



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019



**INDEPENDENT SCHOOL DISTRICT 270  
HOPKINS PUBLIC SCHOOLS**

Serving Eden Prairie, Edina, Golden Valley, Hopkins,  
Minnetonka, Plymouth, and St. Louis Park

**EDUCATIONAL SERVICES CENTER**

1001 Highway 7  
Hopkins, Minnesota 55305

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT OF  
  
HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
HOPKINS, MINNESOTA  
  
YEAR ENDED JUNE 30, 2019**

**PREPARED BY THE  
FINANCE DEPARTMENT  
  
TARIRO CHAPINDUKA  
DIRECTOR OF BUSINESS SERVICES**

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## **INTRODUCTORY SECTION**



To: Citizens of the School District  
Board of Education  
Employees of the School District

Date: December 17, 2019

## INTRODUCTION

The Comprehensive Annual Financial Report (CAFR) of Independent School District No. 270, Hopkins, Minnesota (the District) for the fiscal year ended June 30, 2019 is presented for your information and review. The CAFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. The District administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. Questions and comments are solicited and welcome.

## REPORT FORMAT

This CAFR is presented in three main sections: introductory, financial, and statistical. In addition to the information contained in this letter, the introductory section includes the District's organizational chart, and a list of the District's principal officials. The financial section includes the independent auditors' report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and detailed combining and individual statements and schedules. The statistical section includes selected financial and general information presented on a multi-year comparative basis. Where possible, historical data is presented for a 10-year period.

Accounting principles generally accepted in the United States of America require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the District can be found immediately following the report of the independent auditors.

## DISTRICT ORGANIZATION

The Hopkins School District officially organized in 1896 and serves the city of Hopkins, most of Minnetonka, about half of Golden Valley, and portions of Eden Prairie, Edina, Plymouth, and St. Louis Park. The District is guided by its mission that reflects the loftiest goal of the School District. It is a statement of our desired future, and our identity.

*Serving a community rich in culture and diversity, the Hopkins Public Schools develops in all students the skills, knowledge, and passion for lifelong learning.*

The District enrolled 6,827 students from a population of over 64,000 citizens residing in a 29.5 square mile area. During 2018 - 2019 the District operated 12 buildings: 1 high school, 2 junior high schools, 6 elementary schools serving students in kindergarten through Grade 6, junior highs serving Grades 7-9, and the high school serving Grades 10-12.

Serving the communities of: Eden Prairie • Edina • Golden Valley • Hopkins •  
Minnetonka • Plymouth • St. Louis Park

*An equal opportunity/affirmative action educator and employer.*

## **REPORTING ENTITY**

Independent School District No. 270, also known as Hopkins Public Schools, is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board is responsible for legislative and fiscal control of Hopkins Public Schools. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable. 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 included 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 the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

## **DISTRICT FISCAL FRAMEWORK**

The District has been functioning under financial constraints over the past several years as a result of:

- Slightly declining enrollment;
- Insufficient increases in state funding;
- Inflationary pressures on key expenditure areas.

The District has been proactively planning for conditions affecting school funding considering:

- Present and future outlook for revenue increases is pessimistic;
- District's cost structure is tied roughly 80% to people, with building operating costs coming next.

On a positive note, the District has seen a slight increase in enrollment projected to continue for the next three years.

The District has a Citizen's Financial Advisory Committee (CFAC). The purpose of the CFAC committee is to provide advice, direction, and support to the Hopkins School Board and senior administration in evaluating possible future economic conditions the District may face, developing future budget assumptions, and providing insights, when requested, as to the overall fiscal condition of the District. The committee will review the District's financial planning model and make recommendations to the School Board. This committee is accountable to the Hopkins School Board.

## **FINANCIAL STATEMENTS**

The financial statements contained in this report disclose the financial position of the District as of June 30, 2019, and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The accounting firm of CliftonLarsonAllen LLP performed the audit for the 2018 - 2019 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

## **FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT**

The independent audit of the financial statements of the District is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The District is also required to undergo an annual Minnesota State Legal Compliance Audit under Minnesota Statute §6.65. These reports are available in a separate document.

## **ACCOUNTING AND BUDGETING**

A major thrust of the District's accounting system is to provide adequate internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and that the evaluation of the cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

The legal level of budgetary control is demonstrated through an annual budget adopted by the School Board for all funds as required by state statutes and School Board policy. The budget process starts with the Citizens' Financial Advisory Committee (comprised of five members of the public) suggesting potential assumptions to be used to develop the budget. The CFAC report is submitted to the Board and the School Board then determines whether to use the CFAC assumptions presented. The School Board directs administration to develop the budget based on the agreed upon parameters. The administration then presents the budget to the School Board for preliminary approval in early spring and final approval in May. The adopted budget serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The superintendent and director of business services are authorized to make financial commitments within budgetary guidelines up to \$50,000. Additional expenditure controls are maintained by the Business Office in accordance with state statutes, i.e., the District cannot incur a negative unassigned balance in the General Fund in excess of 2.5% of the preceding year's expenditures. The budget is published annually in the District's legal newspaper to inform residents of the District's financial position and operating plan for the fiscal year. The School Board receives a monthly report showing the budget to actual balances for revenues and expenditures of the current year and prior year. Program managers receive monthly budget reports via email, which indicate the approved budget on a line item basis; the year-to-date expenditures assigned to those line items; and the percent expended to date. Monthly monitoring of revenues and expenditures by the School Board as well as ongoing monitoring by program managers helps to ensure budget integrity and provides an opportunity to detect material budget variances before the end of the fiscal year.

The budget is adopted by the School Board in the spring of each year for the following fiscal year beginning July 1. In the winter the budget is revised based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval. To accurately track and report financial activities with a focus on site-based accounting, approximately 17,000 accounts have been defined in the District's chart of accounts.

## **FINANCIAL PROSPECTS FOR FUTURE YEARS**

The District's finances are largely dependent on student enrollment. Revenue increases to the per pupil formula allowance are then offset by the fewer numbers of students attending, resulting in even smaller actual gross revenue increases. Hopkins had been experiencing declining enrollment from FY09 to FY18 to the magnitude of 656 students or about an 8.8% decrease over this 10-year period. State funding on average is equal to about \$6,312 per student for FY19. Beginning in FY19 enrollment has slightly been increasing and this is projected to continue for the next three years.

The Hopkins School Board has focused on rebuilding the unassigned fund balance of the General Fund from its FY05 low point of -\$4.2 million, or -5.34% to its current level at June 30, 2018 of \$7.7 million, or 7.7% of its General Fund expenditures. This turnaround is a reflection of tough decisions that the School Board and administration have had to make to bring the District back to fiscal health.

## **DISTRICT FACILITIES**

District educational facilities consist of 10 educational buildings originally constructed from 1948 to 1990. Each building has had numerous additions over the years. In spite of 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 maintenance plan. Because of this continual improvement, all educational facilities should be able to effectively serve the District for a minimum of 50-60 additional years. The total District square footage, including administrative buildings, is 1,896,495.

## **ECONOMIC FACTORS**

The District is located in western Hennepin County, which is part of the seven-county metro area of Minneapolis/St. Paul. Residents are typically employed in professional vocations within the metropolitan area.

The taxable market value of property within the District continued to grow until 2009. Previous growth was due to new construction and valuation increases for existing property. Market values have rebounded from \$9,721,507,300 in 2010 to \$10,518,327,358 in 2018. While the District is essentially fully developed residentially, commercial development and redevelopment is clearly evident throughout the community.

## **MAJOR INITIATIVES**

XinXing Academy, Hopkins Public Schools' Chinese Immersion program, opened at Eisenhower Elementary School in 2007. XinXing attracts students from all parts of the Hopkins School District, as well as from other school districts in the Twin Cities area through open enrollment.

XinXing currently has two sections each of full-day kindergarten and grades 1-11. XinXing has continued to add a grade level every year, and will be fully implemented through the 12<sup>th</sup> grade in 2019-20.

XinXing classrooms have been designated Confucius Classrooms by the Confucius Institute at the University of Minnesota. As part of this designation, XinXing has received grants for the past six years to support Chinese cultural experiences such as dance, art, and Gong Fu.

Hopkins will embark on a partnership with the Science Museum of Minnesota and Cargill to bring computational thinking to our elementary schools. This is similar to the support Hopkins received the past five years in the area of engineering through the Engineering is Elementary program that brought rigorous STEM work into our elementary classrooms.

Hopkins Juntos secondary Spanish Immersion program now serves students in grades 7-12. The students participating in the program are a combination of Heritage speakers of Spanish and students that have completed an elementary Spanish immersion program.

In Hopkins, every student deserves a brilliant future. The District has unveiled a new Vision 2031 Strategic Plan. Vision 2031 is a vision of innovation created with the core belief designed to find out what our community, staff, and students think a world-class education should look like and what traits each student in the graduating class of 2031 should have.

Citizens of the School District  
Board of Education  
Employees of the School District

Both Hopkins North and Hopkins West Junior High are International Baccalaureate World Schools through the implementation of the Middle Years Programme. The schools have adjusted course offerings in the past two years to better align with the IBMYP.

Elementary FLES (Foreign Language in the Elementary Schools) is now articulated through grade six, and administrators are planning for the transition of this program into the traditional world language offerings of the junior high.

Beginning this school year, the District has distributed additional technology and student devices at the elementary level as part of the *Elementary Ecosystem*. This includes 1:1 iPads to elementary grade levels and a cart of Chromebooks for each site.

### **INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE**

State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen LLP was selected by the District Board to conduct the annual audit.

This report has been prepared following the guidelines provided by the Association of School Business Officials International (ASBO) for their Certificate of Excellence in Financial Reporting Program. In 2018, the District received recognition from this program by receiving the Certificate of Excellence. Continuing to achieve recognition is a goal of the District's Business Office and provides a clear indication of the District's high standards for financial reporting. The District intends to submit this Comprehensive Annual Financial Report to the ASBO Certificate Program for consideration.

### **ACKNOWLEDGMENTS**

We acknowledge the efforts of the entire Business Office staff under the leadership of Tariro Chapinduka in providing complete and accurate data for this Comprehensive Annual Financial Report.

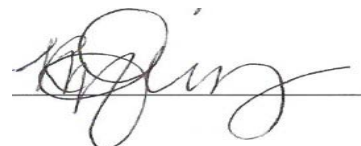
Sincerely,



Tariro Chapinduka  
Director of Business Services



Jason Stegeman  
Controller



Dr. Rhoda Mhiripiri-Reed  
Superintendent

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2019**

**SCHOOL BOARD**

<b>NAME</b>	<b>TERM ON BOARD EXPIRES</b>	<b>BOARD POSITION</b>
Wendy Donovan	January 1, 2020	Chair
Kris Newcomer	January 1, 2020	Vice Chair
Steven Adams	January 1, 2020	Treasurer
Fartun Ahmed	January 1, 2022	Director
Jen Bouchard	January 1, 2022	Director
Dave Larson	January 1, 2020	Director
Chris LaTondresse	January 1, 2022	Director

**ADMINISTRATION**

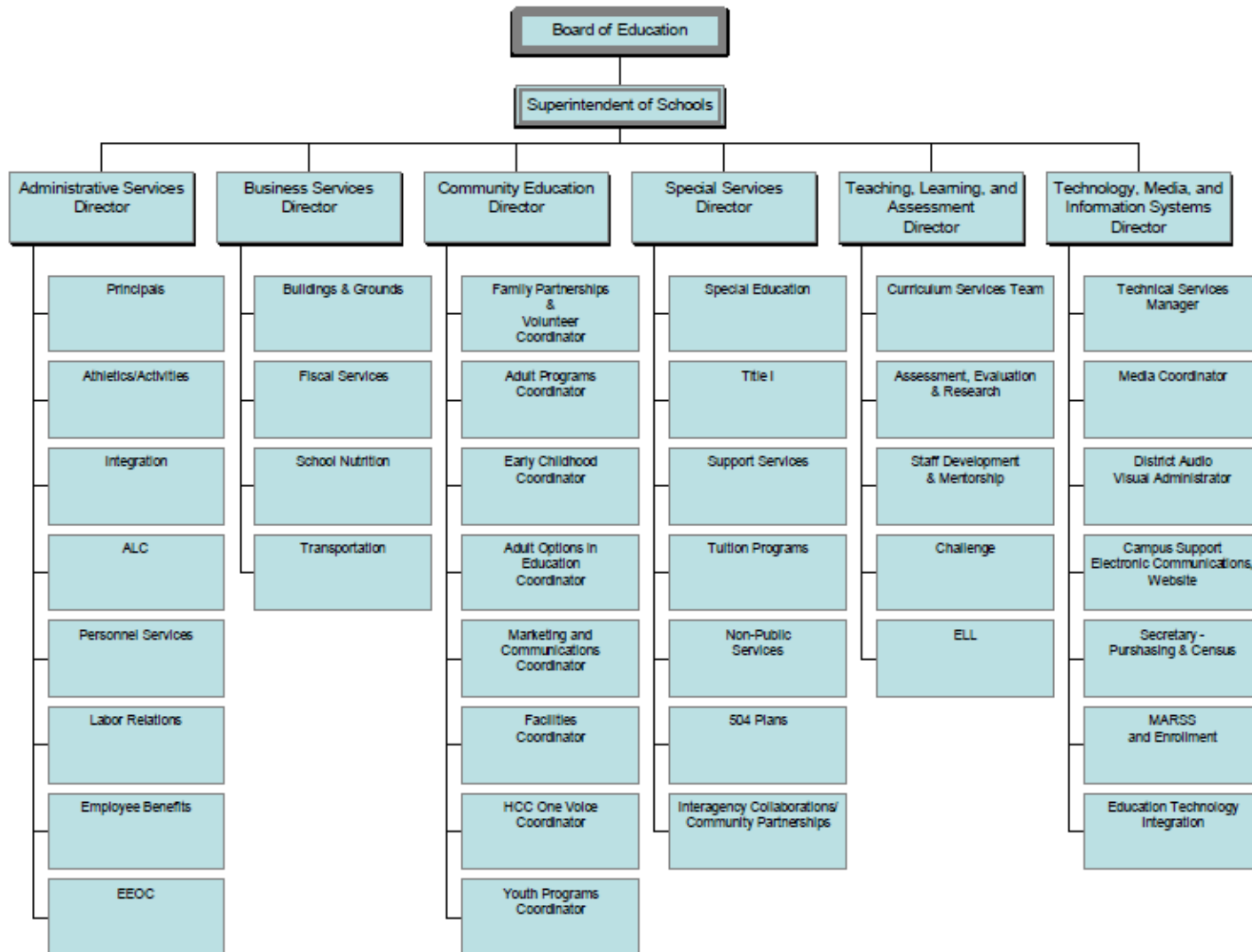
Dr. Rhoda Mhiripiri-Reed  
Tariro Chapinduka

Superintendent  
Director of Business Services

District Offices:

Independent School District No. 270  
Hopkins Public Schools  
1001 Highway 7  
Hopkins, MN 55305-4722  
(952) 988-4000

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
ORGANIZATIONAL STRUCTURE  
JUNE 30, 2019**



HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING  
JUNE 30, 2019



The Certificate of Excellence in Financial Reporting  
is presented to

**Hopkins Public Schools ISD 270**

for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.

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



A handwritten signature in black ink, appearing to read 'Tom Wohleber'.

Tom Wohleber, CSRM  
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis  
Executive Director

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Members of the Board of Education  
Independent School District No. 270  
Hopkins Public Schools  
Hopkins, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Hopkins Public Schools, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Hopkins Public Schools' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Hopkins Public Schools as of June 30, 2019, and the respective changes in financial position, the budgetary comparison for the General, Food Service, and Community Service funds and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Prior Year Information**

We have previously audited Hopkins Public Schools' 2018 financial statements of the governmental activities, each major fund and the aggregate remaining fund information, and we expressed an unmodified opinion on those audited financial statements in our report dated November 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended **June 30, 2018** is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, schedules of the Independent School District No. 270's (the District) proportionate share of net pension liability, schedules of the District's pension contributions, and the schedule of changes in the District's total pension liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Matters (Continued)**

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hopkins Public Schools' basic financial statements. The introductory section, combining and individual fund financial statements, uniform financial accounting and reporting standards compliance table and statistical sections are presented for purposes of additional analysis and are not required parts of the basic financial statements.

### **Other Matters (Continued)**

The combining and individual fund financial statements and the UFARS compliance table are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2018, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The individual fund financial statements for the year ended June 30, 2018, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2018 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019, on our consideration of Hopkins Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hopkins Public Schools' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 17, 2019

## **REQUIRED SUPPLEMENTARY INFORMATION**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

This section of Hopkins Public Schools – Independent School District No. 270's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the District's basic financial statements, which immediately follows this section. The Management's Discussion and Analysis (MD&A) is a required element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year (2018-2019) and the prior year (2017-2018) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2018-2019 fiscal year include the following:

- § Net position of the District in total increased by \$26,434,037, from June 2018 resulting in an ending net position deficit of \$61,825,475.
- § Overall General Fund revenues were \$99,698,593 as compared to \$101,158,221 of expenditures.
- § Total fund balance of the General Fund decreased by \$335,646 from the prior year resulting from revenues increasing over \$3.3 million while expenditures increased about \$4.3 million. Transfers in also increased by \$.6 million.
- § The District issued \$18,835,000 in General Obligation Bonds and \$17,895,000 in General Obligation Refunding Bonds in the current year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Government-Wide Statements**

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

**Fund Financial Statements**

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

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

The District has three kinds of funds:

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

- § The District uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The District currently has an internal service fund for self-insurance of health and dental benefits, for its OPEB Revocable Trust and for a Retiree Severance Fund.
- § *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship funds and the flexible benefit plan. 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**

**Net Position**

The District's *combined* net position was \$(61,825,475) on June 30, 2019.

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

	Governmental Activities as of June 30,		Percentage Change
	2019	2018	
Current and Other Assets	\$ 127,618,772	\$ 132,326,805	(3.56)%
Capital Assets	179,206,759	165,820,929	8.07
Total Assets	306,825,531	298,147,734	2.91
Deferred Outflows of Resources	77,557,858	103,338,286	(24.95)
Current Liabilities	12,529,908	12,470,011	0.48
Long-Term Liabilities	282,276,327	395,535,015	(28.63)
Total Liabilities	294,806,235	408,005,026	(27.74)
Deferred Inflows of Resources	151,402,629	81,740,506	85.22
Net Position:			
Net Investment in Capital Assets	22,915,255	22,053,140	3.91
Restricted	5,457,499	5,905,947	(7.59)
Unrestricted	(90,198,229)	(116,218,599)	(22.39)
Total Net Position	\$ (61,825,475)	\$ (88,259,512)	(29.95)

Net position of the District increased by \$26,434,037 from the June 2018 amount primarily due to a significant decrease in the net pension liability (NPL). While some of the related expenses are deferred until future periods in the form of deferred outflows, the District recognized a negative expense in fiscal year 2019 due to the significant decrease in the net pension liability.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Changes in Net Position**

The District's total revenues were \$136,823,150 for the year ended June 30, 2019. Property taxes and state formula aid accounted for 79% of total revenue for the year (see Figure A-1). Another 2% came from other general revenues combined with investment earnings and the remaining 19% from program revenues.

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

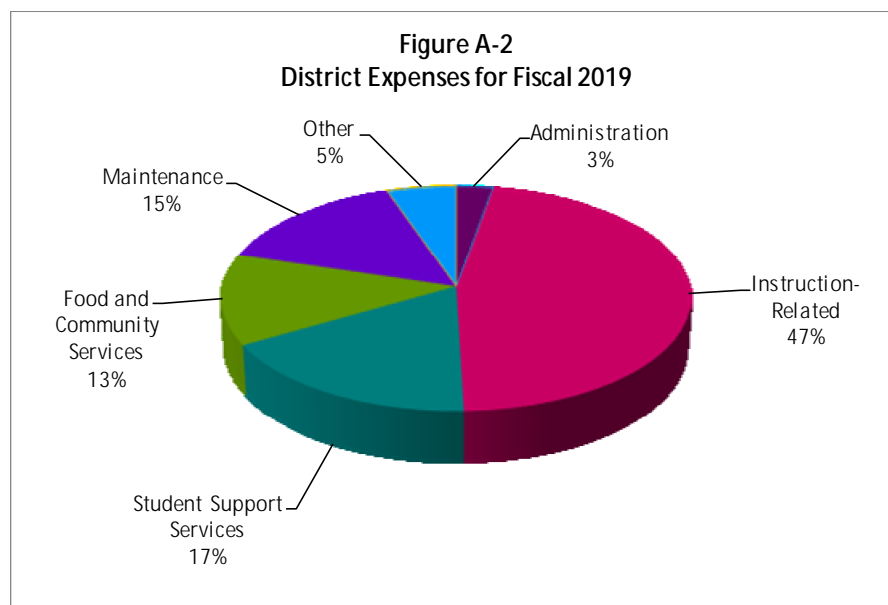
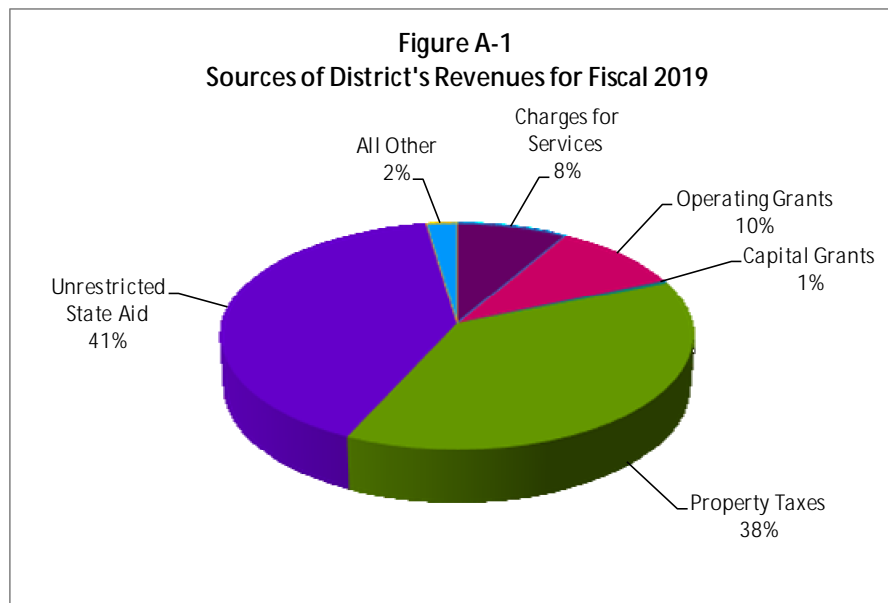
	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2019	2018	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 11,512,938	\$ 10,624,301	8.36 %
Operating Grants and Contributions	13,765,249	15,972,054	(13.82)
Capital Grants and Contributions	580,583	427,504	35.81
<u>General Revenues</u>			
Property Taxes	51,994,755	50,849,015	2.25
Unrestricted State Aid	55,800,925	54,358,728	2.65
Earnings on Investments	2,847,023	843,281	237.61
Other	321,677	262,006	22.77
Total Revenues	136,823,150	133,336,889	2.61
<b>Expenses</b>			
Administration	3,084,800	5,361,601	(42.46)
District Support Services	5,099,790	4,041,454	26.19
Regular Instruction	39,578,619	74,082,770	(46.58)
Vocational Education Instruction	870,422	1,703,900	(48.92)
Special Education Instruction	11,152,732	20,349,472	(45.19)
Instructional Support Services	5,197,523	5,457,785	(4.77)
Pupil Support Services	8,576,359	9,296,987	(7.75)
Sites and Buildings	16,545,796	19,194,948	(13.80)
Fiscal and Other Fixed Cost Programs	278,697	235,254	18.47
Food Service	4,244,581	4,194,963	1.18
Community Service	10,186,680	10,571,316	(3.64)
Interest and Fiscal Charges on			
Long-Term Liabilities	5,573,114	5,110,476	9.05
Total Expenses	110,389,113	159,600,926	(30.83)
<b>Change in Net Position</b>	26,434,037	(26,264,037)	
Beginning Net Position	(88,259,512)	(61,995,475)	
Ending Net Position	\$ (61,825,475)	\$ (88,259,512)	

The total cost of all programs and services was \$110,389,113. Total revenues exceeded expenses increasing net position by \$26,434,037 from the prior year restated net position.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

The total revenues of all *governmental* activities this year was \$136,823,150.

- § Some of the cost was paid by the users of the District's programs (\$11,512,938).
- § The federal and state governments subsidized certain programs with grants and contributions (\$14,345,832).
- § Most of the District's costs (\$114,557,679), however, were paid for by District taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with \$51,994,755 in property taxes, and \$55,800,925 of unrestricted state aid based on the statewide education aid formula.



**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

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

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2019	2018		2019	2018	
Administration	\$ 3,084,800	\$ 5,361,601	(42.46)%	\$ 3,017,173	\$ 5,170,493	(41.65)%
District Support Services	5,099,790	4,041,454	26.19	5,080,799	4,032,565	25.99
Regular Instruction	39,578,619	74,082,770	(46.58)	38,951,229	70,710,074	(44.91)
Vocational Education Instruction	870,422	1,703,900	(48.92)	904,113	1,653,650	(45.33)
Special Education Instruction	11,152,732	20,349,472	(45.19)	1,331,282	10,435,152	(87.24)
Instructional Support Services	5,197,523	5,457,785	(4.77)	4,603,813	5,421,851	(15.09)
Pupil Support Services	8,576,359	9,296,987	(7.75)	8,468,826	9,072,178	(6.65)
Sites and Buildings	16,545,796	19,194,948	(13.80)	14,046,202	17,595,169	(20.17)
Fiscal and Other Fixed Cost Programs	278,697	235,254	18.47	278,697	235,254	18.47
Food Service	4,244,581	4,194,963	1.18	288,498	110,870	160.21
Community Service	10,186,680	10,571,316	(3.64)	1,986,597	3,029,335	(34.42)
Interest and Fiscal Charges on Long-Term Liabilities	5,573,114	5,110,476	9.05	5,573,114	5,110,476	9.05
Total	<u>\$ 110,389,113</u>	<u>\$ 159,600,926</u>	(30.83)	<u>\$ 84,530,343</u>	<u>\$ 132,577,067</u>	(36.24)

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$36,071,933, or \$3,886,054 less than last year's ending fund balance of \$39,957,987.

Total revenues and other financing sources for the District's governmental funds were \$180,412,075 while total expenditures and other financing uses were \$184,298,129. This difference is primarily the result of a bond issue for construction to improve District facilities.

## GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

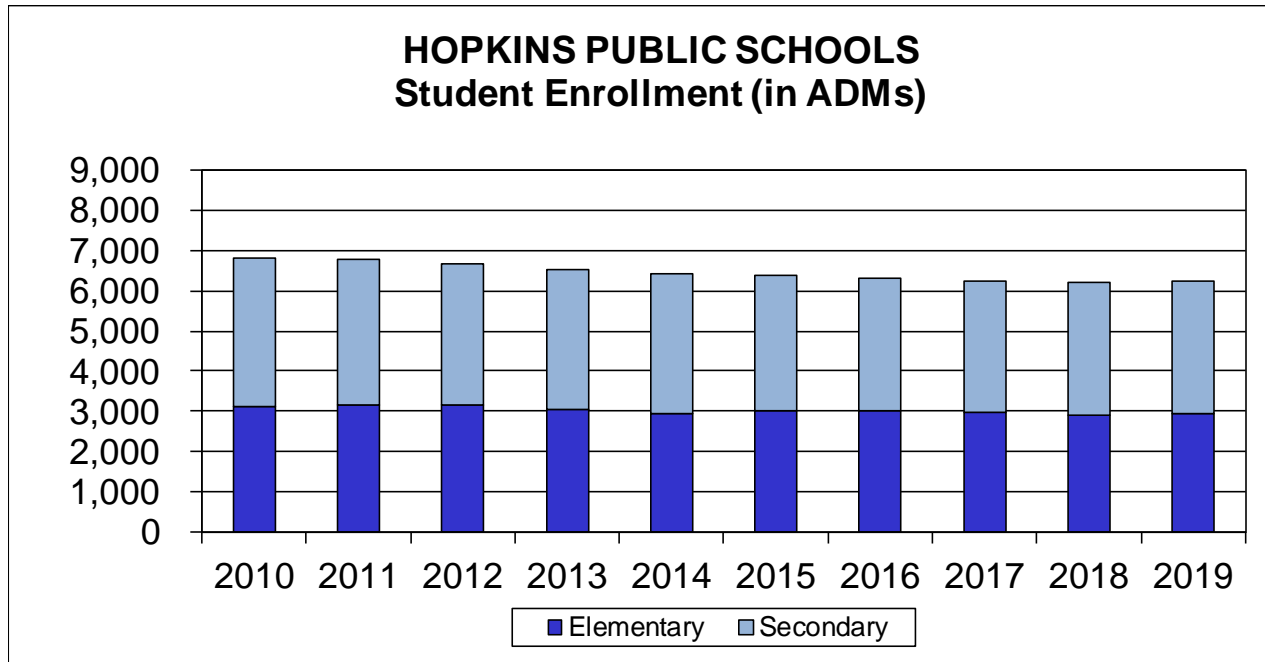
Approximately 68% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model providing approximately 68% of personnel expenditures. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**ENROLLMENT**

Enrollment is a critical factor in determining revenue with approximately 75% of General Fund revenue being determined by enrollment. The following chart shows that the number of students has decreased slightly over the last 10 years.

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



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pre-K & KH	78.36	91.45	72.74	67.19	74.35	91.51	101.71	110.70	120.03	133.02
Reg K	470.15	458.84	452.81	450.86	494.96	505.31	504.80	425.27	448.38	455.36
Elementary	3,114.15	3,149.87	3,149.38	3,032.91	2,929.49	3,025.60	3,016.15	2,991.90	2,909.26	2,952.53
Secondary	3,711.71	3,625.53	3,517.28	3,486.77	3,473.61	3,370.47	3,302.99	3,251.02	3,292.46	3,286.16
Total Students for Aid	7,374.37	7,325.69	7,192.21	7,037.73	6,972.41	6,992.89	6,925.65	6,778.89	6,770.13	6,827.07
Percent Change	-0.69%	-0.66%	-1.82%	-2.15%	-0.93%	0.29%	-0.96%	-2.12%	-0.13%	0.84%

Over the last 10 years, the District has experienced a decline in average daily membership by 656 students or 8.8%. It is anticipated the trend will continue for the near term but flatten out in future years, as the District's pre-school population settles at about 490 kindergarten students per year as compared to approximately 590 students graduating annually for the next three years. The District continues to accept open enrollment students to mitigate some of this natural decline.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

	Year Ended		Change	
	June 30, 2019	June 30, 2018	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 27,698,676	\$ 27,058,222	\$ 640,454	2.4 %
Earnings on Investments	381,687	318,137	63,550	20.0
Other	3,741,164	3,902,241	(161,077)	(4.1)
State Sources	63,985,373	62,224,846	1,760,527	2.8
Federal Sources	3,891,693	2,935,205	956,488	32.6
Total General Fund Revenue	<u>\$ 99,698,593</u>	<u>\$ 96,438,651</u>	<u>\$ 3,259,942</u>	3.4

Total General Fund Revenue increased by \$3,259,942 or 3.4% from the previous year. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue. Other state-authorized revenue may also involve an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year to year without any net change on total revenue.

For 2018-2019 local property tax revenue increased by \$640,454, or 2.4%. Earnings on investments increased by \$63,550.

State Sources increased by \$1,760,527, or 2.8%, Federal Sources increased by \$956,488, or 3.4%, and Other revenue decreased by \$161,077, or 4.1%.

For fiscal year 2018-2019, there was a 2.0% increase in the General Education per student allowance.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

	Year Ended		Change	
	June 30, 2019	June 30, 2018	Increase (Decrease)	Percent Change
Salaries	\$ 61,605,777	\$ 56,003,918	\$ 5,601,859	10.0 %
Employee Benefits	18,478,019	17,237,100	1,240,919	7.2
Purchased Services	15,533,142	14,234,921	1,298,221	9.1
Supplies and Materials	2,364,851	2,902,686	(537,835)	(18.5)
Capital Expenditures	2,023,895	4,756,591	(2,732,696)	(57.5)
Debt Service	414,467	1,155,454	(740,987)	(64.1)
Other Expenditures	738,070	555,514	182,556	32.9
Total General Fund Expenditures	<u>\$ 101,158,221</u>	<u>\$ 96,846,184</u>	<u>\$ 4,312,037</u>	4.5

Total General Fund Expenditures increased \$4,312,037 or 4.5% from the previous year. The major factor driving the increase from 2017-2018 to 2018-2019 was an increase in Purchased Services is primarily due to a substantial increase in the elementary and secondary regular instruction category. There were also significant increases in salaries and benefits due to bargaining agreement settlements with employee unions. The district also moved certain positions which had been funded outside of general fund back into the general fund category. Other Expenditures were \$182k higher in the General Fund in 2018-2019 primarily due to the fact that dues and memberships are now primarily charged to the General Fund.

In fiscal 2018-2019, General Fund expenditures were more than revenues by \$335,646 including other financing sources and uses. Therefore, total fund balance decreased from \$11,496,878 in the prior year to \$11,161,232 as of June 30, 2019. After deducting statutory categories of fund balance and District commitments and assignments, the General Fund Unassigned fund balance decreased from \$8,373,311 at June 30, 2018, to \$7,748,076 at June 30, 2019. This represents about 7.7% of fiscal year 2018-2019 total general fund expenditures. The School Board fund balance policy states that the administration shall plan and manage annual revenue and expenditure budgets that provide a General Fund unassigned fund balance of no less than 6% of annual expenditures and treats any excess above 6% as a contingency reserve to be utilized for nonrecurring costs.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**General Fund Budgetary Highlights**

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

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

Actual revenues were \$1,064,113 or 1% more than budgeted, while expenditures were \$303,813 0.33% more than budgeted.

While the District's final budget for the General Fund anticipated that fund balance would decrease by \$1,142,512, the actual results for the year show that fund balance decrease in total by \$335,646.

**CAPITAL PROJECTS AND DEBT SERVICE FUNDS**

The Building Construction Fund has two major components, the Capital Projects Levy (Technology Levy) component, and the Long-Term Facilities Maintenance Revenue (LTFMR) Bonding and Levy component (previously the Alternative Facilities Bonding and Levy Program). These are ongoing restricted revenue and expenditure programs.

In the Debt Service Fund, revenues exceeded expenditures and other financing uses sources by \$800,587 in 2018-2019. The ending Debt Service fund balance at June 30, 2019 of \$3,381,236 includes \$2,551,180 for meeting future regular debt service obligations and \$830,056 available for meeting future OPEB debt service obligations.

**OTHER MAJOR FUNDS**

Expenditures exceeded revenues by \$152,082 and an insurance recovery of \$6,627 resulted in the fund balance of the Food Service Fund ending in \$593,659 for 2018-2019. In the Community Service Fund expenditures exceeded revenues by \$261,216 and a transfer in of \$250,000 resulted in the fund balance of the Community Service Fund ending at \$2,205,365 with \$1,731,778 restricted for community education programs.

From the standpoint of maintaining current operating expenditures within the range of annual revenue and maintaining a sound fund balance, the Food Service and Community Service funds have respective budgets for 2019-20 that allow them to continue to operate on a sound financial basis.

**INTERNAL SERVICE FUND**

Proprietary funds such as the Internal Service Fund use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2019, the District had invested approximately \$310 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). More detailed information about capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year was about \$10 million.

**Table A-7  
Capital Assets**

	2019	2018	Percentage Change
Land	\$ 2,867,600	\$ 2,867,600	-
Construction in Progress	25,085,229	17,574,089	42.7
Land Improvements	21,914,742	16,271,752	34.7
Buildings and Improvements	230,077,615	226,712,528	1.5
Equipment	34,340,976	26,689,872	28.7
Less: Accumulated Depreciation	(135,079,403)	(124,294,912)	8.7
Total Capital Assets	<u>\$ 179,206,759</u>	<u>\$ 165,820,929</u>	8.1

**Construction – Next Five Years**

In fiscal 2019, the District continued its 14-year (14<sup>th</sup> construction year) of a rolling 10-year program to address in excess of \$80 million in deferred maintenance needs, with an emphasis on improving indoor air quality and roof and window replacement. The revised 10-year facilities management plan identified \$15 million in projects for Phase VI. The District bonded for \$15 million in the spring of 2017. The District will be moving towards a more property tax levy driven source of revenue and less of a bonding source of revenue over the next five years. The program name has also changed from the Alternative Facilities Bonding and Levy program to the Long-Term Facilities Maintenance Revenue (LTFMR) program.

In November 2017, District voters passed a \$30 million construction bond to improve District facilities, including an addition to Meadowbrook elementary school to complete the expansion to a full five-section school. There are various projects in the bond that will impact Hopkins High School, the two Junior High Schools and Glen Lake elementary school. Also included in this bond is a \$7 million payoff for two leases, one for the Tanglen gymnasium, and one for the purchase of the Meadowbrook Crisis Nursery building. The payoff of these leases will likely result in a decrease in the interest rate the District is paying, thus saving taxpayers money on future interest costs.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Long-Term Liabilities**

At year-end, the District had \$164,010,000 in general obligation bonds outstanding – an increase of 5% from last year – as shown in Note 4 to the financial statements. This is in addition to \$3,730,000 of general obligation OPEB bonds. Pension Benefits Payable represents the District's proportionate share of the Public Employees' Retirement Association of Minnesota General Employees' Retirement Fund's net pension liability, the District's portion of the Teacher's Retirement Association's Coordinated and Basic Plan net pension liability, as well as the net pension liability of the District's supplemental pension plan. The District's pension benefits payable related to these net pension liabilities decreased \$120,147,002, or 60.0%. The District also increased its postemployment severance and health benefits payable at June 30, 2019 by a net of \$813,237.

**Table A-8  
The District's Long-Term Liabilities**

	2019	2018	Percentage Change
Net Pension Liability	\$ 80,144,319	\$ 200,291,321	(60.0)%
Other Postemployment Benefits Payable	24,542,888	23,729,651	3.4
Other Long-Term Liabilities:			
General Obligation Bonds	164,010,000	151,245,000	8.4
General Obligation OPEB Bonds	3,730,000	11,185,000	(66.7)
Net Bond Premium and Discount	6,842,436	5,739,515	19.2
Capital Leases Payable	3,006,684	3,344,528	(10.1)
Total Long-Term Liabilities	<u>\$ 282,276,327</u>	<u>\$ 395,535,015</u>	(28.6)
Long-Term Liabilities:			
Due Within One Year	\$ 13,216,665	\$ 11,929,024	10.8 %
Due in More Than One Year	269,059,662	383,605,991	(29.9)
Total	<u>\$ 282,276,327</u>	<u>\$ 395,535,015</u>	(28.6)

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

Hopkins Public Schools remained financially stable as of June 30, 2019. Audited results for 2018-2019 will result in a revised General Fund budget that will keep its General Fund Unassigned fund balance as of June 30, 2019 at or slightly below the same level as June 30, 2018. This will keep Hopkins Public Schools Unassigned fund balance in the range of 8-15%, an amount that will keep it in line with financially strong neighboring districts. The state legislature will set the budget for potentially increased per pupil funding for 2019-20 and 2020-21. An anticipated 2% increase in per pupil funding will be assumed when creating the 2020-21 and 2021-22 budgets. Hopkins Public Schools remains in a strong fiscal position assuming conservative increases for education funding.

Hopkins Public Schools will need to continue to look at possible ways to increase other nonstate revenue and continue to identify efficiencies to control expenses for fiscal year 2019-20 and beyond. Some examples of this are solar gardens and solar rooftop arrays to reduce electricity costs. Expenditures have been exceeding revenues in 2019-20 in the long-term budget-planning model.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

Hopkins Public Schools utilizes a financial planning model that incorporates anticipated revenue and expenditure increases to more closely monitor the finances of the District on a long-range basis. The model anticipates separately the amount of reductions necessary due to declining student enrollment, which Hopkins Public Schools is experiencing. The model is also intended to show the total amount of reductions necessary for the District to adhere to its fund balance policy, while striving to maintain its long-standing commitment to academic excellence and educational opportunity for students.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and 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 270, 1001 Highway 7, Hopkins, Minnesota 55305.

## **BASIC FINANCIAL STATEMENTS**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF NET POSITION  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Governmental Activities	
	2019	2018
<b>ASSETS</b>		
Cash and Investments	\$ 85,857,437	\$ 94,632,009
Cash with Fiscal Agent	681,590	1,035,250
Receivables:		
Property Taxes	26,750,477	24,712,496
Other Governments	13,096,825	10,743,111
Other	711,076	653,308
Prepaid Items	408,322	393,440
Inventories	113,045	157,191
Capital Assets:		
Land and Construction in Progress	27,952,829	20,441,689
Other Capital Assets, Net of Depreciation	151,253,930	145,379,240
Total Assets	<u>306,825,531</u>	<u>298,147,734</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows - Other Postemployment Benefits	2,345,739	1,254,410
Deferred Outflows - Pensions	75,212,119	102,083,876
Total Deferred Outflows	<u>77,557,858</u>	<u>103,338,286</u>
<b>LIABILITIES</b>		
Salaries Payable	959,563	1,051,613
Accounts and Contracts Payable	5,628,578	6,427,243
Accrued Interest	2,750,208	2,520,057
Due to Other Governmental Units	1,392,775	778,786
Unearned Revenue	1,798,784	1,692,312
Long-Term Liabilities:		
Net Pension Liability	80,144,319	200,291,321
Other Postemployment Benefits Due Within One Year	1,955,835	1,254,410
Other Postemployment Benefits Payable	22,587,053	22,475,241
Bonds and Other Liabilities Due Within One Year	11,260,830	10,674,614
Bonds and Other Liabilities Due in More Than One Year	166,328,290	160,839,429
Total Liabilities	<u>294,806,235</u>	<u>408,005,026</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Levied for Subsequent Year	48,240,913	47,477,685
Gains on Debt Refunding	156,925	-
Deferred Inflows - Pensions	103,004,791	34,262,821
Total Deferred Inflows of Resources	<u>151,402,629</u>	<u>81,740,506</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	22,915,255	22,053,140
Restricted for:		
General Fund Operating Capital Purposes	998,486	722,956
General Fund State-Mandated Reserves	722,674	751,662
Food Service	593,659	739,114
Community Service	2,216,273	2,225,694
Debt Service	748,181	155,399
Capital Projects - Building Construction	178,226	1,311,122
Unrestricted	(90,198,229)	(116,218,599)
Total Net Position	<u>\$ (61,825,475)</u>	<u>\$ (88,259,512)</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

Functions	2019				2018
	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
Administration	\$ 3,084,800	\$ 169,329	\$ (140,988)	\$ 39,286	\$ (3,017,173)
District Support Services	5,099,790	5,535	13,456	-	(5,080,799)
Regular Instruction	39,578,619	1,191,671	(572,864)	8,583	(38,951,229)
Vocational Education Instruction	870,422	2,109	(35,800)	-	(904,113)
Special Education Instruction	11,152,732	138,753	9,682,697	-	(1,331,282)
Instructional Support Services	5,197,523	741,637	(147,927)	-	(4,603,813)
Pupil Support Services	8,576,359	110,698	(3,165)	-	(8,468,826)
Sites and Buildings	16,545,796	821,089	1,145,791	532,714	(14,046,202)
Fiscal and Other Fixed Cost Programs	278,697	-	-	-	(278,697)
Food Service	4,244,581	2,109,801	1,846,282	-	(288,498)
Community Service	10,186,680	6,222,316	1,977,767	-	(1,986,597)
Interest and Fiscal Charges on Long-Term Liabilities	5,573,114	-	-	-	(5,573,114)
Total School District	<u>\$ 110,389,113</u>	<u>\$ 11,512,938</u>	<u>\$ 13,765,249</u>	<u>\$ 580,583</u>	<u>(84,530,343)</u>
<b>GENERAL REVENUES</b>					
Property Taxes Levied for:					
General Purposes					27,722,523
Community Service					1,715,341
Debt Service					17,200,345
Capital Projects					5,356,546
State Aid Not Restricted to Specific Purposes					55,800,925
Earnings on Investments					2,847,023
Miscellaneous					321,677
Gain on Sale of Capital Assets					-
Total General Revenues					<u>110,964,380</u>
<b>CHANGE IN NET POSITION</b>					<u>26,434,037</u>
Net Position - Beginning					<u>(88,259,512)</u>
<b>NET POSITION - ENDING</b>					<u>\$ (61,825,475)</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2019	2018
<b>ASSETS</b>							
Cash and Investments	\$ 13,829,323	\$ 301,818	\$ 3,413,726	\$ 21,513,513	\$ 11,977,446	\$ 51,035,826	\$ 58,024,875
Cash with Fiscal Agent	-	-	-	681,590	-	681,590	1,035,250
Receivables:							
Current Property Taxes	17,020,305	-	706,085	-	8,656,078	26,382,468	24,392,475
Delinquent Property Taxes	239,948	-	10,908	-	117,153	368,009	320,021
Accounts and Interest Receivable	360,044	23,969	32,462	177	-	416,652	408,392
Due from Other Minnesota School Districts	424,482	644	1,810	-	-	426,936	539,331
Due from Minnesota Department of Education	8,272,937	31,033	47,335	-	-	8,351,305	6,883,394
Due from Federal through Minnesota Department of Education	3,337,284	247,416	109,423	-	-	3,694,123	3,254,307
Due from Other Governmental Units	302,225	-	100,508	221,728	-	624,461	66,079
Due from Other Funds	-	-	-	-	-	-	373,470
Inventory	54,839	58,206	-	-	-	113,045	157,191
Prepays	230,096	-	-	178,226	-	408,322	393,440
Total Assets	<u>\$ 44,071,483</u>	<u>\$ 663,086</u>	<u>\$ 4,422,257</u>	<u>\$ 22,595,234</u>	<u>\$ 20,750,677</u>	<u>\$ 92,502,737</u>	<u>\$ 95,848,225</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
Liabilities:							
Salaries and Compensated Absences Payable	\$ 192,223	\$ 12,584	150,754	\$ -	\$ -	\$ 355,561	\$ 509,132
Payroll Deductions and Employer Contributions Payable	419,472	28,252	125,844	30,435	-	604,003	542,481
Accounts and Contracts Payable	956,575	28,538	90,676	3,834,358	-	4,910,147	5,691,511
Due to Other Governmental Units	1,155,443	53	237,279	-	-	1,392,775	778,786
Unearned Revenue	365,252	-	194,144	-	-	559,396	570,622
Total Liabilities	<u>3,088,965</u>	<u>69,427</u>	<u>798,697</u>	<u>3,864,793</u>	<u>-</u>	<u>7,821,882</u>	<u>8,092,532</u>
Deferred Inflows of Resources:							
Unavailable Revenue - Property Taxes Levied for Subsequent Year	29,581,338	-	1,407,287	-	17,252,288	48,240,913	47,477,685
Unavailable Revenue - Delinquent Property Taxes	239,948	-	10,908	-	117,153	368,009	320,021
Total Deferred Inflows of Resources	<u>29,821,286</u>	<u>-</u>	<u>1,418,195</u>	<u>-</u>	<u>17,369,441</u>	<u>48,608,922</u>	<u>47,797,706</u>
Fund Balance:							
Nonspendable:							
Inventory	54,839	58,206	-	-	-	113,045	157,191
Prepays	230,096	-	-	178,226	-	408,322	393,440
Restricted for:							
Staff Development	82,790	-	-	-	-	82,790	235,987
Capital Projects Levy	-	-	-	-	-	-	1,082,629
Operating Capital	998,486	-	-	-	-	998,486	722,956
Medical Assistance	639,884	-	-	-	-	639,884	515,675
Community Education	-	-	1,731,773	-	-	1,731,773	1,722,878
Early Childhood and Family Education	-	-	281,895	-	-	281,895	294,674
School Readiness	-	-	12,735	-	-	12,735	5,777
Adult Basic Education	-	-	37,425	-	-	37,425	52,538
Long-Term Facilities Maintenance	-	-	-	10,887,869	-	10,887,869	2,035,617
Restricted for Other Purposes	-	535,453	141,537	7,664,346	3,381,236	11,722,572	22,958,253
Assigned for:							
Buses and Bus Shelter	-	-	-	-	-	-	27,500
Turf Fields	-	-	-	-	-	-	100,000
Health and Safety	312,132	-	-	-	-	312,132	312,132
Building Purchase	-	-	-	-	-	-	500,000
Building Renovation	500,000	-	-	-	-	500,000	-
Strategic Visioning 2031	467,429	-	-	-	-	467,429	467,429
Strategic Transportation	127,500	-	-	-	-	127,500	-
Unassigned	7,748,076	-	-	-	-	7,748,076	8,373,311
Total Fund Balance	<u>11,161,232</u>	<u>593,659</u>	<u>2,205,365</u>	<u>18,730,441</u>	<u>3,381,236</u>	<u>36,071,933</u>	<u>39,957,987</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 44,071,483</u>	<u>\$ 663,086</u>	<u>\$ 4,422,257</u>	<u>\$ 22,595,234</u>	<u>\$ 20,750,677</u>	<u>\$ 92,502,737</u>	<u>\$ 95,848,225</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	2019	2018
<b>Total Fund Balance for Governmental Funds</b>	\$ 36,071,933	\$ 39,957,987
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	2,867,600	2,867,600
Construction in Progress	25,085,229	17,574,089
Land Improvements, Net of Accumulated Depreciation	10,611,792	5,914,352
Buildings and Improvements, Net of Accumulated Depreciation	123,890,662	127,985,839
Equipment, Net of Accumulated Depreciation	16,751,476	11,479,049
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds.		
	368,009	320,021
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditures when due.		
	(2,750,208)	(2,520,057)
The District's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:		
Net Pension Liability	(80,144,319)	(200,291,321)
Deferred Inflows of Resources - Pensions	(103,004,791)	(34,262,821)
Deferred Outflows of Resources - Pensions	75,212,119	102,083,876
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long term - are reported in the statement of net position. Balances at year-end are:		
Bonds Payable	(167,740,000)	(162,430,000)
Unamortized Premiums	(6,842,436)	(5,739,515)
Unamortized Deferred Gains on Refunding	(156,925)	-
Obligations Under Capital Leases	(3,006,684)	(3,344,528)
The District's other postemployment benefits liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:		
Other Postemployment Benefits Payable	(24,542,888)	(23,729,651)
Deferred Outflows of Resources - Other Postemployment Benefits	2,345,739	1,254,410
Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:		
	33,158,217	34,621,158
<b>Total Net Position of Governmental Activities</b>	<u>\$ (61,825,475)</u>	<u>\$ (88,259,512)</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2019	2018
<b>REVENUES</b>							
Local Sources:							
Property Taxes	\$ 27,698,676	\$ -	\$ 1,713,546	\$ 5,356,546	\$ 17,177,999	\$ 51,946,767	\$ 50,851,355
Earnings on Investments	381,687	12,320	61,736	552,584	243,286	1,251,613	703,945
Other	3,741,164	2,118,530	6,519,546	827,029	-	13,206,269	12,215,175
State Sources	63,985,373	199,963	2,209,904	-	-	66,395,240	64,379,818
Federal Sources	3,891,693	1,733,130	109,423	-	-	5,734,246	4,886,735
Total Revenues	99,698,593	4,063,943	10,614,155	6,736,159	17,421,285	138,534,135	133,037,028
<b>EXPENDITURES</b>							
Current:							
Administration	4,158,956	-	-	-	-	4,158,956	4,179,572
District Support Services	5,215,768	-	-	-	-	5,215,768	2,311,373
Elementary and Secondary Regular Instruction	45,690,309	-	-	-	-	45,690,309	46,274,076
Vocational Education Instruction	1,297,841	-	-	-	-	1,297,841	1,279,959
Special Education Instruction	16,240,938	-	-	-	-	16,240,938	14,992,720
Instructional Support Services	6,476,852	-	-	-	-	6,476,852	3,604,288
Pupil Support Services	9,352,041	-	-	-	-	9,352,041	8,310,271
Sites and Buildings	10,008,457	-	-	-	-	10,008,457	9,746,626
Fiscal and Other Fixed Cost Programs	278,697	-	-	-	-	278,697	235,254
Food Service	-	4,172,181	-	-	-	4,172,181	4,131,427
Community Service	-	-	10,715,045	-	-	10,715,045	9,658,501
Capital Outlay	2,023,895	43,844	160,326	29,246,831	-	31,474,896	25,156,231
Debt Service:							
Principal	337,844	-	-	-	31,420,000	31,757,844	17,355,346
Interest and Fiscal Charges	76,623	-	-	215,158	6,116,523	6,408,304	5,761,105
Total Expenditures	101,158,221	4,216,025	10,875,371	29,461,989	37,536,523	183,248,129	152,996,749
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(1,459,628)	(152,082)	(261,216)	(22,725,830)	(20,115,238)	(44,713,994)	(19,959,721)
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of Equipment	31,500	-	-	107,302	-	138,802	134,343
Insurance Recovery	42,066	6,627	-	-	-	48,693	17,862
Issuance of Bonds	-	-	-	17,895,000	-	17,895,000	29,030,000
Issuance of Refunding Bonds	-	-	-	-	18,835,000	18,835,000	-
Bond Premium	-	-	-	29,204	2,080,825	2,110,029	1,104,294
Transfers In	2,100,416	-	250,000	500,000	-	2,850,416	250,000
Transfers Out	(1,050,000)	-	-	-	-	(1,050,000)	(2,137,175)
Total Other Financing Sources (Uses)	1,123,982	6,627	250,000	18,531,506	20,915,825	40,827,940	28,399,324
<b>NET CHANGE IN FUND BALANCE</b>	(335,646)	(145,455)	(11,216)	(4,194,324)	800,587	(3,886,054)	8,439,603
<b>FUND BALANCES</b>							
Beginning of Year	11,496,878	739,114	2,216,581	22,924,765	2,580,649	39,957,987	31,518,384
End of Year	\$ 11,161,232	\$ 593,659	\$ 2,205,365	\$ 18,730,441	\$ 3,381,236	\$ 36,071,933	\$ 39,957,987

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	2019	2018
<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$ (3,886,054)</b>	<b>\$ 8,439,603</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is:		
Capital Outlays	24,170,321	17,799,661
Gain on Disposal of Capital Assets	-	133,043
Proceeds from the Sales of Capital Assets	-	(134,343)
Depreciation Expense	(10,784,491)	(10,169,572)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unearned in the governmental funds.		
	47,988	(2,340)
Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.		
Change in Accrued Interest - Capital Leases	3,308	102,467
Principal Payments - Capital Leases	337,844	7,490,345
Pension expenses in the governmental funds are measured by current year employer contributions. Pension expenditures on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.		
	24,470,415	(25,457,773)
In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).		
	340,952	(4,910,156)
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
General Obligation and Certificates of Participation Bond Proceeds	(36,730,000)	(29,030,000)
Bond Premium or Discount	(2,110,029)	(1,104,294)
Repayment of Bond Principal	31,420,000	9,865,000
Deferred Gain on Bond Refunding	(156,925)	-
Change in Accrued Interest	(233,459)	(246,692)
Amortization of Bond Premium	1,007,108	794,855
Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The change in net position of the internal service funds is reported with governmental activities.		
	(1,462,941)	166,159
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 26,434,037</b>	<b>\$ (26,264,037)</b>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 22,843,180	\$ 27,450,473	\$ 27,698,676	\$ 248,203
Earnings on Investments	90,000	318,137	381,687	63,550
Other	3,618,950	3,571,546	3,741,164	169,618
State Sources	62,093,375	63,268,846	63,985,373	716,527
Federal Sources	3,162,994	4,025,478	3,891,693	(133,785)
Total Revenues	91,808,499	98,634,480	99,698,593	1,064,113
<b>EXPENDITURES</b>				
Current:				
Administration	4,319,716	4,872,888	4,158,956	(713,932)
District Support Services	1,991,565	6,704,453	5,215,768	(1,488,685)
Elementary and Secondary Regular Instruction	45,101,329	46,150,848	45,690,309	(460,539)
Vocational Education Instruction	1,302,339	1,247,147	1,297,841	50,694
Special Education Instruction	15,224,073	15,849,437	16,240,938	391,501
Instructional Support Services	3,815,713	4,881,221	6,476,852	1,595,631
Pupil Support Services	9,259,348	8,491,016	9,352,041	861,025
Sites and Buildings	8,828,486	9,119,234	10,008,457	889,223
Fiscal and Other Fixed Cost Programs	252,000	270,000	278,697	8,697
Capital Outlay	2,527,093	2,826,697	2,023,895	(802,802)
Debt Service:				
Principal	842,685	337,844	337,844	-
Interest and Fiscal Charges	312,768	76,623	76,623	-
Total Expenditures	93,777,115	100,827,408	101,158,221	330,813
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,968,616)	(2,192,928)	(1,459,628)	733,300
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	-	31,500	31,500
Insurance Recovery	-	-	42,066	42,066
Transfers In	2,100,416	2,100,416	2,100,416	-
Transfers Out	(637,508)	(1,050,000)	(1,050,000)	-
Total Other Financing Sources	1,462,908	1,050,416	1,123,982	73,566
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (505,708)</u>	<u>\$ (1,142,512)</u>	(335,646)	<u>\$ 806,866</u>
<b>FUND BALANCE</b>				
Beginning of Year			11,496,878	
End of Year			<u>\$ 11,161,232</u>	

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ -	\$ -	\$ 12,320	\$ 12,320
Other - Primarily Meal Sales	2,271,787	2,125,549	2,118,530	(7,019)
State Sources	163,918	174,220	199,963	25,743
Federal Sources	1,815,149	1,789,681	1,733,130	(56,551)
Total Revenues	4,250,854	4,089,450	4,063,943	(25,507)
<b>EXPENDITURES</b>				
Current:				
Food Service	4,180,627	4,065,508	4,172,181	106,673
Capital Outlay	275,981	262,140	43,844	(218,296)
Total Expenditures	4,456,608	4,327,648	4,216,025	(111,623)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(205,754)	(238,198)	(152,082)	86,116
<b>OTHER FINANCING SOURCES</b>				
Insurance Recovery		-	6,627	6,627
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (205,754)</u>	<u>\$ (238,198)</u>	(145,455)	<u>\$ 92,743</u>
<b>FUND BALANCE</b>				
Beginning of Year			739,114	
End of Year			<u>\$ 593,659</u>	

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,626,236	\$ 1,626,728	\$ 1,713,546	\$ 86,818
Earnings and Investments	-	-	61,736	61,736
Other - Primarily Meal Sales	6,198,519	6,333,747	6,519,546	185,799
State Sources	1,960,476	2,228,599	2,209,904	(18,695)
Federal Sources	102,884	102,884	109,423	6,539
Total Revenues	<u>9,888,115</u>	<u>10,291,958</u>	<u>10,614,155</u>	<u>322,197</u>
<b>EXPENDITURES</b>				
Current:				
Community Service	9,995,721	10,785,545	10,715,045	(70,500)
Capital Outlay	101,500	(55,897)	160,326	216,223
Total Expenditures	<u>10,097,221</u>	<u>10,729,648</u>	<u>10,875,371</u>	<u>145,723</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(209,106)	(437,690)	(261,216)	176,474
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 40,894</u>	<u>\$ (187,690)</u>	<u>(11,216)</u>	<u>\$ 176,474</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>2,216,581</u>	
End of Year			<u>\$ 2,205,365</u>	

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Governmental Activities - Internal Service Funds	
	2019	2018
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 34,821,611	\$ 36,607,134
Accounts Receivable	137,157	78,673
Interest Receivable	157,267	166,243
Total Assets	<u>35,116,035</u>	<u>36,852,050</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	7,052	24,723
Claims Payable - Medical	711,378	711,009
Due to Other Funds	-	373,470
Unearned Revenue	1,239,388	1,121,690
Total Liabilities	<u>1,957,818</u>	<u>2,230,892</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 33,158,217</u>	<u>\$ 34,621,158</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Governmental Activities - Internal Service Funds	
	2019	2018
<b>OPERATING REVENUES</b>		
Charges for Services:		
Health Insurance Premiums	\$ 10,760,964	\$ 9,820,802
<b>OPERATING EXPENSES</b>		
Health Insurance Claim Payments	11,092,080	10,243,410
Severance Payments	809,363	969,184
OPEB Payments	117,456	468,560
Total Operating Expenses	<u>12,018,899</u>	<u>11,681,154</u>
<b>OPERATING LOSS</b>	(1,257,935)	(1,860,352)
<b>NONOPERATING INCOME</b>		
Earnings on Investments	<u>1,595,410</u>	<u>139,336</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	337,475	(1,721,016)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	300,000	1,887,175
Transfers Out	<u>(2,100,416)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,800,416)</u>	<u>1,887,175</u>
<b>CHANGE IN NET POSITION</b>	(1,462,941)	166,159
Net Position - Beginning	<u>34,621,158</u>	<u>34,454,999</u>
<b>NET POSITION - ENDING</b>	<u>\$ 33,158,217</u>	<u>\$ 34,621,158</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Governmental Activities - Internal Service Funds	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Interfund Services Provided	\$ 10,820,178	\$ 9,836,282
Payments for Medical Fees and Insurance Claims	(11,109,382)	(9,969,016)
Payments for Other Postemployment Benefits	(490,926)	(118,560)
Payments for Severance Benefits	(809,363)	(969,184)
Net Cash Used by Operating Activities	(1,589,493)	(1,220,478)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from Other Funds	300,000	1,887,175
Transfers to Other Funds	(2,100,416)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,800,416)	1,887,175
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	736,044	283,504
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,653,865)	950,201
Cash and Cash Equivalents - Beginning	19,968,138	19,017,937
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 17,314,273</u>	<u>\$ 19,968,138</u>
<b>DISPLAYED ON STATEMENT OF FUND NET POSITION AS:</b>		
Cash and Cash Equivalents	\$ 17,314,273	\$ 19,968,138
Investments	17,507,338	16,638,996
Total Cash and Investments on the Statement of Net Position	<u>\$ 34,821,611</u>	<u>\$ 36,607,134</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (1,257,935)	\$ (1,860,352)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
(Increase) Decrease in Accounts Receivable	(58,484)	2,012
Increase (Decrease) in Accounts Payable	(17,671)	13,681
Increase in Claims Payable	369	260,713
Increase (Decrease) in Due to Other Funds	(373,470)	350,000
Increase in Unearned Revenue	117,698	13,468
Total Adjustments	<u>(331,558)</u>	<u>639,874</u>
Net Cash Used by Operating Activities	<u>\$ (1,589,493)</u>	<u>\$ (1,220,478)</u>

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019**

	Scholarship Private-Purpose Trust
<b>ASSETS</b>	
Cash and Investments	\$ 71,731
Prepaid	945
Total Assets	<u>72,676</u>
<b>LIABILITIES</b>	
Accounts and Contracts Payable	37,030
Due to Other Funds	2,600
Total Liabilities	<u>39,630</u>
<b>NET POSITION</b>	
Held In Trust	<u><u>\$ 33,046</u></u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2019**

	Scholarship Private-Purpose Trust
<b>ADDITIONS</b>	
Gifts and Donations	\$ 25,284
Earnings on Investments	1,132
Total Additions	<u>26,416</u>
<b>DEDUCTIONS</b>	
Scholarships Awarded	36,183
Miscellaneous	7,849
Total Deductions	<u>44,032</u>
<b>CHANGE IN NET POSITION</b>	(17,616)
Net Position - Beginning of Year	<u>50,662</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 33,046</u></u>

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of Independent School District No. 270 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. This financial report has been prepared in conformity with GASB Statement No. 34.

**B. Financial Reporting Entity**

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

GAAP requires that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

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

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. However, in accordance with Minnesota Statutes, the District's School Board has not elected to control or exercise oversight responsibility with respect to the underlying student activities. Accordingly, the student activity accounts are not included in these financial statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basic Financial Statement Presentation**

The Government-wide financial statements (i.e. the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The Fiduciary Funds are only reported in the statement of fiduciary net position at the fund financial statement level.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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. Fiduciary funds are presented in the fiduciary fund financial statements by type: private purpose trust. 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 statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental 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 fund is charges for service in the form of insurance premiums and OPEB contributions. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting**

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

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

**1. Revenue Recognition**

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

**2. Recording of Expenditures**

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

The District reports unearned revenue on its statement of net position and balance sheet. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures. In subsequent periods when the District has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Description of Funds

The existence of the various District funds has been established by the state of Minnesota, Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

Major Governmental Funds

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities, equipment purchases, health and safety projects, and disabled accessibility projects.

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Major sources of revenue include meal sales to students and federal and state grants.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services. Major sources of revenue include fees collected for these programs.

Capital Projects Fund

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

Debt Service Fund

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Proprietary Fund

Internal Service Fund

The Internal Service Fund accounts for financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District's Internal Service Fund includes its self-insured health insurance plan for its employees. In fiscal year 2009, the District also established a revocable trust to account for cash and other assets held by the District for the payment of Other Postemployment Benefits, which is accounted for as an internal service fund. In fiscal year 2012, the District established an internal service fund for the payment of certain severance benefits to District employees.

Fiduciary Fund

Private-Purpose Trust

The Private-Purpose Trust Fund is used to account for money held by the District in the capacity of trustee for others. The fund is used for the activity of the District's scholarship fund.

**E. Budgeting**

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

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgeting (Continued)**

Budgeted amounts include mid-year budget amendments as follows:

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 91,808,499	\$ 6,825,981	\$ 98,634,480
Special Revenue Funds:			
Food Service Fund	4,250,854	(161,404)	4,089,450
Community Service Fund	9,888,115	403,843	10,291,958
Capital Projects Fund	26,663,839	(21,107,293)	5,556,546
Debt Service Fund	13,510,184	3,849,279	17,359,463
<u>Expenditures</u>			
General Fund	\$ 93,777,115	\$ 7,050,293	\$ 100,827,408
Special Revenue Funds:			
Food Service Fund	4,456,608	(128,960)	4,327,648
Community Service Fund	10,097,221	632,427	10,729,648
Capital Projects Fund	33,941,218	3,680,822	37,622,040
Debt Service Fund	12,659,700	24,878,823	37,538,523

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels. Budgeted revenues exclude other financing sources such as long-term debt proceeds.

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

**F. Cash and Investments**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Cash and Investments (Continued)**

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment pools operated in a manner consistent with the SEC's Rule 2a7 of the Investment Act of 1940 are valued at the pool's share price.

**G. Accounts Receivable**

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary. The only receivables not expected to be collected within one year are property taxes receivable.

**H. 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, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

**I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments using the consumption method. Under the consumption method, prepaid expenses are treated as an asset when purchased rather than accounted for an expense. Expense is allocated over the periods benefitted.

**J. Property Taxes**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Property Taxes (Continued)**

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

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$4,134,655) advance recognized as revenue in fiscal 2019 with no corresponding state aid adjustment. Certain other portions of the District's 2018 pay 2019 levy, normally revenue for the 2019-20 fiscal year, are also advance recognized at June 30, 2019, as required by state statute to match revenue with the same fiscal year as the related expenditures.

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 a deferred inflow because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2019, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

**K. Capital Assets**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the Government-wide financial statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 7 to 20 years for equipment.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Capital Assets (Continued)**

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

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

**L. Deferred Outflows/Inflows of Resources**

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Currently, the District has three types of items that qualify for reporting in this category. The District reports excesses of funds needed to defease the carrying value of debt as a deferred loss on bond refunding. The District reports deferred outflows of resources related to pensions and Other Postemployment Benefits. See Note 7 and Note 9 for additional detail.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the District's year-end) under the modified accrual basis of accounting. The third type of deferred inflows reports is related to pensions. See Note 7 for additional detail on deferred inflows related to pensions.

**M. Long-Term Obligations**

In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are expensed on both the fund financial statements and government-wide financial statements.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Pensions**

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

**O. Accrued Employee Benefits**

**Sick Pay**

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

**Pension and Health Benefits**

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

**1. Early Retirement Incentive and Convertible Sick Leave**

The District maintains various early retirement incentive payment plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. No employee can receive early retirement incentive payments exceeding one year's salary. Benefits are not considered vested until actual turnover occurs.

The long-term portion of early retirement incentive and administrator experience benefits is recognized as part of other pension benefits payable.

At June 30, 2019, the long-term portion of the estimated early retirement incentive and convertible sick leave liability is included as part of the net pension liability on the statement of net position. See Note 8 for further information.

**2. Postemployment Health Care Benefits**

In addition to retirement benefits, the District provides postretirement medical insurance benefits to teachers, administrators, principals, food service workers, custodians, and clerical employees, in accordance with their respective master employment agreements. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. See Note 9 for further information.

**HOPKINS PUBLIC SCHOOLS  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Statement of Cash Flows**

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 equivalents. The Internal Service Fund's equity in the Government-wide cash and investment management pool is considered to be cash equivalents.

**Q. Fund Balance**

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

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

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

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

Assigned – consists of internally imposed constraints. The Board of Education passed a resolution authorizing the Superintendent and Director of Business Services to assign fund balances and their intended uses.

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

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

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

The District formally adopted a fund balance policy for the General Fund. The policy establishes a year-end minimum unassigned fund balance of 6% of the annual budget.

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JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Risk Management**

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

There have been no significant reductions in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

**S. Net Position**

Net position represents the difference between assets and liabilities in the Government-wide, Proprietary Fund, and Fiduciary Fund financial statements. Net investment in capital assets consists of capital assets, net of accumulation depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the Government-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

**T. Comparative Data**

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**NOTE 2 DEPOSITS AND INVESTMENTS**

**A. Deposits**

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

**HOPKINS PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does have a deposit policy that will minimize Custodial Credit Risk by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository. All of the District's deposits were fully insured during the year ended June 30, 2019.

**B. Investments**

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

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rate "A" or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

**HOPKINS PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

At June 30, 2019, the District's investment balances were as follows:

<b>Investments Measured at Fair Value</b>	<b>Fair Value</b>
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 1,514,257
Federal Home Loan Bank	778,163
Federal Home Loan Mortgage Corp.	575,375
Federal National Mortgage Association	1,816,036
Federal Farm Credit Bank	663,776
Municipal Bonds	9,683,641
Corporate Bonds	1,292,606
Mutual Funds	1,064,199
Total Investments Measured at Fair Value	<u>\$ 17,388,053</u>
<b>Investments Measured at Amortized Cost</b>	<b>Amortized Cost</b>
Money Markets	\$ 133,887
MSDLAF+ Liquid Class	11,811,944
MSDLAF+ Max Class	56,595,284
Total Investments Measured at Amortized Cost	<u>\$ 68,541,115</u>
Total District Investments	<u>\$ 85,929,168</u>

**Credit Risk** – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policies do not limit the maturities of investments; however, when purchasing investments the District considers such things as interest rates and cash flow needs.

**HOPKINS PUBLIC SCHOOLS  
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JUNE 30, 2019**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

The credit ratings and maturities of the District's investments are as follows:

Type	Total	Maturity Duration in Years				No Maturities	Rating
		Less Than 1	1 to 5	6 to 10	> 10		
U.S. Treasury Notes	\$ 1,514,257	\$ -	\$ 631,772	\$ 480,126	\$ 402,359	\$ -	N/A
Federal Home Loan Bank	778,163	-	370,287	407,876	-	-	AAA - AA
Federal Home Loan Mortgage Corp.	575,375	-	575,375	-	-	-	AAA - AA
Federal National Mortgage Association	1,816,036	-	1,816,036	-	-	-	AAA - AA
Federal Farm Credit Bank	663,776	-	237,660	426,116	-	-	AAA - AA
Municipal Bonds	9,683,641	-	4,249,071	5,434,570	-	-	AAA - A
Corporate Bonds	1,292,606	-	518,045	774,561	-	-	A - BB+
Mutual Funds	1,064,199	1,064,199	-	-	-	-	AAA
Money Markets	133,887	-	-	-	-	133,887	AAA
MSDLAF+	68,407,228	-	-	-	-	68,407,228	N/A
Total	<u>\$ 85,929,168</u>	<u>\$ 1,064,199</u>	<u>\$ 8,398,246</u>	<u>\$ 7,523,249</u>	<u>\$ 402,359</u>	<u>\$ 68,541,115</u>	

**Concentration of Credit Risk** – The District places no limit on the amount that the District may invest in any one issuer. The District had no investments at June 30, 2019 which individually comprised more than 5% of total investments.

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

Cash and Investments - Statement of Net Position	\$ 85,857,437
Cash and Investments with Fiscal Agent - Statement of Net Position	681,590
Cash and Investments - Statement of Fiduciary Net Position	71,731
Total Cash and Investments	<u><u>\$ 86,610,758</u></u>

**C. Fair Value Measurements**

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

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

**HOPKINS PUBLIC SCHOOLS  
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JUNE 30, 2019**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**C. Fair Value Measurements (Continued)**

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

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

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

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

Assets of the District measured at fair value on a recurring basis:

Investment	Level 1	Level 2	Level 3	Total
U.S. Treasuries with Maturities at Purchase of Greater Than One Year	\$ 1,514,257	\$ -	\$ -	\$ 1,514,257
Federal Home Loan Bank	-	778,163	-	778,163
Federal Home Loan Mortgage Corp.	-	575,375	-	575,375
Federal National Mortgage Association	-	1,816,036	-	1,816,036
Federal Farm Credit Bank	-	663,776	-	663,776
Municipal Bonds	-	9,683,641	-	9,683,641
Corporate Bonds	-	1,292,606	-	1,292,606
Mutual Funds	1,064,199	-	-	1,064,199
Total	<u>\$ 2,578,456</u>	<u>\$ 14,809,597</u>	<u>\$ -</u>	<u>17,388,053</u>
Investments Measured at Amortized Cost				68,541,115
Total				<u>\$ 85,929,168</u>

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities as well as governmental agencies 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.

**HOPKINS PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 2,867,600	\$ -	\$ -	\$ 2,867,600
Construction in Progress	17,574,089	18,988,222	(11,477,082)	25,085,229
Total Capital Assets, Not Being Depreciated	20,441,689	18,988,222	(11,477,082)	27,952,829
Capital Assets, Being Depreciated				
Land Improvements	16,271,752	5,642,990	-	21,914,742
Buildings and Improvements	226,712,528	3,365,087	-	230,077,615
Equipment	26,689,872	7,651,104	-	34,340,976
Total Capital Assets, Being Depreciated	269,674,152	16,659,181	-	286,333,333
Accumulated Depreciation for:				
Land Improvements	(10,357,400)	(945,550)	-	(11,302,950)
Buildings and Improvements	(98,726,689)	(7,460,264)	-	(106,186,953)
Equipment	(15,210,823)	(2,378,677)	-	(17,589,500)
Total Accumulated Depreciation	(124,294,912)	(10,784,491)	-	(135,079,403)
Total Capital Assets, Being Depreciated, Net	145,379,240	5,874,690	-	151,253,930
Governmental Activities Capital Assets, Net	\$ 165,820,929	\$ 24,862,912	\$ (11,477,082)	\$ 179,206,759

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

<b>Governmental Activities</b>	
District Support Services	\$ 1,468
Regular Instruction	10,530,786
Vocational Education Instruction	327
Pupil Support Services	105,175
Sites and Buildings	31,976
Community Service	114,759
Total Depreciation Expense, Governmental Activities	<u>\$ 10,784,491</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
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JUNE 30, 2019**

**NOTE 4 LONG-TERM LIABILITIES**

**A. Components of Long-Term Debt**

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
				Due Within One Year	Total
10/20/2009	4.05% - 4.45%	9,335,000	2/1/2020	\$ 3,730,000	\$ 3,730,000
4/13/2011	4.00% - 5.00%	29,410,000	2/1/2028	-	29,410,000
4/13/2011	2.00% - 3.00%	3,000,000	2/1/2021	325,000	660,000
6/27/2012	0.45% - 1.80%	6,120,000	2/1/2022	695,000	2,125,000
5/16/2013	3.00% - 3.25%	16,090,000	2/1/2030	-	15,890,000
5/15/2013	1.50% - 4.00%	18,940,000	2/1/2026	1,635,000	12,955,000
5/21/2015	2.00% - 3.00%	10,120,000	2/1/2023	-	10,120,000
5/21/2015	2.00% - 4.00%	4,425,000	2/1/2030	220,000	3,570,000
11/12/2015	2.00% - 5.00%	18,305,000	2/1/2022	3,110,000	9,805,000
1/25/2017	3.00% - 4.00%	14,140,000	2/1/2032	-	14,140,000
2/21/2018	3.00% - 5.00%	29,030,000	2/1/2034	765,000	28,605,000
11/8/2018	3.25% - 5.00%	18,835,000	2/1/2027	435,000	18,835,000
3/14/2019	3.00% - 4.00%	17,895,000	2/1/2035	-	17,895,000
Total General Obligation Bonds				10,915,000	167,740,000
Bond Premiums				-	6,842,436
Capital Lease Payable				345,830	3,006,684
Total				<u>\$ 11,260,830</u>	<u>\$ 177,589,120</u>

**B. Minimum Debt Payments**

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

Year Ending June 30,	General Obligation Bonds Payable		Capital Lease Obligation Payable	
	Principal	Interest	Principal	Interest
2020	\$ 10,915,000	\$ 6,393,364	\$ 345,830	\$ 76,623
2021	11,295,000	5,801,420	354,005	68,637
2022	11,940,000	5,423,110	362,373	60,462
2023	12,060,000	5,014,600	370,939	52,094
2024	10,160,000	4,513,900	379,707	43,529
2025-2029	56,330,000	15,874,250	1,193,830	84,334
2030-2034	52,455,000	5,473,737	-	-
2035-2039	2,585,000	77,550	-	-
Total	<u>\$ 167,740,000</u>	<u>\$ 48,571,931</u>	<u>\$ 3,006,684</u>	<u>\$ 385,679</u>

**HOPKINS PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

C. Description of Long-Term Debt

General Obligation School Building Bonds

These bonds were issued to finance acquisition, construction, and/or improvement of capital facilities or to refinance (refund) previous bond issues. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. Total deferred tax levies are available to retire bond principal and interest payable. These levies are subject to reduction if fund balances exceed limitations imposed by Minnesota law. In addition, assets are available in an escrow account to be used for the repayment of certain refunded bonds.

On April 13, 2011, the District issued \$3,000,000 of General Obligation School Building Bonds, Series 2011B. The proceeds of this issue were used to finance safety and security improvements and parking lot improvements.

On June 27, 2012, the District issued \$6,120,000 General Obligation School Building Refunding Bonds, Series 2012A, to finance an advanced crossover refunding of the 2014 through 2022 maturities of the District's \$9,870,000 General Obligation School Building Bonds, Series 2004A.

On May 16, 2013, the District issued \$18,940,000 General Obligation Refunding Bonds, Series 2013B, to finance an advanced crossover refunding of the 2016 through 2026 maturities of the District's \$30,900,000 General Obligation Alternative Facilities Bonds, Series 2006.

On May 21, 2015, the District issued \$4,425,000 General Obligation Capital Facilities Bonds, Series 2015B. The proceeds of this issue were used to finance energy conservation measures throughout the District.

On November 12, 2015, the District issued \$18,305,000 General Obligation School Building Refunding Bonds, Series 2015C, to finance an advance refunding of the 2017 through 2022 maturities of the District's \$32,045,000 General Obligation School Building Refunding Bonds, Series 2006C.

On February 21, 2018, the District issued \$29,030,000 General Obligation School Building Bonds, Series 2018A, to provide funds for the acquisition and betterment of school sites and facilities, and to prepay the District's \$4,273,000 Lease Purchase, Series 2013, and the District's \$4,215,000 Lease Purchase, Series 2014.

General Obligation Alternative Facilities Bonds

On April 13, 2011, the District issued \$29,410,000 of General Obligation Alternative Facilities Bonds, Series 2011A. The proceeds of this issue were used to finance the acquisition and betterment of projects included in the District's 10-year facility plan.

On May 16, 2013, the District issued \$16,090,000 of General Obligation Alternative Facilities Bonds, Series 2013A. The proceeds of this issue were used to finance the acquisition and betterment of projects included in the District's 10-year facility plan.

**HOPKINS PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**C. Description of Long-Term Debt (Continued)**

General Obligation Alternative Facilities Bonds (Continued)

On May 21, 2015, the District issued \$10,120,000 of General Obligation Alternative Facilities Bonds, Series 2015A. The proceeds of this issued were used to finance the acquisition and betterment of projects included in the District's 10-year facility plan.

General Obligation Facilities Maintenance Bonds

On January 25, 2017, the District issued \$14,140,000 of General Obligation Facilities Maintenance Bonds, Series 2017A. The proceeds of this issue will be used to finance facility maintenance projects included in the 10-year facility plan of the District.

On November 8, 2018, the District issued \$18,835,000 General Obligation Alternative Facilities Refunding Bonds, Series 2018B, to call and prepay the 2020 through 2027 maturities of the District's outstanding 2009B Alternative Facilities Bonds. The refunding resulted in cash savings of \$1,612,547 and a net present value savings of \$1,422,770.

On March 14, 2019, the District issued \$17,895,000 of General Obligation Facilities Maintenance Bonds, Series 2019A. The proceeds of this issue will be used to finance facility maintenance projects included in the 10-year facility plan of the District.

General Obligation Taxable OPEB Bonds

The District raised funds for Other Postemployment Benefits through the issuance of General Obligation Taxable Bonds during fiscal years 2009 and 2010.

The Series 2009C issue was in the amount of \$9,335,000 and sold on October 20, 2009. The proceeds from this issue were used to finance the Districts Net OPEB Obligations under GASB 45 (see Note 9 for information on the District's OPEB Obligation).

Capital Leases Payable

On December 29, 2016, the District entered into a lease-purchase financing agreement with First Resource Bank to finance the construction, installation, and equipping of synthetic turf fields at Hopkins High School. The total financed was \$3,667,000, with an interest rate of 2.50% and requires the District to make semi-annual principal and interest payments through February 1, 2027. The athletic fields acquired through the lease proceeds, as well as additional District funds, were completed in 2019 for a total cost of \$5,482,339, and had accumulated depreciation of \$137,058 at June 30, 2019.

**D. Changes in Long-Term Debt**

	June 30, 2018	Additions	Retirements	June 30, 2019
Bonds Payable	\$ 162,430,000	\$ 36,730,000	\$ 31,420,000	\$ 167,740,000
Bond Premiums	5,739,515	2,110,029	1,007,108	6,842,436
Capital Lease Payable	3,344,528	-	337,844	3,006,684
Total	<u>\$ 171,514,043</u>	<u>\$ 38,840,029</u>	<u>\$ 32,764,952</u>	<u>\$ 177,589,120</u>

**HOPKINS PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 5 FUND BALANCES**

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

**A. Restricted for Staff Development**

A portion of the general education aid received by the District is restricted for staff development. The cumulative amount of aid received in excess of staff development expenditures has been reported as a restriction of fund balance in the General Fund.

**B. Restricted for Capital Projects Levy**

Represents resources restricted for projects financed with the District's capital projects levy.

**C. Restricted for Operating Capital**

The District levies taxes and receives state aid to be used for the purchase of equipment or facilities. The cumulative excess of such revenues over equipment and facilities expenditures is reported as a restriction of fund balance in the General Fund.

**D. Restricted for Medical Assistance**

This fund balance restriction represents resources to be used for Medical Assistance expenditures.

**E. Restricted for Community Education Programs**

This fund balance restriction represents accumulated resources available to provide general community education programming.

**F. Restricted for Early Childhood and Family Education Programs**

This fund balance restriction represents accumulated resources available to provide services for early childhood and family education programming.

**G. Restricted for School Readiness**

This fund balance restriction represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.

**H. Restricted for Adult Basic Education Programs**

This fund balance restriction represents accumulated resources available to provide adult basic education programming.

**I. Restricted for Long-Term Facilities Maintenance**

Represents unspent general obligation bond proceeds issued to finance facilities plans approved by the Board.

**HOPKINS PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 FUND BALANCES (CONTINUED)**

J. Restricted for Other Purposes

Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. These amounts are restricted for food service, community service, capital projects, or debt service, per the fund in which they are contained.

**NOTE 6 INTERFUND BALANCES AND TRANSFERS**

The District had no interfund receivables and payables at June 30, 2019. The District had the following interfund transfers during the year ended June 30, 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,100,416	\$ 1,050,000
Community Service Special Revenue Fund	250,000	-
Capital Projects Fund	500,000	-
Internal Service Fund:		
Severance Fund	300,000	2,100,416
Total	<u>\$ 3,150,416</u>	<u>\$ 3,150,416</u>

The purpose of these interfund transfers was as follows:

The General Fund transferred amounts to the Community Service Fund to pay for marketing costs to promote the Fund's programs. The General Fund also transferred \$300,000 to the Severance Internal Service Fund to fund severance costs and extend the life of the OPEB trust as well as \$500,000 to the Capital Projects Fund to finance some of the capital activity. In addition, the Severance Fund transferred funds back to the General Fund to reimburse it for benefit payments made by the General Fund.

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**NOTE 7    DEFINED BENEFIT PENSION PLANS**

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

**A. Plan Description**

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

**1. General Employees Retirement Plan**

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

**2. Teachers Retirement Fund (TRA)**

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

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul schools or University of Minnesota System).

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**NOTE 7    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided**

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

**1. General Employees Plan Benefits**

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

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90% funded for two consecutive years, benefit recipients are given a 2.5% increase. If the plan has not exceeded 90% funded, or have fallen below 80%, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

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**NOTE 7    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

**2. TRA Benefits**

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

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

*Tier 1 Benefits*

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

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) 3.0% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

*Tier II Benefits*

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

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

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**NOTE 7    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

**2. TRA Benefits (Continued)**

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.

**C. Contributions**

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

**1. General Employees Fund Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2019 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2019 were \$1,560,181. The District's contributions were equal to the required contributions as set by state statute.

**2. TRA Contributions**

Per Minnesota Statutes, Chapter 354 rates for the fiscal year for coordinated were 7.5% for the employee and 7.71% for the employer. Basic rates were 11.005% for the employee and 11.71% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2019 were \$3,455,952. The District's contributions were equal to the required contributions for each year as set by state statute.

**HOPKINS PUBLIC SCHOOLS  
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JUNE 30, 2019**

**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs**

**1. General Employees Plan Pension Costs**

At June 30, 2019, the District reported a liability of \$15,627,561 for its proportionate share of the General Employees Plan's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million to the fund in 2018. The state of Minnesota is considered a nonemployer contributing District 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 \$512,717, for a total net pension liability of \$16,140,278 associated with the District. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the District's proportion was 0.2817%, which was a decrease of 0.011 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the District recognized pension expense of \$76,873 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$119,565 as pension expense (and corresponding grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2019, the District reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 413,636	\$ 455,788
Changes in Actuarial Assumptions	1,492,828	1,755,923
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	1,596,889
Changes in Proportion and Differences Between		
District Contributions and Proportionate		
Share of Contributions	-	921,892
District Contributions Subsequent to the		
Measurement Date	1,560,181	-
Total	<u>\$ 3,466,645</u>	<u>\$ 4,730,492</u>

**HOPKINS PUBLIC SCHOOLS  
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JUNE 30, 2019**

**NOTE 7    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

**1. GERS Pension Costs (Continued)**

A total of \$1,560,181 reported as deferred outflows of resources related to pensions resulting from District contributions to GERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to GERS pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2020	\$ 63,470
2021	(1,122,609)
2022	(1,438,715)
2023	(326,174)
2024	-
Thereafter	-

**2. TRA Pension Costs**

At June 30, 2019, the District reported a liability of \$51,482,236 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.8197% at the end of the measurement period and 0.8411% for the beginning of the period.

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

<u>Description</u>	<u>Amount</u>
District's Proportionate Share of the TRA Net Pension Liability	\$ 51,484,832
State's Proportionate Share of the Net Pension Liability Associated with the District	4,837,086

**HOPKINS PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 7    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

**2. TRA Pension Costs (Continued)**

For the year ended June 30, 2019, the District recognized negative pension expense of \$19,525,396. It also recognized \$3,375,842 as a decrease to pension expense and negative grant revenue for the support provided by direct aid.

At June 30, 2019, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$     549,119	\$    1,038,219
Changes in Actuarial Assumptions	66,473,095	87,783,600
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	3,992,440
Changes in Proportion and Differences Between		
District Contributions and Proportionate		
Share of Contributions	14,667	4,122,456
District Contributions Subsequent to the		
Measurement Date	3,455,952	-
Total	<u>\$   70,492,833</u>	<u>\$   96,936,715</u>

A total of \$3,455,952 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2020	\$   3,645,891
2021	2,271,880
2022	(993,143)
2023	(20,480,551)
2024	(14,343,911)
Thereafter	-

**HOPKINS PUBLIC SCHOOLS  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 7    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.50% per Year	2.50% per Year
Active Member Payroll Growth	11.25% after 1 year of service decreasing to 3.25% per year after 26 years	2.85% for 10 years and 3.25% thereafter
Investment Rate of Return	7.50%	7.50%

PERA Salary increases were based on a service-related table. PERA mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. PERA cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan and 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually for TRA.

TRA preretirement mortality rates were based on the RP-2014 white-collar employee table, male rates set back 6 years and female rates set back 5 years. Generational projection uses the MP-2015 scale. Post-retirement mortality rates were based on the RP-2014 white-collar annuitant table, male rates set back 3 years, and female rates set back 3 years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions for PERA occurred in 2018:

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

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**NOTE 7    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions for TRA occurred in 2018:

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 4 years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.
- The single discount rate was changed from 5.12% to 7.5%.

**HOPKINS PUBLIC SCHOOLS  
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**NOTE 7    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	5.10%
International Equity	17	5.30%
Bonds	25	0.75%
Alternative Assets	20	5.90%
Cash	2	0.00%
Totals	100 %	

**F. Discount Rate**

The discount rate used to measure the PERA General Employees Plan liability in 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the TRA pension liability was 7.50%. This is an increase from the discount rate at the prior measurement date of 5.12%. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the fiscal year 2018 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

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**NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**G. Pension Liability Sensitivity**

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

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
<u>GERF Discount Rate</u>	6.50%	7.50%	8.50%
District's Proportionate Share of the GERF Net Pension Liability	\$ 25,396,787	\$ 15,627,561	\$ 7,563,344
<u>TRA Discount Rate</u>	4.12%	5.12%	6.12%
District's Proportionate Share of the TRA Net Pension Liability	\$ 81,706,221	\$ 51,482,236	\$ 26,552,386

**H. Pension Plan Fiduciary Net Position**

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

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

**NOTE 8 SUPPLEMENTAL PENSION PLAN**

**A. Plan Description**

The District provides a single-employer defined benefit supplemental pension benefit to eligible employees. Currently, certain groups of employees are eligible to retire and receive the pension supplement after the completion of a minimum amount of years of service and, for some employee groups, the attainment of age 55. Benefits range from a flat dollar amount to percentages of annual salary up to a maximum of 100% of annual salary. Certain benefits are also dependent on the number of unused sick days remaining.

Currently, there are 1,007 active employees who are eligible to receive benefits under the plan as of July 1, 2018.

**HOPKINS PUBLIC SCHOOLS  
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**NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)**

**B. Funding Policy**

Payments under the plan are made on a pay-as-you-go basis. There are no invested plan assets accumulated for the payment of future benefits. The General Fund is used for funding all of the pension/retirement benefits. The employer makes all contributions.

**C. Total Pension Liability**

The District recognizes its total pension liability, rather than a net pension liability. In order for the District to recognize a net pension liability, assets must be accumulated in a trust that meets the following criteria:

- Contributions from the employer and nonemployer contributing entities, and the earnings thereon, must be irrevocable.
- Pension plan assets must be dedicated to providing pensions to Plan members in accordance with benefit terms.
- Pension plan assets must be legally protected from the creditors of employer-nonemployer contributing entities, the Plan administrator, and the Plan members.

No assets are accumulated in a trust that meets all of the above criteria. Accordingly, the District's total pension liability is not reduced by any assets accumulated, and the District must report its total pension liability.

The District's total pension liability was determined by an actuarial valuation as of July 1, 2018 (the measurement date). At June 30, 2019, the District reported a total pension liability of \$13,034,523. Changes in the District's total pension liability were as follows:

Total Pension Liability - June 30, 2018	\$ 13,732,264
Changes for the Year	
Service Cost	664,771
Interest	473,190
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(946,225)
Changes of Assumptions and Other Inputs	(111,774)
Benefit Payments	(967,459)
Other Changes	189,756
Net Changes	<u>(697,741)</u>
Total Pension Liability - June 30, 2019	<u><u>\$ 13,034,523</u></u>

**HOPKINS PUBLIC SCHOOLS  
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**NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)**

**D. Pension Costs**

For the year ended June 30, 2019, the District recognized negative pension expense of \$1,189,781. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 860,204
Changes of Assumptions of Other Inputs	-	477,380
Benefit Payments Subsequent to the Measurement Date	1,252,641	-
Pension Administrative Expenses Incurred Subsequent to the Measurement Date	-	-
Total	<u>\$ 1,252,641</u>	<u>\$ 1,337,584</u>

The District's benefit payments and amounts incurred by the District for pension administrative expenses subsequent to the measurement date of \$1,252,641 reported as deferred outflows of resources will be recognized as a reduction of the total pension liability in the year ended June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ (137,936)
2021	(137,936)
2022	(137,936)
2023	(137,936)
2024	(137,936)
Thereafter	(647,904)

**E. Actuarial Methods and Assumptions**

The actuarial total pension liability was determined as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	July 1, 2018
Measurement Date:	July 1, 2018
Actuarial Cost Method:	Entry Age, Level Percentage of Pay
Discount Rate:	3.50%
Inflation:	2.50%
Salary Increases:	3.00%
Retirement Age:	55
Mortality:	RP-2014 White Collar Mortality Tables with Tables with MP-2017 Generational Improvement Scale

**HOPKINS PUBLIC SCHOOLS  
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**NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)**

**F. Discount Rate**

The discount rate used to measure the total pension liability was 3.50%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

**G. Total Pension Liability Sensitivity**

The following presents the District's total pension liability, calculated using the discount rate of 3.50%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (3.50%) than the current rate:

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Total Pension Liability	<u>\$ 13,894,440</u>	<u>\$ 13,034,523</u>	<u>\$ 12,214,722</u>

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE**

**A. Plan Description**

The District operates a single-employer retiree benefit plan (the Plan) that provides health and dental insurance to eligible employees and their spouses through the District's health insurance plan. There are 1,130 active participants, 93 retired participants, and 18 spouses. 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. The Plan does not issue a publicly available financial report.

**B. Funding Policy**

The District has assets designated for OPEB. These assets are in a revocable trust which is included as an internal service fund in these financial statements. Contribution requirements are also negotiated between the District and union representatives. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. For fiscal year 2019, the District contributed \$1,254,410 to the plan.

**C. Actuarial Methods and Assumptions**

The District's OPEB liability was measured as of July 1, 2018, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

**C. Actuarial Methods and Assumptions (Continued)**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
20-Year Municipal Bond Yield	3.50%
Health Care Trend Rates	6.50% Decreasing to 5.00% Over 6 Years

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on the MP-2017 Generational Improvement Scale and other adjustments.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2016.

The discount rate used to measure the total OPEB liability was 3.50%. The discount rate is based on the estimated yield of 20-year AA-rated bonds.

**D. Actuarial Methods and Assumptions**

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

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40% to 3.50%.
- Previously we assumed post-age 65 retirees, enrolled on one of the District's medical plans, had Medicare as their primary insurance so we did not value an implicit rate medical subsidy for them. Per the District, Hopkins' medical insurance is primary for a few post-age 65 retirees so we included an implicit rate medical subsidy to age 88 for these retirees (and their spouses, if applicable).

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

E. Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability
Balances at July 1, 2017	\$ 23,729,651
Changes for the Year:	
Service Cost	1,285,813
Interest Cost	829,379
Differences Between Expected and Actual Experience	61,858
Changes of Assumptions	433,227
Contributions-Employer	-
Net Investment income	-
Benefit Payments	(1,254,410)
Other Changes	(542,630)
Net Changes	<u>813,237</u>
Balances at July 1, 2018	<u><u>\$ 24,542,888</u></u>

The follow presents the net OPEB liability (assets) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Net OPEB Liability (Asset)	\$ 26,055,659	\$ 24,542,888	\$ 23,089,566

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.50% decreasing to 4.00% over six years) or 1% point higher (7.50% decreasing to 6.00% over six years) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (5.50% Decreasing to 4.00% Over 6 Years)	Current Trend Rates (6.50% Decreasing to 5.00% Over 6 Years)	1% Increase (7.50% Decreasing to 6.00% Over 6 Years)
Net OPEB Liability (Asset)	\$ 23,588,203	\$ 24,542,888	\$ 25,658,251

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

**F. OPEB Liability Costs**

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,622,071. At June 30, 2019, the District reported no deferred inflows and \$1,955,835 of deferred outflows resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. At June 30, 2019, the District also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 389,904	\$ -

Amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30,	Expense
2020	\$ 43,323
2021	43,323
2022	43,323
2023	43,323
2024	43,323
Thereafter	173,289

**NOTE 10 FLEXIBLE BENEFIT PLAN**

The District has a flexible benefit plan which is classified as a "cafeteria plan" under Section 125 of the Internal Revenue Code. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the plan for health care and dependent care benefits.

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

All assets of the plan are held in a separate bank account, administered by a third-party. Payments are made by the District to participating employees for eligible medical expenses. Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to designated insurance companies. These payments are made on a monthly basis and all plan activity is included in the financial statements as a Private-Purpose Trust Fund.

All plan property 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 eligible health care 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.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11 HEALTH AND DENTAL SELF-INSURANCE PLAN**

The District maintains an Internal Service Fund to account for and finance a self-insurance program for health and dental benefits. Accordingly, the District has not purchased outside insurance for the risks of losses to which it is exposed for amounts under its stop-loss limit of \$100,000 at which point reinsurance coverage is available. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for health and dental expenses.

Participants in the program make premium payments to the fund based on the insurance premium. The District contributes a portion of premiums to the plan based on employment contracts. The excess amount received above current year claims is used to establish a reserve for future claims. At June 30, 2019, there is a reserve of \$3,891,355.

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

There were no liabilities in excess of claims paid at June 30, 2019. There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$5,712,016 in cash and investments at June 30, 2019 for payment of claims.

Changes in the balances of claim liabilities during fiscal years 2019 and 2018 were as follows:

	2019	2018
Beginning of Fiscal Year Liability - July 1,	\$ 711,009	\$ 450,296
Current Year Claims, Changes in Estimates, and Other Charges	11,092,080	10,243,410
Current Year Claims Paid, Including an Estimate of Claims Incurred But Not Reported (IBNR)	(11,091,711)	(9,982,697)
End of Fiscal Year Liability - June 30,	<u>\$ 711,378</u>	<u>\$ 711,009</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

**A. Federal and State Programs**

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

**B. Operating Leases**

In November 1997, the District entered into a lease agreement with the Housing and Redevelopment Authority in and for the city of Hopkins. The District is leasing a building owned by the city to be used for the Hopkins Center for the Arts. The lease had an initial term of 10 years with 10-year renewal periods at the District's discretion. The District renewed the lease for an additional 10 years extending through October 2027. The rent is \$100,000 per year.

In June 2013, the District entered into a lease agreement with Hennepin County for the lease of space in the Wells Fargo Building in Hopkins for the District's Resource West Program. The lease terms extend for 10 years through August 31, 2023 and include annual lease payments ranging from \$30,136 to \$31,564.

Future minimum lease payments required under these operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 150,850
2021	154,487
2022	158,232
2023	162,093
2024	139,510
2025	476,636
Total Future Minimum Lease Payments	<u><u>\$ 1,241,808</u></u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**C. Joint Powers Agreement**

The District entered into a joint powers agreement with the city of Minnetonka to provide for the joint construction, use, maintenance, and operation of the Lindbergh Center, a multi-use athletic and community center. As specified in the agreement and related management plan, the District and the city will share in the proportionate costs to build, maintain, and operate the facility. The agreement also outlines finance-related issues such as revenue sharing.

Operating results of the Lindbergh Center for fiscal 2018-2019 are as follows:

	<u>School District</u>	<u>City</u>
Total Expenditures	\$ 312,759	\$ 127,747
Total Revenue	(47,725)	(19,493)
Final Operating Costs to Respective Government	<u>\$ 265,034</u>	<u>\$ 108,254</u>

**D. Construction Commitments**

At June 30, 2019, the District is committed to approximately \$6.3 million in contracts in progress.

**NOTE 12 STEWARDSHIP AND ACCOUNTABILITY**

**Excess of Expenditures Over Budget**

Expenditures exceeded budgeted amounts in the following funds at June 30, 2019:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	\$ 100,827,408	\$ 101,158,221	\$ 330,813
Special Revenue Funds:			
Community Service Fund	10,729,648	10,875,371	145,723

The overages were considered by District management to be the result of necessary expenditures critical to operations and were approved by the Board.

**NOTE 13 NET INVESTMENT IN CAPITAL ASSETS**

The District's net investment in capital assets was calculated as follows:

<b>Net Investment in Capital Assets</b>	
Capital Assets, Net of Accumulated Depreciation	\$ 179,206,759
Less: General Obligation Bonds Outstanding	(167,740,000)
Add back: OPEB Bonds Outstanding	3,730,000
Less: Unamortized Premium on Capital-Related Bonds	(6,842,436)
Less: Deferred Gain on Bond Refundings	(156,925)
Less: Capital-Related Accounts and Contracts Payable	(3,834,358)
Plus: Capital Projects Fund Unspent Bond Proceeds	18,552,215
<b>Total Net Investment in Capital Assets</b>	<u><u>\$ 22,915,255</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

	Measurement Date	
	July 1, 2018	July 1, 2017
Service Cost	\$ 1,285,813	\$ 1,344,733
Interest	829,379	799,678
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	61,858	-
Changes of Assumptions of Other Inputs	433,227	-
Benefit Payments	(1,254,410)	(1,170,163)
Other Changes	(542,630)	-
Net Changes	813,237	974,248
<b>Total Pension Liability - Beginning</b>	<b>23,729,651</b>	<b>22,755,403</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 24,542,888</b>	<b>\$ 23,729,651</b>
<b>Covered Employee Payroll</b>	<b>\$ 60,471,611</b>	<b>\$ 53,977,701</b>
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	<b>40.59%</b>	<b>43.96%</b>

NOTE: The District implemented GASB Statement No 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
LAST FIVE MEASUREMENT DATES**

	Measurement Date June 30,				
	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.8197%	0.8411%	0.8633%	0.8628%	0.9324%
District's Proportionate Share of the Net Pension Liability	\$ 51,482,236	\$ 167,898,818	\$ 205,917,648	\$ 53,372,713	\$ 42,964,321
State's Proportionate Share of the Net Pension Liability					
Associated with District	4,837,086	16,230,127	20,669,786	6,546,465	3,022,504
Total	<u>\$ 56,319,322</u>	<u>\$ 184,128,945</u>	<u>\$ 226,587,434</u>	<u>\$ 59,919,178</u>	<u>\$ 45,986,825</u>
District's Covered Payroll	\$ 45,207,213	\$ 45,321,333	\$ 44,803,453	\$ 43,789,520	\$ 42,563,629
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	113.88%	370.46%	459.60%	121.88%	100.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.07%	51.57%	44.88%	76.80%	81.50%

Note: Ten years of data was not available. The above table will be expanded to 10 years of information as the information becomes available.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
PERA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
LAST FIVE MEASUREMENT DATES**

	Measurement Date June 30,				
	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.2817%	0.2923%	0.2993%	0.3135%	0.3326%
District's Proportionate Share of the Net Pension Liability	\$ 15,627,561	\$ 18,660,239	\$ 24,301,675	\$ 16,247,197	\$ 15,623,882
State's Proportionate Share of the Net Pension Liability					
Associated with District	512,717	234,649	317,389	-	-
Total	<u>\$ 16,140,278</u>	<u>\$ 18,894,888</u>	<u>\$ 24,619,064</u>	<u>\$ 16,247,197</u>	<u>\$ 15,623,882</u>
District's Covered Payroll	\$ 18,956,667	\$ 20,876,400	\$ 18,755,067	\$ 18,427,268	\$ 17,458,331
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	82.44%	89.38%	129.57%	88.17%	89.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.50%	75.90%	68.90%	78.20%	78.70%

Note: Ten years of data was not available. The above table will be expanded to 10 years of information as the information becomes available.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS  
LAST SIX FISCAL YEARS**

	Fiscal Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 3,455,952	\$ 3,390,541	\$ 3,399,100	\$ 3,360,259	\$ 3,284,214	\$ 2,979,454
Contributions in Relation to the Statutorily Required Contribution	(3,455,952)	(3,390,541)	(3,399,100)	(3,360,259)	(3,284,214)	(2,979,454)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Employee Covered Payroll	\$ 46,079,360	\$ 45,207,213	\$ 45,321,333	\$ 44,803,453	\$ 43,789,520	\$ 42,563,629
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.00%

Note: Ten years of data was not available. The above table will be expanded to 10 years of information as the information becomes available.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
PERA SCHEDULE OF DISTRICT CONTRIBUTIONS  
LAST SIX FISCAL YEARS**

	Fiscal Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 1,560,181	\$ 1,421,750	\$ 1,565,730	\$ 1,406,630	\$ 1,359,011	\$ 1,265,729
Contributions in Relation to the Statutorily Required Contribution	(1,560,181)	(1,421,750)	(1,565,730)	(1,406,630)	(1,359,011)	(1,265,729)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 20,802,413	\$ 18,956,667	\$ 20,876,400	\$ 18,755,067	\$ 18,427,268	\$ 17,458,331
Contributions as a Percentage of Covered Payroll	7.500%	7.500%	7.500%	7.500%	7.375%	7.250%

Note: Ten years of data was not available. The above table will be expanded to 10 years of information as the information becomes available.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
TOTAL PENSION LIABILITY AND RELATED RATIOS  
SUPPLEMENTAL PENSION PLAN  
YEAR ENDED JUNE 30, 2019**

	Measurement Date	
	July 1, 2018	July 1, 2017
Service Cost	\$ 664,771	\$ 689,485
Interest	473,190	296,170
Changes in Benefit Terms	-	4,153,716
Differences Between Expected and Actual Experience	(946,225)	-
Changes of Assumptions of Other Inputs	(111,774)	(459,274)
Benefit Payments	(967,459)	(935,517)
Other Changes	189,756	-
Net Changes	(697,741)	3,744,580
<b>Total Pension Liability - Beginning</b>	<b>13,732,264</b>	<b>9,987,684</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 13,034,523</b>	<b>\$ 13,732,264</b>
<b>Covered Employee Payroll</b>	<b>\$ 53,064,424</b>	<b>\$ 53,977,701</b>
<b>Total Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>24.56%</b>	<b>25.44%</b>

\*Ten Years of Data Will be Presented as it Becomes Available

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

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

**A. General Employees Fund**

**2018**

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

**2017**

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

**2016**

- The assumed postretirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

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

**A. Coordinated Plan  
2018**

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 4 years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.
- The single discount rate was changed from 5.12% to 7.5%

**2017**

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

**2016**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

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

2019

- The discount rate was changed from 3.70% to 3.50%

2018

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality table was updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.
- The expected long-term investment return was changed from 3.40% to 3.70%
- For The discount rate was changed from 3.40% to 3.70%.

## **SUPPLEMENTARY INFORMATION**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	2019	2018
<b>ASSETS</b>		
Cash and Investments	\$ 13,829,323	\$ 16,176,578
Receivables:		
Current Property Taxes	17,020,305	15,450,977
Delinquent Property Taxes	239,948	216,101
Accounts and Interest Receivable	360,044	235,539
Due from Other Minnesota School Districts	424,482	510,910
Due from Minnesota Department of Education	8,272,937	6,858,162
Due from Federal Through the Minnesota Department of Education	3,337,284	2,880,230
Due from Other Governmental Units	302,225	14,407
Due from Other Funds	-	350,000
Inventory	54,839	78,121
Prepays	230,096	163,767
Total Assets	<u>\$ 44,071,483</u>	<u>\$ 42,934,792</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 192,223	\$ 313,019
Payroll Deductions and Employer Contributions Payable	419,472	453,682
Accounts and Contracts Payable	956,575	1,079,995
Due to Other Minnesota School Districts	1,117,542	445,383
Due to Other Governmental Units	37,901	67,703
Unearned Revenue	365,252	369,804
Total Liabilities	<u>3,088,965</u>	<u>2,729,586</u>
Deferred Inflows:		
Unavailable Revenue - Property Taxes Levied for Subsequent Year	29,581,338	28,492,227
Unavailable Revenue - Delinquent Property Taxes	239,948	216,101
Total Deferred Inflows of Resources	<u>29,821,286</u>	<u>28,708,328</u>
Fund Balance:		
Nonspendable:		
Inventory	230,096	163,767
Prepays	54,839	78,121
Restricted for:		
Staff Development	82,790	235,987
Operating Capital	998,486	722,956
Medical Assistance	639,884	515,675
Assigned for:		
Buses and Bus Shelter	-	27,500
Turf Fields	-	100,000
Health and Safety	312,132	312,132
Building Purchase	-	500,000
Building Renovation	500,000	-
Strategic Visioning	467,429	467,429
Strategic Transportation	127,500	-
Unassigned	7,748,076	8,373,311
Total Fund Balance	<u>11,161,232</u>	<u>11,496,878</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 44,071,483</u>	<u>\$ 42,934,792</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019		2018
	Actual	Over (Under)	Actual
Final Budget	Amounts	Final Budget	Amounts
<b>REVENUES</b>			
Local Sources:			
Property Taxes	\$ 27,450,473	\$ 27,698,676	\$ 27,058,222
Earnings on Investments	318,137	381,687	318,137
Other	3,571,546	3,741,164	3,902,241
State Sources	63,268,846	63,985,373	62,224,846
Federal Sources	4,025,478	3,891,693	2,935,205
Total Revenues	98,634,480	99,698,593	96,438,651
<b>EXPENDITURES</b>			
Current:			
Administration:			
Salaries	3,138,600	2,970,249	2,930,170
Employee Benefits	910,718	862,005	862,005
Purchased Services	649,505	185,321	253,007
Supplies and Materials	125,058	79,629	76,141
Capital Expenditures	135,350	131,605	96,661
Other Expenditures	49,007	61,752	58,249
Total Administration	5,008,238	4,290,561	4,276,233
District Support Services:			
Salaries	4,318,625	3,276,399	1,268,295
Employee Benefits	1,340,705	1,013,273	378,333
Purchased Services	514,877	547,176	548,488
Supplies and Materials	284,897	208,093	93,489
Capital Expenditures	120,000	66,825	40,748
Other Expenditures	245,349	170,827	22,768
Total District Support Services	6,824,453	5,282,593	2,352,121
Elementary and Secondary Regular Instruction:			
Salaries	32,659,553	32,539,343	31,993,288
Employee Benefits	9,468,945	9,547,855	9,822,282
Purchased Services	2,490,482	2,332,866	2,593,556
Supplies and Materials	1,480,940	987,374	1,554,335
Capital Expenditures	734,737	372,128	342,947
Other Expenditures	50,928	282,871	310,615
Total Elementary and Secondary Regular Instruction	46,885,585	46,062,437	46,617,023

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

		2019		2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 743,510	\$ 757,602	\$ 14,092	\$ 780,934
Employee Benefits	180,926	203,689	22,763	191,077
Purchased Services	271,037	296,104	25,067	260,941
Supplies and Materials	49,706	35,314	(14,392)	39,978
Capital Expenditures	4,401	-	(4,401)	4,401
Other Expenditures	1,968	5,132	3,164	7,029
Total Vocational Education Instruction	1,251,548	1,297,841	46,293	1,284,360
Special Education Instruction:				
Salaries	11,595,526	11,521,145	(74,381)	10,785,920
Employee Benefits	3,235,734	3,655,479	419,745	3,432,190
Purchased Services	896,915	856,763	(40,152)	675,387
Supplies and Materials	78,160	76,596	(1,564)	60,652
Capital Expenditures	68,909	24,128	(44,781)	78,435
Other Expenditures	43,102	130,955	87,853	38,571
Total Special Education Instruction	15,918,346	16,265,066	346,720	15,071,155
Instructional Support Services:				
Salaries	3,189,191	4,554,964	1,365,773	2,477,789
Employee Benefits	1,008,285	1,286,358	278,073	719,470
Purchased Services	475,506	390,847	(84,659)	206,686
Supplies and Materials	191,599	215,067	23,468	173,613
Capital Expenditures	150	-	(150)	24,810
Other Expenditures	16,640	29,616	12,976	26,730
Total Instructional Support Services	4,881,371	6,476,852	1,595,481	3,629,098
Pupil Support Services:				
Salaries	2,435,047	2,297,540	(137,507)	2,294,724
Employee Benefits	558,947	717,849	158,902	704,775
Purchased Services	5,451,765	6,301,265	849,500	5,263,105
Supplies and Materials	24,843	25,038	195	21,307
Capital Expenditures	63,150	85,058	21,908	12,892
Other Expenditures	20,414	10,349	(10,065)	26,360
Total Pupil Support Services	8,554,166	9,437,099	882,933	8,323,163

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Sites and Buildings:				
Salaries	\$ 3,579,105	\$ 3,688,535	\$ 109,430	\$ 3,472,798
Employee Benefits	1,163,522	1,191,511	27,989	1,126,968
Purchased Services	3,807,119	4,344,103	536,984	4,198,497
Supplies and Materials	546,781	737,740	190,959	883,171
Capital Expenditures	1,700,000	1,344,151	(355,849)	4,155,697
Other Expenditures	22,707	46,568	23,861	65,192
Total Sites and Buildings	10,819,234	11,352,608	533,374	13,902,323
Fiscal and Other Fixed Costs:				
Purchased Services	270,000	278,697	8,697	235,254
Debt Service:				
Principal	337,844	337,844	-	809,614
Interest and Fiscal Charges	76,623	76,623	-	345,840
Total Debt Service	414,467	414,467	-	1,155,454
Total Expenditures	100,827,408	101,158,221	330,813	96,846,184
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,192,928)	(1,459,628)	733,300	(407,533)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	31,500	31,500	-
Insurance Recovery	-	42,066	42,066	17,862
Transfers In	2,100,416	2,100,416	-	-
Transfers Out	(1,050,000)	(1,050,000)	-	(2,137,175)
Total Other Financing Sources (Uses)	1,050,416	1,123,982	73,566	(2,119,313)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,142,512)</u>	<u>(335,646)</u>	<u>\$ 806,866</u>	<u>(2,526,846)</u>
<b>FUND BALANCE</b>				
Beginning of Year		11,496,878		14,023,724
End of Year		<u>\$ 11,161,232</u>		<u>\$ 11,496,878</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
FOOD SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	2019	2018
<b>ASSETS</b>		
Cash and Investments	\$ 301,818	\$ 369,784
Receivables:		
Accounts and Interest Receivable	23,969	13,949
Due from Minnesota Department of Education	31,033	31,972
Due from Federal Through the Minnesota Department of Education	247,416	268,292
Due from Other Funds	-	23,470
Inventory	58,206	79,070
Prepays	-	1,180
	<u>663,086</u>	<u>787,717</u>
Total Assets	<u>\$ 663,086</u>	<u>\$ 787,717</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 12,584	\$ 15,209
Payroll Deductions and Employer Contributions Payable	28,252	8,354
Accounts and Contracts Payable	28,538	23,307
Due to Other Minnesota School Districts	-	1,733
Due to Other Governmental Units	53	-
Total Liabilities	<u>69,427</u>	<u>48,603</u>
Fund Balance:		
Nonspendable:		
Inventory	58,206	79,070
Prepays	-	1,180
Restricted for:		
Other Purposes	535,453	658,864
Total Fund Balance	<u>593,659</u>	<u>739,114</u>
	<u>\$ 663,086</u>	<u>\$ 787,717</u>
Total Liabilities and Fund Balance	<u>\$ 663,086</u>	<u>\$ 787,717</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
FOOD SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ -	\$ 12,320	\$ 12,320	\$ 10,236
Other - Primarily Meal Sales	2,125,549	2,118,530	(7,019)	2,131,839
State Sources	174,220	199,963	25,743	202,445
Federal Sources	1,789,681	1,733,130	(56,551)	1,845,745
Total Revenues	<u>4,089,450</u>	<u>4,063,943</u>	<u>(25,507)</u>	<u>4,190,265</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	1,769,462	1,816,390	46,928	1,765,571
Employee Benefits	636,151	629,848	(6,303)	618,750
Purchased Services	123,746	105,541	(18,205)	122,383
Supplies and Materials	1,531,149	1,613,793	82,644	1,616,715
Other Expenditures	5,000	6,609	1,609	8,008
Capital Outlay	262,140	43,844	(218,296)	42,230
Total Expenditures	<u>4,327,648</u>	<u>4,216,025</u>	<u>(111,623)</u>	<u>4,173,657</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(238,198)	(152,082)	86,116	16,608
<b>OTHER FINANCING SOURCES</b>				
Sale of Equipment	-	-	-	250
Insurance Recovery	-	6,627	6,627	-
Total Other Financing Sources	<u>-</u>	<u>6,627</u>	<u>6,627</u>	<u>250</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (238,198)</u>	(145,455)	<u>\$ 92,743</u>	16,858
<b>FUND BALANCE</b>				
Beginning of Year		739,114		722,256
End of Year		<u>\$ 593,659</u>		<u>\$ 739,114</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and Investments	\$ 3,413,726	\$ 3,547,204
Receivables:		
Current Property Taxes	706,085	765,788
Delinquent Property Taxes	10,908	9,113
Accounts and Interest Receivable	32,462	132,872
Due from Other Minnesota School Districts	1,810	28,421
Due from Minnesota Department of Education	47,335	(6,740)
Due from Federal Through the Minnesota Department of Education	109,423	105,785
Due from Other Governmental Units	100,508	51,672
Total Assets	<u>\$ 4,422,257</u>	<u>\$ 4,634,115</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 150,754	\$ 163,777
Payroll Deductions and Employer Contributions Payable	125,844	62,572
Accounts and Contracts Payable	90,676	91,292
Due to Other Minnesota School Districts	237,279	263,967
Unearned Revenue	194,144	200,818
Total Liabilities	<u>798,697</u>	<u>782,426</u>
Deferred Inflows:		
Property Taxes Levied for Subsequent Year	1,407,287	1,625,995
Unavailable Revenue - Delinquent Taxes	10,908	9,113
Total Deferred Inflows of Resources	<u>1,418,195</u>	<u>1,635,108</u>
Fund Balance:		
Restricted for:		
Community Education	1,731,773	1,722,878
Early Childhood and Family Education	281,895	294,674
School Readiness	12,735	5,777
Adult Basic Education	37,425	52,538
Other Purposes	141,537	140,714
Total Fund Balance	<u>2,205,365</u>	<u>2,216,581</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 4,422,257</u>	<u>\$ 4,634,115</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,626,728	\$ 1,713,546	\$ 86,818	\$ 1,390,717
Earnings on Investments	-	61,736	61,736	39,810
Other - Primarily Tuition and Fees	6,333,747	6,519,546	185,799	6,093,319
State Sources	2,228,599	2,209,904	(18,695)	1,952,527
Federal Sources	102,884	109,423	6,539	105,785
Total Revenues	10,291,958	10,614,155	322,197	9,582,158
<b>EXPENDITURES</b>				
Current:				
Salaries	6,554,899	6,691,692	136,793	5,877,214
Employee Benefits	1,836,222	1,924,253	88,031	1,733,855
Purchased Services	1,629,007	1,539,594	(89,413)	1,535,293
Supplies and Materials	749,307	518,168	(231,139)	498,970
Other Expenditures	16,110	41,338	25,228	13,169
Capital Outlay	(55,897)	160,326	216,223	84,190
Total Expenditures	10,729,648	10,875,371	145,723	9,742,691
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(437,690)	(261,216)	176,474	(160,533)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	250,000	250,000	-	250,000
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (187,690)</u>	(11,216)	<u>\$ 176,474</u>	89,467
<b>FUND BALANCE</b>				
Beginning of Year		2,216,581		2,127,114
End of Year		<u>\$ 2,205,365</u>		<u>\$ 2,216,581</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and Investments	\$ 21,513,513	\$ 26,166,907
Cash with Fiscal Agent	681,590	1,035,250
Receivables:		
Accounts and Interest Receivable	177	26,032
Due from Other Governmental Units	221,728	-
Prepays	<u>178,226</u>	<u>228,493</u>
Total Assets	<u><u>\$ 22,595,234</u></u>	<u><u>\$ 27,456,682</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ -	\$ 17,127
Payroll Deductions and Employer Contributions Payable	30,435	17,873
Accounts and Contracts Payable	<u>3,834,358</u>	<u>4,496,917</u>
Total Liabilities	3,864,793	4,531,917
Fund Balance:		
Nonspendable:		
Prepays	178,226	228,493
Restricted for:		
Capital Projects Levy	-	1,082,629
Long-Term Facilities Maintenance	10,887,869	2,035,617
Restricted for Other Purposes	<u>7,664,346</u>	<u>19,578,026</u>
Total Fund Balance	<u>18,730,441</u>	<u>22,924,765</u>
Total Liabilities and Fund Balance	<u><u>\$ 22,595,234</u></u>	<u><u>\$ 27,456,682</u></u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019		2018	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 5,356,546	\$ 5,356,546	\$ -	\$ 7,580,309
Earnings on Investments	-	552,584	552,584	275,393
Other	200,000	827,029	627,029	87,776
Total Revenues	5,556,546	6,736,159	1,179,613	7,943,478
<b>EXPENDITURES</b>				
Current:				
Salaries	182,603	348,990	166,387	3,325,071
Employee Benefits	60,864	99,730	38,866	1,068,233
Purchased Services	1,404,215	3,656,447	2,252,232	2,643,072
Capital Outlay	35,974,358	25,141,664	(10,832,694)	13,236,844
Debt Service:				
Principal	-	-	-	6,680,732
Total Expenditures	37,622,040	29,461,989	(8,160,051)	26,953,952
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(32,065,494)	(22,725,830)	9,339,664	(19,010,474)
<b>OTHER FINANCING SOURCES</b>				
Sale of Equipment	-	107,302	107,302	134,093
Issuance of Bonds	17,295,000	17,895,000	600,000	29,030,000
Bond Premium	-	29,204	29,204	1,104,294
Transfers In	500,000	500,000	-	-
Total Other Financing Sources	17,795,000	18,531,506	736,506	30,268,387
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (14,270,494)</u>	<u>(4,194,324)</u>	<u>\$ 10,076,170</u>	<u>11,257,913</u>
<b>FUND BALANCE</b>				
Beginning of Year		22,924,765		11,666,852
End of Year		<u>\$ 18,730,441</u>		<u>\$ 22,924,765</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Regular Debt Service	OPEB Debt Service	Totals	
			2019	2018
<b>ASSETS</b>				
Cash and Investments	\$ 9,131,398	\$ 2,846,048	\$ 11,977,446	\$ 11,764,402
Receivables:				
Current Property Taxes	6,626,045	2,030,033	8,656,078	8,175,710
Delinquent Property Taxes	81,412	35,741	117,153	94,807
Total Assets	<u>\$ 15,838,855</u>	<u>\$ 4,911,822</u>	<u>\$ 20,750,677</u>	<u>\$ 20,034,919</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
Deferred Inflows:				
Property Taxes Levied for Subsequent Year	\$ 13,206,263	\$ 4,046,025	\$ 17,252,288	\$ 17,359,463
Unavailable Revenue - Delinquent Taxes	81,412	35,741	117,153	94,807
Total Deferred Inflows of Resources	<u>13,287,675</u>	<u>4,081,766</u>	<u>17,369,441</u>	<u>17,454,270</u>
Fund Balance:				
Restricted for:				
Regular Debt Service	<u>2,551,180</u>	<u>830,056</u>	<u>3,381,236</u>	<u>2,580,649</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 15,838,855</u>	<u>\$ 4,911,822</u>	<u>\$ 20,750,677</u>	<u>\$ 20,034,919</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019					2018
	Final Budgeted Amounts	Regular Debt Service	OPEB Debt Service	Total Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>						
Local Sources:						
Property Taxes	\$ 17,359,463	\$ 13,251,453	\$ 3,926,546	\$ 17,177,999	\$ (181,464)	\$ 14,822,107
Earnings on Investments	-	215,713	27,573	243,286	243,286	60,369
Total Revenues	17,359,463	13,467,166	3,954,119	17,421,285	61,822	14,882,476
<b>EXPENDITURES</b>						
Debt Service:						
Bond Principal	31,420,000	27,865,000	3,555,000	31,420,000	-	9,865,000
Bond Interest	6,024,172	5,707,100	317,072	6,024,172	-	5,410,090
Paying Agent Fees and Other	94,351	92,351	-	92,351	(2,000)	5,175
Total Expenditures	37,538,523	33,664,451	3,872,072	37,536,523	(2,000)	15,280,265
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>						
	(20,179,060)	(20,197,285)	82,047	(20,115,238)	63,822	(397,789)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds of Refunding Bonds	20,915,825	18,835,000	-	18,835,000	(2,080,825)	-
Bond Premium	-	2,080,825	-	2,080,825	2,080,825	-
Total Other Financing Sources (Uses)	20,915,825	20,915,825	-	20,915,825	-	-
<b>NET CHANGE IN FUND BALANCE</b>						
	\$ 736,765	718,540	82,047	800,587	\$ 63,822	(397,789)
<b>FUND BALANCE</b>						
Beginning of Year		1,832,640	748,009	2,580,649		2,978,438
End of Year		\$ 2,551,180	\$ 830,056	\$ 3,381,236		\$ 2,580,649

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
INTERNAL SERVICE FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Self- Insurance Accounts	OPEB Revocable Trust	Severance	Totals	
				2019	2018
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 5,712,016	\$ 17,521,939	\$ 11,587,656	\$ 34,821,611	\$ 36,607,134
Accounts Receivable	137,157	-	-	137,157	78,673
Interest Receivable	-	157,267	-	157,267	166,243
Total Assets	5,849,173	17,679,206	11,587,656	35,116,035	36,852,050
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	7,052	-	-	7,052	24,723
Claims Payable - Medical	711,378	-	-	711,378	711,009
Due to Other Funds	-	-	-	-	373,470
Unearned Revenue	1,239,388	-	-	1,239,388	1,121,690
Total Liabilities	1,957,818	-	-	1,957,818	2,230,892
<b>NET POSITION</b>					
Unrestricted	3,891,355	17,679,206	11,587,656	33,158,217	34,621,158
Total Liabilities and Net Position	\$ 5,849,173	\$ 17,679,206	\$ 11,587,656	\$ 35,116,035	\$ 36,852,050

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
INTERNAL SERVICE FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Self- Insurance Accounts	OPEB Revocable Trust	Severance	Totals	
				2019	2018
<b>OPERATING REVENUES</b>					
Charges for Services:					
Health Insurance Premiums	\$ 10,760,964	\$ -	\$ -	\$ 10,760,964	\$ 9,820,802
<b>OPERATING EXPENSES</b>					
Health Insurance Claim Payments	11,092,080	-	-	11,092,080	10,243,410
Severance Payments	-	-	809,363	809,363	969,184
OPEB Payments	-	117,456	-	117,456	468,560
Total Operating Expenses	<u>11,092,080</u>	<u>117,456</u>	<u>809,363</u>	<u>12,018,899</u>	<u>11,681,154</u>
<b>OPERATING LOSS</b>	(331,116)	(117,456)	(809,363)	(1,257,935)	(1,860,352)
<b>NONOPERATING INCOME</b>					
Earnings on Investments	<u>66,827</u>	<u>1,352,844</u>	<u>175,739</u>	<u>1,595,410</u>	<u>139,336</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	(264,289)	1,235,388	(633,624)	337,475	(1,721,016)
<b>OTHER FINANCING SOURCES</b>					
Transfer In	-	-	300,000	300,000	1,887,175
Transfer Out	-	-	(2,100,416)	(2,100,416)	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(1,800,416)</u>	<u>(1,800,416)</u>	<u>1,887,175</u>
<b>CHANGE IN NET POSITION</b>	(264,289)	1,235,388	(2,434,040)	(1,462,941)	166,159
Net Position - Beginning	<u>4,155,644</u>	<u>16,443,818</u>	<u>14,021,696</u>	<u>34,621,158</u>	<u>34,454,999</u>
<b>NET POSITION - ENDING</b>	<u>\$ 3,891,355</u>	<u>\$ 17,679,206</u>	<u>\$ 11,587,656</u>	<u>\$ 33,158,217</u>	<u>\$ 34,621,158</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
INTERNAL SERVICE FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Self- Insurance Accounts	OPEB Revocable Trust	Severance	Totals	
				2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Interfund Services Provided	\$ 10,820,178	\$ -	\$ -	\$ 10,820,178	\$ 9,836,282
Payments for Medical Fees and Insurance Claims	(11,109,382)	-	-	(11,109,382)	(9,969,016)
Payments for Other Postemployment Benefits	-	(490,926)	-	(490,926)	(118,560)
Payments for Severance Benefits	-	-	(809,363)	(809,363)	(969,184)
Net Cash Used by Operating Activities	(289,204)	(490,926)	(809,363)	(1,589,493)	(1,220,478)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from Other Funds	-	-	300,000	300,000	1,887,175
Transfers to Other Funds	-	-	(2,100,416)	(2,100,416)	-
Net Cash Used by Noncapital Financing Activities	-	-	(1,800,416)	(1,800,416)	1,887,175
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	66,827	493,478	175,739	736,044	283,504
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(222,377)	2,552	(2,434,040)	(2,653,865)	950,201
Cash and Cash Equivalents - Beginning	5,934,393	12,049	14,021,696	19,968,138	19,017,937
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 5,712,016</u>	<u>\$ 14,601</u>	<u>\$ 11,587,656</u>	<u>\$ 17,314,273</u>	<u>\$ 19,968,138</u>
<b>DISPLAYED ON STATEMENT OF FUND NET POSITION AS:</b>					
Cash and Cash Equivalents	\$ 5,712,016	\$ 14,601	\$ 11,587,656	\$ 17,314,273	\$ 19,968,138
Investments	-	17,507,338	-	17,507,338	16,638,996
Total Cash and Investments on the Statement of Net Position	<u>\$ 5,712,016</u>	<u>\$ 17,521,939</u>	<u>\$ 11,587,656</u>	<u>\$ 34,821,611</u>	<u>\$ 36,607,134</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>					
Operating Loss	\$ (331,116)	\$ (117,456)	\$ (809,363)	\$ (1,257,935)	\$ (1,860,352)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:					
(Increase) Decrease in Accounts Receivable	(58,484)	-	-	(58,484)	2,012
Increase (Decrease) in Accounts Payable	(17,671)	-	-	(17,671)	13,681
Increase in Claims Payable	369	-	-	369	260,713
Increase (Decrease) in Due to Other Funds	-	(373,470)	-	(373,470)	350,000
Increase in Unearned Revenue	117,698	-	-	117,698	13,468
Total Adjustments	41,912	(373,470)	-	(331,558)	639,874
Net Cash Used by Operating Activities	<u>\$ (289,204)</u>	<u>\$ (490,926)</u>	<u>\$ (809,363)</u>	<u>\$ (1,589,493)</u>	<u>\$ (1,220,478)</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
JUNE 30, 2019**

	AUDIT	UFARS	DIFFERENCE
<b>01 GENERAL FUND</b>			
Total Revenue	\$ 99,740,659	\$ 99,740,659	\$ -
Total Expenditures	101,158,221	101,158,221	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	284,935	284,935	-
<i>Restricted:</i>			
403 Staff Development	82,790	82,790	-
405 Deferred Maintenance	-	-	-
406 Health and Safety	-	-	-
407 Capital Project Levy	(811,465)	(811,465)	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	1,809,951	1,809,951	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	-	-	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Safe Schools Crime Levy	-	-	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
464 Restricted Fund Balance	-	-	-
467 Long-Term Facilities Maintenance	-	-	-
472 Medical Assistance	639,884	639,884	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	1,407,061	1,407,061	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	7,748,076	7,748,076	-
<b>02 FOOD SERVICE</b>			
Total Revenue	4,070,570	4,070,570	-
Total Expenditures	4,216,025	4,216,022	3
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	58,206	58,206	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	535,453	535,454	(1)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>04 COMMUNITY SERVICE</b>			
Total Revenue	10,614,155	10,614,157	(2)
Total Expenditures	10,875,371	10,875,372	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	1,731,773	1,731,773	-
432 E.C.F.E.	281,895	281,895	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	12,735	12,735	-
447 Adult Basic Education	37,425	37,425	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	141,537	141,537	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE (CONTINUED)  
JUNE 30, 2019**

	AUDIT	UFARS	DIFFERENCE
<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$ 6,736,159	\$ 6,736,159	\$ -
Total Expenditures	29,461,989	29,461,989	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	178,226	178,226	-
<i>Restricted:</i>			
407 Capital Projects Levy	(2,036,973)	(2,036,973)	-
409 Alternative Facility Program	-	-	-
413 Projects Funded by COP	-	-	-
467 Long-Term Facilities Maintenance	10,887,869	10,887,869	-
464 Restricted Fund Balance	9,701,319	9,701,319	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>07 DEBT SERVICE</b>			
Total Revenue	13,467,166	13,467,166	-
Total Expenditures	33,664,451	33,664,451	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
464 Restricted Fund Balance	2,551,180	2,551,180	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>08 TRUST</b>			
Total Revenue	26,416	26,416	-
Total Expenditures	44,032	44,031	1
<i>Net Position:</i>			
422 Net Position	33,046	33,046	-
<b>20 INTERNAL SERVICE</b>			
Total Revenue	11,003,530	11,003,530	-
Total Expenditures	11,901,443	11,901,442	1
<i>Net Position:</i>			
422 Net Position	15,479,011	15,479,011	-
<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	1,352,844	1,352,844	-
Total Expenditures	117,456	117,456	-
<i>Net Position:</i>			
422 Net Position	17,679,206	17,679,206	-
<b>45 OPEB IRREVOCABLE TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	3,954,119	3,954,120	(1)
Total Expenditures	3,872,072	3,872,073	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	830,056	830,056	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

## **STATISTICAL SECTION (UNAUDITED)**

This part of the Hopkins Public Schools comprehensive annual financial report presents detailed information as a context for understating what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### **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, the property tax.

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 8,937,746	\$ 8,514,533	\$ 9,944,518	\$ 11,711,667
Restricted	1,160,465	4,662,680	2,268,838	4,217,295
Unrestricted	13,083,470	14,987,961	14,777,335	15,398,309
Total Governmental Activities Net Position	<u>\$ 23,181,681</u>	<u>\$ 28,165,174</u>	<u>\$ 26,990,691</u>	<u>\$ 31,327,271</u>

Source: District's financial records.

Note: Beginning with 2015, the net position includes the effects of implementing GASB Statements Nos. 68 and 71, which required the District to record its proportionate share of the state administered defined benefit pension plans in which it participates. Beginning in 2018 the net position includes the effects of implementing GASB Statement No. 75, which adjusted the way the District's OPEB liability is

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NET POSITION BY COMPONENT (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 15,885,515	\$ 18,582,850	\$ 23,952,842	\$ 28,641,741	\$ 12,896,090	\$ 22,915,255
2,397,149	3,049,717	4,471,490	10,098,439	5,905,911	5,457,499
11,286,030	(55,274,101)	(55,395,516)	(94,121,420)	(107,061,513)	(90,198,229)
<u>\$ 29,568,694</u>	<u>\$ (33,641,534)</u>	<u>\$ (26,971,184)</u>	<u>\$ (55,381,240)</u>	<u>\$ (88,259,512)</u>	<u>\$ (61,825,475)</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
<b>Expenses</b>				
Governmental Activities:				
Administration	\$ 3,648,146	\$ 3,886,290	\$ 4,234,800	\$ 3,909,891
District Support Services	2,828,721	1,996,425	1,876,871	1,884,001
Regular Instruction	44,637,858	46,526,198	34,553,785	42,600,108
Vocational Education Instruction	1,248,106	1,032,431	1,030,780	1,097,780
Special Education Instruction	14,386,953	14,719,711	14,713,589	14,648,982
Instructional Support Services	4,360,704	4,015,309	3,949,700	3,901,694
Pupil Support Services	9,404,028	8,062,714	7,520,723	7,346,843
Sites and Buildings	15,438,221	13,653,836	30,964,522	19,153,416
Fiscal and Other Fixed Cost Programs	238,698	177,885	224,935	237,032
Food Service	4,130,632	4,088,968	4,067,566	4,167,355
Community Service	9,376,157	9,146,023	9,307,748	9,944,797
Interest on Long-Term Debt	7,043,733	6,998,109	6,279,986	5,794,867
Total Governmental Activities Expenses	<u>\$ 116,741,957</u>	<u>\$ 114,303,899</u>	<u>\$ 118,725,005</u>	<u>\$ 114,686,766</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Administration	\$ -	\$ -	\$ -	\$ -
District Support Services	-	-	-	-
Regular Instruction	946,786	1,244,760	1,179,082	1,190,669
Vocational Education Instruction	-	-	-	-
Special Education Instruction	587,150	435,757	275,136	249,875
Instructional Support Services	40,857	36,572	17,633	19,716
Pupil Support Services	20,456	34,573	17,523	28,341
Sites and Buildings	368,477	415,503	759,659	1,033,210
Food Service	2,505,302	2,357,230	2,335,055	2,412,791
Community Service	4,740,723	5,133,172	5,986,755	6,342,528
Operating Grants and Contributions	24,109,333	20,245,196	15,711,241	16,474,776
Capital Grants and Contributions	1,821,035	1,812,131	2,843,901	1,744,474
Total Governmental Activities Program Revenue	<u>\$ 35,140,119</u>	<u>\$ 31,714,894</u>	<u>\$ 29,125,985</u>	<u>\$ 29,496,380</u>
<b>Net Expense</b>				
Governmental Activities	<u>\$ (81,601,838)</u>	<u>\$ (82,589,005)</u>	<u>\$ (89,599,020)</u>	<u>\$ (85,190,386)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes:				
General Purposes and Capital Projects	\$ 18,633,795	\$ 27,414,609	\$ 19,088,953	\$ 19,938,887
Community Service	1,239,087	1,943,704	1,301,537	1,361,145
Debt Service	12,391,050	13,200,938	12,780,282	14,571,791
Capital Projects	3,509,249	5,021,400	6,654,459	6,514,220
Unrestricted State Aid	40,733,289	37,146,339	44,893,616	45,886,955
Unrestricted Investment Earnings	2,949,211	2,035,795	2,243,690	(102,744)
Gain on Sale of Capital Assets	-	-	-	-
Miscellaneous	1,182,148	809,713	1,789,333	1,356,712
Total Governmental Activities	<u>\$ 80,637,829</u>	<u>\$ 87,572,498</u>	<u>\$ 88,751,870</u>	<u>\$ 89,526,966</u>
<b>Change in Net Position</b>	\$ (964,009)	\$ 4,983,493	\$ (847,150)	\$ 4,336,580
Net Position - Beginning	24,145,690	23,181,681	28,165,174	26,990,691
Prior Period Adjustment	-	-	(327,333)	-
Net Position - Ending	<u>\$ 23,181,681</u>	<u>\$ 28,165,174</u>	<u>\$ 26,990,691</u>	<u>\$ 31,327,271</u>

Source: District's financial records.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 3,710,664	\$ 4,050,926	\$ 4,147,904	\$ 5,604,111	\$ 5,361,601	\$ 3,084,800
2,156,481	2,163,267	2,088,225	2,188,737	4,041,454	5,099,790
43,536,297	43,781,953	54,063,008	75,020,531	74,082,770	39,578,619
1,005,928	1,076,456	1,423,789	1,859,183	1,703,900	870,422
14,944,211	15,257,689	15,989,709	21,314,677	20,349,472	11,152,732
4,186,084	4,246,721	4,243,960	5,781,370	5,457,785	5,197,523
7,771,228	8,041,111	7,986,832	9,878,519	9,296,987	8,576,359
20,911,495	22,516,225	14,326,242	15,927,872	19,194,948	16,545,796
271,000	424,278	269,926	254,518	235,254	278,697
4,092,596	4,351,770	4,437,815	4,240,342	4,194,963	4,244,581
10,667,163	9,904,238	10,169,469	10,425,140	10,571,316	10,186,680
6,600,072	6,261,412	4,504,285	5,027,855	5,110,476	5,573,114
<u>\$ 119,853,219</u>	<u>\$ 122,076,046</u>	<u>\$ 123,651,164</u>	<u>\$ 157,522,855</u>	<u>\$ 159,600,926</u>	<u>\$ 110,389,113</u>
\$ -	\$ -	\$ 137,637	\$ 168,396	\$ 170,571	\$ 169,329
-	8,762	7,348	10,052	8,562	5,535
1,155,272	1,579,157	1,242,316	1,275,414	1,556,008	1,191,671
-	3,072	5,939	2,395	3,058	2,109
154,534	124,495	153,476	182,696	123,283	138,753
19,217	19,461	17,100	16,441	19,029	741,637
36,707	500,283	114,353	126,673	117,347	110,698
362,545	1,015,622	921,007	889,773	805,232	821,089
2,200,394	2,281,440	2,266,293	2,249,463	2,125,603	2,109,801
5,783,082	5,951,842	5,533,474	5,785,685	5,695,608	6,222,316
17,066,386	16,173,852	15,459,603	19,149,940	15,972,054	13,765,249
1,721,420	318,408	218,425	80,061	427,504	580,583
<u>\$ 28,499,557</u>	<u>\$ 27,976,394</u>	<u>\$ 26,076,971</u>	<u>\$ 29,936,989</u>	<u>\$ 27,023,859</u>	<u>\$ 25,858,770</u>
<u>\$ (91,353,662)</u>	<u>\$ (94,099,652)</u>	<u>\$ (97,574,193)</u>	<u>\$ (127,585,866)</u>	<u>\$ (132,577,067)</u>	<u>\$ (84,530,343)</u>
\$ 11,257,068	\$ 23,818,768	\$ 23,624,265	\$ 25,613,722	\$ 27,056,370	\$ 27,722,523
700,646	1,594,199	1,437,522	1,454,956	1,390,148	1,715,341
14,043,788	14,205,042	14,861,215	14,616,054	14,822,188	17,200,345
6,372,556	8,331,369	8,436,720	8,418,538	7,580,309	5,356,546
55,326,174	50,310,068	54,554,759	53,665,184	54,358,728	55,800,925
830,633	522,972	1,186,057	990,135	843,281	2,847,023
42,650	-	-	-	133,043	-
1,648,539	558,333	144,005	401,744	128,963	321,677
<u>\$ 90,222,054</u>	<u>\$ 99,340,751</u>	<u>\$ 104,244,543</u>	<u>\$ 105,160,333</u>	<u>\$ 106,313,030</u>	<u>\$ 110,964,380</u>
\$ (1,131,608)	\$ 5,241,099	\$ 6,670,350	\$ (22,425,533)	\$ (26,264,037)	\$ 26,434,037
31,327,271	29,568,694	(33,641,534)	(26,971,184)	(55,381,240)	(88,259,512)
(626,969)	(68,451,327)	-	(5,984,523)	(6,614,235)	-
<u>\$ 29,568,694</u>	<u>\$ (33,641,534)</u>	<u>\$ (26,971,184)</u>	<u>\$ (55,381,240)</u>	<u>\$ (88,259,512)</u>	<u>\$ (61,825,475)</u>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
<b>General Fund</b>				
Nonspendable	\$ 758,524	\$ 943,454	\$ 242,902	\$ 246,984
Restricted	587,906	463,895	941,882	777,092
Committed	5,231,755	8,188,384	-	6,041,951
Assigned	-	664,173	1,592,271	2,442,348
Unassigned	10,474,350	11,338,113	12,750,788	8,088,001
Total General Fund	17,052,535	21,598,019	15,527,843	17,596,376
<b>All Other Governmental Funds</b>				
Nonspendable, Reported in:				
Food Service Fund	42,251	43,336	49,011	57,661
Community Service Fund	965	713	8,833	10,461
Capital Projects Fund	54,192	106,947	132,807	304,099
Restricted, Reported in:				
Food Service Fund	119,681	8,010	7,823	148,995
Community Service Fund	667,113	952,704	1,005,385	1,256,159
Capital Projects Fund	367,660	17,203,350	618,171	11,931,839
Debt Service Funds	35,923,359	36,162,797	7,775,293	23,677,796
Unassigned, Reported in:				
Capital Projects Fund	(509,754)	-	(511,507)	-
All Other Governmental Funds	36,665,467	54,477,857	9,085,816	37,387,010
Total All Funds	\$ 53,718,002	\$ 76,075,876	\$ 24,613,659	\$ 54,983,386

Source: District's financial records

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 235,207	\$ 227,406	\$ 300,955	\$ 559,320	\$ 241,888	\$ 284,935
689,370	1,106,251	1,678,394	2,881,612	1,474,618	1,721,160
6,041,951	5,735,000	2,428,627	-	-	-
1,233,735	1,318,370	666,960	2,041,810	1,407,061	779,561
8,834,090	9,793,489	8,269,162	8,540,982	8,373,311	7,748,076
17,034,353	18,180,516	13,344,098	14,023,724	11,496,878	10,533,732
52,927	55,135	64,422	65,866	80,250	58,206
997	9,886	-	4,047	-	-
285,856	185,365	232,123	210,061	228,493	178,226
202,161	232,199	377,063	656,390	658,864	535,453
1,157,784	1,446,265	1,713,069	2,123,067	2,216,581	2,205,365
7,365,897	7,057,691	-	11,456,791	22,696,272	18,552,215
22,937,517	2,266,113	2,838,356	2,978,438	2,580,649	3,381,236
-	-	(3,154,049)	-	-	-
32,003,139	11,252,654	2,070,984	17,494,660	28,461,109	24,910,701
\$ 49,037,492	\$ 29,433,170	\$ 15,415,082	\$ 31,518,384	\$ 39,957,987	\$ 35,444,433

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues</b>				
Local Sources:				
Property Taxes	\$ 35,678,900	\$ 47,811,467	\$ 39,798,547	\$ 42,099,659
Earnings on Investments	1,389,261	1,329,918	824,803	13,649
Other	11,577,607	12,010,270	11,938,608	12,624,153
State Sources	54,954,932	50,209,998	58,469,704	59,335,727
Federal Sources	10,522,997	7,301,196	5,383,247	4,746,783
Total Revenues	114,123,697	118,662,849	116,414,909	118,819,971
<b>Expenditures</b>				
Current:				
Administration	3,908,181	3,666,698	3,652,025	3,702,143
District Support Services	2,462,394	1,861,933	1,648,725	1,753,551
Regular Instruction	42,362,009	38,667,861	38,978,437	39,772,620
Vocational Education Instruction	1,312,537	983,264	1,016,099	1,061,807
Special Education Instruction	15,383,680	14,036,315	14,227,674	14,068,452
Instructional Support Services	4,658,650	3,842,452	3,777,992	3,674,819
Pupil Support Services	9,417,335	7,774,145	7,306,760	7,030,543
Sites and Buildings	7,445,050	7,410,776	7,253,963	8,108,678
Fiscal and Other Fixed Cost Programs	238,698	177,885	224,935	237,032
Food Service	4,226,206	3,935,752	4,015,583	4,033,197
Community Service Fund	9,529,981	8,792,900	9,208,143	9,734,396
Capital Outlay	19,761,645	25,132,251	24,779,167	11,808,102
Debt Service:				
Principal	7,991,604	8,175,817	8,577,199	8,338,313
Interest and Fiscal Charges	6,973,991	7,438,214	8,204,899	6,531,412
Total Expenditures	135,671,961	131,896,263	132,871,601	119,855,065
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(21,548,264)	(13,233,414)	(16,456,692)	(1,035,094)
<b>Other Financing Sources (Uses)</b>				
Sale of Equipment	20	136,635	17,375	43,404
Sale of Real Property	-	12,925	-	-
Insurance Recovery	-	-	-	-
Sale of Bonds	9,335,000	42,260,000	6,120,000	35,030,000
Bond Premium	-	1,372,728	-	2,831,417
Capital Lease Proceeds	-	-	257,817	-
Capital Improvement Loan Proceeds	-	2,389,000	-	-
Payment to Refunded Bond Escrow Agent	-	(10,580,000)	(32,385,000)	(6,000,000)
Transfers In	1,864,515	228,000	-	356,840
Transfers Out	-	(228,000)	(8,688,384)	(856,840)
Total Other Financing Sources (Uses)	11,199,535	35,591,288	(34,678,192)	31,404,821
<b>Net Change in Fund Balances</b>	<u>\$ (10,348,729)</u>	<u>\$ 22,357,874</u>	<u>\$ (51,134,884)</u>	<u>\$ 30,369,727</u>
Debt Service as a Percentage of Noncapital Expenditures	12.90%	14.60%	15.50%	13.80%

Sources: District's financial records

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 32,904,587	\$ 47,751,576	\$ 48,467,153	\$ 50,107,678	\$ 50,851,355	\$ 51,946,767
41,037	52,324	96,136	276,671	703,945	1,251,613
12,676,441	12,106,279	12,302,244	12,963,957	12,215,175	13,206,269
68,092,504	61,936,703	63,949,812	63,170,425	64,379,818	66,395,240
4,676,489	4,800,700	4,523,206	4,888,848	4,886,735	5,734,246
118,391,058	126,647,582	129,338,551	131,407,579	133,037,028	138,534,135
3,457,551	3,800,920	4,012,660	4,138,586	4,179,572	4,158,956
1,960,920	2,176,186	2,078,586	1,846,598	2,311,373	5,215,768
40,454,347	42,182,408	43,614,720	43,862,824	46,274,076	45,690,309
972,508	1,082,007	1,405,443	1,314,391	1,279,959	1,297,841
14,399,228	14,820,763	15,225,594	14,606,775	14,992,720	16,240,938
3,969,721	4,181,973	4,140,524	3,599,280	3,604,288	6,476,852
7,507,772	7,824,549	7,824,324	8,585,842	8,310,271	9,352,041
8,087,321	8,257,340	8,536,324	8,740,145	9,746,626	10,008,457
271,000	424,278	269,926	254,518	235,254	278,697
3,952,468	4,328,328	4,249,996	4,134,538	4,131,427	4,172,181
10,451,595	9,787,057	10,001,398	9,379,018	9,658,501	10,715,045
20,920,610	27,329,925	20,706,852	15,144,738	25,156,231	31,474,896
9,899,521	8,106,513	9,521,735	9,530,064	17,355,346	31,757,844
6,595,604	6,558,113	6,019,346	5,739,368	5,761,105	6,408,304
132,900,166	140,860,360	137,607,428	130,876,685	152,996,749	183,248,129
(14,509,108)	(14,212,778)	(8,268,877)	530,894	(19,959,721)	(44,713,994)
44,378	49,321	63,124	-	134,343	138,802
-	-	-	-	-	-
28,836	1,113	473	-	17,862	48,693
8,490,000	14,545,000	18,305,000	14,140,000	29,030,000	17,895,000
-	763,022	2,163,565	877,020	1,104,294	2,110,029
-	-	-	3,667,000	-	-
-	-	-	-	-	-
-	(20,250,000)	(20,375,000)	-	-	-
1,650,000	1,773,113	815,000	250,000	250,000	2,850,416
(1,650,000)	(2,273,113)	(6,721,373)	(3,361,612)	(2,137,175)	(1,050,000)
8,563,214	(5,391,544)	(5,749,211)	15,572,408	28,399,324	21,992,940
\$ (5,945,894)	\$ (19,604,322)	\$ (14,018,088)	\$ 16,103,302	\$ 8,439,603	\$ (22,721,054)
13.70%	11.50%	12.60%	12.40%	17.10%	23.99%

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(UNAUDITED)**

Payable Year	(1) Residential Property	(2) Commercial Property	Total Assessed Value	Total Direct School Tax Rate
2010	\$ 7,040,592,200	\$ 2,680,915,100	\$ 9,721,507,300	23.050 %
2011	6,532,859,500	2,519,158,100	9,052,017,600	26.456
2012	6,068,959,262	2,486,074,800	8,555,034,062	29.270
2013	5,852,199,127	2,521,418,100	8,373,617,227	29.730
2014	5,853,960,954	2,585,214,200	8,439,175,154	32.358
2015	6,722,136,651	2,857,098,000	9,579,234,651	30.340
2016	6,717,731,163	2,858,753,300	9,576,484,463	28.514
2017	6,987,222,057	3,051,045,950	10,038,268,007	25.611
2018	7,511,299,258	3,007,028,100	10,518,327,358	29.035
2019	8,265,407,905	3,060,481,589	11,325,889,494	27.022

**Source:** Hennepin County

**Notes:**

- (1) Residential includes single family homes, townhomes and condominiums, and all other property including vacant land, farm, utilities, personal property and railroad property.
- (2) Commercial property above includes both commercial and industrial property.
- (3) Data for the estimated actual value of taxable property was not readily available.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended June 30,	ISD No. 270 Direct Rate (1)					Overlapping Rates		
	General Fund Basic Rate	Community Service	General Obligation Debt Service	OPEB	Total Direct School Tax Rate	City of Eden Prairie	City of Edina	City of Golden Valley
2010	9.034	1.246	11.861	0.910	23.051	28.742	22.972	48.196
2011	11.539	1.377	12.553	0.984	26.453	31.239	24.660	53.060
2012	11.871	1.453	14.910	1.036	29.270	33.250	26.247	55.796
2013	12.423	1.553	14.677	1.077	29.730	34.617	27.216	58.204
2014	14.970	1.771	12.780	2.837	32.358	34.709	27.920	61.839
2015	13.906	1.423	10.564	4.134	30.027	33.954	26.605	54.626
2016	13.530	1.357	9.547	4.080	28.514	32.327	27.137	54.452
2017	11.121	1.243	9.169	4.078	25.611	32.667	28.271	56.109
2018	13.145	1.361	11.207	3.322	29.035	32.526	27.849	55.152
2019	12.481	1.097	10.291	3.153	27.022	31.690	27.499	53.780

**Sources:** Overlapping Rate Data provided by the District's financial advisor, Ehlers & Associates.  
School Tax Report from County Auditor's Office

**Notes:**

- (1) Tax Capacity Rate Method
- (2) Special Districts includes Metro Mosquito, Metro Council and Metro Transit.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Overlapping Rates								Total Direct and Overlapping Tax Rate City of Hopkins
City of Hopkins	City of Minnetonka	City of Plymouth	City of St. Louis Park	Special Districts	Hennepin County	Hennepin Parks	Other	
(2)								
49.386	30.887	26.007	38.834	2.620	42.056	3.499	0.778	317.028
56.463	33.705	27.490	43.276	2.949	45.187	3.765	0.815	349.062
59.718	35.595	28.716	45.672	3.084	48.231	3.943	0.799	370.321
63.819	37.567	29.816	48.228	3.242	49.461	4.054	4.562	390.516
64.290	37.865	30.114	50.378	3.335	49.959	4.169	4.863	401.799
62.503	37.089	28.374	49.433	3.006	46.398	4.491	2.371	378.877
65.581	35.863	27.838	47.829	2.899	45.356	3.601	4.263	375.660
64.485	36.564	26.959	47.861	2.821	44.087	3.365	4.390	373.190
67.833	35.965	26.804	48.101	2.683	42.808	3.161	4.333	376.250
71.697	34.960	26.355	46.373	2.542	41.861	2.961	4.211	370.951

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	2019			2010		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
United Healthcare Srv, Inc.	\$ 2,750,980	1	4.096%			
Colfin Midwest NNN INV LLC	-		1.250%			
General Mills, Inc.	1,717,430	2	1.182%	\$ 1,892,930	1	1.451%
Allianz Life Insurance Co., North America	1,645,530	3	1.112%	1,587,010	2	1.216%
The Colonnade	1,412,790	4	0.863%			
Thomson Reuters Property Tax Service	957,650	7	0.682%	819,250	7	0.628%
Wells Real Estate Funds	907,170	8	0.624%	935,250	4	0.717%
Hines Globel Reit 9320 Exce	-		0.635%			
Property Reserve, Inc.	848,810	9	0.605%	839,250	5	0.643%
CSM West Ridge Inc.	735,030	10	0.550%	738,450	8	0.566%
United Center LLC				967,250	3	0.741%
Teachers Ins. & Annuity Assoc.				837,096	6	0.642%
Interchange Investors LLC						
Cargill Incorporated	1,023,630	6		702,750	9	0.539%
SuperValu, Inc.						
Bison Golden Valley LLC	762,290					
Golden Jack LLC				666,910	10	0.511%
EP Campus I LLC	1,396,842	5				
Total	\$ 12,761,310		0.116 %	\$ 9,319,236		0.071 %

**Source:**

Hennepin County

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Taxes Levied for the Fiscal Year						
Fiscal Year	General Fund Basic Levy	Community Service Levy	Debt Service Fund Levy	OPEB Levy	Total Tax Levy (1)	
2010	\$ 24,034,244	\$ 1,327,635	\$ 12,644,025	\$ 968,074	\$ 38,973,978	(2)
2011	24,011,587	1,272,000	11,596,031	908,406	37,788,024	(2)
2012	24,511,272	1,275,332	13,086,549	908,599	39,781,752	(2)
2013	24,764,374	1,344,996	12,714,884	932,646	39,756,900	(2)
2014	30,222,527	1,549,967	11,185,763	2,482,634	45,440,891	(2)
2015	30,196,834	1,368,801	10,166,837	3,978,289	45,710,761	(2)
2016	32,306,985	1,407,728	9,904,838	4,232,984	47,852,535	(2)
2017	30,396,539	1,338,598	9,873,590	4,391,320	46,000,047	(2)
2018	30,995,500	1,536,214	12,651,147	3,749,775	48,932,636	(2)
2019	31,916,090	1,324,036	12,425,006	3,806,672	49,471,804	(2)

**Notes:**

(1) State credits are included in the operating levy.

(2) Original Gross Levy

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
PROPERTY TAX LEVIES AND COLLECTIONS (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
Current Tax Collection	Percentage of Levy		Total Tax Collection	Percentage of Levy		
\$ 19,099,386	49.0 %	\$ 19,874,592	\$ 38,973,978	100.0 %	\$ -	- %
19,943,659	52.8	17,844,365	37,788,024	100.0	-	-
21,239,387	53.4	18,542,365	39,781,752	100.0	-	-
21,122,800	53.1	18,708,724	39,831,524	100.2	(74,624)	(0.2)
24,167,808	53.2	21,280,523	45,448,331	100.0	(7,440)	-
24,505,786	53.6	21,177,967	45,683,753	99.9	27,008	0.1
25,766,512	53.8	22,044,843	47,811,355	99.9	41,180	0.1
24,569,651	53.4	21,290,163	45,859,814	99.7	140,233	0.3
27,400,000	56.0	21,290,984	48,690,984	99.5	241,652	0.5
26,200,000	53.0	-	26,200,000	53.0	-	-

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Capital Improvement Loans	Capital Leases Payable	Other Long-Term Debt	Resources Restricted for Repayment			
2010	\$ 160,660,000	\$ -	\$ 526,850	\$ -	\$ (35,923,358)	\$ 125,263,492	- %	\$ 2,005
2011	184,460,000	2,351,240	268,792	-	(36,162,797)	150,917,235	-	2,442
2012	150,345,000	1,892,834	202,893	-	(7,775,293)	144,665,434	-	2,336
2013	171,505,000	1,424,521	154,590	-	(23,662,321)	149,421,790	-	2,417
2014	163,030,000	-	8,594,661	-	(22,937,517)	148,687,144	-	2,405
2015	149,270,000	-	8,144,672	-	(2,266,113)	155,148,559	-	2,510
2016	138,185,000	-	7,637,937	-	(2,838,356)	142,984,581	-	2,313
2017	148,695,075	-	10,834,873	-	(2,978,438)	156,551,510	-	2,533
2018	148,695,075	-	3,344,528	-	(2,580,649)	149,458,954	-	2,750
2019	174,582,436	-	3,006,684	-	(3,381,236)	174,207,884	-	2,672

**Notes:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) Personal income information for residents living within the District is not available.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
JUNE 30, 2019  
(UNAUDITED)**

	<b>2016/17 Adjusted Taxable Net Tax Capacity</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Overlapping:</b>				
Hennepin County	\$ 1,979,015,644	\$ 996,820,000	6.4646 %	\$ 64,440,695
Cities:				
Eden Prairie	118,601,324	29,990,000	5.2478	1,573,807
Edina	136,082,956	45,010,000	6.1881	2,785,270
Golden Valley	44,061,509	50,625,000	47.8817	24,240,124
Hopkins	22,933,461	70,620,000	88.0299	62,166,698
Minnetonka	106,379,896	8,125,000	47.5087	3,860,080
Plymouth	135,579,210	8,270,000	2.8569	236,265
St. Louis Park	73,899,454	51,565,000	5.1328	2,646,713
Metropolitan Council	4,268,355,428	263,285,000	3.1512	8,296,756
Three Rivers Park District	1,392,585,502	53,385,000	9.5424	5,094,201
Total Overlapping				<u>175,340,607</u>
<b>Direct:</b>				
Hopkins ISD No. 270	127,935,979	167,740,000		<u>167,740,000</u>
Total Direct and Overlapping Bonded Debt:				<u><u>\$ 343,080,607</u></u>

**Sources:** Taxable value data used to estimate applicable percentages and Debt outstanding data provided by the District's financial advisor, Ehlers.

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. The method used to determine the percentage of overlapping debt is representative of area and geographic jurisdiction.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(DOLLARS IN THOUSANDS)  
(UNAUDITED)**

		Fiscal Year			
		2010	2011	2012	2013
Debt Limit	(1)	\$ 1,499,102	\$ 1,458,226	\$ 1,283,255	\$ 1,348,492
Total Net Debt Applicable to Limit	(2)	<u>160,660</u>	<u>132,640</u>	<u>130,910</u>	<u>131,820</u>
Legal Debt Margin		<u>\$ 1,338,442</u>	<u>\$ 1,325,586</u>	<u>\$ 1,152,345</u>	<u>\$ 1,216,672</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		10.72%	9.10%	10.20%	9.78%

**Source:**

- (1) Taxable assessed valuations for are from the Hennepin County Auditors Office.
- (2) Net debt applicable to limit is based on District records.
- (3) According to the Minnesota Department of Revenue, the Economic Market Value (the EMV) for Independent School District No. 270 (Hopkins) is about 98.1% of the actual selling prices of property most recently sold in the District. The sales ratio was calculated by comparing the selling prices with the Assessor's Estimated Market

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
LEGAL DEBT MARGIN INFORMATION (CONTINUED)  
LAST TEN FISCAL YEARS  
(DOLLARS IN THOUSANDS)  
(UNAUDITED)**

<b>Legal Debt Margin Calculation for Fiscal Year 2018</b>	
Economic Market Value (3)	\$ 12,132,682
Debt Limit (15% of Assessed Value)	1,819,902
Debt Applicable to Limit	<u>174,582</u>
Legal Debt Margin	<u><u>\$ 1,645,320</u></u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 1,438,581	\$ 1,514,087	\$ 1,572,658	\$ 1,505,740	\$ 1,552,148	\$ 1,645,320
<u>142,780</u>	<u>149,520</u>	<u>138,185</u>	<u>148,695</u>	<u>148,695</u>	<u>164,010</u>
<u><u>\$ 1,295,801</u></u>	<u><u>\$ 1,364,567</u></u>	<u><u>\$ 1,434,473</u></u>	<u><u>\$ 1,357,045</u></u>	<u><u>\$ 1,403,453</u></u>	<u><u>\$ 1,481,310</u></u>
9.93%	9.88%	8.79%	9.88%	9.58%	9.97%

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Population	Personal Income ( <i>thousands of dollars</i> )	Per Capita Personal Income	Enrollment	City of Hopkins Unemployment Rate
		(1)	(1)		
2010	62,483	\$ -	\$ -	7,374	6.5 %
2011	61,813	-	-	7,326	5.5
2012	61,931	-	-	7,192	5.1
2013	61,813	-	-	7,038	4.3
2014	61,813	-	-	6,972	3.8
2015	61,813	-	-	6,993	3.1
2016	61,813	-	-	6,926	3.8
2017	61,813	-	-	6,779	3.6
2018	54,340	-	-	6,770	3.4
2019	65,197	-	-	6,827	N/A (2)

**Source:** Minnesota Department of Education

**Notes:**

(1) Personal income information for residents living within the District is not available.

(2) Not available at this time

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

	<u>2019</u>		<u>2010</u>	
	(1)		(2)	
Employer	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
General Mills	5,000	1	5,900	1
Cargill	3,500	2	2,350	3
United Healthcare	3,312	3	2,650	2
Micro-Tech Hearing Instruments	2,000	4	-	-
Polaroid	2,000	5	-	-
I.S.D. No. 270 (Hopkins Public Schools)	1,365	7	1,200	6
Abbott Labs (Previously St. Jude Medical)	800	9	1,100	7
MTS Systems Corporation	1,400	6	1,265	5
GE Water & Process Tech.	1,000	8	-	-
SuperValu, Inc.	700	10	700	8
Datacard Group	-	-	1,400	4
American Medical Systems	-	-	500	9
Opportunity Partners	-	-	500	10
	<u>          </u>		<u>          </u>	
Total	<u>21,077</u>		<u>17,565</u>	

**Source:**

(1) 2019 information provided by the District's financial advisor Ehlers.

(2) Includes the major employers in the city of Hopkins, the city of Golden Valley, and the city of Minnetonka.

**Note:** Total employment for the area served by Hopkins I.S.D. No. 270 is not available and, therefore, a percentage of total employment for each of the employers listed above is not included.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
FULL-TIME EQUIVALENT DISTRICT LICENSED EMPLOYEES BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Full-Time Equivalent Employees as of June 30,			
	2010	2011	2012	2013
<b>Administrative Staff</b>				
Superintendent	1.0	1.0	1.0	1.0
Principals	9.2	9.1	9.0	9.0
Administrative Assistants (Asst. Principals and Asst. Superintendent)	5.0	8.0	7.0	7.0
Supervisory Coordinator	5.0	4.0	4.0	3.0
<b>Total Administrative Staff</b>	<b>20.2</b>	<b>22.1</b>	<b>21.0</b>	<b>20.0</b>
<b>Support Service Staff</b>				
Other Non-Instructional Staff				
Counselors	17.1	17.0	17.0	17.0
Media/Librarian	10.0	9.9	10.0	10.0
Nurse	9.6	9.3	9.7	9.8
Social Worker	10.0	10.5	10.7	9.8
Psychologists	4.2	4.0	3.9	4.9
<b>Total Support Service Staff</b>	<b>50.8</b>	<b>50.7</b>	<b>51.3</b>	<b>51.5</b>
<b>Special Education Teachers</b>				
Speech Language	15.8	16.6	15.1	13.8
Other Special Education Teachers	72.2	67.0	66.7	62.4
<b>Total Special Education Teachers</b>	<b>88.0</b>	<b>83.6</b>	<b>81.8</b>	<b>76.2</b>
<b>Classroom Teachers</b>				
K-12 Teacher	375.7	370.0	377.7	398.6
Vocational Education Teacher	0.0	0.0	0.0	0.0
Pre-K, ECCE, and Other Teacher	16.7	17.2	17.2	21.8
<b>Total Classroom Teachers</b>	<b>392.4</b>	<b>387.2</b>	<b>394.9</b>	<b>420.4</b>
<b>Total</b>	<b>551.4</b>	<b>543.6</b>	<b>549.0</b>	<b>568.1</b>

Source: Minnesota Department of Education STARS data.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
FULL-TIME EQUIVALENT DISTRICT LICENSED EMPLOYEES BY TYPE (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Full-Time Equivalent Employees as of June 30,					
2014	2015	2016	2017	2018	2019
1.0	1.0	1.0	1.0	1.0	1.0
9.0	9.0	9.0	9.0	9.0	9.0
7.3	8.0	7.0	7.0	8.0	8.0
6.5	8.7	7.0	7.0	10.0	10.0
<b>23.8</b>	<b>26.7</b>	<b>24.0</b>	<b>24.0</b>	<b>28.0</b>	<b>28.0</b>
16.6	15.8	11.4	12.0	17.0	17.0
9.6	11.4	7.7	10.0	9.0	10.0
9.3	9.5	10.2	9.5	8.7	8.7
9.6	9.7	9.2	9.5	9.0	9.5
4.5	5.0	7.6	6.2	4.5	5.0
<b>49.6</b>	<b>51.4</b>	<b>46.1</b>	<b>47.2</b>	<b>48.2</b>	<b>50.2</b>
13.3	14.9	13.6	15.0	12.5	12.2
64.5	67.7	70.6	66.3	58.2	68.1
<b>77.8</b>	<b>82.6</b>	<b>84.2</b>	<b>81.3</b>	<b>70.7</b>	<b>80.3</b>
390.4	397.3	412.4	420.3	408.3	392.5
0.0	0.0	0.0	0.0	0.0	-
19.2	20.5	17.3	20.6	23.0	20.2
<b>409.6</b>	<b>417.8</b>	<b>429.7</b>	<b>441.0</b>	<b>431.3</b>	<b>412.7</b>
<b>560.8</b>	<b>578.5</b>	<b>584.0</b>	<b>593.5</b>	<b>578.2</b>	<b>571.2</b>

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Governmental Activities	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
2010	7,374	\$ 94,366,609	\$ 12,797	(0.03)%	\$ 126,449,701	\$ 17,148	0.22 %	480.4	15.3
2011	7,326	93,566,557	12,772	(0.20)	131,896,263	18,004	4.99	470.8	15.6
2012	7,192	93,319,183	12,975	1.59	132,871,601	18,475	2.62	476.7	15.1
2013	7,038	94,802,603	13,470	3.81	119,855,065	17,030	(7.82)	496.6	14.2
2014	6,972	96,950,951	13,906	3.23	132,900,166	19,062	11.93	487.4	14.3
2015	6,993	100,723,553	14,403	3.58	140,860,360	20,143	5.67	500.4	14.0
2016	6,926	103,880,868	14,999	4.13	137,607,428	19,868	(1.36)	513.9	13.5
2017	6,779	103,496,582	15,267	1.79	130,876,685	19,306	(2.83)	522.2	12.9
2018	6,770	110,762,532	16,361	7.16	152,996,749	22,599	17.06	502.0	13.5
2019	6,827	116,249,617	17,028	4.08	183,248,129	26,842	18.77	493.1	13.8

**Source:** District records and teaching staff numbers from the Minnesota Department of Education STARS data.

**Notes:** Operating expenditures are total expenditures less debt service and capital projects.  
OPEB expenditures are excluded from FY 2009 and FY 2010

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>School</u></b>										
<b>Elementary</b>										
Alice Smith (1951)										
Square feet	81,526	81,526	81,526	81,526	81,526	84,998	84,998	84,998	84,998	84,998
Capacity	592	592	592	592	592	629	629	629	629	629
Enrollment (1)	559	604	569	557	548	565	564	555	494	490
Eisenhower (1954)										
Square feet	121,173	121,173	121,173	121,173	121,173	121,173	121,173	121,173	121,048	121,048
Capacity	792	792	792	792	792	898	898	898	898	898
Enrollment (1)	716	734	774	776	760	734	703	675	687	681
Gatewood (1958)										
Square feet	75,039	75,039	75,039	75,759	75,793	75,793	75,793	75,793	75,793	75,793
Capacity	692	692	692	692	692	561	561	561	561	561
Enrollment (1)	556	528	530	530	501	511	485	439	428	383
Glen Lake (1956)										
Square feet	84,916	84,916	84,916	84,916	84,916	87,816	87,816	87,816	87,816	87,816
Capacity	566	566	566	566	566	650	650	650	650	650
Enrollment (1)	529	511	524	489	474	477	500	490	469	484
Tanglen (1966)										
Square feet	74,332	74,332	74,332	74,332	83,593	85,458	85,458	87,369	87,369	87,369
Capacity	592	592	592	592	592	633	633	633	633	633
Enrollment (1)	555	572	538	469	467	504	534	522	520	553
Meadowbrook (1948)										
Square feet	110,580	110,580	111,200	111,200	125,200	125,200	125,200	129,830	129,830	129,830
Capacity	616	616	616	616	616	927	927	927	927	927
Enrollment (1)	626	636	633	632	647	726	758	764	788	832
<b>Middle</b>										
North Junior High (1958)										
Square feet	192,927	192,927	193,671	193,671	193,671	193,671	193,671	193,671	193,671	193,671
Capacity	896	896	896	896	896	1,019	1,019	1,019	1,019	1,019
Enrollment (1)	915	911	842	859	950	929	939	875	917	884
West Junior High (1959)										
Square feet	202,474	202,474	202,474	202,474	202,474	202,474	202,474	197,474	197,474	197,474
Capacity	873	873	873	873	873	1,065	1,065	1,065	1,065	1,065
Enrollment (1)	851	804	750	727	714	708	702	688	689	684

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
SCHOOL BUILDING INFORMATION (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>School</u>	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>High</b>										
Hopkins High School (1970)										
Square feet	477,725	477,725	478,834	478,834	479,426	479,426	479,426	479,426	479,426	479,426
Capacity	2,166	2,166	2,166	2,166	2,166	2,179	2,179	2,179	2,179	2,179
Enrollment (1)	1,742	1,702	1,681	1,765	1,693	1,609	1,555	1,592	1,536	1,543
<b>Other</b>										
Katherine Current (1948)										
Square feet	65,593	65,593	65,593	65,593	65,593	65,593	65,593	65,593	65,791	65,791
Capacity	380	380	380	380	380	423	423	423	423	423
Enrollment (1)	-	-	-	-	-	-	-	-	-	-
Community Center (1954)										
Square feet	160,186	160,186	160,311	160,311	160,311	245,309	245,309	245,309	245,309	245,309
Capacity	745	745	745	745	745	745	745	745	745	745
Enrollment (1)	-	-	-	-	-	-	-	-	-	-
Harley Hopkins Family Center (1990)										
Square feet	40,930	40,930	40,930	40,930	40,930	40,930	40,930	40,930	40,930	40,930
Capacity	360	360	360	360	360	303	303	303	303	303
Enrollment (1)	57	64	54	57	45	57	63	64	71	71
Bus Depot (1978)										
Square feet	87,040	87,040	87,040	87,040	87,040	87,040	87,040	87,040	87,040	87,040
<b>Total</b>										
Square feet	1,774,441	1,774,441	1,777,039	1,777,759	1,801,646	1,894,881	1,894,881	1,896,422	1,896,495	1,896,495
Capacity	9,270	9,270	9,270	9,270	9,270	10,032	10,032	10,032	10,032	10,032
Enrollment	7,106	7,066	6,895	6,861	6,799	6,820	6,806	6,664	6,599	6,605
<b>Athletics</b>										
Football fields	4	4	4	4	4	10	10	4	3 (3)	3
Soccer fields	7	7	7	7	7	8	8	7	11 (3)	11
Running tracks	2	2	2	2	2	1	1	1	1	1
Baseball/softball	12	14	14	16	16	17	17	16	16	16
Swimming pools	3	3	3	3	3	3	3	3	3	3
Playgrounds	6	6	9	9	9	13	13	13	13	13

**Source:** Square footage, capacity and athletic statistics are derived from District records. Enrollment was obtained from "School Average Daily Membership" reports available on the Minnesota Department of Education website.

**Notes:**

- (1) Enrollment reflects average daily membership served by site. Resident students served under tuition agreements are excluded from this enrollment data.
- (2) Katherine Current leased to Ubah Academy beginning in 2007-2008 school year through current year.
- (3) Note that fields are at the High School and West Junior High and are used for football, soccer and lacrosse.
- (4) During fiscal year 2015 the District reassessed its building capacities based on recommendations from the Minnesota Department of Education. This resulted in a change in many of the buildings' capacities without actual additions or other alterations to the buildings.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
OPERATING INDICATORS BY FUNCTION  
STANDARDIZED TESTING AND GRADUATION RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Standardized Tests										
MCA Reading (See Note 1)										
Grade 3	78.80 %	73.40 %	78.00 %	59.10 %	62.20 %	57.50 %	56.30 %	61.00 %	6.06 %	55.90
Grade 5	79.80	85.00	82.70	69.50	70.80	66.60	69.80	67.00	69.90	71.20
Grade 7	72.20	73.80	77.80	60.60	59.80	62.30	65.90	65.80	66.80	52.70
Grade 10	75.30	81.70	84.30	68.30	69.10	60.60	51.60	53.80	55.80	59.70
MCA Math (See Note 1)										
Grade 3	85.70	61.50	73.20	68.90	72.50	67.09	67.10	73.00	70.60	64.00
Grade 5	78.50	54.00	64.10	61.90	65.20	59.08	62.50	58.20	59.70	54.70
Grade 7	66.40	43.10	58.70	50.70	57.10	56.24	59.90	56.20	57.80	43.60
Grade 11 (See Note 3)	59.70	50.50	61.10	56.60	61.10	50.67	36.80	48.00	55.30	55.00
ACT (See Note 4)										
Hopkins Average Composite Score	22.90	23.30	23.70	23.80	23.10	21.00	21.60	21.50	21.60	21.50
State Average Composite Score	22.90	22.90	22.80	23.00	22.90	20.50	N/A	N/A	N/A	NA

N/A - Not Available

Note 1: Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test

Note 2: The MCA Reading test in 2013 was for the first time based on the Common Core national standards, which require a significantly higher level of rigor than in previous years. As a result, test scores are not directly comparable with previous MCA Reading test results, since the standards on which the test is based are not the same.

Note 3: The Grade 11 MCA Math results are not representative of Hopkins students. In 2016, 32% of the Grade 11 students opted out of the MCA Math; In 2017, refusals decreased but were still sizable at 15%.

Note 4: ACT data was reported for the high school graduating class through 2014. Beginning in 2015, the Grade 11 district administration is reported.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
SUMMARY OF MEALS SERVED  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Year Ended June 30,</u>	<u>Nonprogram Adult Meals</u>	<u>Total Meals Served Students</u>	<u>Regular Price Meals</u>	<u>Free Meals Served</u>	<u>Reduced Price Meals Served</u>
2010	26,123	738,477	429,121	254,377	54,979
2011	27,179	720,653	391,151	269,371	60,131
2012	28,945	726,562	373,695	293,117	59,750
2013	24,540	687,771	356,759	274,374	56,637
2014	24,021	645,548	322,019	268,358	55,171
2015	27,542	712,577	359,816	287,122	65,639
2016	27,811	717,272	364,345	293,604	59,323
2017	22,299	690,115	359,609	266,457	64,049
2018	25,155	648,854	338,736	244,588	65,530
2019	23,912	595,695	311,688	226,034	57,973
	<u>June 30,</u>	<u>Elementary</u>	<u>Middle</u>	<u>High School</u>	<sup>(1)</sup>
	2010	\$ 2.45	\$ 2.70	\$ 2.95	
	2011	2.45	2.70	2.95	
	2012	2.55	2.80	3.05	
	2013	2.65	2.90	3.15	
	2014	2.70	2.95	3.20	
	2015	2.70	2.95	3.20	
	2016	2.75	3.00	3.25	
	2017	2.85	3.10	3.35	
	2018	2.85	3.10	3.35	
	2019	2.95	3.20	3.45	

<sup>(1)</sup> Includes New Generation and Ethnic Food Options.

**Source:** District Food Service Department

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
SCHEDULE OF INSURANCE COVERAGE  
JUNE 30, 2019  
(UNAUDITED)**

Type of Coverage	Amount of Coverage
Property Coverage:	
Real and Personal Property (Blanketed)	\$ 101,000,000
Blanket Valuable Papers and Records	5,000,000
Accounts Receivables	3,786,000
Fine Arts	3,500,000
Blanket Computer Hardware/Software	33,608,034
Miscellaneous Mobile Equipment	5,000,000
Audio Visual Equipment	7,500,000
Musical Instruments	7,500,000
Extra Expense	20,000,000
Artificial Turf	10,556,921
Auto Physical Damage	14,074,536
Miscellaneous Mobile Equipment	See above
Liability Coverages:	
General Liability, Sexual Harassment Liability and Sexual Abuse Liability	
Each Occurrence	4,000,000
General Aggregate Limit	8,000,000
Premises Medical Payments Any One Occurrence	5,000
Premises Medical Payments Any One Person	25,000
Law Enforcement Liability:	
Each Occurrence	4,000,000
Aggregate Limit	8,000,000
Employee Benefits Liability:	
Each Occurrence	4,000,000
Aggregate Limit	8,000,000
Professional Liability (Nurses, Occupational Therapists, Psychologists):	
Limit Each Claim	Included in GL
Aggregate	Included in GL
Excess Liability:	
Each Occurrence	n/a
Aggregate	n/a
Crime Coverage:	
Employee Dishonesty	1,000,000
Forgery or Alteration	1,000,000
Money and Securities (Inside and Outside Premises)	1,000,000
Business Automobile Coverage:	
Each Occurrence	2,000,000
Aggregate Limit	N/A
Uninsured Motorists	1,000,000
Underinsured Motorists	1,000,000
School Leaders Errors and Omissions:	
Each Occurrence	4,000,000
Aggregate	8,000,000
Boiler and Machinery Coverage:	
Property Damage	200,000,000
Business Income/Extra Expense	16,214,950
Expediting Expense	Included
Pollutant Cleanup and Removal - Aggregate	See Hazardous Substance
Spoilage	Included