government		
2012	\$ 47,119,167	\$ -	\$ 47,119,167	0.02 %	\$ 861
2013	45,280,270	-	45,280,270	0.02	827
2014	42,698,583	-	42,698,583	0.02	780
2015	40,487,320	-	40,487,320	0.02	740
2016	38,176,006	-	38,176,006	0.01	698
2017	35,804,694	-	35,804,694	0.01	654
2018	206,883,978	-	206,883,978	0.07	3,781
2019	183,686,615	-	183,686,615	0.06	3,198
2020	185,987,442	-	185,987,442	0.06	3,244
2021	179,807,352	20,716,150	200,523,502	N/A	N/A

N/A - Not Available

See the Schedule of Demographic and Economic Statistics for personal income and population data.

(1)

Details regarding the District's outstanding debt can be found in the notes to basic financial statements.

Note:

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2021
(UNAUDITED)**

Governmental Unit	2020/2021 Taxable Net Tax Capacity	Bonded Debt	Percent Allocable to ISD No. 623	Portion Allocable to ISD No. 623
Independent School District No. 623	\$ 79,733,353	\$ 164,845,000	100.0000 %	\$ 164,845,000
Overlapping Debt				
Ramsey County	718,083,757	116,030,000	12.0668	14,001,108
Arden Hills	15,412,509	2,415,000	3.6864	89,028
Falcon Heights	6,209,209	1,345,000	100.0000	1,345,000
Lauderdale	3,215,504	2,265,000	100.0000	2,265,000
Little Canada	14,797,744	2,520,000	90.3656	2,277,213
Maplewood	54,845,981	56,197,811	27.7930	15,619,058
Roseville	64,854,004	15,720,000	81.0795	12,745,697
Shoreview	41,617,039	21,180,000	7.4768	1,583,586
Metropolitan Council	4,884,505,255	193,320,000	1.7740	3,429,497
Total Overlapping Debt				<u>48,342,104</u>
Total Direct and Overlapping Debt				<u>\$ 213,187,104</u>

Note: The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios.

Source: Ramsey County

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
RATIO OF NET GENERAL OBLIGATIONS BONDED DEBT
TO TAX CAPACITY AND NET OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Tax Capacity	Percent Net Debt to Tax Capacity	Percent of Estimated Actual Market Value of Property (1)	Estimated Population	Net Bonded Debt per Capita
2012	\$ 47,119,167	\$ 2,492,741	\$ 44,626,426	\$ 64,487,517	69.20	0.85%	54,737	\$ 815
2013	45,280,270	2,608,610	42,671,660	58,623,847	72.79	0.86%	54,737	780
2014	42,698,583	2,557,059	40,141,524	56,704,132	70.79	0.80%	54,723	734
2015	40,487,320	2,738,124	37,749,196	57,150,218	66.05	0.71%	54,723	690
2016	38,176,006	2,892,601	35,283,405	60,425,378	58.39	0.65%	54,723	645
2017	35,804,694	2,892,697	32,911,997	62,019,316	53.07	0.58%	54,723	601
2018	206,883,978	24,629,902	182,254,076	65,158,460	279.71	3.02%	54,723	3,330
2019	183,686,615	7,229,222	176,457,393	70,969,769	248.64	2.74%	57,443	3,072
2020	185,987,442	7,339,239	178,648,203	75,512,179	236.58	2.63%	57,325	3,116
2021	179,807,352	8,424,043	171,383,309	79,733,353	214.95	2.35%	58,239	2,943

(1) - See the Schedule of Tax Capacities and Market Value for information on the market value of the District's property.

Source: Annual school district census and U.S. census

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
Debt Limit	\$ 784,256,415	\$ 742,699,425	\$ 752,085,870	\$ 800,071,845
Total Net Debt Applicable to Limit	44,626,426	42,671,660	40,141,524	37,749,196
Legal Debt Margin	<u>\$ 739,629,989</u>	<u>\$ 700,027,765</u>	<u>\$ 711,944,346</u>	<u>\$ 762,322,649</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.69%	5.75%	5.34%	4.72%

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 814,498,590	\$ 855,886,485	\$ 905,026,125	\$ 964,685,205	\$ 1,020,142,920	\$ 1,091,923,425
35,283,405	32,911,997	182,254,076	182,254,076	176,457,393	161,090,000
<u>\$ 779,215,185</u>	<u>\$ 822,974,488</u>	<u>\$ 722,772,049</u>	<u>\$ 782,431,129</u>	<u>\$ 843,685,527</u>	<u>\$ 930,833,425</u>
4.33%	3.85%	20.14%	18.89%	17.30%	14.75%

Legal Debt Margin Calculation for Fiscal Year 2021	
Market Value	(1) \$ 7,279,489,500
Debt Limit (15% of Market Value)	1,091,923,425
Debt Applicable to Limit:	
General Obligation Bonds	161,090,000
Less: Amount Set Aside for Repayment of	
General Obligation Debt	<u>(8,424,043)</u>
Total Net Debt Applicable to Limit	<u>152,665,957</u>
Legal Debt Margin	<u>\$ 939,257,468</u>
(1) Economic Market Value for School Districts. Assessment Year 2019 for taxes payable in 2020. Minnesota Department of Revenue.	

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Calendar Year	Population (1)	Estimated Personal Income (2)	Per Capita Personal Income (2)	Median Age	School Enrollment (3)	City of Roseville Unemployment Rate (4)
2012	54,737	\$ 2,663,338,209	\$ 48,657	43.1	7,061	4.4%
2013	54,737	2,524,689,388	46,124	42.0	7,196	4.3%
2014	54,723	2,546,206,467	46,529	41.3	7,271	3.2%
2015	54,723	2,573,020,737	47,019	40.8	7,500	3.0%
2016	54,723	2,651,712,411	48,457	39.8	7,550	3.0%
2017	54,723	2,723,384,555	49,767	40.1	7,615	3.0%
2018	54,723	2,861,520,393	52,291	39.9	7,664	2.9%
2019	57,443	2,937,060,590	51,130	38.2	7,580	3.0%
2020	57,325	3,000,505,150	52,342	43.0	7,580	3.0%
2021	58,239	N/A	N/A	-	7,299	0.0%

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Annual average unemployment rates compiled by the Minnesota Department of Employment and Economic Development.

Sources:

- (1) MDE's Levy Limitation Reports
- (2) Estimated personal income is calculated by multiplying the per capital personal income by the estimated population per census
- (3) MDE's Levy Limitation Reports
- (4) United States Department of Agriculture/Economic Research Service

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Employer	2021		2012	
	Employees	Rank	Employees	Rank
University of Minnesota (St. Paul Campus)	6,882	1	4,691	1
Minnesota State Fair	3,243 (1)	2	2,670	2
Abbott-St. Jude Medical	1,126	3	1,126	3
ISD No 623 (Roseville Area Schools)	1,120	4	1,113	4
Minnesota Department of Transportation	800	5	700	5
Minnesota Department of Education	400	6	500	6
Slumberland Inc.	400 (2)	7	296 (2)	8
TSI	400	8	N/A	
Lunds & Byerlys	377	9	N/A	
Old Dutch Foods	250	10	400	7
Total	14,998		11,496	

Source: ReferenceUSA, written and telephone survey February 2020), and the Minnesota Department of Employment and Economic Development.

Note: Information regarding the percentage of total employment for each employer was not available.

(1) Includes Seasonal Employees

(2) Includes Corporate office, Distribution Center and Clearance Showroom

**ROSEVILLE AREA SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 623
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEE BY TYPE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

	Fiscal Year			
	2011-12	2012-13	2013-14	2014-15
Administrative Staff	20	19	19	22
Support Service Staff	66.86	71.45	79.85	91.78
Classroom Teachers	357.48	366.09	385.5	406.61
Special Education Teachers	62.15	65.21	70.6	75.84

Source: STAR reports

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**ROSEVILLE AREA SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 623
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEE BY TYPE (CONTINUED)
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Fiscal Year					
2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
23	22	26	27	28	28
90.76	85.05	85.2	86.1	86.3	71.3
388.73	401.64	405.28	401.4	406.8	402.5
74.49	78.41	72.09	73.6	70.8	68.8

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Facility	Use	Constructed	Acres	Additions	Square Footage	Enrollment (1)
Brimhall Elementary	School	1957	16.80	1957, 1958, 1959, 1972 1994, 2019	101,342	585
Central Park Elementary	School	1966	9.40	1968, 1996, 2019	88,801	393
District Center	Administration	1968	5.00		16,952	
Edgerton Elementary	School	1952	13.00	1955, 1961 1967, 1969, 1996, 2004, 2019	86,880	462
Fairview Community Center	Community	1956	21.70	1957, 1969, 1973	171,170	N/A
Falcon Heights Elementary	School	1951	8.80	1951, 1961, 1969, 1995, 1998, 2015 2020	71,226	490
Harambee Elementary	School	1996	27.30		76,530	336
Little Canada Elementary	School	1968	16.00	1989, 1995, 2019	88,796	563
Williams Elementary	School	1963	13.60	1966, 1969, 1997, 2020	75,268	401
Parkview Center School	School	1967	26.30	1969, 1975, Renovated in 1997, 2020	164,669	747
Roseville Area Middle School	School	1963	41.00	1963, 1966, 1970, 1972 1975, 1990 2004, 2020	240,747	877
Roseville Area High School	School	1952	40.00	1962, 1969, 1970, 1975, 1985, 1993-1996 2003, 2005, 2019-2021	460,465	2,254

N/A - Not Available

(1) Source: 2020-21 MN Department of Education School ADM Served Report

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
STANDARDIZED TESTING
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Standardized Tests										
MCA Reading (See Note 1)										
Grade 3	74.1 %	54.6 %	58.4 %	57.3 %	52.9 %	51.4 %	53.1 %	47.8%	N/A	41.9%
Grade 5	76.0 %	60.7 %	65.1 %	66.3 %	64.1 %	63.2 %	61.6 %	60.1%	N/A	55.6%
Grade 7	68.7 %	52.3 %	56.5 %	46.2 %	48.3 %	51.2 %	58.3 %	60.6%	N/A	46.5%
Grade 10	75.2 %	67.4 %	59.8 %	57.3 %	54.8 %	57.8 %	53.1 %	55.4%	N/A	69.1%
MCA Math (See Note 1)										
Grade 3	63.1 %	71.4 %	64.1 %	66.1 %	62.7 %	62.6 %	61.7 %	57.1%	N/A	48.0%
Grade 5	53.3 %	55.6 %	60.2 %	60.0 %	50.8 %	48.7 %	48.0 %	46.3%	N/A	28.4%
Grade 7	53.1 %	51.3 %	58.3 %	46.5 %	49.6 %	47.3 %	44.5 %	52.8%	N/A	25.1%
Grade 11	46.2 %	49.3 %	47.1 %	43.9 %	38.8 %	45.2 %	45.1 %	35.6%	N/A	39.6%
ACT										
Independent School District No. 623										
Average Composite Score	23.7 %	23.1 %	23.3 %	23.1 %	20.6 %	21.1 %	20.8 %	20.2%	N/A	24.3%
State Average Composite Score	22.8 %	23.0 %	22.9 %	22.7 %	21.1 %	21.5 %	21.3 %	21.4%	N/A	21.6%

N/A - Not Available

Note 1: Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test.

Note 2: MCAs were not administered in the 2019-2020 school year due to COVID-19 Pandemic

Note 3: Student participation in MCAs during the 2020-2021 school year was severely impacted due to the COVID-19 Pandemic

Note 4: Student participation in ACT during the 2020-21 school year was severely impacted due to the COVID-19 Pandemic

**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
SUMMARY OF MEALS SERVED
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percent of Average Daily Attendance	Free Lunch		Reduced Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2012	6,602	747,846	173.0	4,323	65.48	350,485	46.87	71,599	9.57
2013	6,728	753,392	173.0	4,355	64.73	366,425	48.64	72,404	9.61
2014	6,798	792,227	173.0	4,579	67.36	404,177	51.02	75,399	9.52
2015	7,012	854,397	173.0	4,939	70.43	430,054	50.33	69,909	8.18
2016	7,059	869,259	173.0	5,025	71.18	440,887	50.72	81,054	9.32
2017	7,120	868,930	173.0	5,023	70.54	430,019	49.49	84,893	9.77
2018	7,166	844,827	173.0	4,883	68.14	405,578	48.01	85,311	10.10
2019	7,087	820,170	170.0	4,825	68.07	374,353	45.64	102,462	12.49
2020	7,087	583,066	116.0	5,026	70.92	248,842	42.68	69,867	11.98
2021	N/A - All students fed through Summer Nutrition Program and/or CACFP per USDA guidance								

(1) Based on State Food and Nutrition Department guidelines, attendance is deemed to be 93.5 percent of enrollment.

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**ROSEVILLE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 623
SCHEDULE OF INSURANCE COVERAGE
JUNE 30, 2021
(UNAUDITED)**

Type of Coverage	Amount of Coverage
Property Coverage:	
Real and Personal Property (Blanketed)	\$ 182,408,396
Unscheduled Locations- Property in Open	Included in Blanket
Blanket Valuable Papers and Records	\$ 500,000
Accounts Receivable - On Premises	\$ 500,000
Liability Coverages:	
General:	
Each Occurrence	\$ 1,000,000
General Aggregate Limit	\$ 2,000,000
Medical Expense Limit - Any One Person excluding students	\$ 15,000
Professional Liability (Nurses, Occupational Therapists, Psychologists):	
Limit Each Claim	Included in Liability
Aggregate	Included in Liability
Umbrella Liability:	
Each Occurrence	\$ 3,000,000
Aggregate	\$ 3,000,000
Crime Coverage:	
Employee Dishonesty	\$ 500,000
Forgery or Alteration	\$ 50,000
Computer Fraud	\$ 250,000
Theft, Disappearance, and Destruction	\$ 100,000
eCrime Breach Coverage	\$ 1,000,000
Business Automobile Coverage:	
Bodily Injury and Property Damage	\$ 1,000,000
Personal Injury Protection	Statutory
Uninsured Motorists	\$ 1,000,000
Underinsured Motorists	\$ 1,000,000
Collision deductible	\$ 500
Comprehensive deductible	\$ 500
School Leaders Errors and Omissions	
Aggregate	\$ 1,000,000
Boiler and Machinery Coverage:	
Property Damage	Included in Building Limit
Extra Expense	\$ 100,000
Expediting Expense	\$ 100,000
Pollutant Cleanup and Removal - Aggregate	\$ 100,000
Spoilage	\$ 100,000