Excellence. For each and every student.

BOARD OF EDUCATION

Working Meeting - Monday, November 28, 2022 - 4:00 PM
Wayzata Public Schools District Office
210 County Road 101 North
Plymouth, Minnesota 55447

Minutes of Work Session Meeting

A Work Session Meeting of the Board of Education of Wayzata Public Schools was held Monday, November 28, 2022, beginning at 4:00 PM in the Wayzata Public Schools District Office
210 County Road 101 North
Plymouth, Minnesota 55447.

Management Report

for

Independent School District No. 28
Wayzata, Minnesota

June 30, 202

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

We have prepared this management report in conjunction with our audit of Independent School District No. 284's (the District) financial statements for the year ended June 30, 2022. We have organized this report into the following sections:

- Audit Summary
- Funding Public Education in Minnesota
- Financial Trends of Your District
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the District, management, and those with responsibility for oversight of the District's financial reporting process comments resulting from our audit and information relevant to school district financing in Minnesota. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota
INSERT DATE

AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the School Board, administration, or those charged with governance of the District.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS*, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2022:

- We have issued an unmodified opinion on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the year. Our opinion was not modified with respect to this matter.

- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses. It should be understood that internal controls are never perfected, and those controls which protect the District's funds from such things as fraud and accounting errors need to be continually reviewed by your management and modified as necessary.

- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.

- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.

- The results of our testing indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

- We reported one deficiency in the District's internal controls over compliance that we considered to be a significant deficiency with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

    1. For the special education cluster federal program, the District did not have sufficient controls in place to assure that it was not contracting for goods or services with parties that are suspended or debarred, or whose principals are suspended or debarred.

- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2022. However, the District implemented the following governmental accounting standard during the year:

> As described in Note 1 of the notes to the basic financial statements, the District implemented GASB Statement No. 87, *Leases,* during fiscal year ended June 30, 2022. As described in Note 1 of the basic financial statements, this standard changed the way lease transactions are reported by the District, but did not result in a restatement of net position in the current year.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.
>
> Special education state aid includes an adjustment related to tuition billings to and from other school districts for special education services, which are computed using formulas derived by the Minnesota Department of Education (MDE). Because of the timing of the calculations, this adjustment for the current fiscal year is not finalized until after the District has closed its financial records. The impact of this adjustment on the receivable and revenue recorded for state special education aid is calculated using preliminary information available to the District.

The District has recorded a liability in the Statement of Net Position for severance benefits payable for which it is probable employees will be compensated. The "vesting method" used by the District to calculate this liability is based on assumptions involving the probability of employees becoming eligible to receive the benefits (vesting), the potential use of accumulated sick leave prior to termination, and the age at which such employees are likely to retire.

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies primarily described in GASB Statement Nos. 68, 73, 74, and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

The depreciation/amortization of capital assets involves estimates pertaining to useful lives.

The District's self-insured activities require recording a liability for claims incurred, but not yet reported, which are based on estimates.

We evaluated the key factors and assumptions used by management to develop the estimates discussed on the previous page in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to OPEB and pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated INSERT 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 auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis (MD&A) and the pension and OPEB-related required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental information accompanying the financial statements, and the separately issued Schedule of Expenditures of Federal Awards and the Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table, which are not RSI. With respect to this supplemental information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplemental information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements, but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

FUNDING PUBLIC EDUCATION IN MINNESOTA

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this report. This section provides selected state-wide funding and financial trend information.

BASIC GENERAL EDUCATION REVENUE

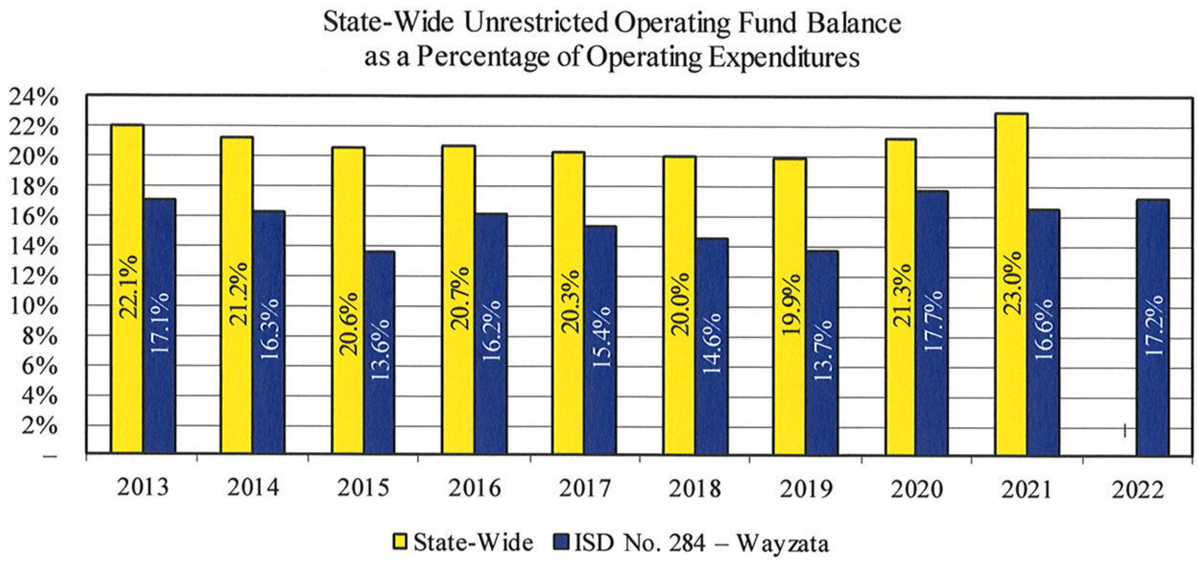
The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to average daily membership (ADM). Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

The table below presents a summary of the formula allowance for the past decade and as approved for the current audit period and the next fiscal year. The Legislature approved a per pupil increase of $135 for fiscal 2023. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the "roll-in" of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The $529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately $105, or 2.00 percent, state-wide.

	Formula Allowance	
Fiscal Year Ended June 30,	Amount	Percent Increase
2013	$ 5,224	1.00 %
2014	$ 5,302	1.50 %
2015	$ 5,831	2.00 %
2016	$ 5,948	2.00 %
2017	$ 6,067	2.00 %
2018	$ 6,188	2.00 %
2019	$ 6,312	2.00 %
2020	$ 6,438	2.00 %
2021	$ 6,567	2.00 %
2022	$ 6,728	2.45 %
2023	$ 6,863	2.00 %

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

One of the most common and comparable statistics used to evaluate school district financial health is the unrestricted operating fund balance as a percentage of operating expenditures.



Note: State-wide information is not available for fiscal 2022.

The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts decreased gradually from 22.1 percent at the end of fiscal 2013 to 19.9 percent at the end of fiscal 2019, a period of relative stability in the state's economic condition and school funding. This ratio began rising again during the fiscal year's impacted by the COVID-19 pandemic increasing to 23.0 percent at the end of fiscal 2021.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 17.2 percent at the end of the current year, as compared to 16.6 percent at June 30, 2021.

The table below shows a comparison of governmental fund revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction Fund. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

Governmental Funds Revenue per Student (ADM) Served

	State-Wide		Metro Area		ISD No. 284 – Wayzata		
	2020	2021	2020	2021	2020	2021	2022
General Fund							
Property taxes	$ 2,345	$ 2,576	$ 3,100	$ 3,411	$ 4,818	$ 5,353	$ 5,694
Other local sources	538	438	417	323	550	378	582
State	10,144	10,514	10,127	10,517	8,682	9,004	9,286
Federal	480	992	499	956	345	729	571
Total General Fund	13,507	14,520	14,143	15,207	14,395	15,464	16,133
Special revenue funds							
Food Service	554	576	539	568	483	452	809
Community Service	632	612	732	684	842	664	1,103
Debt Service Fund	1,322	1,512	1,385	1,549	1,018	1,221	1,277
Total revenue	$ 16,015	$ 17,220	$ 16,799	$ 18,008	$ 16,738	$ 17,801	$ 19,322
ADM served per MDE School District Profiles Report (current year estimated)					12,216	11,950	11,863

Note: Excludes the Capital Projects – Building Construction Fund.

Source of state-wide and metro area data: School District Profiles Report published by the MDE

ADM used in the table above and on the next page are based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables.

The mix of local and state revenues vary from year-to-year, primarily based on funding formulas and the state's financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The District received $229,214,092 in the governmental funds reflected above in fiscal 2022, an increase of $16,480,205 (7.8 percent) from the prior year, or $1,521 per ADM. Total General Fund revenue increased $669 per ADM from the previous year. General Fund property tax revenue was $341 per ADM higher than last year, primarily due to increases in the tax levy. State sources increased $282 per ADM, mainly in special education funding. Revenues in other local sources in the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund increased with the return to an in-person learning model and easing restrictions associated with the COVID-19 pandemic. Federal sources decreased $158 per ADM, with fewer Coronavirus Relief and Education Stabilization Funds recognized for COVID-19 pandemic-related spending.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction Fund. Other financing uses, such as bond refundings and transfers, are also excluded.

Governmental Funds Expenditures per Student (ADM) Served

	State-Wide		Metro Area		ISD No. 284 – Wayzata		
	2020	2021	2020	2021	2020	2021	2022
General Fund							
Administration and district support	$ 1,093	$ 1,184	$ 1,100	$ 1,205	$ 960	$ 850	$ 960
Elementary and secondary regular instruction	5,881	6,198	6,231	6,527	6,537	6,807	7,123
Vocational education instruction	186	197	171	179	268	306	319
Special education instruction	2,481	2,626	2,626	2,792	1,782	1,876	1,868
Instructional support services	683	812	787	917	1,333	1,343	1,327
Pupil support services	1,203	1,228	1,316	1,285	1,206	1,302	1,481
Sites and buildings and other	952	1,083	910	1,052	1,269	1,546	1,715
Total General Fund – noncapital	12,479	13,328	13,141	13,957	13,355	14,030	14,793
General Fund capital expenditures	748	793	717	815	649	1,273	774
Total General Fund	13,227	14,121	13,858	14,772	14,004	15,303	15,567
Special revenue funds							
Food Service	556	532	548	522	551	469	683
Community Service	661	610	774	682	934	806	939
Debt Service Fund	1,360	1,576	1,379	1,609	1,054	1,219	1,329
Total expenditures	$ 15,804	$ 16,839	$ 16,559	$ 17,585	$ 16,543	$ 17,797	$ 18,518
ADM served per MDE School District Profiles Report (current year estimated)					12,216	11,950	11,863

Note: Excludes the Capital Projects – Building Construction Fund.

Source of state-wide and metro area data: School District Profiles Report published by the MDE

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs.

The District spent $219,675,528 in the governmental funds reflected above in fiscal 2022, an increase of $6,989,306 (3.3 percent) from the prior year, which represents an increase of $721 per ADM. General Fund operating expenditures increased $763 per ADM, mainly in elementary and secondary regular instruction ($316 per ADM), pupil support services ($179 per ADM), and sites and buildings and other ($169 per ADM). The increase in elementary and secondary regular instruction is due to contractual salary and benefit increases. Pupil support services and sites and buildings and other increased in purchased services costs, due to substitute costs and staff development. General Fund capital expenditures decreased $499 per ADM, due to less construction for long-term facilities maintenance projects being paid out of the General Fund during fiscal 2022. Food Service Special Revenue and Community Service Special Revenue Funds increased $214 per ADM and $133 per ADM, respectively, consistent with the increase in revenues.

SUMMARY

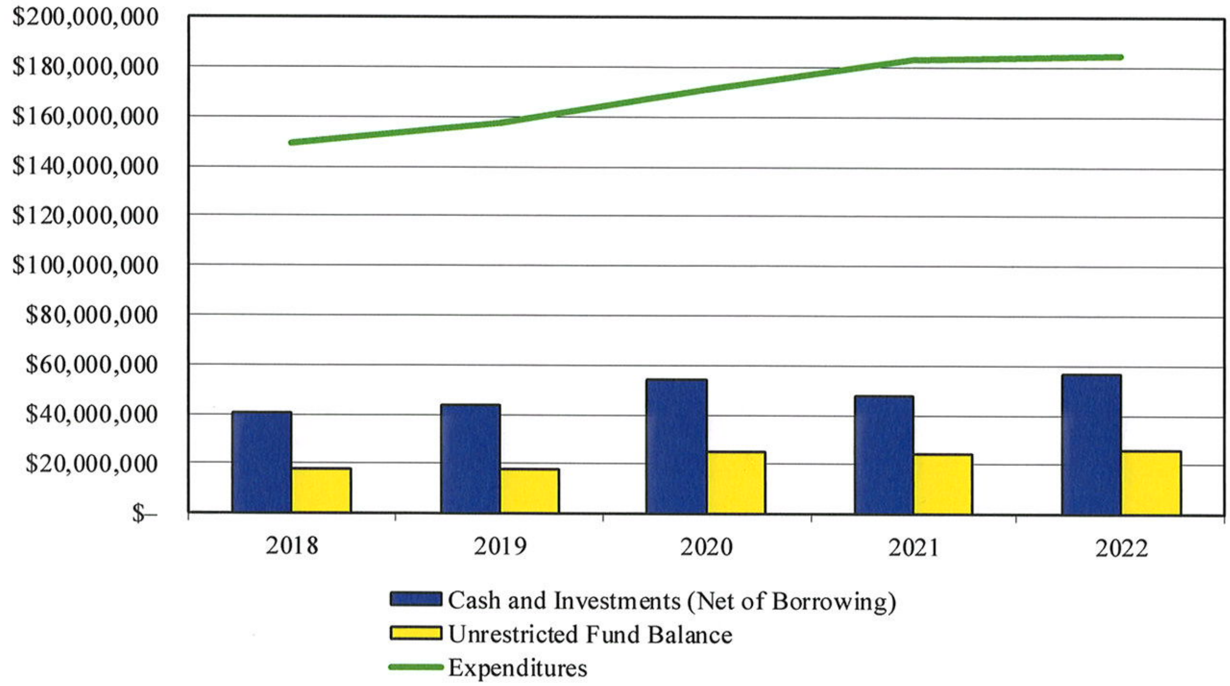
The COVID-19 pandemic caused numerous financial and operational challenges for districts in recent years; creating instability in student populations, requiring numerous shifts in the delivery of educational services, and resulting in substantial new and unfamiliar federal revenue streams, to name a few. District school boards, administrators, and employees continue to face many challenges as districts strive to provide a safe and effective learning experience for their students in this uncertain and unprecedented environment.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

The following graph displays the District's General Fund trends of financial position and changes in the volume of financial activity. Unrestricted fund balance and cash balance are two indicators of financial health, while annual expenditures are often used to measure the size of the operation.

General Fund Financial Position
Year Ended June 30,



The District ended fiscal year 2022 with a General Fund cash balance (net of interfund borrowing excluding cash and investments held with trustee) of $56,595,208, an increase of $8,718,269 from the prior year. Total fund balance at year-end was $35,073,137, an increase of $8,216,120.

GENERAL FUND COMPONENTS OF FUND BALANCE

The following table presents the components of the General Fund balance for the past five years:

	June 30,				
	2018	2019	2020	2021	2022
Nonspendable fund balances	$ 287,085	$ 316,399	$ 611,106	$ 608,414	$ 155,695
Restricted fund balances (1)	1,979,878	7,600,701	6,354,302	2,174,797	8,513,378
Unrestricted fund balances					
Assigned	5,712,743	5,369,294	5,529,336	7,775,597	11,348,017
Unassigned	12,095,480	12,681,756	19,452,216	16,298,209	15,056,047
Total fund balance	$ 20,075,186	$ 25,968,150	$ 31,946,960	$ 26,857,017	$ 35,073,137
Total expenditures	$ 149,384,155	$ 157,201,516	$ 171,077,324	$ 182,882,315	$ 184,673,419
Unrestricted fund balances as a percentage of expenditures	11.9%	11.5%	14.6%	13.2%	14.3%
Unassigned fund balances as a percentage of expenditures	8.1%	8.1%	11.4%	8.9%	8.2%

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

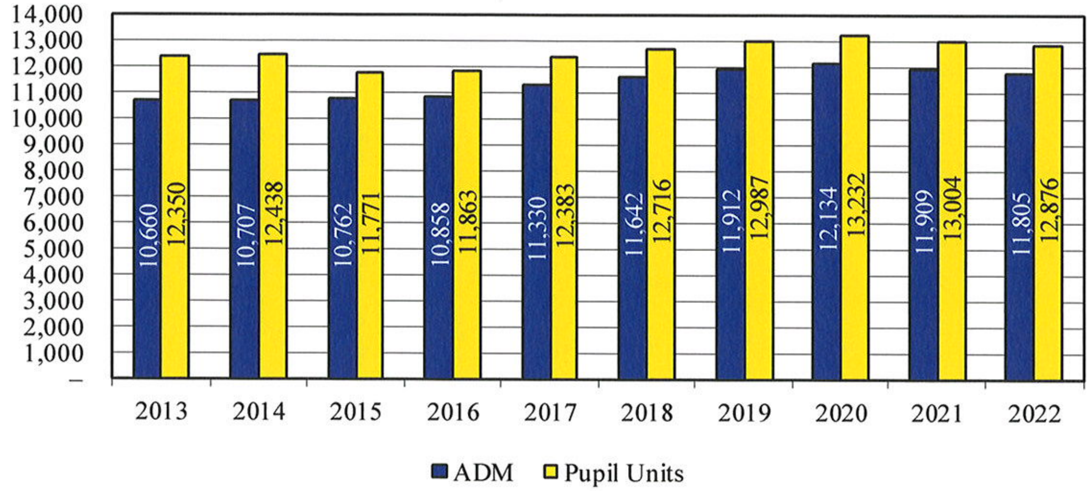
The table above reflects the total General Fund unrestricted fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

At June 30, 2022, unassigned fund balance in the General Fund (excluding restricted fund balance deficits) represented 8.2 percent of annual expenditures, or less than five weeks of operations assuming level spending throughout the year.

AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS

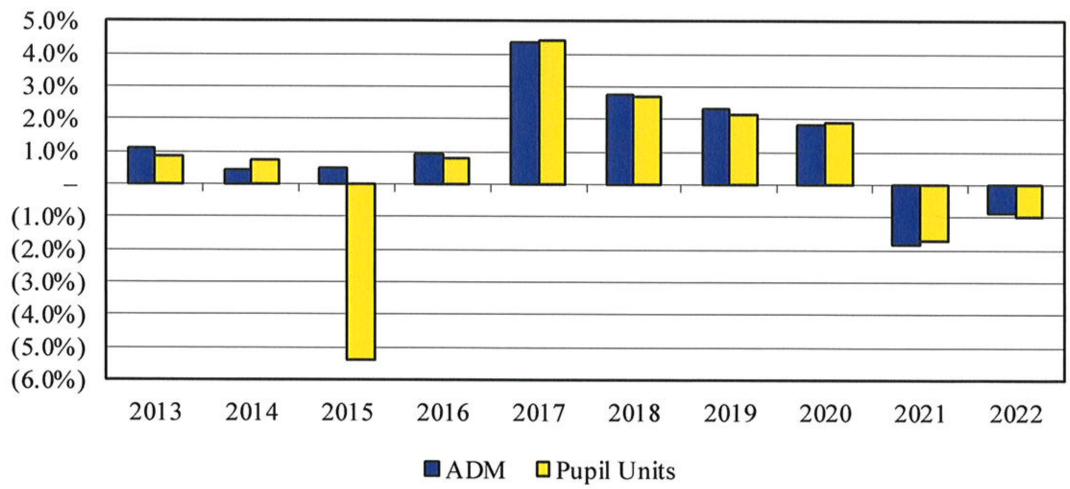
The following graph presents the District's adjusted ADM and pupil units served for the past 10 years:

Adjusted ADM and Pupil Units Served



The following graph shows the rate of change in ADM served by the District from year-to-year, along with the change in the resulting pupil units:

Change in Adjusted ADM and Pupil Units Served



The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

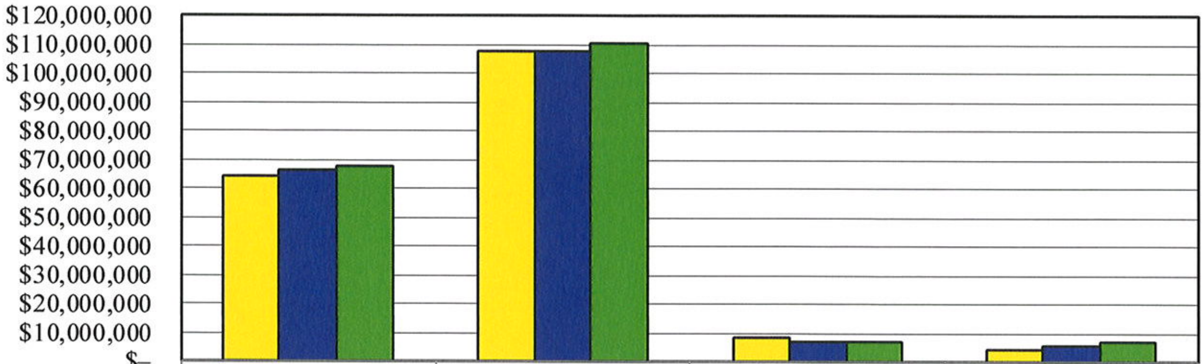
ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments, which affect this year's revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated ADM of 11,805 in 2022, a decrease of 104 ADM (0.9 percent) from the prior year. The resulting pupil units served by the District decreased by 128 (1.0 percent) to 12,876.

General Fund Revenues

The following graph presents the District's General Fund revenues for 2022:

General Fund Revenue



	Property Taxes	State Sources	Federal Sources	Other
Prior Year	$63,966,935	$107,602,586	$8,712,279	$4,517,247
Budget	$66,623,535	$107,455,534	$7,070,338	$5,791,303
Actual	$67,550,362	$110,159,564	$6,778,368	$6,900,464

Total General Fund revenues were $191,388,758 for the year ended June 30, 2022, which was an increase of $6,589,711 (3.6 percent) from the prior year, and $4,448,048 (2.4 percent) more than projected in the final budget.

The variance to budget was in state sources, other revenues, and property taxes. State sources were $2,704,030 over budget, mainly in special education. Other revenues were $1,109,161 over budget with COVID-19 pandemic restrictions easing and the District collecting more fees and charges with a return to the in-person learning model. Property taxes were $926,827 more than budget, mainly due to delinquencies and county apportionment being better than anticipated.

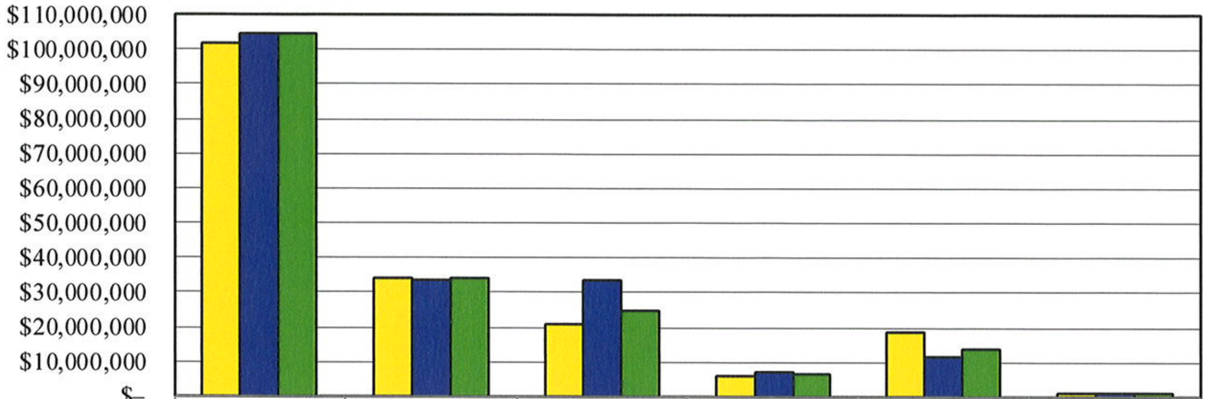
The increase from the prior year was in property taxes, state sources, and other. Property taxes increased $3,583,427, as a result of the increased levy in fiscal 2022. State sources increased $2,556,978, mainly in special education funding. Other local sources increased $2,383,217 with COVID-19 pandemic restrictions easing, as noted above. These increases were offset by a decrease in federal sources of $1,933,911, with fewer Coronavirus Relief and Education Stabilization Funds recognized for COVID-19 pandemic-related spending.

The graph above reflects the concentration of state sources (57.6 percent) followed by property taxes (35.3 percent) received to finance General Fund operations.

GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2022:

General Fund Expenditures



	Salaries	Employee Benefits	Purchased Services	Supplies and Materials	Capital Expenditures	Other Expenditures
Prior Year	$101,922,548	$33,942,421	$21,012,950	$6,104,636	$18,744,471	$1,155,289
Budget	$104,245,184	$33,608,749	$33,767,144	$6,996,988	$11,745,851	$910,379
Actual	$104,787,781	$33,982,395	$24,510,193	$6,397,938	$13,911,793	$1,083,319

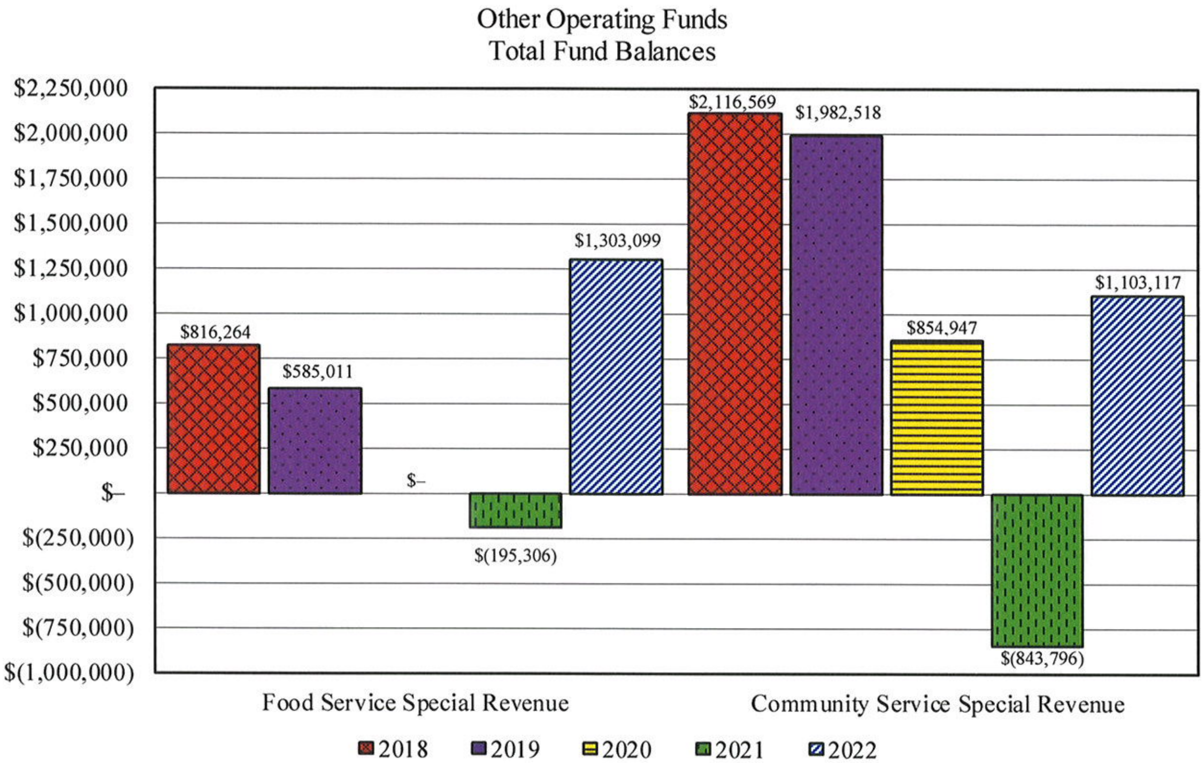
Total General Fund expenditures were $184,673,419 for the year ended June 30, 2022, which was an increase of $1,791,104 (1.0 percent) from the prior year, but $6,600,876 (3.5 percent) under the final budget.

The variance to budget was primarily in purchased services and capital expenditures. Purchased services were $9,256,951 under budget, mainly due to the timing of projects and due to travel and conferences for professional development being less than anticipated. Capital expenditures were $2,165,942 over budget, mainly due to the timing of projects.

Expenditure increases were mainly in salaries and purchased services. The increase in salaries was mostly due to contractual increases in the current year. Purchased services increased mainly in pupil support services and sites and buildings. These increases were offset by a decrease in capital expenditures, which were down, due to the timing of projects.

OTHER FUNDS OF THE DISTRICT

The following graph shows what is referred to as the other operating funds. The remaining nonoperating funds are only included in narrative form below, since their level of fund balance can fluctuate significantly, due to such things as issuing and spending the proceeds of refunding or building bonds and, therefore, the trend of fund balance levels is not necessarily a key indicator of financial health. It does not mean that these funds cannot experience financial trouble or that their fund balances are unimportant.



Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended fiscal 2022 with a fund balance of $1,303,099, which is an increase of $1,498,405 from last year, compared to a budgeted increase of $1,627,489. Food service revenue was $9,596,362, which was over budget by $39,848, due to more meal sales than anticipated. Expenditures of $8,097,957 were over budget by $168,932, as supplies and materials were more than projected. Participation levels were difficult to anticipate with the changing learning models, along with programming changes financing school nutrition programs, contributing to the variances in revenues and expenditures, compared to budget and the prior year.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended fiscal 2022 with a fund balance increase of $1,946,913, compared to a budgeted increase of $892,104. Revenues of $13,082,017 were over budget by $885,722, while actual expenditures totaling $11,135,104 were under budget by $169,087. Conservative budgeting for program participation, with uncertainty related to the pandemic, contributed to the revenue budget variance. Expenditures were under budget, mainly in benefits.

Over the years, we have emphasized to our clients that food service and community service operations should be self-sustaining, and should not become an additional burden on general education funds.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund ended the year with a fund balance decrease of $4,494,423, compared to a $6,000,000 decrease in the anticipated budget, due to the spend down of bonds issued in previous years. The year-end fund balance of $9,432,482 is restricted for capital projects.

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. It is important to remember that resources of the Debt Service Fund are restricted to the payment of outstanding debt obligations of the District. As of June 30, 2022, the District has $3,079,092 available for general debt service. The District issued $132,865,000 of refunding bonds that were used to refund outstanding debt in the current year in order to reduce future debt service costs for district taxpayers.

Proprietary Funds – Internal Service Funds

The District uses internal service funds to account for the District's liabilities for self-insured benefits and early retirement benefits. The following table presents the combined activity reported for the past two fiscal years for the internal service funds:

	June 30,	
	2021	2022
Operating revenue		
Charges for services	$ 20,826,489	$ 20,603,874
Operating expenses		
Dental benefit claims	1,439,891	1,528,928
Health benefit claims	21,423,882	20,726,414
Early retirement incentive and sick leave benefits	1,327,523	992,521
Total operating expenses	24,191,296	23,247,863
Operating income (loss)	(3,364,807)	(2,643,989)
Nonoperating revenue		
Investment earnings	371,099	476,794
Income (loss) before transfers	(2,993,708)	(2,167,195)
Transfers in	3,744,935	960,775
Change in net position	751,227	(1,206,420)
Net position		
Beginning of year	1,669,104	2,420,331
End of year	$ 2,420,331	$ 1,213,911

Post-Employment Benefits Trust Fund

The District has established a Post-Employment Benefits Trust Fund to account for an irrevocable trust account established to finance the District's liability for post-employment healthcare benefits. At year-end, trust net position of $33,059,992 is available for future OPEB payments.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's financial statements include fund-based information that focuses on budgetary compliance, and the sufficiency of the District's current assets to finance its current liabilities. The governmental reporting model also requires the inclusion of two government-wide financial statements designed to present a clear picture of the District as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering educational services, including capital assets and long-term liabilities.

Theoretically, net position represents district resources available for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, this statement divides net position into three components: net investment in capital assets, restricted, and unrestricted. The following table presents a summarized reconciliation of the District's governmental fund balances to net position, and the separate components of net position for the last two years:

	June 30,		
	2022	2021	Change
Net position – governmental activities			
Total fund balances – governmental funds	$ 49,990,927	$ 42,544,231	$ 7,446,696
Total capital assets, net of depreciation	257,813,739	261,547,329	(3,733,590)
Bonds, certificates, finance purchase, and leases, net of premiums	(242,868,835)	(246,993,080)	4,124,245
Pensions, net of deferred outflows and inflows	(138,721,763)	(144,153,307)	5,431,544
OPEB, net of deferred outflows and inflows	(18,530,806)	(17,433,814)	(1,096,992)
Other adjustments	4,995,681	(1,690,805)	6,686,486
Total net position – governmental activities	$ (87,321,057)	$(106,179,446)	$ 18,858,389
Net position			
Net investment in capital assets	$ 33,227,426	$ 29,989,500	$ 3,237,926
Restricted	11,224,124	3,126,677	8,097,447
Unrestricted	(131,772,607)	(139,295,623)	7,523,016
Total net position	$ (87,321,057)	$(106,179,446)	$ 18,858,389

Some of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory restrictions) or by the nature of the fund they are in (e.g., Food Service Special Revenue Fund balance can only be spent for food service program costs). The unrestricted net position category consists mainly of the General Fund unrestricted fund balances, offset against noncapital long-term obligations, such as vacation payable, severance payable, net pension, and net OPEB liabilities.

Total net position increased by $18,858,389 during fiscal 2022. As presented in the table above, this change was partially in unrestricted net position, due to changes in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension plan liabilities and related deferments. The District's increase in net position restricted for capital asset acquisition, debt service, food service, community service, and other state funding restrictions contributed to the change in the restricted portion of net position.

The District's net investment in capital assets increased $3,237,926 this year. The change in this category of net position typically depends on the relationship between the rate at which the District's capital assets are being added, depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets.

ACCOUNTING AND AUDITING UPDATES

The following is a summary of Governmental Accounting Standards Board (GASB) standards expected to be implemented in the next few years. Due to the COVID-19 pandemic, the GASB has delayed the original implementation dates of these and other standards as described below.

GASB STATEMENT NO. 96, *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS*

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

This statement provides an exception for short-term SBITAs with a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB STATEMENT NO. 99, *OMNIBUS 2022*

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.

- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*
- Terminology used in Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* to refer to resource flows statements.

The requirements of this statement that are effective are as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB STATEMENT NO. 100, *ACCOUNTING CHANGES AND ERROR CORRECTIONS – AN AMENDMENT OF GASB STATEMENT NO. 62*

The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The requirements of this statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 101, *COMPENSATED ABSENCES*

The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used, but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used, but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2022

Prepared by the

Department of Finance and Business Services

WAYZATA PUBLIC SCHOOLS

Excellence. For each and every student.

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2022

INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA, MINNESOTA

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

Prepared by the
Department of Finance and Business Services

DeeDee Kahring • Executive Director of Finance and Operations

INDEPENDENT SCHOOL DISTRICT NO. 284

Table of Contents

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Table of Contents (continued)

SECTION I

INTRODUCTORY SECTION

WAYZATA PUBLIC SCHOOLS

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

INSERT DATE

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

INTRODUCTION

We respectfully submit the Annual Comprehensive Financial Report (ACFR) of Independent School District No. 284, Wayzata, Minnesota (the District), for the fiscal year ended June 30, 2022. Responsibility for the entire financial report rests with district management. The report contains all funds of the District in conformity with accounting principles generally accepted in the United States of America for defining the reporting entity.

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

The ACFR is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

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

ECONOMIC CONDITION AND OUTLOOK

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

For 2021–2022, district facilities included nine elementary schools, three middle schools, a senior high school, a transition school, a district administration building, an early learning center, a central services facility, and the district welcome center/warehouse.

Enrollment for the 2021–2022 school year was 11,842 pupils in adjusted average daily membership, which represents a decrease of 68 students from the prior year. Demographic forecasts project an increase in enrollment for the next several years. Projected enrollment for the near future per an independent demographer hired by the District is:

Fiscal Year	Enrollment
2023	12,087
2024	12,042
2025	12,093

The tax base of the District increased 6.2 percent during the past year. The market value of all taxable property in the District in fiscal year 2022 was $15,755,769,997, compared to $14,839,903,276 in fiscal year 2021.

The net tax capacity of the District for fiscal year 2022 was $176,520,258, an increase of 6.0 percent over the prior year value of $166,478,303.

The state fiscal disparities law provides for the pooling of 40.0 percent of all new commercial/industrial property valuation added since 1971 in the seven-county Minneapolis-Saint Paul metropolitan area. The pooled valuation is redistributed among the taxing jurisdictions according to population and a ratio measuring relative fiscal capacity. Local tax rates reflect the net contribution/distribution of fiscal disparities valuation. The District has been a net contributor to the fiscal disparities pool in recent years. The District contributed $4,222,267 in fiscal year 2022 and $3,359,074 in fiscal year 2021.

FINANCIAL INFORMATION

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

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

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

DISTRICT FACILITIES

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

LOOKING FORWARD

The District's commitment to fiscal responsibility has enabled the District to maintain positive fund balances in recent years. Currently, the General Fund has an unassigned fund balance (excluding restricted account deficits) of approximately $15.1 million, which represents 8.2 percent of total General Fund expenditures, in line with the School Board policy minimum fund balance of 5.0–7.0 percent of expenditures. The District has assigned an additional $11.3 million of fund balance for specific purposes.

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

An indicator of continued financial health is the tremendous level of new private investment within the District's boundaries. The City of Plymouth (the City) is the largest municipality within the District. The City's levy payable 2021 total estimated market value was $13,853,333,000 an increase of $768,761,000 from 2020. The increase in total market value between payable 2020 and payable 2021 was 5.9 percent. The City's population increased 29.0 percent from 1990 to 2000; 7.0 percent from 2000 to 2010; and 13.0 percent from 2010 to 2019. As of 2021, the population is 81,184.

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

Below are some facts about the 2022–2023 budget:

- Student enrollment is expected to increase; however, the District experienced a reduction in enrollment due to family choices during the COVID-19 pandemic. Families continue to return to the District.
- The General Fund unassigned balance at year-end is projected to remain stable.

Revenues:

- General Fund revenue is projected to stay flat at $192.6 million.
- The basic per pupil funding amount from the state is $6,863 for fiscal year 2023.
- The voter-approved referendum levy is approximately $1,847 per pupil unit.
- Effective fiscal year 2021, the growth limit on state special education aid has been removed. The District continues to use its general resources to finance a great portion of special education services, as the state and federal government reimbursement rates are insufficient to fully fund these costs.

Expenditures:

- General Fund expenditures are expected to be $195.9 million.
- The capital projects (technology) levy will increase from $8.4 million to $8.8 million.
- Alternative Compensation Plan spending is approximately $3.0 million for staff development, peer coaching, and performance bonuses for teachers.
- Health insurance premiums are expected to increase by 5.0 percent. Dental insurance premiums are expected to increase by 5.0 percent.

Construction Projects:

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

COVID-19 PANDEMIC

In December 2019, a novel strain of coronavirus (COVID-19) was identified in Wuhan, Hubei Province, China. COVID-19 spread throughout the world, including to the United States, leading the World Health Organization to categorize the spread of the virus as a pandemic. The measures taken by federal, state, and local governments to limit the spread of COVID-19 made significant impacts to the global, national, state, and local economies. The impact of COVID-19 continued through this fiscal year and the District made adjustments in the fiscal years 2021–2022 and 2022—2023 to mitigate the effect of the COVID-19 pandemic.

OTHER INFORMATION

State law requires an annual audit by independent certified public accountants. The accounting firm of Malloy, Montague, Karnowski, Radosevich & Co. P.A. was selected by the School Board to conduct the annual audit for the fiscal year ended June 30, 2022. In addition to meeting the requirements set forth by state law, the audit also was designed to meet the requirements of the federal Single Audit Act as amended in 1996, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The independent auditor's report on the financial statements is included in the financial section of this report. The independent auditor's reports related specifically to the single audit are issued as a separate report, which is available from the District upon request.

This report has been prepared following guidelines recommended by the Association of School Business Officials (ASBO) International and its Certificate of Excellence in Financial Reporting program. Achieving recognition by this program is a clear indication of the District's establishment of high standards in financial reporting and accountability. The District was awarded the ASBO International Certificate of Excellence in Financial Reporting for its 2021 ACFR, the District's 38th consecutive year receiving the award. We believe our current report continues to conform to ASBO International's Certificate of Excellence program requirements.

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

We acknowledge the efforts of the entire accounting staff in providing complete and accurate data for the fiscal year 2022 ACFR. Credit is also due to the School Board for its governance and unfailing support of maintaining the highest standards of stewardship of the District's finances.

Respectfully submitted,

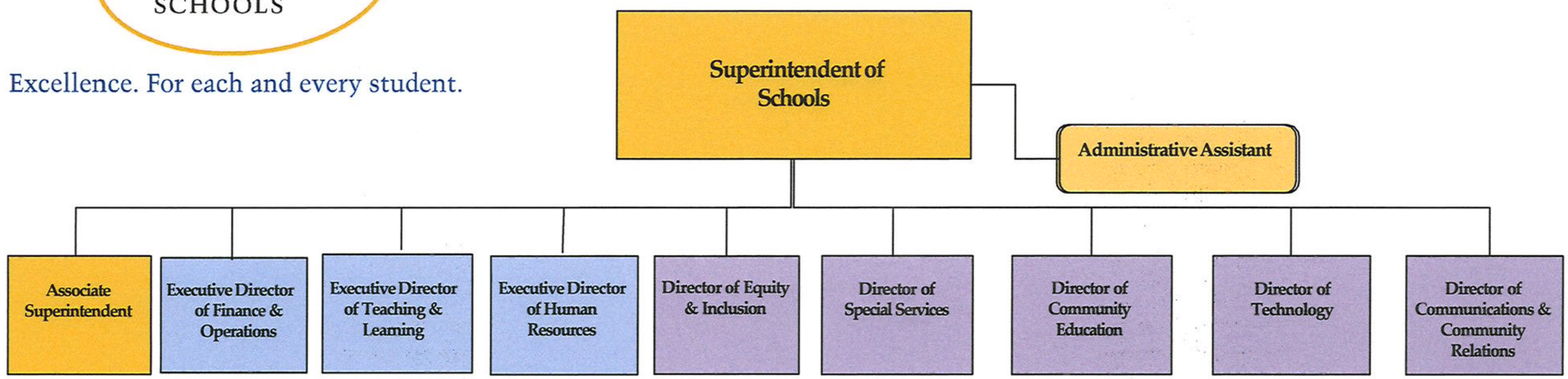
DeeDee Kahring

DeeDee Kahring Executive Director, Finance and Operations

WAYZATA PUBLIC SCHOOLS

Excellence. For each and every student.

Wayzata Leadership Organizational Chart 2021-2022



INDEPENDENT SCHOOL DISTRICT NO. 284

School Board and Administration
Year Ended June 30, 2022

SCHOOL BOARD

	Board Position
Ms. Sarah Johansen	Chairperson
Dr. Linda A. Cohen	Vice Chairperson
Mr. Jay Hesby	Treasurer
Ms. Bonita Lucky	Clerk
Ms. Heidi Kader	Director
Ms. Cheryl Polzin	Director
Dr. Milind Sohoni	Director

ADMINISTRATION

Dr. Chace B. Anderson	Superintendent
Dr. Nathan Flansburg	Associate Superintendent
Ms. DeeDee Kahring	Executive Director of Finance and Operations
Ms. Dana Miller	Executive Director of Teaching and Learning
Ms. Stacie Vos	Executive Director of Human Resource Services

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Independent School District 284 - Wayzata Public Schools

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.

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

CERTIFICATE OF EXCELLENCE
IN FINANCIAL REPORTING

William A. Sutter
President

David J. Lewis
Executive Director

SECTION II

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

(continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

(continued)

Required Supplementary Information

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

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

Other Information

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

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

Prior Year Comparative Information

We have previously audited the District's 2021 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 6, 2021. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated INSERT 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, 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.

Minneapolis, Minnesota
INSERT DATE

This section of Independent School District No. 284's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the other components of the District's ACFR.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2022 by $87,321,057 (net position deficit). The District's total net position increased by $18,858,389 during the fiscal year ended June 30, 2022.

- Government-wide revenues totaled $229,941,122 and were $18,858,389 more than expenses of $211,082,733.

- The General Fund's total fund balance increased $8,216,120 from the prior year, compared to a decrease of $2,082,355 planned in the budget. The increase was due to a strategic repositioning of depleted reserves from the pandemic, timing of long-term facilities maintenance projects, and technology expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The District maintains the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1
Summary Statement of Net Position
as of June 30, 2022 and 2021

	2022	2021
Assets		
Current and other assets	$ 149,462,150	$ 139,653,188
Capital assets, net of depreciation/amortization	257,813,739	261,547,329
Total assets	$ 407,275,889	$ 401,200,517
Deferred outflows of resources		
Deferred charge on refunding	$ 6,899,172	$ –
Pension plan deferments	53,449,430	57,464,739
OPEB plan deferments	5,466,946	2,606,961
Total deferred outflows of resources	$ 65,815,548	$ 60,071,700
Liabilities		
Current and other liabilities	$ 12,090,538	$ 11,951,259
Long-term liabilities, including due within one year	341,414,338	385,802,105
Total liabilities	$ 353,504,876	$ 397,753,364
Deferred inflows of resources		
Property taxes levied for subsequent year	$ 81,378,668	$ 79,233,092
Lease revenue for subsequent year	663,014	–
Pension plan deferments	115,933,572	77,345,666
OPEB plan deferments	8,932,364	13,119,541
Total deferred inflows of resources	$ 206,907,618	$ 169,698,299
Net position		
Net investment in capital assets	$ 33,227,426	$ 29,989,500
Restricted	11,224,124	3,126,677
Unrestricted	(131,772,607)	(139,295,623)
Total net position	$ (87,321,057)	$ (106,179,446)

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

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

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

Table 2
Summary Statement of Activities
as of June 30, 2022 and 2021

	2022	2021
Revenues		
Program revenues		
Charges for services	$ 13,757,948	$ 6,836,705
Operating grants and contributions	30,187,591	24,733,862
Capital grants and contributions	1,171,004	1,389,335
General revenues		
Property taxes	84,900,336	80,460,810
General grants and aids	94,871,042	96,793,030
Investment earnings	2,150,794	1,677,032
Other	2,902,407	1,499,701
Total revenues	229,941,122	213,390,475
Expenses		
Administration	5,580,376	5,749,982
District support services	6,003,506	5,397,237
Elementary and secondary regular instruction	87,857,642	94,959,700
Vocational education instruction	3,731,676	3,897,753
Special education instruction	21,614,577	24,080,587
Instructional support services	18,462,776	18,730,543
Pupil support services	17,624,546	16,167,678
Sites and buildings	25,596,931	30,193,336
Fiscal and other fixed cost programs	895,025	420,778
Food service	8,047,821	5,743,363
Community service	10,984,506	9,728,339
Interest and fiscal charges on debt	4,683,351	7,878,465
Total expenses	211,082,733	222,947,761
Change in net position	18,858,389	(9,557,286)
Net position – beginning	(106,179,446)	(96,622,160)
Net position – ending	$ (87,321,057)	$ (106,179,446)

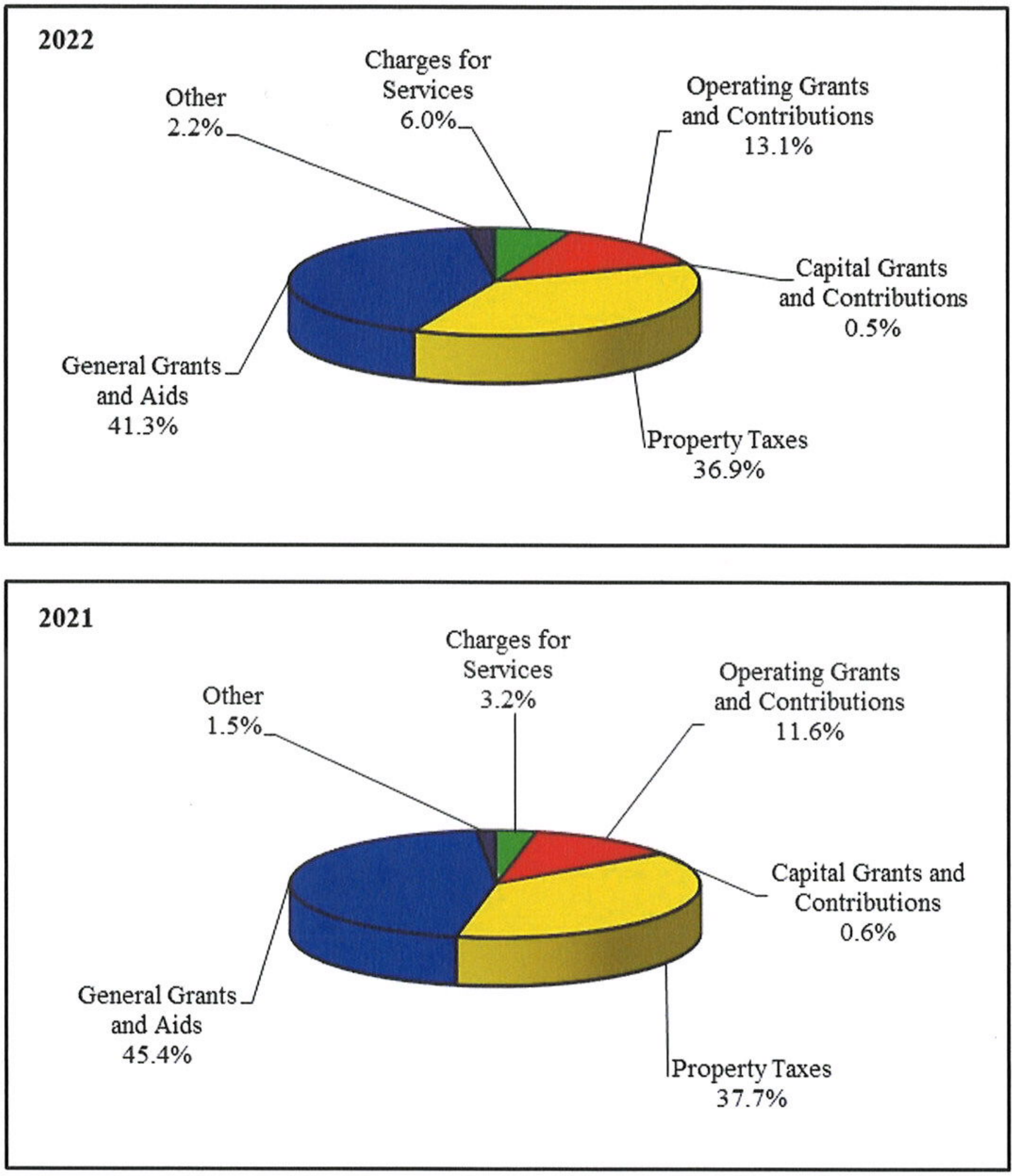
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation and amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Governmental activities revenues increased $16,550,647 (7.8 percent) from the previous year, primarily attributable to increases in revenues from property taxes, special education funding, and revenues from federal sources recognized through pandemic-related grants. Charges for services also increased, with less activity restrictions in the current year.

Governmental activities expenses decreased $11,865,028 (5.3 percent) from last year, mainly due to changes in state-wide pension plans and decreased interest costs.

Figure A shows further analysis of these revenue sources:

Figure A – Sources of Revenues for Fiscal Years 2022 and 2021

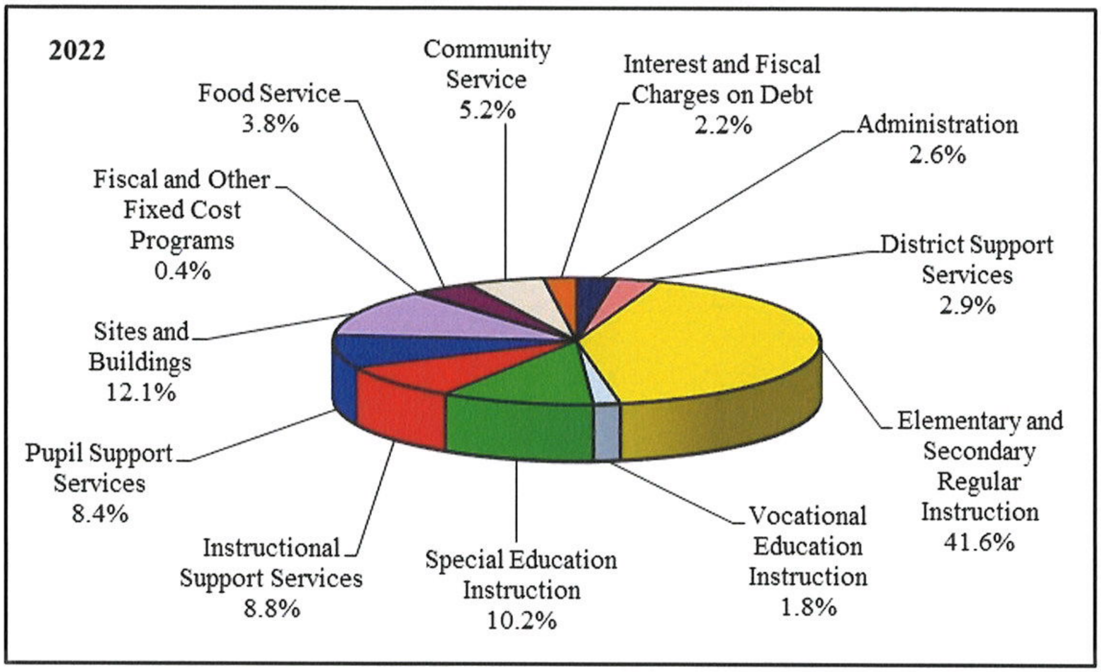


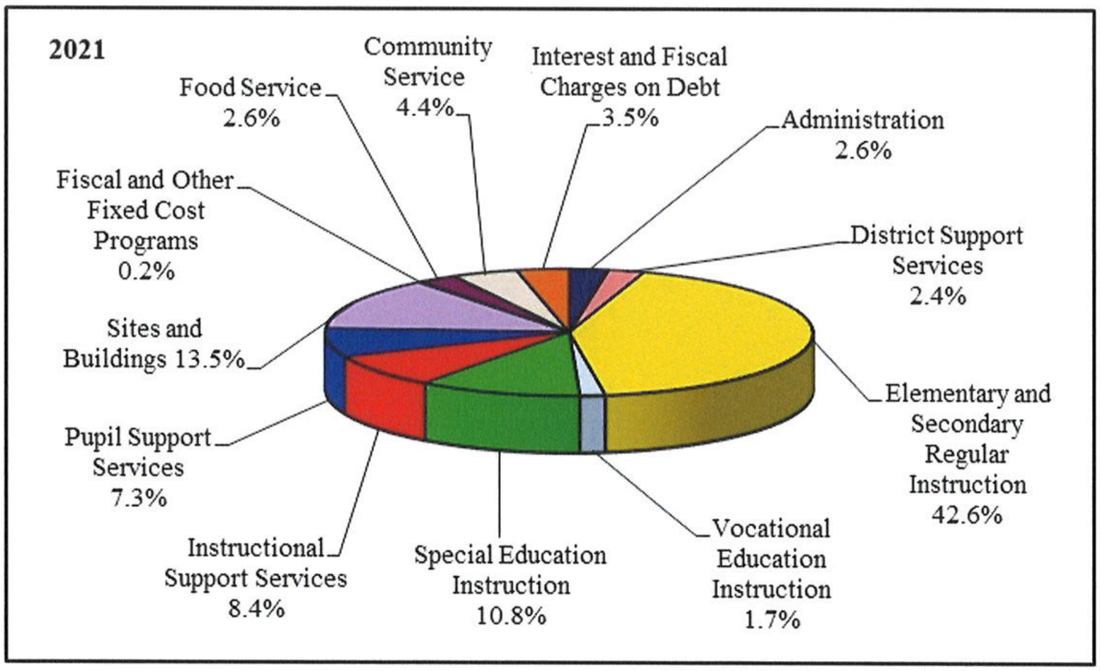
The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2022 and 2021





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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3
Governmental Fund Balances
as of June 30, 2022 and 2021

	2022	2021	Change
Major funds			
General	$ 35,073,137	$ 26,857,017	$ 8,216,120
Capital Projects – Building Construction	9,432,482	13,926,905	(4,494,423)
Debt Service	3,079,092	2,799,411	279,681
Nonmajor funds			
Food Service Special Revenue	1,303,099	(195,306)	1,498,405
Community Service Special Revenue	1,103,117	(843,796)	1,946,913
Total governmental funds	$ 49,990,927	$ 42,544,231	$ 7,446,696

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

At June 30, 2022, the District's governmental funds reported combined fund balances of $49,990,927, an increase of $7,446,696 from the prior year. Approximately 30.1 percent of this amount ($15,056,047) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either 1) not in spendable form ($210,075), 2) restricted for particular purposes ($23,376,788), or 3) assigned for particular purposes ($11,348,017).

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4
General Fund
Budget

	Original Budget	Final Budget	Change	Percent Change
Revenue and other financing sources	$ 185,857,374	$ 189,191,940	$ 3,334,566	1.8%
Expenditures	$ 185,828,489	$ 191,274,295	$ 5,445,806	2.9%

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

Table 5 summarizes the operating results of the General Fund:

Table 5
General Fund
Operating Results

		Over (Under) Final Budget		Over (Under) Prior Year	
	2022 Actual	Amount	Percent	Amount	Percent
Revenue and other financing sources	$ 193,850,314	$ 4,658,374	2.5%	$ 7,701,122	4.1%
Expenditures and other financing uses	185,634,194	(5,640,101)	(2.9%)	(5,604,941)	(2.9%)
Net change in fund balances	$ 8,216,120	$ 10,298,475		$ 13,306,063	

The fund balance of the General Fund increased $8,216,120, compared to a planned decrease of $2,082,355 approved in the final budget.

General Fund revenues and other financing sources for 2022 increased $7,701,122, or 4.1 percent, compared to the prior year. This was $4,658,374, or 2.5 percent more than the budget. The largest variance to budget was in state sources, other local sources, and property taxes. State sources were $2,704,030 over budget, mainly in special education. Other local sources were $962,660 over budget with COVID-19 pandemic restrictions easing and the District collecting more fees and charges with a return to the in-person learning model. Property tax revenues were $926,827 over budget, mainly due to delinquencies and county apportionment being better than anticipated. The overall revenue increase from the prior year was mainly due to an increase in the tax levy, increase in special education revenue, and more other local sources as noted above.

Total General Fund expenditures and other financing uses for 2022 decreased $5,604,941, or 2.9 percent, from the prior year, and were $5,640,101, or 2.9 percent, under budget. The budget variance was spread across several programs and object categories of the General Fund. Sites and buildings expenditures were $4,257,328 under budget, due to the timing of projects. Instructional support services were $1,113,544 under budget, due to lower purchased service costs than anticipated, mainly in staff development and substitute teachers. The decrease from the prior year was mainly in sites and buildings capital expenditures, due to less construction for long-term facilities maintenance projects being paid out of the General Fund during fiscal 2022.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. Fund balance decreased $4,494,423, as the District spent down proceeds from bonds issued in a prior year. At June 30, 2022, the District had a fund balance of $9,432,482, which is restricted for various capital projects.

Debt Service Fund

The Debt Service Fund revenues and other financing sources exceeded expenditures and other financing uses by $279,681 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of $3,079,092 at June 30, 2022 is available for meeting future debt service obligations.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing equity by $1,498,405, compared to a planned fund balance increase of $1,627,489. As students returned to a more traditional learning model, activity increased significantly in this fund in the current year.

The Community Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing equity by $1,946,913, compared to a planned fund balance increase of $892,104. Revenues and expenditures were more than prior year amounts, due to increased program participation with pandemic restrictions easing in the current year.

Internal Service Funds

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

Operating revenues for the internal service funds, consisting of charges to the District's governmental funds, for fiscal 2022 totaled $20,603,874, a slight decrease from the fiscal year 2021 operating revenue level of $20,826,489. Operating expenses, consisting of health claims, dental claims, and other employee benefits totaled $23,247,863, which represents a decrease from fiscal year 2021 operating expenses of $24,191,296. Nonoperating revenues, consisting of investment earnings, totaled $476,794, which is an increase from the fiscal year 2021 amount of $371,099. The net position balance for all internal service funds as of June 30, 2022 was $1,213,911, which is a decrease of $1,206,420 from the prior year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation/amortization expense for fiscal years ended June 30, 2022 and 2021:

Table 6
Capital Assets

	2022	2021	Change
Land	$ 33,685,187	$ 33,685,187	$ –
Construction in progress	3,493,058	362,936	3,130,122
Land improvements	9,687,055	9,687,055	–
Buildings and improvements	346,948,671	345,325,478	1,623,193
Buildings and improvements – leased	815,933	–	815,933
Equipment and transportation vehicles	15,042,634	14,437,789	604,845
Food service equipment	1,280,350	1,280,350	–
Less accumulated depreciation/amortization	(153,139,149)	(143,231,466)	(9,907,683)
Total	$ 257,813,739	$ 261,547,329	$ (3,733,590)
Depreciation/amortization expense	$ 9,907,683	$ 9,073,233	$ 834,450

By the end of 2022, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2022, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

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

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

Long-Term Liabilities

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

Table 7
Outstanding Long-Term Liabilities

	2022	2021	Change
General obligation bonds payable	$ 205,420,000	$ 210,715,000	$ (5,295,000)
Certificates of participation payable	20,180,000	21,460,000	(1,280,000)
Unamortized premium	9,277,034	7,229,090	2,047,944
Finance purchase payable	7,305,616	7,588,990	(283,374)
Lease liability	686,185	–	686,185
Net pension liability	79,936,560	128,125,770	(48,189,210)
Net OPEB liability	15,065,388	6,921,234	8,144,154
Severance benefits payable	2,671,914	2,748,541	(76,627)
Compensated absences payable	871,641	1,013,480	(141,839)
Total	$ 341,414,338	$ 385,802,105	$ (44,387,767)

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

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

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

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 8). The District's outstanding net general obligation debt was $208,843,237 at June 30, 2022, or about 8.8 percent of the limit.

Table 8
Limitations on Debt

District's market value	$ 15,755,769,997
Limit rate	15.0%
Legal debt limit	$ 2,363,365,500

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

The amount of funding a district receives is also dependent on the number of students it serves, meaning attracting and retaining students is critical to the District's financial well-being.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position
as of June 30, 2022
(With Partial Comparative Information as of June 30, 2021)

	Governmental Activities	
	2022	2021
Assets		
Cash and temporary investments	$ 91,356,670	$ 83,119,552
Cash and investments held by trustee	99,510	100,509
Receivables		
Current taxes	42,438,056	41,579,999
Delinquent taxes	612,342	709,693
Accounts and interest receivable	651,986	436,547
Due from other governmental units	11,930,497	11,637,714
Due from post-employment benefits trust	1,500,000	1,350,000
Lease	663,014	–
Inventory	194,748	261,759
Prepaid items	15,327	457,415
Capital assets		
Not depreciated/amortized	37,178,245	34,048,123
Depreciated, net of accumulated depreciation/amortization	220,635,494	227,499,206
Total capital assets, net of accumulated depreciation and amortization	257,813,739	261,547,329
Total assets	407,275,889	401,200,517
Deferred outflows of resources		
Deferred charge on refunding	6,899,172	–
Pension plan deferments	53,449,430	57,464,739
OPEB plan deferments	5,466,946	2,606,961
Total deferred outflows of resources	65,815,548	60,071,700
Total assets and deferred outflows of resources	$ 473,091,437	$ 461,272,217
Liabilities		
Salaries payable	$ 607,261	$ 446,068
Accounts and contracts payable	4,416,762	4,268,099
Accrued interest payable	2,708,110	3,532,772
Due to other governmental units	875,141	579,523
Unearned revenue	1,479,485	1,121,018
Claims incurred, but not reported	2,003,779	2,003,779
Long-term liabilities		
Due within one year	14,300,014	11,712,708
Due in more than one year	327,114,324	374,089,397
Total long-term liabilities	341,414,338	385,802,105
Total liabilities	353,504,876	397,753,364
Deferred inflows of resources		
Property taxes levied for subsequent year	81,378,668	79,233,092
Lease revenue for subsequent year	663,014	–
Pension plan deferments	115,933,572	77,345,666
OPEB plan deferments	8,932,364	13,119,541
Total deferred inflows of resources	206,907,618	169,698,299
Net position		
Net investment in capital assets	33,227,426	29,989,500
Restricted for		
Capital asset acquisition	8,150,130	2,715,070
Debt service	459,910	–
Food service	1,289,389	–
Community service	961,447	149,728
Other purposes (state funding restrictions)	363,248	261,879
Unrestricted	(131,772,607)	(139,295,623)
Total net position	(87,321,057)	(106,179,446)
Total liabilities, deferred inflows of resources, and net position	$ 473,091,437	$ 461,272,217

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Activities
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

	2022			
		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Administration	$ 5,580,376	$ 9,582	$ –	$ –
District support services	6,003,506	–	–	73,911
Elementary and secondary regular instruction	87,857,642	1,622,069	2,504,387	998,653
Vocational education instruction	3,731,676	–	680,397	–
Special education instruction	21,614,577	670,258	16,345,373	3,400
Instructional support services	18,462,776	14,287	–	–
Pupil support services	17,624,546	192,904	725,769	–
Sites and buildings	25,596,931	687,156	–	95,040
Fiscal and other fixed cost programs	895,025	–	–	–
Food service	8,047,821	1,121,098	8,475,264	–
Community service	10,984,506	9,440,594	1,456,401	–
Interest and fiscal charges	4,683,351	–	–	–
Total governmental activities	$ 211,082,733	$ 13,757,948	$ 30,187,591	$ 1,171,004

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

Change in net position

Net position – beginning

Net position – ending

See notes to basic financial statements

	2021
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
$ (5,570,794)	$ (5,749,767)
(5,929,595)	(5,309,546)
(82,732,533)	(90,636,773)
(3,051,279)	(3,243,079)
(4,595,546)	(8,947,147)
(18,448,489)	(18,718,591)
(16,705,873)	(15,315,087)
(24,814,735)	(29,753,828)
(895,025)	(420,778)
1,548,541	(336,402)
(87,511)	(3,678,396)
(4,683,351)	(7,878,465)
(165,966,190)	(189,987,859)
67,563,040	64,000,234
2,186,740	1,884,647
15,150,556	14,575,929
94,871,042	96,793,030
2,902,407	1,499,701
2,150,794	1,677,032
184,824,579	180,430,573
18,858,389	(9,557,286)
(106,179,446)	(96,622,160)
$ (87,321,057)	$ (106,179,446)

INDEPENDENT SCHOOL DISTRICT NO. 284

Balance Sheet
Governmental Funds
as of June 30, 2022
(With Partial Comparative Information as of June 30, 2021)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Assets			
Cash and temporary investments	$ 55,251,149	$ 10,855,967	$ 11,408,968
Cash and investments held by trustee	70,000	28,510	1,000
Receivables			
Current taxes	33,224,910	–	8,171,520
Delinquent taxes	484,195	–	114,904
Accounts and interest	558,657	–	–
Due from other governmental units	11,669,870	1,199	924
Due from other funds	3,037,697	–	–
Lease	600,516	–	–
Inventory	143,823	–	–
Prepaid items	11,872	–	–
Total assets	$ 105,052,689	$ 10,885,676	$ 19,697,316
Liabilities			
Salaries payable	$ 313,055	$ –	$ –
Accounts and contracts payable	2,851,757	1,453,194	1,000
Due to other governmental units	875,141	–	–
Due to other funds	1,693,638	–	–
Unearned revenue	538,009	–	–
Total liabilities	6,271,600	1,453,194	1,000
Deferred inflows of resources			
Property taxes levied for subsequent year	62,743,440	–	16,528,296
Lease revenue for subsequent year	600,516	–	–
Unavailable revenue – delinquent taxes	363,996	–	88,928
Total deferred inflows of resources	63,707,952	–	16,617,224
Fund balances (deficits)			
Nonspendable	155,695	–	–
Restricted	8,513,378	9,432,482	3,079,092
Assigned	11,348,017	–	–
Unassigned	15,056,047	–	–
Total fund balances	35,073,137	9,432,482	3,079,092
Total liabilities, deferred inflows of resources, and fund balances	$ 105,052,689	$ 10,885,676	$ 19,697,316

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds 2022	2021
$ 4,407,976	$ 81,924,060	$ 73,797,709
–	99,510	100,509
1,041,626	42,438,056	41,579,999
13,243	612,342	709,693
93,329	651,986	436,547
258,504	11,930,497	11,637,714
–	3,037,697	2,036,727
62,498	663,014	–
50,925	194,748	261,759
3,455	15,327	457,415
$ 5,931,556	$ 141,567,237	$ 131,018,072
$ 294,206	$ 607,261	$ 446,068
110,803	4,416,754	4,256,249
–	875,141	579,523
–	1,693,638	2,402,775
941,476	1,479,485	1,121,018
1,346,485	9,072,279	8,805,633
2,106,932	81,378,668	79,233,092
62,498	663,014	–
9,425	462,349	435,116
2,178,855	82,504,031	79,668,208
54,380	210,075	719,174
2,351,836	23,376,788	19,947,132
–	11,348,017	7,775,597
–	15,056,047	14,102,328
2,406,216	49,990,927	42,544,231
$ 5,931,556	$ 141,567,237	$ 131,018,072

INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2022
(With Partial Comparative Information as of June 30, 2021)

	2021	2021
Total fund balances – governmental funds	$ 49,990,927	$ 42,544,231
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	410,952,888	404,778,795
Accumulated depreciation/amortization	(153,139,149)	(143,231,466)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance.		
General obligation bonds payable	(205,420,000)	(210,715,000)
Certificates of participation payable	(20,180,000)	(21,460,000)
Unamortized premium	(9,277,034)	(7,229,090)
Finance purchase payable	(7,305,616)	(7,588,990)
Lease liability	(686,185)	–
Net pension liability	(76,191,250)	(123,988,745)
Net OPEB liability	(15,065,388)	(6,921,234)
Compensated absences payable	(871,641)	(1,013,480)
Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	1,213,911	2,420,331
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(2,708,110)	(3,532,772)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – deferred charge on refunding	6,899,172	–
Deferred outflows of resources – pension plan deferments	53,171,587	57,123,520
Deferred outflows of resources – OPEB plan deferments	5,466,946	2,606,961
Deferred inflows of resources – pension plan deferments	(115,702,100)	(77,288,082)
Deferred inflows of resources – OPEB plan deferments	(8,932,364)	(13,119,541)
Deferred inflows of resources – delinquent property taxes	462,349	435,116
Total net position – governmental activities	$ (87,321,057)	$(106,179,446)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Revenue			
Local sources			
Property taxes	$ 67,550,362	$ –	$ 15,137,719
Investment earnings	1,646,501	27,499	–
Other	5,253,963	634,374	–
State sources	110,159,564	–	9,236
Federal sources	6,778,368	–	–
Total revenue	191,388,758	661,873	15,146,955
Expenditures			
Current			
Administration	5,483,945	–	–
District support services	5,935,170	–	–
Elementary and secondary regular instruction	84,858,958	–	–
Vocational education instruction	3,796,628	–	–
Special education instruction	22,174,862	–	–
Instructional support services	18,826,900	–	–
Pupil support services	17,625,696	–	–
Sites and buildings	20,344,916	–	–
Fiscal and other fixed cost programs	895,025	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	5,156,296	–
Debt service			
Principal	3,944,352	–	10,010,000
Interest and fiscal charges	786,967	–	5,759,048
Total expenditures	184,673,419	5,156,296	15,769,048
Excess (deficiency) of revenue over expenditures	6,715,339	(4,494,423)	(622,093)
Other financing sources (uses)			
Bonds issued	–	–	132,865,000
Premium on debt issued	–	–	4,923,285
Finance purchase issued	2,251,230	–	–
Bond refunding payments	–	–	(136,886,511)
Insurance recovery	210,326	–	–
Transfers in	–	–	–
Transfers (out)	(960,775)	–	–
Total other financing sources (uses)	1,500,781	–	901,774
Net change in fund balances	8,216,120	(4,494,423)	279,681
Fund balances			
Beginning of year	26,857,017	13,926,905	2,799,411
End of year	$ 35,073,137	$ 9,432,482	$ 3,079,092

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds 2022	Total Governmental Funds 2021
$ 2,185,022	$ 84,873,103	$ 80,433,919
–	1,674,000	1,305,933
10,561,692	16,450,029	8,336,406
1,270,913	111,439,713	108,577,224
8,660,752	15,439,120	14,093,576
22,678,379	229,875,965	212,747,058
–	5,483,945	5,083,452
–	5,935,170	5,096,001
–	84,858,958	83,152,766
–	3,796,628	3,670,138
–	22,174,862	22,445,977
–	18,826,900	18,149,211
–	17,625,696	15,855,236
–	20,344,916	25,477,618
–	895,025	420,778
8,086,232	8,086,232	5,601,859
11,107,228	11,107,228	9,602,128
39,601	5,195,897	9,634,742
–	13,954,352	9,337,680
–	6,546,015	8,761,139
19,233,061	224,831,824	222,288,725
3,445,318	5,044,141	(9,541,667)
–	132,865,000	8,340,000
–	4,923,285	951,055
–	2,251,230	1,350,145
–	(136,886,511)	(9,200,000)
–	210,326	–
–	–	4,611,885
–	(960,775)	(8,356,820)
–	2,402,555	(2,303,735)
3,445,318	7,446,696	(11,845,402)
(1,039,102)	42,544,231	54,389,633
$ 2,406,216	$ 49,990,927	$ 42,544,231

INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

	2022	2021
Total net change in fund balances – governmental funds	$ 7,446,696	$(11,845,402)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	5,358,160	12,975,299
Depreciation/amortization expense	(9,907,683)	(9,073,233)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.	–	(2,774,846)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	(132,865,000)	(8,340,000)
Finance purchase payable	(2,251,230)	(1,350,145)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	(1,206,420)	751,227
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	138,160,000	15,645,000
Certificates of participation payable	1,280,000	1,130,000
Finance purchase payable	2,534,604	1,762,680
Lease liability	129,748	–
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	824,662	124,710
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	(2,047,944)	(193,091)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	47,797,495	(20,780,119)
Net OPEB liability	(8,144,154)	10,563,395
Compensated absences payable	141,839	(230,642)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – deferred charge on refunding	6,899,172	–
Deferred outflows of resources – pension plan deferments	(3,951,933)	(24,281,488)
Deferred outflows of resources – OPEB plan deferments	2,859,985	(385,945)
Deferred inflows of resources – pension plan deferments	(38,414,018)	36,838,181
Deferred inflows of resources – OPEB plan deferments	4,187,177	(10,119,758)
Deferred inflows of resources – delinquent property taxes	27,233	26,891
Change in net position – governmental activities	$ 18,858,389	$ (9,557,286)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2022

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Local sources				
Property taxes	$ 66,123,535	$ 66,623,535	$ 67,550,362	$ 926,827
Investment earnings	1,500,000	1,500,000	1,646,501	146,501
Other	4,291,303	4,291,303	5,253,963	962,660
State sources	107,595,534	107,455,534	110,159,564	2,704,030
Federal sources	4,095,772	7,070,338	6,778,368	(291,970)
Total revenue	183,606,144	186,940,710	191,388,758	4,448,048
Expenditures				
Current				
Administration	5,563,846	5,614,582	5,483,945	(130,637)
District support services	5,625,831	6,476,915	5,935,170	(541,745)
Elementary and secondary regular instruction	81,883,877	85,069,860	84,858,958	(210,902)
Vocational education instruction	3,595,496	3,575,602	3,796,628	221,026
Special education instruction	22,823,908	22,839,986	22,174,862	(665,124)
Instructional support services	19,859,159	19,940,444	18,826,900	(1,113,544)
Pupil support services	15,975,427	17,239,017	17,625,696	386,679
Sites and buildings	24,354,500	24,602,244	20,344,916	(4,257,328)
Fiscal and other fixed cost programs	590,100	535,500	895,025	359,525
Debt service				
Principal	4,788,336	4,612,117	3,944,352	(667,765)
Interest and fiscal charges	768,009	768,028	786,967	18,939
Total expenditures	185,828,489	191,274,295	184,673,419	(6,600,876)
Excess (deficiency) of revenue over expenditures	(2,222,345)	(4,333,585)	6,715,339	11,048,924
Other financing sources (uses)				
Finance purchase issued	2,251,230	2,251,230	2,251,230	–
Insurance recovery	–	–	210,326	210,326
Transfers (out)	–	–	(960,775)	(960,775)
Total other financing sources (uses)	2,251,230	2,251,230	1,500,781	(750,449)
Net change in fund balances	$ 28,885	$ (2,082,355)	8,216,120	$ 10,298,475
Fund balances				
Beginning of year			26,857,017	
End of year			$ 35,073,137	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position
Internal Service Funds
as of June 30, 2022
(With Partial Comparative Information as of June 30, 2021)

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	$ –	$ 366,027
Investments	9,432,610	8,955,816
Receivables		
Due from other funds	3,086,403	3,422,911
Total current assets	12,519,013	12,744,754
Deferred outflows of resources		
Pension plan deferments	277,843	341,219
Liabilities		
Current liabilities		
Accounts and contracts payable	8	11,850
Due to other funds	2,930,462	1,706,863
Claims incurred, but not reported	2,003,779	2,003,779
Severance benefits payable	250,277	465,035
Total current liabilities	5,184,526	4,187,527
Long-term liabilities		
Severance benefits payable	2,421,637	2,283,506
Total pension liability	3,745,310	4,137,025
Total long-term liabilities	6,166,947	6,420,531
Total liabilities	11,351,473	10,608,058
Deferred inflows of resources		
Pension plan deferments	231,472	57,584
Net position		
Unrestricted	$ 1,213,911	$ 2,420,331

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

	2022	2021
Operating revenue		
Charges for services	$ 20,603,874	$ 20,826,489
Operating expenses		
Dental benefit claims	1,528,928	1,439,891
Health benefit claims	20,726,414	21,423,882
Early retirement incentive and sick leave benefits	992,521	1,327,523
Total operating expenses	23,247,863	24,191,296
Operating income (loss)	(2,643,989)	(3,364,807)
Nonoperating revenue		
Investment earnings	476,794	371,099
Income (loss) before transfers	(2,167,195)	(2,993,708)
Transfers in	960,775	3,744,935
Change in net position	(1,206,420)	751,227
Net position		
Beginning of year	2,420,331	1,669,104
End of year	$ 1,213,911	$ 2,420,331

See notes to basic financial statements

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

	2022	2021
Cash flows from operating activities		
Charges for services	$ 20,626,284	$ 20,735,237
Payments for health and dental claims	(22,267,184)	(22,851,984)
Payments for retirement benefits	(1,223,599)	(1,706,863)
Net cash flows from operating activities	(2,864,499)	(3,823,610)
Cash flows from noncapital financing activities		
Cash advance from other funds	1,223,599	1,706,863
Cash paid to other funds	314,098	(1,706,863)
Transfers in	960,775	3,744,935
Net cash flows from noncapital financing activities	2,498,472	3,744,935
Net change in cash and cash equivalents	(366,027)	(78,675)
Cash and cash equivalents		
Beginning of year	366,027	444,702
End of year	$ –	$ 366,027
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	$ (2,643,989)	$ (3,364,807)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets		
Due from other funds	22,410	(91,252)
Deferred outflows of resources – pension plan deferments	63,376	(34,436)
Changes in liabilities and deferred inflows		
Accounts and contracts payable	(11,842)	11,789
Severance benefits payable	(76,627)	17,045
Total pension liability	(391,715)	(347,552)
Deferred inflows of resources – pension plan deferments	173,888	(14,397)
Net cash flows from operating activities	$ (2,864,499)	$ (3,823,610)

See notes to basic financial statements

Statement of Fiduciary Net Position
as of June 30, 2022

	Post-Employment Benefits Trust Fund
Assets	
Investments held by trustee, at fair value	
Mutual funds	$ 34,559,992
Liabilities	
Current liabilities	
Due to district governmental funds	1,500,000
Net position	
Restricted for OPEB	$ 33,059,992

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

	Post-Employment Benefits Trust Fund
Additions	
Investment earnings	
Total investment earnings	$ (5,118,879)
Less investment expense	126,875
Net investment earnings	(5,245,754)
Deductions	
Benefits to plan members	1,500,000
Change in net position	(6,745,754)
Net position	
Beginning of year	39,805,746
End of year	$ 33,059,992

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

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

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Financial Statement Presentation

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

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds

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

Major Governmental Funds

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

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

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

Nonmajor Governmental Funds

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

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

Proprietary Funds

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

Fiduciary Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end. Expenditures in the Food Service Special Revenue Fund exceeded budgeted appropriations by $168,932 during the year ended June 30, 2022. Revenues in excess of budget, along with available fund balance, financed these variances.

F. Use of Estimates

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

G. Cash and Temporary Investments

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Receivables

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

At June 30, 2022, the District reported the following receivables due from other governmental units:

Due from the MDE	$ 11,052,433
Due from other Minnesota school districts	147,702
Due from Hennepin County	728,527
Due from other local governments	1,835
Total due from other governmental units	$ 11,930,497

I. Inventories

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

J. Prepaid Items

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

K. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes $4,459,388 of the property tax levy collectible in 2022 as revenue to the District in fiscal year 2021–2022. The remaining portion of the taxes collectible in 2022 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets

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

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

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

M. Long-Term Obligations

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

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

N. Employee Benefits

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

   The TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association in 2015.

O. Risk Management and Self-Insurance

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

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

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

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

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2021	$ 2,003,779	$ 21,254,306	$ 21,254,306	$ 2,003,779
2022	$ 2,003,779	$ 20,716,335	$ 20,716,335	$ 2,003,779

P. Deferred Outflows/Inflows of Resources

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

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

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

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

The District reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Q. Net Position

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.

- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- **Unrestricted Net Position** – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

R. Fund Balance Classifications

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

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.

- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board policy, the District's superintendent and executive director of finance and operations are authorized to establish assignments of fund balance.

- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

S. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2021, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

T. Change in Accounting Principle

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. This statement included major changes in recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Certain amounts necessary to fully restate fiscal year 2021 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in the District reporting a new lease receivable and deferred inflows of resources. Also, adjustments to capital assets and long-term liabilities were made, but did not require a restatement of net position in the current year. See Note 3, Note 4, and Note 5 for additional details on this change in the current year.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	$ 394,664
Investments	125,621,508
Total	$ 126,016,172

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

Statement of Net Position	
Cash and temporary investments	$ 91,356,670
Cash and investments held by trustee	99,510
Statement of Fiduciary Net Position	
Investments held by trustee	
Post-Employment Benefits Trust Fund	34,559,992
Total	$ 126,016,172

B. Deposits

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

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

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

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

At year-end, the carrying amount of the District's deposits was $394,664, while the balance on the bank records was $289,340. At year-end, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk Rating	Credit Risk Agency	Fair Value Measurements Using	Interest Risk – Maturity Duration	Total
Life insurance contracts	Not Rated		N/A	N/A	$ 35,836,968
Investment pools/mutual funds					
First American Government Obligation Fund	AAA	S&P	Level 1	N/A	5,883,346
Mutual funds – fixed income	Not Rated		Level 1	N/A	9,639,799
Mutual funds – equities	Not Rated		Level 1	N/A	19,036,847
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized Cost	N/A	103,062
Minnesota School District Liquid Asset Fund	AAA	S&P	Amortized Cost	N/A	55,121,486
Total investments					$ 125,621,508

N/A – Not Applicable

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

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

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

NOTE 3 – LEASE RECEIVABLE

The District has entered into lease receivable agreements for cell tower rental space on district property and space lease. These leases are reported using an incremental rate of 3.00 percent with a final maturity in fiscal 2062. During the current year, the District received principal and interest payments on these leases of $146,366.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the current year ended is as follows:

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized						
Land	$ 33,685,187	$ –	$ –	$ –	$ –	$ 33,685,187
Construction in progress	362,936	–	4,753,315	–	(1,623,193)	3,493,058
Total capital assets, not depreciated/amortized	34,048,123	–	4,753,315	–	(1,623,193)	37,178,245
Capital assets, depreciated/amortized						
Land improvements	9,687,055	–	–	–	–	9,687,055
Buildings and improvements	345,325,478	–	–	–	1,623,193	346,948,671
Buildings and improvements – leased	–	815,933	–	–	–	815,933
Equipment and transportation vehicles	14,437,789	–	604,845	–	–	15,042,634
Food service equipment	1,280,350	–	–	–	–	1,280,350
Total capital assets, depreciated/amortized	370,730,672	815,933	604,845	–	1,623,193	373,774,643
Less accumulated depreciation/amortization for						
Land improvements	(8,361,549)	–	(198,889)	–	–	(8,560,438)
Buildings and improvements	(121,769,288)	–	(9,093,194)	–	–	(130,862,482)
Buildings and improvements – leased	–	–	(143,863)	–	–	(143,863)
Equipment and transportation vehicles	(12,222,526)	–	(421,233)	–	–	(12,643,759)
Food service equipment	(878,103)	–	(50,504)	–	–	(928,607)
Total accumulated depreciation/amortization	(143,231,466)	–	(9,907,683)	–	–	(153,139,149)
Net capital assets, depreciated/amortized	227,499,206	815,933	(9,302,838)	–	1,623,193	220,635,494
Total capital assets, net	$ 261,547,329	$ 815,933	$ (4,549,523)	$ –	$ –	$ 257,813,739

* The change in accounting principle was for new lease standard requirements in the current year.

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

Administration	$ 10,855
Elementary and secondary regular instruction	3,877,268
Instructional support services	160,176
Pupil support services	111,834
Sites and buildings	5,697,046
Food service	50,504
Total depreciation/amortization expense	$ 9,907,683

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
General obligation bonds payable					
School building bonds	05/22/2014	1.50–4.00%	$ 109,645,000	02/01/2035	$ 2,135,000
School building bonds	02/15/2018	3.00–5.00%	$ 66,895,000	02/01/2038	59,715,000
Tax abatement bonds	11/07/2019	2.00–4.00%	$ 7,455,000	02/01/2035	6,715,000
Refunding bonds	11/12/2020	5.00%	$ 8,340,000	02/01/2024	6,830,000
Refunding bonds	07/22/2021	1.65–3.00%	$ 132,865,000	02/01/2036	130,025,000
Total general obligation bonds payable					$ 205,420,000

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

In July 2021, the District issued $132,865,000 of Taxable General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A. The proceeds were used to refund, in advance of their stated maturities, the 2024–2035 maturities of the District's General Obligation School Building Bonds, Series 2014A and the remaining maturities of the General Obligation Alternative Facilities Bonds, Series 2014B. This current refunding reduced the District's total future debt service payments by $10,694,633, and resulted in a present value savings of $9,273,650. The difference between the carrying amount of the refunded debt and its reacquisition price was recorded as a deferred outflow of resources on the government-wide financial statements.

B. Certificates of Participation Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2013A Certificates of Participation	02/27/2013	2.00–2.60%	$ 9,980,000	10/01/2027	$ 4,285,000
2019B Certificates of Participation	11/14/2019	2.25–4.00%	$ 17,000,000	02/01/2040	15,895,000
Total certificates of participation payable					$ 20,180,000

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

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

C. Finance Purchase Payable

On October 26, 2012, the District entered into a master purchase agreement with Apple, Inc. for iPads. The District acquires equipment from time to time under this master agreement as needed. Each debt schedule added under this master agreement adds equipment and carries its own debt terms and payment schedule. The debt schedules have interest rates ranging from zero percent to 0.89 percent and mature in fiscal year 2024. Upon payment in full of all scheduled debt payments, the debtor's (Apple, Inc.'s) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The assets acquired through this agreement were not capitalized, as individual asset amounts do not meet the capitalization threshold requirements. The General Fund will be used to liquidate this liability. In the event of default, the debtor may do any of the following: a) provide written notice to debtee of the event of default; b) declare due and payable any and all amounts which may then be due and payable under the agreement, plus all payments remaining through the end of the then current fiscal period; c) with or without terminating the debt term under such agreement, i) enter the premises where the equipment is located and retake possession of such equipment or require debtee at debtee's expense to promptly return any or all of such equipment to the possession of debtor and ii) at debtee's expense, sell or lease such equipment, or sublease such equipment continuing to hold debtee liable for the difference between the debt payment payable by debtee and net proceeds or any such sale, lease, or sublease.

The District entered into a finance purchase agreement to finance the construction of a turf field. The finance purchase has an effective interest rate of 2.28 percent and calls for annual principal and interest payments through February 1, 2026. The assets were recorded in buildings and improvements at $3,986,000, and total accumulated depreciation on these assets at June 30, 2022 was $1,096,150. The finance purchase is being paid through the General Fund.

The District entered into a finance purchase agreement to finance the construction of a building addition to Meadow Ridge Elementary School. The finance purchase has an effective interest rate of 2.24 percent and calls for semiannual principal and interest payments through April 1, 2032. The assets were recorded in buildings and improvements at $5,030,000, and total accumulated depreciation on these assets at June 30, 2022 was $452,700. The finance purchase is being paid through the General Fund.

D. Lease Liability

The District has obtained the use of certain building space through a lease financing agreement. The total amount of underlying lease assets by major classes and the related accumulated amortization is presented in Note 4 to the basic financial statements. Annual principal and interest on these agreements will be paid from the General Fund. The agreement is secured by the original property. The lessor may repossess the property and seek full recovery of the losses upon default. The District currently has the following lease liability obligations outstanding:

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Hanus bus garage	3.00%	08/01/2016	07/31/2024	$ 233,182
Lifetime locker room	3.00%	09/01/2003	03/03/2036	453,003
Total lease liability				$ 686,185

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

E. Other Long-Term Liabilities

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

District employees participate in several pension plans described later in these notes, including two state-wide, cost-sharing, multiple-employer defined benefit plans administered by the PERA and the TRA, one single-employer defined benefit plan administered by the District, and one single-employer defined contribution plan administered by the District. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2022:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Defined benefit plans				
State-wide, multiple-employer – PERA	$ 15,365,070	$ 12,192,151	$ 15,461,403	$ (48,574)
State-wide, multiple-employer – TRA	60,826,180	40,979,436	100,240,697	3,767,770
Single-employer – District	3,745,310	277,843	231,472	274,493
Defined contribution plan				
Single-employer – District	–	–	–	166,412
Total	$ 79,936,560	$ 53,449,430	$ 115,933,572	$ 4,160,101

F. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Certificates of Participation Principal	Certificates of Participation Interest	Finance Purchase Principal	Finance Purchase Interest	Lease Principal	Lease Interest
2023	$ 9,780,000	$ 5,896,475	$ 1,320,000	$ 591,476	$ 1,942,868	$ 116,456	$ 135,228	$ 18,736
2024	11,045,000	5,482,275	1,360,000	551,681	1,509,710	99,566	142,800	14,576
2025	11,285,000	5,068,225	1,400,000	509,881	776,575	82,291	38,724	11,576
2026	12,570,000	4,681,425	1,445,000	466,046	794,243	64,623	29,569	10,679
2027	12,795,000	4,238,325	1,495,000	419,701	359,506	49,120	30,468	9,779
2028–2032	70,210,000	14,909,570	4,995,000	1,487,646	1,922,714	120,417	166,817	34,419
2033–2037	66,910,000	6,639,560	4,910,000	804,744	–	–	142,579	8,348
2038–2040	10,825,000	351,813	3,255,000	176,644	–	–	–	–
	$205,420,000	$ 47,267,668	$ 20,180,000	$ 5,007,819	$ 7,305,616	$ 532,473	$ 686,185	$ 108,113

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

G. Changes in Long-Term Liabilities

	Beginning Balance	Change in Accounting Principle*	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds payable	$ 210,715,000	$ –	$ 132,865,000	$ 138,160,000	$ 205,420,000	$ 9,780,000
Certificates of participation payable	21,460,000	–	–	1,280,000	20,180,000	1,320,000
Unamortized premium	7,229,090	–	4,923,285	2,875,341	9,277,034	–
Total bonds payable	239,404,090	–	137,788,285	142,315,341	234,877,034	11,100,000
Finance purchase payable	7,588,990	–	2,251,230	2,534,604	7,305,616	1,942,868
Lease liability	–	815,933	–	129,748	686,185	135,228
Net pension liability	128,125,770	–	16,850,174	65,039,384	79,936,560	–
Net OPEB liability	6,921,234	–	8,144,154	–	15,065,388	–
Severance benefits payable	2,748,541	–	201,732	278,359	2,671,914	250,277
Compensated absences payable	1,013,480	–	1,739,482	1,881,321	871,641	871,641
	$ 385,802,105	$ 815,933	$ 166,975,057	$ 212,178,757	$ 341,414,338	$ 14,300,014

* The change in accounting principle was for new lease standard requirements in the current year.

NOTE 6 – FUND BALANCES

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

NOTE 6 – FUND BALANCES (CONTINUED)

A. Classifications

At June 30, 2022, a summary of the District's governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	$ 143,823	$ –	$ –	$ 50,925	$ 194,748
Prepaid items	11,872	–	–	3,455	15,327
Total nonspendable	155,695	–	–	54,380	210,075
Restricted					
Scholarships	255,463	–	–	–	255,463
Capital projects levy	3,430,756	–	–	–	3,430,756
Operating capital	1,303,620	–	–	–	1,303,620
Long-term facilities maintenance	3,415,754	–	–	–	3,415,754
Medical Assistance	107,785	–	–	–	107,785
Capital projects	–	9,432,482	–	–	9,432,482
Debt service	–	–	3,079,092	–	3,079,092
Food service	–	–	–	1,252,174	1,252,174
Community education programs	–	–	–	816,161	816,161
Early childhood family education programs	–	–	–	37,367	37,367
School readiness	–	–	–	165,624	165,624
Community service	–	–	–	80,510	80,510
Total restricted	8,513,378	9,432,482	3,079,092	2,351,836	23,376,788
Assigned					
Local collaborative time study	586,066	–	–	–	586,066
Reemployment insurance	137,800	–	–	–	137,800
Site carryover	837,785	–	–	–	837,785
Q compensation	897	–	–	–	897
School opening costs	695,305	–	–	–	695,305
Workers' compensation escrow	70,000	–	–	–	70,000
Post-employment obligations	2,156,636	–	–	–	2,156,636
Subsequent year budget	3,362,700	–	–	–	3,362,700
Enrollment	3,500,828	–	–	–	3,500,828
Total assigned	11,348,017	–	–	–	11,348,017
Unassigned					
Unassigned	15,056,047	–	–	–	15,056,047
Total	$ 35,073,137	$ 9,432,482	$ 3,079,092	$ 2,406,216	$ 49,990,927

B. Minimum Unassigned Fund Balance Policy

The District's adopted fund balance policy for the General Fund establishes a year-end minimum unassigned fund balance of 5.0–7.0 percent of the previous year's expenditures, increased to compensate for any negative balances in the Food Service Special Revenue Fund and/or Community Service Special Revenue Fund. If the unassigned fund balance for the General Fund falls below the projected minimum balance of 7.0 percent, the District's administration will notify the School Board and present a plan to restore the fund balance to the acceptable level. At June 30, 2022, the unassigned fund balance of the General Fund, excluding restricted account deficits, was 8.2 percent of fiscal 2022 expenditures.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

B. Benefits Provided

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

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

1. GERF Benefits

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

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

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

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

Tier II Benefits

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

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

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2022, were $2,100,130. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

	Year Ended June 30,					
	2020		2021		2022	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	11.92 %	11.00 %	12.13 %	11.00 %	12.34 %
Coordinated Plan	7.50 %	7.92 %	7.50 %	8.13 %	7.50 %	8.34 %

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2022, were $7,072,897. The District's contributions were equal to the required contributions for each year as set by state statutes.

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

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

	in thousands
Employer contributions reported in the TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	$ 448,829
Add employer contributions not related to future contribution efforts	379
Deduct the TRA's contributions not included in allocation	(538)
Total employer contributions	448,670
Total nonemployer contributions	37,840
Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations	$ 486,510

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2022, the District reported a liability of $15,365,070 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled $469,233. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.3598 percent at the end of the measurement period and 0.3909 percent for the beginning of the period.

District's proportionate share of the net pension liability	$ 15,365,070
State's proportionate share of the net pension liability associated with the District	$ 469,233

For the year ended June 30, 2022, the District recognized negative pension expense of $86,434 for its proportionate share of the GERF's pension expense. In addition, the District recognized $37,860 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's pension expense for the annual $16 million contribution.

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

At June 30, 2022, the District reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 96,733	$ 474,918
Changes in actuarial assumptions	9,381,594	362,595
Net collective difference between projected and actual investment earnings	–	13,183,846
Changes in proportion	613,694	1,440,044
District's contributions to the GERF subsequent to the measurement date	2,100,130	–
Total	$ 12,192,151	$ 15,461,403

The $2,100,130 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. 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
2023	$ (842,578)
2024	$ (356,562)
2025	$ (540,783)
2026	$ (3,629,459)

2. **TRA Pension Costs**

At June 30, 2022, the District reported a liability of $60,826,180 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 1.3899 percent at the end of the measurement period and 1.3610 percent for the beginning of the period.

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

District's proportionate share of the net pension liability	$ 60,826,180
State's proportionate share of the net pension liability associated with the District	$ 5,129,930

For the year ended June 30, 2022, the District recognized pension expense of $3,825,209. It also recognized $57,439 as a decrease to pension expense for the support provided by direct aid.

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

At June 30, 2022, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,613,188	$ 1,620,392
Changes in actuarial assumptions	22,289,224	47,682,672
Net collective difference between projected and actual investment earnings on pension plan investments	–	50,937,633
Changes in proportion	10,004,127	–
District's contributions to the TRA subsequent to the measurement date	7,072,897	–
Total	$ 40,979,436	$ 100,240,697

A total of $7,072,897 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2023	$ (32,655,039)
2024	$ (24,632,152)
2025	$ (5,470,830)
2026	$ (8,225,524)
2027	$ 4,649,387

E. Long-Term Expected Return on Investment

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

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

Asset Class	Target Allocation GERF	Target Allocation TRA	Long-Term Expected Real Rate of Return
Domestic equity	33.50 %	35.50 %	5.10 %
International equity	16.50	17.50	5.30 %
Private markets	25.00	25.00	5.90 %
Fixed income	25.00	20.00	0.75 %
Unallocated cash	–	2.00	– %
Total	100.00 %	100.00 %	

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

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25%	2.50%
Wage growth rate		2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	3.00%	
Active member payroll growth		2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	6.50%	7.00%

1. GERF

The long-term rate of return on pension plan investments used in the determination of the total liability is 6.50 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.50 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

Salary growth assumptions in the GERF Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 29 years of service, and 6.00 percent per year thereafter.

Mortality rates for the GERF Plan are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit the PERA's experience.

Actuarial assumptions for the GERF Plan are reviewed every four years. The most recent four-year experience study for the GERF Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

2. TRA

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

Actuarial assumptions for the TRA Plan were based on the results of actuarial experience studies. The most recent experience study in the TRA Plan was completed in 2015, with economic assumptions updated in 2017.

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

The following changes in actuarial assumptions occurred in 2021:

1. **GERF**

   CHANGES IN ACTUARIAL ASSUMPTIONS

   - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
   - The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2. **TRA**

   CHANGES IN ACTUARIAL ASSUMPTIONS

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

G. Discount Rate

1. **GERF**

   The discount rate used to measure the total pension liability in 2021 was 6.50 percent. The discount rate used to measure the total pension liability at the prior measurement date was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. **TRA**

   The discount rate used to measure the total pension liability was 7.00 percent. The discount rate used to measure the total pension liability at the prior measurement date was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2021 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.

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

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF discount rate	5.50%	6.50%	7.50%
District's proportionate share of the GERF net pension liability	$ 31,336,903	$ 15,365,070	$ 2,259,209
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 122,871,844	$ 60,826,180	$ 9,943,789

I. Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

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

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

These benefits are summarized as follows:

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

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

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

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

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

B. Contributions and Funding Policy

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

C. Membership

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

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

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

D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of July 1, 2020 and measurement date as of June 30, 2022, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.80%
20-year municipal bond yield	3.80%
Inflation rate	2.50%
Salary increases	Service graded table

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

E. Discount Rate

The discount rate used to measure the total pension liability was 3.80 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due. The District discount rate used in the prior measurement date was 2.10 percent.

F. Changes in the Total Pension Liability

	Total Pension Liability
Beginning balance – July 1, 2021	$ 4,137,025
Changes for the year	
Service cost	170,908
Interest	85,986
Assumption changes	(219,666)
Benefit payments	(428,943)
Total net changes	(391,715)
Ending balance – June 30, 2022	$ 3,745,310

Assumption changes since the prior measurement date include the following:

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

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

G. Total Pension Liability Sensitivity to Discount Rate Changes

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Pension discount rate	2.80%	3.80%	4.80%
Total pension liability	$ 3,903,380	$ 3,745,310	$ 3,591,890

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

For the current year ended, the District recognized pension expense of $274,493. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 178,956	$ –
Changes in actuarial assumptions	98,887	231,472
Total	$ 277,843	$ 231,472

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

Year Ending June 30,	Pension Expense Amount
2023	$ 17,599
2024	$ 17,599
2025	$ 17,603
2026	$ 31,988
2027	$ (7,039)
Thereafter	$ (31,379)

NOTE 9 – DEFINED CONTRIBUTION PENSION PLAN – DISTRICT

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

Employer contributions are payable within 60 days following June 30th of each of the 10 years the employee is eligible to receive the benefits, and are deposited into the Minnesota State Retirement System Healthcare Savings Plan and an IRC § 403(b) retirement account. All employer contributions are tax deferred until the time of withdrawal. At June 30, 2022, there were 17 active plan participants. The District has not established a trust fund to finance these pension benefits.

Total contributions made by the District during the fiscal year ended June 30, 2022 were $166,412, which is equal to the required contributions and has been recognized as pension expense in the Early Retirement Accounts Internal Service Fund.

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

A. Plan Description

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

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

B. Benefits Provided

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

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

C. Contributions

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

D. Membership

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

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

E. Net OPEB Liability of the District

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. The components of the net OPEB liability of the District at year-end were as follows:

Total OPEB liability	$ 48,125,380
Plan fiduciary net position	(33,059,992)
District's net OPEB liability	$ 15,065,388
Plan fiduciary net position as a percentage of the total OPEB liability	68.7%

F. Actuarial Methods and Assumptions

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

Discount rate	4.40%
Expected long-term investment return	6.10% (net of investment expenses)
20-year municipal bond yield	3.80%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.25% grading to 5.00% over 5 years, then to 4.00% over the next 48 years
Dental trend rate	4.00%

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	39.00 %	7.60 %
International equity	21.00	7.40 %
Fixed income	36.00	4.20 %
Cash	4.00	2.20 %
Total	100.00 %	6.10 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was a negative 13.1 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

H. Discount Rate

The discount rate used to measure the total OPEB liability was 4.40 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been taken into account. The District discount rate used in the prior measurement date was 3.50 percent.

I. Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning balance – July 1, 2021	$ 46,726,980	$ 39,805,746	$ 6,921,234
Changes for the year			
Service cost	2,745,593	–	2,745,593
Interest	1,703,045	–	1,703,045
Assumption changes	(2,794,384)	–	(2,794,384)
Contributions – paid through operating funds	–	142,420	(142,420)
Projected investment return	–	2,416,355	(2,416,355)
Difference between expected and actual experience	1,386,566	(7,662,109)	9,048,675
Benefit payments – paid through trust	(1,500,000)	(1,500,000)	–
Benefit payments – paid through operating funds	(142,420)	(142,420)	–
Total net changes	1,398,400	(6,745,754)	8,144,154
Ending balance – June 30, 2022	$ 48,125,380	$ 33,059,992	$ 15,065,388

Assumption changes since the prior measurement date include the following:

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

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

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB discount rate	3.40%	4.40%	5.40%
Net OPEB liability	$ 18,177,349	$ 15,065,388	$ 12,107,000

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

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

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB medical trend rate	5.25% decreasing to 4.00% then 3.00%	6.25% decreasing to 5.00% then 4.00%	7.25% decreasing to 6.00% then 5.00%
OPEB dental trend rate	3.00%	4.00%	5.00%
Net OPEB liability	$ 11,967,613	$ 15,065,388	$ 18,634,717

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

For the current year ended, the District recognized OPEB expense of $1,239,412. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,247,909	$ 1,788,718
Changes in actuarial assumptions	2,221,016	7,143,646
Differences between projected and actual investment earnings	1,998,021	–
Total	$ 5,466,946	$ 8,932,364

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

Year Ending June 30,	OPEB Expense Amount
2023	$ (592,463)
2024	$ (532,399)
2025	$ (407,406)
2026	$ 866,465
2027	$ (532,086)
Thereafter	$ (2,267,529)

NOTE 11 – FLEXIBLE BENEFIT PLAN

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

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

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

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

NOTE 12 – INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Receivables and Payables

The District had the following interfund receivables and payables at June 30, 2022:

	Due From Other Funds	Due To Other Funds
General Fund	$ 3,037,697	$ 1,693,638
Internal Service Fund	3,086,403	2,930,462
Post-Employment Benefits Trust Fund	–	1,500,000
	$ 6,124,100	$ 6,124,100

As of June 30, 2022, the District had an interfund receivable in the General Fund of $1,500,000 due from the Post-Employment Benefits Trust Fund to reimburse post-employment benefit costs.

As of June 30, 2022, the District had an interfund receivable in the General Fund of $1,537,697 due from the Early Retirement Accounts Internal Service Fund to eliminate temporary cash balance deficits.

As of June 30, 2022, the District's Internal Service Fund had an interfund receivable of $1,693,638 due from the General Fund for medical and dental insurance premiums.

As of June 30, 2022, the District's Self-Insurance Accounts Internal Service Fund had an interfund receivable of $1,392,765 due from the Early Retirement Accounts Internal Service Fund to eliminate temporary cash balance deficits.

NOTE 12 – INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)

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

B. Interfund Transfers

The General Fund transferred $960,775 to the Self-Insurance Internal Service Fund to allocate additional resources to the fund.

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

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. Legal Claims

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

B. Federal and State Revenues

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

C. Construction Contracts

At June 30, 2022, the District had commitments totaling $7,523,802 under various construction contracts for which the work was not yet completed.

NOTE 14 – SUBSEQUENT EVENTS

A. Finance Purchase

In July 2022, the District entered into a finance purchase agreement for technology equipment totaling $1,181,850 with an interest rate of zero percent and payments over three years. The lease matures in July 2024.

B. Land Acquisition

In July 2022, the District purchased certain real property at a purchase price of $1,190,000.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 284

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2022

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.4010%	$ 18,836,971	$ –	$ 18,836,971	$ 21,580,149	87.29%	78.70%
06/30/2016	06/30/2015	0.3690%	$ 19,123,495	$ –	$ 19,123,495	$ 21,662,426	88.28%	78.20%
06/30/2017	06/30/2016	0.3669%	$ 29,790,460	$ 388,978	$ 30,179,438	$ 22,576,588	131.95%	68.90%
06/30/2018	06/30/2017	0.3681%	$ 23,499,261	$ 295,505	$ 23,794,766	$ 23,723,555	99.05%	75.90%
06/30/2019	06/30/2018	0.3717%	$ 20,620,393	$ 676,399	$ 21,296,792	$ 24,982,890	82.54%	79.50%
06/30/2020	06/30/2019	0.3687%	$ 20,384,597	$ 633,639	$ 21,018,236	$ 26,067,142	78.20%	80.20%
06/30/2021	06/30/2020	0.3909%	$ 23,436,241	$ 722,773	$ 24,159,014	$ 27,873,561	84.08%	79.10%
06/30/2022	06/30/2021	0.3598%	$ 15,365,070	$ 469,233	$ 15,834,303	$ 25,899,722	59.33%	87.00%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2022

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 1,591,536	$ 1,591,536	$ –	$ 21,662,426	7.35%
06/30/2016	$ 1,693,427	$ 1,693,427	$ –	$ 22,576,588	7.50%
06/30/2017	$ 1,778,667	$ 1,778,667	$ –	$ 23,723,555	7.50%
06/30/2018	$ 1,874,024	$ 1,874,024	$ –	$ 24,982,890	7.50%
06/30/2019	$ 1,957,080	$ 1,957,080	$ –	$ 26,067,142	7.51%
06/30/2020	$ 2,090,441	$ 2,090,441	$ –	$ 27,873,561	7.50%
06/30/2021	$ 1,942,777	$ 1,942,777	$ –	$ 25,899,722	7.50%
06/30/2022	$ 2,100,130	$ 2,100,130	$ –	$ 28,005,478	7.50%

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2022

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.2442%	$ 57,331,835	$ 4,033,134	$ 61,364,969	$ 59,468,413	96.41%	81.50%
06/30/2016	06/30/2015	1.1745%	$ 72,654,441	$ 8,912,006	$ 81,566,447	$ 59,480,901	122.15%	76.80%
06/30/2017	06/30/2016	1.1661%	$278,142,672	$ 27,917,266	$306,059,938	$ 60,632,426	458.74%	44.88%
06/30/2018	06/30/2017	1.1747%	$234,491,429	$ 22,668,335	$257,159,764	$ 63,155,618	371.29%	51.57%
06/30/2019	06/30/2018	1.2131%	$ 76,194,035	$ 7,158,801	$ 83,352,836	$ 66,998,054	113.73%	78.07%
06/30/2020	06/30/2019	1.2994%	$ 82,824,029	$ 7,329,713	$ 90,153,742	$ 73,710,617	112.36%	78.21%
06/30/2021	06/30/2020	1.3610%	$100,552,504	$ 8,426,843	$108,979,347	$ 79,018,615	127.25%	75.48%
06/30/2022	06/30/2021	1.3899%	$ 60,826,180	$ 5,129,930	$ 65,956,110	$ 83,120,796	73.18%	86.63%

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2022

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 4,460,131	$ 4,460,131	$ –	$ 59,480,901	7.50%
06/30/2016	$ 4,549,049	$ 4,549,049	$ –	$ 60,632,426	7.50%
06/30/2017	$ 4,742,705	$ 4,742,705	$ –	$ 63,155,618	7.51%
06/30/2018	$ 5,026,531	$ 5,026,531	$ –	$ 66,998,054	7.50%
06/30/2019	$ 5,687,795	$ 5,687,795	$ –	$ 73,710,617	7.72%
06/30/2020	$ 6,263,877	$ 6,263,877	$ –	$ 79,018,615	7.93%
06/30/2021	$ 6,762,053	$ 6,762,053	$ –	$ 83,120,796	8.14%
06/30/2022	$ 7,072,897	$ 7,072,897	$ –	$ 85,090,593	8.31%

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Defined Benefit Pension Plan
Schedule of Changes in the District's Total
Pension Liability and Related Ratios
Year Ended June 30, 2022

	District Fiscal Year-End Date					
	2017	2018	2019	2020	2021	2022
Total pension liability						
Service cost	$ 252,269	$ 235,778	$ 211,666	$ 241,804	$ 214,722	$ 170,908
Interest	177,900	178,321	211,234	140,881	103,701	85,986
Assumption changes	–	(115,172)	56,141	83,005	26,516	(219,666)
Plan changes	–	–	(1,726,541)	–	(2,433)	–
Difference between expected and actual experience	–	–	256,067	–	71,297	–
Benefit payments	(512,772)	(283,900)	(495,456)	(563,410)	(761,355)	(428,943)
Net change in total pension liability	(82,603)	15,027	(1,486,889)	(97,720)	(347,552)	(391,715)
Total pension liability – beginning of year	6,136,762	6,054,159	6,069,186	4,582,297	4,484,577	4,137,025
Total pension liability – end of year	$ 6,054,159	$ 6,069,186	$ 4,582,297	$ 4,484,577	$ 4,137,025	$ 3,745,310
Covered-employee payroll	$ 28,004,800	$ 28,844,944	$ 19,728,311	$ 20,320,160	$ 16,542,845	$ 17,039,131
Total pension liability as a percentage of covered-employee payroll	21.62%	21.04%	23.23%	22.07%	25.01%	21.98%

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

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Net
OPEB Liability and Related Ratios
Year Ended June 30, 2022

	District Fiscal Year-End Date					
	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	$ 2,551,063	$ 2,390,402	$ 2,693,689	$ 3,223,065	$ 3,011,908	$ 2,745,593
Interest	1,454,492	1,513,499	1,677,230	1,731,921	1,473,157	1,703,045
Assumption changes	–	(1,204,821)	851,818	2,621,680	(5,116,533)	(2,794,384)
Plan changes	–	(1,097,125)	871,345	–	24,568	–
Difference between expected and actual experience	–	–	(1,008,111)	–	(1,535,825)	1,386,566
Benefit payments	(1,993,798)	(2,327,031)	(1,956,000)	(1,665,554)	(1,452,227)	(1,642,420)
Net change in total OPEB liability	2,011,757	(725,076)	3,129,971	5,911,112	(3,594,952)	1,398,400
Total OPEB liability – beginning of year	39,994,168	42,005,925	41,280,849	44,410,820	50,321,932	46,726,980
Total OPEB liability – end of year	42,005,925	41,280,849	44,410,820	50,321,932	46,726,980	48,125,380
Plan fiduciary net position						
Contributions – employer	293,798	27,031	–	65,554	102,227	142,420
Projected investment return	1,366,041	1,456,650	1,648,705	1,290,620	1,949,067	2,416,355
Difference between expected and actual experience	1,657,592	1,002,046	300,328	624,945	6,369,376	(7,662,109)
Benefit payments	(1,993,798)	(2,327,031)	(1,956,000)	(1,665,554)	(1,452,227)	(1,642,420)
Net change in plan fiduciary net position	1,323,633	158,696	(6,967)	315,565	6,968,443	(6,745,754)
Plan fiduciary net position – beginning of year	31,046,376	32,370,009	32,528,705	32,521,738	32,837,303	39,805,746
Plan fiduciary net position – end of year	32,370,009	32,528,705	32,521,738	32,837,303	39,805,746	33,059,992
Net OPEB liability	$ 9,635,916	$ 8,752,144	$ 11,889,082	$ 17,484,629	$ 6,921,234	$ 15,065,388
Fiduciary net position as a percentage of the total OPEB liability	77.06%	78.80%	73.23%	65.25%	85.19%	68.70%
Covered-employee payroll	$ 82,333,402	$ 84,803,404	$ 91,067,372	$ 93,799,393	$ 101,974,315	$ 105,033,544
Net OPEB liability as a percentage of covered-employee payroll	11.70%	10.32%	13.06%	18.64%	6.79%	14.34%

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

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2022

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	9.7%
2018	7.6%
2019	6.0%
2020	5.9%
2021	25.7%
2022	(13.1%)

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption was changed from 8.50 percent to 7.50 percent.
- The single discount rate changed from 5.12 percent to 7.50 percent.

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN PLAN PROVISIONS

- Wayzata Kids site managers are covered by the specialists' contract. Therefore, the Governmental Accounting Standards Board (GASB) Statement No. 73 benefit for employees who meet the eligibility requirements is now 75 percent of 100 days (instead of 100 percent of 80 days) multiplied by the daily rate of pay, which is paid as a lump sum to a 403(b) plan. The remaining 25 percent is paid to a Healthcare Savings Plan and is included under GASB Statement No. 75.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN PLAN PROVISIONS

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

PENSION BENEFITS PLAN (CONTINUED)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN PLAN PROVISIONS

- The superintendent's eligibility for GASB Statement No. 75 post-employment subsidies changed from age 55 with 9 years of service to age 55 with 10 years of service. The district-paid life insurance subsidy (based on $750,000) now ends at age 70 rather than age 65.
- Wayzata Kids site managers are now covered by the specialists' contract. Therefore, 25 percent of the 100 days of pay severance benefit is now paid to a Healthcare Savings Plan and is included in this valuation. The other 75 percent is paid to a 403(b) plan and is included under GASB Statement No. 73. The District also paid a dental subsidy up to $120 per month instead of the full single premium amount.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2019 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

SUPPLEMENTAL INFORMATION

GOVERNMENTAL FUNDS

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

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Nonmajor Governmental Funds
Combining Balance Sheet
as of June 30, 2022

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	$ 1,655,674	$ 2,752,302	$ 4,407,976
Receivables			
Current taxes	–	1,041,626	1,041,626
Delinquent taxes	–	13,243	13,243
Accounts and interest	1,592	91,737	93,329
Due from other governmental units	29,029	229,475	258,504
Lease	–	62,498	62,498
Inventory	50,925	–	50,925
Prepaids	–	3,455	3,455
Total assets	$ 1,737,220	$ 4,194,336	$ 5,931,556
Liabilities			
Salaries payable	$ 5,644	$ 288,562	$ 294,206
Accounts and contracts payable	55,523	55,280	110,803
Unearned revenue	372,954	568,522	941,476
Total liabilities	434,121	912,364	1,346,485
Deferred inflows of resources			
Property taxes levied for subsequent year	–	2,106,932	2,106,932
Lease revenue for subsequent year	–	62,498	62,498
Unavailable revenue – delinquent taxes	–	9,425	9,425
Total deferred inflows of resources	–	2,178,855	2,178,855
Fund balances			
Nonspendable	50,925	3,455	54,380
Restricted	1,252,174	1,099,662	2,351,836
Total fund balances	1,303,099	1,103,117	2,406,216
Total liabilities, deferred inflows of resources, and fund balances	$ 1,737,220	$ 4,194,336	$ 5,931,556

INDEPENDENT SCHOOL DISTRICT NO. 284

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2022

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	$ –	$ 2,185,022	$ 2,185,022
Other	1,121,098	9,440,594	10,561,692
State sources	263,972	1,006,941	1,270,913
Federal sources	8,211,292	449,460	8,660,752
Total revenue	9,596,362	13,082,017	22,678,379
Expenditures			
Current			
Food service	8,086,232	–	8,086,232
Community service	–	11,107,228	11,107,228
Capital outlay	11,725	27,876	39,601
Total expenditures	8,097,957	11,135,104	19,233,061
Net change in fund balances	1,498,405	1,946,913	3,445,318
Fund balances			
Beginning of year	(195,306)	(843,796)	(1,039,102)
End of year	$ 1,303,099	$ 1,103,117	$ 2,406,216

General Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	$ 55,251,149	$ 47,556,260
Cash and investments held by trustee	70,000	70,000
Receivables		
Current taxes	33,224,910	33,008,335
Delinquent taxes	484,195	563,165
Accounts and interest	558,657	400,341
Due from other governmental units	11,669,870	10,433,811
Due from other funds	3,037,697	2,036,727
Lease	600,516	–
Inventory	143,823	150,999
Prepaid items	11,872	457,415
Total assets	$ 105,052,689	$ 94,677,053
Liabilities		
Salaries payable	$ 313,055	$ 210,697
Accounts and contracts payable	2,851,757	2,847,976
Due to other governmental units	875,141	539,523
Due to other funds	1,693,638	1,716,048
Unearned revenue	538,009	192,293
Total liabilities	6,271,600	5,506,537
Deferred inflows of resources		
Property taxes levied for subsequent year	62,743,440	61,962,181
Lease revenue for subsequent year	600,516	–
Unavailable revenue – delinquent taxes	363,996	351,318
Total deferred inflows of resources	63,707,952	62,313,499
Fund balances (deficits)		
Nonspendable for inventory	143,823	150,999
Nonspendable for prepaid items	11,872	457,415
Restricted for scholarships	255,463	261,879
Restricted for capital projects levy	3,430,756	2,715,070
Restricted for operating capital	1,303,620	–
Restricted for long-term facilities maintenance	3,415,754	–
Restricted for Medical Assistance	107,785	–
Assigned for local collaborative time study	586,066	545,195
Assigned for reemployment insurance	137,800	–
Assigned for site carryover	837,785	806,710
Assigned for Q compensation	897	923
Assigned for school opening costs	695,305	695,305
Assigned for workers' compensation escrow	70,000	70,000
Assigned for post-employment obligations	2,156,636	2,156,636
Assigned for subsequent year budget	3,362,700	–
Assigned for enrollment	3,500,828	3,500,828
Unassigned – long-term facilities maintenance restricted account deficit	–	(802,152)
Unassigned	15,056,047	16,298,209
Total fund balances	35,073,137	26,857,017
Total liabilities, deferred inflows of resources, and fund balances	$ 105,052,689	$ 94,677,053

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 66,623,535	$ 67,550,362	$ 926,827	$ 63,966,935
Investment earnings	1,500,000	1,646,501	146,501	1,291,861
Other	4,291,303	5,253,963	962,660	3,225,386
State sources	107,455,534	110,159,564	2,704,030	107,602,586
Federal sources	7,070,338	6,778,368	(291,970)	8,712,279
Total revenue	186,940,710	191,388,758	4,448,048	184,799,047
Expenditures				
Current				
Administration				
Salaries	3,907,740	3,872,914	(34,826)	3,649,044
Employee benefits	1,400,326	1,385,617	(14,709)	1,274,611
Purchased services	161,954	100,262	(61,692)	75,271
Supplies and materials	56,362	64,857	8,495	31,785
Capital expenditures	11,950	9,681	(2,269)	4,286
Other expenditures	76,250	50,614	(25,636)	48,455
Total administration	5,614,582	5,483,945	(130,637)	5,083,452
District support services				
Salaries	3,521,902	3,463,219	(58,683)	3,139,923
Employee benefits	1,023,003	1,332,339	309,336	1,014,644
Purchased services	784,706	789,340	4,634	788,691
Supplies and materials	843,632	324,325	(519,307)	128,498
Capital expenditures	292,690	19,280	(273,410)	17,446
Other expenditures	10,982	6,667	(4,315)	6,799
Total district support services	6,476,915	5,935,170	(541,745)	5,096,001
Elementary and secondary regular instruction				
Salaries	59,656,128	60,802,765	1,146,637	59,044,879
Employee benefits	18,912,859	18,251,660	(661,199)	18,085,928
Purchased services	2,977,889	2,778,266	(199,623)	2,033,311
Supplies and materials	2,705,329	1,980,691	(724,638)	1,575,954
Capital expenditures	227,108	355,714	128,606	1,809,901
Other expenditures	590,547	689,862	99,315	602,793
Total elementary and secondary regular instruction	85,069,860	84,858,958	(210,902)	83,152,766

(continued)

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	1,998,827	2,031,513	32,686	2,000,430
Employee benefits	682,049	692,958	10,909	685,308
Purchased services	832,466	1,012,057	179,591	931,803
Supplies and materials	26,120	24,901	(1,219)	22,229
Capital expenditures	12,140	13,217	1,077	8,770
Other expenditures	24,000	21,982	(2,018)	21,598
Total vocational education instruction	3,575,602	3,796,628	221,026	3,670,138
Special education instruction				
Salaries	16,206,475	15,846,182	(360,293)	16,083,285
Employee benefits	6,085,518	5,547,517	(538,001)	5,647,620
Purchased services	375,843	420,807	44,964	407,697
Supplies and materials	147,650	174,304	26,654	122,226
Capital expenditures	18,500	17,592	(908)	22,165
Other expenditures	6,000	168,460	162,460	162,984
Total special education instruction	22,839,986	22,174,862	(665,124)	22,445,977
Instructional support services				
Salaries	9,230,703	9,219,052	(11,651)	9,468,791
Employee benefits	2,971,085	3,618,565	647,480	4,056,077
Purchased services	2,105,127	689,985	(1,415,142)	636,173
Supplies and materials	1,649,524	2,179,920	530,396	1,858,016
Capital expenditures	3,961,455	3,085,907	(875,548)	2,101,405
Other expenditures	22,550	33,471	10,921	28,749
Total instructional support services	19,940,444	18,826,900	(1,113,544)	18,149,211
Pupil support services				
Salaries	4,002,515	3,904,825	(97,690)	3,232,106
Employee benefits	924,526	1,096,293	171,767	1,091,803
Purchased services	11,514,995	12,186,203	671,208	10,914,630
Supplies and materials	644,131	383,628	(260,503)	321,956
Capital expenditures	152,050	53,518	(98,532)	293,042
Other expenditures	800	1,229	429	1,699
Total pupil support services	17,239,017	17,625,696	386,679	15,855,236

(continued)

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	5,720,894	5,647,311	(73,583)	5,304,090
Employee benefits	1,609,383	2,057,446	448,063	2,086,430
Purchased services	14,478,664	5,681,348	(8,797,316)	4,831,296
Supplies and materials	924,240	1,265,312	341,072	2,043,972
Capital expenditures	1,689,813	5,625,565	3,935,752	10,956,318
Other expenditures	179,250	67,934	(111,316)	255,512
Total sites and buildings	24,602,244	20,344,916	(4,257,328)	25,477,618
Fiscal and other fixed cost programs				
Purchased services	535,500	851,925	316,425	394,078
Other expenditures	–	43,100	43,100	26,700
Total fiscal and other fixed cost programs	535,500	895,025	359,525	420,778
Debt service				
Principal	4,612,117	3,944,352	(667,765)	2,892,680
Interest and fiscal charges	768,028	786,967	18,939	638,458
Total debt service	5,380,145	4,731,319	(648,826)	3,531,138
Total expenditures	191,274,295	184,673,419	(6,600,876)	182,882,315
Excess (deficiency) of revenue over expenditures	(4,333,585)	6,715,339	11,048,924	1,916,732
Other financing sources (uses)				
Finance purchase issued	2,251,230	2,251,230	–	1,350,145
Insurance recovery	–	210,326	210,326	–
Transfers (out)	–	(960,775)	(960,775)	(8,356,820)
Total other financing sources (uses)	2,251,230	1,500,781	(750,449)	(7,006,675)
Net change in fund balances	$ (2,082,355)	8,216,120	$ 10,298,475	(5,089,943)
Fund balances				
Beginning of year		26,857,017		31,946,960
End of year		$ 35,073,137		$ 26,857,017

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	$ 1,655,674	$ –
Receivables		
Accounts and interest	1,592	–
Due from other governmental units	29,029	972,492
Inventory	50,925	110,760
Total assets	$ 1,737,220	$ 1,083,252
Liabilities		
Salaries payable	$ 5,644	$ 15,427
Accounts and contracts payable	55,523	180,375
Due to other funds	–	686,727
Unearned revenue	372,954	396,029
Total liabilities	434,121	1,278,558
Fund balances		
Nonspendable for inventory	50,925	110,760
Restricted for food service	1,252,174	–
Unassigned	–	(306,066)
Total fund balances	1,303,099	(195,306)
Total liabilities and fund balances	$ 1,737,220	$ 1,083,252

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other – primarily meal sales	$ 978,376	$ 1,121,098	$ 142,722	$ 273,566
State sources	395,825	263,972	(131,853)	–
Federal sources	8,182,313	8,211,292	28,979	5,133,395
Total revenue	9,556,514	9,596,362	39,848	5,406,961
Expenditures				
Current				
Salaries	2,401,911	2,495,054	93,143	2,124,515
Employee benefits	896,839	925,001	28,162	863,163
Purchased services	878,524	640,923	(237,601)	429,096
Supplies and materials	3,692,951	4,005,881	312,930	2,170,199
Other expenditures	16,300	19,373	3,073	14,886
Capital outlay	42,500	11,725	(30,775)	408
Total expenditures	7,929,025	8,097,957	168,932	5,602,267
Net change in fund balances	$ 1,627,489	1,498,405	$ (129,084)	(195,306)
Fund balances				
Beginning of year		(195,306)		–
End of year		$ 1,303,099		$ (195,306)

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	$ 2,752,302	$ 800,173
Receivables		
Current taxes	1,041,626	1,080,780
Delinquent taxes	13,243	14,683
Accounts and interest	91,737	36,206
Due from other governmental units	229,475	230,406
Lease	62,498	–
Prepaid items	3,455	–
Total assets	$ 4,194,336	$ 2,162,248
Liabilities		
Salaries payable	$ 288,562	$ 219,944
Accounts and contracts payable	55,280	68,059
Unearned revenue	568,522	532,696
Total liabilities	912,364	820,699
Deferred inflows of resources		
Property taxes levied for subsequent year	2,106,932	2,177,638
Lease revenue for subsequent year	62,498	–
Unavailable revenue – delinquent taxes	9,425	7,707
Total deferred inflows of resources	2,178,855	2,185,345
Fund balances		
Nonspendable for prepaid items	3,455	–
Restricted for community education programs	816,161	–
Restricted for early childhood family education programs	37,367	82,758
Restricted for school readiness	165,624	160,103
Restricted for community service	80,510	1,006
Unassigned – community education programs restricted account deficit	–	(1,087,663)
Total fund balances	1,103,117	(843,796)
Total liabilities, deferred inflows of resources, and fund balances	$ 4,194,336	$ 2,162,248

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 2,108,752	$ 2,185,022	$ 76,270	$ 1,885,273
Other – primarily tuition and fees	8,725,898	9,440,594	714,696	4,837,454
State sources	967,172	1,006,941	39,769	964,587
Federal sources	394,473	449,460	54,987	247,902
Total revenue	12,196,295	13,082,017	885,722	7,935,216
Expenditures				
Current				
Salaries	7,106,332	7,122,105	15,773	6,228,264
Employee benefits	2,398,719	2,272,834	(125,885)	2,213,466
Purchased services	1,268,233	1,287,870	19,637	873,119
Supplies and materials	441,291	421,170	(20,121)	281,892
Other expenditures	6,825	3,249	(3,576)	5,387
Capital outlay	82,791	27,876	(54,915)	31,831
Total expenditures	11,304,191	11,135,104	(169,087)	9,633,959
Net change in fund balances	$ 892,104	1,946,913	$ 1,054,809	(1,698,743)
Fund balances				
Beginning of year		(843,796)		854,947
End of year		$ 1,103,117		$ (843,796)

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	$ 10,855,967	$ 15,096,235
Cash and investments held by trustee	28,510	30,509
Due from other governmental units	1,199	–
Total assets	$ 10,885,676	$ 15,126,744
Liabilities		
Accounts and contracts payable	$ 1,453,194	$ 1,159,839
Due to other governmental units	–	40,000
Total liabilities	1,453,194	1,199,839
Fund balances		
Restricted for capital projects	9,432,482	13,926,905
Total liabilities and fund balances	$ 10,885,676	$ 15,126,744

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	$ –	$ 27,499	$ 27,499	$ 13,171
Other	–	634,374	634,374	–
Total revenue	–	661,873	661,873	13,171
Expenditures				
Capital outlay				
Salaries	63,600	52,127	(11,473)	49,450
Employee benefits	9,600	8,415	(1,185)	7,153
Purchased services	29,600	866,918	837,318	1,673,288
Capital expenditures	5,897,200	4,228,836	(1,668,364)	7,872,612
Total expenditures	6,000,000	5,156,296	(843,704)	9,602,503
Excess (deficiency) of revenue over expenditures	(6,000,000)	(4,494,423)	1,505,577	(9,589,332)
Other financing sources				
Transfers in	–	–	–	4,611,885
Net change in fund balances	$ (6,000,000)	(4,494,423)	$ 1,505,577	(4,977,447)
Fund balances				
Beginning of year		13,926,905		18,904,352
End of year		$ 9,432,482		$ 13,926,905

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	$ 11,408,968	$ 10,345,041
Cash and investments held by trustee	1,000	–
Receivables		
Current taxes	8,171,520	7,490,884
Delinquent taxes	114,904	131,845
Due from other governmental units	924	1,005
Total assets	$ 19,697,316	$ 17,968,775
Liabilities		
Accounts and contracts payable	$ 1,000	$ –
Deferred inflows of resources		
Property taxes levied for subsequent year	16,528,296	15,093,273
Unavailable revenue – delinquent taxes	88,928	76,091
Total deferred inflows of resources	16,617,224	15,169,364
Fund balances		
Restricted for debt service	3,079,092	2,799,411
Total liabilities, deferred inflows of resources, and fund balances	$ 19,697,316	$ 17,968,775

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 14,890,755	$ 15,137,719	$ 246,964	$ 14,581,711
Investment earnings	–	–	–	901
State sources	5,400	9,236	3,836	10,051
Total revenue	14,896,155	15,146,955	250,800	14,592,663
Expenditures				
Debt service				
Principal	10,010,000	10,010,000	–	6,445,000
Interest	4,856,666	4,856,666	–	8,033,262
Fiscal charges and other	908,085	902,382	(5,703)	89,419
Total expenditures	15,774,751	15,769,048	(5,703)	14,567,681
Excess (deficiency) of revenue over expenditures	(878,596)	(622,093)	256,503	24,982
Other financing sources (uses)				
Refunding bonds issued	132,865,000	132,865,000	–	8,340,000
Premium on bonds issued	4,923,285	4,923,285	–	951,055
Bond refunding payments	(136,886,511)	(136,886,511)	–	(9,200,000)
Total other financing sources (uses)	901,774	901,774	–	91,055
Net change in fund balances	$ 23,178	279,681	$ 256,503	116,037
Fund balances				
Beginning of year		2,799,411		2,683,374
End of year		$ 3,079,092		$ 2,799,411

INTERNAL SERVICE FUNDS

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

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2022
(With Comparative Totals as of June 30, 2021)

	Self-Insurance Accounts	Early Retirement Accounts	Totals 2022	Totals 2021
Assets				
Current assets				
Cash and cash equivalents	$ –	$ –	$ –	$ 366,027
Investments	4,359,363	5,073,247	9,432,610	8,955,816
Receivables				
Due from other funds	3,086,403	–	3,086,403	3,422,911
Total current assets	7,445,766	5,073,247	12,519,013	12,744,754
Deferred outflows of resources				
Pension plan deferments	–	277,843	277,843	341,219
Liabilities				
Current liabilities				
Accounts and contracts payable	8	–	8	11,850
Due to other funds	–	2,930,462	2,930,462	1,706,863
Claims incurred, but not reported	2,003,779	–	2,003,779	2,003,779
Severance benefits payable	–	250,277	250,277	465,035
Total current liabilities	2,003,787	3,180,739	5,184,526	4,187,527
Long-term liabilities				
Severance benefits payable	–	2,421,637	2,421,637	2,283,506
Total pension liability	–	3,745,310	3,745,310	4,137,025
Total long-term liabilities	–	6,166,947	6,166,947	6,420,531
Total liabilities	2,003,787	9,347,686	11,351,473	10,608,058
Deferred inflows of resources				
Pension plan deferments	–	231,472	231,472	57,584
Net position				
Unrestricted	$ 5,441,979	$ (4,228,068)	$ 1,213,911	$ 2,420,331

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Self-Insurance Accounts	Early Retirement Accounts	Totals 2022	Totals 2021
Operating revenue				
Charges for services	$ 20,603,874	$ –	$ 20,603,874	$ 20,826,489
Operating expenses				
Dental benefit claims	1,528,928	–	1,528,928	1,439,891
Health benefit claims	20,726,414	–	20,726,414	21,423,882
Early retirement incentive and sick leave benefits	–	992,521	992,521	1,327,523
Total operating expenses	22,255,342	992,521	23,247,863	24,191,296
Operating income (loss)	(1,651,468)	(992,521)	(2,643,989)	(3,364,807)
Nonoperating revenue				
Investment earnings	220,355	256,439	476,794	371,099
Income (loss) before transfers	(1,431,113)	(736,082)	(2,167,195)	(2,993,708)
Transfers in	960,775	–	960,775	3,744,935
Change in net position	(470,338)	(736,082)	(1,206,420)	751,227
Net position				
Beginning of year	5,912,317	(3,491,986)	2,420,331	1,669,104
End of year	$ 5,441,979	$ (4,228,068)	$ 1,213,911	$ 2,420,331

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Self-Insurance Accounts	Early Retirement Accounts	Totals 2022	Totals 2021
Cash flows from operating activities				
Charges for services	$ 20,626,284	$ –	$ 20,626,284	$ 20,735,237
Payments for health and dental claims	(22,267,184)	–	(22,267,184)	(22,851,984)
Payments for retirement benefits	–	(1,223,599)	(1,223,599)	(1,706,863)
Net cash flows from operating activities	(1,640,900)	(1,223,599)	(2,864,499)	(3,823,610)
Cash flows from noncapital financing activities				
Cash advance from other funds	–	1,223,599	1,223,599	1,706,863
Cash paid to other funds	314,098	–	314,098	(1,706,863)
Transfers in	960,775	–	960,775	3,744,935
Net cash flows from noncapital financing activities	1,274,873	1,223,599	2,498,472	3,744,935
Net change in cash and cash equivalents	(366,027)	–	(366,027)	(78,675)
Cash and cash equivalents				
Beginning of year	366,027	–	366,027	444,702
End of year	$ –	$ –	$ –	$ 366,027
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	$ (1,651,468)	$ (992,521)	$ (2,643,989)	$ (3,364,807)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets				
Due from other funds	22,410	–	22,410	(91,252)
Deferred outflows of resources – pension plan deferments	–	63,376	63,376	(34,436)
Changes in liabilities and deferred inflows				
Accounts and contracts payable	(11,842)	–	(11,842)	11,789
Severance benefits payable	–	(76,627)	(76,627)	17,045
Total pension liability	–	(391,715)	(391,715)	(347,552)
Deferred inflows of resources – pension plan deferments	–	173,888	173,888	(14,397)
Net cash flows from operating activities	$ (1,640,900)	$ (1,223,599)	$ (2,864,499)	$ (3,823,610)

SECTION III

STATISTICAL SECTION

(UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Indicators

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

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

INDEPENDENT SCHOOL DISTRICT NO. 284

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

				Fiscal Year
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	$ 46,152,372	$ 60,689,911	$ 65,253,780	$ 31,901,934
Restricted	27,560,100	12,624,943	13,091,641	13,662,842
Unrestricted	45,130,907	40,787,379	(50,117,797)	(46,927,869)
Total governmental activities net position	$ 118,843,379	$ 114,102,233	$ 28,227,624	$ (1,363,093)

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

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

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

2017	2018	2019	2020	2021	2022
$ 40,112,576	$ 37,679,712	$ 37,050,317	$ 27,572,468	$ 29,989,500	$ 33,227,426
7,822,506	10,695,169	10,648,975	9,472,475	3,126,677	11,224,124
(122,259,148)	(158,453,974)	(122,967,598)	(133,667,103)	(139,295,623)	(131,772,607)
$ (74,324,066)	$(110,079,093)	$ (75,268,306)	$ (96,622,160)	$(106,179,446)	$ (87,321,057)

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Expenses				
Administration	$ 3,995,998	$ 3,833,741	$ 3,839,848	$ 4,817,133
District support services	4,154,320	4,924,827	4,577,951	5,033,300
Elementary and secondary regular instruction	59,732,311	64,030,267	67,230,737	68,238,658
Vocational education instruction	2,629,151	2,376,614	2,922,503	2,804,948
Special education instruction	16,037,522	16,664,813	16,695,866	17,678,829
Instructional support services	8,464,618	9,446,640	9,267,077	10,313,332
Pupil support services	11,528,889	11,606,924	11,997,753	12,363,815
Sites and buildings	19,492,550	23,108,226	16,373,431	31,109,967
Fiscal and other fixed cost programs	318,578	355,757	385,547	417,879
Food service	5,193,226	5,367,185	5,619,154	5,896,122
Community service	7,913,272	8,343,413	7,512,257	8,207,904
Interest and fiscal charges	2,059,956	4,117,943	5,748,064	5,134,248
Total governmental activities expenses	141,520,391	154,176,350	152,170,188	172,016,135
Program revenues				
Charges for services				
Administration	275,959	202,982	166,265	215,357
Elementary and secondary regular instruction	1,080,264	1,021,619	1,159,389	1,262,298
Vocational education instruction	2,270	1,324	–	–
Special education instruction	4,441	560	247,585	322,586
Instructional support services	2,485	18,905	9,493	7,808
Pupil support services	14,543	28,369	28,178	25,773
Sites and buildings	461,493	662,870	512,766	575,910
Food service	3,884,424	3,806,157	4,222,938	4,447,648
Community service	6,137,955	6,529,492	5,556,600	6,382,167
Operating grants and contributions	15,850,856	15,171,555	15,216,756	16,140,494
Capital grants and contributions	252,929	346,713	910,167	911,502
Total governmental activities program revenues	27,967,619	27,790,546	28,030,137	30,291,543
Net (expense) revenue	(113,552,772)	(126,385,804)	(124,140,051)	(141,724,592)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	35,975,717	22,503,184	38,153,378	38,434,705
Property taxes, levied for community service	1,458,919	781,857	1,524,385	1,244,109
Property taxes, levied for debt service	10,992,579	11,203,441	11,401,371	15,673,366
General grants and aids	67,408,720	84,572,800	72,170,101	74,485,371
Other general revenues	3,459,844	1,413,287	1,376,993	1,240,454
Investment earnings	771,106	1,170,089	1,185,644	1,162,703
Special item	–	–	–	–
Total general revenues and other changes in net position	120,066,885	121,644,658	125,811,872	132,240,708
Change in net position	$ 6,514,113	$ (4,741,146)	$ 1,671,821	$ (9,483,884)

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

2017	2018	2019	2020	2021	2022
$ 6,700,296	$ 6,052,169	$ 4,265,884	$ 5,744,321	$ 5,749,982	$ 5,580,376
6,114,326	5,347,446	5,961,373	7,124,303	5,397,237	6,003,506
97,927,589	98,324,381	57,568,978	94,447,134	94,959,700	87,857,642
3,737,593	3,782,104	2,163,529	3,448,696	3,897,753	3,731,676
23,736,177	23,646,291	15,166,922	22,972,019	24,080,587	21,614,577
13,276,121	18,777,288	13,281,310	20,521,549	18,730,543	18,462,776
14,566,050	14,370,024	12,799,455	15,297,882	16,167,678	17,624,546
35,215,528	23,723,765	21,884,093	31,256,979	30,193,336	25,596,931
566,951	281,446	541,321	539,743	420,778	895,025
6,484,275	6,469,883	6,943,797	6,743,253	5,743,363	8,047,821
9,811,345	10,971,816	10,774,854	11,509,169	9,728,339	10,984,506
5,326,192	6,692,718	7,556,619	8,353,500	7,878,465	4,683,351
223,462,443	218,439,331	158,908,135	227,958,548	222,947,761	211,082,733
57,422	39,922	117,202	1,566	215	9,582
1,287,405	1,323,071	1,339,296	1,435,317	776,860	1,622,069
–	–	–	–	–	–
350,928	498,813	307,962	431,278	437,583	670,258
6,703	15,338	14,469	12,733	11,952	14,287
22,018	152,731	148,244	185,197	172,328	192,904
558,826	628,772	591,360	454,390	326,747	687,156
5,067,696	5,357,091	5,318,392	4,000,966	273,566	1,121,098
7,410,890	8,164,553	8,933,531	7,775,972	4,837,454	9,440,594
17,625,350	16,357,459	16,952,023	20,694,796	24,733,862	30,187,591
1,351,039	2,870,495	1,534,850	1,517,914	1,389,335	1,171,004
33,738,277	35,408,245	35,257,329	36,510,129	32,959,902	45,116,543
(189,724,166)	(183,031,086)	(123,650,806)	(191,448,419)	(189,987,859)	(165,966,190)
42,239,180	52,196,919	55,461,620	58,866,293	64,000,234	67,563,040
1,096,913	993,672	1,222,047	1,537,423	1,884,647	2,186,740
14,587,642	8,274,499	12,085,201	12,427,460	14,575,929	15,150,556
83,119,553	81,977,981	82,036,235	90,978,084	96,793,030	94,871,042
2,001,619	1,672,313	1,429,838	2,621,106	1,499,701	2,902,407
1,886,224	2,160,675	3,191,342	2,476,239	1,677,032	2,150,794
–	–	3,035,310	–	–	–
144,931,131	147,276,059	158,461,593	168,906,605	180,430,573	184,824,579
$ (44,793,035)	$ (35,755,027)	$ 34,810,787	$ (22,541,814)	$ (9,557,286)	$ 18,858,389

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	$ 153,963	$ 139,900	$ 170,070	$ 196,566
Restricted	9,081,101	6,474,793	6,549,824	5,838,351
Committed	2,889,790	2,889,790	2,889,790	2,889,790
Assigned	1,859,114	1,766,330	2,508,237	5,482,867
Unassigned	11,476,097	10,926,181	9,306,757	9,347,456
Total General Fund	$ 25,460,065	$ 22,196,994	$ 21,424,678	$ 23,755,030
All other governmental funds				
Nonspendable				
Special revenue funds	$ 81,947	$ 82,038	$ 90,176	$ 94,839
Capital Projects – Building Construction Fund	195,050	103,151	29,382	3,795
Restricted				
Special revenue funds	2,963,665	3,157,131	2,763,831	2,777,607
Capital Projects – Building Construction Fund	14,174,369	124,613,839	94,734,895	25,480,370
Debt Service Fund	1,948,293	4,904,822	2,044,497	2,618,143
Unassigned				
Special revenue funds	–	–	–	–
Capital Projects – Building Construction Fund	–	–	–	–
Total all other governmental funds	$ 19,363,324	$ 132,860,981	$ 99,662,781	$ 30,974,754
Total all governmental funds	$ 44,823,389	$ 155,057,975	$ 121,087,459	$ 54,729,784

2017	2018	2019	2020	2021	2022
$ 355,711	$ 287,085	$ 316,399	$ 611,106	$ 608,414	$ 155,695
2,824,355	5,770,694	7,600,701	6,775,773	2,976,949	8,513,378
–	–	–	–	–	–
4,918,059	5,712,743	5,369,294	5,529,336	7,775,597	11,348,017
8,050,979	8,304,664	12,681,756	19,030,745	15,496,057	15,056,047
$ 16,149,104	$ 20,075,186	$ 25,968,150	$ 31,946,960	$ 26,857,017	$ 35,073,137
$ 100,667	$ 108,812	$ 87,830	$ 138,321	$ 110,760	$ 54,380
370,688	357,895	19,169	–	–	–
3,131,609	2,824,021	2,479,699	854,097	243,867	2,351,836
8,669,298	68,914,606	33,749,841	23,516,237	13,926,905	9,432,482
2,475,932	2,606,958	2,833,280	2,683,374	2,799,411	3,079,092
–	–	–	(137,471)	(1,393,729)	–
(528,128)	–	(1,219,341)	(4,611,885)	–	–
$ 14,220,066	$ 74,812,292	$ 37,950,478	$ 22,442,673	$ 15,687,214	$ 14,917,790
$ 30,369,170	$ 94,887,478	$ 63,918,628	$ 54,389,633	$ 42,544,231	$ 49,990,927

INDEPENDENT SCHOOL DISTRICT NO. 284

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Local sources				
Taxes	$ 48,582,021	$ 34,451,771	$ 51,053,987	$ 55,577,523
Investment earnings	29,798	37,847	144,163	135,329
Other	13,621,129	13,441,482	13,280,276	14,480,001
State sources	79,118,659	95,680,683	84,196,712	87,767,205
Federal sources	4,393,844	4,402,856	4,100,243	3,770,162
Total revenues	145,745,451	148,014,639	152,775,381	161,730,220
Expenditures				
Current				
Administration	3,942,490	3,809,563	3,882,636	3,960,854
District support services	3,966,678	3,812,160	3,831,038	4,214,722
Elementary and secondary regular instruction	55,749,366	57,161,164	61,261,179	61,793,156
Vocational education instruction	2,596,694	2,282,764	2,898,253	2,775,891
Special education instruction	15,890,551	16,143,749	16,675,799	17,390,283
Instructional support services	8,432,986	9,359,060	9,518,374	10,107,948
Pupil support services	11,487,282	11,181,875	12,151,446	12,289,246
Sites and buildings	9,429,780	9,618,077	10,212,586	10,577,248
Fiscal and other fixed cost programs	318,578	355,757	385,547	417,879
Food service	5,085,281	5,226,866	5,574,751	5,705,994
Community service	7,841,272	8,491,628	7,537,839	8,008,491
Capital outlay	21,516,463	38,000,191	37,044,922	82,087,300
Debt service				
Principal	9,580,000	10,130,000	11,526,756	11,364,273
Interest and fiscal charges	2,405,085	3,522,846	5,410,994	6,467,926
Total expenditures	158,242,506	179,095,700	187,912,120	237,161,211
Excess of revenues over (under) expenditures	(12,497,055)	(31,081,061)	(35,136,739)	(75,430,991)
Other financing sources (uses)				
Sale of equipment	2,900	–	–	–
Sale of real property	2,889,790	–	–	–
Insurance recovery proceeds	9,861	251,612	–	–
Bonds issued	–	136,805,000	10,255,000	1,820,000
Certificates of participation issued	9,980,000	–	–	–
Premium on debt issued	214,066	3,023,175	867,145	57,459
Finance purchase issued	1,383,350	1,235,860	1,099,078	6,750,775
Payment to refunded bond escrow agent	–	–	(11,055,000)	(1,835,000)
Transfers in	7,673,940	7,253,826	6,901,900	9,709,564
Transfers out	(7,673,940)	(7,253,826)	(6,901,900)	(7,429,482)
Total other financing sources (uses)	14,479,967	141,315,647	1,166,223	9,073,316
Net change in fund balances	$ 1,982,912	$ 110,234,586	$ (33,970,516)	$ (66,357,675)
Debt service as a percentage of noncapital expenditures	8.8%	9.7%	11.2%	10.3%

2017	2018	2019	2020	2021	2022
$ 57,642,494	$ 61,547,600	$ 68,770,016	$ 72,813,330	$ 80,433,919	$ 84,873,103
538,191	838,461	2,770,330	2,197,147	1,305,933	1,674,000
17,174,010	17,856,126	18,202,110	16,918,525	8,336,406	16,450,029
93,888,892	96,910,458	101,283,833	107,226,242	108,577,224	111,439,713
4,239,619	4,329,494	4,609,793	5,924,132	14,093,576	15,439,120
173,483,206	181,482,139	195,636,082	205,079,376	212,747,058	229,875,965
4,307,817	4,380,862	4,785,410	5,067,908	5,083,452	5,483,945
4,856,373	4,807,590	5,445,961	6,694,187	5,096,001	5,935,170
64,754,485	68,352,055	76,186,117	81,936,301	83,152,766	84,858,958
2,782,707	2,953,500	3,043,470	3,272,414	3,670,138	3,796,628
17,738,153	18,658,389	20,099,837	21,779,719	22,445,977	22,174,862
9,841,449	15,992,693	16,158,133	19,718,543	18,149,211	18,826,900
13,117,743	13,098,157	14,067,489	15,049,233	15,855,236	17,625,696
18,089,426	17,692,885	14,265,340	14,028,350	25,477,618	20,344,916
566,951	281,446	541,321	539,743	420,778	895,025
6,173,350	6,403,380	6,737,168	6,657,150	5,601,859	8,086,232
8,912,116	10,298,600	11,073,210	11,322,610	9,602,128	11,107,228
26,537,306	18,646,356	40,253,946	47,880,501	9,634,742	5,195,897
11,554,610	5,789,891	6,547,836	7,992,578	9,337,680	13,954,352
6,023,460	6,081,787	7,937,194	8,371,309	8,761,139	6,546,015
195,255,946	193,437,591	227,142,432	250,310,546	222,288,725	224,831,824
(21,772,740)	(11,955,452)	(31,506,350)	(45,231,170)	(9,541,667)	5,044,141
21,653	–	–	–	–	–
–	–	–	6,251,000	–	–
–	–	–	–	–	210,326
–	66,895,000	–	7,455,000	8,340,000	132,865,000
–	–	–	17,000,000	–	–
–	3,406,305	–	1,690,099	951,055	4,923,285
767,400	6,172,455	537,500	1,824,796	1,350,145	2,251,230
–	–	–	–	(9,200,000)	(136,886,511)
13,006,244	6,779,299	2,042,900	8,667,013	4,611,885	–
(13,117,868)	(6,779,299)	(2,042,900)	(8,373,693)	(8,356,820)	(960,775)
677,429	76,473,760	537,500	34,514,215	(2,303,735)	2,402,555
$ (21,095,311)	$ 64,518,308	$ (30,968,850)	$ (10,716,955)	$ (11,845,402)	$ 7,446,696
9.7%	6.7%	7.6%	7.6%	8.6%	9.3%

Tax Capacities and Market Values
Last Ten Fiscal Years

Fiscal Year	Net Tax Capacity	Taxable Market Value	Percent Tax Capacity of Estimated Market Value
2013	$ 109,891,883	$ 9,821,945,763	1.1 %
2014	109,307,508	9,628,799,946	1.1
2015	111,197,389	9,846,198,999	1.1
2016	119,387,105	10,688,657,739	1.1
2017	127,889,211	11,410,014,227	1.1
2018	137,065,114	12,249,671,471	1.1
2019	146,188,244	13,028,383,691	1.1
2020	156,060,319	13,916,257,860	1.1
2021	166,478,303	14,839,903,276	1.1
2022	176,520,258	15,755,769,997	1.1

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

Source: Hennepin County Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

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

Fiscal Year	ISD No. 284	Corcoran	Maple Grove	Medicine Lake	Medina
2013	25.325%	39.617%	39.640%	36.548%	21.342%
2014	25.236%	46.111%	42.342%	40.691%	24.639%
2015	24.571%	49.743%	42.463%	37.508%	25.501%
2016	26.252%	45.311%	39.831%	34.127%	23.577%
2017	26.106%	45.691%	39.196%	40.413%	23.301%
2018	26.290%	45.994%	38.245%	35.525%	22.270%
2019	25.464%	45.357%	36.709%	45.247%	21.521%
2020	24.833%	45.160%	34.746%	42.765%	21.529%
2021	26.681%	45.013%	32.756%	48.696%	22.493%
2022	26.912%	43.522%	31.911%	46.388%	22.468%

County Auditor's Gross Spread Levies

Fiscal Year	ISD No. 284	Corcoran	Maple Grove	Medicine Lake	Medina
2013	$ 47,606,841	$ 142,834	$ 2,523,404	$ 380,891	$ 3,047,129
2014	48,622,654	97,245	2,577,001	340,359	2,965,982
2015	49,995,136	100,000	2,699,999	350,000	3,149,999
2016	55,954,344	167,872	3,189,576	391,702	3,749,151
2017	58,429,819	233,740	3,272,362	409,045	4,090,453
2018	68,605,225	304,340	3,226,004	426,076	4,199,892
2019	72,641,789	480,237	3,567,472	480,237	4,802,366
2020	79,769,816	797,649	3,828,717	558,355	5,344,251
2021	83,771,787	921,490	3,853,502	586,403	5,612,710
2022	85,835,162	1,201,692	4,034,253	515,011	6,008,461

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

Source: Hennepin County Taxpayer Services Division

Minnetonka	Orono	Plymouth	Wayzata	Hennepin County	Special Districts
35.595%	16.283%	28.716%	24.274%	48.231%	9.523%
37.567%	17.667%	29.309%	26.020%	49.461%	8.400%
38.194%	17.815%	30.114%	26.311%	49.959%	8.858%
37.089%	17.387%	28.374%	25.705%	46.398%	9.785%
35.674%	17.325%	27.330%	24.673%	45.356%	9.530%
36.378%	16.759%	26.482%	23.352%	44.087%	9.319%
35.710%	16.555%	26.344%	21.749%	42.808%	8.973%
34.676%	16.406%	25.920%	21.672%	41.861%	8.550%
36.574%	16.512%	25.796%	21.055%	41.084%	8.219%
35.556%	16.780%	26.119%	20.644%	38.535%	8.176%
$ 7,951,103	$ 571,337	$ 26,138,655	$ 6,856,041	$ 668,415,787	$ 116,862,928
8,168,606	534,849	26,839,705	7,098,907	670,175,143	132,283,063
8,399,998	550,000	27,499,994	7,249,998	681,253,275	127,112,287
9,177,027	615,532	30,832,572	7,834,047	695,586,226	129,960,888
9,641,782	584,350	32,022,403	8,180,906	726,763,726	135,429,950
9,556,277	608,680	33,903,780	8,643,257	759,408,857	142,541,391
10,771,020	686,052	37,870,083	9,947,758	788,559,712	147,240,760
11,964,741	717,884	45,226,722	11,326,622	829,555,042	154,800,273
12,565,768	753,946	47,749,919	11,728,050	868,958,906	156,344,726
12,703,604	772,516	48,754,372	11,845,252	899,375,132	162,053,155

INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Property Taxpayers
Current Year and Nine Years Ago

		2022			2013		
Taxpayer	Type of Property	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Ridgedale Center, LLC	Commercial	$ 1,724,970	1	0.98 %	$ 2,359,250	1	2.15 %
Medica Health Plans	Commercial	1,533,850	2	0.87	–	–	–
IRET Properties	Apartment	1,240,000	3	0.70	–	–	–
AX 601 Tower, LP	Commercial	1,222,310	4	0.69	–	–	–
WHQ, LLC	Commercial	1,184,770	5	0.67	–	–	–
Pembroke TCM Atria, LLC	Commercial	1,135,250	6	0.64	–	–	–
TFO REVA Wildamerica PPC, LLC	Commercial	1,126,550	7	0.64	–	–	–
RREEFAmerica Reit II Corp.	Apartment	991,613	8	0.56	542,500	5	0.49
CVIII Vicksburg Village, LLC	Apartment	878,713	9	0.50	–	–	–
GS Park Place LLC	Apartment	597,913	10	0.34	500,000	6	0.45
Carlson Real Estate Co., Inc.	Commercial	–	–	–	2,044,464	2	1.86
KBS II 601 Tower LLC	Commercial	–	–	–	887,462	3	0.81
Talcott III Atria, LLC	Commercial	–	–	–	812,646	4	0.74
TCA R E, LLC	Commercial	–	–	–	499,250	7	0.45
Plymouth Corp Center DE, LLC	Industrial	–	–	–	475,226	8	0.43
Wayzata Boatworks CSFB 2004	Commercial	–	–	–	387,250	9	0.35
Pinnacle/Vicksburg Village	Apartment	–	–	–	383,663	10	0.35
Total		$ 11,635,939		6.59 %	$ 8,891,711		8.09 %

Sources: Fiscal year 2022 information: obtained from the Official Statement associated with the District's General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A (prepared by Ehlers and Associates, Inc.)

Fiscal year 2013 information: Hennepin County Department of Property Tax and Public Records

INDEPENDENT SCHOOL DISTRICT NO. 284

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

For Taxes Collectible	Taxes Levied for the Fiscal Year: Operating Tax Levy	Taxes Levied for the Fiscal Year: Debt Tax Levy	Taxes Levied for the Fiscal Year: Total	First Year Levy Recognized: Amount	First Year Levy Recognized: Percentage of Levy	Collections Received in Subsequent Years
2013	$ 36,564,682	$ 11,042,159	$ 47,606,841	$ 47,324,720	99.4 %	$ 282,121
2014	37,383,176	11,239,478	48,622,654	48,401,803	99.5	220,851
2015	38,442,757	11,552,379	49,995,136	49,855,092	99.7	140,044
2016	40,225,448	15,728,896	55,954,344	55,775,065	99.7	110,359
2017	43,779,692	14,650,127	58,429,819	58,223,020	99.6	187,656
2018	56,479,703	12,125,522	68,605,225	68,580,763	100.0	(67,326)
2019	60,211,031	12,430,758	72,641,789	72,441,691	99.7	160,258
2020	65,159,083	14,610,733	79,769,816	79,555,962	99.7	139,566
2021	68,682,875	15,092,146	83,775,021	83,456,658	99.6	–
2022	69,309,760	16,528,296	85,838,056	43,400,000	50.6	–

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

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

Total to Date		Uncollected Taxes Receivable as of June 30, 2022			
		Delinquent		Current	
Amount	Percentage of Levy	Amount	Percent	Amount	Percent
$ 47,606,841	100.0 %	$ –	– %	$ –	– %
48,622,654	100.0	–	–	–	–
49,995,136	100.0	–	–	–	–
55,885,424	99.9	68,920	–	–	–
58,410,676	100.0	19,143	–	–	–
68,513,437	99.9	91,788	–	–	–
72,601,949	99.9	39,840	–	–	–
79,695,528	99.9	74,288	–	–	–
83,456,658	99.6	318,363	–	–	–
43,400,000	50.6	–	–	42,438,056	49.4
		$ 612,342		$ 42,438,056	

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities							
Fiscal Year	General Obligation Bonds	Premium (Discount) on Bonds	Certificates of Participation	Finance Purchase	Lease	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2013	$ 56,070,000	$ 2,095,615	$ 11,655,000	$ 918,096	$ –	$ 70,738,711	2.0 %	$ 1,169
2014	184,045,000	4,628,582	10,355,000	1,300,465	–	200,329,047	5.3	3,246
2015	174,070,000	4,359,617	9,220,000	1,182,787	–	188,832,404	4.9	2,982
2016	165,110,000	3,625,490	8,495,000	6,239,289	–	183,469,779	4.5	2,826
2017	156,210,000	3,120,929	7,755,000	5,092,079	–	172,178,008	N/A	2,588
2018	220,160,000	6,208,464	7,000,000	9,174,643	–	242,543,107	N/A	3,646
2019	215,880,000	5,790,352	6,225,000	8,219,307	–	236,114,659	N/A	3,421
2020	218,020,000	7,035,999	22,590,000	8,001,525	–	255,647,524	N/A	3,600
2021	210,715,000	7,229,090	21,460,000	7,588,990	–	246,993,080	N/A	3,383
2022	205,420,000	9,277,034	20,180,000	7,305,616	686,185	242,868,835	N/A	3,519

N/A – Not Available

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

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

INDEPENDENT SCHOOL DISTRICT NO. 284

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

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Net Tax Capacity	Percent of Net Debt to Net Tax Capacity	Estimated Population (1)	Net Bonded Debt per Capita
2013	$ 58,165,615	$ 1,948,293	$ 56,217,322	$ 109,891,883	51.16 %	60,517	$ 929
2014	188,673,582	4,904,822	183,768,760	109,307,508	168.12	61,717	2,978
2015	178,429,617	2,044,497	176,385,120	111,197,389	158.62	63,317	2,786
2016	168,735,490	2,618,143	166,117,347	119,387,105	139.14	64,917	2,559
2017	159,330,929	2,475,932	156,854,997	127,889,211	122.65	66,517	2,358
2018	226,368,464	2,606,958	223,761,506	137,065,114	163.25	66,517	3,364
2019	221,670,352	2,833,280	218,837,072	146,188,244	149.70	69,017	3,171
2020	225,055,999	2,683,374	222,372,625	156,060,319	142.49	71,017	3,131
2021	217,944,090	2,799,411	215,144,679	166,478,303	129.23	73,017	2,947
2022	214,697,034	3,079,092	211,617,942	176,520,258	119.88	73,197	2,891

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Direct and Overlapping Debt
as of June 30, 2022

Governmental Unit	Tax Collection Calendar Year – 2022 Taxable Net Tax Capacity	Bonded Debt (1)	Debt Applicable to Tax Capacity in ISD No. 284 (2) Percent	Amount
Direct debt				
Independent School District No. 284	$ 174,057,035	$ 205,420,000	100.00 %	$ 205,420,000
Overlapping debt				
Hennepin County	2,345,582,443	1,498,390,000	7.81	117,024,259
Cities				
Corcoran	13,223,762	11,205,000	18.13	2,031,581
Maple Grove	125,598,411	94,265,000	6.50	6,126,130
Medina	22,084,084	8,140,000	55.34	4,504,726
Minnetonka	121,945,532	53,100,000	21.18	11,244,978
Orono	41,394,949	19,110,000	3.87	740,287
Plymouth	160,256,678	63,770,000	61.60	39,279,335
Wayzata	24,503,833	19,430,000	97.98	19,037,794
Other				
Metropolitan Council	1,241,594,000	1,372,710,000	3.61	49,608,367
Three Rivers Park District	1,563,968,000	58,475,000	11.29	6,599,898
Total overlapping debt				256,197,355
Total direct and overlapping debt				$ 461,617,355

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

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

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

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Debt limit	$ 1,468,885,209	$ 1,470,794,289	$ 1,504,001,884	$ 1,603,298,661
Total net debt applicable to the limit	52,253,450	174,368,930	170,174,267	166,117,347
Legal debt margin	$ 1,416,631,759	$ 1,296,425,359	$ 1,333,827,617	$ 1,437,181,314
Total net debt applicable to the limit as a percentage of debt limit	3.56%	11.86%	11.31%	10.36%

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

Source: State of Minnesota School Tax Report

2017	2018	2019	2020	2021	2022
$ 1,711,502,134	$ 1,837,450,721	$ 1,954,257,554	$ 2,087,438,679	$ 2,225,985,491	$ 2,363,365,500
156,854,997	223,761,506	218,837,072	222,372,625	215,144,679	211,617,942
$ 1,554,647,137	$ 1,613,689,215	$ 1,735,420,482	$ 1,865,066,054	$ 2,010,840,812	$ 2,151,747,558
9.16%	12.18%	11.20%	10.65%	9.67%	8.95%

Legal Debt Margin Calculation for Fiscal Year 2022

Market value	$15,755,769,997
Debt limit (15% of market value)	2,363,365,500
Debt applicable to the limit	
General obligation bonds	214,697,034
Less amount set aside for repayment of general obligation debt	(3,079,092)
Total net debt applicable to the limit	211,617,942
Legal debt margin	$ 2,151,747,558

INDEPENDENT SCHOOL DISTRICT NO. 284

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2013	60,517	$ 3,621,095,212	$ 59,836	10,657	5.1 %
2014	61,717	3,754,121,676	60,828	10,708	4.5
2015	63,317	3,893,488,964	61,492	10,747	3.7
2016	64,917	4,103,857,989	63,217	10,858	3.7
2017	66,517	N/A	N/A	11,330	3.5
2018	66,517	N/A	N/A	11,642	2.8
2019	69,017	N/A	N/A	11,912	3.2
2020	71,017	N/A	N/A	12,134	9.8
2021	73,017	N/A	N/A	11,910	4.7
2022	73,197	N/A	N/A	11,842	2.2

N/A – Not Available

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

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

Enrollment information from district records.

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Employers
Current Year and Nine Years Ago

	Fiscal Year			
	2022		2013	
Employer	Employees	Rank	Employees	Rank
Carlson Companies	4,500	1	4,500	2
Independent School District No. 284	1,587	2	1,488	4
Medica Health	1,300	3	–	–
Aimia	1,000	4	–	–
Huntington Bank	1,000	4	325	10
Sioux Falls Leased Housing	1,000	4	420	8
Abbott Laboratories	800	7	–	–
US Foods	500	8	–	–
CWT	400	9	–	–
Wagner Spray Tech Corp.	400	9	–	–
Cargill, Inc.	–	–	6,500	1
United Health Group	–	–	2,180	3
Polaris	–	–	1,000	5
Independent School District No. 276	–	–	550	6
TCF National Bank	–	–	450	7
Uniprise, Inc.	–	–	380	9
New Horizon Enterprises, Inc.	–			
Nilfisk-Advance, Inc.	–			
Total	12,487		17,793	
Demographic and Economic Statistics)	73,197		60,517	
Percent of principal employers to total ISD No. 284 population	17.1%		29.4%	

Sources: Fiscal year 2013 information from the District's 2013 ACFR

Fiscal year 2022 information was obtained from the Official Statement associated with the District's General Obligation School Building and Alternative Facilities Refunding Bonds, Series 2021A (prepared by Ehlers and Associates, Inc.)

INDEPENDENT SCHOOL DISTRICT NO. 284

Employees by Classification
Last Ten Fiscal Years

Employees	Fiscal Year 2013	2014	2015	2016
Administration				
Principals	11.0	11.0	12.0	12.0
Associate principals	8.0	8.0	8.0	6.0
Unaffiliated	37.2	35.4	37.2	36.1
Total administration	56.2	54.4	57.2	54.1
Instructional administrators				
High school classroom teachers	153.4	154.3	157.5	153.0
Middle school classroom teachers	132.5	132.3	134.6	131.7
Elementary classroom teachers	191.0	183.0	213.0	203.0
High school – area learning center	8.7	8.0	8.0	6.3
Middle school – area learning center	2.0	2.0	2.0	1.5
Community education – extended day kindergarten	8.0	16.0	N/A	N/A
Community education – early childhood family education	3.7	4.2	3.8	5.5
Special services	80.6	77.1	77.0	66.0
Elementary specialists and intervention	63.3	66.4	65.6	64.7
Total instructional administrators	643.2	643.3	661.5	631.7
Student services				
Curriculum and instruction – resource, peer, alt comp	20.5	20.0	20.0	21.0
Media centers – elementary	7.1	7.0	7.0	7.0
High school – professional development	0.3	0.3	0.3	0.3
High school – counselors, media, Vision 21, intervention	13.0	13.0	13.0	17.0
Middle schools – counselors, media, Vision 21, intervention	15.5	15.0	14.0	15.5
Technology	3.0	3.0	3.0	3.0
Special services – social workers, psychologists, nurses, etc.	44.9	45.4	46.2	59.2
Total student services	104.3	103.7	103.5	123.0
Support services				
Clerical/secretarial/administrative professional	48.0	48.0	49.9	50.9
Custodial	73.0	73.0	73.0	75.0
Food service	43.8	43.8	44.9	46.2
Paraprofessionals	254.2	254.2	244.6	246.9
Unaffiliated specialists	20.8	22.5	22.8	22.8
Unaffiliated support staff	5.0	5.0	4.0	4.0
Total support services	444.8	446.5	439.2	445.8
District-wide totals	1,248.5	1,247.9	1,261.4	1,254.6

N/A – Not Available

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

Source: The District's Human Resources Department

2017	2018	2019	2020	2021	2022
12.0	12.0	13.0	13.0	13.0	13.0
6.0	6.0	7.0	7.0	8.0	8.0
38.2	39.1	43.1	43.1	45.0	44.0
56.2	57.1	63.1	63.1	66.0	65.0
155.7	155.4	157.8	162.3	163.3	161.2
133.4	137.2	139.5	139.7	149.6	151.6
219.0	230.0	241.0	250.0	248.5	239.2
7.7	6.7	6.7	6.7	7.0	6.3
1.5	1.0	3.0	3.3	1.5	0.8
N/A	N/A	N/A	N/A	N/A	N/A
3.5	3.5	3.5	3.7	4.2	4.2
68.6	96.6	92.3	88.6	103.3	105.9
72.2	82.7	87.9	93.9	102.7	93.4
661.5	713.1	731.7	748.3	780.1	762.6
15.5	16.5	23.0	25.0	21.3	17.2
8.0	7.9	8.0	9.0	9.0	9.0
0.3	0.3	0.3	–	–	–
18.7	18.5	20.4	23.0	23.0	19.0
18.2	19.3	20.0	19.4	19.8	20.3
3.0	3.0	3.0	3.0	3.0	3.0
54.9	38.3	58.6	58.9	62.9	62.3
118.6	103.8	133.3	138.3	139.0	130.8
50.9	49.9	47.9	45.7	44.7	44.6
83.5	85.5	86.0	88.2	89.2	88.7
48.8	49.4	57.0	55.0	50.2	56.6
238.6	239.7	228.2	243.7	208.2	209.2
20.9	21.9	20.5	29.1	26.0	14.0
4.8	5.7	6.7	10.4	15.0	8.0
447.5	452.1	446.3	472.1	433.3	421.1
1,283.8	1,326.1	1,374.4	1,421.8	1,418.4	1,379.5

INDEPENDENT SCHOOL DISTRICT NO. 284

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
2013	10,657	$124,740,958	$ 11,705	1.3 %	477	22.3	14.6 %
2014	10,708	132,892,192	12,411	6.0	470	22.8	12.9
2015	10,747	133,929,448	12,462	0.4	505	21.3	13.0
2016	10,858	136,420,224	12,564	0.8	488	22.3	13.9
2017	11,330	143,803,361	12,692	1.0	508	22.3	14.0
2018	11,642	154,352,148	13,258	4.5	523	22.3	12.0
2019	11,912	167,080,676	14,026	5.8	538	22.1	12.0
2020	12,134	178,135,010	14,681	4.7	552	22.0	11.5
2021	11,910	179,341,831	15,058	2.6	561	21.2	10.3
2022	11,842	189,955,086	16,041	6.5	552	21.5	9.6

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

Source: Nonfinancial information from district records

Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Elementary schools										
Birchview (1969)										
Square feet	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720
Capacity	592	592	592	592	550	550	550	550	550	550
Enrollment	653	647	622	586	481	499	474	447	415	395
Gleason Lake (1988)										
Square feet	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710
Capacity	690	690	690	690	690	690	690	690	690	690
Enrollment	655	663	636	622	571	568	586	634	602	573
Greenwood (1964)										
Square feet	72,007	88,016	88,016	88,016	88,016	88,016	88,016	88,016	88,016	88,016
Capacity	690	820	820	820	780	780	780	780	780	780
Enrollment	726	821	863	856	747	794	813	775	722	779
Kimberly Lane (1991)										
Square feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Capacity	690	690	690	690	710	710	710	710	710	710
Enrollment	717	744	764	718	649	760	778	628	571	571
Meadow Ridge (2016)										
Square feet	–	–	–	–	85,208	102,508	102,508	102,508	102,508	102,508
Capacity	–	–	–	–	710	828	828	828	828	828
Enrollment	–	–	–	–	758	853	869	768	769	783
North Woods (2020)										
Square feet	–	–	–	–	–	–	–	104,611	104,611	104,611
Capacity	–	–	–	–	–	–	–	760	760	760
Enrollment	–	–	–	–	–	–	–	569	601	691
Oakwood (1957)										
Square feet	85,490	95,476	95,476	95,476	95,476	95,476	95,476	95,476	139,570	139,570
Capacity	475	690	690	690	640	640	640	640	640	640
Enrollment	504	527	576	675	475	515	562	494	458	424
Plymouth Creek (1988)										
Square feet	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000
Capacity	690	690	690	690	710	710	710	710	710	710
Enrollment	866	746	747	762	669	690	714	675	629	603
Sunset Hill (1963)										
Square feet	64,983	73,598	73,598	73,598	73,598	73,598	73,598	73,598	73,598	73,598
Capacity	592	690	690	690	660	660	660	660	660	660
Enrollment	563	560	581	596	664	681	681	682	621	635
Middle schools										
East (1967)										
Square feet	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111
Capacity	800	800	800	800	850	850	850	850	850	850
Enrollment	821	772	771	743	780	733	747	690	677	648
West (1949)										
Square feet	167,000	167,000	167,000	167,525	167,525	167,525	167,525	167,525	167,525	167,525
Capacity	900	900	900	900	850	850	850	850	850	850
Enrollment	744	736	745	772	791	771	758	748	723	684
Central (1961)										
Square feet	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568
Capacity (1)	1,700	1,700	1,700	1,700	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,034	1,066	1,036	1,118	1,209	1,268	1,320	1,316	1,401	1,412
High school										
Peony (1997)										
Square feet	487,432	487,432	487,432	487,432	656,432	656,432	656,432	656,432	656,432	656,432
Capacity	3,200	3,200	3,200	3,200	3,900	3,900	3,900	3,900	3,900	3,900
Enrollment	3,265	3,257	3,305	3,334	3,410	3,453	3,558	3,669	3,685	3,685
Transition School (2020)										
Square feet	–	–	–	–	–	–	–	4,000	4,000	4,000
Capacity	–	–	–	–	–	–	–	30	30	30
Enrollment	–	–	–	–	–	–	–	15	30	30

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

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

INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA, MINNESOTA

Special Purpose Audit Reports

Year Ended
June 30, 2022

INDEPENDENT SCHOOL DISTRICT NO. 284

Special Purpose Audit Reports
Year Ended June 30, 2022

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INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures			Passed Through to Subrecipients
U.S. Department of Agriculture					
Passed through Minnesota Department of Education					
Child nutrition cluster					
National School Lunch Program	10.555	$ 529,087			
COVID-19 – National School Lunch Program	10.555	6,273,375			
Total ALN 10.555			$ 6,802,462		
COVID-19 – School Breakfast Program	10.553		889,401		
Summer Food Service Program for Children	10.559		491,660		
Total child nutrition cluster				$ 8,183,523	
COVID-19 – Pandemic EBT Administrative Costs	10.649			12,084	
U.S. Department of the Treasury					
Passed through Minnesota Department of Education					
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027			37,507	
Federal Communications Commission					
Direct					
COVID-19 – Emergency Connectivity Fund Program	32.009			36,000	
U.S. Department of Education					
Passed through Minnesota Department of Education					
Title I Grants to Local educational Agencies	84.010			322,391	
Special education cluster					
Special Education Grants to States	84.027	1,997,774			
COVID-19 – Special Education – Grant to States	84.027	173,043			
Total ALN 84.027			2,170,817		
Special Education Preschool Grants	84.173		62,092		
Total special education cluster				2,232,909	
Career and Technical Education – Basic Grants to States	84.048			667,332	$ 331,480
Special Education – Grants for Infants and Families	84.181			37,457	
English Language Acquisition State Grants	84.365			62,008	
Supporting Effective Instruction State Grants	84.367			168,917	
Student Support and Academic Enrichment Program	84.424			26,645	
Education Stabilization Fund					
COVID-19 – Governor's Emergency Education Relief (GEER) Fund	84.425C		150,201		
COVID-19 – Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D		261,592		
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U		2,133,091		
Total ALN 84.425				2,544,884	
U.S. Department of Health and Human Services					
Direct					
Drug-Free Communities Support Program Grants	93.276			160,275	
Passed through Minnesota Department of Education					
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323			648,469	
Passed through Minnesota Department of Human Services					
Child Care and Development Fund Cluster					
COVID-19 – Child Care and Development Block Grant	93.575			346,786	
Total federal awards				$15,487,187	

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: All pass-through entities listed above use the same federal Assistance Listing Number (ALN) as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.

Note 4: The District had $329,635 of noncash assistance included in the National School Lunch Program, federal ALN 10.555.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN

ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

(continued)

REPORT ON COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

Minneapolis, Minnesota
INSERT DATE

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

OPINION ON EACH MAJOR FEDERAL PROGRAM

We have audited Independent School District No. 284's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2022.

BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance requirements referred to above.

(continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to on the previous page and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to on the previous page is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

(continued)

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section on the previous page and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below. However, as discussed below, we did identify one deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

(continued)

REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise District's basic financial statements. We issued our report thereon dated INSERT DATE, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Minneapolis, Minnesota
INSERT DATE

INDEPENDENT AUDITOR'S REPORT

ON MINNESOTA LEGAL COMPLIANCE

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota
INSERT DATE

INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

Financial Statements

What type of auditor's report is issued?

What type of auditor's report is issued?	X	Unmodified
	___	Qualified
	___	Adverse
	___	Disclaimer

Internal control over financial reporting:

Material weakness(es) identified?	___ Yes	X No
Significant deficiency(ies) identified?	___ Yes	X None reported
Noncompliance material to the financial statements noted?	___ Yes	X No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified?	___ Yes	X No
Significant deficiency(ies) identified?	X Yes	___ None reported

Type of auditor's report issued on compliance for major programs?

U.S. Department of Education – Special Education Cluster	Unmodified
U.S. Department of Education – COVID-19 – Education Stabilization Fund	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X Yes	___ No

Programs tested as major programs:

Program or Cluster(s)	Federal ALN
U.S. Department of Education special education cluster consisting of:	
– Special Education Grant to States	84.027
– COVID-19 – Special Education Grant to States	84.027
– Special Education Preschool Grants	84.173
U.S. Department of Education – COVID-19 – Education Stabilization Fund	84.425

Threshold for distinguishing type A and B programs.	$ 750,000	
Does the auditee qualify as a low-risk auditee?	X Yes	___ No

B. FINANCIAL STATEMENT FINDINGS

None.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF EDUCATION, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, SPECIAL EDUCATION CLUSTER – FEDERAL ALN 84.027 AND 84.173

2022-001 Internal Control Over Compliance With Federal Suspension and Debarment Requirements

Criteria – 2 CFR § 180 requires Independent School District No. 284 (the District) to establish and maintain effective internal control over compliance with requirements applicable to federal program expenditures, including suspension and debarment requirements applicable to the special education cluster federal program.

Condition – During our audit, we noted the District did not have sufficient controls in place within its special education cluster federal program to assure that it was not contracting for goods or services with parties that are suspended or debarred, or whose principals are suspended or debarred from participating in contracts involving the expenditures of federal program funds.

Questioned Costs – None. Our testing did not indicate any instances of noncompliance with these requirements.

Context – The District did not obtain the appropriate documentation for one of one vendor tested to ensure the vendor was not suspended or debarred from participation in federal program contracts.

Repeat Finding – This is a current year finding.

Cause – This was an oversight by district personnel.

Effect – Noncompliance with the suspension and debarment requirements could result in the District expending federal funds with vendors that are not eligible to be parties to such transactions, which could be viewed as a violation of the award agreement.

Recommendation – We recommend that the District review its internal control procedures relating to suspension and debarment for the special education cluster federal program. Internal controls over compliance for this area should include verification that any vendor with which the District contracts for goods or services exceeding $25,000 is not listed as suspended or debarred on the federal Excluded Parties List System website.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF EDUCATION, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, SPECIAL EDUCATION CLUSTER – FEDERAL ALN 84.027 AND 84.173 (CONTINUED)

2022-001 Internal Control Over Compliance With Federal Suspension and Debarment Requirements (continued)

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. The District will review and update its policies and procedures relating to suspension and debarment for its federal programs to ensure compliance with the Uniform Guidance in the future. The District has separately issued a Corrective Action Plan related to this finding.

D. MINNESOTA LEGAL COMPLIANCE FINDINGS

None.

INDEPENDENT AUDITOR'S REPORT ON UNIFORM FINANCIAL

ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated INSERT DATE.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education (MDE), and is not a required part of the basic financial statements of the District. The UFARS Compliance Table is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the UFARS Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(continued)

The purpose of this report on the UFARS Compliance Table required by the MDE, is solely to describe the scope of our testing of the UFARS Compliance Table and the results of that testing based on our audit. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota
INSERT DATE

INDEPENDENT SCHOOL DISTRICT NO. 284

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2022

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		$ 191,388,758	$ 191,388,758	$ –
Total expenditures		$ 184,673,419	$ 184,673,418	$ 1
Nonspendable				
460	Nonspendable fund balance	$ 155,695	$ 155,695	$ –
Restricted				
401	Student activities	$ –	$ –	$ –
402	Scholarships	$ 255,463	$ 255,463	$ –
403	Staff development	$ –	$ –	$ –
406	Health and safety	$ –	$ –	$ –
407	Capital projects levy	$ 3,430,756	$ 3,430,756	$ –
408	Cooperative revenue	$ –	$ –	$ –
413	Projects funded by COP	$ –	$ –	$ –
414	Operating debt	$ –	$ –	$ –
416	Levy reduction	$ –	$ –	$ –
417	Taconite building maintenance	$ –	$ –	$ –
423	Certain teacher programs	$ –	$ –	$ –
424	Operating capital	$ 1,303,620	$ 1,303,620	$ –
426	$25 taconite	$ –	$ –	$ –
427	Disabled accessibility	$ –	$ –	$ –
428	Learning and development	$ –	$ –	$ –
434	Area learning center	$ –	$ –	$ –
435	Contracted alternative programs	$ –	$ –	$ –
436	State approved alternative program	$ –	$ –	$ –
438	Gifted and talented	$ –	$ –	$ –
440	Teacher development and evaluation	$ –	$ –	$ –
441	Basic skills programs	$ –	$ –	$ –
448	Achievement and integration	$ –	$ –	$ –
449	Safe schools levy	$ –	$ –	$ –
450	Pre-kindergarten	$ –	$ –	$ –
451	QZAB payments	$ –	$ –	$ –
452	OPEB liability not in trust	$ –	$ –	$ –
453	Unfunded severance and retirement levy	$ –	$ –	$ –
459	Basic skills extended time	$ –	$ –	$ –
467	Long-term facilities maintenance	$ 3,415,754	$ 3,415,754	$ –
472	Medical Assistance	$ 107,785	$ 107,785	$ –
473	PPP loans	$ –	$ –	$ –
474	EIDL loans	$ –	$ –	$ –
464	Restricted fund balance	$ –	$ –	$ –
475	Title VII – Impact Aid	$ –	$ –	$ –
476	PILT	$ –	$ –	$ –
Committed				
418	Committed for separation	$ –	$ –	$ –
461	Committed fund balance	$ –	$ –	$ –
Assigned				
462	Assigned fund balance	$ 11,348,017	$ 11,348,017	$ –
Unassigned				
422	Unassigned fund balance	$ 15,056,047	$ 15,056,047	$ –
Food Service				
Total revenue		$ 9,596,362	$ 9,596,362	$ –
Total expenditures		$ 8,097,957	$ 8,097,957	$ –
Nonspendable				
460	Nonspendable fund balance	$ 50,925	$ 50,925	$ –
Restricted				
452	OPEB liability not in trust	$ –	$ –	$ –
464	Restricted fund balance	$ 1,252,174	$ 1,252,175	$ (1)
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –
Community Service				
Total revenue		$ 13,082,017	$ 13,082,017	$ –
Total expenditures		$ 11,135,104	$ 11,135,104	$ –
Nonspendable				
460	Nonspendable fund balance	$ 3,455	$ 3,455	$ –
Restricted				
426	$25 taconite	$ –	$ –	$ –
431	Community education	$ 816,161	$ 816,161	$ –
432	ECFE	$ 37,367	$ 37,367	$ –
440	Teacher development and evaluation	$ –	$ –	$ –
444	School readiness	$ 165,624	$ 165,624	$ –
447	Adult basic education	$ –	$ –	$ –
452	OPEB liability not in trust	$ –	$ –	$ –
473	PPP loans	$ –	$ –	$ –
474	EIDL loans	$ –	$ –	$ –
464	Restricted fund balance	$ 80,510	$ 80,510	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2022

	Audit	UFARS	Audit – UFARS
Building Construction			
Total revenue	$ 661,873	$ 661,873	$ –
Total expenditures	$ 5,156,296	$ 5,156,294	$ 2
Nonspendable			
460 Nonspendable fund balance	$ –	$ –	$ –
Restricted			
407 Capital projects levy	$ –	$ –	$ –
413 Projects funded by COP	$ –	$ –	$ –
467 Long-term facilities maintenance	$ –	$ –	$ –
464 Restricted fund balance	$ 9,432,482	$ 9,432,482	$ –
Unassigned			
463 Unassigned fund balance	$ –	$ –	$ –
Debt Service			
Total revenue	$ 15,146,955	$ 15,146,954	$ 1
Total expenditures	$ 15,769,048	$ 15,769,048	$ –
Nonspendable			
460 Nonspendable fund balance	$ –	$ –	$ –
Restricted			
425 Bond refundings	$ –	$ –	$ –
433 Maximum effort loan	$ –	$ –	$ –
451 QZAB payments	$ –	$ –	$ –
467 Long-term facilities maintenance	$ –	$ –	$ –
464 Restricted fund balance	$ 3,079,092	$ 3,079,092	$ –
Unassigned			
463 Unassigned fund balance	$ –	$ –	$ –
Trust			
Total revenue	$ –	$ –	$ –
Total expenditures	$ –	$ –	$ –
401 Student activities	$ –	$ –	$ –
402 Scholarships	$ –	$ –	$ –
422 Net position	$ –	$ –	$ –
Custodial Fund			
Total revenue	$ –	$ –	$ –
Total expenditures	$ –	$ –	$ –
401 Student activities	$ –	$ –	$ –
402 Scholarships	$ –	$ –	$ –
448 Achievement and integration	$ –	$ –	$ –
464 Restricted fund balance	$ –	$ –	$ –
Internal Service			
Total revenue	$ 21,080,668	$ 21,080,668	$ –
Total expenditures	$ 23,247,863	$ 23,247,865	$ (2)
422 Net position	$ 1,213,911	$ 1,213,911	$ –
OPEB Revocable Trust Fund			
Total revenue	$ –	$ –	$ –
Total expenditures	$ –	$ –	$ –
422 Net position	$ –	$ –	$ –
OPEB Irrevocable Trust Fund			
Total revenue	$ (5,118,879)	$ (5,118,879)	$ –
Total expenditures	$ 1,626,875	$ 1,626,875	$ –
422 Net position	$ 33,059,992	$ 33,059,992	$ –
OPEB Debt Service Fund			
Total revenue	$ –	$ –	$ –
Total expenditures	$ –	$ –	$ –
Nonspendable			
460 Nonspendable fund balance	$ –	$ –	$ –
Restricted			
425 Bond refundings	$ –	$ –	$ –
464 Restricted fund balance	$ –	$ –	$ –
Unassigned			
463 Unassigned fund balance	$ –	$ –	$ –

Note: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

WAYZATA PUBLIC SCHOOLS

District Administrative Offices
210 County Road 101 North, P.O. Box 660 | Wayzata, MN 55391-0660
763-745-5000 | Fax: 763-745-5091 | www.wayzataschools.org

Corrective Action Plans and
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022

A. FINANCIAL STATEMENT FINDINGS

None.

B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF EDUCATION, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION – SPECIAL EDUCATION CLUSTER – FEDERAL ALN 84.027 AND 84.173

2022-001 Internal Control Over Compliance With Federal Suspension and Debarment Requirements

Finding Summary

2 CFR § 180 requires Independent School District No. 284 (the District) to establish and maintain effective internal control over compliance with requirements applicable to federal program expenditures, including suspension and debarment requirements applicable to the special education cluster federal program. The District did not have sufficient controls in place within its special education cluster federal program to assure that it was not contracting for goods or services with parties that are suspended or debarred, or whose principals are suspended or debarred from participating in contracts involving the expenditures of federal program funds.

Corrective Action Plan

Actions Planned – The District will review policies and procedures relating to suspension and debarment for its federal programs and will ensure that all parties with which it contracts for goods or services are eligible to participate in contracts involving the expenditures of federal program funding.

Official Responsible – The District's Controller, Jill Schwint.

Planned Completion Date – June 30, 2023

Disagreement With or Explanation of Finding – The District agrees with this finding.

B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF EDUCATION, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION – SPECIAL EDUCATION CLUSTER – FEDERAL ALN 84.027 AND 84.173 (CONTINUED)

2022-001 Internal Control Over Compliance With Federal Suspension and Debarment Requirements (continued)

Corrective Action Plan (continued)

Plan to Monitor – The District's Controller, Jill Schwint, will ensure appropriate controls are in place to verify that any vendor with which the District contracts for federal program goods or services exceeding $25,000 is not listed as suspended or debarred on the federal Excluded Parties List System website.

C. MINNESOTA LEGAL COMPLIANCE FINDINGS

None.

D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No audit findings were reported for the year ended June 30, 2021.

Sue Strom

susan.strom@wayzataschools.org

*34 year veteran elementary teacher

*Adjunct lecturer **University St. Thomas** mathematics & also equity
*Coaching certificate National Urban Alliance

*11 years achievement interventionist at
Gleason Lake Elementary

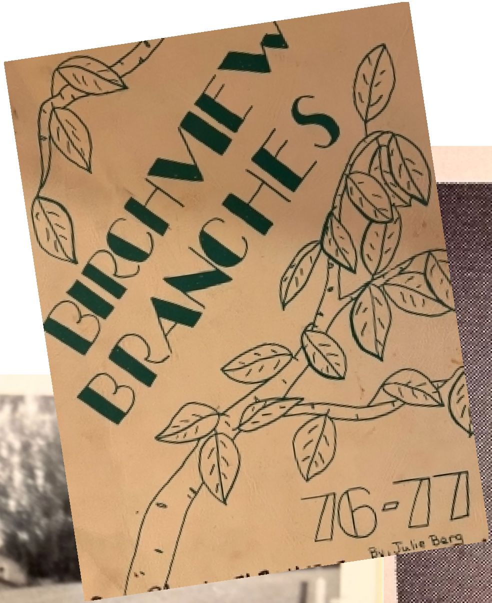
WAYZATA PUBLIC SCHOOLS

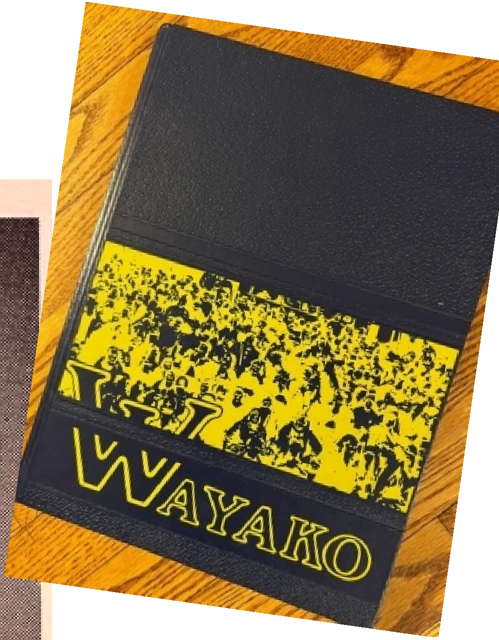
Dedicated to

Beth VanOrsow and **Dr. Lucy Payne**

-partners in 21st Century
whole child sabbatical work

I live in the house I grew up in in Wayzata.





Proud Wayzata Grad Class of '83

Lived Elsewhere

10 years teaching

I've been reading and researching for 24 years.

"It's not the achievement gap. It's THE GAPS:

Access, Opportunity, *Expectations*, Economics = ***Achievement***

"What can we do?" "Start after school clubs!"

-Dr. Michael Rodriguez

Interfaith Outreach™

Igniting the power of community

UNIVERSITY OF MINNESOTA

Driven to Discover®

School day is key.

BUT ALL THE LEARNING DOESN'T FIT.

WAYZATA PUBLIC SCHOOLS

The WPS mission to reach

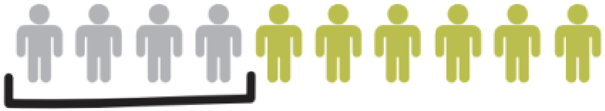
EACH AND EVERY STUDENT

Ignite Afterschool

National AfterSchool Association

AFTERSCHOOL ACCESS SNAPSHOT: Greater Twin Cities

Over 1 in 3 youth are not regularly engaged in afterschool



Almost 4 in 10 youth are not connected to a caring adult (39% of youth)

We started extended learning opportunities on a modest scale:

*Family Math Night

*Fishing & Fractions

*Graft's Grill

*Buddy Reading

*Gingerb us

WAYZATA PUBLIC SCHOOLS

Interfaith Outreach.
Igniting the power of community

GREAT Expectations

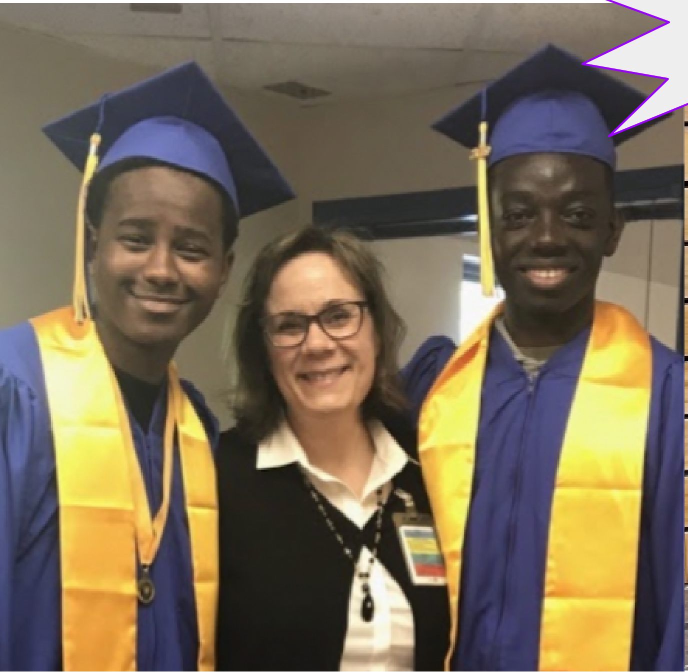
We've had successes:

Touring Musician

MINNESOTA STATE UNIVERSITY MANKATO

UNIVERSITY OF St.Thomas

MINNESOTA STATE UNIVERSITY MANKATO



But…where in the world are the…

RESEARCH PROVEN,
LONG STANDING,
AND GROWING

SUSTAINABILITY?
SCALABILITY?

EXTENDED LEARNING PROGRAMS?

During sabbatical, I traveled and listened to leaders.

The Programs I Visited Had 5 Similarities

1. **Leaders who developed the program, stayed with the program**

2. **Based on student self identified strengths and *shared* academic *data***

   Holistic Student Assessment Thrively Boston College Assessment

3. **Grew their own pipeline of "teachers" (staff)**

4. **Matched academics to classroom instruction.**

5. **Outreach, not inreach focused.**

   (Went out & didn't wait for families to come in with questions)

CHALLENGES FACED BY MANY PROGRAMS:

1. Start up funding. But once data proved success, funding came.

2. Creating "one stop shop" for data on individual children.
   (Sharing that data with those that need to know.)

3. Communications between school, families & partners.

We need long term

TRANSFORMATIVE RELATIONSHIPS

between teachers, students, parents and community.

trekkers

6 YEARS. 360° OF SUPPORT.

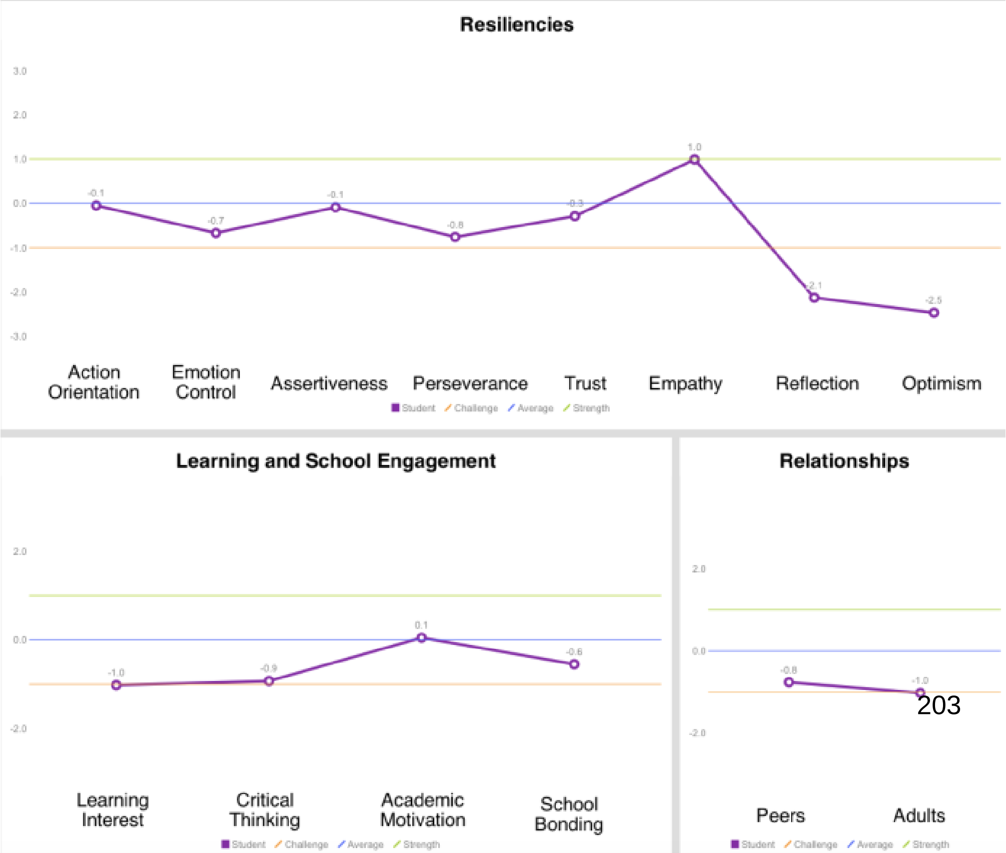
aspirations incubator

"Experiential learning transforms the mentor AND the mentee!"

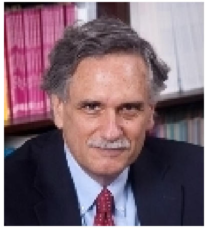
Don Carpenter, Founder Trekkers in *Maine*

Current Executive Director Lerner Foundation in Maine

The Clover Model Of Youth Development



Dr. Gil Noam
Founder
PEAR in
Cambridge, MA



Dr. Robert Slaven's Work at Johns Hopkins, Baltimore

Former Director, Center for Research and Reform in Education

Proven Tutoring

When student success can't be left to chance.

Success for All FOUNDATION

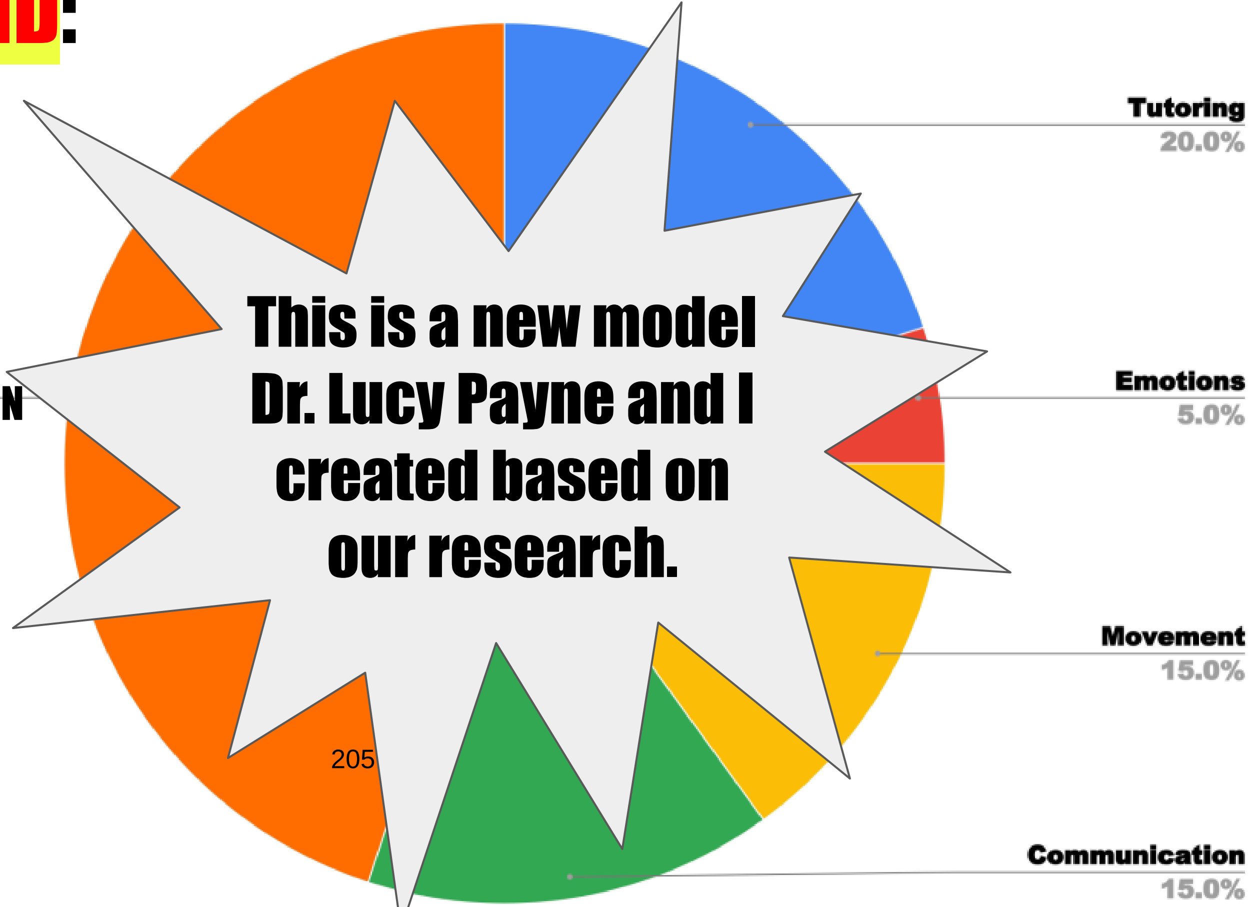
JOHNS HOPKINS UNIVERSITY

Proven programs provide the greatest promise of impact.

OUR I2 WEEK TWICE A WEEK MODEL WAS A BALANCED BLEND:

5 Components

20% TUTORING
5% ATTENDING TO EMOTIONS
15% MOVEMENT
45% ENRICHMENT
15% COMMUNICATION/REFLECTION



"Whole Child"

AFTER SCHOOL CLUB

FIELD TEST

*12 weeks

*24 students (3rd, 4th 5th grades)

*48 hours of programming

Invaluable partnerships

Daily Schedule

3:00-3:25 Individual/Small Group Math
3:25-3:30 Attending to Emotions
3:30-3:50 Collaborative Movement/Games
3:50-4:10 Large Group S.T.E.M. Instruction
4:10-4:40 Team Challenges (iterative & builds from Tues. to Wed.)
4:40-4:45 Team Reflections/Self Evaluation
4:45-4:55 Tuesday = Cross Team Verbal Reflections
Wednesday = Individual Written Reflections


QUALITY
EXTENDED
LEARNING

NEARLY COST NEUTRAL

MAIN FUNDING

1. **Targeted Services Paid**
   teacher -$2,552.26 **&** **teacher** -$174.35

additional revenue = +1,665.39 this after school club
generated = +1,519.56 before school GLK TS
T.S. TOTAL = **+3,184.95**

1. **ESSER FUNDS = bus home** -$4,800

U of M Donor also provided= **+$10,000**

for supply materials, training, wages, their transportation

PIPELINE TO FUTURE EDUCATION LEADERSHIP VIA ACADEMIC MENTORS

Emily Haugh, Tyler Shepherd, Stephanie Ebert & Brenda Badger are supporters.

WAYZATA HIGH SCHOOL

4TH BLOCK CLASS NEXT YEAR?

Emily Haugh

Tyler Shepherd

WHAT'S NEEDED?

For 10-20% at each school sites

1. **Consistent Targeted Services leadership.**
   Continue to scale up After School Clubs like this new model pilot.
2. **Broaden use of a tool to see the 360 view of the each individual child.**
   Holistic Student Pre/Post Assessment Thrively
3. **Grow our own pipeline of future "teachers".**
   Start a 4th Block Academic Mentors at WHS.
4. **Time to develop personalized math**
   activities that match classroom instruction.
5. **Plug partnerships into enrichment.**
   Train and plug in STEM, art, nature & sports enrichment attached to the day.)

School day is key.

BUT ALL THE LEARNING DOESN'T FIT.

WAYZATA PUBLIC SCHOOLS

After School Club improves the student experience.

“COVID has deepened the disparities in a way that our system is not responding quick enough and well enough to. We are seeing families fighting systems that were supposed to support them.”

COMMUNITY PARTNER

What is new? At two elementary schools, our list of
high risk students are now almost *only* low income kids.
Fewer lower income kids are in the "on target" category. (Almost none.)

2021-2022.FAS T.aMath.Fall District Percentile	2021-2022.FAS T.aMath.Fall Fall aMath Numeric Risk Level	2021-2022.FAS T.aMath.Fall Score	2021-2022.FAS T.aReading.Fall District Percentile	2021-2022.FAS T.aReading.Fall Fall aReading Numeric Risk Level	2021-2022.FAS T.aReading.Fall National Percentile	2021-2022.FAS T.aReading.Fall Score	2020-2021 MCA-III Reading Scale Score	2020-2021 MCA-III Math Scale Score
1	High Risk	200	8	High Risk	17	498	432	426
7	High Risk	207	1	High Risk	1	440	431	427
3	High Risk	205	1	High Risk	1	455	427	428
7	High Risk	208	7	High Risk	12	493	443	430
7	High Risk	208	1	High Risk	1	421	433	430
9	High Risk	209	11	Some Risk	24	503	431	433
5	High Risk	206	26	Low Risk	42	514	447	435
6	High Risk	207	66	On Target	79	533	449	436
8	High Risk	208	4	High Risk	8	483	442	443
17	Some Risk	214	24	Low Risk	40	513	454	445
14	Some Risk	212	10	Some Risk	22	502	444	445
20	Some Risk	215	10	Some Risk	22	501	447	448
20	Some Risk	215	24	Low Risk	40	513	456	449
23	Low Risk	216	75	On Target	86	538	457	449
6	High Risk	207	28	On Target	45	515	456	450
24	Low Risk	216	12	Some Risk	27	505	441	451
22	Low Risk	216	34	On Target	49	518	460	452
17	Some Risk	214	15	Low Risk	31	507	443	452
19	Some Risk	215	25	Low Risk	42	514	450	453
26	Low Risk	217	1	High Risk	1	366	435	453
41	On Target	220	39	On Target	55	520	453	453

*Above data is from one WPS 5th grade class (20 of the 98 students not in Special Education)

WHO QUALIFIES FOR TARGETED SERVICES EXTENDED LEARNING?

JANUARY 2022 DATA
5th Grade one school

Historically low income kids have been at risk on standardized measures.

In the past decade, we have seen improvements where after school programs and family events were taking place.

Since Covid, we have seen measurable losses in those gains.

Request of an Oakwood Mom

She asked to meet

after hearing of this research.

She sent this video three days later.

"I wish for we immigrants to be heard."

"We wish for small group after school programs."

"We want our kids to learn more."

"We want our kids to get success in life."

Calendar Proposal 2023-24 School Year

Board Work Session
November 28, 2022

Proposed 2023-2024 Calendar

The Process:

1. October 5, 2022 an email went out to all former calendar committee members and building principals asking for volunteers to create recommendations for the 2023-2024 calendar.

1. The 2023-2024 calendar committee was created.

1. Our first meeting was on October 13. At that meeting three calendars were presented to the committee that members would need to present to their buildings.

1. On November 3 the committee reconvened and completed a survey documenting their building's calendar preference. The vote ended in a tie.

The Process, cont…..

5. Based upon the tie, the following items were deemed to be important for the calendar proposals moving forward.

   a. Keeping August 24 as a work in classroom day.
   b. End of the quarter grading/professional development days (Adding March 29)
   c. Ending the first week in June

6. On November 10 the committee met again to review three new calendar proposals.

7. The committee all agreed that there was one calendar proposal that checked all our criteria.

The Process, cont.

8. The committee made the following changes to the proposed calendar:

a. Moved the Flex Learning day from January to September. (Allowed for continued professional development due to one less workshop day in August, addressed additional absences due to Yom Kippur, and created fewer disruptions in January.)

b. Moved the proposed winter holiday break day off from December 21 to January 2.

c. Moved planning day from December to April.

9. Once those changes were in place the calendar committee unanimously agreed that this was a calendar all buildings could live with.

10. Committee members have shared this proposal with their building staff.

Highlights of the recommended 2023-2024 calendar

- August 24 will be a day dedicated to allowing teachers to work in their classrooms. This day may be flexed to August 25 or August 28. Permission needs to be worked out with building principals.

- Three days of Back to School workshops. (August 29-31)

- Please note we added New Teacher Workshops and Leadership Institute as an FYI.

- School Starts on September 5.

- K-12 Flex Day will be September 25. This will be a professional development and work day for teachers.

WAYZATA PUBLIC SCHOOLS

- October and November are very similar to the calendar this year.
- Winter Break starts on December 22 and runs through January 2. Everyone returns on January 3.
- March 8 - Second Flex Day
- March 29 is a professional development and grading day.
- Spring Break is from April 1-5.
- Last day of school for seniors is May 30. June 6 for ELS/K-12/Transition.
    a. Last day of school for teachers is June 7.

- Planning Days are November 9, January 25, February 15, and April 8.

- There are professional development and grading days at the end of each quarter.

- This calendar meets the contractual 184 teacher contract days.

- This calendar also meets the required days of student attendance per the Wayzata School Board and the State of Minnesota.

Thank you to the Calendar Committee!

Creating a calendar that meets the needs of everyone in our WPS school community is a challenge. I greatly appreciated the professionalism, the collaboration and the hard work that every committee member put into making this calendar work. I applaud their efforts and was proud to lead this committee.

In addition, I want to acknowledge and thank Michele Bedor for representing all of our Early Learning programs and Allana Walsh for representing our District Transition program. It has been a pleasure to work towards representation of our entire learning community.

WAYZATA PUBLIC SCHOOLS

World's Best Workforce / Achievement & Integration 2021-2022 Report

School Board Work Session - November 28, 2022

Stacey Lackner, Ph.D. - Director of Research & Evaluation
Dana Miller - Executive Director of Teaching and Learning

World’s Best Workforce

The World’s Best Workforce (WBWF) was developed in state statute in 2013 to ensure that school districts in Minnesota enhance student achievement through teaching and learning supports.

School boards are required to create comprehensive, long-term strategic plans with goals in the following areas:

- kindergarten readiness
- third-grade reading
- racial and economic achievement gaps
- career and college readiness
- high school graduation

WPS World's Best Workforce Goals (2018)

1. All children are ready for school. (ISEL)
2. All third-graders will be at or above proficiency in reading, math, writing and speaking. (MCA)
3. Student achievement will not be predictable by any demographic classification, i.e. race, socioeconomic status, gender, or disability. (MCA)
4. All students are ready for career and college. (ACT)
5. All students graduate from high school. (MN Report Card)
6. All students will know and understand their unique talents, have a voice in their educational experiences, and take ownership for their learning, career aspirations, and future success. (Engagement Survey)
7. All students will feel a sense of belonging and connection to their school where social-emotional, physical and mental health is nurtured and valued. (Engagement Survey)

Achievement & Integration

The Achievement & Integration (A&I) program was established in Minnesota statute to "pursue racial and economic integration and increase student academic achievement, create equitable educational opportunities, and reduce academic disparities based on students' diverse racial, ethnic, and economic backgrounds in Minnesota public schools." This program has been in place since 2013-14 and replaced the former integration revenue program.

Participating districts are required to have a plan that includes the following goals:

1. Increase racial and economic integration.
2. Reduce achievement gap disparities.
3. Increase access to effective and diverse teachers.

WAYZATA PUBLIC SCHOOLS

WPS Achievement & Integration Goals

1. The percent of students from economically and racially diverse backgrounds, who are identified as ready for kindergarten, will increase.
2. By 2023 the achievement gap between White students and Black students groups will be 10 percent or less.
3. By 2023, the percentage of students, from diverse economic and racially backgrounds, who graduate career and college ready as measured by a college ready ACT Score will increase from 50% to 75%.
4. Wayzata students' access to teachers trained in cultural awareness, cultural competency professional development will increase from 80% in 2020 to 100% in 2023.

Wayzata Public Schools

WPS 2021-2022 Report

- WBWF and A&I goals that are similar will be reported on together.
- Reflections and current/future strategies will be shared for each goal.
- We do not have kindergarten readiness data for the 2021-2022 school year. Due to COVID-19 related circumstances at the start of the school year, we did not require kindergarten teachers to report fall reading assessment data to the district.
- Third grade student achievement will be reported for reading and math. Our writing and speaking assessments are formative in nature. We do not have a district standardized proficiency measure for writing or speaking.

WPS 2021-2022 Report

- Due to low participation at the high school level, MCA/MTAS proficiency will be reported for grade 3-8 only.
- The Student Engagement Survey questions were significantly revised in 2021-2022 and will be presented at another time.

Kindergarten Readiness

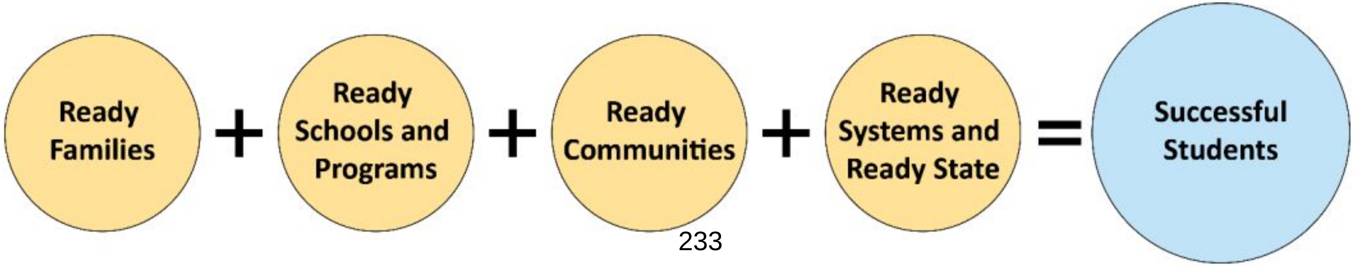
WBWF: Goal #1 - All children are ready for school.

A&I: Goal #1 - The percent of students from economically and racially diverse backgrounds, who are identified as ready for kindergarten, will increase.

Measure: Introduction to MDE Successful Student Equation

MDE Successful Student Equation

- Part of the Governor’s Due North Plan to ensure social-emotional and academic needs of early learners are met.
- Highlights that the responsibility for student success rests with adults who work together to create the conditions necessary for successful students, including smooth transitions into kindergarten.
- Demonstrates the importance of identifying and leveraging all of the relationships and resources necessary to support the development of the whole child.



WAYZATA PUBLIC SCHOOLS

Kindergarten Readiness

2021-2022

- Updated kindergarten caregiver questionnaire honors the strengths and insights of our kindergarten caregivers and helps us create a more culturally responsive experience for our kindergarten students.
- We increased our Wayzata Preschool class offerings, because of available classroom space at some of our elementary schools. The percentage of our population enrolled in our preschool program has gone from 32% in 2019-2020 (and prior) to 42% in 2021-2022. This increase is not expected to be long-term, as elementary enrollment goes back up.

Kindergarten Readiness

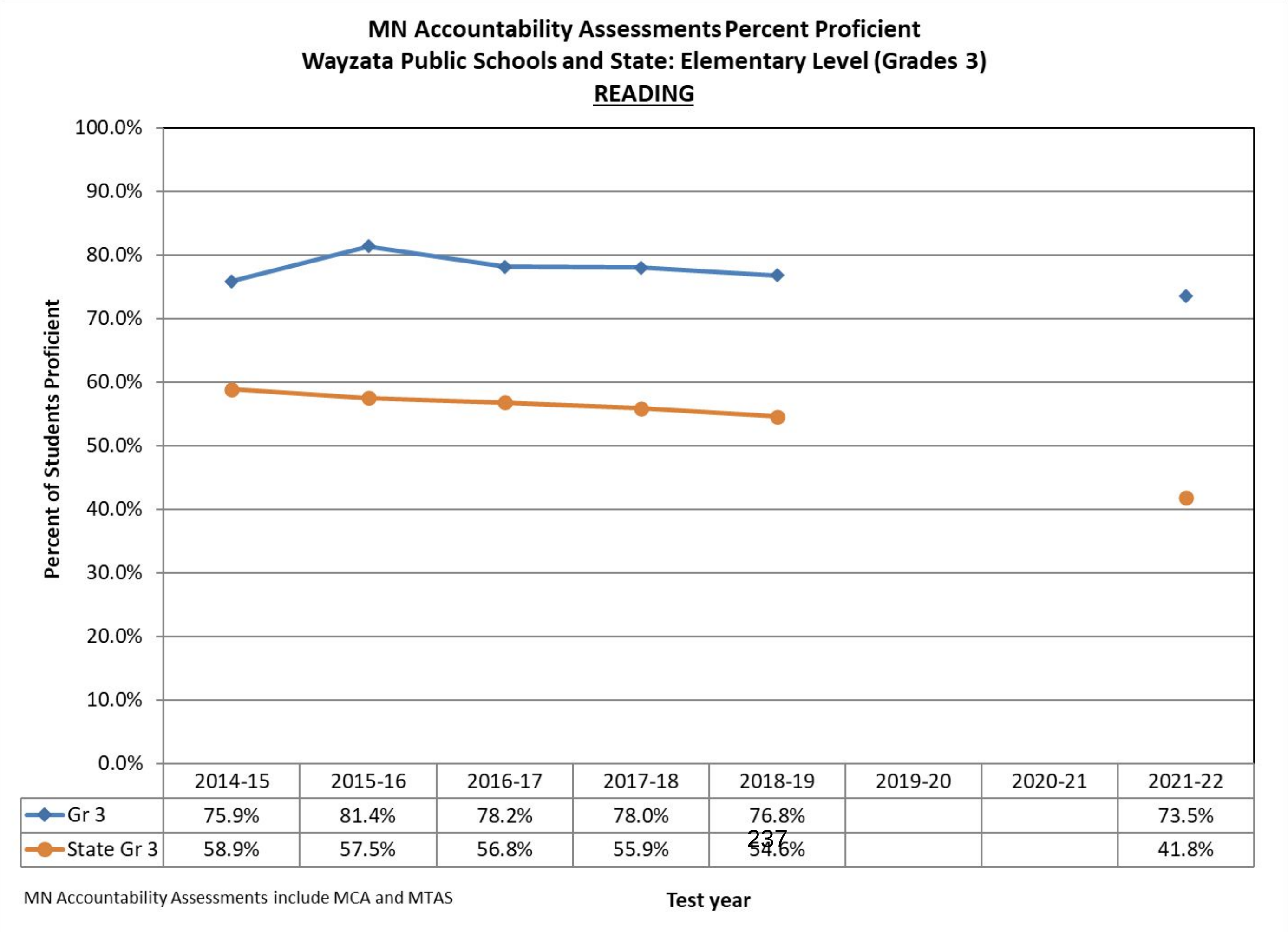
2022-2023

- Created resources to support kindergarten Professional Learning Communities (PLCs) to engage with the kindergarten caregiver questionnaire.
- Piloted “Hopes and Dreams Conference” at Birchview.
  - caregivers met with the kindergarten teacher before school started
  - to build a positive, relational foundation so that teachers and caregivers can be active partners to realize the caregivers hopes and dreams for their student
  - to create in-person access for system information and sign-ups
- Exploring further collaboration between Early Learning School and kindergarten for future years.

Third Grade Student Achievement

WBWF: Goal #2 - All third graders will be at or above proficiency in reading, math, writing and speaking.

Measure: MCA/MTAS Grade 3 *(reading and math only)*

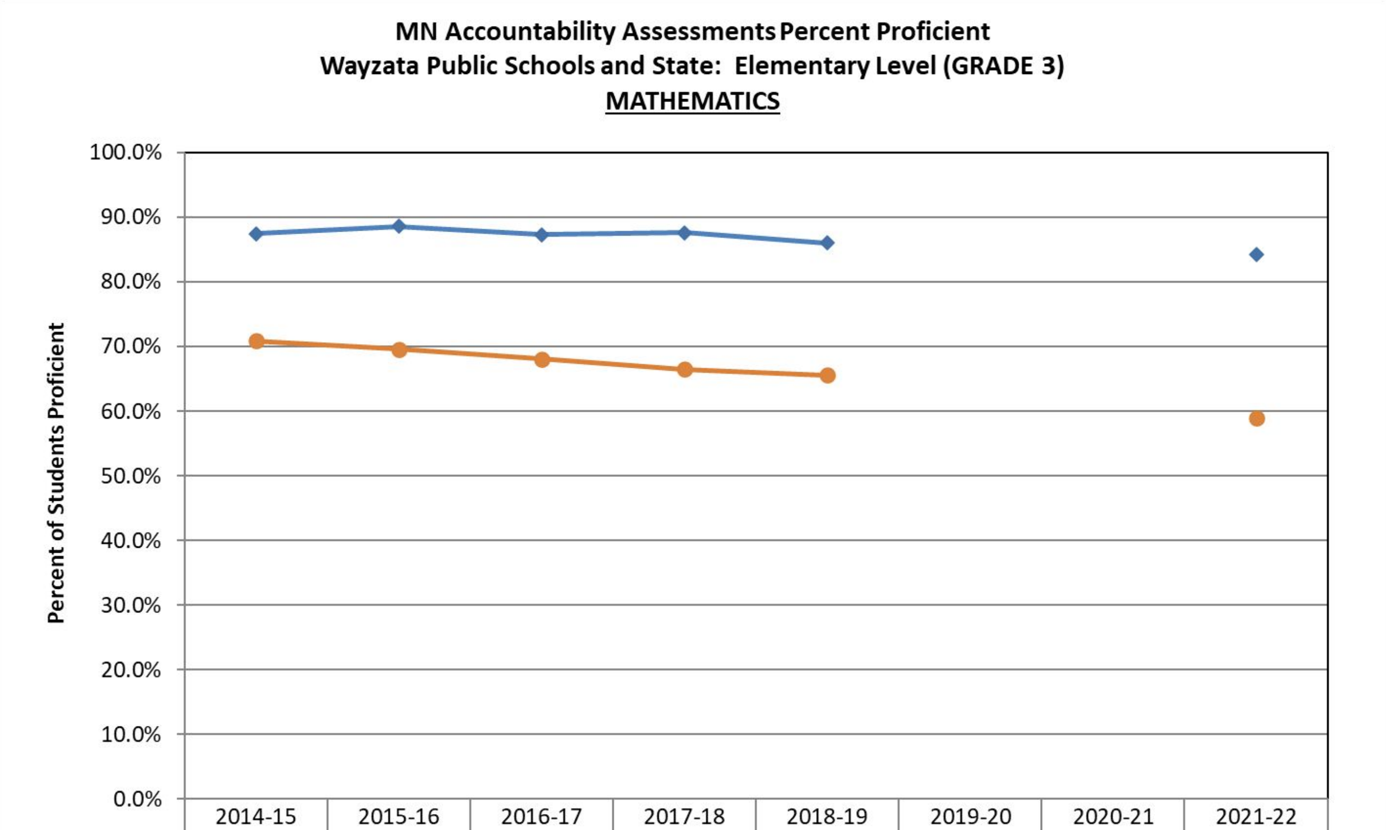


	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Gr 3	75.9%	81.4%	78.2%	78.0%	76.8%			73.5%
State Gr 3	58.9%	57.5%	56.8%	55.9%	54.6%			41.8%

The percent of 3rd graders proficient in reading was stable from 2017 to 2019.

The percent proficient dropped 3.3 percentage points from 76.8% in 2019 to 73.5% in 2022.

The state percent proficient dropped by 12.8 points in the same period of time.



	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
WPS Gr 3	87.5%	88.6%	87.3%	87.6%	86.0%			84.3%
State Gr 3	70.9%	69.6%	68.1%	66.5%	65.6%			59.0%

MN Accountability Assessments include MCA and MTAS

Test year

The percent of 3rd graders proficient in <u>math</u> was stable from 2015 to 2019.

The percent proficient dropped 1.7 percentage points from 86.0% in 2019 to 84.3% in 2022.

The state percent proficient dropped by 6.6 points in the same period of time.

Wayzata Public Schools

Strategies - Third Grade Achievement

2021-2022

- Center for Collaborative Classroom (CCC) curriculum Lesson Study for elementary teachers.
- Teaching & Learning (T&L) resource teachers worked with principals on delivery of literacy instruction.
- Studied alignment of literacy specialists FTE with student need across buildings.

Strategies - Third Grade Achievement

2022-2023

- All elementary schools have a reading goal in their School Growth Plan.
- PLCs are using Street Level data to support their school reading goal.
- Re-established the CCC leadership team.
- Professional development targeted to CCC curriculum.
- Implemented updated Literacy Specialist staffing based on student needs, will re-evaluate for 2023-2024 and include math.

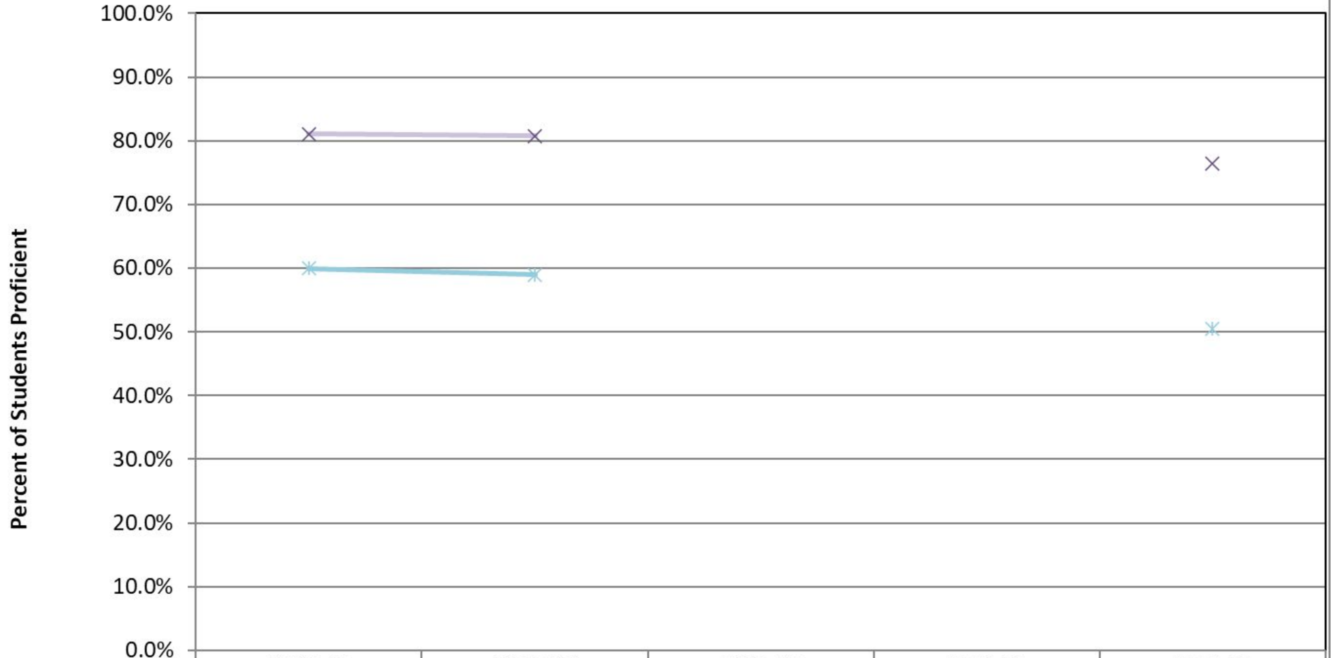
Achievement Gaps

WBWF: Goal #3 - Student achievement will not be predictable by any demographic classification, i.e. race, socioeconomic status, gender, or disability.

A&I: Goal #2: - By 2023 the achievement gap between White students and Black/African American students groups will be 10 percent or less.

Measure: MCA/MTAS Grades 3-8

MN Accountability Assessments Percent Proficient
Wayzata Public Schools and Statewide: GRADES 3-8 ONLY
READING



	2017-18	2018-19	2019-20	2020-21	2021-22
WPS - Grades 3-8	81.1%	80.8%			76.5%
State - Grades 3-8	60.0%	59.0%			50.5%

MN Accountability Assessments include MCA and MTAS

Test Year

In 2022, 76.5% percent of Grade 3-8 students were proficient in reading.

Although still interrupted by COVID, this will serve as our new baseline.

WPS dropped 4.3 points from 2019 to 2022, while the state dropped 8.5 points.

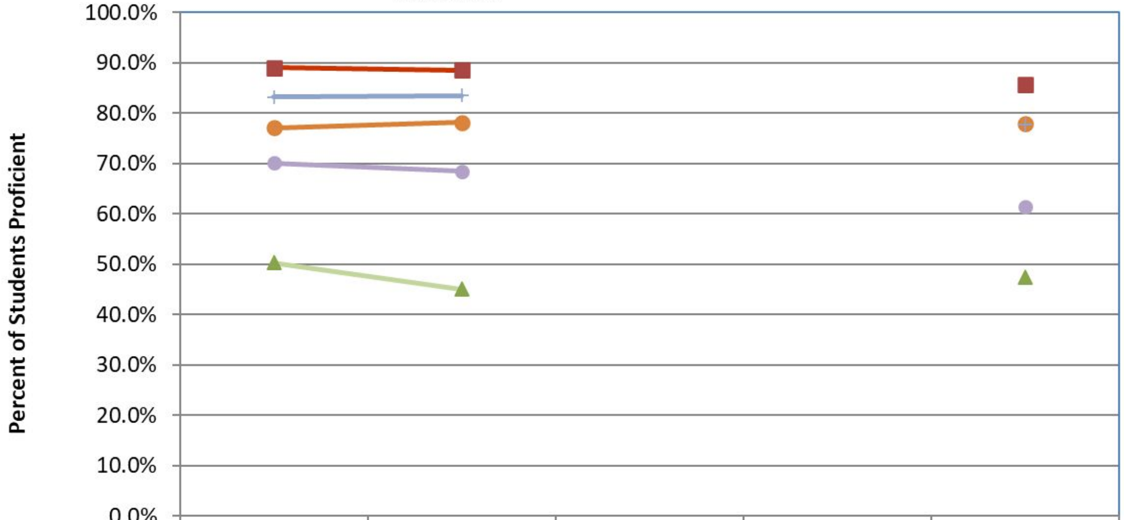
We are doing relatively better than the state, but we have more work to do.

WAYZATA PUBLIC SCHOOLS

MN Accountability Assessments Percent Proficient
Wayzata Public Schools: by Racial/Ethnic Group - GRADES 3-8 ONLY
READING

2019 Count
AI/AN = 4
Asian = 1,213
B/AA = 412
H/L = 248
NH/PI = 4
TMR = 331
White = 3,318

2022 Count
AI/AN = 7
Asian = 1,348
B/AA = 416
H/L = 285
NH/PI = 3
TMR = 308
White = 3,070



	2017-18	2018-19	2019-20	2020-21	2021-22
American Indian/Alaska Native**					
Asian	89.0%	88.6%			85.7%
Black/African American	50.3%	45.1%			47.4%
Hispanic/Latino	70.1%	68.5%			61.4%
Native Hawaiian/Pacific Islander**					
Two or More Races	77.1%	78.2%			77.9%
White	83.2%	83.5%			77.8%

MN Accountability Assessments include MCA and MTAS

Test year

** Student Count Less than 20

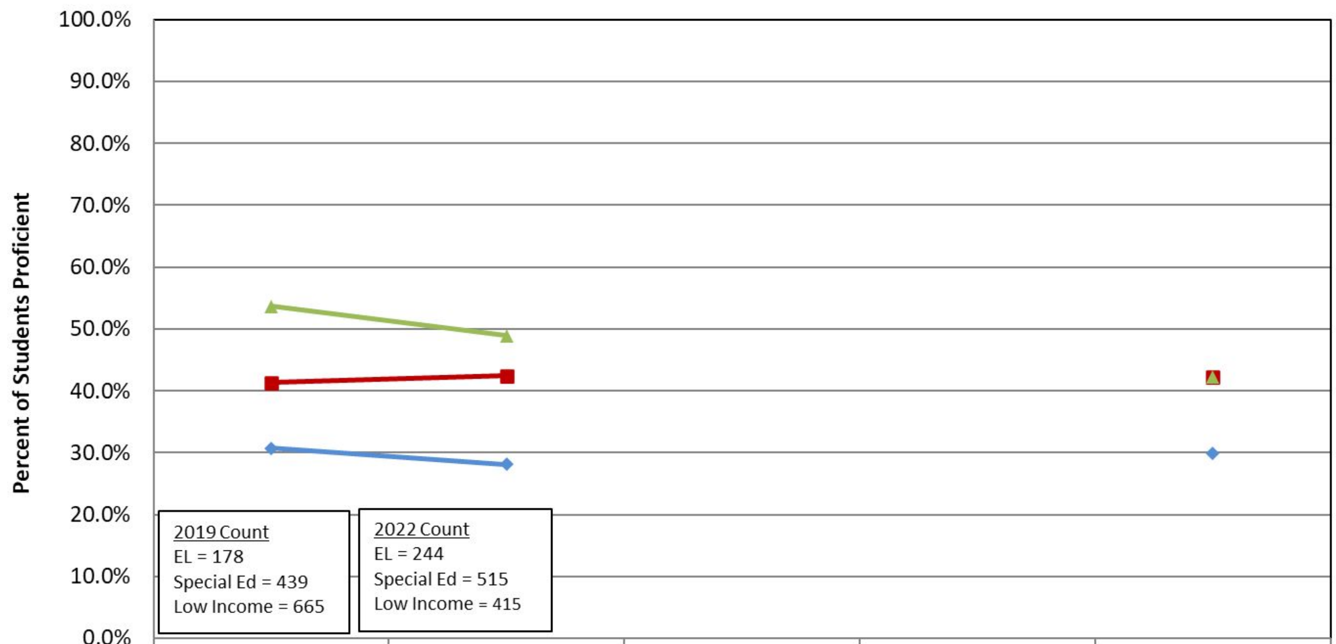
Student achievement in reading continues to be predictable by race/ethnicity.

The gap between White and Black/African American students in 2022 was 30.4 percentage points.

Between 2019 and 2022 the percent proficient for our Hispanic/Latino students decreased by 7.1 percentage points.

WAYZATA PUBLIC SCHOOLS

MN Accountability Assessments Percent Proficient
Wayzata Public Schools: By Special Population - GRADES 3-8 ONLY
READING

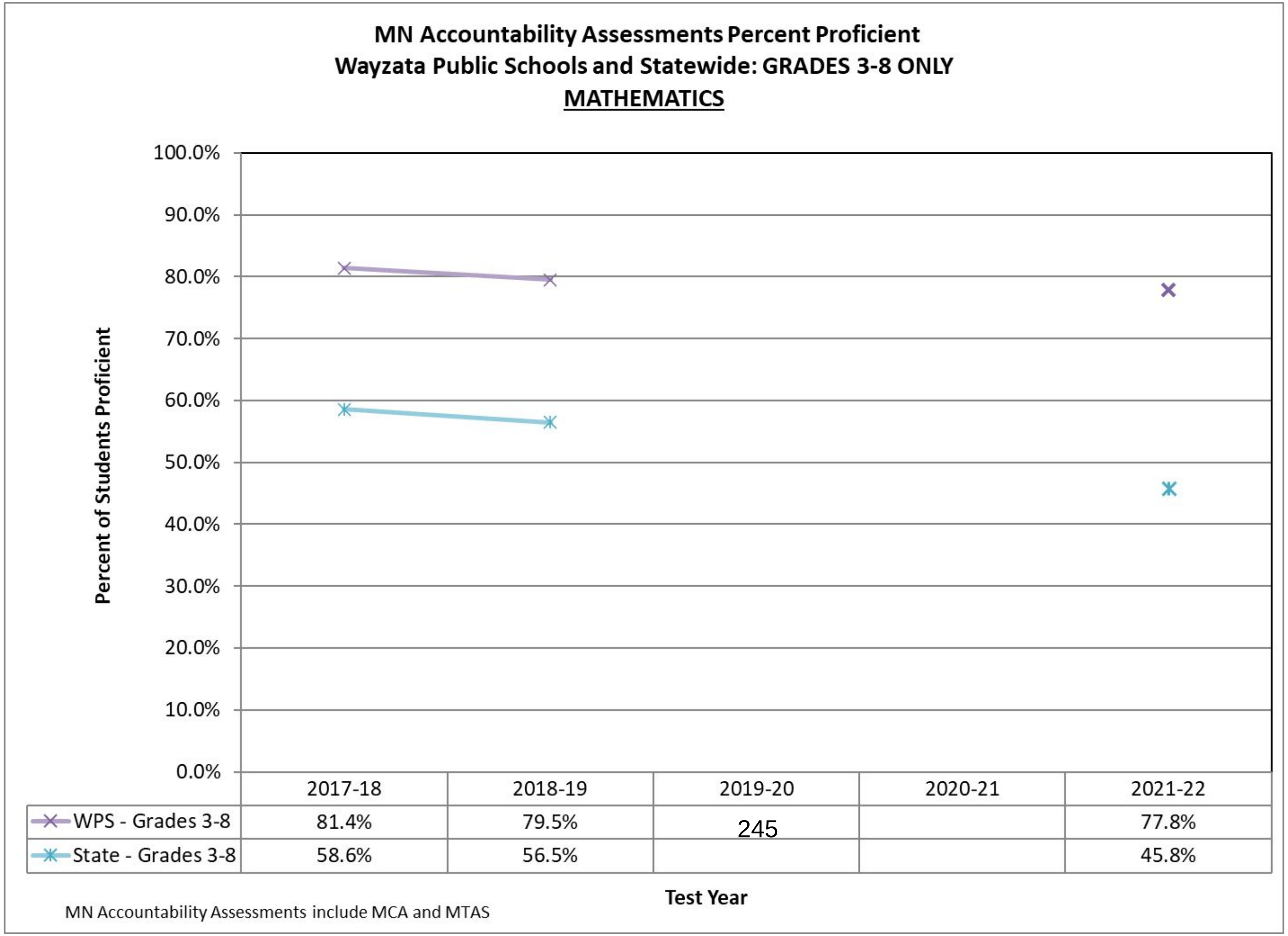


	2017-18	2018-19	2019-20	2020-21	2021-22
EL	30.7%	28.1%			29.9%
Special Ed.	41.3%	42.4%			42.3%
Low Income	53.7%	48.9%			42.2%

Test Year

MN Accountability Assessments include MCA and MTAS

Student achievement in reading for special populations continues to be well below the overall population of students.



	2017-18	2018-19	2019-20	2020-21	2021-22
WPS - Grades 3-8	81.4%	79.5%			77.8%
State - Grades 3-8	58.6%	56.5%			45.8%

MN Accountability Assessments include MCA and MTAS

In 2022, 77.8% percent of Grade 3-8 students were proficient in math.

Although still interrupted by COVID, this will serve as our new baseline.

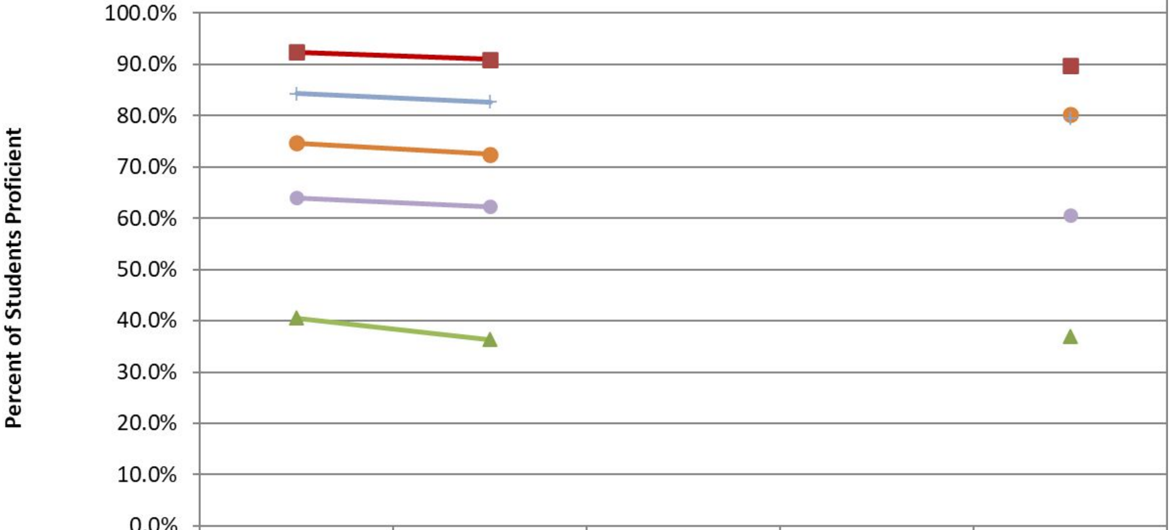
WPS dropped 1.7 points from 2019 to 2022, while the state dropped 10.7 points.

We are doing relatively better than the state, but we have more work to do.

MN Accountability Assessments Percent Proficient
Wayzata Public Schools: By Racial/Ethnic Group - GRADES 3-8 ONLY
MATHEMATICS

<u>2019 Count</u>
AI/AN = 4
Asian = 1,214
B/AA = 411
H/L = 247
NH/PI = 4
TMR = 331
White = 3,317

<u>2022 Count</u>
AI/AN = 7
Asian = 1,344
B/AA = 412
H/L = 284
NH/PI = 3
TMR = 304
White = 3,053



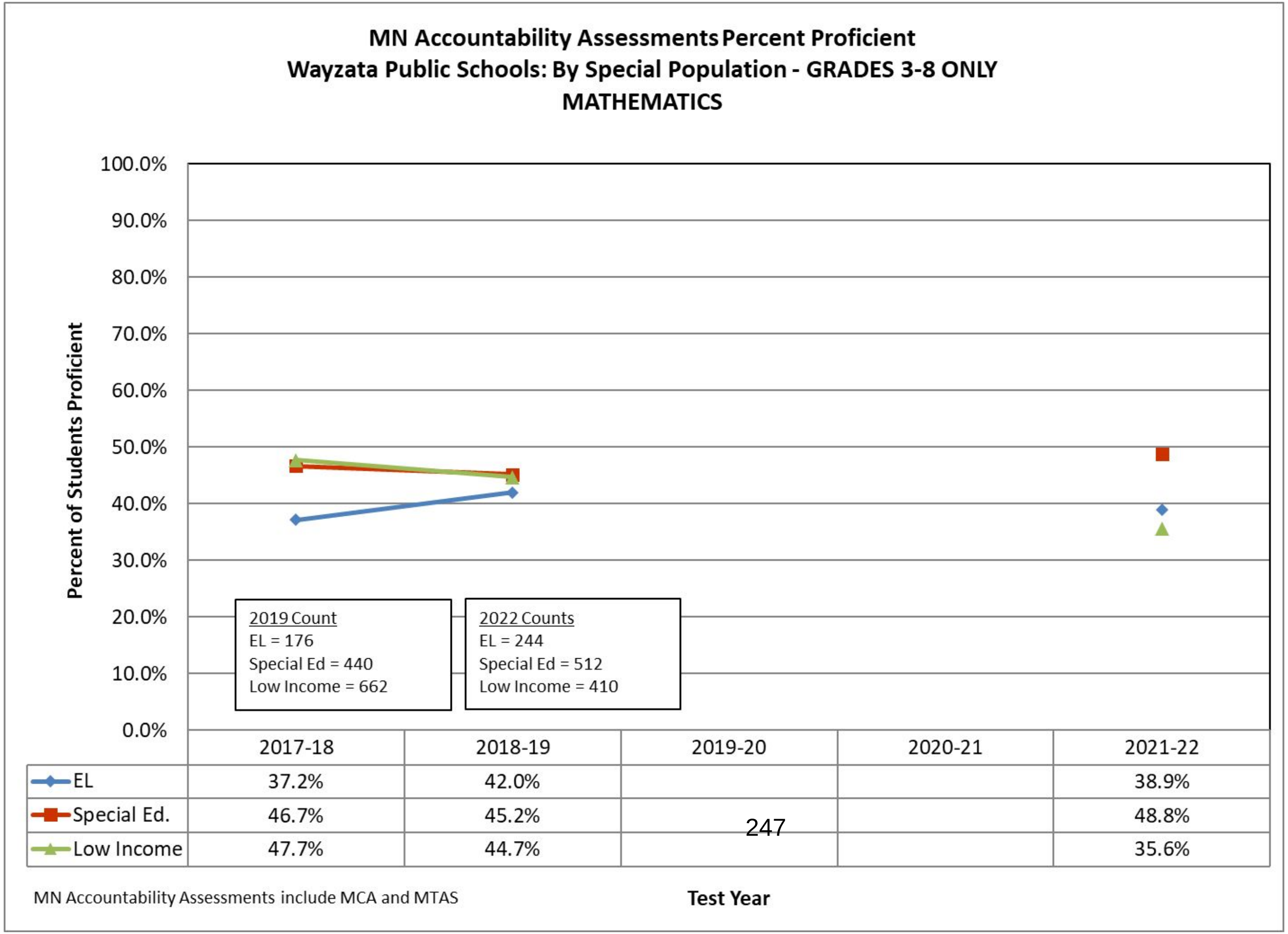
	2017-18	2018-19	2019-20	2020-21	2021-22
American Indian/Alaska Native**					
Asian	92.4%	91.0%			89.7%
Black/African American	40.5%	36.3%			36.9%
Hispanic/Latino	64.0%	62.3%			60.6%
Native Hawaiian/Pacific Islander**					
Two or More Races	74.7%	72.5%			80.3%
White	84.3%	82.7%			79.5%

MN Accountability Assessments include MCA and MTAS

Test year

Student achievement in math continues to be predictable by race/ethnicity.

The gap between White and Black/African American students in 2022 was 42.6 percentage points.



	2017-18	2018-19	2019-20	2020-21	2021-22
EL	37.2%	42.0%			38.9%
Special Ed.	46.7%	45.2%			48.8%
Low Income	47.7%	44.7%			35.6%

Student achievement in math for special populations continues to be well below the overall population of students.

The percent proficient for students who receive special education services went up 3.6 points from 2019 to 2022.

WAYZATA PUBLIC SCHOOLS

Strategies - Achievement Gaps

2021-2022

- Re-started CCC curriculum implementation with a focus on literacy and equity.
- Updated the student engagement survey to get a better sense of student experiences in the classroom and school that could improve student learning and reduce the achievement gap.
- Increased the collaboration between T&L and Equity & Inclusion (E&I).
- In the 2021-2022 school year, there were still disruptions due to the pandemic and it was also an onboarding year for many district level administrators.

Strategies - Achievement Gaps

2022-2023

- Updated K-5 literacy specialist staffing in each building to follow student needs.
- We are deepening our emphasis on Street Level data, providing targeted support to teachers through peer coaches and district professional development.
- Center for Educational Leadership (CEL) and PLC work through August Leadership Institute, Building Instructional Leadership Team visits with district-wide administrators, and continued professional development throughout the year.
- Created the PreK-8 Family Engagement Specialist role to build stronger connections between families and classroom teachers.

Strategies - Achievement Gaps

2022-2023

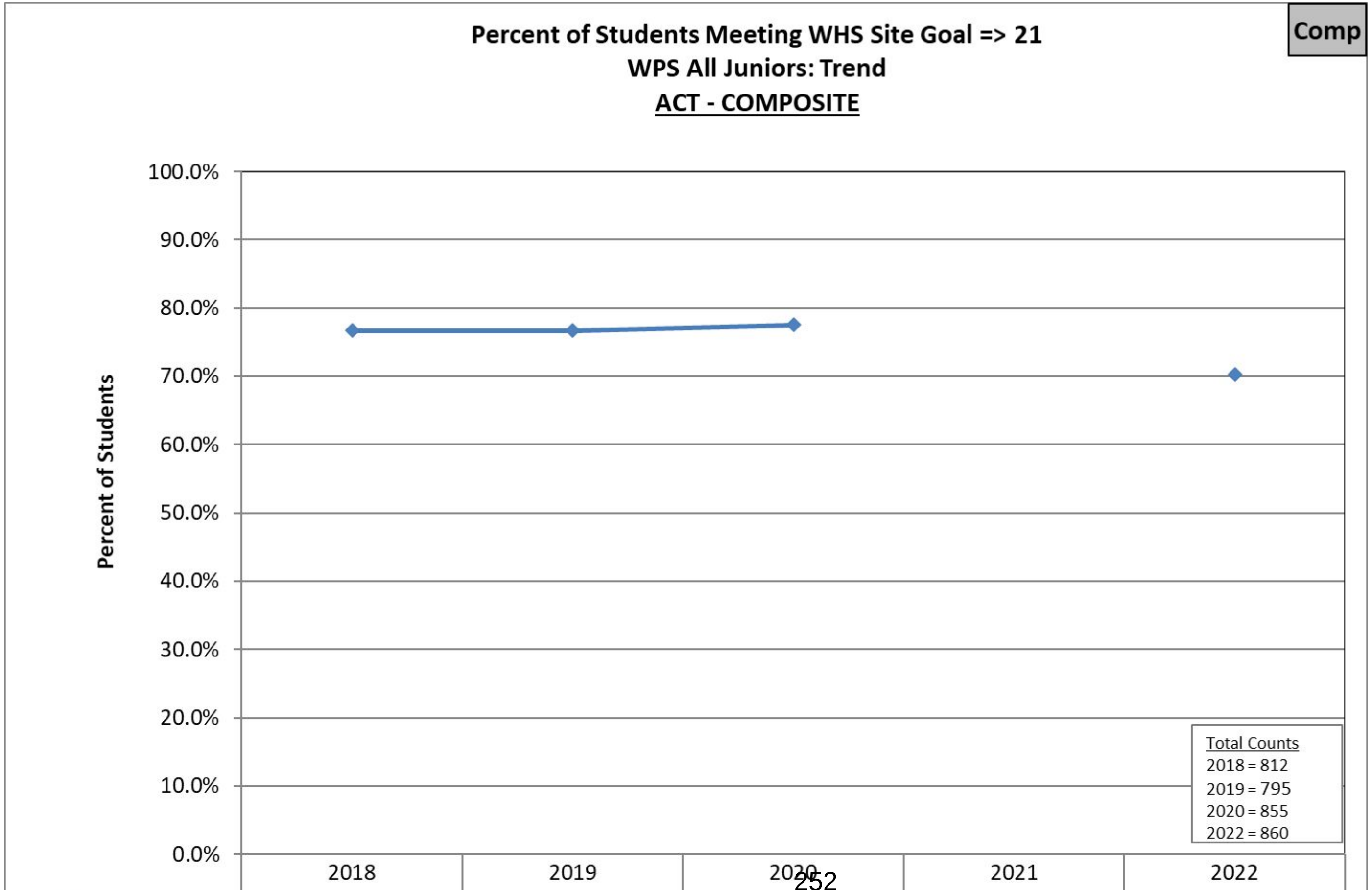
- We have created a stronger link between E&I and our peer coaching program. Peer coaches can provide more supports to staff in targeting the gaps.
- Inclusion coordinator and MTSS coordinator roles established to provide support in buildings to ensure student success at school and in the classroom.
- Reorganized T&L team to provide increased direction and support to content specialists/resource teachers to support curriculum implementation.
- Strengthening connections between Student Support Services, T&L, and E&I through professional development and state/federal program implementation.

Career and College Readiness

WBWF: Goal #4 - All students are ready for career and college.

A&I: Goal #3: - By 2023, the percentage of students, from diverse economic and racial backgrounds, who graduate career and college ready as measured by a college ready ACT Score will increase from 50% to 75%.

Measure: ACT Composite Grade 11



	2018	2019	2020	2021	2022
WPS All Juniors	76.7%	76.7%	77.5%		70.2%

The percentage of 11th graders achieving an ACT Composite score of 21 or higher was stable between 2018 and 2020, at approximately 76%

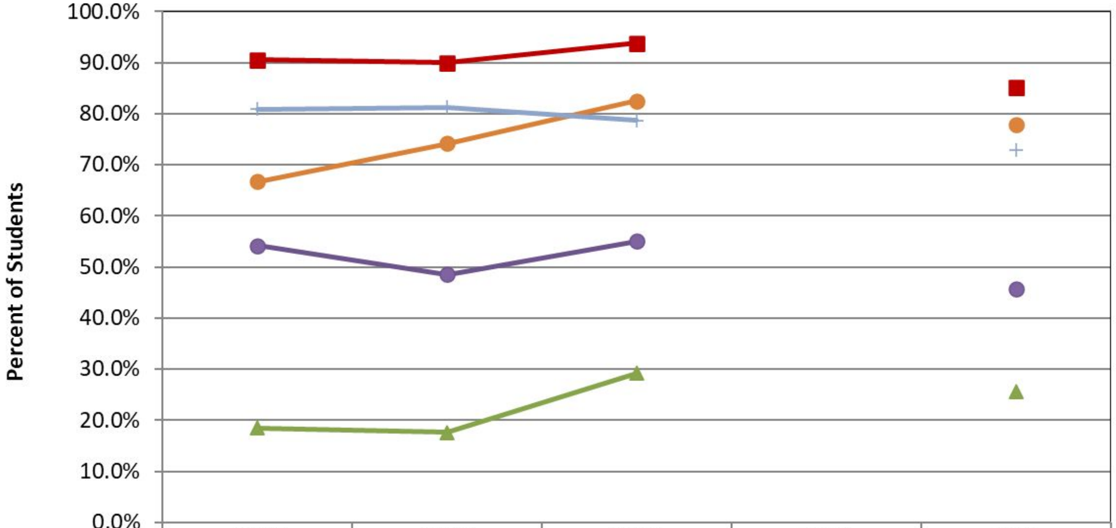
The percentage of 11th graders who scored 21 or higher decreased by 7.3 percentage points from 77.5% in 2020 to 70.2% in 2022.

Percent of Students Meeting WHS Site Goal >=21
WPS All Juniors - By Race/Ethncity
ACT - COMPOSITE

Comp

2020 Counts
AI/AN = 1
Asian = 145
B/AA = 48
H/L = 40
NH/PI = 0
TMR = 40
White = 581

2022 Counts
AI/AN = 0
Asian = 162
B/AA = 74
H/L = 35
NH/PI = 1
TMR = 54
White = 534



	2018	2019	2020	2021	2022
American Indian/Alaska Native *					
Asian	90.6%	89.9%	93.8%		85.2%
Black/African American	18.5%	17.6%	29.2%		25.7%
Hispanic/Latino	54.2%	48.6%	55.0%		45.7%
Native Hawaiian/Pacific Islander*					
Two or More Races	66.7%	74.2%	253 82.5%		77.8%
White	80.9%	81.2%	78.7%		72.8%

Year

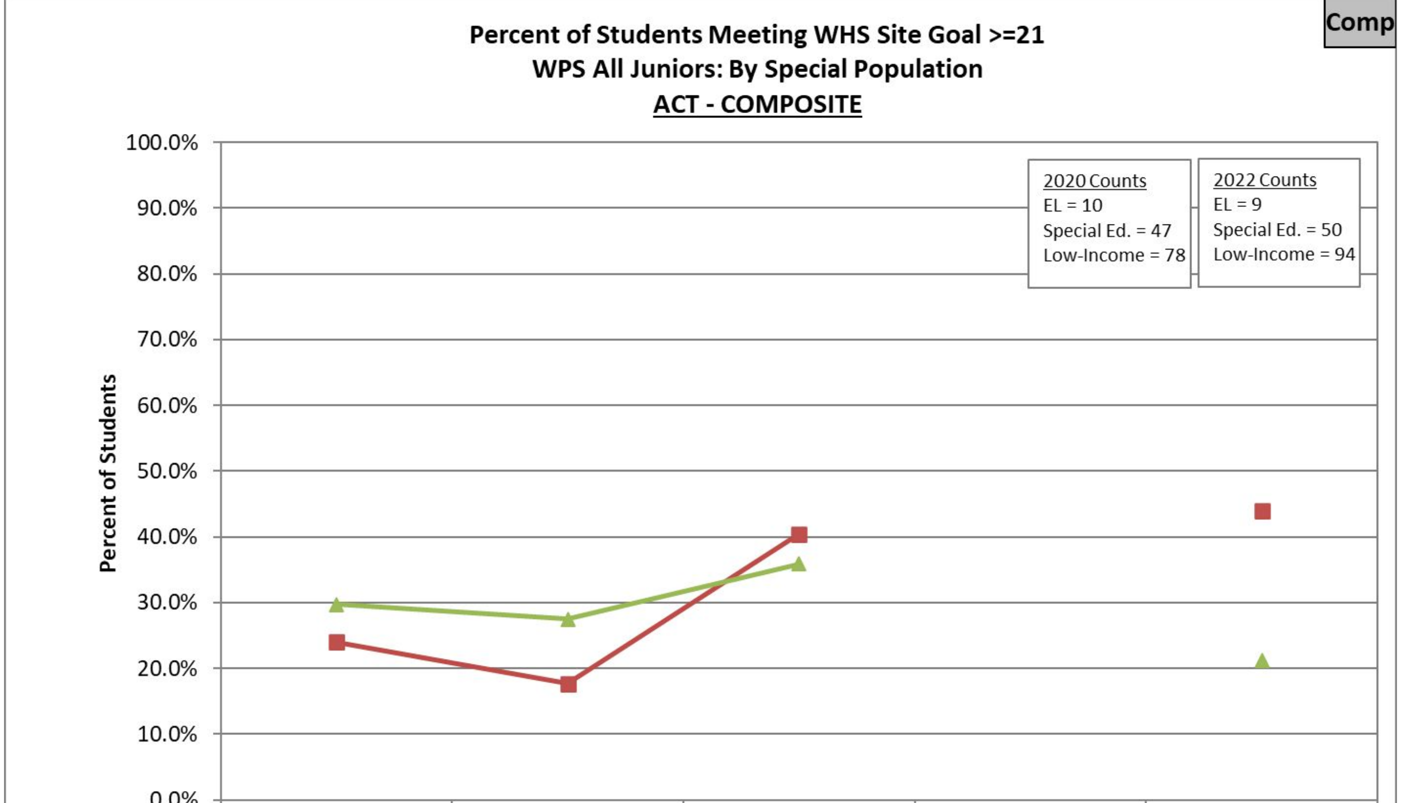
Note: Data not shown for student groups with count less than 10.

The percent of students from racially diverse backgrounds scoring at or above 21 on the ACT Composite is below 75%.

From 2019 to 2020, there was an increase in the percent of students who scored 21 or higher for most racial/ethnic groups.

From 2020 to 2022, all groups decreased.

WAYZATA PUBLIC SCHOOLS



	2018	2019	2020	2021	2022
EL					
Special Ed.	24.0%	17.6%	40.4%		44.0%
Low-Income	29.8%	27.5%	35.9%		21.3%

Note: Data not shown for student groups with count less than 10.

The percent of students who receive special education services who scored at or above 21 on the ACT composite increased by 3.6 percentage points from 2020 to 2022.

The number of students who took the ACT who were in low-income households increased from 78 in 2020 to 94 in 2022, and the percent scoring at or above 21 dropped substantially.

Strategies - Career and College Readiness

- Added a College Reading course that has shown to improve students' English and Reading strands from the 10th grade Pre-Act to 11th grade ACT.
- Student Support Teams continue to pull Pre-ACT and ACT data to align 2, 3, and 4-year pathways to post-secondary learning plans for students. These plans are documented in the WPS Hub in collaboration with students, parents/guardians, and support team members.
- PLCs continue to embed ACT-specific benchmarks and essential (soft) skill development into their course curriculum.
- Added a fourth Achievement Specialist in order to have increased support for students. Each high school Alpha Team now has an achievement specialist.
- Increased participation in Advanced Placement and Concurrent Enrollment courses provide students with access to college-level course content and rigor.
- Implemented a Trojan Academy course designed to support students in improving their academic skills. Specific study skills are taught and utilized throughout the course to support academic success.
- PLCs are all working from a Collaborative Inquiry model that is designed to improve the student experience at Wayzata High School. This model requires teachers to identify specific areas for student growth and develop teacher-driven practices to improve student outcomes.

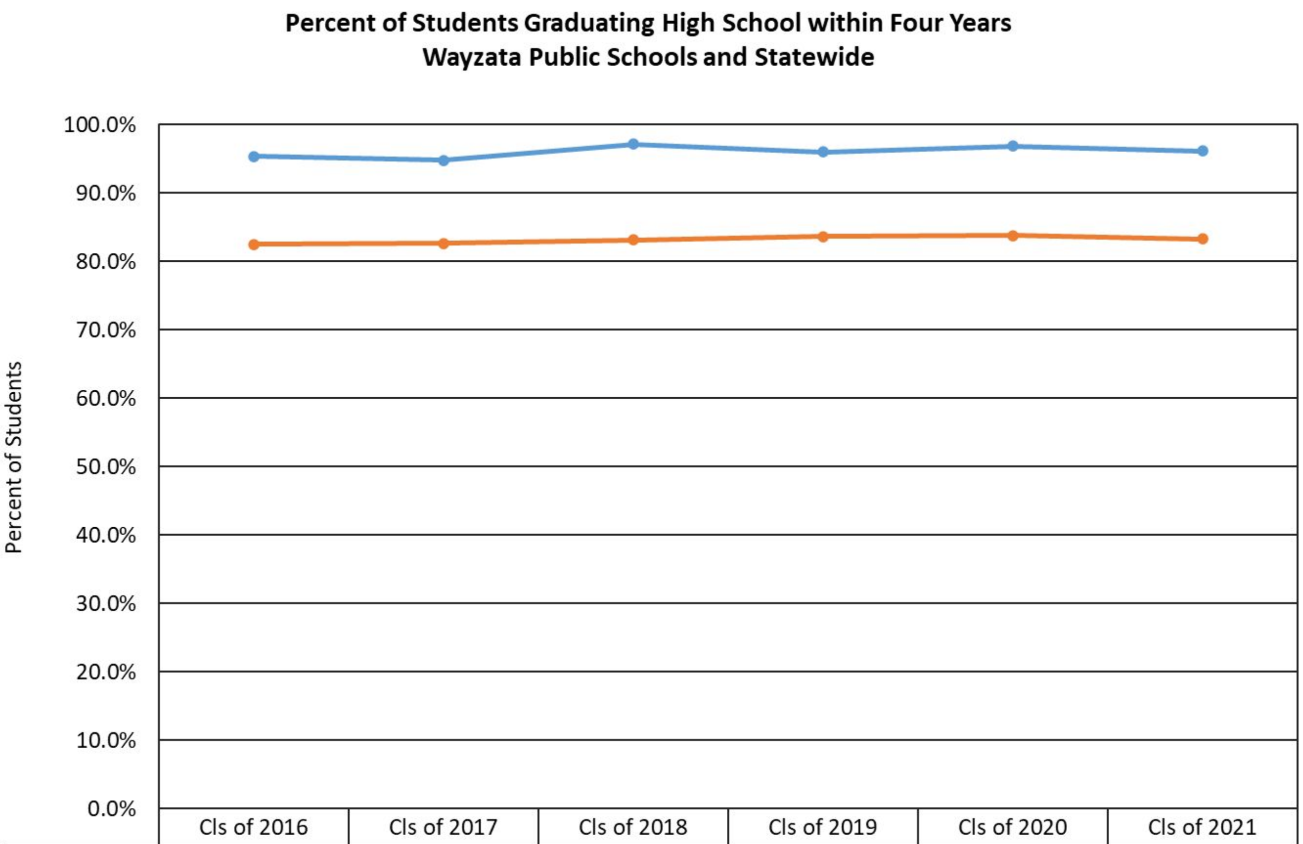
Strategies - Career and College Readiness

- The high school continues to implement increasingly relevant and unique course and programming opportunities, including the Wayzata High School's Career Sphere courses. These identified courses offer hands-on learning opportunities, professional connections, and the chance to develop important skills that prepare students for college, careers, and life. It comprises three core programs with more than 70 unique courses organized by spheres of interest.
- Restructured the CTE Coordinator's Role and extended work-based learning opportunities.
- Career readiness (soft) skills are being explicitly taught and assessed in our CTE courses. Career readiness skills were developed in partnership with Career and Technical Education Advisory Boards.
- Career and Technical Education Showcase is offered to all students annually (70+ visiting companies with over 2,000 student attendees).
- Compass professional studies program provides extensive career development opportunities, in partnership with community business partners, business mentors, guest instructors, and industry field experiences.

High School Graduation

WBWF: Goal #3 - All students graduate from high school.

Measure: 4-Year Graduation Rate (MN Report Card)

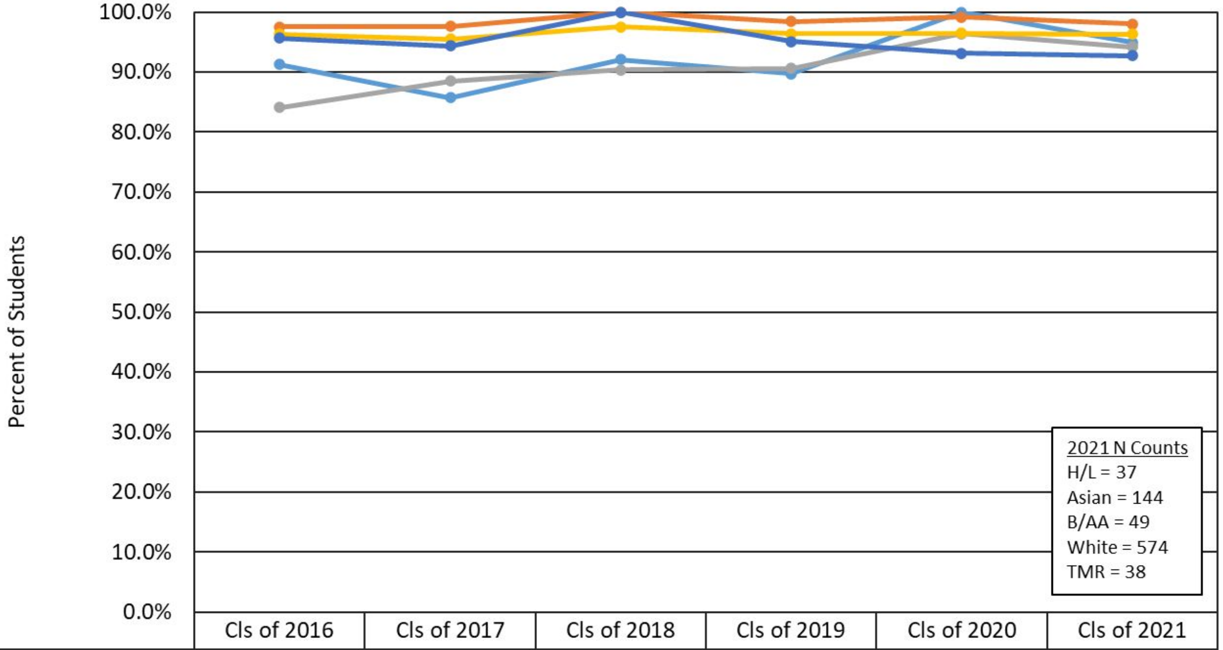


	Cls of 2016	Cls of 2017	Cls of 2018	Cls of 2019	Cls of 2020	Cls of 2021
WPS All	95.4%	94.8%	97.2%	96.0%	96.9%	96.2%
Statewide	82.5%	82.7%	83.2%	83.7%	83.8%	83.3%

Source: Minnesota Report Card

Approximately 95% or more Wayzata high school students graduate within four years. This has been consistent for the past 6 years.

Percent of Students Graduating High School within Four Years
Wayzata Public Schools: by Race/Ethncity

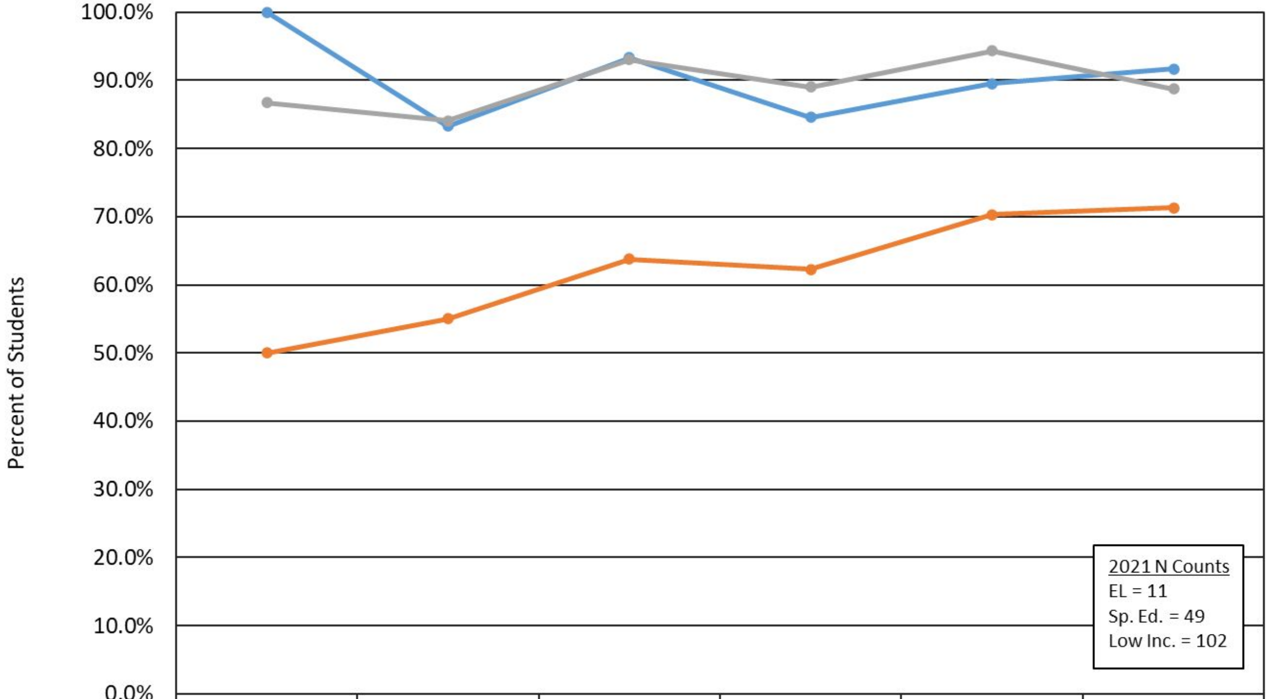


	Cls of 2016	Cls of 2017	Cls of 2018	Cls of 2019	Cls of 2020	Cls of 2021
Hispanic or Latino	91.3%	85.7%	92.1%	89.7%	100.0%	94.9%
Asian	97.5%	97.6%	100.0%	98.4%	99.2%	98.0%
Black or African American	84.1%	88.5%	90.4%	90.6%	96.4%	94.2%
White	96.3%	95.5%	97.5%	96.4%	96.5%	96.3%
Two or More Races	95.7%	94.4%	100.0%	95.1%	93.1%	92.7%

Source: Minnesota Report Card

According to the North Star state accountability system, all student groups must have a 4-year graduation rate of 85% or higher. All racial/ethnic groups in Wayzata have had a graduation rate higher than 85% since 2017.

Percent of Students Graduating High School within Four Years
Wayzata Public Schools: by Special Population



	Cls of 2016	Cls of 2017	Cls of 2018	Cls of 2019	Cls of 2020	Cls of 2021
English Learner	100.0%	83.3%	93.3%	84.6%	89.5%	91.7%
Special Education	50.0%	55.0%	63.8%	62.3%	70.3%	71.3%
Low Income	86.7%	84.1%	93.0%	89.0%	94.3%	88.7%

Source: Minnesota Report Card

Although still below 85%, the percent of students receiving special education services who graduated within 4 years has increased by 21.3 percentage points from 2016 to 2021.

Strategies - High School Graduation

In addition to meeting student needs by providing a comprehensive academic, social and emotional student support system, student interests are met through extensive academic course offerings and enrichment opportunities. The primary strategy for ensuring successful high school graduation is by aligning the work of all PLCs with an emphasis on improving the student experience.

All PLCs establish an ongoing common inquiry question directly aligned to one of the four areas of focus on the District Student Engagement Survey.

All PLCs embed questions from the District Student Engagement Survey into their course-specific student experience surveys. This work is measured weekly through the PLC Collaborative Inquiry Cycle.

All PLC work is guided by the Learner-Driven Questions:

1. How am I creating and building meaningful relationships with students?
2. What assumptions do I have about my students that could be misperceptions?
3. How can my students use their strength and insights as a foundation for this learning?
4. How will you encourage, empower, and ensure that every student incorporates their voice in the learning process?

Effective and Diverse Teachers

A&I: Goal #4: - Wayzata students' access to teachers trained in cultural awareness, cultural competency professional development will increase from 80% in 2020 to 100% in 2023.

Measure: Professional development practices

Effective and Diverse Teachers

2022-2023

- Cultural awareness training has been embedded into new teacher training. It is now mandatory for all teachers new to the district.
- District-wide PD has culturally responsive teaching training embedded throughout. We are moving towards it being beyond district-wide PD to a “way of being.”
- All buildings have a PD lead and Site Equity lead. These teachers support culturally responsive practice and learning for their colleagues. T&L and E&I district staff guide their work.

WBWF/A&I - Key Takeaways

- Importance of connecting the student experience to student achievement.
- Increased collaboration between district level departments and buildings across the district to support these goals (CEL, PLC @ Work, Cognitive Coaching)
- Alignment of professional development/learning focus areas (PLC, Culture of Learning, Levels of Data, Asset Framing) while supporting building autonomy. (Connected Autonomy).
- Continue to examine past practices that are not leading to closing our gaps and making necessary shifts.
- Updates needed for WBWF and A & I goals, consider changes to district scorecard in alignment with Strategic Road Map updates.

WAYZATA PUBLIC SCHOOLS

Thank you!

If you have any questions about this report, please contact:
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