

**INDEPENDENT SCHOOL DISTRICT NO. 283**

6311 Wayzata Blvd  
St. Louis Park, Minnesota  
Tuesday, November 23, 2021 6:30 PM  
St. Louis Park High School Room 350C  
6425 W 33rd St  
St Louis Park, Minnesota 55426

**AGENDA**

<b>1. CALL TO ORDER</b>	
<b>2. LAND ACKNOWLEDGEMENT</b>	
<b>3. APPROVAL OF AGENDA</b>	
<b>4. OPEN FORUM</b>	
<b>5. CERTIFICATES OF ELECTION FOR 2021 SCHOOL BOARD GENERAL ELECTION</b>	<b>2</b>
<b>6. SUPERINTENDENT'S REPORT</b>	
<b>7. DISCUSSION ITEMS</b>	
A. Language Arts & Literacy	7
B. FY 2021 Audit Report	15
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D. Review 2021-22 & Tentative 2022-2023 School Calendars	223
E. Policy Development - First Reading of Policy 428 Mandatory Vaccination	225
F. Policy Development - Second Reading of Policies 424 Employee Internet and Technology Responsible Use & 524 Student Internet and Technology Responsible Use	233
G. Policy Development - Third Reading of Policy 103 Racial Equity	253
<b>8. CONSENT AGENDA</b>	
A. Business	
1) Payroll	258
2) Recap of Expenditures	259
3) Electronic Fund Transfers	278
4) Accounts Payable Disbursements	279
5) Investment Holdings	286
6) Donations	287
7) Minutes	288
B. Personnel	324
<b>9. ACTION AGENDA</b>	
A. Approval of FY2021 Audit Report	325
B. Approval of Policy 428 Mandatory Vaccination	
C. Approval of Second Reading of Policies 424 Employee Internet and Technology Responsible Use & 524 Student Internet and Technology Responsible Use	
D. Approval of the 2021-22 Calendar	
<b>10. COMMUNICATIONS AND TRANSMITTALS</b>	
<b>11. ADJOURNMENT</b>	

EXTRACT OF MINUTES OF MEETING  
OF SCHOOL BOARD  
OF INDEPENDENT SCHOOL DISTRICT NO. 283  
(ST. LOUIS PARK)  
STATE OF MINNESOTA

Pursuant to due call and notice thereof, a regular business meeting of the School Board of Independent School District No. 283 (St. Louis Park), State of Minnesota, was held in said school district on the 23 day of November 2021, at 6:30 p.m.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING ISSUANCE OF CERTIFICATES  
OF ELECTION AND DIRECTING THE SCHOOL DISTRICT CLERK  
TO PERFORM OTHER ELECTION RELATED DUTIES**

WHEREAS, the board has canvassed the general election for school board members held on November 2, 2021.

NOW THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 283, State of Minnesota, as follows:

1. The chair and clerk are hereby authorized to execute certificates of election on behalf of the school board of Independent School District No. 283 to the following candidates:

- a. Anne Casey
- b. Mary Tomback
- c. Abdihakim Ibrahim

who have received a sufficiently large number of votes to be elected to fill vacancies on the board caused by expiration of term on the first Monday in January following the election, based on the results of the canvass.

2. The certificate of election shall be in substantially the form attached hereto.



**CERTIFICATE OF ELECTION  
(Full 4 Year Term)**

This is to certify as follows:

1. The School Board of Independent School District No. 283 on November 23, 2021, canvassed the general election of school board members held on November 2, 2021.
2. Anne Casey received the largest number of votes cast with 3,418 votes for the office of school board member of Independent School District No. 283 for a full four (4) year term.
3. There are four (4) full four (4) year term vacancies on the board caused by expiration of term on the first Monday in January following the election.
4. Therefore Anne Casey is elected to the office of school board member of Independent School District No. 283 for a full four (4) year term beginning on the first Monday in January 2022 and expiring on the first Monday in January 2026.

By authority of the School Board of Independent School District No. 283, pursuant to resolution dated November 23, 2021.

Dated: \_\_\_\_\_  
Chair

Dated: \_\_\_\_\_  
Clerk

**CERTIFICATE OF ELECTION  
(Full 4 Year Term)**

This is to certify as follows:

1. The School Board of Independent School District No. 283 on November 23, 2021, canvassed the general election of school board members held on November 2, 2021.

2. Mary Tomback received the second largest number of votes cast with 3,168 votes for the office of school board member of Independent School District No. 283 for a full four (4) year term.

3. There are four (4) full four (4) year term vacancies on the board caused by expiration of term on the first Monday in January following the election.

4. Therefore Mary Tomback is elected to the office of school board member of Independent School District No. 283 for a full four (4) year term beginning on the first Monday in January 2022 and expiring on the first Monday in January 2026.

By authority of the School Board of Independent School District No. 283, pursuant to resolution dated November 23, 2021.

Dated: \_\_\_\_\_

\_\_\_\_\_

Chair

Dated: \_\_\_\_\_

\_\_\_\_\_

Clerk

**CERTIFICATE OF ELECTION  
(Full 4 Year Term)**

This is to certify as follows:

1. The School Board of Independent School District No. 283 on November 23, 2021, canvassed the general election of school board members held on November 2, 2021.
2. Abdihakim Ibrahim received the third largest number of votes cast with 2,886 votes for the office of school board member of Independent School District No. 283 for a full four (4) year term.
3. There are four (4) full four (4) year term vacancies on the board caused by expiration of term on the first Monday in January following the election.
4. Therefore Abdihakim Ibrahim is elected to the office of school board member of Independent School District No. 283 for a full four (4) year term beginning on the first Monday in January 2022 and expiring on the first Monday in January 2026.

By authority of the School Board of Independent School District No. 283, pursuant to resolution dated November 23, 2021.

Dated: \_\_\_\_\_

\_\_\_\_\_

Chair

Dated: \_\_\_\_\_

\_\_\_\_\_

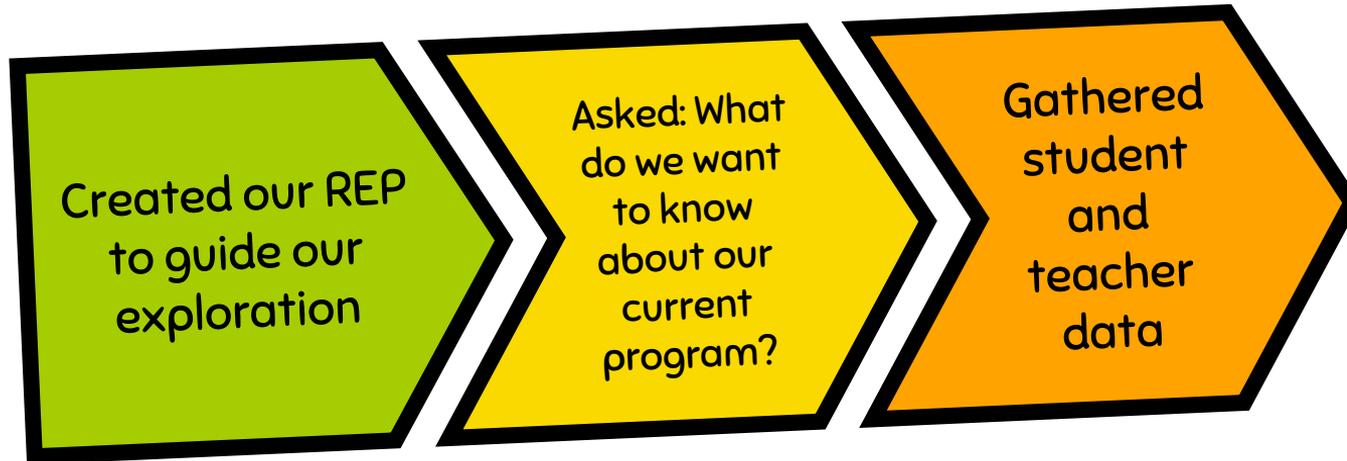
Clerk

***LANGUAGE ARTS & LITERACY  
SCHOOL BOARD  
MEETING  
11.23.21***

# ***READING AUTOBIOGRAPHY***

- Who taught me how to read?  
What was that experience like for me?
- How was race involved in my experience of learning how to read?
- What has knowing how to read specifically unlocked for me?

## ***OUR PROCESS SO FAR...***



## ***RACIAL EQUITY PURPOSE STATEMENT***

All young people who attend SLP schools will have access to and develop foundational reading and real-world writing skills that empower them to think critically, communicate their ideas clearly and creatively, and “critique the system they are growing up in” (Ladson-Billings). All students will experience windows and mirrors through the texts they read, and, therefore, become curious, independent readers. Finally, assessment will be reimaged so that all students are empowered to make mistakes and take risks, reflect on feedback, and celebrate the process of reading and writing.

**23**

Elementary Students Interviewed (K-5)

**627**

Middle School Students Surveyed (6-8) <sup>11</sup>

**233**

High School Students Surveyed (9-12)

**127**

Teachers (Early Childhood – High School)

# ***DATA HIGHLIGHTS***

## **E – 5 Students**

- × Students often enjoy writing and sharing their writing
- × Students want more access to a wide variety of books
- × Students enjoyed seeing themselves represented in stories

## **Secondary Students**

- × Honors/IB classes are racially predictable
- × Students want to read books they can relate to

## **Teachers**

- × Teachers are using a wide variety of materials that are often self-selected
- × The majority of teachers feel like they need more tools and training to adequately meet the needs of all of their learners

# **BIG** **ACTION**

**Pre-K and Elementary – Literacy  
Curriculum and Professional  
Development**

**Secondary – New Class/Curriculum  
Models to Integrate Classes and  
Increase Interdisciplinary Offerings**



**LET'S STAY  
CONNECTED.**

**&**

**LET'S KEEP  
BELIEVING.**

## Exit Ticket

**BELIEVING**

- I believe that \_\_\_ is important because \_\_\_
- I believe that \_\_\_ could be important for people who \_\_\_
- I believe that \_\_\_ relates to my life because \_\_\_
- I believe that \_\_\_ should be changed because \_\_\_
- I believe that we value \_\_\_ too much/not enough, because \_\_\_



Thank you so much for your collaboration today.

Drop us a line in the chat or unmute with your sentence about today's work.



website: [www.mmkr.com](http://www.mmkr.com)

# Independent School District No. 283

## St. Louis Park Schools

### Audit Report

Year Ended June 30, 2021

# Auditor's Role

- Opinion on Financial Statements
  - District Audit
- Internal Controls and Compliance
  - Financial Statement Audits
  - Federal “Single Audit”
  - State Laws and Regulations

# Audit Results

- Clean Opinion on Basic Financial Statements
  - Unmodified Opinion
- Internal Control and Compliance Report
  - No Findings

# Audit Results

- Single Audit of Federal Awards
  - No Findings
- Minnesota Legal Compliance Audit
  - Prompt Payment of Bills
  - Unclaimed Property Report
  - Report on Outstanding Indebtedness

# Audit Results

## Follow-Up Prior Year Findings and Recommendations

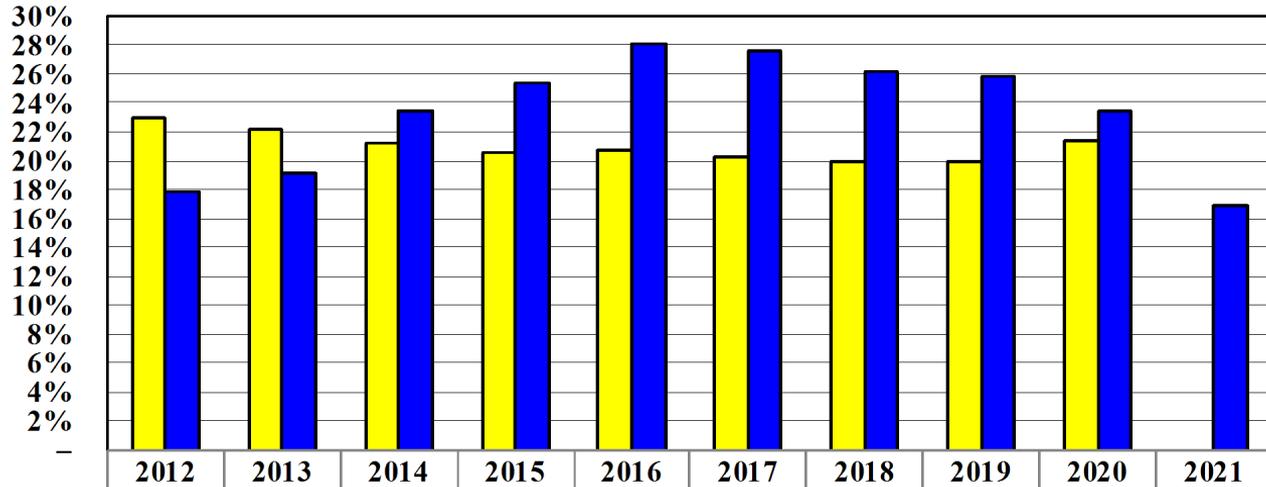
- Verification of Free and Reduced Price Lunch Applications

# General Education Aid—Basic Formula Allowance

<u>Fiscal Year Ended June 30,</u>	<u>Formula Allowance</u>	
	<u>Amount</u>	<u>Percent Increase</u>
2012	\$ 5,174	1.00 %
2013	\$ 5,224	1.00 %
2014	\$ 5,302	1.50 %
2015	\$ 5,831	2.00 %
2016	\$ 5,948	2.00 %
2017	\$ 6,067	2.00 %
2018	\$ 6,188	2.00 %
2019	\$ 6,312	2.00 %
2020	\$ 6,438	2.00 %
2021	\$ 6,567	2.00 %
2022	\$ 6,728	2.45 %
2023	\$ 6,863	2.00 %

# State-Wide Fund Balances

**State-Wide Unrestricted Operating Fund Balance  
as a Percentage of Operating Expenditures**



■ State-Wide	22.9%	22.1%	21.2%	20.6%	20.7%	20.3%	20.0%	19.9%	21.3%	–
■ ISD No. 283	17.8%	19.2%	23.4%	25.3%	28.1%	27.6%	26.2%	25.9%	23.4%	16.9%

# Revenue Per ADM Served

## Governmental Funds Revenue per Student (ADM) Served

	State-Wide		Metro Area		ISD No. 283 – St. Louis Park		
	2019	2020	2019	2020	2019	2020	2021
<b>General Fund</b>							
Property taxes	\$ 2,140	\$ 2,345	\$ 2,796	\$ 3,100	\$ 4,485	\$ 4,486	\$ 4,608
Other local sources	556	538	454	417	496	343	225
State	9,883	10,144	9,885	10,127	9,236	9,705	10,055
Federal	475	480	499	499	483	446	996
<b>Total General Fund</b>	<b>13,054</b>	<b>13,507</b>	<b>13,634</b>	<b>14,143</b>	<b>14,700</b>	<b>14,980</b>	<b>15,884</b>
<b>Special revenue funds</b>							
Food Service	559	554	556	539	449	391	343
Community Service	676	632	797	732	1,655	1,458	1,562
Debt Service Fund	1,229	1,322	1,287	1,385	2,114	2,133	2,645
<b>Total revenue</b>	<b>\$ 15,518</b>	<b>\$ 16,015</b>	<b>\$ 16,274</b>	<b>\$ 16,799</b>	<b>\$ 18,918</b>	<b>\$ 18,962</b>	<b>\$ 20,434</b>
<b>ADM served per MDE School District Profiles Report (current year estimated)</b>					<b>4,660</b>	<b>4,644</b>	<b>4,481</b>

**Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.**

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

# Expenditures Per ADM Served

## Governmental Funds Expenditures per Student (ADM) Served

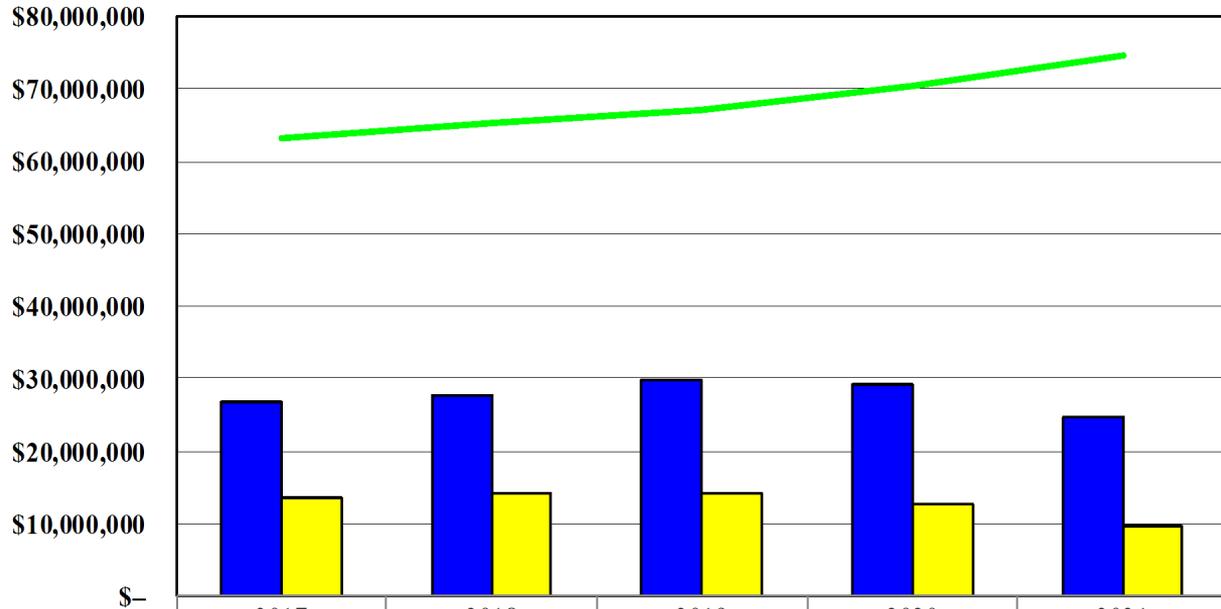
	State-Wide		Metro Area		ISD No. 283 – St. Louis Park		
	2019	2020	2019	2020	2019	2020	2021
<b>General Fund</b>							
Administration and district support	\$ 1,065	\$ 1,093	\$ 1,078	\$ 1,100	\$ 1,336	\$ 1,387	\$ 1,702
Elementary and secondary regular instruction	5,787	5,881	6,112	6,231	6,744	6,859	7,212
Career and technical instruction	180	186	165	171	124	132	158
Special education instruction	2,380	2,481	2,505	2,626	2,341	2,569	2,943
Instructional support services	669	683	751	787	940	949	1,009
Pupil support services	1,178	1,203	1,282	1,316	1,197	1,346	1,459
Sites, buildings, and other	960	952	907	910	1,458	1,443	1,622
Total General Fund – noncapital	12,219	12,479	12,800	13,141	14,140	14,685	16,105
General Fund capital expenditures	721	748	675	717	252	470	535
Total General Fund	12,940	13,227	13,475	13,858	14,392	15,155	16,640
<b>Special revenue funds</b>							
Food Service	561	556	556	548	419	435	363
Community Service	675	661	799	774	1,650	1,634	1,565
Debt Service Fund	1,313	1,360	1,308	1,379	2,063	2,209	2,632
Total expenditures	\$ 15,489	\$ 15,804	\$ 16,138	\$ 16,559	\$ 18,524	\$ 19,433	\$ 21,200
ADM served per MDE School District Profiles Report (current year estimated)					4,660	4,644	4,481

Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.

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

# General Fund Financial Position

General Fund Financial Position  
Year Ended June 30,



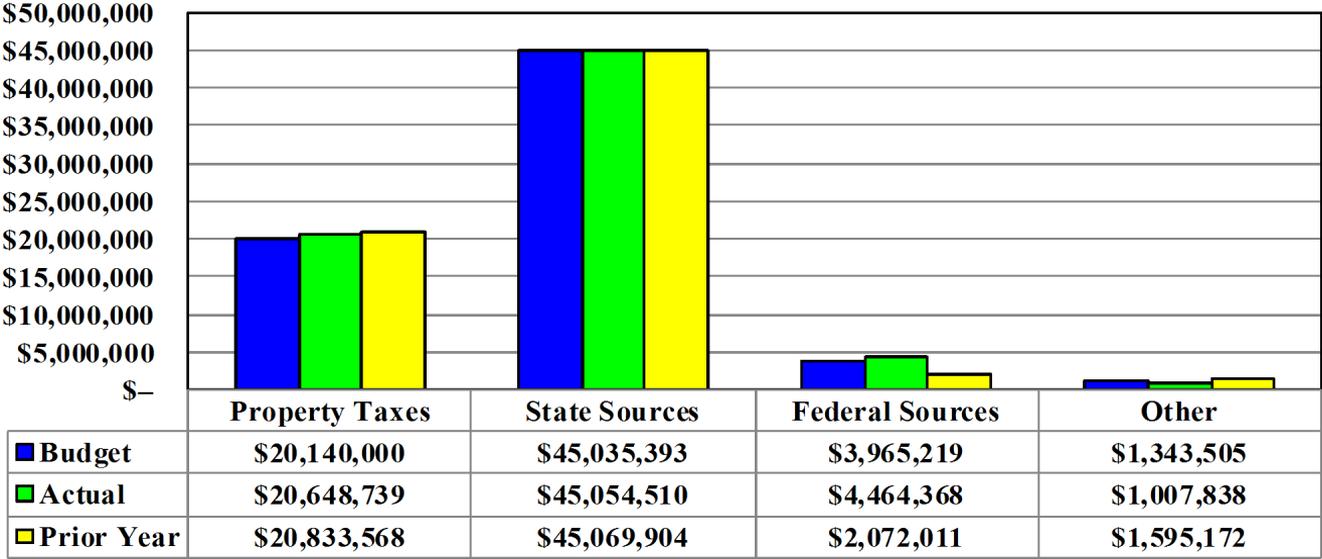
Cash and Inv. (net of borrowing)	\$26,957,306	\$27,774,491	\$29,787,327	\$29,264,490	\$24,623,836
Unrestricted Fund Bal.	\$13,711,744	\$14,069,560	\$14,061,705	\$12,692,970	\$9,698,327
Expenditures	\$63,177,596	\$65,327,345	\$67,071,026	\$70,377,881	\$74,565,879

# General Fund Financial Position (cont.)

	June 30,				
	2017	2018	2019	2020	2021
Nonspendable fund balances	\$ 249,200	\$ 203,888	\$ 160,802	\$ 209,734	\$ 196,545
Restricted fund balances (1)	4,727,208	4,636,922	5,979,060	6,766,821	6,384,229
Unrestricted fund balances					
Assigned	6,268,705	3,489,241	3,422,803	4,239,796	2,763,949
Unassigned	7,443,039	10,580,319	10,638,902	8,453,174	6,934,378
<b>Total fund balance</b>	<b>\$ 18,688,152</b>	<b>\$ 18,910,370</b>	<b>\$ 20,201,567</b>	<b>\$ 19,669,525</b>	<b>\$ 16,279,101</b>
 Unrestricted fund balances as a percentage of expenditures	 <u>21.7%</u>	 <u>21.5%</u>	 <u>21.0%</u>	 <u>18.0%</u>	 <u>13.0%</u>
 (1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

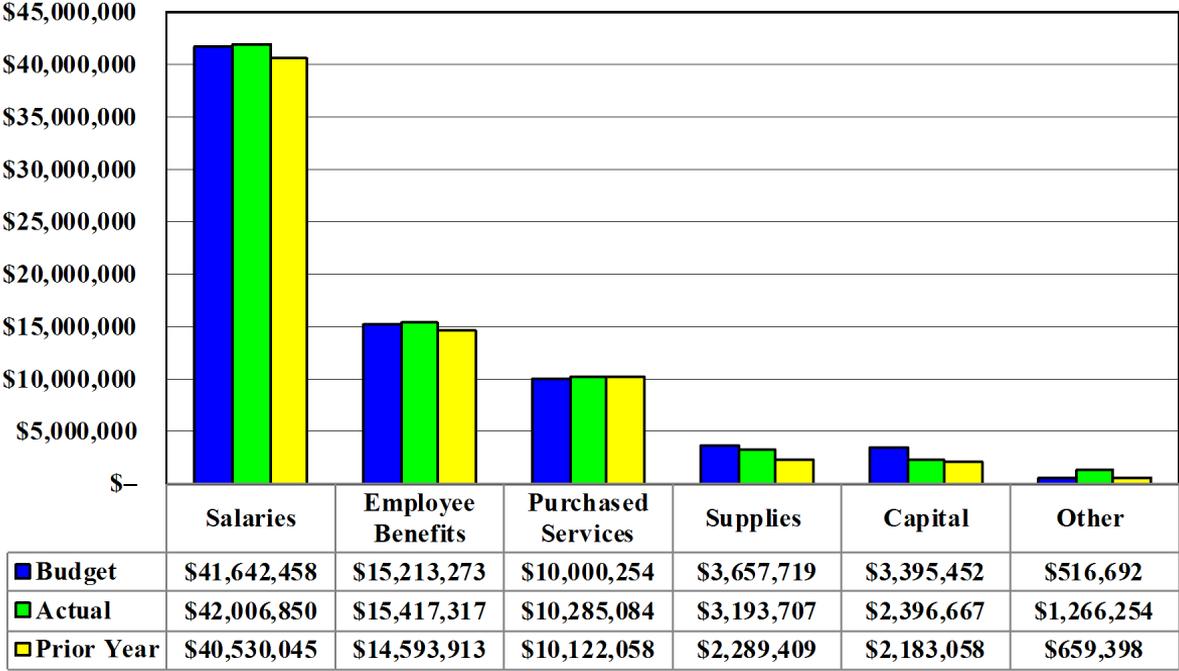
# General Fund Revenue

General Fund Revenue



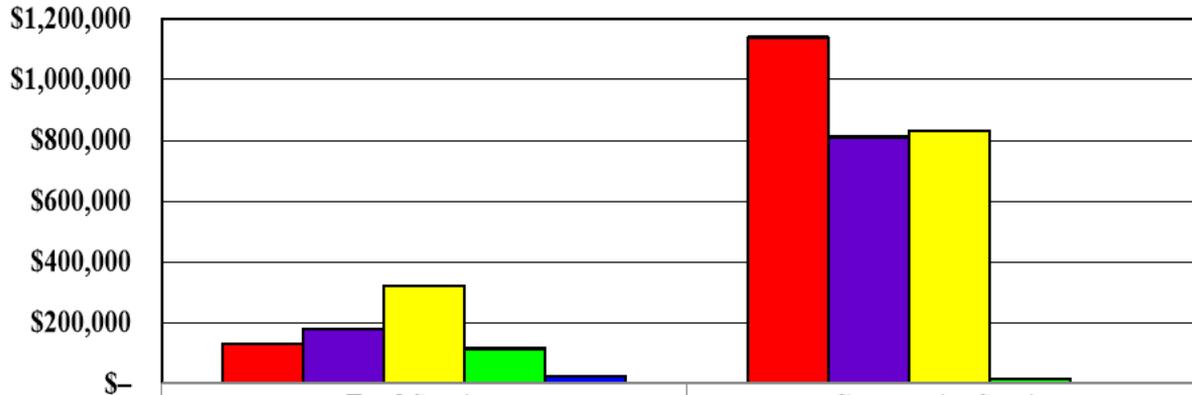
# General Fund Expenditures

General Fund Expenditures



# Other Governmental Funds

## Other Operating Funds Total Fund Balances



	Food Service	Community Service
■ 2017	\$130,239	\$1,138,237
■ 2018	\$179,329	\$810,608
■ 2019	\$319,851	\$831,373
■ 2020	\$114,675	\$15,320
■ 2021	\$23,771	\$2,110

# Summary

- Clean Opinion on Basic Financial Statements
- Three MN Legal Compliance Findings
- Increase in Federal Grants and Aids
- Financial Results Reflect Adherence to Budget
- District in Solid Financial Condition

## FY2023 Budget Planning Timeline for Operating Fund Budgets

Includes General Operating, Food Nutrition Service, Community Service, and Capital

Phase	Date	Who	Outcome	Document
	Grey shading denotes FAC		Orange shading denotes School Board ( <b>Bold</b> = school board budget-related action)	
D a t a  G a t h e r i n g	August/September 2020	Budget Managers	1. Understand the budget timeline and process 2. Discuss budget needs in relationship to strategic plan	(A) Budget Timeline
	August 2021	Budget Managers	Understand the budget timeline and process	(A) Budget Timeline
	<b>September 28, 2021</b>	<b>School Board Regular Meeting</b>	<b>Approve preliminary Pay 2022 levy</b>	<b>(B) Levy summary</b>
	October 20, 2021	FAC #1	1. Orientation 2. Understand Budget Timeline	(A) Budget Timeline (C) FY2022 Budget Book (H) Spring 2021 FAC Report
	November 2021	Budget Managers	1. Provide preliminary direction to prepare FY2023 budget requests (potential budget reductions) 2. Provide target for FY2023 capital budget 3. Provide HR related direction on staffing-related requests	(D) Enrollment projections (E) Fund Balance Summary
	November 2021	Budget Managers	Begin FY2022 Mid-Year budget review	
	November 9, 2021	School Board Study Session	1. Preview FY2021 audit results 2. Preview FY2022 Mid Year Budget Update	
	November 17, 2021	FAC #2	1. Understand FY2021 Year End (audit) results 2. FY2023 Enrollment Projections assumptions	(D) Enrollment projections (E) Fund Balance Summary
	<b>November 23, 2021</b>	<b>School Board Regular Meeting</b>	<b>Accept FY2021 Audit Results</b> 	<b>(E) Fund Balance Summary</b>
	December 15, 2021	FAC #3	1. Review FY2023 enrollment projections 2. Review Spring 2021 FAC Report	(D) Enrollment Projections (H) Spring 2021 FAC Report
	<b>December 14, 2021</b>	<b>School Board Regular Meeting</b>	<b>1. Approve final Pay 2022 levy</b> <b>2. Review Preliminary Enrollment Projections</b>	<b>(B) Levy Summary</b> <b>(D) Enrollment Projections</b>
	P r e p a r a t i o n	Jan - June 2022	Business Services	Review budget based on legislative changes and strategic plan review; adjustment as necessary.
January 19, 2022		FAC #4	1. Review final budget assumptions 2. Begin draft of Spring 2022 FAC Report	
January 25, 2022		School Board Regular Meeting	Update regarding budget process	(A) Budget Timeline (D) Enrollment Projections
February 16, 2022		FAC #5	Prepare School Board presentation	(H) Spring 2022 FAC Report
February 22, 2022		School Board Regular Meeting	FAC Presentation and update regarding FY2023 budget process	(A) Budget Timeline (H) Spring 2022 FAC Report
February 2022		Budget Managers	All FY2023 Operating and Capital fund budget requests due to Business Office	
A p p r o v a l	February 2021	Budget Managers	Review FY2022 Operating and Capital fund budget proposal	
	<b>March 22, 2022</b>	<b>School Board Regular Meeting</b>	<b>1. Approve FY2023 Operating and Capital fund budget parameters to allow for fall preparation</b> <b>2. Approve FY2022 Mid Year Budget Update</b>	<b>(E) Fund Balance Summary</b>
	March 23, 2022	FAC #6	Wrap up meeting	
	June 14, 2022	School Board Study Session	Review final FY2023 Budgets for all funds; prepare to take action at June 28 regular meeting	(E) Fund Balance Summary
C I P	<b>June 28, 2022</b>	<b>School Board Regular Meeting</b>	<b>Approve final FY2023 budget for all funds</b>	<b>(C) FY2023 Budget Book</b>
	June 2022	Budget Managers	Debrief on FY2023 budget planning process	
	July 2022	Business Services	Prepare for FY2022 Audit	

**ST. LOUIS PARK PUBLIC SCHOOLS  
PROJECTED FUND BALANCES THROUGH JUNE 30, 2021**

FUND DESCRIPTION	6/30/2020 Audited Balance	2020-21 Actual Revenue	Transfers In	2020-21 Actual Expenditures	Transfers Out	6/30/2021 Budget Balance
<b>GENERAL FUND</b>						
<b>Unassigned</b>	<b>8,453,174</b>	<b>60,850,966</b>	<b>1,401,889</b>	<b>64,621,088</b>		<b>6,934,378</b>
One-Time Request for Fund Transfer		849,436				
<b>Assigned</b>				-		
Subsequent Year's Budget	2,640,231				1,191,873	1,448,358
Severance Payments	1,854,603	-		-	197,683	1,656,920
Other						
ATPPS	(255,039)	1,232,823		1,319,114		(341,329)
<b>Non-Spendable-Prepaid</b>	<b>184,340</b>				<b>14,520</b>	<b>169,820</b>
<b>Tech Non-Spendable</b>	<b>25,394</b>		<b>1,331</b>			<b>26,725</b>
<b>Restricted</b>						
<sup>6</sup> Capital Projects (Technology) Levy	1,074,205	2,685,430		2,478,709	1,331	1,279,596
<sup>347</sup> Long Term Facilities Maintenance	1,101,684	1,192,753		953,006		1,341,431
<sup>302</sup> Operating Capital	3,440,251	2,311,950		2,297,227		3,454,974
<sup>342</sup> Safe Schools	-	261,150	-	263,337	(2,187)	-
<sup>317</sup> Basic Skills	823,835	1,886,613	-	1,977,806.38		0
One-Time Request for Fund Transfer				732,642		
<sup>372</sup> Medical Assistance	52,319	67,348	-	4,482		115,185
<sup>306,31</sup> Staff Development	95,489	640,724	-	619,419		0
One-Time Request for Fund Transfer				116,794		
<sup>50</sup> Student Activities	179,038	45,697		31,693		193,043
<b>TOTAL GENERAL FUND</b>	<b>19,669,525</b>	<b>72,024,892</b>	<b>1,403,220</b>	<b>75,415,318</b>	<b>1,403,220</b>	<b>16,279,100</b>
<i>Unassigned FB as a % of expenditures (includes assigned for subsequent years)</i>	<i>18.58%</i>					<i>12.97%</i>
<b>SCHOOL NUTRITION</b>						
Unreserved/undesignated	38,719	1,537,700	53,897	1,628,604		1,712
Non-spendable-Inventory	75,956	-		-	53,897	22,059
<b>TOTAL SCHOOL NUTRITION FUND</b>	<b>114,675</b>	<b>1,537,700</b>	<b>53,897</b>	<b>1,628,604</b>	<b>53,897</b>	<b>23,770</b>
<b>COMMUNITY SERVICE</b>						
<b>Restricted</b>						
<b>Community Education</b>	<b>(742,850)</b>	<b>4,739,853</b>		<b>5,009,561</b>		<b>(365,213)</b>
One-Time Request for Fund Transfer		647,345				
ECFE (FIN 325)	444,342	523,714		367,255		-
One-Time Request for Fund Transfer				600,800		
School Readiness (FIN 344)	-	292,763		246,218		(0)
One-Time Request for Fund Transfer				46,545		
Non-Public	(34,857)	708,744		706,059		(32,172)
Non Spendable	-	-		-		-
LCTS (FIN 799)	311,336	212,014		152,756		370,594
Disabilities Levy (FIN 798)	26,221	414,207		424,911		15,517
Children First	11,128	110,000		107,744		13,385
<b>TOTAL COMMUNITY SERVICE FUND</b>	<b>15,320</b>	<b>7,648,640</b>	<b>-</b>	<b>7,661,849</b>	<b>-</b>	<b>2,110</b>
<b>BUILDING CONTRUCTION</b>						
November 2017 Bond Projects	26,670,894	123,046		21,366,486		5,427,454
LTFM Construction (PRG 865)	20,185,324	271,616		12,593,128		7,863,812
<b>TOTAL BUILDING CONSTRUCTION</b>	<b>46,856,218</b>	<b>394,662</b>	<b>-</b>	<b>33,959,614</b>	<b>-</b>	<b>13,291,266</b>
<b>DEBT SERVICE</b>						
Regular	1,547,600	11,850,140		11,795,674		1,602,066
Long Term Facilities Maintenance						
<sup>47</sup> Other Post-Employment Benefits	147,801	1,811		-		149,613
<b>TOTAL DEBT SERVICE FUND</b>	<b>1,695,401</b>	<b>11,851,951</b>	<b>-</b>	<b>11,795,674</b>	<b>-</b>	<b>1,751,679</b>
<b>INTERNAL SERVICE</b>						
OPEB Trust	(2,733,222)	347,215		571,676		(2,957,683)
Self Funded Medical/Dental	795,720	9,889,768		8,953,306		1,732,182
<b>TOTAL INTERNAL SERVICE</b>	<b>(1,937,501)</b>	<b>10,236,983</b>	<b>-</b>	<b>9,524,982</b>	<b>-</b>	<b>(1,225,501)</b>
<b>TRUST AND AGENCY</b>						
<sup>20/21</sup> Unreserved/undesignated	(0)					(0)
<sup>18</sup> Scholarship	145,940	993		7,613		139,320
<b>TOTAL TRUST AND AGENCY FUND</b>	<b>145,940</b>	<b>993</b>	<b>-</b>	<b>7,613</b>	<b>-</b>	<b>139,320</b>
<b>GRAND TOTAL ALL FUNDS</b>	<b>66,559,577</b>	<b>103,695,820</b>	<b>1,457,117</b>	<b>139,993,654</b>	<b>1,457,117</b>	<b>30,261,743</b>

INDEPENDENT SCHOOL DISTRICT NO. 283  
ST. LOUIS PARK, MINNESOTA

Special Purpose Audit Reports

Year Ended  
June 30, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 283

Special Purpose Audit Reports  
Year Ended June 30, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures	
<b>U.S. Department of Agriculture</b>			
Passed through Minnesota Department of Education			
Child nutrition cluster			
Summer Food Service Program for Children	10.559	\$ 132,398	
COVID-19 Summer Food Service Program for Children	10.559	<u>1,090,776</u>	
Total ALN 10.559			<u>\$ 1,223,174</u>
Total child nutrition cluster			\$ 1,223,174
COVID-19 – Pandemic EBT Administrative Costs	10.649		18,048
<b>U.S. Department of the Treasury</b>			
Passed through Minnesota Department of Education			
COVID-19 Coronavirus Relief Fund	21.019		1,301,433
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		25,719
<b>U.S. Department of Education</b>			
Passed through Minnesota Department of Education			
Title I Grants to Local Educational Agencies	84.010		594,025
Special education cluster			
Special Education Grants to States	84.027	1,306,877	
Special Education Preschool Grants	84.173	<u>40,683</u>	
Total special education cluster			1,347,560
Special Education – Grants for Infants and Families	84.181		69,040
English Language Acquisition State Grants	84.365		63,485
Supporting Effective Instruction State Grants	84.367		202,918
Education Stabilization Fund			
COVID-19 Governor’s Emergency Education Relief (GEER) Fund	84.425C	81,365	
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	<u>2,316,324</u>	
Total ALN 84.425			2,397,689
Passed through Independent School District No. 284, Wayzata			
Career and Technical Education – Basic Grants to States	84.048		<u>40,435</u>
Total federal awards			<u><u>\$ 7,283,526</u></u>

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

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

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

Note 4: The District transferred \$36,641 into Supporting Effective Instruction State Grants (Federal ALN 84.367) from Student Support and Academic Enrichment Program (Federal ALN 84.424).

Note 5: The District had \$132,398 of noncash assistance included in the Summer Food Service Program for Children, Federal ALN 10.559.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 283 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2021.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

(continued)

## COMPLIANCE AND OTHER MATTERS

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

## PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota  
November 19, 2021



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

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited Independent School District No. 283’s (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget’s *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2021. The District’s major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

**MANAGEMENT’S RESPONSIBILITY**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.

(continued)

## **OPINION ON EACH MAJOR FEDERAL PROGRAM**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **PURPOSE OF THIS REPORT**

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

(continued)

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 19, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Minneapolis, Minnesota  
November 19, 2021

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INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 283 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2021.

**MINNESOTA LEGAL COMPLIANCE**

In connection with our audit, we noted that the District failed to comply with provisions of the claims and disbursements, miscellaneous provisions, and public indebtedness of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters as described in the Schedule of Findings and Questioned Costs as findings 2021-001, 2021-002, and 2021-003. Also, in connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

**DISTRICT'S RESPONSES TO FINDINGS**

The District's responses to the legal compliance findings identified in our audit have been included in the Schedule of Findings and Questioned Costs. The District's responses were not subject to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on them.

**PURPOSE OF THIS REPORT**

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

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

Minneapolis, Minnesota  
November 19, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021

**A. SUMMARY OF AUDIT RESULTS**

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

**Financial Statements**

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

Internal control over financial reporting:

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

**Federal Awards**

Internal controls over major federal award programs:

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

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

The U.S. Department of the Treasury – COVID-19 Coronavirus Relief Fund Unmodified  
 The U.S. Department of Education – Education Stabilization Fund Unmodified

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

Programs tested as major programs:

Program or Cluster(s)	Federal ALN
The U.S. Department of the Treasury – COVID-19 Coronavirus Relief Fund	21.019
The U.S. Department of Education – Education Stabilization Fund	84.425

Threshold for distinguishing type A and B programs.   \$ 750,000  

Does the auditee qualify as a low-risk auditee?        Yes   X   No

INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2021

**B. FINANCIAL STATEMENT FINDINGS**

None.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS**

**2021-001 UNTIMELY PAYMENT OF INVOICES**

**Criteria** – Minnesota Statutes § 471.425, Subd. 2.

**Condition** – Minnesota Statutes require prompt payment of local government bills within a standard payment period of 35 days from receipt for governing boards that meet at least once a month.

**Questioned Costs** – Not applicable.

**Context** – We noted 8 of 40 disbursements we tested were not paid within the statutory timeline.

**Repeat Finding** – This is a current year and prior year finding.

**Cause** – This was an oversight by district personnel.

**Effect** – Independent School District No. 283 (the District), did not pay eight of its invoices selected for testing in a timely manner, based on statutory requirements.

**Recommendation** – We recommend that the District review its payment procedures to ensure that all bills are paid within the statutory time limit.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District intends to review its procedures relating to disbursements to ensure compliance in the future. The District has separately issued a Corrective Action Plan related to this finding.

INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2021

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)**

**2021-002 UNCLAIMED PROPERTY REPORT**

**Criteria** – Minnesota Statutes § 345.41 and § 345.43.

**Condition** – Minnesota Statutes require unclaimed property held for more than three years (or one year for unpaid compensation) to be reported and paid or delivered to the state Commissioner of Commerce each year. This requirement was not met by the District for the current audit year.

**Questioned Costs** – Not applicable.

**Context** – The District did not file the unclaimed property report to the state Commissioner of Commerce in the current audit year.

**Repeat Finding** – This is a current year finding.

**Cause** – This was an oversight by district personnel.

**Effect** – The District was not in compliance with state unclaimed property requirements.

**Recommendation** – We recommend that the District comply with state statutory requirements for unclaimed property in the future.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District will review its procedures relating to unclaimed property laws to ensure compliance in the future. The District has separately issued a Corrective Action Plan related to this finding.

INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2021

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)**

**2021-003 ANNUAL REPORT OF OUTSTANDING OBLIGATIONS**

**Criteria** – Minnesota Statutes § 471.70.

**Condition** – Minnesota Statutes require the principal accounting officer of its district to submit a report of outstanding obligations to the county auditor by February 1 of each year. This requirement was not met by the District for the current audit year.

**Questioned Costs** – Not applicable.

**Context** – The District did not submit the report for outstanding obligations by February 1.

**Repeat Finding** – This is a current year finding.

**Cause** – This was an oversight by district personnel.

**Effect** – The District was not in compliance with state reporting requirements for outstanding indebtedness requirements.

**Recommendation** – We recommend that the District comply with state statutory requirements for reporting outstanding indebtedness in the future.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District will review its procedures relating to reporting outstanding indebtedness to ensure compliance in the future. The District has separately issued a Corrective Action Plan related to this finding.



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INDEPENDENT AUDITOR'S REPORT ON UNIFORM FINANCIAL  
ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 283 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2021.

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

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

(continued)

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

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

Minneapolis, Minnesota

November 19, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 283

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2021

	Audit	UFARS	Audit – UFARS
<b>General Fund</b>			
Total revenue	\$ 71,175,455	\$ 71,175,455	\$ –
Total expenditures	\$ 74,565,879	\$ 74,565,881	\$ (2)
Nonspendable			
460 Nonspendable fund balance	\$ 196,545	\$ 196,545	\$ –
Restricted			
401 Student activities	\$ 193,043	\$ 193,043	\$ –
402 Scholarships	\$ –	\$ –	\$ –
403 Staff development	\$ –	\$ –	\$ –
407 Capital projects levy	\$ –	\$ –	\$ –
408 Cooperative revenue	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
414 Operating debt	\$ –	\$ –	\$ –
416 Levy reduction	\$ –	\$ –	\$ –
417 Taconite building maintenance	\$ –	\$ –	\$ –
424 Operating capital	\$ 3,454,974	\$ 3,454,974	\$ –
426 \$25 taconite	\$ –	\$ –	\$ –
427 Disabled accessibility	\$ –	\$ –	\$ –
428 Learning and development	\$ –	\$ –	\$ –
434 Area learning center	\$ –	\$ –	\$ –
435 Contracted alternative programs	\$ –	\$ –	\$ –
436 State approved alternative program	\$ –	\$ –	\$ –
438 Gifted and talented	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
441 Basic skills programs	\$ –	\$ –	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
449 Safe schools levy	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
453 Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459 Basic skills extended time	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ 1,341,431	\$ 1,341,431	\$ –
472 Medical Assistance	\$ 115,185	\$ 115,185	\$ –
473 PPP loans	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 1,279,596	\$ 1,279,596	\$ –
475 Title VII – Impact Aid	\$ –	\$ –	\$ –
476 PILT	\$ –	\$ –	\$ –
Committed			
418 Committed for separation	\$ –	\$ –	\$ –
461 Committed fund balance	\$ –	\$ –	\$ –
Assigned			
462 Assigned fund balance	\$ 2,763,949	\$ 2,763,949	\$ –
Unassigned			
422 Unassigned fund balance	\$ 6,934,378	\$ 6,934,378	\$ –
<b>Food Service</b>			
Total revenue	\$ 1,537,700	\$ 1,537,700	\$ –
Total expenditures	\$ 1,628,604	\$ 1,628,604	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ 22,059	\$ 22,059	\$ –
Restricted			
452 OPEB liability not in trust	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 1,712	\$ 1,712	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Community Service</b>			
Total revenue	\$ 7,001,295	\$ 7,001,295	\$ –
Total expenditures	\$ 7,014,505	\$ 7,014,504	\$ 1
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
426 \$25 taconite	\$ –	\$ –	\$ –
431 Community education	\$ (365,213)	\$ (365,213)	\$ –
432 ECFE	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
444 School readiness	\$ –	\$ –	\$ –
447 Adult basic education	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
473 PPP loans	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 367,323	\$ 367,323	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 283

Uniform Financial Accounting and Reporting Standards  
 Compliance Table (continued)  
 June 30, 2021

	Audit	UFARS	Audit – UFARS
<b>Building Construction</b>			
Total revenue	\$ 394,662	\$ 394,662	\$ –
Total expenditures	\$ 33,959,614	\$ 33,959,614	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
407 Capital projects levy	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ 7,863,812	\$ 7,863,812	\$ –
464 Restricted fund balance	\$ 5,427,454	\$ 5,427,454	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Debt Service</b>			
Total revenue	\$ 11,850,140	\$ 11,850,140	\$ –
Total expenditures	\$ 11,795,674	\$ 11,795,674	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
433 Maximum effort loan	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 1,602,066	\$ 1,602,066	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Trust</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>Custodial Fund</b>			
Total revenue	\$ 993	\$ 993	\$ –
Total expenditures	\$ 7,613	\$ 7,613	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 139,320	\$ 139,320	\$ –
<b>Internal Service</b>			
Total revenue	\$ 9,889,768	\$ 9,889,768	\$ –
Total expenditures	\$ 8,953,306	\$ 8,953,306	\$ –
422 Net position	\$ 1,732,182	\$ 1,732,182	\$ –
<b>OPEB Revocable Trust Fund</b>			
Total revenue	\$ 159,864	\$ 159,865	\$ (1)
Total expenditures	\$ 384,326	\$ 384,326	\$ –
422 Net position	\$ (2,957,683)	\$ (2,957,683)	\$ –
<b>OPEB Irrevocable Trust Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>OPEB Debt Service Fund</b>			
Total revenue	\$ 1,812	\$ 1,811	\$ 1
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 149,613	\$ 149,613	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

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

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Management Report

for

Independent School District No. 283  
St. Louis Park, Minnesota

June 30, 2021

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PRINCIPALS

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

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 283, St. Louis Park, Minnesota's (the District) financial statements for the year ended June 30, 2021. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota  
November 19, 2021

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## AUDIT SUMMARY

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### **PLANNED SCOPE AND TIMING OF THE AUDIT**

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

### **AUDIT OPINION AND FINDINGS**

Based on our audit of the District's financial statements for the year ended June 30, 2021:

- We have issued an unmodified opinion on the District's basic financial statements.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

- We reported three findings based on our testing of the District’s compliance with Minnesota laws and regulations:
  1. Minnesota Statutes require prompt payment of local government bills within a standard payment period of 35 days from receipt for governing boards that meet at least once a month. We noted 8 of 40 disbursements we tested were not paid within the statutory timeline.
  2. Minnesota Statutes require unclaimed property held for more than three years (or one year for unpaid compensation) to be reported and paid or delivered to the state Commissioner of Commerce each year. This requirement was not met by the District for the current audit year.
  3. Minnesota Statutes require the principal accounting officer of its district to submit a report of outstanding obligations to the county auditor by February 1 of each year. This requirement was not met by the District for the current audit year.

### **FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

As a part of our audit of the District’s financial statements for the year ended June 30, 2021, we performed procedures to follow-up on any findings and recommendations that resulted from the prior year audit. We reported the following findings that were corrected by the District in the current year:

- In the prior year, we reported a significant deficiency in the District’s controls over special tests and provisions for the child nutrition cluster related to the internal verification process of error-prone free and reduced-price meal applications. Based our testing in the current year, there was no similar finding.

### **OTHER OBSERVATIONS AND RECOMMENDATIONS**

#### **Uniform Guidance Written Controls and Micro-Purchase Threshold**

Federal Uniform Guidance requires that nonfederal entities must have and use documented procurement procedures consistent with 2CFR § 200.317-320 for the acquisition of property or services required under a federal award or subaward. Effective August 31, 2020, the federal micro-purchase threshold, which is the threshold that allows for procurements without soliciting competitive price or rate quotations given certain conditions, was increased from \$3,500 to \$10,000 in the Federal Acquisition Regulations (FAR).

Effective November 12, 2020, the Uniform Guidance was also revised to allow nonfederal entities to establish a micro-purchase threshold higher than the \$10,000 threshold established in the FAR under certain circumstances. The nonfederal entity may self-certify a micro-purchase threshold up to \$50,000 if the requirements in 2CFR § 200.320(a)(1)(iv) are followed. Requirements include an **annual** self-certification and clear documentation of the justification to support the increase in the threshold. Acceptable reasons for justification must meet **one** of the following criteria:

- A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit,
- An annual internal institutional risk assessment to identify, mitigate, and manage financial risks, or,
- A higher threshold consistent with state law.

This flexibility would allow Minnesota local governments to increase and align their federal procurement procedures, specifically the micro-purchase threshold, with state law, which allows for procurements below \$25,000 to be made without competitive price or rate quotations.

We recommend that the District review its current federal procurement policy. If the micro-purchase threshold in your currently adopted policy is below the allowable FAR limit of \$10,000, you would need to make a one-time amendment to the policy to adopt the \$10,000 FAR limit before using it. If you prefer to increase your federal micro-purchase threshold to \$25,000 to align it with state law, in addition to amending your federal procurement policy, you would need to annually certify the higher threshold and the justification for using the higher threshold.

### **SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2021.

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

### **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

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

General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.

Special education state aid includes an adjustment related to tuition billings to and from other school districts for special education services, which are computed using formulas derived by the Minnesota Department of Education (MDE). Because of the timing of the calculations, this adjustment for the current fiscal year is not finalized until after the District has closed its financial records. The impact of this adjustment on the receivable and revenue recorded for state special education aid is calculated using preliminary information available to the District.

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

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

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

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

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

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

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

#### **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

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

#### **CORRECTED AND UNCORRECTED MISSTATEMENTS**

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

#### **DISAGREEMENTS WITH MANAGEMENT**

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

#### **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated November 19, 2021.

#### **MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### **OTHER AUDIT FINDINGS OR ISSUES**

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

## **OTHER MATTERS**

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

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

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

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## FUNDING PUBLIC EDUCATION IN MINNESOTA

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this report. A summary of legislative changes affecting school districts included later in this report gives an indication of how complicated the funding system is. This section provides selected state-wide funding and financial trend information.

### BASIC GENERAL EDUCATION REVENUE

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

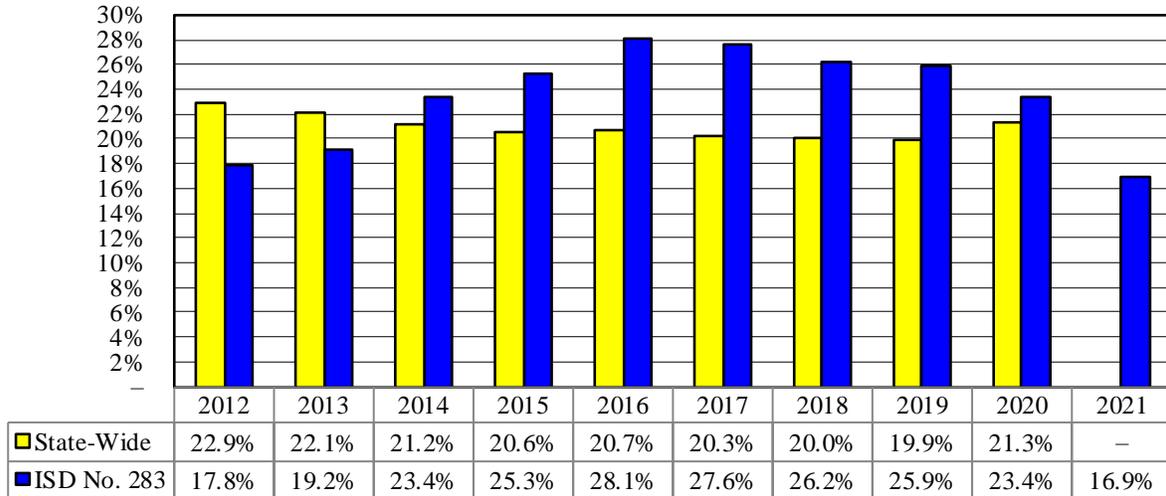
The table below presents a summary of the formula allowance for the past decade and as approved for the next two fiscal years. The 2021 Legislature approved per pupil increases of \$161 for fiscal 2022 and \$135 for fiscal 2023. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2012	\$ 5,174	1.00 %
2013	\$ 5,224	1.00 %
2014	\$ 5,302	1.50 %
2015	\$ 5,831	2.00 %
2016	\$ 5,948	2.00 %
2017	\$ 6,067	2.00 %
2018	\$ 6,188	2.00 %
2019	\$ 6,312	2.00 %
2020	\$ 6,438	2.00 %
2021	\$ 6,567	2.00 %
2022	\$ 6,728	2.45 %
2023	\$ 6,863	2.00 %

## STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

State-Wide Unrestricted Operating Fund Balance  
as a Percentage of Operating Expenditures



Note: State-wide information is not available for fiscal 2021.

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

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts decreased gradually from 22.9 percent at the end of fiscal 2012 to 19.9 percent at the end of fiscal 2019, a period of relative stability in the state’s economic condition and school funding. This ratio increased back up to 21.3 percent at the end of fiscal 2020, the highest level since 2014.

The District’s unrestricted operating fund balance as a percentage of operating expenditures was 16.9 percent at the end of the current year, as compared to 23.4 percent at June 30, 2020.

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

<b>Governmental Funds Revenue per Student (ADM) Served</b>								
	State-Wide		Metro Area		ISD No. 283 – St. Louis Park			
	2019	2020	2019	2020	2019	2020	2021	
<b>General Fund</b>								
Property taxes	\$ 2,140	\$ 2,345	\$ 2,796	\$ 3,100	\$ 4,485	\$ 4,486	\$ 4,608	
Other local sources	556	538	454	417	496	343	225	
State	9,883	10,144	9,885	10,127	9,236	9,705	10,055	
Federal	475	480	499	499	483	446	996	
Total General Fund	<u>13,054</u>	<u>13,507</u>	<u>13,634</u>	<u>14,143</u>	<u>14,700</u>	<u>14,980</u>	<u>15,884</u>	
<b>Special revenue funds</b>								
Food Service	559	554	556	539	449	391	343	
Community Service	676	632	797	732	1,655	1,458	1,562	
Debt Service Fund	<u>1,229</u>	<u>1,322</u>	<u>1,287</u>	<u>1,385</u>	<u>2,114</u>	<u>2,133</u>	<u>2,645</u>	
Total revenue	<u>\$ 15,518</u>	<u>\$ 16,015</u>	<u>\$ 16,274</u>	<u>\$ 16,799</u>	<u>\$ 18,918</u>	<u>\$ 18,962</u>	<u>\$ 20,434</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>4,660</u>	<u>4,644</u>	<u>4,481</u>	
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.								
Source of state-wide and metro area data: School District Profiles Report published by the MDE								

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

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

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

The District earned approximately \$92 million in the governmental funds reflected above in fiscal 2021, which is an increase of about \$3.5 million from the prior year. Total revenue per ADM served increased by \$1,472 per student. Federal sources in the General Fund increased \$550 per student, with coronavirus relief and education stabilization funds recognized for COVID-19 pandemic-related spending. General Fund state aid revenues were \$350 per student higher than last year, mainly due to the per pupil unit increase in the general education formula allowance, as well as increases in special education state aids. Other local sources decreased \$118, mainly the result of substantially lower investment earnings. Community Service Special Revenue Fund revenue increased \$104 per student, due to significant programming changes and distance learning occurring, the result of the COVID-19 pandemic. Debt Service Fund increased \$512 per student, as anticipated in approved debt financing plans.

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

<b>Governmental Funds Expenditures per Student (ADM) Served</b>							
	State-Wide		Metro Area		ISD No. 283 – St. Louis Park		
	2019	2020	2019	2020	2019	2020	2021
<b>General Fund</b>							
Administration and district support	\$ 1,065	\$ 1,093	\$ 1,078	\$ 1,100	\$ 1,336	\$ 1,387	\$ 1,702
Elementary and secondary regular instruction	5,787	5,881	6,112	6,231	6,744	6,859	7,212
Career and technical instruction	180	186	165	171	124	132	158
Special education instruction	2,380	2,481	2,505	2,626	2,341	2,569	2,943
Instructional support services	669	683	751	787	940	949	1,009
Pupil support services	1,178	1,203	1,282	1,316	1,197	1,346	1,459
Sites, buildings, and other	960	952	907	910	1,458	1,443	1,622
Total General Fund – noncapital	12,219	12,479	12,800	13,141	14,140	14,685	16,105
General Fund capital expenditures	721	748	675	717	252	470	535
Total General Fund	12,940	13,227	13,475	13,858	14,392	15,155	16,640
<b>Special revenue funds</b>							
Food Service	561	556	556	548	419	435	363
Community Service	675	661	799	774	1,650	1,634	1,565
Debt Service Fund	1,313	1,360	1,308	1,379	2,063	2,209	2,632
Total expenditures	<u>\$ 15,489</u>	<u>\$ 15,804</u>	<u>\$ 16,138</u>	<u>\$ 16,559</u>	<u>\$ 18,524</u>	<u>\$ 19,433</u>	<u>\$ 21,200</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>4,660</u>	<u>4,644</u>	<u>4,481</u>
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.							
Source of state-wide and metro area data: School District Profiles Report published by the MDE							

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

The District’s expenditures per ADM have been above the metro area average in recent years, mainly in General Fund operating, Community Service Special Revenue Fund, and Debt Service Fund expenditures.

The District spent approximately \$95 million in the governmental funds reflected above in fiscal 2021, an increase of approximately \$4.8 million (5.3 percent) from the prior year. On a per student basis, this represents an increase of \$1,767. General Fund operating expenditures (excluding capital) increased \$1,420 per student, mainly in elementary and secondary regular instruction (\$353 per pupil), mainly for salaries and benefits, administrative and district support (\$315), mainly in supplies and materials for federal COVID-19 stimulus grant-related spending, and special education instruction (\$374 per pupil), mainly for contracted services. Debt Service Fund expenditures also increased \$423 per pupil, mainly from increased payments on previously issued bonds.

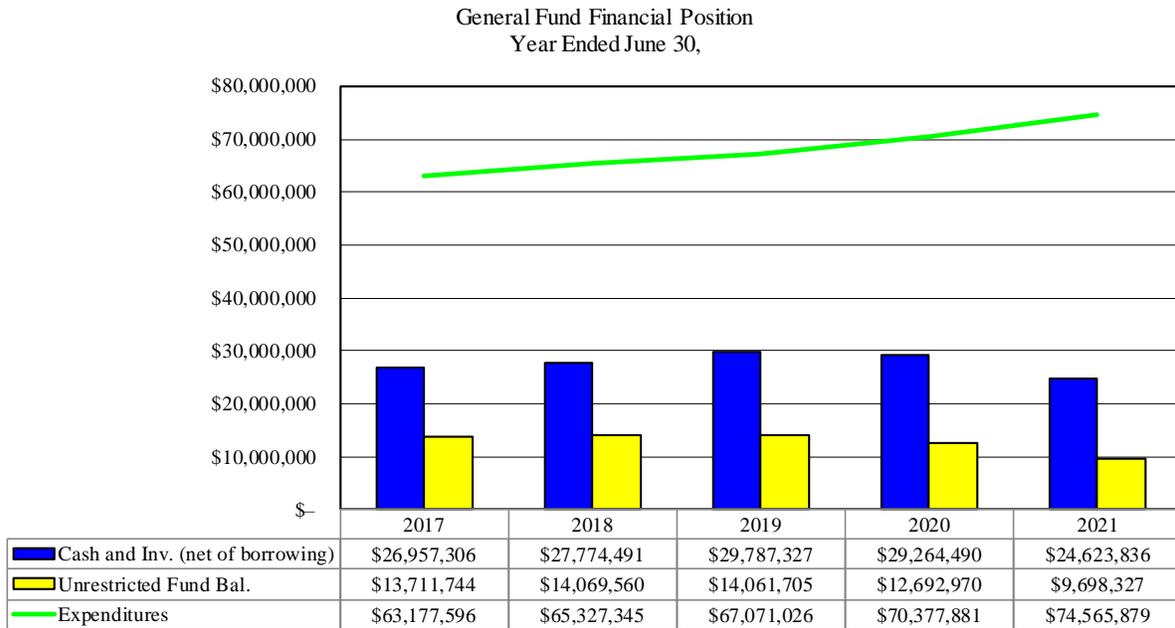
## SUMMARY

The COVID-19 pandemic caused numerous financial and operational challenges for districts in fiscal 2021; creating instability in student populations, requiring numerous shifts in the delivery of educational services, and resulting in substantial new and unfamiliar federal revenue streams, to name a few. Such challenges are expected to continue into the foreseeable future, as districts strive to provide a safe and effective learning experience for their students in this uncertain and unprecedented environment.

## FINANCIAL TRENDS OF YOUR DISTRICT

### GENERAL FUND FINANCIAL POSITION

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



The District ended fiscal year 2021 with a General Fund cash balance of \$24,623,836 (net of borrowing and interfund receivables and payables), a decrease of \$4,640,654 from the previous year. Unrestricted fund balance (consisting of any assigned or unassigned fund balances) at year-end totaled \$9,698,327, a decrease of \$2,994,643.

## GENERAL FUND COMPONENTS OF FUND BALANCE

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

	June 30,				
	2017	2018	2019	2020	2021
Nonspendable fund balances	\$ 249,200	\$ 203,888	\$ 160,802	\$ 209,734	\$ 196,545
Restricted fund balances (1)	4,727,208	4,636,922	5,979,060	6,766,821	6,384,229
Unrestricted fund balances					
Assigned	6,268,705	3,489,241	3,422,803	4,239,796	2,763,949
Unassigned	7,443,039	10,580,319	10,638,902	8,453,174	6,934,378
<b>Total fund balance</b>	<b>\$ 18,688,152</b>	<b>\$ 18,910,370</b>	<b>\$ 20,201,567</b>	<b>\$ 19,669,525</b>	<b>\$ 16,279,101</b>
Unrestricted fund balances as a percentage of expenditures	<u>21.7%</u>	<u>21.5%</u>	<u>21.0%</u>	<u>18.0%</u>	<u>13.0%</u>
<p>(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.</p>					

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

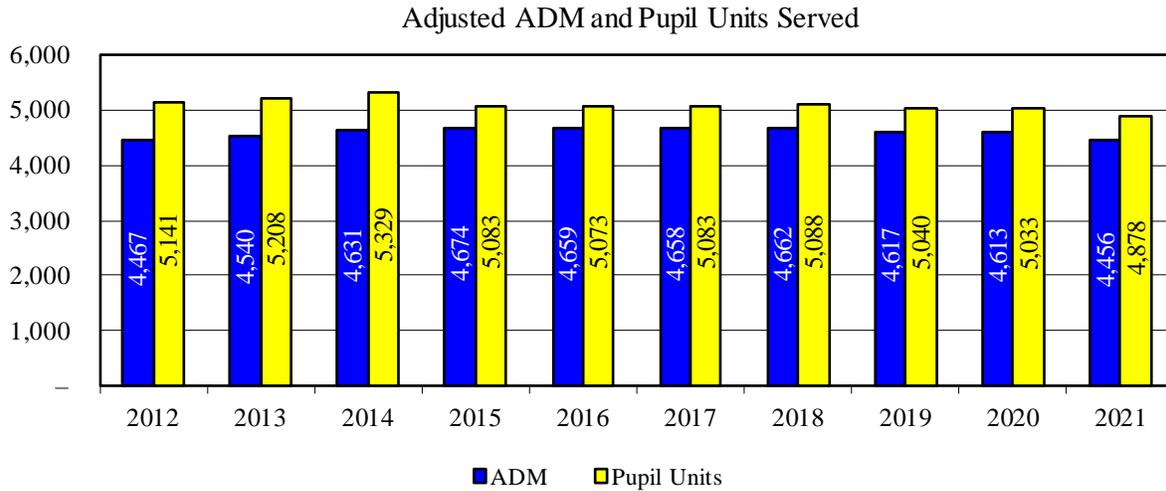
The School Board has a formally adopted a fund balance policy that establishes a desired unassigned General Fund balance. The policy states the District establishes a year-end minimum unassigned fund balance of 6.0 percent of subsequent year's General Fund noncategorical expenditures.

The District's General Fund, its primary operating fund, ended the most recent fiscal year with a total fund balance of \$16,279,101, a decrease of \$3,390,424 from the prior year. The unrestricted portion of the year-end fund balance (assigned and unassigned) was \$9,698,327, which represents 13.0 percent of annual General Fund expenditures based on fiscal 2021 expenditure levels.

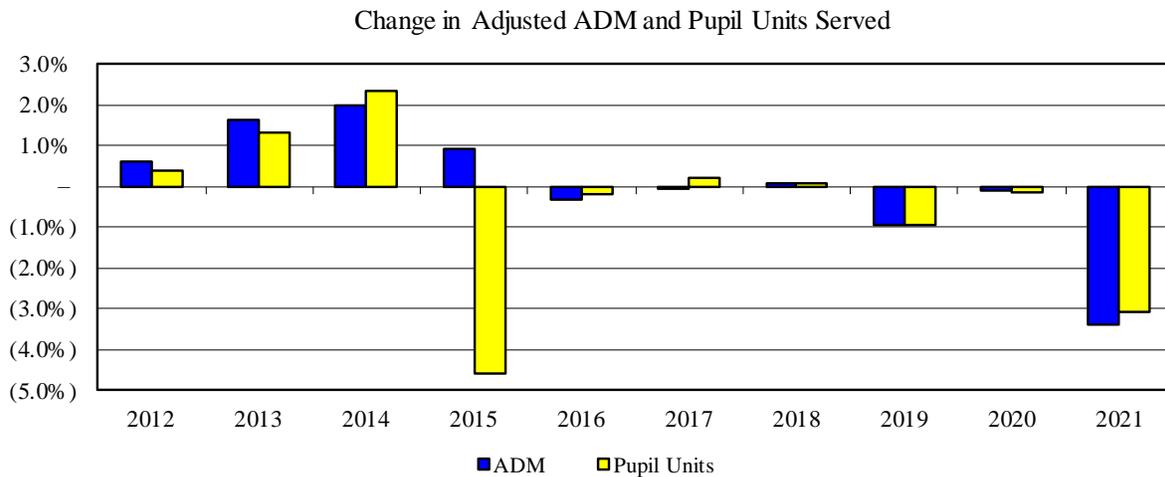
The unassigned fund balance, including assigned for subsequent year's budget, was 13.0 percent of General Fund noncategorized expenditures (per District policy) and is above the District's policy for year-end minimum amounts of unassigned fund balance of 6.0 percent.

## AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS

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



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



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

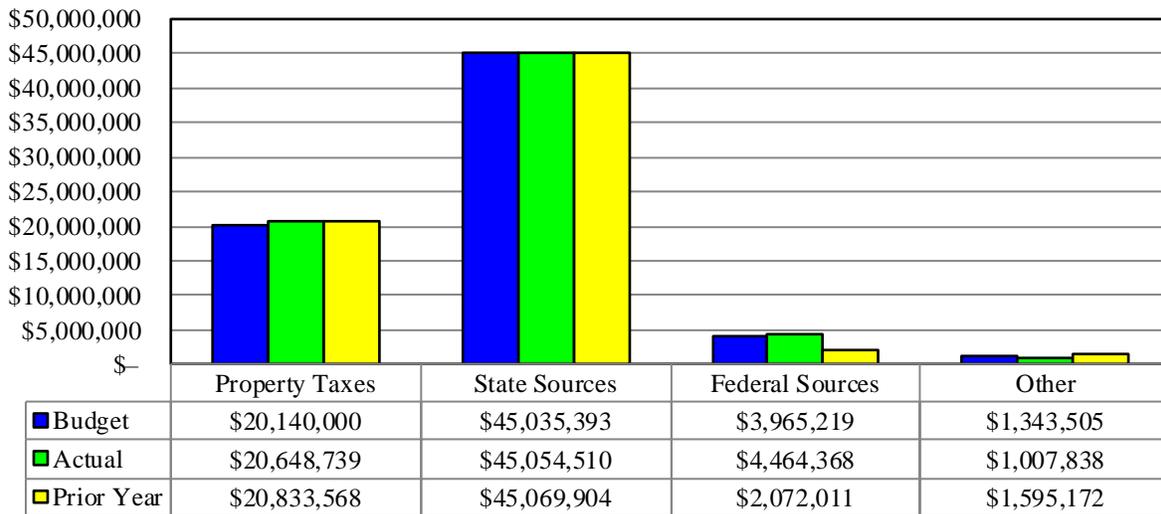
ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts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

The District served an estimated adjusted ADM of 4,456 in 2021, a decrease of 157 from the previous year. The number of pupil units served by the District for fiscal 2021 was 4,878, a decrease of 155 from the prior year.

## GENERAL FUND REVENUES

The following graph summarizes the District's General Fund revenue for 2021:

General Fund Revenue

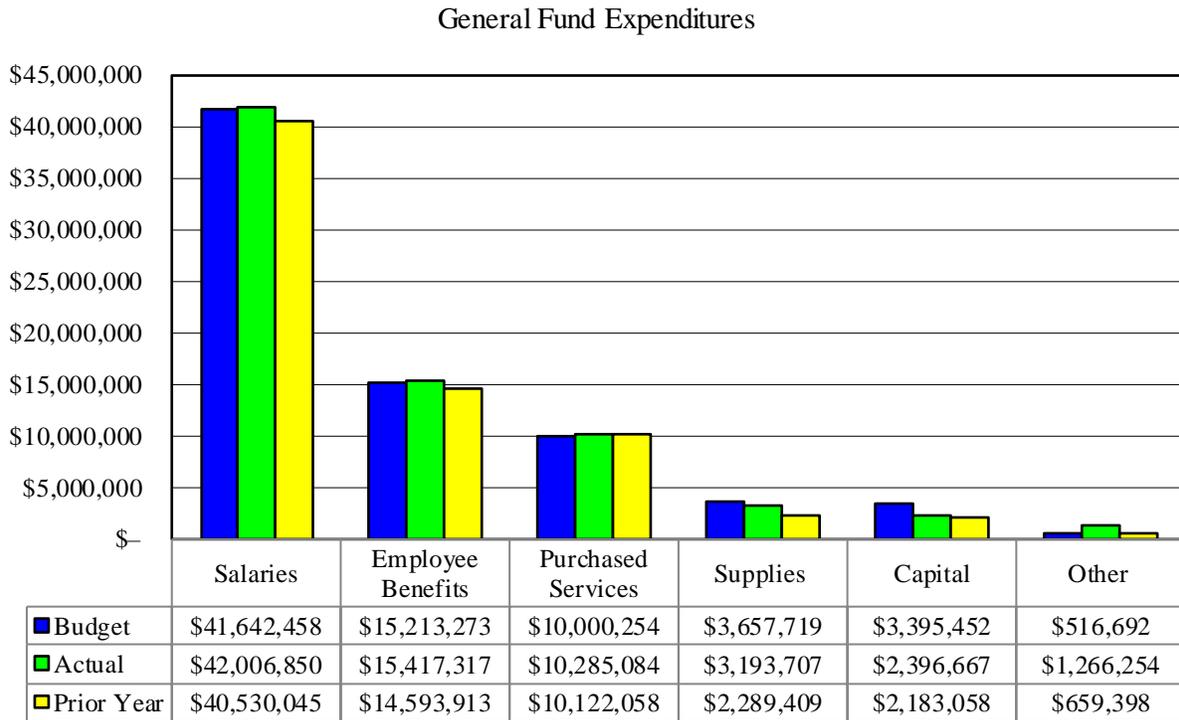


Total General Fund revenues were \$71,175,455 for the year ended June 30, 2021, which was \$691,338 (1.0 percent) over the final budget. Property taxes were over budget by \$508,739, due to higher-than-expected collections of nonlevy-related items. Federal revenues were over budget by \$499,149, due to higher than projected COVID-19 stimulus-related grants and aids received.

General Fund total revenues were \$1,604,800 higher than the previous year. The increase from the prior year was mainly in federal sources, which increased \$2,392,357. This was a result of an increase in coronavirus relief and education stabilization funds recognized for COVID-19 pandemic-related spending, as previously discussed. This increase is partially offset by a decrease in other local sources of \$587,334, primarily from a decline in investment earnings.

## GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2021:



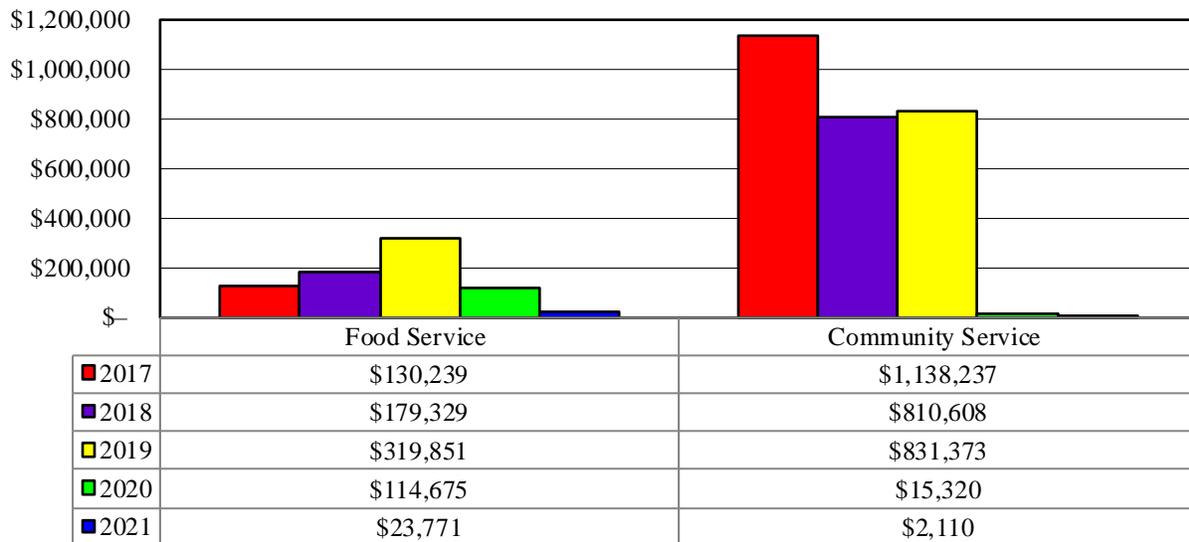
Total General Fund expenditures were \$74,565,879 for the year ended June 30, 2021, which was \$140,031 (0.2 percent) over the final budget. This resulted from a combination of some categories being over budget, while other categories were under budget, with the largest variance being capital expenditures, which was \$998,785 under budget, primarily from projects delayed to future years, due to the COVID-19 pandemic.

Total General Fund expenditures were \$4,187,998 (6.0 percent) more than the prior year. The largest increase was in salaries and benefit expenditures, which increased \$2,300,209, or 4.2 percent, from the prior year, due to increases in contract-related items and increases in health insurance rates. Supplies and materials were \$904,298 higher than the previous year, mainly for purchases within COVID-19 stimulus-related grants and technology purchases to assist with distance-learning activities.

## OTHER FUNDS OF THE DISTRICT

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

Other Operating Funds  
Total Fund Balances



### Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended fiscal 2021 with a fund balance decrease of \$90,904, compared to a break-even budget. Food service revenue was \$1,537,700, which was over budget by \$53,173, mainly in federal revenue. Expenditures were \$1,628,604, and over budget by \$144,077. The ending fund balance of \$23,771 in this fund represents 1.5 percent of current year expenditures.

### Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended fiscal 2021 with a fund balance decrease of \$13,210, compared to break-even budget. Revenues were \$7,001,295, which was over budget by \$437,296, mainly in program fees. Expenditures were \$7,014,505, which was over budget by \$450,506 mainly in salaries and benefits. The ending fund balance of \$2,110 in this fund represents 0.03 percent of current year expenditures.

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

### Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund ended the year with a fund balance decrease of \$33,564,952, as the District spent down bond proceeds from bonds issued in the current year and previous years. At June 30, 2021, the fund balance is \$13,291,266, restricted for capital projects and long-term facilities maintenance needs.

## **Debt Service Fund**

The District's Debt Service Fund ended fiscal 2021 with a fund balance increase of \$56,278, compared to a budgeted increase of \$61,626. Revenues were \$11,851,952, which was less than budget by \$10,048. Expenditures were \$11,795,674, and under budget by \$4,700. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan.

## **Internal Service Funds**

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains three internal service funds. These funds are used to account for the District's self-insured dental insurance, self-insured medical insurance, and OPEB revocable trust functions.

**Dental Self-Insurance** – Revenues for fiscal 2021 totaled \$656,830, while expenses totaled \$634,793. The net position as of June 30, 2021 was \$421,230, which represents 66.4 percent of annual operating expenses of this fund.

**Medical Self-Insurance** – Revenues for fiscal 2021 totaled \$9,232,938, while expenses totaled \$8,318,513. The net position as of June 30, 2021 was \$1,310,952, which represents 15.8 percent of annual operating expenses of this fund.

**Other Post-Employment Benefits (OPEB) Fund** – Revenues for fiscal 2021 totaled \$159,864, while expenses totaled \$384,326. The net position (deficit) as of June 30, 2021 was (\$2,957,683).

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	June 30,		Change
	2021	2020	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 31,347,927	\$ 68,351,139	\$ (37,003,212)
Total capital assets, net of depreciation	160,560,811	132,269,288	28,291,523
Bonds and leases, net of premiums	(136,407,490)	(143,970,849)	7,563,359
Pensions, net of deferred outflows and inflows	(69,291,004)	(66,735,131)	(2,555,873)
Other adjustments	(7,327,201)	(7,827,031)	499,830
<b>Total net position – governmental activities</b>	<b>\$ (21,116,957)</b>	<b>\$ (17,912,584)</b>	<b>\$ (3,204,373)</b>
Net position			
Net investment in capital assets	\$ 37,444,587	\$ 35,154,657	\$ 2,289,930
Restricted	6,785,321	7,650,048	(864,727)
Unrestricted	(65,346,865)	(60,717,289)	(4,629,576)
<b>Total net position</b>	<b>\$ (21,116,957)</b>	<b>\$ (17,912,584)</b>	<b>\$ (3,204,373)</b>

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

Unrestricted net position decreased \$4,629,576 in fiscal 2021. The decline in the General Fund balance as previously discussed and the change in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association state-wide pension liabilities and related deferments was the primary cause.

The District's net investment in capital assets increased \$2,289,930. This change generally relates to the relationship between the rate capital assets are being added and depreciated, and the rate at which the District is repaying the debt issued to purchase or construct those assets. The increase in the current year was also impacted by capital additions financed with available resources and capital-related levies, which do not result in additional capital-related debt.

Restricted net position decreased \$864,727, mainly in state funding restrictions.

## LEGISLATIVE SUMMARY

In a typical year, the primary focus of the 2021 Minnesota legislative session would have been the development of the state's fiscal year (FY) 2022–2023 biennial budget. However, given the significant events of the preceding year, including the COVID-19 pandemic and death of George Floyd while in police custody, the focus of the regular session shifted to legislation responding to the pressing issues that resulted from these events. The business of setting a biennial budget and passing an education finance bill were ultimately not addressed until a June special session.

There was positive news on the state's budget outlook entering the session. A May 2020 special pandemic budget projection had predicted the state would finish the FY 2020–2021 biennium with a \$2.4 billion shortfall. By the regular budget and economic forecast in February 2021, the state's fiscal outlook had improved, projecting a positive budgetary variance of \$940 million at the end of the biennium, reducing the threat of potential funding cuts to local government programs. The resulting education finance bill passed and signed by the Governor on June 30, 2021, included appropriation increases of approximately \$554 billion for the FY 2022–2023 biennium, and \$669 billion for the FY 2024–2025 biennium.

The following is a brief summary of specific legislative changes from the 2021 Legislature impacting Minnesota school districts in future years.

**General Education Revenue** – The Legislature approved annual increases of 2.45 percent and 2.00 percent to the basic general education formula allowance for the FY 2022–2023 biennium. The per pupil allowance will increase \$161 to \$6,728 for FY 2022, and another \$135 to \$6,863 for FY 2023.

**English Learner Cross Subsidy Aid** – Approved annual appropriations of \$2 million to provide English learner cross-subsidy aid for FY 2022 through FY 2025. This new funding will be allocated annually to school districts and charter schools based on their proportionate share of English learner and concentration revenue from the preceding fiscal year, and must be used and accounted for within the basic skills program.

**Special Education Revenue** – The Legislature had previously approved enhancements to special education funding designed to hold the state average cross-subsidy per pupil constant at the FY 2019 level of \$82 per ADM for FY 2021, which included establishing a new component of the state special education funding formula, known as cross-subsidy reduction aid. Cross subsidy reduction aid will equal a percentage of each district's "initial cross-subsidy" for the prior fiscal year, with the percentages set at 6.43 percent for 2021. Initial cross-subsidy is defined as the district's nonfederal special education costs, including transportation, less state special education aid after tuition adjustments and general education aid attributable to students receiving special education services outside of the regular classroom for at least 60.00 percent of the school day. The 2021 Legislature approved an additional appropriation of \$10.425 million to fund a one-time increase to cross-subsidy for FY 2022, which is estimated to increase the percentage funded by 1.24 percent to a total of 7.67 percent. Charter schools are not eligible for cross-subsidy reduction aid.

**Voluntary Pre-Kindergarten (VPK) and School Readiness Plus (SRP)** – The Legislature approved continued funding for FY 2022 and FY 2023 to maintain 4,000 state-wide VPK and SRP seats set to expire after FY 2021. The Local Optional Revenue (LOR) second tier equalization factor was increased for FY 2023 only to offset the state-wide impact of levy changes for the VPK/SRP continuation, which should result in a levy increase for VPK/SRP districts and a levy decrease for most other districts.

**Hiring Bonuses** – Districts or schools are authorized to offer a hiring or retention bonus of \$2,500–\$5,000 to attract teachers who are American Indians or persons of color, or \$4,000–\$8,000 to meet staffing needs in shortage areas and to attract teachers who are American Indians or persons of color.

**Sales Tax Exemption** – A previous sales tax exemption for sales made by school-associated student groups for funding extracurricular student activities, that was eliminated by the 2019 omnibus education bill, was restored.

**Staff Development** – Teacher mentorship was added as an eligible use of general education aid restricted for staff development as part of a mandate for districts to develop teacher mentoring programs.

**Lunch Shaming Prohibited** – Students approved for free or reduced-price meal status must be served reimbursable meals irrespective of any outstanding individual student lunch account debt. Districts are required to post this policy.

## ACCOUNTING AND AUDITING UPDATES

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

### **GASB STATEMENT NO. 87, *LEASES***

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of the four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for fiscal years beginning after June 15, 2021.

### **GASB STATEMENT NO. 92, *OMNIBUS 2020***

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post-employment benefits

- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post-employment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

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

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

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

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

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

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

***GASB STATEMENT NO. 97, CERTAIN COMPONENT UNIT CRITERIA, AND ACCOUNTING AND FINANCIAL REPORTING FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLANS—AN AMENDMENT OF GASB STATEMENT NO. 14 AND NO. 84, AND A SUPERSESSION OF GASB STATEMENT NO. 32***

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this statement that (1) exempt primary governments that perform the duties that a government board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this statement.

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INDEPENDENT SCHOOL DISTRICT NO. 283  
ST. LOUIS PARK, MINNESOTA

Financial Statements and  
Supplemental Information

Year Ended  
June 30, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 283

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INTRODUCTORY SECTION

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INDEPENDENT SCHOOL DISTRICT NO. 283

School Board and Superintendent's Cabinet  
Year Ended June 30, 2021

**SCHOOL BOARD**

	<u>Position</u>
Mary Tomback	Chairperson
Anne Casey	Vice Chairperson
Kenneth Morrison	Treasurer
Karen Waters	Clerk
C. Colin Cox	Director
Laura McClendon	Director
Heather Wilsey	Director

**SUPERINTENDENT'S CABINET**

Astein Osei	Superintendent
Patricia Magnuson	Director of Business Services
Tami Reynolds	Director of Student Services
Richard Kreyer	Director of Human Resources
Dr. Patrick Duffy	Director of Curriculum and Instruction
Patrice Howard	Director of Community Education
Sara Thompson, APR	Director of Communications and Community Relations
Tom Marble, CETL	Director of Information Services
Andrew Ewald	Director of Athletics
Silvy Lafayette	Director of Assessment, Research, and Evaluation

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FINANCIAL SECTION

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PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, 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 the Independent School District No. 283 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

(continued)

## **OPINIONS**

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

## **OTHER MATTERS**

### **Required Supplementary Information**

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

### **Other Information**

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

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

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

(continued)

## **Prior Year Comparative Information**

We have previously audited the District's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 7, 2020. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements provided from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
November 19, 2021

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## INDEPENDENT SCHOOL DISTRICT NO. 283

### Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

As management of Independent School District No. 283 (the District), we have provided readers of the District's financial statements with this narrative overview and analysis of the District's financial activities during the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the other components of the District's financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2021 by \$21,116,957 (deficit net position). Government-wide revenues totaled \$92,277,313, and expenses were \$95,481,686. As a result, the District's total net position decreased by \$3,204,373 during the fiscal year ended June 30, 2021.
- The District's General Fund, its primary operating fund, ended the most recent fiscal year with a total fund balance of \$16,279,101, a decrease of \$3,390,424 from the prior year. The unrestricted portion of the year-end fund balance (assigned and unassigned) was \$9,698,327, which represents 13.0 percent of annual General Fund expenditures based on fiscal 2021 expenditure levels. The unassigned fund balance, including assigned for subsequent year's budget, was 13.0 percent of General Fund noncategorized expenditures and is above the District's policy for year-end minimum amounts of unassigned fund balance of 6.0 percent.

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

The financial section of the annual financial statements consists of the following parts:

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

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

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

### **FUND FINANCIAL STATEMENTS**

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

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

The District maintains the following kinds of funds:

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

**Proprietary Funds** – The District maintains one type of proprietary fund. Internal service funds are used as an accounting device to accumulate and allocate costs internally among the District’s various functions. The District uses its internal service funds to account for its self-insured dental plan, self-insured medical plan, and its other post-employment benefits (OPEB) obligations financed by a Revocable OPEB Trust. These services have been included within governmental activities in the government-wide financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current and other assets	\$ 79,881,823	\$ 124,110,567
Capital assets, net of depreciation	<u>160,560,811</u>	<u>132,269,288</u>
Total assets	<u>\$ 240,442,634</u>	<u>\$ 256,379,855</u>
<b>Deferred outflows of resources</b>		
Pension plan deferments	\$ 21,124,655	\$ 34,886,446
Single-employer plan deferments	630,313	555,392
OPEB plan deferments	<u>720,077</u>	<u>781,472</u>
Total deferred outflows of resources	<u>\$ 22,475,045</u>	<u>\$ 36,223,310</u>
<b>Liabilities</b>		
Current and other liabilities	\$ 15,213,686	\$ 23,659,005
Long-term liabilities, including due within one year	<u>200,373,034</u>	<u>201,874,673</u>
Total liabilities	<u>\$ 215,586,720</u>	<u>\$ 225,533,678</u>
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	\$ 30,964,559	\$ 30,571,526
Pension plan deferments	36,138,085	53,578,205
Single-employer plan deferments	186,612	175,908
OPEB plan deferments	<u>1,158,660</u>	<u>656,432</u>
Total deferred inflows of resources	<u>\$ 68,447,916</u>	<u>\$ 84,982,071</u>
<b>Net position</b>		
Net investment in capital assets	\$ 37,444,587	\$ 35,154,657
Restricted	6,785,321	7,650,048
Unrestricted	<u>(65,346,865)</u>	<u>(60,717,289)</u>
Total net position	<u>\$ (21,116,957)</u>	<u>\$ (17,912,584)</u>

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as depreciation estimates and capitalization policies. Another major factor in determining net position is the inclusion of liabilities for long-term severance, OPEB, and pension benefits, which are not included in fund balances.

Total net position decreased by \$3,204,373 in 2021. The decline in General Fund balance and the changes in the District's proportionate share of the state-wide pension plans contributed to the decrease in unrestricted net position, the changes in deferred inflows and outflows of resources, and the change in long-term liabilities. The increase in capital assets and current and other liabilities relates to the use of bond proceeds for building construction issued by the District in fiscal 2018, totaling \$92,950,000, and bond proceeds for long-term facilities maintenance of \$22,795,000, issued in fiscal 2020.

Table 2 presents a condensed version of the change in net position of the District:

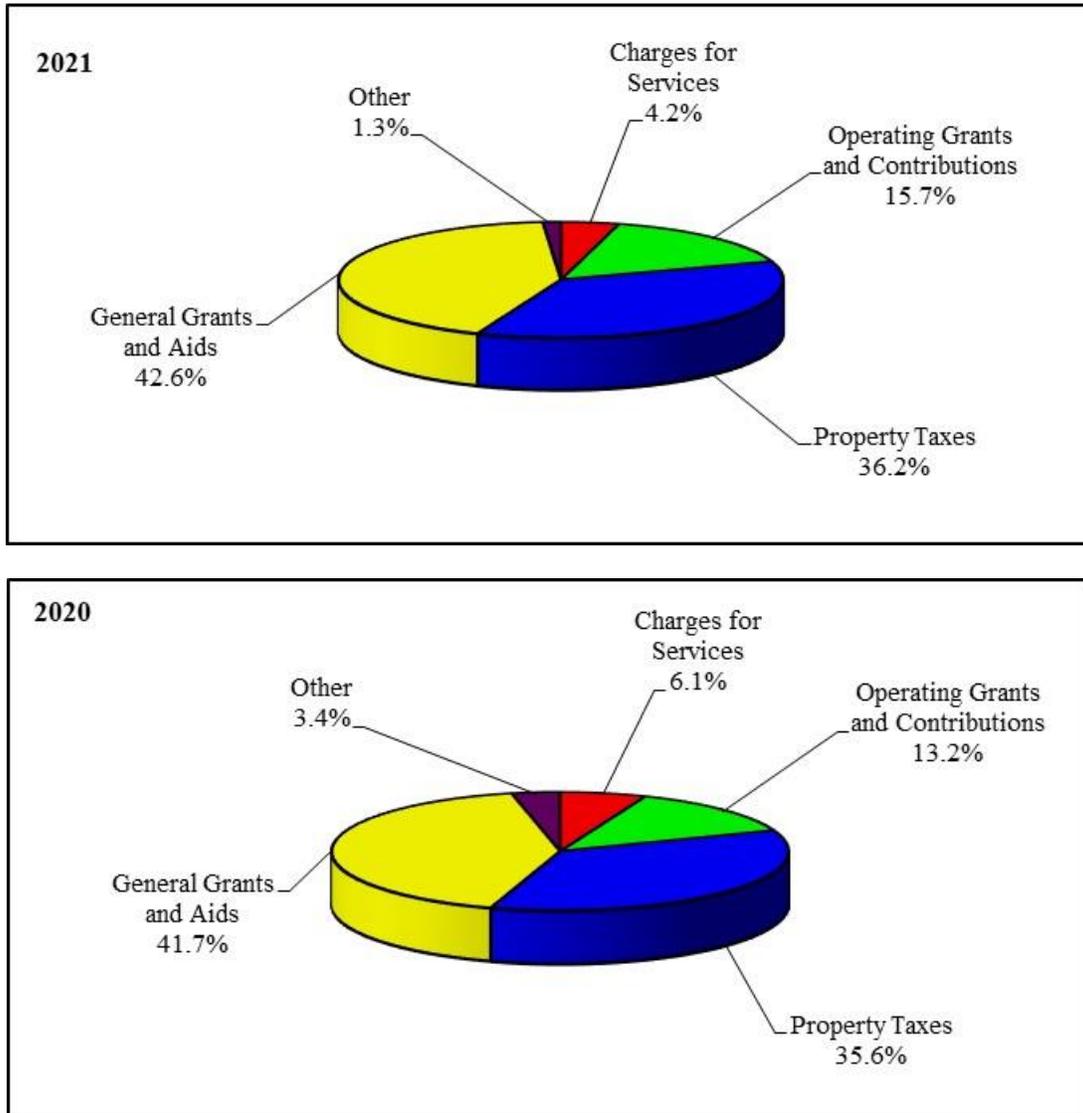
	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 3,833,064	\$ 5,562,961
Operating grants and contributions	14,502,027	11,991,035
General revenues		
Property taxes	33,426,265	32,299,084
General grants and aids	39,320,242	37,841,249
Other	1,195,715	3,123,323
Total revenues	<u>92,277,313</u>	<u>90,817,652</u>
<b>Expenses</b>		
Administration	3,059,470	3,005,456
District support services	5,703,281	4,505,309
Elementary and secondary regular instruction	34,046,132	34,171,764
Vocational education instruction	754,089	658,411
Special education instruction	13,750,159	12,605,865
Instructional support services	4,665,263	4,691,071
Pupil support services	6,751,332	6,503,434
Sites and buildings	9,289,786	11,366,574
Fiscal and other fixed cost programs	459,560	276,349
Food service	1,573,535	2,027,320
Community service	6,989,372	7,735,384
Unallocated depreciation	3,880,283	3,594,073
Interest and fiscal charges	4,559,424	4,505,516
Total expenses	<u>95,481,686</u>	<u>95,646,526</u>
Change in net position	(3,204,373)	(4,828,874)
Net position – beginning	<u>(17,912,584)</u>	<u>(13,083,710)</u>
Net position – ending	<u>\$ (21,116,957)</u>	<u>\$ (17,912,584)</u>

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

Total revenues for fiscal year 2021 were \$1,459,661 higher than last year, mainly due to increases in federal sources. This increase is offset by declines in other revenue related to COVID-19 pandemic changes in operations and the related change to distance learning during the year. Total expenses decreased \$164,840, compared to fiscal year 2020 levels, which primarily reflects increased costs in district support services related to COVID-19 stimulus-related grant spending, increases in special education related costs, offset by decreases in sites and buildings as facility upgrades slowed in the current year. Food service and community service costs also declined in the current year, due to operational changes related to the COVID-19 pandemic.

Figures A and B show further analysis of these revenue sources and expense functions:

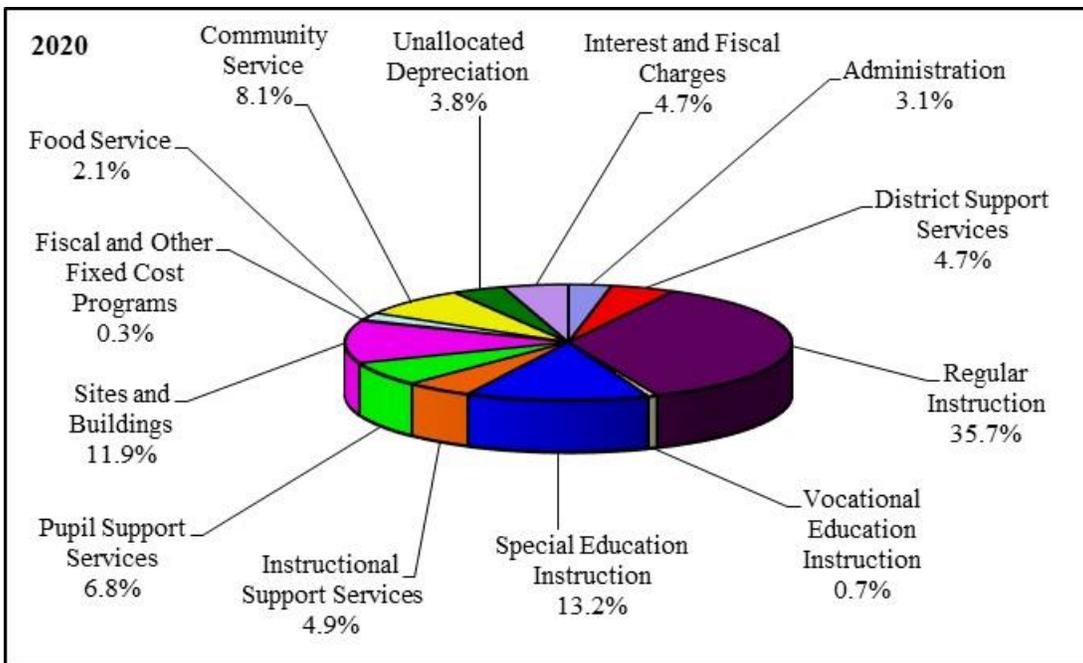
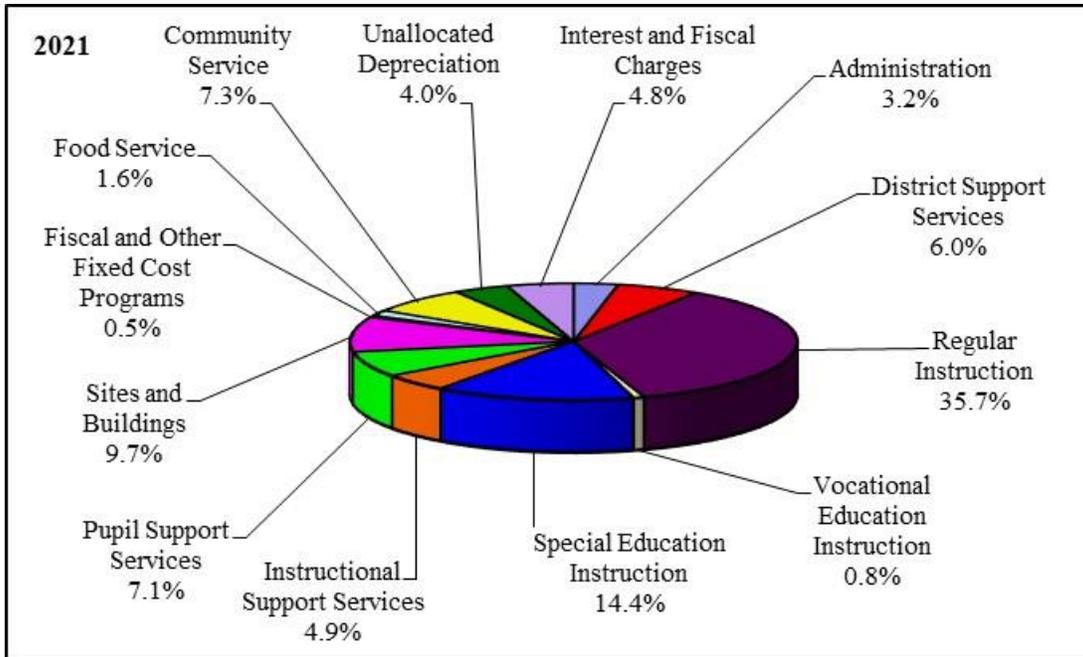
**Figure A – Sources of Revenue for Fiscal Years 2021 and 2020**



The largest share of the District’s revenue is received from the state, including the general education aid formula and most of the operating grants. This significant reliance on the state for funding has placed pressure on local school districts, as a result of limited funding increases in recent years.

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

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



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

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Major funds			
General	\$ 16,279,101	\$ 19,669,525	\$ (3,390,424)
Capital Projects – Building Construction	13,291,266	46,856,218	(33,564,952)
Debt Service	1,751,679	1,695,401	56,278
Nonmajor funds			
Food Service Special Revenue	23,771	114,675	(90,904)
Community Service Special Revenue	<u>2,110</u>	<u>15,320</u>	<u>(13,210)</u>
Total governmental funds	<u>\$ 31,347,927</u>	<u>\$ 68,351,139</u>	<u>\$ (37,003,212)</u>

In 2021, the General Fund balance decreased \$3,390,424 from the prior year. This compares to a final budget that anticipated a decline in fund balance of \$3,941,731. These better than projected results were mainly due to revenues exceeding budgeted amounts by \$691,338.

The Capital Projects – Building Construction Fund decreased \$33,564,952 from the prior year, due to the use of school building bonds that were issued during fiscal 2018, as well as the use of facilities maintenance bonds that were issued during fiscal 2020.

The Debt Service Fund increased \$56,278, consistent with property tax levies and debt service payment schedules in this fund.

The decrease in the Food Service Special Revenue Fund of \$90,904 was mainly due the costs of supplies, materials, and other expenditures exceeding budget projections.

The Community Service Special Revenue Fund experienced a fund balance decrease of \$13,210.

## Analysis of the General Fund

Table 4 summarizes the amendments to the General Fund budget:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenue	<u>\$ 68,821,042</u>	<u>\$ 70,484,117</u>	<u>\$ 1,663,075</u>	<u>2.42 %</u>
Expenditures	<u>\$ 72,366,391</u>	<u>\$ 74,425,848</u>	<u>\$ 2,059,457</u>	<u>2.85 %</u>

The District was required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. It is the District's practice to amend the General Fund budget during the year for known significant changes in circumstances, such as: updated enrollment estimates, legislation changes, new or additional funding, staffing changes, employee contract settlements, adjustments to health insurance premiums, special education tuition changes, or utility rate changes.

Table 5 summarizes the operating results of the General Fund:

	<u>2021 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue	\$ 71,175,455	\$ 691,338	1.0%	\$ 1,604,800	2.3%
Expenditures	74,565,879	\$ 140,031	0.2%	\$ 4,187,998	6.0%
Other financing sources	<u>—</u>	\$ —	—	\$ (42,731)	100.0%
Net change in fund balances	<u>\$ (3,390,424)</u>				

The increase in 2021 actual revenue was due to federal sources increasing \$2,392,357, due to the District receiving COVID-19 pandemic-related stimulus grants and aids in the current year.

Expenditures increases were mainly in salaries, which increased \$1,476,805, or 3.64 percent, mainly related to contract-related increases in the current year. Employee benefit expenditures increased \$823,404, mainly due to the increased salary amounts and health insurance costs related to increased rates. Supplies and materials expenditures were higher than last year by \$904,298, mainly related to federal stimulus grant-related spending.

General Fund revenues exceeded budgeted amounts by \$691,338. Federal revenues were over budget by \$499,149. The majority of this variance was due to higher than projected pandemic-related stimulus grants and aids received during the current year. Revenues from property taxes were \$508,739 over budget, which is due to higher than projected nonlevy-related tax collections in the current year.

Expenditures were over budget by \$140,031, or 0.2 percent.

### **Internal Service Funds**

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains three internal service funds. These funds are used to account for the District's self-insured medical insurance, dental insurance, and OPEB revocable trust functions.

- **Medical Self-Insurance**

Revenues for fiscal 2021 totaled \$9,232,938, while expenses totaled \$8,318,513. The net position as of June 30, 2021 was \$1,310,952, which represents 15.8 percent of annual operating expenses of this fund.

- **Dental Self-Insurance**

Revenues for fiscal 2021 totaled \$656,830, while expenses totaled \$634,793. The net position as of June 30, 2021 was \$421,230, which represents 66.4 percent of annual operating expenses of this fund.

- **OPEB Fund**

Revenues for fiscal 2021 totaled \$159,864, while expenses totaled \$384,326. The net position as of June 30, 2021 was a deficit \$2,957,683.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

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

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Land	\$ 7,812,500	\$ 7,812,500	\$ -
Construction in process	22,694,727	36,685,222	(13,990,495)
Land improvements	264,344	264,344	-
Buildings and improvements	149,106,187	103,054,713	46,051,474
Furniture and equipment	60,858,849	60,647,275	211,574
Less accumulated depreciation	<u>(80,175,796)</u>	<u>(76,194,766)</u>	<u>(3,981,030)</u>
 Total	 <u>\$ 160,560,811</u>	 <u>\$ 132,269,288</u>	 <u>\$ 28,291,523</u>
 Depreciation expense	 <u>\$ 3,981,030</u>	 <u>\$ 3,803,435</u>	 <u>\$ 177,595</u>

The decrease in construction in progress is due to less projects ongoing at year-end. The increase in buildings and improvements is related to capital spending for various improvement projects at district sites from the issuance of debt in fiscal 2018 and 2020. The majority of the change can be attributed to various renovation projects at the elementary schools, high school, and early childhood center.

### Long-Term Liabilities

Table 7 shows the components of the District's long-term liabilities and the change from the prior year:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
General obligation bonds	\$ 126,075,000	\$ 132,725,000	\$ (6,650,000)
Premiums	9,794,084	10,330,176	(536,092)
Capital leases	538,406	915,673	(377,267)
Net pension liability	50,672,545	44,242,270	6,430,275
Single-employer pension liability	4,048,730	4,180,586	(131,856)
Total OPEB liability	4,910,168	5,422,015	(511,847)
Compensated absences	796,596	739,784	56,812
Severance benefits	<u>3,537,505</u>	<u>3,319,169</u>	<u>218,336</u>
 Total	 <u>\$ 200,373,034</u>	 <u>\$ 201,874,673</u>	 <u>\$ (1,501,639)</u>

The decrease in general obligation bonds and premiums, as shown in Table 7, is based on the planned repayment and amortization schedules. The change in capital leases is based on the planned repayment schedules and debt cancellation. The change in net pension liability is related to changes in the District's proportionate share of the state-wide pension plans.

The state limits the amount of general obligation debt the District can issue to 15 percent of the market value of all taxable property within the District's corporate limits (see Table 8).

District's market value	\$ 7,813,656,650
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 1,172,048,498</u>

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

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

The Legislature has added \$161, or 2.45 percent, and \$135, or 2.00 percent, per pupil to the general education aid formula for fiscal years 2022 and 2023, respectively. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs, due to increased costs from inflation and required mandates. Additionally, the effect of the COVID-19 pandemic on student enrollment and the state-wide economy will likely impact the financial condition of the District. The District will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility. The District will continue to use the long-range financial model and annual budget framework to ensure that expenditures are aligned with revenues. Efforts will continue to be made to influence Legislators to recommit to their financial support for public education.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

These financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about these statements or need additional financial information, contact the Business Office, Independent School District No. 283, 6311 Wayzata Boulevard, St. Louis Park, Minnesota 55426.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 283

Statement of Net Position  
as of June 30, 2021

(With Partial Comparative Information as of June 30, 2020)

	Governmental Activities	
	2021	2020
<b>Assets</b>		
Cash and temporary investments	\$ 34,978,769	\$ 39,204,478
Receivables		
Current taxes	17,073,578	17,189,609
Delinquent taxes	410,106	379,147
Accounts and interest	541,104	1,553,112
Due from other governmental units	8,302,869	5,149,886
Inventory	22,059	75,956
Prepaid items	196,545	209,734
Restricted assets – temporarily restricted		
Cash and investments for building construction	15,591,785	57,670,771
Cash and investments for OPEB	2,765,008	2,677,874
Capital assets		
Not depreciated	30,507,227	44,497,722
Depreciated, net of accumulated depreciation	<u>130,053,584</u>	<u>87,771,566</u>
Total capital assets, net of accumulated depreciation	<u>160,560,811</u>	<u>132,269,288</u>
Total assets	240,442,634	256,379,855
Deferred outflows of resources		
Pension plan deferments	21,124,655	34,886,446
Single-employer pension plan deferments	630,313	555,392
OPEB plan deferments	<u>720,077</u>	<u>781,472</u>
Total deferred outflows of resources	<u>22,475,045</u>	<u>36,223,310</u>
Total assets and deferred outflows of resources	<u>\$ 262,917,679</u>	<u>\$ 292,603,165</u>
<b>Liabilities</b>		
Salaries payable	\$ 6,313,908	\$ 5,828,865
Accounts and contracts payable	4,064,756	12,789,748
Accrued interest payable	2,071,051	2,141,427
Due to other governmental units	14,657	231,631
Severance payable	-	79,198
Unearned revenue	2,132,353	2,159,910
Claims incurred, but not reported	616,961	428,226
Long-term liabilities		
Due within one year	8,982,910	7,852,942
Due in more than one year	<u>191,390,124</u>	<u>194,021,731</u>
Total long-term liabilities	<u>200,373,034</u>	<u>201,874,673</u>
Total liabilities	215,586,720	225,533,678
Deferred inflows of resources		
Property taxes levied for subsequent year	30,964,559	30,571,526
Pension plan deferments	36,138,085	53,578,205
Single-employer pension plan deferments	186,612	175,908
OPEB plan deferments	<u>1,158,660</u>	<u>656,432</u>
Total deferred inflows of resources	<u>68,447,916</u>	<u>84,982,071</u>
Net position		
Net investment in capital assets	37,444,587	35,154,657
Restricted for		
Capital asset acquisition	4,796,405	3,440,251
Food service	23,771	114,675
Community service	377,321	768,552
Other purposes (state funding restrictions)	1,587,824	3,326,570
Unrestricted	<u>(65,346,865)</u>	<u>(60,717,289)</u>
Total net position	<u>(21,116,957)</u>	<u>(17,912,584)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 262,917,679</u>	<u>\$ 292,603,165</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

Functions/Programs	2021			2020	
	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Administration	\$ 3,059,470	\$ -	\$ -	\$ (3,059,470)	\$ (3,005,456)
District support services	5,703,281	25	5,600	(5,697,656)	(4,493,023)
Elementary and secondary regular instruction	34,046,132	280,784	875,521	(32,889,827)	(33,084,822)
Vocational education instruction	754,089	-	-	(754,089)	(658,411)
Special education instruction	13,750,159	108,810	8,370,169	(5,271,180)	(4,762,568)
Instructional support services	4,665,263	-	-	(4,665,263)	(4,690,756)
Pupil support services	6,751,332	39,172	974,879	(5,737,281)	(5,646,725)
Sites and buildings	9,289,786	-	122,331	(9,167,455)	(11,232,682)
Fiscal and other fixed cost programs	459,560	-	-	(459,560)	(276,349)
Food service	1,573,535	10,505	1,527,195	(35,835)	(215,570)
Community service	6,989,372	3,393,768	2,626,332	(969,272)	(1,926,579)
Unallocated depreciation	3,880,283	-	-	(3,880,283)	(3,594,073)
Interest and fiscal charges	4,559,424	-	-	(4,559,424)	(4,505,516)
<b>Total governmental activities</b>	<b>\$ 95,481,686</b>	<b>\$ 3,833,064</b>	<b>\$ 14,502,027</b>	<b>(77,146,595)</b>	<b>(78,092,530)</b>
General revenue					
Taxes					
Property taxes, levied for general purposes				20,641,070	20,804,298
Property taxes, levied for community service				980,306	949,049
Property taxes, levied for debt service				11,804,889	10,545,737
General grants and aids				39,320,242	37,841,249
Other general revenues				823,342	756,798
Investment earnings				372,373	2,366,525
Total general revenues				<u>73,942,222</u>	<u>73,263,656</u>
Change in net position				(3,204,373)	(4,828,874)
Net position – beginning				<u>(17,912,584)</u>	<u>(13,083,710)</u>
Net position – ending				<u>\$ (21,116,957)</u>	<u>\$ (17,912,584)</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
<b>Assets</b>			
Cash and temporary investments	\$ 23,332,548	\$ –	\$ 7,956,948
Cash and investments held by trustee	–	15,591,785	–
Receivables			
Current taxes	10,008,990	–	6,539,919
Delinquent taxes	264,762	–	132,161
Accounts and interest	139,276	147,758	–
Due from other governmental units	6,597,798	–	–
Due from other funds	1,291,288	–	–
Inventory	–	–	–
Prepaid items	196,545	–	–
	<u>41,831,207</u>	<u>15,739,543</u>	<u>14,629,028</u>
<b>Total assets</b>	<b>\$ 41,831,207</b>	<b>\$ 15,739,543</b>	<b>\$ 14,629,028</b>
<b>Liabilities</b>			
Salaries payable	\$ 6,106,760	\$ –	\$ –
Accounts and contracts payable	1,398,625	2,448,277	–
Due to other governmental units	10,534	–	–
Due to other funds	–	–	–
Severance payable	–	–	–
Unearned revenue	681,099	–	–
<b>Total liabilities</b>	<b>8,197,018</b>	<b>2,448,277</b>	<b>–</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	17,155,444	–	12,783,539
Unavailable revenue – delinquent taxes	199,644	–	93,810
<b>Total deferred inflows of resources</b>	<b>17,355,088</b>	<b>–</b>	<b>12,877,349</b>
<b>Fund balances</b>			
Nonspendable	196,545	–	–
Restricted	6,384,229	13,291,266	1,751,679
Assigned	2,763,949	–	–
Unassigned	6,934,378	–	–
<b>Total fund balances</b>	<b>16,279,101</b>	<b>13,291,266</b>	<b>1,751,679</b>
	<u>41,831,207</u>	<u>15,739,543</u>	<u>14,629,028</u>
<b>Total liabilities, deferred inflow of resources,     and fund balances</b>	<b>\$ 41,831,207</b>	<b>\$ 15,739,543</b>	<b>\$ 14,629,028</b>

Nonmajor Funds	Total Governmental Funds	
	2021	2020
\$ -	\$ 31,289,496	\$ 36,677,013
-	15,591,785	57,670,771
524,669	17,073,578	17,189,609
13,183	410,106	379,147
240,660	527,694	1,493,142
1,705,071	8,302,869	5,149,886
-	1,291,288	280,165
22,059	22,059	75,956
-	196,545	209,734
<u>\$ 2,505,642</u>	<u>\$ 74,705,420</u>	<u>\$ 119,125,423</u>
\$ 207,148	\$ 6,313,908	\$ 5,828,865
89,687	3,936,589	12,692,917
780	11,314	231,631
903,938	903,938	117,020
-	-	79,198
242,634	923,733	942,277
<u>1,444,187</u>	<u>12,089,482</u>	<u>19,891,908</u>
1,025,576	30,964,559	30,571,526
9,998	303,452	310,850
<u>1,035,574</u>	<u>31,268,011</u>	<u>30,882,376</u>
22,059	218,604	285,690
369,035	21,796,209	56,115,329
-	2,763,949	4,239,796
(365,213)	6,569,165	7,710,324
<u>25,881</u>	<u>31,347,927</u>	<u>68,351,139</u>
<u>\$ 2,505,642</u>	<u>\$ 74,705,420</u>	<u>\$ 119,125,423</u>

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INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
Total fund balances – governmental funds	\$ 31,347,927	\$ 68,351,139
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.</p>		
Cost of capital assets	240,736,607	208,464,054
Accumulated depreciation	(80,175,796)	(76,194,766)
<p>Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance.</p>		
General obligation bonds	(126,075,000)	(132,725,000)
Unamortized premium	(9,794,084)	(10,330,176)
Capital leases	(538,406)	(915,673)
Compensated absences	(796,596)	(739,784)
Severance benefits	(3,537,505)	(3,319,169)
Net pension liability	(50,672,545)	(44,242,270)
Single-employer pension liability	(4,048,730)	(4,180,586)
<p>The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.</p>		
Deferred outflows of resources – pension plan deferments	21,124,655	34,886,446
Deferred outflows of resources – single-employer pension plan deferments	630,313	555,392
Deferred inflows of resources – pension plan deferments	(36,138,085)	(53,578,205)
Deferred inflows of resources – single-employer pension plan deferments	(186,612)	(175,908)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in the governmental activities in the Statement of Net Position.</p>		
	(1,225,501)	(1,937,501)
<p>Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.</p>		
	(2,071,051)	(2,141,427)
<p>Certain revenues (including delinquent property taxes) are included in net position, but are excluded from fund balances until they are available to liquidate liabilities of the current period.</p>		
	<u>303,452</u>	<u>310,850</u>
Total net position – governmental activities	<u>\$ (21,116,957)</u>	<u>\$ (17,912,584)</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
<b>Revenue</b>			
Local sources			
Property taxes	\$ 20,648,739	\$ –	\$ 11,804,234
Investment earnings	103,063	221,895	20,185
Other	904,775	50,436	–
State sources	45,054,510	–	–
Federal sources	4,464,368	122,331	27,533
Total revenue	<u>71,175,455</u>	<u>394,662</u>	<u>11,851,952</u>
<b>Expenditures</b>			
Current			
Administration	2,970,384	–	–
District support services	5,751,164	–	–
Elementary and secondary regular instruction	32,469,154	–	–
Vocational education instruction	709,217	–	–
Special education instruction	13,190,356	–	–
Instructional support services	4,596,550	–	–
Pupil support services	6,663,418	–	–
Sites and buildings	7,558,196	–	–
Fiscal and other fixed cost programs	459,560	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	33,959,614	–
Debt service			
Principal	177,662	–	6,650,000
Interest and fiscal charges	20,218	–	5,145,674
Total expenditures	<u>74,565,879</u>	<u>33,959,614</u>	<u>11,795,674</u>
Excess (deficiency) of revenue over expenditures	(3,390,424)	(33,564,952)	56,278
<b>Other financing sources</b>			
Capital lease issued	–	–	–
Debt issued	–	–	–
Premium on debt issued	–	–	–
Proceeds from sale of assets	–	–	–
Total other financing sources	<u>–</u>	<u>–</u>	<u>–</u>
Net change in fund balances	(3,390,424)	(33,564,952)	56,278
<b>Fund balances</b>			
Beginning of year	<u>19,669,525</u>	<u>46,856,218</u>	<u>1,695,401</u>
End of year	<u>\$ 16,279,101</u>	<u>\$ 13,291,266</u>	<u>\$ 1,751,679</u>

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2021	2020
\$ 980,690	\$ 33,433,663	\$ 32,342,488
505	345,648	2,291,354
3,404,273	4,359,484	6,303,351
1,323,768	46,378,278	46,513,610
2,829,759	7,443,991	3,318,674
<u>8,538,995</u>	<u>91,961,064</u>	<u>90,769,477</u>
–	2,970,384	2,773,649
–	5,751,164	4,475,982
–	32,469,154	31,996,647
–	709,217	615,702
–	13,190,356	11,936,163
–	4,596,550	4,515,915
–	6,663,418	6,320,400
–	7,558,196	7,009,165
–	459,560	276,349
1,597,330	1,597,330	2,016,624
7,012,752	7,012,752	7,576,472
33,027	33,992,641	48,185,799
–	6,827,662	6,615,690
–	5,165,892	4,896,561
<u>8,643,109</u>	<u>128,964,276</u>	<u>139,211,118</u>
(104,114)	(37,003,212)	(48,441,641)
–	–	42,731
–	–	23,099,442
–	–	2,641,233
–	–	575
<u>–</u>	<u>–</u>	<u>25,783,981</u>
(104,114)	(37,003,212)	(22,657,660)
<u>129,995</u>	<u>68,351,139</u>	<u>91,008,799</u>
<u>\$ 25,881</u>	<u>\$ 31,347,927</u>	<u>\$ 68,351,139</u>

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INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
Total net change in fund balances – governmental funds	\$ (37,003,212)	\$ (22,657,660)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase. A gain or loss on disposal of capital assets is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
Capital outlays	32,272,553	43,832,838
Depreciation expense	(3,981,030)	(3,803,435)
The amount of debt issued including the related premiums/discounts are reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds	–	(22,795,000)
Unamortized premium	–	(2,945,675)
Capital leases	–	(42,731)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	712,000	356,407
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances. Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance.		
General obligation bonds	6,650,000	6,190,000
Unamortized premium	536,092	654,682
Capital leases	377,267	425,690
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	(6,430,275)	38,131
Single-employer pension liability	131,856	(58,513)
Compensated absences	(56,812)	5,996
Severance benefits	(218,336)	(191,120)
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	70,376	(331,222)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(13,761,791)	(16,447,410)
Deferred outflows of resources – single-employer pension plan deferments	74,921	170,382
Deferred outflows of resources – gain on bond refunding	–	67,585
Deferred inflows of resources – pension plan deferments	17,440,120	12,717,040
Deferred inflows of resources – single-employer pension plan deferments	(10,704)	28,545
Deferred inflows of resources – unavailable revenue – delinquent taxes	(7,398)	(43,404)
Change in net position – governmental activities	<u>\$ (3,204,373)</u>	<u>\$ (4,828,874)</u>

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INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 20,140,000	\$ 20,140,000	\$ 20,648,739	\$ 508,739
Investment earnings	280,000	280,000	103,063	(176,937)
Other	1,204,080	1,063,505	904,775	(158,730)
State sources	45,317,000	45,035,393	45,054,510	19,117
Federal sources	1,879,962	3,965,219	4,464,368	499,149
Total revenue	<u>68,821,042</u>	<u>70,484,117</u>	<u>71,175,455</u>	<u>691,338</u>
Expenditures				
Current				
Administration	3,496,720	2,888,540	2,970,384	81,844
District support services	4,489,600	5,858,691	5,751,164	(107,527)
Elementary and secondary regular instruction	32,939,739	33,522,983	32,469,154	(1,053,829)
Vocational education instruction	624,040	553,109	709,217	156,108
Special education instruction	11,658,119	12,337,898	13,190,356	852,458
Instructional support services	4,645,755	4,378,621	4,596,550	217,929
Pupil support services	6,762,536	6,653,805	6,663,418	9,613
Sites and buildings	6,596,405	7,444,724	7,558,196	113,472
Fiscal and other fixed cost programs	470,000	470,000	459,560	(10,440)
Debt service				
Principal	653,256	293,256	177,662	(115,594)
Interest and fiscal charges	30,221	24,221	20,218	(4,003)
Total expenditures	<u>72,366,391</u>	<u>74,425,848</u>	<u>74,565,879</u>	<u>140,031</u>
Net change in fund balances	<u>\$ (3,545,349)</u>	<u>\$ (3,941,731)</u>	<u>(3,390,424)</u>	<u>\$ 551,307</u>
Fund balances				
Beginning of year			<u>19,669,525</u>	
End of year			<u>\$ 16,279,101</u>	

INDEPENDENT SCHOOL DISTRICT NO. 283

Statement of Net Position  
 Proprietary Funds  
 Internal Service Funds  
 as of June 30, 2021

(With Partial Comparative Information as of June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and temporary investments	\$ 3,689,273	\$ 2,527,465
Cash and investments – held by trustee	2,765,008	2,677,874
Accounts and interest receivable	13,410	59,970
Total current assets	<u>6,467,691</u>	<u>5,265,309</u>
Deferred outflows of resources		
OPEB plan deferments	720,077	781,472
Liabilities		
Current liabilities		
Claims payable	128,167	96,831
Unearned revenue	1,208,620	1,217,633
Claims incurred, but not reported	616,961	428,226
Due to other governmental units	3,343	–
Due to other funds	387,350	163,145
Total OPEB liability – due within one year	<u>332,301</u>	<u>–</u>
Total current liabilities	2,676,742	1,905,835
Long-term liabilities		
Total OPEB liability – due in more than one year	<u>4,577,867</u>	<u>5,422,015</u>
Total liabilities	7,254,609	7,327,850
Deferred inflows of resources		
OPEB plan deferments	<u>1,158,660</u>	<u>656,432</u>
Net position		
Unrestricted	<u>\$ (1,225,501)</u>	<u>\$ (1,937,501)</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
Operating revenue		
Contributions from governmental funds	\$ 10,022,907	\$ 8,450,093
Operating expenses		
Dental benefit claims	634,793	516,208
Medical benefit claims	8,318,513	7,223,081
OPEB	384,326	429,568
Total operating expenses	<u>9,337,632</u>	<u>8,168,857</u>
Operating income	685,275	281,236
Nonoperating revenue		
Investment earnings	<u>26,725</u>	<u>75,171</u>
Change in net position	712,000	356,407
Net position		
Beginning of year	<u>(1,937,501)</u>	<u>(2,293,908)</u>
End of year	<u>\$ (1,225,501)</u>	<u>\$ (1,937,501)</u>

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INDEPENDENT SCHOOL DISTRICT NO. 283

Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2021

(With Partial Comparative Information for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Contributions from governmental funds	\$ 10,013,894	\$ 9,590,844
Payments for dental claims	(623,774)	(521,249)
Payments for medical claims	(8,106,118)	(6,727,505)
Payments for OPEB	<u>(332,550)</u>	<u>(330,327)</u>
Net cash flows from operating activities	951,452	2,011,763
Cash flows from noncapital financing activities		
Payments from other funds	<u>224,205</u>	<u>163,145</u>
Cash flows from investing activities		
Investment income received	<u>73,285</u>	<u>80,554</u>
Net change in cash and cash equivalents	1,248,942	2,255,462
Cash and cash equivalents		
Beginning of year	<u>5,205,339</u>	<u>2,949,877</u>
End of year	<u>\$ 6,454,281</u>	<u>\$ 5,205,339</u>
Presented on Statement of Net Position as follows:		
Cash and temporary investments	\$ 3,689,273	\$ 2,527,465
Cash and investments – held by trustee	<u>2,765,008</u>	<u>2,677,874</u>
Total cash and cash equivalents	<u>\$ 6,454,281</u>	<u>\$ 5,205,339</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 685,275	\$ 281,236
Adjustments to reconcile operating income to cash provided by operating activities		
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources		
Deferred outflows of resources	61,395	2,270
Total OPEB liability	(511,847)	195,554
Claims payable	31,336	79,984
Unearned revenue	(9,013)	1,140,751
Deferred inflows of resources	502,228	(98,583)
Claims incurred, but not reported	188,735	410,551
Due to other governmental units	<u>3,343</u>	<u>–</u>
Net cash flows from operating activities	<u>\$ 951,452</u>	<u>\$ 2,011,763</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Scholarship and Other Custodial Fund
	<u>                    </u>
Assets	
Cash and temporary investments	\$ 140,253
Liabilities	
	<u>933</u>
Net position	
Restricted for scholarships and other custodial purposes	<u>\$ 139,320</u>

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

	Scholarship and Other Custodial Fund
	<u>                    </u>
Additions	
Contributions	
Private donations	\$ 350
Investment earnings	643
Total additions	<u>993</u>
Deductions	
Scholarships and other deductions	<u>7,613</u>
Change in net position	(6,620)
Net position	
Beginning of year	<u>145,940</u>
End of year	<u>\$ 139,320</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Basic Financial Statements  
June 30, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

Independent School District No. 283 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a seven-member School Board elected by the voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. Reporting Entity**

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

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

**C. Government-Wide Financial Statement Presentation**

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

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

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

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

For capital assets that can be specifically identified with, or allocated to functional areas, depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. For capital assets that essentially serve all functional areas, depreciation expense is reported as “unallocated depreciation.” Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### D. Fund Financial Statement Presentation

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

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days after year-end. Grants and similar revenues are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to Minnesota Statutes. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

Internal service funds are presented in the proprietary fund financial statements. Internal service funds account for the 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. Because the principal users of the internal services are the District’s governmental activities, the internal service funds are 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 funds are charges to customers (other district funds) for services. Operating expenses for the internal service funds include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

### **Description of Funds**

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

### **Major Governmental Funds**

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

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

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

### **Nonmajor Governmental Funds**

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

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

### **Proprietary Funds**

**Internal Service Funds** – The District has established internal service funds to account for dental and medical benefits provided to employees as self-insured plans and OPEB Revocable Trust Fund activities.

### **Fiduciary Fund**

**Scholarship and Other Custodial Funds** – The Scholarship and Other Custodial Funds is used to account for resources held in trust to be used by various other third parties to award scholarships to former students of the District and donations made for specific purposes.

### **E. Budgetary Information**

The School Board adopts an annual budget for all governmental funds on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end. Actual expenditures exceeded budgeted amounts in the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund by \$140,031, \$144,077, and \$450,506, respectively. Revenues in excess of budget and available fund balance covered the variances.

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

### **F. Cash and Temporary Investments**

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

Cash and investments held by trustee include balances held in segregated accounts established for specific purposes. In the Capital Projects – Building Construction Fund these assets represent amounts held for future capital projects related to previous bond issues. In the Post-Employment Benefits Trust Fund, these assets represent amounts contributed to an irrevocable trust established to finance the District's liability for post-employment insurance benefits. Earnings from all trust fund investments are allocated directly to the respective funds.

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

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

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

### **G. Receivables**

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. The only receivables not expected to be fully collected within one year are 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 basis. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

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

### **I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

### **J. Property Taxes**

The majority of district revenue is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aids by the Minnesota Legislature based on education funding priorities.

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the “tax shift,” which periodically changes the District’s recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year’s levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$2,409,018 of the property tax levy collectible in 2021 as revenue to the District in fiscal year 2020–2021. The remaining portion of the taxes collectible in 2021 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

### **K. Capital Assets**

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

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 40 years for land improvements, buildings, and building improvements and 5 to 15 years for furniture and equipment. Land and construction in progress are not depreciated.

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

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

### **L. Long-Term Obligations**

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

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

### **M. Compensated Absences**

Eligible employees accrue vacation and sick leave at varying rates as specified by contract, portions of which may be carried over to future years. Employees are reimbursed for any unused accrued vacation upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.

### **N. Severance Benefits**

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

Severance pay based on convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements as the liability matures prior to year-end.

### **O. State-Wide Pension Plans**

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

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

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

**P. Other Post-Employment Benefits (OPEB) Plan**

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

**Q. Risk Management**

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which it carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District’s insurance coverage in fiscal year 2021.
2. **Self-Insurance** – The District has established internal service funds to account for and finance its uninsured risk of loss for its employee medical and dental insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various medical and dental costs as described in the plan. The District makes premium payments to the internal service funds on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss insurance premium costs and administrative service charges.

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

Changes in the balance for dental insurance claim liabilities for the last two years were:

Fiscal Year Ended June 30,	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable End of Year
2020	\$ 17,675	\$ 516,208	\$ 520,001	\$ 13,882
2021	\$ 13,882	\$ 634,793	\$ 639,494	\$ 9,181

Changes in the balance for medical insurance claim liabilities for the last year were:

Fiscal Year Ended June 30,	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable End of Year
2020	\$ –	\$ 7,223,081	\$ 6,808,737	\$ 414,344
2021	\$ 414,344	\$ 8,318,513	\$ 8,125,077	\$ 607,780

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

### R. Deferred Outflows/Inflows of Resources

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

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

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

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

### S. Net Position

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

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

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

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

### T. Fund Balance Classifications

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

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

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

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

### U. Use of Estimates

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

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

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

### W. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements, such as a bond indenture. Restricted assets are reported only in the government-wide financial statements. In the fund financial statements, these assets have been reported as “cash and investments held by trustee.”

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Components of Cash and Investments

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

Deposits	\$	7,500,688
Investments		45,973,627
Cash on hand		<u>1,500</u>
Total	\$	<u><u>53,475,815</u></u>

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

Government-Wide Statement of Net Position		
Cash and temporary investments	\$	34,978,769
Restricted assets – temporarily restricted		
Cash and investments for building construction		15,591,785
Cash and investments for OPEB		2,765,008
Statement of Fiduciary Net Position		
Cash and temporary investments		<u>140,253</u>
Total	\$	<u><u>53,475,815</u></u>

### B. Deposits

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

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

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

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

At year-end, the carrying amount of the District’s deposits was \$7,500,688, while the balance on the bank records was \$10,406,031. At June 30, 2021, all deposits were insured or collateralized by securities held by the District’s agent in the District’s name.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Investment Risk – Maturity Duration in Years			Total
	Rating	Agency		Less Than 1	1 to 5	6 to 10	
<b>General obligation bonds</b>							
State and local bonds	AAA	S&P	Level 2	\$ 2,710,852	\$ 249,878	\$ –	\$ 2,960,730
State and local bonds	Aaa	Moody's	Level 2	\$ –	\$ –	\$ 196,329	196,329
State and local bonds	AA	S&P	Level 2	\$ 3,334,506	\$ –	\$ –	3,334,506
Negotiable certificates of deposit	N/R	N/A	Level 2	\$ 2,982,666	\$ –	\$ –	2,982,666
U.S. treasuries	AA	S&P	Level 2	\$ 501,620	\$ –	\$ –	501,620
<b>Investment pools/mutual funds</b>							
MNTrust Term Series	N/R	N/A	Amortized Cost	\$ 1,000,000	\$ –	\$ –	1,000,000
MNTrust Limited Term Duration Series	N/R	N/A	Amortized Cost	N/A	N/A	N/A	8,333,281
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized Cost	N/A	N/A	N/A	26,664,495
<b>Total investments</b>							<b>\$ 45,973,627</b>

N/A – Not Applicable

N/R – Not Rated

The Minnesota Trust (MNTrust) Investment Shares Portfolio, MNTrust Limited Term Duration Series, and the MNTrust Term Series are external investment pools regulated by Minnesota Statutes not registered with the Securities and Exchange Commission. The District's investment in these pools is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For these investment pools there are no restriction or limitations on withdrawals, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice. MNTrust Term Series Portfolios are intended to be held until maturity; a participant's withdrawal prior to maturity will require seven-days' notice of redemption and will likely carry a penalty, which could be substantial in that it would be intended to allow the MNTrust Term Series Portfolio to recoup any associated penalties, charges, losses, or other costs associated with the early redemption of the investments therein. Investments in the MNTrust Limited Term Duration must be deposited for a minimum of 30 calendar days.

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

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

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

**Concentration Risk** – This is the risk associated with investing a significant portion of the District’s investments (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk.

### NOTE 3 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 7,812,500	\$ –	\$ –	\$ –	\$ 7,812,500
Construction in progress	36,685,222	15,805,074	–	(29,795,569)	22,694,727
Total capital assets, not depreciated	44,497,722	15,805,074	–	(29,795,569)	30,507,227
Capital assets, depreciated					
Land improvements	264,344	–	–	–	264,344
Buildings and improvements	103,054,713	16,255,905	–	29,795,569	149,106,187
Furniture and equipment	60,647,275	211,574	–	–	60,858,849
Total capital assets, depreciated	163,966,332	16,467,479	–	29,795,569	210,229,380
Less accumulated depreciation for					
Land improvements	(159,200)	(9,320)	–	–	(168,520)
Buildings and improvements	(22,531,262)	(2,999,137)	–	–	(25,530,399)
Furniture and equipment	(53,504,304)	(972,573)	–	–	(54,476,877)
Total accumulated depreciation	(76,194,766)	(3,981,030)	–	–	(80,175,796)
Net capital assets, depreciated	87,771,566	12,486,449	–	29,795,569	130,053,584
Total capital assets, net	\$ 132,269,288	\$ 28,291,523	\$ –	\$ –	\$ 160,560,811

Depreciation expense was charged to the following governmental functions:

Administration	\$ 11,083
Elementary and secondary regular instruction	30,222
Special education instruction	3,327
Instructional support services	22,795
Pupil support services	20,177
Community service	13,143
Unallocated depreciation	3,880,283
Total depreciation expense	\$ 3,981,030

### NOTE 4 – LONG-TERM LIABILITIES

#### A. General Obligation Bonds

The District currently has the following general obligation bonds outstanding:

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
Facilities bonds					
2010A Capital Facilities Bonds	07/15/2010	1.75–5.30%	\$ 885,000	02/01/2025	\$ 260,000
2015A Alternative Facilities Bonds	05/27/2015	2.00%	\$ 2,195,000	02/01/2023	1,500,000
2019A Facilities Maintenance Bonds	07/18/2019	3.00–5.00%	\$ 22,795,000	02/01/2036	22,300,000
School building bonds					
2014A School Building Bonds	02/19/2014	1.00–3.00%	\$ 14,900,000	02/01/2023	9,705,000
2018A School Building Bonds	02/15/2018	3.13–5.00%	\$ 92,950,000	02/01/2038	92,310,000
Total general obligation bonds					\$ 126,075,000

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

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

#### B. Capital Leases

The District has entered into a capital lease for the purchase of capital assets. At the end of each agreement, the District owns the assets or has the right to purchase them for \$1. If the values of the individual assets acquired through the lease agreements exceed the District's capitalization threshold, the assets are reported in equipment at the values noted below, and the amortization of the lease cost is included in depreciation.

All lease agreements are being paid by the General Fund. Capital lease agreements outstanding at year-end are as follows:

<u>Asset Leased</u>	<u>Asset Value Capitalized</u>	<u>Interest Rate</u>	<u>Lease Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Peter Hobart Elementary School remodeling	\$ 964,000	3.15 %	07/24/2013	08/01/2028	\$ 538,406

Failure by the District to pay any payments under these agreements, or upon the occurrence of and continuation of an event of default, the lender, without any further demand or notice, may take one or any combination of the following steps: 1) the lender, with or without terminating the agreement, may declare all payments due, or become due, during the fiscal year in effect when the default occurs; 2) the lender may repossess the facility or equipment by giving the District written notice to surrender the facility or equipment to the lender and; 3) the lender will thereafter use its best efforts to sell or lease its interest in the facility or equipment, or any portion thereof, in a commercially reasonable manner, in accordance with applicable state laws. The lender may also pursue any other remedy available to require the District to perform any of its obligations in these agreements.

#### C. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including severance benefits, compensated absences, pension benefits, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are paid from the General Fund, Food Service Special Revenue Fund, Community Service Special Revenue Fund, and Other Post-Employment Benefits Internal Service Fund.

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

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

Pension Plans	Net/Total Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	\$ 10,761,845	\$ 1,245,909	\$ 619,987	\$ 351,393
State-wide, multiple-employer – TRA	39,910,700	19,878,746	35,518,098	6,099,840
Single-employer – District	4,048,730	630,313	186,612	238,380
Total	\$ 54,721,275	\$ 21,754,968	\$ 36,324,697	\$ 6,689,613

#### D. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2022	\$ 7,180,000	\$ 4,970,521	\$ 64,727	\$ 16,459
2023	7,635,000	4,729,471	66,781	14,404
2024	5,735,000	4,468,806	68,902	12,284
2025	5,930,000	4,181,926	71,089	10,096
2026	6,160,000	3,885,232	73,346	7,839
2027–2031	35,715,000	14,504,006	193,561	9,248
2032–2036	42,585,000	6,785,713	–	–
2037–2038	15,135,000	799,050	–	–
	\$ 126,075,000	\$ 44,324,725	\$ 538,406	\$ 70,330

#### E. Changes in Long-Term Liabilities

	June 30, 2020	Additions	Retirements	Debt Cancellation	June 30, 2021	Due Within One Year
General obligation bonds	\$ 132,725,000	\$ –	\$ 6,650,000	\$ –	\$ 126,075,000	\$ 7,180,000
Premiums	10,330,176	–	536,092	–	9,794,084	–
Capital leases	915,673	–	177,662	199,605	538,406	64,727
Net pension liability	44,242,270	10,157,892	3,727,617	–	50,672,545	–
Single-employer pension liability	4,180,586	238,380	370,236	–	4,048,730	373,704
Total OPEB liability	5,422,015	384,077	895,924	–	4,910,168	332,301
Compensated absences	739,784	893,983	837,171	–	796,596	796,596
Severance benefits	3,319,169	624,376	406,040	–	3,537,505	235,582
	\$ 201,874,673	\$ 12,298,708	\$ 13,600,742	\$ 199,605	\$ 200,373,034	\$ 8,982,910

## NOTE 5 – FUND BALANCES

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

### A. Classifications

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
<b>Nonspendable</b>					
Inventory	\$ –	\$ –	\$ –	\$ 22,059	\$ 22,059
Prepaid items	196,545	–	–	–	196,545
Total nonspendable	196,545	–	–	22,059	218,604
<b>Restricted</b>					
Student activities	193,043	–	–	–	193,043
Operating capital	3,454,974	–	–	–	3,454,974
Technology levy	1,279,596	–	–	–	1,279,596
Food service	–	–	–	1,712	1,712
Community service	–	–	–	367,323	367,323
Long-term facilities maintenance	1,341,431	7,863,812	–	–	9,205,243
Capital projects	–	5,427,454	–	–	5,427,454
Medical Assistance	115,185	–	–	–	115,185
Debt service	–	–	1,751,679	–	1,751,679
Total restricted	6,384,229	13,291,266	1,751,679	369,035	21,796,209
<b>Assigned</b>					
Subsequent year’s budget	1,107,029	–	–	–	1,107,029
Severance payments	1,656,920	–	–	–	1,656,920
Total assigned	2,763,949	–	–	–	2,763,949
<b>Unassigned</b>					
General Fund	6,934,378	–	–	–	6,934,378
Community education restricted account deficit	–	–	–	(365,213)	(365,213)
Total unassigned	6,934,378	–	–	(365,213)	6,569,165
Total	\$ 16,279,101	\$ 13,291,266	\$ 1,751,679	\$ 25,881	\$ 31,347,927

### B. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy that establishes a desired unassigned General Fund. The policy states the District establishes a year-end minimum unassigned fund balance of 6.0 percent of current year’s General Fund noncategorical expenditures.

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

### **A. Plan Descriptions**

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

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

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

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

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

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

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

### **B. Benefits Provided**

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

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

#### **1. GERF Benefits**

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

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

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

### 2. TRA Benefits

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

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

#### Tier I Benefits

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

With these provisions:

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

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

**Tier II Benefits**

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

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

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

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

**C. Contributions**

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

**1. GERF Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2021, were \$956,639. The District’s contributions were equal to the required contributions as set by state statutes.

**2. TRA Contributions**

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

	Year Ended June 30,					
	2019		2020		2021	
	Employee	Employer	Employee	Employer	Employee	Employer
<b>Basic Plan</b>	11.00 %	11.71 %	11.00 %	11.92 %	11.00 %	12.13 %
<b>Coordinated Plan</b>	7.50 %	7.71 %	7.50 %	7.92 %	7.50 %	8.13 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2021, were \$2,614,040. The District’s contributions were equal to the required contributions for each year as set by state statutes.

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

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

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

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

### D. Pension Costs

#### 1. GERF Pension Costs

At June 30, 2021, the District reported a liability of \$10,761,845 for its proportionate share of the General Employees Fund’s net pension liability. The District’s net pension liability reflected a reduction due to the state of Minnesota’s contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The state of Minnesota’s proportionate share of the net pension liability associated with the District totaled \$331,973. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA’s participating employers. The District’s proportionate share was 0.1795 percent at the end of the measurement period and 0.1787 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 10,761,845
State’s proportionate share of the net pension liability associated with the District	\$ 331,973

For the year ended June 30, 2021, the District recognized pension expense of \$322,517 for its proportionate share of the GERF’s pension expense. In addition, the District recognized \$28,876 as grant revenue for its proportionate share of the state of Minnesota’s pension expense for the annual \$16 million contribution.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 97,747	\$ 40,718
Changes in actuarial assumptions	–	399,878
Net collective difference between projected and actual investment earnings	158,350	–
Changes in proportion	33,173	179,391
District’s contributions to the GERF subsequent to the measurement date	956,639	–
Total	<u>\$ 1,245,909</u>	<u>\$ 619,987</u>

The \$956,639 reported as deferred outflows of resources related to pensions resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	\$ (764,629)
2023	\$ (41,693)
2024	\$ 215,595
2025	\$ 260,010

**2. TRA Pension Costs**

At June 30, 2021, the District reported a liability of \$39,910,700 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District’s proportionate share was 0.5402 percent at the end of the measurement period and 0.5391 percent for the beginning of the period.

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

District’s proportionate share of the net pension liability	\$ 39,910,700
State’s proportionate share of the net pension liability associated with the District	\$ 3,344,802

For the year ended June 30, 2021, the District recognized pension expense of \$5,793,434. It also recognized \$306,406 as an increase to pension expense for the support provided by direct aid.

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

At June 30, 2021, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 800,371	\$ 611,789
Changes in actuarial assumptions	14,155,982	33,867,555
Net difference between projected and actual investment earnings on pension plan investments	573,422	–
Changes in proportion	1,734,931	1,038,754
District’s contributions to the TRA subsequent to the measurement date	2,614,040	–
Total	<u>\$ 19,878,746</u>	<u>\$ 35,518,098</u>

A total of \$2,614,040 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	\$ 1,073,478
2023	\$ (11,758,740)
2024	\$ (8,598,133)
2025	\$ 852,235
2026	\$ 177,768

**E. Actuarial Assumptions**

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

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

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

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

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

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

### **1. GERF**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

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

#### **CHANGES IN PLAN PROVISIONS**

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

### **2. TRA**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

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

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

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

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

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

### F. Discount Rate

#### 1. GERF

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

#### 2. TRA

The discount rate used to measure the total pension liability was 7.50 percent. There was no change since the prior measurement. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2020 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

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

### G. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the GERF net pension liability	\$ 17,247,505	\$ 10,761,845	\$ 5,411,697
TRA discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the TRA net pension liability	\$ 61,102,859	\$ 39,910,700	\$ 22,449,432

### H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the PERA website at [www.mnpera.org](http://www.mnpera.org).

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

## NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

### A. Plan Description

The District provides pension benefits to certain eligible employees through its Pension Benefits Plan, a single-employer defined benefit plan administered by the District. All pension benefits are based on contractual agreements with employee groups, with eligibility based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are available to the following groups: building operations supervisors, clerical/secretarial association, community education coordinators, custodial/maintenance personnel, director of assessment, director of information services, director of special services, principal and assistant principals, professional personnel, school nutrition personnel, support personnel, student data coordinator, supervisors/managers, and teachers.

### B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has not established a trust fund to finance these pension benefits.

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

**C. Membership**

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

Active plan members	140
Retirees and beneficiaries receiving benefits	<u>1</u>
Total	<u><u>141</u></u>

**D. Actuarial Methods and Assumptions**

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

Discount rate	2.45%
20-year municipal bond yield	2.45%
Inflation rate	2.25%

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on MP-2015 Generational Improvement Scale for teachers and the Pub-2010 General Mortality Tables with projected mortality improvements based on MP-2019 Generational Improvement Scale for nonteachers.

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies. Annual salary increases are based on the most recently disclosed assumption for the pension plan in which the employee participates.

**E. Discount Rate**

The discount rate used to measure the pension liability was 2.45 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

**F. Changes in the Total Pension Liability**

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2020	\$ 4,180,586
Changes for the year	
Service cost	172,090
Interest	128,622
Differences between expected and actual experience	(44,888)
Assumption changes	102,616
Changes of benefit terms	(3,622)
Benefit payments – employer-financed	<u>(486,674)</u>
Total net changes	<u>(131,856)</u>
Ending balance – June 30, 2021	<u><u>\$ 4,048,730</u></u>

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

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.13 percent to 2.45 percent.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Retirement Plan and July 1, 2018 TRA valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

Plan provision changes since the prior measurement date include the following:

- Severance benefits were removed from several individual director and coordinator contracts.

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	1.45%	2.45%	3.45%
Total pension liability	\$ 4,193,101	\$ 4,048,730	\$ 3,898,038

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

For the current year ended, the District recognized a pension expense of \$238,380, and at year-end reported the following deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 46,454	\$ 39,249
Changes in actuarial assumptions	149,406	147,363
District contributions subsequent to the measurement date	<u>434,453</u>	<u>–</u>
Total	<u>\$ 630,313</u>	<u>\$ 186,612</u>

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

A total of \$434,453 reported as deferred outflows of resources related to contributions to the single-employer plan subsequent to the measurement date will be recognized as a reduction of total pension liability in the year ending June 30, 2022. These amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	\$ (4,290)
2023	\$ (4,290)
2024	\$ (4,290)
2025	\$ (4,290)
2026	\$ 1,393
Thereafter	\$ 25,015

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**

**A. Plan Description**

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**B. Benefits Provided**

All retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays the eligible retiree’s premiums for medical, dental, and/or life insurance, for some period after retirement. The length of the benefits to be paid by the District differ by bargaining unit.

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

## NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

### C. Contributions

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

### D. Membership

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

Retirees and beneficiaries receiving benefits	16
Active plan members	<u>740</u>
Total members	<u><u>756</u></u>

### E. Total OPEB Liability of the District

The District's total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020.

### F. Actuarial Methods and Assumptions

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

Discount rate	2.45%
20-year municipal bond yield	2.45%
Inflation rate	2.25%
Medical trend rate	6.70%, grading to 3.80% over 55 years

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on MP-2015 Generational Improvement Scale for teachers and Pub-2010 General Mortality Tables with projected mortality improvements based on MP-2019 Generational Improvement Scale for nonteachers.

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

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information, as well as consistency with other economic assumptions. Annual salary increases are based on the most recently disclosed assumption for the pension plan in which the employee participates.

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**G. Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Beginning balance – July 1, 2020	\$ 5,422,015
Changes for the year	
Service cost	309,654
Interest	174,232
Differences between expected and actual experience	(629,621)
Assumption changes	(49,830)
Changes in benefit terms	14,045
Benefit payments	<u>(330,327)</u>
Total net changes	<u>(511,847)</u>
Ending balance – June 30, 2021	<u>\$ 4,910,168</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.13 percent to 2.45 percent.
- Healthcare trend medical and dental rates were reset to reflect updated cost increase expectations. Medical trend updates include the repeal of the Affordable Care Act’s Excise Tax on high-cost health insurance plans.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Retirement Plan and July 1, 2018 TRA valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

Plan provision changes since the prior measurement date include the following:

- Severance benefits were removed from several individual director, coordinator, and technical personnel contracts.

**H. Total OPEB Liability Sensitivity to Discount and Medical Cost Trend Rate Changes**

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	1.45%	2.45%	3.45%
Total OPEB liability	\$ 5,139,379	\$ 4,910,168	\$ 4,676,630

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

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

	1% Decrease in Medical Cost Trend Rate	Medical Cost Trend Rate	1% Increase in Medical Cost Trend Rate
OPEB medical cost trend rate	5.70%, decreasing to 3.80% over 55 years	6.70%, decreasing to 3.80% over 55 years	7.70%, decreasing to 3.80% over 55 years
Total OPEB liability	\$ 4,493,056	\$ 4,910,168	\$ 5,389,137

**I. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources**

For the current year ended, the District recognized OPEB expense of \$384,077. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability	\$ 287,648	\$ 556,748
Changes in actuarial assumptions	100,128	601,912
District contributions subsequent to the measurement date	332,301	–
Total	<u>\$ 720,077</u>	<u>\$ 1,158,660</u>

A total of \$332,301 reported as deferred outflows of resources related to contributions to the OPEB Plan subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	OPEB Expense Amount
2022	\$ (113,854)
2023	\$ (113,854)
2024	\$ (113,854)
2025	\$ (113,854)
2026	\$ (108,397)
Thereafter	\$ (207,071)

## **NOTE 9 – FLEXIBLE BENEFIT PLAN**

The District has established the St. Louis Park Employees' Flex-Benefits Plan (the Plan). The Plan is a flexible benefit plan classified as a "cafeteria plan" under § 125 of the IRC. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for health insurance, healthcare, and dependent care benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

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

The employee portion of insurance premiums (health, dental, and disability) are withheld and paid by the District directly to the designated insurance companies. The dependent care and medical expense reimbursement portions of the Plan are administered by an independent contract administrator. All plan activity is accounted for in the General Fund and special revenue funds. All property of the Plan and income attributable to that property is solely the property of the District, subject to the claims of the District's general creditors. Participants' rights under the Plan are equal to those of general creditors of the District in an amount equal to the eligible healthcare and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

## **NOTE 10 – COMMITMENTS AND CONTINGENCIES**

### **A. Legal Claims**

The District has the usual and customary types of miscellaneous legal claims pending at year-end, mostly of a minor nature and usually covered by insurance carried for that purpose.

### **B. Federal and State Receivables**

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

### **C. Construction Contracts**

At June 30, 2021, the District had commitments totaling \$9,471,101 under construction contracts for which the work was not yet completed.

## NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

### D. Operating Leases

The District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights and, therefore, the results of the lease agreements are not reflected as a liability in the District's financial statements. Total expenditures for these leases for the year totaled \$238,764. Annual minimum lease payments for the operating leases are as follows:

Year Ending June 30,	Amount
2022	\$ 196,011
2023	199,931
2024	203,930
2025	208,008
2026	212,169
2027–2028	437,152
	<u>\$ 1,457,201</u>

Failure by the District to pay any payments under these agreements, or upon the occurrence of and continuation of an event of default, the lender, without any further demand or notice, may take one or any combination of the following steps: 1) the lender, with or without terminating the agreement, may declare all payments due, or become due, during the fiscal year in effect when the default occurs; 2) the lender may no longer provide access to the facility by giving the District written notice to surrender the facility or and; 3) the lender will thereafter use its best efforts to sell or lease its interest in the facility or equipment, or any portion thereof, in a commercially reasonable manner, in accordance with applicable state laws. The lender may also pursue any other remedy available to require the District to perform any of its obligations in these agreements.

### E. COVID-19

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

### F. Solar Power Purchase Commitment

During fiscal year 2021, the District entered into nine solar subscription agreements with an outside company for each of the District buildings. The District is committed to purchasing 100 percent of the annual delivered energy from the solar systems for a period of 25 years from the commercial operation date to receive bill credits associated with the energy production.

**NOTE 11 – INTERFUND BALANCE**

The District's General Fund has a receivable of \$1,291,288 at year-end, due from the Post-Employment Benefits Internal Service Fund of \$387,350 related to reimbursements of OPEB costs, \$129,783 from the Food Service Special Revenue Fund for cash flow purposes, and \$774,155 from the Community Service Special Revenue Fund for cash flow purposes. Interfund receivables and payables reported in the fund financial statements are eliminated to the extent possible in the government-wide financial statements.

**NOTE 12 – DEFICIT NET POSITION**

At June 30, 2021, the District's Other Post-Employment Benefits Internal Service Fund reported a deficit net position of \$2,957,683.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 283

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

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.1889%	\$ 8,873,576	\$ -	\$ 8,873,576	\$ 11,746,254	75.54%	78.70%
06/30/2016	06/30/2015	0.1838%	\$ 9,525,470	\$ -	\$ 9,525,470	\$ 12,107,860	78.67%	78.20%
06/30/2017	06/30/2016	0.1856%	\$ 15,069,799	\$ 196,897	\$ 15,266,696	\$ 13,223,419	113.96%	68.90%
06/30/2018	06/30/2017	0.1878%	\$ 11,989,028	\$ 150,271	\$ 12,139,299	\$ 13,404,414	89.44%	75.90%
06/30/2019	06/30/2018	0.1816%	\$ 10,074,423	\$ 330,535	\$ 10,404,958	\$ 13,732,693	73.36%	79.50%
06/30/2020	06/30/2019	0.1787%	\$ 9,879,923	\$ 307,153	\$ 10,187,076	\$ 12,518,036	78.93%	80.20%
06/30/2021	06/30/2020	0.1795%	\$ 10,761,845	\$ 331,973	\$ 11,093,818	\$ 12,747,970	84.42%	79.10%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 798,857	\$ 798,857	\$ -	\$ 12,107,860	6.60%
06/30/2016	\$ 860,304	\$ 860,304	\$ -	\$ 13,223,419	6.51%
06/30/2017	\$ 909,358	\$ 909,358	\$ -	\$ 13,404,414	6.78%
06/30/2018	\$ 915,421	\$ 915,421	\$ -	\$ 13,732,693	6.67%
06/30/2019	\$ 939,245	\$ 939,245	\$ -	\$ 12,518,036	7.50%
06/30/2020	\$ 955,918	\$ 955,918	\$ -	\$ 12,747,970	7.50%
06/30/2021	\$ 956,639	\$ 956,639	\$ -	\$ 12,757,568	7.50%

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

INDEPENDENT SCHOOL DISTRICT NO. 283

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

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.5456%	\$ 25,140,855	\$ 1,768,679	\$ 26,909,534	\$ 24,907,042	100.94%	81.50%
06/30/2016	06/30/2015	0.5156%	\$ 31,894,959	\$ 3,911,929	\$ 35,806,888	\$ 26,167,840	121.89%	76.80%
06/30/2017	06/30/2016	0.5340%	\$ 127,371,741	\$ 12,784,807	\$ 140,156,548	\$ 27,779,987	458.50%	44.88%
06/30/2018	06/30/2017	0.5527%	\$ 110,328,946	\$ 10,664,657	\$ 120,993,603	\$ 29,998,018	367.79%	51.57%
06/30/2019	06/30/2018	0.5446%	\$ 34,205,978	\$ 3,213,935	\$ 37,419,913	\$ 30,255,612	113.06%	78.07%
06/30/2020	06/30/2019	0.5391%	\$ 34,362,347	\$ 3,040,919	\$ 37,403,266	\$ 30,530,140	112.55%	78.21%
06/30/2021	06/30/2020	0.5402%	\$ 39,910,700	\$ 3,344,802	\$ 43,255,502	\$ 31,353,181	127.29%	75.48%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,880,413	\$ 1,880,413	\$ -	\$ 26,167,840	7.19%
06/30/2016	\$ 2,159,961	\$ 2,159,961	\$ -	\$ 27,779,987	7.78%
06/30/2017	\$ 2,239,979	\$ 2,239,979	\$ -	\$ 29,998,018	7.47%
06/30/2018	\$ 2,268,034	\$ 2,268,034	\$ -	\$ 30,255,612	7.50%
06/30/2019	\$ 2,356,658	\$ 2,356,658	\$ -	\$ 30,530,140	7.72%
06/30/2020	\$ 2,485,617	\$ 2,485,617	\$ -	\$ 31,353,181	7.93%
06/30/2021	\$ 2,614,040	\$ 2,614,040	\$ -	\$ 32,130,320	8.14%

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

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	District Fiscal Year-End Date				
	2017	2018	2019	2020	2021
Total pension liability					
Service cost	\$ 191,808	\$ 198,521	\$ 186,488	\$ 154,407	\$ 172,090
Interest	121,139	119,344	144,153	148,975	128,622
Differences between expected and actual experience	–	–	70,820	–	(44,888)
Assumption changes	–	(122,198)	(125,009)	77,443	102,616
Change of benefit terms	–	–	–	–	(3,622)
Benefit payments	(293,415)	(471,857)	(103,099)	(322,312)	(486,674)
Net change in total pension liability	19,532	(276,190)	173,353	58,513	(131,856)
Total pension liability – beginning of year	4,205,378	4,224,910	3,948,720	4,122,073	4,180,586
Total pension liability – end of year	<u>\$ 4,224,910</u>	<u>\$ 3,948,720</u>	<u>\$ 4,122,073</u>	<u>\$ 4,180,586</u>	<u>\$ 4,048,730</u>
Covered-employee payroll	<u>\$ 12,064,057</u>	<u>\$ 12,564,715</u>	<u>\$ 11,789,415</u>	<u>\$ 12,153,286</u>	<u>\$ 10,602,032</u>
Total pension liability as a percentage of covered-employee payroll	<u>35.02%</u>	<u>31.43%</u>	<u>34.96%</u>	<u>34.40%</u>	<u>38.19%</u>

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

Note 2: The District implemented GASB Statement No. 73 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	District Fiscal Year-End Date			
	2018	2019	2020	2021
Total OPEB liability				
Service cost	\$ 298,346	\$ 283,062	\$ 272,916	\$ 309,654
Interest	159,816	194,344	191,866	174,232
Differences between expected and actual experience	–	434,159	–	(629,621)
Changes in assumptions	(169,944)	(703,143)	129,192	(49,830)
Changes in benefit terms	–	–	–	14,045
Benefit payments	(341,220)	(408,795)	(398,420)	(330,327)
Net change in total OPEB liability	(53,002)	(200,373)	195,554	(511,847)
Total OPEB liability – beginning of year	5,479,836	5,426,834	5,226,461	5,422,015
Total OPEB liability – end of year	<u>\$ 5,426,834</u>	<u>\$ 5,226,461</u>	<u>\$ 5,422,015</u>	<u>\$ 4,910,168</u>
Covered-employee payroll	<u>\$ 42,960,575</u>	<u>\$ 41,333,803</u>	<u>\$ 41,888,500</u>	<u>\$ 41,927,677</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>12.63%</u>	<u>12.64%</u>	<u>12.94%</u>	<u>11.71%</u>

Note: The District implemented GASB Statement No. 75 for the year ended June 30, 2018. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

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INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information  
June 30, 2021

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2020 CHANGES IN PLAN PROVISIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

**2019 CHANGES IN PLAN PROVISIONS**

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

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2018 CHANGES IN PLAN PROVISIONS**

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

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

**2017 CHANGES IN PLAN PROVISIONS**

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

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2015 CHANGES IN PLAN PROVISIONS**

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

**2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**TEACHERS RETIREMENT ASSOCIATION (TRA)**

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)**

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2015 CHANGES IN PLAN PROVISIONS**

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

**2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**PENSION BENEFITS PLAN**

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.13 percent to 2.45 percent.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Retirement Plan and July 1, 2018 TRA valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

**2021 CHANGES IN PLAN PROVISIONS**

- Severance benefits were removed from several individual director and coordinator contracts.

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.62 percent to 3.13 percent.

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.53 percent to 3.62 percent.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2015 PERA General Employees Retirement Plan and July 1, 2015 TRA valuations to the rates used in the July 1, 2018 valuations.
- The inflation assumption was changes from 2.72 percent to 2.50 percent.

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 2.85 percent to 3.53 percent based on updated 20-year municipal bond rates.

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**OTHER POST-EMPLOYMENT BENEFITS PLAN**

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.13 percent to 2.45 percent.
- Healthcare trend medical and dental rates were reset to reflect updated cost increase expectations. Medical trend updates include the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Retirement Plan and July 1, 2018 TRA valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

**2021 CHANGES IN PLAN PROVISIONS**

- Severance benefits were removed from several individual director, coordinator, and technical personnel contracts.

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.62 percent to 3.13 percent.

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.53 percent to 3.62 percent based on updated 20-year municipal bond rates.
- Medical trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated to RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale for teachers and with an MP-2017 Generational Scale for nonteachers to the rates used in the July 1, 2018 valuations.
- The inflation assumption was changed from 2.75 percent to 2.50 percent.

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 2.85 percent to 3.53 percent.

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SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Special Revenue Funds		Total
	Food Service	Community Service	
<b>Assets</b>			
Cash and temporary investments	\$ -	\$ -	\$ -
Receivables			
Current taxes	-	524,669	524,669
Delinquent taxes	-	13,183	13,183
Accounts and interest	122,265	118,395	240,660
Due from other governmental units	174,959	1,530,112	1,705,071
Inventory	22,059	-	22,059
<b>Total assets</b>	<b>\$ 319,283</b>	<b>\$ 2,186,359</b>	<b>\$ 2,505,642</b>
<b>Liabilities</b>			
Salaries payable	\$ 49,460	\$ 157,688	\$ 207,148
Accounts and contracts payable	14,375	75,312	89,687
Due to other governmental units	-	780	780
Due to other funds	129,783	774,155	903,938
Unearned revenue	101,894	140,740	242,634
<b>Total liabilities</b>	<b>295,512</b>	<b>1,148,675</b>	<b>1,444,187</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	-	1,025,576	1,025,576
Unavailable revenue – delinquent taxes	-	9,998	9,998
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,035,574</b>	<b>1,035,574</b>
<b>Fund balances (deficits)</b>			
Nonspendable for inventory	22,059	-	22,059
Restricted	1,712	367,323	369,035
Unassigned	-	(365,213)	(365,213)
<b>Total fund balances</b>	<b>23,771</b>	<b>2,110</b>	<b>25,881</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 319,283</b>	<b>\$ 2,186,359</b>	<b>\$ 2,505,642</b>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Special Revenue Funds		Total
	Food Service	Community Service	
Revenue			
Local sources			
Property taxes	\$ -	\$ 980,690	\$ 980,690
Investment earnings	-	505	505
Other	10,505	3,393,768	3,404,273
State sources	-	1,323,768	1,323,768
Federal sources	1,527,195	1,302,564	2,829,759
Total revenue	<u>1,537,700</u>	<u>7,001,295</u>	<u>8,538,995</u>
Expenditures			
Current			
Food service	1,597,330	-	1,597,330
Community service	-	7,012,752	7,012,752
Capital outlay	31,274	1,753	33,027
Total expenditures	<u>1,628,604</u>	<u>7,014,505</u>	<u>8,643,109</u>
Net change in fund balances	(90,904)	(13,210)	(104,114)
Fund balances			
Beginning of year	<u>114,675</u>	<u>15,320</u>	<u>129,995</u>
End of year	<u>\$ 23,771</u>	<u>\$ 2,110</u>	<u>\$ 25,881</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and temporary investments	\$ 23,332,548	\$ 28,984,325
Receivables		
Current taxes	10,008,990	10,495,201
Delinquent taxes	264,762	251,127
Accounts and interest	139,276	247,878
Due from other governmental units	6,597,798	4,485,953
Due from other funds	1,291,288	280,165
Prepaid items	<u>196,545</u>	<u>209,734</u>
Total assets	<u>\$ 41,831,207</u>	<u>\$ 44,954,383</u>
<b>Liabilities</b>		
Salaries payable	\$ 6,106,760	\$ 5,623,079
Accounts and contracts payable	1,398,625	696,937
Due to other governmental units	10,534	231,051
Severance payable	-	79,198
Unearned revenue	<u>681,099</u>	<u>723,402</u>
Total liabilities	8,197,018	7,353,667
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	17,155,444	17,723,878
Unavailable revenue – delinquent taxes	<u>199,644</u>	<u>207,313</u>
Total deferred inflows of resources	17,355,088	17,931,191
<b>Fund balances</b>		
Nonspendable for prepaid items	196,545	209,734
Restricted for student activities	193,043	179,038
Restricted for staff development	-	95,489
Restricted for operating capital	3,454,974	3,440,251
Restricted for basic skills	-	823,835
Restricted for technology levy	1,279,596	1,074,205
Restricted for long-term facilities maintenance	1,341,431	1,101,684
Restricted for Medical Assistance	115,185	52,319
Assigned for subsequent year's budget	1,107,029	2,385,192
Assigned for severance payments	1,656,920	1,854,604
Unassigned	<u>6,934,378</u>	<u>8,453,174</u>
Total fund balances	<u>16,279,101</u>	<u>19,669,525</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 41,831,207</u>	 <u>\$ 44,954,383</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		Over (Under) Budget	2020
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Property taxes	\$ 20,140,000	\$ 20,648,739	\$ 508,739	\$ 20,833,568
Investment earnings	280,000	103,063	(176,937)	516,543
Other	1,063,505	904,775	(158,730)	1,078,629
State sources	45,035,393	45,054,510	19,117	45,069,904
Federal sources	3,965,219	4,464,368	499,149	2,072,011
Total revenue	70,484,117	71,175,455	691,338	69,570,655
<b>Expenditures</b>				
Current				
Administration				
Salaries	1,865,626	2,102,804	237,178	1,856,959
Employee benefits	709,904	723,336	13,432	721,690
Purchased services	78,525	80,295	1,770	108,486
Supplies and materials	21,900	9,155	(12,745)	26,549
Capital expenditures	165,760	248	(165,512)	6,622
Other expenditures	46,825	54,546	7,721	53,343
Total administration	2,888,540	2,970,384	81,844	2,773,649
District support services				
Salaries	2,090,426	2,177,578	87,152	2,072,937
Employee benefits	813,514	838,904	25,390	790,109
Purchased services	447,550	567,239	119,689	466,865
Supplies and materials	1,312,814	1,100,038	(212,776)	362,177
Capital expenditures	1,186,687	1,094,227	(92,460)	802,870
Other expenditures	7,700	(26,822)	(34,522)	(18,976)
Total district support services	5,858,691	5,751,164	(107,527)	4,475,982
Elementary and secondary regular instruction				
Salaries	22,510,409	22,100,728	(409,681)	21,606,955
Employee benefits	8,132,460	7,956,581	(175,879)	7,524,038
Purchased services	1,467,461	1,493,178	25,717	1,856,868
Supplies and materials	895,496	548,930	(346,566)	659,563
Capital expenditures	451,617	150,320	(301,297)	145,123
Other expenditures	65,540	219,417	153,877	204,100
Total elementary and secondary regular instruction	33,522,983	32,469,154	(1,053,829)	31,996,647

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		Over (Under) Budget	2020
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	401,448	508,734	107,286	435,849
Employee benefits	116,961	158,463	41,502	133,766
Purchased services	16,100	10,928	(5,172)	15,582
Supplies and materials	18,000	25,985	7,985	26,519
Capital expenditures	—	—	—	463
Other expenditures	600	5,107	4,507	3,523
Total vocational education instruction	553,109	709,217	156,108	615,702
Special education instruction				
Salaries	7,729,736	7,831,313	101,577	7,780,262
Employee benefits	2,858,365	2,961,073	102,708	2,959,158
Purchased services	1,607,580	1,490,298	(117,282)	1,078,807
Supplies and materials	142,217	42,268	(99,949)	67,887
Capital expenditures	—	3,228	3,228	3,720
Other expenditures	—	862,176	862,176	46,329
Total special education instruction	12,337,898	13,190,356	852,458	11,936,163
Instructional support services				
Salaries	2,613,521	2,880,900	267,379	2,632,385
Employee benefits	1,003,758	1,089,219	85,461	1,005,856
Purchased services	394,380	350,039	(44,341)	537,013
Supplies and materials	183,862	181,833	(2,029)	215,060
Capital expenditures	177,800	75,133	(102,667)	110,281
Other expenditures	5,300	19,426	14,126	15,320
Total instructional support services	4,378,621	4,596,550	217,929	4,515,915
Pupil support services				
Salaries	2,084,091	2,137,712	53,621	1,969,114
Employee benefits	748,879	804,856	55,977	720,795
Purchased services	3,261,261	3,366,900	105,639	3,324,887
Supplies and materials	203,824	181,453	(22,371)	223,144
Capital expenditures	355,000	125,546	(229,454)	71,060
Other expenditures	750	46,951	46,201	11,400
Total pupil support services	6,653,805	6,663,418	9,613	6,320,400

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		Over (Under) Budget	2020
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	2,347,201	2,267,081	(80,120)	2,175,584
Employee benefits	829,432	884,885	55,453	738,501
Purchased services	2,257,397	2,466,647	209,250	2,457,201
Supplies and materials	879,606	1,104,045	224,439	708,510
Capital expenditures	1,058,588	947,965	(110,623)	1,042,919
Other expenditures	72,500	(112,427)	(184,927)	(113,550)
Total sites and buildings	<u>7,444,724</u>	<u>7,558,196</u>	<u>113,472</u>	<u>7,009,165</u>
Fiscal and other fixed cost programs				
Purchased services	470,000	459,560	(10,440)	276,349
Debt service				
Principal	293,256	177,662	(115,594)	425,690
Interest and fiscal charges	24,221	20,218	(4,003)	32,219
Total debt service	<u>317,477</u>	<u>197,880</u>	<u>(119,597)</u>	<u>457,909</u>
Total expenditures	<u>74,425,848</u>	<u>74,565,879</u>	<u>140,031</u>	<u>70,377,881</u>
Excess (deficiency) of revenue over expenditures	(3,941,731)	(3,390,424)	551,307	(807,226)
Other financing sources				
Capital lease issued	—	—	—	42,731
Net change in fund balances	<u>\$ (3,941,731)</u>	<u>(3,390,424)</u>	<u>\$ 551,307</u>	<u>(764,495)</u>
Fund balances				
Beginning of year		<u>19,669,525</u>		<u>20,434,020</u>
End of year		<u>\$ 16,279,101</u>		<u>\$ 19,669,525</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
Assets		
Receivables		
Accounts and interest	\$ 122,265	\$ 145,562
Due from other governmental units	174,959	189,800
Inventory	<u>22,059</u>	<u>75,956</u>
Total assets	<u>\$ 319,283</u>	<u>\$ 411,318</u>
Liabilities		
Salaries payable	\$ 49,460	\$ 67,231
Accounts and contracts payable	14,375	29,191
Due to other governmental units	-	280
Due to other funds	129,783	117,020
Unearned revenue	<u>101,894</u>	<u>82,921</u>
Total liabilities	295,512	296,643
Fund balances		
Nonspendable for inventory	22,059	75,956
Restricted for food service	<u>1,712</u>	<u>38,719</u>
Total fund balances	<u>23,771</u>	<u>114,675</u>
Total liabilities and fund balances	<u>\$ 319,283</u>	<u>\$ 411,318</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		2020	
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 3,000	\$ -	\$ (3,000)	\$ 3,731
Other – primarily meal sales	-	10,505	10,505	613,884
State sources	-	-	-	103,385
Federal sources	1,481,527	1,527,195	45,668	1,094,481
Total revenue	<u>1,484,527</u>	<u>1,537,700</u>	<u>53,173</u>	<u>1,815,481</u>
Expenditures				
Current				
Salaries	726,085	638,379	(87,706)	744,840
Employee benefits	325,541	300,910	(24,631)	318,535
Purchased services	160,800	7,632	(153,168)	29,465
Supplies and materials	262,601	444,693	182,092	751,633
Other expenditures	9,500	205,716	196,216	172,151
Capital outlay	-	31,274	31,274	4,608
Total expenditures	<u>1,484,527</u>	<u>1,628,604</u>	<u>144,077</u>	<u>2,021,232</u>
Excess (deficiency) of revenue over expenditures	-	(90,904)	(90,904)	(205,751)
Other financing sources				
Sale of assets	-	-	-	575
Net change in fund balances	<u>\$ -</u>	<u>(90,904)</u>	<u>\$ (90,904)</u>	<u>(205,176)</u>
Fund balances				
Beginning of year		<u>114,675</u>		<u>319,851</u>
End of year		<u>\$ 23,771</u>		<u>\$ 114,675</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and temporary investments	\$ —	\$ 338,318
Receivables		
Current taxes	524,669	513,286
Delinquent taxes	13,183	12,403
Accounts and interest	118,395	1,186
Due from other governmental units	<u>1,530,112</u>	<u>474,133</u>
Total assets	<u>\$ 2,186,359</u>	<u>\$ 1,339,326</u>
<b>Liabilities</b>		
Salaries payable	\$ 157,688	\$ 138,555
Accounts and contracts payable	75,312	53,720
Due to other governmental units	780	300
Due to other funds	774,155	—
Unearned revenue	<u>140,740</u>	<u>135,954</u>
Total liabilities	<u>1,148,675</u>	<u>328,529</u>
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	1,025,576	985,095
Unavailable revenue – delinquent taxes	<u>9,998</u>	<u>10,382</u>
Total deferred inflows of resources	<u>1,035,574</u>	<u>995,477</u>
<b>Fund balances (deficits)</b>		
Restricted for early childhood family education programs	—	444,342
Restricted for community service	367,323	313,828
Unassigned – community education programs restricted account deficit	<u>(365,213)</u>	<u>(742,850)</u>
Total fund balances	<u>2,110</u>	<u>15,320</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,186,359</u>	<u>\$ 1,339,326</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		Over (Under) Budget	2020
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Property taxes	\$ 985,000	\$ 980,690	\$ (4,310)	\$ 950,623
Investment earnings	5,000	505	(4,495)	12,348
Other – primarily tuition and fees	3,032,633	3,393,768	361,135	4,468,484
State sources	1,348,021	1,323,768	(24,253)	1,340,321
Federal sources	1,193,345	1,302,564	109,219	–
Total revenue	<u>6,563,999</u>	<u>7,001,295</u>	<u>437,296</u>	<u>6,771,776</u>
<b>Expenditures</b>				
Current				
Salaries	3,877,812	4,244,018	366,206	4,500,798
Employee benefits	1,515,551	1,594,088	78,537	1,668,763
Purchased services	849,660	852,467	2,807	1,017,846
Supplies and materials	301,001	279,484	(21,517)	351,549
Other expenditures	9,125	42,695	33,570	37,516
Capital outlay	10,850	1,753	(9,097)	11,357
Total expenditures	<u>6,563,999</u>	<u>7,014,505</u>	<u>450,506</u>	<u>7,587,829</u>
Net change in fund balances	<u>\$ –</u>	<u>(13,210)</u>	<u>\$ (13,210)</u>	<u>(816,053)</u>
<b>Fund balances</b>				
Beginning of year		<u>15,320</u>		<u>831,373</u>
End of year		<u>\$ 2,110</u>		<u>\$ 15,320</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
Assets		
Cash and investments – held by trustee	\$ 15,591,785	\$ 57,670,771
Accounts and interest receivable	<u>147,758</u>	<u>1,098,516</u>
Total assets	<u><u>\$ 15,739,543</u></u>	<u><u>\$ 58,769,287</u></u>
Liabilities		
Accounts and contracts payable	\$ 2,448,277	\$ 11,913,069
Fund balances		
Restricted for capital projects	5,427,454	26,670,894
Restricted for long-term facilities maintenance	<u>7,863,812</u>	<u>20,185,324</u>
Total fund balances	<u><u>13,291,266</u></u>	<u><u>46,856,218</u></u>
Total liabilities and fund balances	<u><u>\$ 15,739,543</u></u>	<u><u>\$ 58,769,287</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		Over (Under) Budget	2020
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 625,000	\$ 221,895	\$ (403,105)	\$ 1,682,325
Other	–	50,436	50,436	142,354
Federal sources	–	122,331	122,331	133,892
Total revenue	<u>625,000</u>	<u>394,662</u>	<u>(230,338)</u>	<u>1,958,571</u>
Expenditures				
Capital outlay				
Salaries	–	5,019	5,019	–
Employee benefits	–	1,489	1,489	–
Purchased services	10,135,900	2,510,232	(7,625,668)	6,582,084
Capital expenditures	31,900,000	31,442,874	(457,126)	41,472,129
Debt service				
Fiscal charges and other	–	–	–	115,621
Total expenditures	<u>42,035,900</u>	<u>33,959,614</u>	<u>(8,076,286)</u>	<u>48,169,834</u>
Excess (deficiency) of revenue over expenditures	(41,410,900)	(33,564,952)	7,845,948	(46,211,263)
Other financing sources				
Debt issued	–	–	–	22,795,000
Premium on debt issued	–	–	–	2,641,233
Total other financing sources	<u>–</u>	<u>–</u>	<u>–</u>	<u>25,436,233</u>
Net change in fund balances	<u>\$ (41,410,900)</u>	<u>(33,564,952)</u>	<u>\$ 7,845,948</u>	<u>(20,775,030)</u>
Fund balances				
Beginning of year		<u>46,856,218</u>		<u>67,631,248</u>
End of year		<u>\$ 13,291,266</u>		<u>\$ 46,856,218</u>

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INDEPENDENT SCHOOL DISTRICT NO. 283

Debt Service Fund  
 Balance Sheet by Account  
 as of June 30, 2021  
 (With Comparative Totals as of June 30, 2020)

	Regular Debt Service Account	OPEB Debt Service Account	Totals	
			2021	2020
<b>Assets</b>				
Cash and temporary investments	\$ 7,807,335	\$ 149,613	\$ 7,956,948	\$ 7,354,370
Receivables				
Current taxes	6,539,919	–	6,539,919	6,181,122
Delinquent taxes	125,154	7,007	132,161	115,617
	<u>125,154</u>	<u>7,007</u>	<u>132,161</u>	<u>115,617</u>
Total assets	<u>\$ 14,472,408</u>	<u>\$ 156,620</u>	<u>\$ 14,629,028</u>	<u>\$ 13,651,109</u>
<b>Deferred inflows of resources</b>				
Property taxes levied for subsequent year	\$ 12,783,539	\$ –	\$ 12,783,539	\$ 11,862,553
Unavailable revenue – delinquent taxes	86,803	7,007	93,810	93,155
	<u>86,803</u>	<u>7,007</u>	<u>93,810</u>	<u>93,155</u>
Total deferred inflows of resources	12,870,342	7,007	12,877,349	11,955,708
<b>Fund balances</b>				
Restricted for debt service	<u>1,602,066</u>	<u>149,613</u>	<u>1,751,679</u>	<u>1,695,401</u>
	<u>1,602,066</u>	<u>149,613</u>	<u>1,751,679</u>	<u>1,695,401</u>
Total deferred inflows of resources and fund balances	<u>\$ 14,472,408</u>	<u>\$ 156,620</u>	<u>\$ 14,629,028</u>	<u>\$ 13,651,109</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		
	Budget	Regular Debt Service Account	OPEB Debt Service Account
Revenue			
Local sources			
Property taxes	\$ 11,862,000	\$ 11,802,422	\$ 1,812
Investment earnings	-	20,185	-
Federal sources	-	27,533	-
Total revenue	<u>11,862,000</u>	<u>11,850,140</u>	<u>1,812</u>
Expenditures			
Debt service			
Principal	6,650,000	6,650,000	-
Interest	5,139,424	5,139,424	-
Fiscal charges and other	10,950	6,250	-
Total expenditures	<u>11,800,374</u>	<u>11,795,674</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	61,626	54,466	1,812
Other financing sources			
Premium on debt issued	-	-	-
Net change in fund balances	<u>\$ 61,626</u>	54,466	1,812
Fund balances			
Beginning of year		<u>1,547,600</u>	<u>147,801</u>
End of year		<u>\$ 1,602,066</u>	<u>\$ 149,613</u>

		2020
Total	Over (Under) Budget	Actual
\$ 11,804,234	\$ (57,766)	\$ 10,558,297
20,185	20,185	76,407
27,533	27,533	18,290
<u>11,851,952</u>	<u>(10,048)</u>	<u>10,652,994</u>
6,650,000	–	6,190,000
5,139,424	–	4,853,154
6,250	(4,700)	11,188
<u>11,795,674</u>	<u>(4,700)</u>	<u>11,054,342</u>
56,278	(5,348)	(401,348)
–	–	304,442
56,278	<u>\$ (5,348)</u>	(96,906)
<u>1,695,401</u>		<u>1,792,307</u>
<u>\$ 1,751,679</u>		<u>\$ 1,695,401</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Assets			
Current assets			
Cash and temporary investments	\$ 536,646	\$ 3,152,627	\$ –
Cash and investments – held by trustee	–	–	2,765,008
Accounts and interest receivable	–	–	13,410
Total current assets	<u>536,646</u>	<u>3,152,627</u>	<u>2,778,418</u>
Deferred outflows of resources			
OPEB plan deferments	–	–	720,077
Liabilities			
Current liabilities			
Claims payable	31,319	96,848	–
Unearned revenue	74,916	1,133,704	–
Claims incurred, but not reported	9,181	607,780	–
Due to other governmental units	–	3,343	–
Due to other funds	–	–	387,350
Total OPEB liability – due within one year	<u>–</u>	<u>–</u>	<u>332,301</u>
Total current liabilities	115,416	1,841,675	719,651
Long-term liabilities			
Total OPEB liability – due in more than one year	<u>–</u>	<u>–</u>	<u>4,577,867</u>
Total liabilities	115,416	1,841,675	5,297,518
Deferred inflows of resources			
OPEB plan deferments	<u>–</u>	<u>–</u>	<u>1,158,660</u>
Net position			
Unrestricted	<u>\$ 421,230</u>	<u>\$ 1,310,952</u>	<u>\$ (2,957,683)</u>

Totals	
2021	2020
\$ 3,689,273	\$ 2,527,465
2,765,008	2,677,874
13,410	59,970
<u>6,467,691</u>	<u>5,265,309</u>
720,077	781,472
128,167	96,831
1,208,620	1,217,633
616,961	428,226
3,343	–
387,350	163,145
332,301	–
<u>2,676,742</u>	<u>1,905,835</u>
<u>4,577,867</u>	<u>5,422,015</u>
7,254,609	7,327,850
<u>1,158,660</u>	<u>656,432</u>
<u>\$ (1,225,501)</u>	<u>\$ (1,937,501)</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>Dental Self-Insurance</u>	<u>Medical Self-Insurance</u>	<u>Other Post-Employment Benefits</u>
Operating revenue			
Contributions from governmental funds	\$ 654,806	\$ 9,223,150	\$ 144,951
Operating expenses			
Dental benefit claims	634,793	-	-
Medical benefit claims	-	8,318,513	-
OPEB	-	-	384,326
Total operating expenses	<u>634,793</u>	<u>8,318,513</u>	<u>384,326</u>
Operating income (loss)	20,013	904,637	(239,375)
Nonoperating revenue			
Investment earnings	<u>2,024</u>	<u>9,788</u>	<u>14,913</u>
Change in net position	22,037	914,425	(224,462)
Net position			
Beginning of year	<u>399,193</u>	<u>396,527</u>	<u>(2,733,221)</u>
End of year	<u>\$ 421,230</u>	<u>\$ 1,310,952</u>	<u>\$ (2,957,683)</u>

Totals	
<u>2021</u>	<u>2020</u>
\$ 10,022,907	\$ 8,450,093
634,793	516,208
8,318,513	7,223,081
384,326	429,568
<u>9,337,632</u>	<u>8,168,857</u>
685,275	281,236
<u>26,725</u>	<u>75,171</u>
712,000	356,407
<u>(1,937,501)</u>	<u>(2,293,908)</u>
<u>\$ (1,225,501)</u>	<u>\$ (1,937,501)</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits
Cash flows from operating activities			
Contributions from governmental funds	\$ 652,985	\$ 9,215,958	\$ 144,951
Payments for dental claims	(623,774)	-	-
Payments for medical claims	-	(8,106,118)	-
Payments for OPEB	-	-	(332,550)
Net cash flows from operating activities	<u>29,211</u>	<u>1,109,840</u>	<u>(187,599)</u>
Cash flows from noncapital financing activities			
Payments from due to other funds	-	-	224,205
Cash flows from investing activities			
Investment income received	<u>8,531</u>	<u>14,226</u>	<u>50,528</u>
Net change in cash and cash equivalents	37,742	1,124,066	87,134
Cash and cash equivalents			
Beginning of year	<u>498,904</u>	<u>2,028,561</u>	<u>2,677,874</u>
End of year	<u>\$ 536,646</u>	<u>\$ 3,152,627</u>	<u>\$ 2,765,008</u>
Presented on statement of net position as follows:			
Cash and temporary investments	\$ 536,646	\$ 3,152,627	\$ -
Cash and investments – held by trustee	-	-	2,765,008
Total cash and cash equivalents	<u>\$ 536,646</u>	<u>\$ 3,152,627</u>	<u>\$ 2,765,008</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 20,013	\$ 904,637	\$ (239,375)
Adjustments to reconcile operating income (loss) to cash flows from operating activities			
Changes in assets and liabilities			
Deferred outflows of resources	-	-	61,395
Total OPEB liability	-	-	(511,847)
Claims payable	15,720	15,616	-
Unearned revenue	(1,821)	(7,192)	-
Deferred inflows of resources	-	-	502,228
Claims incurred, but not reported	(4,701)	193,436	-
Due to other governmental units	-	3,343	-
Net cash flows from operating activities	<u>\$ 29,211</u>	<u>\$ 1,109,840</u>	<u>\$ (187,599)</u>

Totals	
2021	2020
\$ 10,013,894	\$ 9,590,844
(623,774)	(521,249)
(8,106,118)	(6,727,505)
<u>(332,550)</u>	<u>(330,327)</u>
951,452	2,011,763
<u>224,205</u>	<u>163,145</u>
<u>73,285</u>	<u>80,554</u>
1,248,942	2,255,462
<u>5,205,339</u>	<u>2,949,877</u>
<u>\$ 6,454,281</u>	<u>\$ 5,205,339</u>
\$ 3,689,273	\$ 2,527,465
<u>2,765,008</u>	<u>2,677,874</u>
<u>\$ 6,454,281</u>	<u>\$ 5,205,339</u>
\$ 685,275	\$ 281,236
61,395	2,270
(511,847)	195,554
31,336	79,984
(9,013)	1,140,751
502,228	(98,583)
188,735	410,551
<u>3,343</u>	<u>-</u>
<u>\$ 951,452</u>	<u>\$ 2,011,763</u>

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# St. Louis Park Public Schools

*Achieving success, one student at a time!*

## INDEPENDENT SCHOOL DISTRICT NO. 283

Corrective Action Plans and  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2021

### A. FINANCIAL STATEMENT FINDINGS

None.

### B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

### C. MINNESOTA LEGAL COMPLIANCE FINDINGS

#### 2021-001 Untimely Payment of Invoices

##### **Finding Summary**

Minnesota Statutes require prompt payment of local government bills within a standard payment period of 35 days from receipt for governing boards that meet at least once a month.

##### **Corrective Action Plan**

**Actions Planned** – Independent School District No. 283 (the District) intends to review its procedures relating to disbursements to ensure compliance in the future.

**Official Responsible** – Patricia Magnuson, Director of Business Services.

**Planned Completion Date** – June 30, 2022.

**Disagreement With or Explanation of Finding** – The District is in agreement with this finding.

**Plan to Monitor** – Patricia Magnuson, Director of Business Services, will work with the financial auditors to review specific weaknesses identified during the annual audit, and actions needed to eliminate or mitigate this finding.

INDEPENDENT SCHOOL DISTRICT NO. 283

Corrective Action Plans and  
Summary Schedule of Prior Audit Findings (continued)  
Year Ended June 30, 2021

**C. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)**

**2021-002 Unclaimed Property Report**

**Finding Summary**

Minnesota Statutes § 345.41 and § 345.43 require unclaimed property held for more than three years (or one year for unpaid compensation) to be reported and paid or delivered to the state Commissioner of Commerce each year. This requirement was not met by the District for the current audit year.

**Corrective Action Plan**

**Actions Planned** – The District will review its procedures relating to unclaimed property laws to ensure compliance in the future.

**Official Responsible** – Patricia Magnuson, Director of Business Services.

**Planned Completion Date** – June 30, 2022.

**Disagreement With or Explanation of Finding** – The District is in agreement with this finding.

**Plan to Monitor** – Patricia Magnuson, Director of Business Services, will assure appropriate internal controls and procedures are updated and in place for future compliance.

**2021-003 Annual Report of Outstanding Obligations**

**Finding Summary**

Per Minnesota Statutes § 471.70, the principal accounting officer of its district has to submit a report of outstanding obligations by February 1 of each year. This requirement was not met by the District for the current audit year.

**Corrective Action Plan**

**Actions Planned** – The District will review its procedures relating to the filing of the report of outstanding indebtedness to ensure compliance in the future.

**Official Responsible** – Patricia Magnuson, Director of Business Services.

**Planned Completion Date** – June 30, 2022.

**Disagreement With or Explanation of Finding** – The District is in agreement with this finding.

**Plan to Monitor** – Patricia Magnuson, Director of Business Services, will assure appropriate internal controls and procedures are updated and in place for future compliance.

INDEPENDENT SCHOOL DISTRICT NO. 283

Corrective Action Plans and  
Summary Schedule of Prior Audit Findings (continued)  
Year Ended June 30, 2021

**D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – SCHOOL BREAKFAST PROGRAM – FEDERAL ALN 10.553, NATIONAL SCHOOL LUNCH PROGRAM – FEDERAL ALN 10.555, AND SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (COVID-19) – FEDERAL ALN 10.559 – PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION**

**2020-001 Internal Control Over Compliance With Federal Special Tests and Provisions**

**Condition/Context** – During the audit of the year ended June 30, 2020, the District did not have sufficient controls in place within its child nutrition cluster federal program to ensure compliance with the special tests and provisions requirement to accurately complete the verification testing packet for free and reduced-price applications.

**Current Status** – This is not a finding for the audit of the year ended June 30, 2021.

**MINNESOTA LEGAL COMPLIANCE FINDINGS**

**2020-002 Untimely Payment of Invoices**

**Condition/Context** – During the audit of the year ended June 30, 2020, the District did not make prompt payment of local government bills within a standard payment period of 35 days from receipt for governing boards that meet at least once a month.

**Current Status** – See finding 2021-001 for the current status of this finding.

# Potential Special Election

## (Construction Bonds & Capital Projects Levy)

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# Mission Statement

St. Louis Park Public Schools sees, inspires, and empowers each learner to live their brilliance in an environment that centers student voice and experience to create racially equitable learning that energizes and enhances the spirit of our community.

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# Outcomes

School Board members will:

1. Receive updated recommendations for bond issue/technology levy in alignment with the Strategic Plan for Racial Equity Transformation; and
2. Understand the timeline required to prepare for the election.



# Construction Bond Issue

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# Summary of Recommended Projects

Project	2021 Cost Estimates
2017 Carryover Projects	\$35.1 million
Deferred Maintenance/Security	\$32 million
High School Indoor Upgrades	\$25 million
High School Outdoor Upgrades	\$18 million
Aquatics and Community Use	\$54 million
District Technology relocate, upgrade and secure	\$8 million
Lenox theatre, senior meeting spaces, security & signage	\$1 million

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Carryover	Deferred Maint/Security	HS Indoor	HS Outdoor	Aquatics/Community	Technology	Lenox
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# 2017 Carryover Projects

Project	2021 Cost Estimates
High School Kitchen Renovation & Addition	\$19.4 million
High School Classroom Upgrades (10 classrooms)	\$3.6 million
High School Media Center Renovations	\$3.9 million
High School Student Commons	\$8.2 million
Total	\$35.1 million

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Carryover	Deferred Maint	HS Indoor	HS Outdoor	Aquatics/Community	Technology	Lenox
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# Deferred Maintenance & Security Projects

Project	2021 Cost Estimates
Roofs, Facade, Parking Lots, Boiler Replacements, Mechanical Upgrades	\$27 million
District wide security camera, door card reader addition/replacements, 800 MHz	\$5 million
Total	\$32 million

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Carryover	Deferred Maint/Security	HS Indoor	HS Outdoor	Aquatics/Community	Technology	Lenox
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# High School Indoor Upgrades

	<b>2021 Cost Estimates</b>
Renovate remaining High School classrooms	\$8.5 million
Renovate band/orchestra/choir rooms	\$6 million
Install required storm shelter (building code requirement)	\$5.5 million
Upgrade/replace exterior doors and door security (close campus)	\$5 million
<b>Total</b>	<b>\$25 million</b>

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Carryover	Deferred Maint/Security	<b>HS Indoor</b>	HS Outdoor	Aquatics/Community	Technology	Lenox
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# High School Outdoor Upgrades

Project	2021 Cost Estimates
Enclose and upgrade HS track and field (includes Minnehaha Watershed required upgrades )	\$15 million
Install shelter/storage at HS stadium	\$3 million
Total	\$18 million

211

Carryover	Deferred Maint/Security	HS Indoor	HS Outdoor	Aquatics/Community	Technology	Lenox
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# Aquatics and Community Use

Project	2021 Cost Estimates
Add Aquatic Center at HS (include 8-lane pool, seating, locker rooms and diving well)	\$40 million
Convert current HS pool to Gymnastics Gym	\$2 million
Central community gym becomes training center/board room Central gymnastics gym becomes community gym	\$5 million
Upgrade Central pool and locker rooms	\$7 million
Total	\$54 million

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Carryover	Deferred Maint/Security	HS Indoor	HS Outdoor	Aquatics/Community	Technology	Lenox
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# Relocate, upgrade & secure District Technology

Project	2021 Cost Estimates
Relocate Data Center from HS and Technology Team to Central Back-up power supply, data center infrastructure/HVAC/redundant electronics	\$6 million
Resilient internet connection	\$2 million
Total	\$8 million

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Carryover	Deferred Maint/Security	HS Indoor	HS Outdoor	Aquatics/Community	Technology	Lenox
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# Improve Community use at Lenox Community Center

Project	2021 Cost Estimates
Upgrade theatre space, senior meeting space, improve security and signage	\$1 million

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Carryover	Deferred Maint	HS Indoor	HS Outdoor	Aquatics/Community	Technology	Lenox
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# Summary of Recommended Projects

Project	2021 Cost Estimates
2017 Carryover Projects	\$35.1 million
Deferred Maintenance	\$32 million
High School Indoor Upgrades	\$25 million
High School Outdoor Upgrades	\$18 million
Aquatics and Community Use	\$63 million
District Technology relocate, upgrade and secure	\$8 million
Lenox theatre, senior meeting spaces, security & signage	\$1 million

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Carryover	Deferred Maint	HS Indoor	HS Outdoor	Aquatics/Community	Technology	Lenox
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# Capital Projects Levy

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# Capital Project Levy for Technology

## Background

- authorized in November 2013 for taxes payable in 2014
- voter-approved for ten years
  - through taxes payable in 2023 (fall 2022 levy)
- 3.812% of net tax capacity

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## Recommended Renewal

- 10-year maximum
- Increase levy by \$500,000
- Establish new tax rate (currently 3.812%)

### Capital Projects Levy - Timing

Year 1	November, 2013 Election	Taxes Payable in 2014
Year 2		Taxes Payable in 2015
Year 3		Taxes Payable in 2016
Year 4		Taxes Payable in 2017
Year 5	Note: Year 1 of Operating Referendum Renewal	Taxes Payable in 2018
Year 6		Taxes Payable in 2019
Year 7		Taxes Payable in 2020
Year 8		Taxes Payable in 2021
Year 9	November 2021 Election	Taxes Payable in 2022
Year 10	August 2022 Primary Election November 2022 Election	Taxes Payable in 2023
Year 0	November 2023 Election	Taxes Payable in 2024 (Truth in taxation statements would not include the election results)

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# Capital Projects Levy - Comparative data (taxes payable in 2021)

District	Capital Projects Levy (levy line 552)	Adjusted Pupil Units (levy line 59)	Capital Projects Levy/APU	Begin Year
Hopkins	\$11,886,351.51	7,393.60	\$1,607.65	2018
Bloomington	\$9,464,675.82	11,165.40	\$847.68	2014
Eden Prairie	\$7,599,849.89	9,444.20	\$804.71	2015
Edina	\$6,977,668.94	9,180.60	\$760.05	2021
St. Louis Park	\$2,893,257.00	4,954.00	\$584.02	2014
<b>St. Louis Park</b>	<b>\$3,393,257.00</b>	<b>4,954.00</b>	<b>\$684.95</b>	<b>2022</b>
Wayzata	\$8,362,887.72	14,330.60	\$583.57	2020/2016
Minnetonka	\$6,916,126.72	12,186.60	\$567.52	2016
Eastern Carver	\$4,808,680.59	10,571.20	\$454.89	2020
Robbinsdale	\$5,273,882.12	12,451.75	\$423.55	2015
Shakopee	\$3,850,864.91	9,201.60	\$418.50	2016
Orono	\$1,122,409.19	3,273.80	\$342.85	2013
Minneapolis	\$14,791,925.29	43,449.40	\$340.44	2019
Osseo	\$7,859,504.08	23,289.60	\$337.47	2014
White Bear Lake	\$2,138,057.76	9,169.20	\$233.18	2014
Spring Lake Park	\$1,416,816.34	6,724.40	\$210.70	2020
South Washington	\$2,522,921.15	20,893.00	\$120.75	2018

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# Timeline

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# Important Election Deadlines

November 15, 2021	Begin review & comment, tax impact calculations, ballot language, surveying, permits
January 2022	Architectural sketches/drawings prepared
May 11, 2022	Review & Comment submitted to MDE
May 22, 2022	Adopt formal resolution calling for election
<b>August 9, 2022</b>	<b>Election day</b> (early voting starts 46 days prior)
January 2023	Construction begins

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# Questions

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# SLP 2021-2022 School Calendar - Internal HR Duty Days Planning Worksheet (Revised Winter Break)

Aug	Mon	Tue	Wed	Thur	Fri
0	2	3	4	5	6
0	9	10	11	12	13
2	16	17	18	19	20
	23	24	25	26	27
	30	31			

Nov	Mon	Tue	Wed	Thur	Fri
4	1	2	3	4	5
1	8	9	10	11	12
14	15	16	17	18	19
1	22	23	24	25	26
	29	30			

Feb	Mon	Tue	Wed	Thur	Fri
0		1	2	3	4
0	7	8	9	10	11
19	14	15	16	17	18
18	21	22	23	24	25
0	28				

May	Mon	Tue	Wed	Thur	Fri
	2	3	4	5	6
	9	10	11	12	13
	16	17	18	19	20
21	23	24	25	26	27
0	30	31			

Sep	Mon	Tue	Wed	Thur	Fri
1-12	17		1	2	3
K	16	6	7	8	9
2	4	13	14	15	16
		20	21	22	23
		27	28	29	30

Dec	Mon	Tue	Wed	Thur	Fri
			1	2	3
13	6	7	8	9	10
2	13	14	15	16	17
	20	21	22	23	24
	27	28	29	30	31

Mar	Mon	Tue	Wed	Thur	Fri
		1	2	3	4
17	7	8	9	10	11
2	14	15	16	17	18
0	21	22	23	24	25
	28	29	30	31	

Jun	Mon	Tue	Wed	Thur	Fri
			1	2	3
	6	7	8	9	10
	13	14	15	16	17
7	20	21	22	23	24
1	27	28			

Oct	Mon	Tue	Wed	Thur	Fri
18					1
1	4	5	6	7	8
0	11	12	13	14	15
0	18	19	20	21	22
	25	26	27	28	29

Jan	Mon	Tue	Wed	Thur	Fri
	3	4	5	6	7
18	10	11	12	13	14
1	17	18	19	20	21
1	24	25	26	27	28
0	31				

Apr	Mon	Tue	Wed	Thur	Fri
					1
	4	5	6	7	8
	11	12	13	14	15
20	18	19	20	21	22
1	25	26	27	28	29

Qtr	K	Elem	MS	HS	Tchr	
1	38	39	39	39	47	Sem 1
2	45	45	45	45	49	84
3	36	36	37	37	39	Sem 2
4	48	48	48	48	50	85
Total	167	168	169	169	185	

New Teacher Workshop	8/23, 8/26 and 8/27 & BD 8/24-25		No Students-Conference Comp Day Ele & Sec	11/24
Workshop Week	8/30 to 9/7	9/2 goal setting conferences	No Students - District PD Full Day-No School	2/4
<b>Teacher Non Duty/Student &amp; Other Staff Holidays</b>				
First Day 1st - 12th	9/8		Elem. Conferences (No Elem School-Secondary has school)	2/18
First Day Kindergarten	9/9		No Students- Elem workday and Secondary reporting	3/25
Elem and Secondary Professional Development	10/1		No Students- Elem and Secondary Conference Comp*	4/1
Secondary Online Learning Day with Family Connect Conferences	11/17		No Students-Work Day Ele/Sec-Grading-reporting	1/28 3/25 6/10
EM Teacher Convention	10/21 10/22		Secondary Online Learning Day with Family Connect Conferences	4/13
No Students- Elem Conferences and Secondary reporting	11/5		End of Quarter-Students report	11/4 1/27 3/24 6/9
			Last Day K - 12th Students report	6/9

HS Graduation tentatively planned for June 7, 2022

Winter Break revised to Dec 20th for students

### SLP 2022-2023 School Calendar - Internal HR Duty Days Planning Worksheet (DRAFT 5)

Aug	Mon	Tue	Wed	Thur	Fri
0					
0					
3					

Sep	Mon	Tue	Wed	Thur	Fri
1-12					
18					
K					
17					
2					

Oct	Mon	Tue	Wed	Thur	Fri
19					
0					
0					
0					

Nov	Mon	Tue	Wed	Thur	Fri
3					
1					
15					
1					

Dec	Mon	Tue	Wed	Thur	Fri
14					
1					

Jan	Mon	Tue	Wed	Thur	Fri
17					
1					

Feb	Mon	Tue	Wed	Thur	Fri
0					
19					
18					
0					

Mar	Mon	Tue	Wed	Thur	Fri
21					
2					
0					

Apr	Mon	Tue	Wed	Thur	Fri
15					

May	Mon	Tue	Wed	Thur	Fri
22					
0					

Jun	Mon	Tue	Wed	Thur	Fri
6					
1					

Qtr	K	Elem	MS	HS	Tchr	
1	39	40	40	40	47	Sem 1
2	46	46	46	46	49	86
3	41	41	42	42	44	Sem 2
4	43	43	43	43	45	85
Total	169	170	171	171	185	

	New Teacher Workshop	8/22, 8/25 and 8/26 & BD 8/23-24
	Workshop Week	8/29 to 9/2
	Teacher Non Duty/Student & Other Staff Holidays	
	First Day 1st - 12th	9/6
	First Day Kindergarten	9/7
	No Students- Elem Conferences and Secondary PD	9/30
	EM Teacher Convention	10/20 10/21
	Secondary Online Learning Day with Family Connect Conferences	11/16
	No Students- Elem PD and Secondary reporting	11/4

	No Students-Conference Comp Day Ele & Sec	11/23
	No Students - District PD Full Day-No School	12/2 2/3
	Elem. Conferences (No Elem School-Secondary has school)	2/17
	No Students- Elem workday and Secondary reporting	3/31
	No Students- Elem and Secondary Conference Comp*	4/7
	Secondary Online Learning Day with Family Connect Conferences	4/19
	No Students-Work Day Ele/Sec-Grading-reporting	1/27 3/31 6/9
	End of Quarter-Students report	11/3 1/26 3/30 6/8
	Last Day K - 12th Students report	6/8

based on  
DRAFT 3  
11/9/20

HS Graduation tentatively June 6 or 7, 2023

**INDEPENDENT SCHOOL DISTRICT 283**

**SECTION/FILE** \_\_\_\_\_ 428 **DATE OF ADOPTION** \_\_\_\_\_ 11/23/21

**REVISED** \_\_\_\_\_

**TITLE** \_\_\_\_\_ Mandatory Vaccination

**I. PURPOSE**

Vaccination is a vital tool to reduce the presence and severity of COVID-19 cases in the workplace, in communities, and in the nation as a whole. St. Louis Park Public Schools has adopted this policy on mandatory vaccination to help safeguard the health of our students, employees and community from the hazard of COVID-19. This policy complies with OSHA’s Emergency Temporary Standard on Vaccination and Testing (29 CFR 1910.501) and would remain in force as long as this OSHA Emergency Temporary Standard is in place.

**II. SCOPE**

This Mandatory COVID-19 Vaccination Policy applies to all St. Louis Park Public Schools employees, except for employees who do not report to a workplace where other individuals (such as coworkers, students or community members) are present; employees while working 100% from home; and employees who work exclusively outdoors.

All employees covered by this policy are required to be fully vaccinated as a term and condition of employment at St. Louis Park Public Schools or be tested weekly and provide a negative COVID-19 test result within seven (7) days of reporting to work. Employees are considered fully vaccinated two weeks after completing primary vaccination with a COVID-19 vaccine, with, if applicable, at least the minimum recommended interval between doses. For example, this includes two weeks after a second dose in a two-dose series, such as the Pfizer or Moderna vaccines, two weeks after a single-dose vaccine, such as the Johnson & Johnson vaccine, or two weeks after the second dose of any combination of two doses of different approved COVID-19 vaccines as part of one primary vaccination series. All employees are required to report their vaccination status and to provide proof of vaccination, if vaccinated. Employees must provide truthful and accurate information about their COVID-19 vaccination status, and, if Not Fully Vaccinated, report their COVID-19 testing results on a weekly basis. If an employee provides falsified information they will be subject to discipline by the employer, up to and including termination of employment; and may be subject to criminal penalties from OSHA prohibitions and state or federal laws.

Weekly COVID-19 testing is required for any employee who is either unvaccinated or has not provided proof of being fully vaccinated based on procedures created by the district for

this purpose. Employees who do not test weekly or do not provide a negative test result will not be allowed to report to work onsite at any district property.

Employees not in compliance with this policy may be placed on unpaid leave and will be subject to discipline in accordance with their employee or labor agreement.

Employees may request an exception from this mandatory vaccination policy if they will not be Fully Vaccinated by January 4, 2022. Requests for exceptions must be made to the Human Resource Department as part of the process in reporting their vaccination status on the COVID-19 Vaccination Record Form by December 6, 2021 or for new employees after the offer of employment but before starting work on-site. Any person requesting an exception will be considered Not Fully Vaccinated and subject to the required weekly testing and reporting protocols.

All employees regardless of vaccination status are required to wear masks while indoors in accordance with the District Policy 808 COVID-19 Face Coverings.

**Other References**

*MDH Best Practice Recommendations for COVID-19 Prevention in Schools for the 2021-22 School Year*

*CDC Interim Public Health Recommendations for Fully Vaccinated People*

*OSHA's Emergency Temporary Standard on Vaccination and Testing (29 CFR 1910.501)*

St. Louis Park Public Schools Policy 808 COVID-19 Face Coverings

## **Mandatory Vaccination Procedures**

*This policy and procedures comply with OSHA's Emergency Temporary Standard on Vaccination and Testing (29 CFR 1910.501) and would remain in force as long as this OSHA Emergency Temporary Standard is in place.*

## **Overview and General Information**

All St. Louis Park Public Schools employees must be fully vaccinated no later than December 6, 2021 or for new employees prior to starting work, whichever is later.

To be fully vaccinated by January 4, 2022, a current employee must:

- o Obtain the first dose of a two dose vaccine no later than December 6 for Moderna or December 13, 2021 for Pfizer; and the second dose no later than January 3, 2022; or
- o Obtain one dose of a single dose vaccine no later than January 3, 2022.
- o New employees are required to provide vaccine status after acceptance of their job offer with the district and before starting work on site.

Employees will be considered fully vaccinated two weeks after receiving the requisite number of doses of a COVID-19 vaccine. An employee will be considered partially vaccinated if they have received only one dose of a two dose vaccine. OSHA has provided a limited exception and employees who have completed a two dose vaccination by January 4, 2022, will be considered “fully vaccinated” and not subject to weekly testing, without the additional two-week waiting period.

## **Vaccination Status and Acceptable Forms of Proof of Vaccination**

*This section provides information on how the employer will comply with 29 CFR 1910.501(e) to determine each employee's vaccination status and require vaccinated employees to provide acceptable proof of vaccination.*

All vaccinated employees are required to provide proof of COVID-19 vaccination, regardless of where they received vaccination. Proof of vaccination status can be submitted via to the Human Resources secure Records portal using the COVID-19 Vaccination Record Form

Acceptable proof of vaccination status is:

1. The record of immunization from a healthcare provider or pharmacy;
2. A copy of the COVID-19 Vaccination Record Card;
3. A copy of medical records documenting the vaccination;
4. A copy of immunization records from a public health, state, or tribal immunization information system; or

5. A copy of any other official documentation that contains the type of vaccine administered, date(s) of administration, and the name of the healthcare professional(s) or clinic site(s) administering the vaccine(s).

Proof of vaccination generally should include the employee’s name, the type of vaccine administered, the date(s) of administration, and the name of the healthcare professional(s) or clinic site(s) that administered the vaccine. In some cases, state immunization records may not include one or more of these data fields, such as clinic site; in those circumstances St. Louis Park Public Schools will still accept the state immunization record as acceptable proof of vaccination.

If an employee is unable to produce one of these acceptable forms of proof of vaccination, despite attempts to do so (e.g., by trying to contact the vaccine administrator or state health department), the employee can provide a signed and dated statement attesting to their vaccination status (fully vaccinated or partially vaccinated); attesting that they have lost and are otherwise unable to produce one of the other forms of acceptable proof; and including the following language:

“I declare (or certify, verify, or state) that this statement about my vaccination status is true and accurate. I understand that knowingly providing false information regarding my vaccination status on this form may subject me to criminal penalties.”

An employee who attests to their vaccination status in this way should, to the best of their recollection, include in their attestation the type of vaccine administered, the date(s) of administration, and the name of the healthcare professional(s) or clinic site(s) administering the vaccine.

All current employees must inform St. Louis Park Public Schools of their vaccination status. The following table outlines the requirements for submitting vaccination status documentation.

<b>Vaccination Status</b>	<b>Instructions</b>	<b>Deadline</b>
Employees who are fully vaccinated.	Submit proof of vaccination that indicates full vaccination.	<ul style="list-style-type: none"> <li>● Existing Employees by December 6, 2021.</li> <li>● New employees prior to starting work onsite.</li> </ul>
Employees who are partially vaccinated (i.e., one dose of a two dose vaccine series).	Submit proof of vaccination that indicates when the first dose of vaccination was received, followed by proof of the second dose when it is obtained.	<ul style="list-style-type: none"> <li>● Existing Employees by December 6, 2021.</li> <li>● New employees prior to starting work onsite.</li> </ul>

Employees who have not yet been vaccinated.	Submit a statement that you are unvaccinated.	<ul style="list-style-type: none"> <li>● Existing Employees by December 6, 2021.</li> <li>● New employees prior to starting work onsite.</li> </ul>
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Employees who do not provide one of the acceptable proof of vaccination items above by the deadlines above, regardless of reason, will be considered as being “Not Fully Vaccinated” and subject to weekly testing starting effective January 4, 2022.

Any employees who knowingly provide falsified information will be subject to discipline by the employer up to and including termination of employment; and may be subject to criminal penalties and fines from OSHA prohibitions and state or federal laws.

**Supporting COVID-19 Vaccination**

**This section provides information on how the employer will comply with 29 CFR 1910.501(f) and provide support for employee vaccination, including by providing up to four hours paid time at the regular rate of pay for each of their vaccination dose(s) and reasonable time and paid sick leave for recovery from side effects experienced following any vaccination dose.**

An employee may take up to four hours of duty time per dose to travel to the vaccination site, receive a COVID-19 vaccination, and return to work. This would mean a maximum of eight hours of duty time for employees receiving two doses. This time will be coded as COVID-Sick Time and entered by the Human Resource Department in the online time off system. Employees must notify their supervisors and HR of the time taken so it can be properly recorded and paid. If an employee spends less time getting the vaccine, only the necessary amount of duty time will be granted. Employees who take longer than four hours to get the vaccine must send their supervisor an email documenting the reason for the additional time (e.g., they may need to travel long distances to get the vaccine). Any additional time requested will be granted, if reasonable, but will not be paid through COVID-Sick Time pay; in that situation, the employee can elect to use accrued leave, e.g., sick leave, to cover the additional time. If an employee is vaccinated outside of their approved duty time they will not be compensated.

Employees may utilize up to two workdays of sick leave immediately following each dose if they have side effects from the COVID-19 vaccination that prevent them from working. Employees who have no sick leave will be granted up to two days of additional Covid-sick leave immediately following each dose if necessary.

The following procedures apply for requesting and granting duty time to obtain the COVID-19 vaccine or sick leave to recover from side effects.

**Employee Notification of COVID-19 and Removal from the Workplace**

**This section provides information on how the employer will comply with 29 CFR 1910.501(h), which provides that employers must (1) require employees to promptly notify the employer when they receive a positive COVID-19 test or are diagnosed with COVID-19; (2) immediately remove such employees from the workplace; and (3) keep those employees removed until they meet return to work criteria.**

St. Louis Park Public Schools will require employees to promptly notify their supervisor when they have tested positive for COVID-19 or have been diagnosed with COVID-19 by a licensed healthcare provider.

Employees will communicate with their supervisor if they are sick or experiencing symptoms while at home or at work and will enter sick-personal illness in the online time off system. In the event that the employee exhausts all available sick leave due to COVID-19 related illness or quarantine, then may contact the Human Resource Department and may receive up to 10 additional days of sick leave credited back to their account.

### **Medical Removal from the Workplace**

St. Louis Park Public Schools has also implemented a policy for keeping COVID-19 positive employees from the workplace in certain circumstances. St. Louis Park Public Schools will immediately remove an employee from the workplace if they have received a positive COVID-19 test or have been diagnosed with COVID-19 by a licensed healthcare provider (i.e., immediately send them home or to seek medical care, as appropriate). Employees will be required to quarantine away from work in accordance with the CDC and Minnesota Department of Health guidelines. Employees should work with the school nurse at their site or the Human Resource Department for guidance on the length the employee must remain away from work. If the employee's job allows for working remotely, they may arrange to work from home for some or all of the time during the quarantine.

### **Return to Work Criteria**

For any employee removed because they are COVID-19 positive, St. Louis Park Public Schools will keep them removed from the workplace until the employee receives a negative result on a COVID-19 nucleic acid amplification test (NAAT) following a positive result on a COVID-19 antigen test if the employee chooses to seek a NAAT test for confirmatory testing; meets the return to work criteria in CDC's "Isolation Guidance"; or receives a recommendation to return to work from a licensed healthcare provider.

Under CDC's "Isolation Guidance," asymptomatic employees may return to work once 10 days have passed since the positive test, and symptomatic employees may return to work after all the following are true:

- At least 10 days have passed since symptoms first appeared, and
- At least 24 hours have passed with no fever without fever-reducing medication, and
- Other symptoms of COVID-19 are improving (loss of taste and smell may persist for weeks or months and need not delay the end of isolation).

If an employee has severe COVID-19 or an immune disease, St. Louis Park Public Schools will follow the guidance of a licensed healthcare provider regarding return to work.

### **COVID-19 Testing for Employees who are Not Fully Vaccinated**

**[This section provides information on how the employer will comply with 29 CFR 1910.501(g) and address COVID-19 testing for employees in the workplace who are not fully vaccinated.]**

If an employee covered by this policy is “Not Fully Vaccinated” (for any reason), the employee will be required to comply with this policy for weekly testing and reporting of results.

Employees who report to the workplace at least once every seven days:

- (A) must be tested for COVID-19 at least once every seven days; and
- (B) must provide documentation of the most recent COVID-19 test result to the Human Resource Department online secure Records portal using the COVID-19 Testing Record Form no later than the seventh day following the date on which the employee last provided a test result.

Any employee who does not report to the workplace during a period of seven or more days (e.g., if they were teleworking for two weeks prior to reporting to the workplace):

- (A) must be tested for COVID-19 within seven days prior to returning to the workplace; and
- (B) must provide documentation of that test result to the Human Resource Department upon return to the workplace.

If an employee does not provide documentation of a COVID-19 test result as required by this policy, they are not to report to work onsite. If they report to work onsite without the reported COVID-19 negative test result they will be directed to leave the workplace until they provide a test result and may be subject to discipline up to and including termination of employment.

Employees who have received a positive COVID-19 test, or have been diagnosed with COVID-19 by a licensed healthcare provider and have recovered from COVID-19 (Negative COVID-19 test or Positive Antibodies test), are still required to undergo the weekly COVID-19 testing and reporting when they are able to return to work onsite.

The district will provide weekly onsite testing options or the ability to pick up a COVID-19 test kit at no cost to the employee.

### **Face Coverings**

All employees regardless of vaccination status are required to wear face coverings whenever indoors according to District Policy 808 COVID-19 Face Coverings

The following are exceptions to the District's requirements for face coverings:

1. When an employee is alone in a room with floor to ceiling walls and a closed door.
2. For a limited time, while an employee is eating or drinking at the workplace or for identification purposes in compliance with safety and security requirements.
3. When an employee is wearing a respirator or facemask.
4. Where St. Louis Park Public Schools has determined that the use of face coverings is infeasible or creates a greater hazard (e.g., when it is important to see the employee's mouth for reasons related to their job duties, when the work requires the use of the employee's uncovered mouth, or when the use of a face covering presents a risk of serious injury or death to the employee).

**New Hires after November 5, 2021:**

All new employees are required to comply with the vaccination requirements outlined in this policy as soon as practicable and before starting work onsite as a condition of employment. Potential candidates for employment will be notified of the requirements of this policy prior to the start of employment.

**Confidentiality and Privacy:**

All medical information collected from individuals, including vaccination information, test results, and any other information obtained as a result of testing, will be treated in accordance with applicable laws and policies on confidentiality and privacy.

**Questions about this Policy:**

Please direct any questions regarding this policy or the procedures to the Director of Human Resources.

## INDEPENDENT SCHOOL DISTRICT 283

SECTION/FILE 524

DATE OF ADOPTION 06/26/2000

REVISED 06/09/03; 03/26/07; 03/24/08; 11/22/10; 3/12/12; 06/25/18; 04/27/20; 2021

TITLE Internet and Technology Responsible Use - Students

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### I. PURPOSE

The purpose of this policy is to set forth policies and guidelines for student access to the school district computer systems, devices and acceptable and safe use of the Internet, including electronic communications.

### II. GENERAL STATEMENT OF POLICY

In making decisions regarding student access to the school district computer systems, devices and the Internet, including electronic communications, the school district considers its own stated educational mission, goals, and objectives. Electronic information research skills are now fundamental to preparation of citizens and future employees. Access to the school district computer system and to the Internet enables students to explore thousands of libraries, databases, bulletin boards, and other resources while exchanging messages with people around the world. The school district expects that faculty will blend thoughtful use of the school district computer system and the Internet throughout the curriculum and will provide guidance and instruction to students in their use.

### III. LIMITED EDUCATIONAL PURPOSE

The school district is providing students with access to the school district computer system, which includes Internet access. The purpose of the system is more specific than providing students and employees with general access to the Internet. The school district system has a limited educational purpose, which includes use of the system for classroom activities, educational research, and college or career development activities. Students are expected to use Internet access through the district system to further educational and personal goals consistent with the mission and core values of the school district and school policies. Uses, which might be acceptable on a user's private personal account on another system, may not be acceptable on this limited-purpose network. Use of electronic resources will follow the rules set forth in the School Discipline Policy and the law.

### IV. USE OF SYSTEM IS A PRIVILEGE

The use of the school district system and access to use of the Internet is a privilege, not a right. Depending on the nature and degree of the violation and the number of previous violations, unacceptable use of the school district system or the Internet may result in one or more of the following consequences: suspension or cancellation of

use or access privileges; payments for damages and repairs; discipline under other appropriate school district policies, including suspension, expulsion, or exclusion; or civil or criminal liability under other applicable laws.

## V. UNACCEPTABLE USES

A. **While not an exhaustive list,** the following uses of the school district system and Internet resources or accounts are considered unacceptable:

1. Students will not use the school district system to access, review, upload, download, store, print, post, receive, transmit or distribute:
  - a. pornographic, obscene or sexually explicit material or other visual depictions that are harmful to minors;
  - b. obscene, abusive, profane, lewd, vulgar, rude, inflammatory, threatening, disrespectful, or sexually explicit language;
  - c. materials that use language or images that are inappropriate in the education setting or disruptive to the educational process;
  - d. information or materials that could cause damage or danger of disruption to the educational process;
  - e. materials that use language or images that advocate violence or discrimination toward other people (hate literature) or that may constitute harassment or discrimination.
2. Students will not use the school district system to knowingly or recklessly post, transmit or distribute false or defamatory information about a person or organization, or to harass another person, or to engage in personal attacks, including prejudicial or discriminatory attacks.
3. Students will not use the school district system to engage in any illegal act or violate any local, state or federal statute or law.
4. Students will not use the school district system to vandalize, damage or disable the property of another person or organization, will not make deliberate attempts to degrade or disrupt equipment, software or system performance by spreading computer viruses or by any other means, will not tamper with, modify or change the school district system software, hardware or wiring or take any action to violate the school district's security system, and will not use the school district system in such a way as to disrupt the use of the system by other users.
5. Students will not use the school district system to gain unauthorized access to information resources or to access another person's materials, information or files without the implied or direct permission of that person.
6. Students will not use the school district system to post private information about another person, personal contact information about themselves or other persons, or other personally identifiable information,

including, but not limited to, addresses, telephone numbers, school addresses, work addresses, identification numbers, account numbers, access codes or passwords, labeled photographs or other information that would make the individual's identity easily traceable, and will not repost a message that was sent to the user privately without permission of the person who sent the message.

7. **Students must keep all account information and passwords on file with the designated school district official.** Students will not attempt to gain unauthorized access to the school district system or any other system through the school district system, attempt to log in through another person's account, or use computer accounts, access codes or network identification other than those assigned to the user. Messages and records on the school district system may not be encrypted without the permission of appropriate school authorities.
  8. Students will not use the school district system to violate copyright laws or usage licensing agreements, or otherwise to use another person's property without the person's prior approval or proper citation, including the downloading or exchanging of pirated software or copying software to or from any school computer, and will not plagiarize works they find on the Internet.
  9. Students will not use the school district system for conducting business, for unauthorized commercial purposes or for financial gain unrelated to the mission of the school district. Users will not use the school district system to offer or provide goods or services or for product advertisement. Students will not use the school district system to purchase goods or services for personal use without authorization from the appropriate school district official.
  10. Students will not use the school district system to engage in bullying or cyberbullying in violation of the school district's Bullying Prohibition Policy (Policy 514). This prohibition includes using any technology or other electronic communication off school premises to the extent that student learning or the school environment is substantially and materially disrupted.
- B. **The school district has a special interest in regulating off-campus speech that materially disrupts classwork or involves substantial disorder or invasion of the rights of others.** A student engaging in any of the foregoing unacceptable uses of the Internet when off school district premises and without the use of the school district system also may be in violation of this policy as well as other school district policies. Examples of such violations **may** include, but are not limited to, **situations serious or severe bullying or harassment targeting particular individuals, threats aimed at teachers or other students, failure to follow rules concerning lessons, the writing of papers, the use of computers, or**

~~participation in other online school activities, and breaches of school security devices. where the school district system is compromised or if a school district employee or student is negatively impacted.~~ In situations when the school district receives a report of an unacceptable use originating from a non-school computer or resource, the school district shall investigate such reports to the best of its ability. Students may be subject to disciplinary action for such conduct including, but not limited to, suspension or cancellation of the use or access to the school district computer system and the Internet and discipline under other appropriate school district policies, including suspension, expulsion, or exclusion.

- C. If a student inadvertently accesses unacceptable materials or an unacceptable Internet site, the student shall immediately disclose the inadvertent access to an appropriate teacher or school district official. This disclosure may serve as a defense against an allegation that the student has intentionally violated this policy. In certain rare instances, a student also may access otherwise unacceptable materials if necessary to complete an assignment and if done with the prior approval of and with appropriate guidance from the appropriate teacher or, the building administrator.

## **VI. FILTER**

The School District will use reasonable precautions and technology filtering methods to filter inappropriate content.

- A. School district computers and devices with Internet access and available for student use will use available software filtering technology or other effective methods to prevent student access to materials that are reasonably believed to be obscene, child pornography, or harmful to minors under state or federal law.
- B. Software filtering technology shall be narrowly tailored and shall not discriminate based on viewpoint.
- C. With respect to any of its devices with Internet access, the School District will monitor the online activities of students and use technology protection measures during any use of such devices by minors and adult students. The technology protection measures utilized will block or filter all reasonable Internet access to visual depictions that are:
  - 1. Obscene;
  - 2. Child pornography; or
  - 3. Harmful to minors.

- D. The term “harmful to minors” means any picture, image, graphic image file, or other visual depiction that:
  - E. Taken as a whole and with respect to minors, appeals to a prurient interest in nudity, sex, or excretion; or
  - F. Depicts, describes, or represents, in a patently offensive way with respect to what is suitable for minors, an actual or simulated sexual act or sexual contact, actual or simulated normal or perverted sexual acts, or a lewd exhibition of the genitals; and
  - G. Taken as a whole, lacks serious literary, artistic, political, or scientific value as to minors.
- ~~VII.~~ H. Software filtering technology shall be narrowly tailored and shall not discriminate based on viewpoint.
- ~~VIII.~~ J. An administrator, supervisor or other person authorized by the Superintendent may disable the technology protection measure, during use by an adult, to enable access for bonafide research or other lawful purposes.
- ~~IX.~~ I. The school district will educate students about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response.
- ~~X.~~ **VII. CONSISTENCY WITH OTHER SCHOOL POLICIES**
- Use of the school district computer system and use of the Internet shall be consistent with school district policies and the mission and core values of the school district.
- ~~XI.~~ **VIII. LIMITED EXPECTATION OF PRIVACY**
- A. By authorizing use of the school district system, the school district does not relinquish control over materials on the system or contained in files on the system. Students should expect only limited privacy in the contents of personal files on the school district system.
  - B. Routine maintenance and monitoring of the school district system may lead to a discovery that a user has violated this policy, another school district policy, or the law.
  - C. An individual investigation or search will be conducted if school authorities have a reasonable suspicion that the search will uncover a violation of law or school district policy.
  - D. Parents/guardians **may** have the right at any time to investigate or review the contents of their child’s files and e-mail files **in accordance with the school district’s Protection and Privacy of Pupil Records Policy**. Parents/guardians have the right to request the termination of their child’s individual account at any time, so long as it does not unreasonably interfere with the education of the student.
  - E. Students should be aware that the school district retains the right at any time to investigate or review the contents of their files and e-mail files. In addition, students should be aware that data and other materials in files maintained on the school district system may be subject to review, disclosure or discovery under Minn. Stat. Ch. 13 ~~(the~~ Minnesota Government Data Practices Act or other

Federal laws governing student data). In the event there is a claim of suspected violation regarding this policy, the user will be provided due process as set forth by school policy.

- F. The school district will cooperate fully with local, state and federal authorities in any investigation concerning or related to any illegal activities or activities not in compliance with school district policies conducted through the school district system.

## **XII. INTERNET USE AGREEMENT**

- A. The proper use of the Internet, and the educational value to be gained from proper Internet use, is the joint responsibility of students, parents/guardians and employees of the school district.
- B. This policy requires the permission of and supervision by the school's designated professional staff before a student may use a school account or resource to access the Internet.
- C. The Internet Use Agreement form for students must be read and signed by the user, the parent or guardian, and the supervising teacher. The Internet Use Agreement form for employees must be signed by the employee. The form must then be filed at the school office. As supervising teachers change, the agreement signed by the new teacher shall be attached to the original agreement.

## **XIII. LIMITATION ON SCHOOL DISTRICT LIABILITY**

Use of the school district system is at the user's own risk. The system is provided on an "as is, as available" basis. The school district will not be responsible for any damage users may suffer, including, but not limited to, loss, damage or unavailability of data stored on school district or cloud storage devices, or for delays or changes in or interruptions of service or misdeliveries or nondeliveries of information or materials, regardless of the cause. The school district is not responsible for the accuracy or quality of any advice or information obtained through or stored on the school district system. The school district will not be responsible for financial obligations arising through unauthorized use of the school district system or the Internet.

## **XIV. USER NOTIFICATION**

- A. All students shall be notified of the school district policies relating to Internet use.
- B. This notification shall include the following:
  - 1. Notification that Internet use is subject to compliance with school district policies.
  - 2. Disclaimers limiting the school district's liability relative to:
    - a. Information stored on school district storage devices, hard drives, cloud drives or servers
    - b. Information retrieved through school district devices, networks or online resources.

- c. Personal property used to access school district computers, networks or online resources.
  - d. Unauthorized financial obligations resulting from use of school district resources/accounts to access the Internet.
3. A description of the privacy rights and limitations of school sponsored/managed Internet accounts.
  4. Notification that, even though the school district may use technical means to limit student Internet access, these limits do not provide a foolproof means for enforcing the provisions of this acceptable use policy.
  5. Notification that goods and services can be purchased over the Internet that could potentially result in unwanted financial obligations and that any financial obligation incurred by a student through the Internet is the sole responsibility of the student and/or the student's parents/guardians.
  6. Notification that the collection, creation, reception, maintenance and dissemination of data via the Internet, including electronic communications, is governed by ~~Policy 406~~, Public and Private Personnel Data Policy, and ~~Policy 515~~, Protection and Privacy of Pupil Records Policy.
  7. Notification that, should the user violate the school district's acceptable use policy, the user's access privileges may be revoked, school disciplinary action may be taken and/or appropriate legal action may be taken.
  8. Notification that all provisions of the acceptable use policy are subordinate to local, state and federal laws.

**XV. PARENT/GUARDIAN RESPONSIBILITY; NOTIFICATION OF STUDENT INTERNET USE**

- A. Outside of school, parents/guardians bear responsibility for the same guidance of Internet use as they exercise with information sources such as television, telephones, radio, movies and other possibly offensive media. Parents/guardians are responsible for monitoring their student's use of the school district system and of the Internet if the student is accessing the school district system from home or a remote location.
- B. Parents/guardians will be notified that their students will be using school district resources/accounts to access the Internet and that the school district will provide parents/guardians the option to request alternative activities not requiring Internet access. This notification should include:
  1. A copy of the user notification form provided to the student user.
  2. A description of parent/guardian responsibilities.
  3. A notification that the parents/guardians have the option to request alternative educational activities not requiring Internet access and the material to exercise this<sup>239</sup> option.
  4. A statement that the Internet Use Agreement must be signed by the user,

the parent or guardian, and the supervising teacher prior to use by the student.

5. A statement that the school district's acceptable use policy is available for parental/guardian review.

## **XVI. IMPLEMENTATION; POLICY REVIEW**

- A. The school district administration may develop appropriate user notification forms, guidelines and procedures necessary to implement this policy for submission to the school board for approval. Upon approval by the school board, such guidelines, forms and procedures shall be an addendum to this policy.
- B. The administration shall revise the user notifications, including student and parent/guardian notifications, if necessary, to reflect the adoption of these guidelines and procedures.
- C. The school district Internet policies and procedures are available for review by all parents, guardians, staff and members of the community.
- D. Because of the rapid changes in the development of the Internet, the school board shall conduct an annual review of this policy.

### ***Legal References:***

**Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)**  
15 U.S.C. § 6501 *et seq.* (Children's Online Privacy Protection Act) 17 U.S.C. § 101 *et seq.* (Copyrights)  
~~20 U.S.C. § 6751 *et seq.* (Enhancing Education through Technology Act of 2001)~~  
20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)  
47 U.S.C. § 254 (Children's Internet Protection Act of 2000 (CIPA))  
47 C.F.R. § 54.520 (FCC rules implementing CIPA)  
**Minn. Stat. § 121A.031 (School Student Bullying Policy)**  
Minn. Stat. § 125B.15 (Internet Access for Students)  
Minn. Stat. § 125B.26 (Telecommunications/Internet Access Equity Act)  
*Mahanoy Area Sch. Dist. v. B.L.*, 594 U.S. \_\_\_, 141 S. Ct. 2038 (2021)  
*Tinker v. Des Moines Indep. Cmty. Sch. Dist.*, 393 U.S. 503, ~~89 S.Ct. 733, 21 L.Ed.2d 731~~ (1969)  
*United States v. American Library Association*, 539 U.S. 194, ~~123 S.Ct. 2297, 56 L.Ed.2d 221~~ (2003)  
*Doniner v. Niehoff*, 527 F.3d 41 (2<sup>nd</sup> Cir. 2008)  
*R.S. v. Minnewaska Area Sch. Dist. No. 2149*, ~~No. 12-588, 2012 WL3870868~~  
894 F.Supp.2d 1128 (D. Minn. 2012)  
*S.J.W. v. Lee's Summit R-7 Sch. Dist.*, 696F.3d 771 (8<sup>th</sup> Cir. 2012)  
~~*Kowalski v. Berkeley County Sch.*, 652F.3d 656-665 (4<sup>th</sup> Cir. 2011)~~  
~~*Layshock v. Hermitage Sch. Dist.*, 650F.3d 205 (3<sup>rd</sup> Cir. 2011)~~  
*Parents, Families and Friends of Lesbians and Gays, Inc. v. Camdenton*

*R-III Sch. Dist. 853F. Supp.2d888 (W.D. Mo.2012)*  
*M.T. v. Cent. York Sch. Dist., 937 A.2d 538 (Pa. Commw. Ct. 2007)*

***Cross References:***

MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 406 (Public and Private Personnel Data)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 424 (Internet and Technology Responsible Use - Staff)

MSBA/MASA Model Policy 505 (Distribution of Nonschool-sponsored Materials on School Premises by Students and Employees)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 506 (Student ~~Discipline~~ Behavior Intervention)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 514 (Bullying Prohibition ~~Policy~~)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 515 (Protection and Privacy of Pupil Records)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 519 (Interviews of Students by Outside Agencies)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 521 (Student Disability Nondiscrimination)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 522 (Student Sex Nondiscrimination)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 603 (Curriculum Development)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 604 (Instructional Curriculum)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 606 (Textbooks and Instructional Materials)

~~MSBA/MASA Model~~ [St. Louis Park Public Schools](#) Policy 806 (Crisis Management Policy)

MSBA/MASA Model Policy 904 (Distribution of Materials on School District Property by Nonschool Persons)

## INTERNET AND TECHNOLOGY RESPONSIBLE USE AGREEMENT - STUDENT

### STUDENT

I have read and do understand the school district policies relating to responsible use of the school district technology and the Internet and agree to abide by them. I further understand that should I commit any violation, my access privileges may be revoked, school disciplinary action may be taken, and/or appropriate legal action may be taken, including the possibility of expulsion.

User's Full Name (please print): \_\_\_\_\_

User Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### PARENT OR GUARDIAN

As the parent or guardian of this student, I have read the school district policies relating to responsible use of the school district technology and the Internet. I understand that this access is designed for educational purposes. The school district has taken precautions to eliminate controversial material. However, I also recognize it is impossible for the school district to restrict access to all controversial materials and I will not hold the school district or its employees or agents responsible for materials acquired on the Internet. Further, I accept full responsibility for supervision if and when my child's use is not in a school setting. I hereby give permission to issue an account for my child and certify that the information contained on this form is correct.

Parent or Guardian's Name (please print): \_\_\_\_\_

Parent or Guardian's Signature: \_\_\_\_\_

### SUPERVISING TEACHER

(Must be signed if applicant is a student)

I have read the school district policies relating to responsible use of the school district technology and the Internet and agree to promote these policies with the student. Because the student may use the Internet on the school district computer system for individual work or in the context of another class, I cannot be held responsible for the student's use of the Internet on network. As the supervising teacher, I do agree to instruct the student on acceptable use of the Internet and network and proper network etiquette.

Teacher's Name (please print): \_\_\_\_\_

Teacher's Signature: \_\_\_\_\_

## INDEPENDENT SCHOOL DISTRICT 283

SECTION/FILE 424 DATE OF ADOPTION 11/12/19

REVISED 2021

TITLE Employee Internet and Technology Responsible Use

### I. PURPOSE

The purpose of this policy is to set forth policies and guidelines for staff access to the school district computer systems, devices and acceptable and safe use of the Internet, including electronic communications.

### II. GENERAL STATEMENT OF POLICY

In making decisions regarding employee access to the school district computer system and the Internet, including electronic communications, the school district considers its own stated educational mission, goals, and objectives. Electronic information research skills are now fundamental to preparation of citizens and future employees. Access to the school district computer system and to the Internet enables employees to explore thousands of libraries, databases, bulletin boards, and other resources to do their work while exchanging messages with people around the world. The school district expects that employees will blend thoughtful use of the school district computer system and the Internet throughout the curriculum and will provide guidance and instruction to students in their use.

### III. LIMITED EDUCATIONAL PURPOSE

The school district is providing employees with access to the school district computer system, which includes Internet access. The purpose of the system is more specific than providing employees with general access to the Internet. The school district system has a limited work and educational purpose, which includes use of the system for classroom activities, educational research, performing work duties and professional or career development activities. Users are expected to use Internet access through the district system to further educational and personal goals consistent with the mission and core values of the school district and school policies. Uses, which might be acceptable on a user's private personal account on another system, may not be acceptable on this limited-purpose network. Use of electronic resources will follow the rules set forth in the employee agreements and the law.

### IV. USE OF SYSTEM IS A PRIVILEGE

The use of the school district system and access to use of the Internet is a privilege, not a right. Depending on the nature and degree of the violation and the number of previous violations, unacceptable use of the school district system or the Internet may result in one or more of the following consequences: suspension or cancellation of use or access privileges; payments for damages and repairs; discipline under other

appropriate school district policies and employment agreements, up to and including termination of employment; or civil or criminal liability under other applicable laws.

## **V. UNACCEPTABLE USES**

1. The following uses of the school district system and Internet resources or accounts are considered unacceptable:
  1. Users will not use the school district system to access, review, upload, download, store, print, post, receive, transmit or distribute:
    - a. pornographic, obscene or sexually explicit material or other visual depictions that are harmful to minors;
    - b. obscene, abusive, profane, lewd, vulgar, rude, inflammatory, threatening, disrespectful, or sexually explicit language;
    - c. materials that use language or images that are inappropriate in the work or education setting or disruptive to the educational process;
    - d. information or materials that could cause damage or danger of disruption to the work or educational process;
    - e. materials that use language or images that advocate violence or discrimination toward other people (hate or harassing literature) or that may constitute harassment or discrimination.
  2. Users will not use the school district system to knowingly or recklessly post, transmit or distribute false or defamatory information about a person or organization, or to harass another person, or to engage in personal attacks, including prejudicial or discriminatory attacks.
  3. Users will not use the school district system to engage in any illegal act or violate any local, state or federal statute or law.
  4. Users will not use the school district system to vandalize, damage or disable the property of another person or organization, will not make deliberate attempts to degrade or disrupt equipment, software or system performance by spreading computer viruses or by any other means, will not tamper with, modify or change the school district system software, hardware or wiring or take any action to violate the school district's security system, and will not use the school district system in such a way as to disrupt the use of the system by other users.
  5. Users will not use the school district system to gain unauthorized access to information resources or to access another person's materials, information or files without the implied or direct permission of that person.
  6. Users will not use the school district system to post private information about another person, personal contact information about themselves or other persons, or other personally identifiable information, including, but not limited to, addresses, telephone numbers, school addresses, work addresses, identification numbers, account numbers, access codes or

passwords, labeled photographs or other information that would make the individual's identity easily traceable, and will not repost a message that was sent to the user privately without permission of the person who sent the message.

- a. This paragraph does not prohibit the posting of employee contact information on the school district webpages or communications between employees and other individuals when such communications are made for work or education-related purposes (i.e. communications with parents or other staff members related to students or in carrying out professional responsibilities of the employee's job).
- b. Employees creating or posting school-related webpages may include personal contact information about themselves on a webpage. However, employees may not post personal contact information or other personally identifiable information about students unless:
  - 1) such information is classified by the school district as directory information and verification is made that the school district has not received notice from a parent/guardian or eligible student that such information is not to be designated as directory information in accordance with Policy 515; or
  - 2) such information is not classified by the school district as directory information but written consent for release of the information to be posted has been obtained from a parent/guardian or eligible student in accordance with Policy 515.

In addition, prior to posting any personal contact or personally identifiable information on a school-related webpage, employees shall obtain written approval of the content of the postings from their supervisor or the building administrator.

- c. These prohibitions specifically prohibit a user from utilizing the school district system to post personal information<sup>245</sup> about a user or another individual on social networks, including, but not limited to, social networks

such as “Facebook,” “Twitter,” “Instagram,” “Snapchat,” “TikTok,” and “Reddit,” and similar websites or applications.

7. Users must keep all account information and passwords on file with the designated school district official. Users must keep all account information and passwords on file with the designated school district official. Users will not attempt to gain unauthorized access to the school district system or any other system through the school district system, attempt to log in through another person’s account, or use computer accounts, access codes or network identification other than those assigned to the user. Messages and records on the school district system may not be encrypted or made otherwise inaccessible without the permission of appropriate school authorities.
  8. Users will not use the school district system to violate copyright laws or usage licensing agreements, or otherwise to use another person’s property without the person’s prior approval or proper citation, including the downloading or exchanging of pirated software or copying software to or from any school computer, and will not plagiarize works they find on the Internet.
  9. Users will not use the school district system for conducting business, for unauthorized commercial purposes or for financial gain unrelated to the mission of the school district. Users will not use the school district system to offer or provide goods or services or for product advertisement. Users will not use the school district system to purchase goods or services for personal use without authorization from the appropriate school district official.
  10. Users will not use the school district system to engage in bullying or cyberbullying in violation of the school district’s Bullying Prohibition Policy (Policy 514). This prohibition includes using any technology or other electronic communication off school premises to the extent that student learning or the school environment is substantially and materially disrupted.
2. An employee engaging in any of the foregoing unacceptable uses of the Internet when off school district premises and without the use of the school district system also may be in violation of this policy as well as other school district policies. Examples of such violations include, but are not limited to, situations where the school district system is compromised or if a school district employee or student is negatively impacted. In situations when the school district receives a report of an unacceptable use originating from a non-school computer or resource, the school district shall investigate such reports to the best of its ability. Employees may be subject to disciplinary action for such conduct up to and including termination of employment.

3. If a user inadvertently accesses unacceptable materials or an unacceptable Internet site, the user shall immediately disclose the inadvertent access to an appropriate school district official. In the case of a school district employee, the immediate disclosure shall be to the employee's immediate supervisor and/or the building administrator. This disclosure may serve as a defense against an allegation that the user has intentionally violated this policy. In certain rare instances, a user also may access otherwise unacceptable materials if necessary to complete an assignment and if done with the prior approval of and with appropriate guidance from the appropriate teacher or, in the case of a school district employee, the building administrator.

## **VI. FILTER**

The School District will use reasonable precautions and technology filtering methods to filter inappropriate content.

1. School district Internet access available for employee use will use available software filtering technology or other effective methods, to prevent employee access to materials that are reasonably believed to be obscene, child pornography, or harmful to minors under state or federal law.
  2. Software filtering technology shall be narrowly tailored and shall not discriminate based on viewpoint.
  3. With respect to any of its devices and Internet access, the School District will monitor the online activities of employees and use technology protection measures during any use of such devices by students and adults. The technology protection measures utilized will block or filter all reasonable Internet access to visual depictions that are:
    - a. Obscene;
    - b. Child pornography; or
    - c. Harmful to minors.
- A. The term "harmful to minors" means any picture, image, graphic image file, or other visual depiction that:
1. Taken as a whole and with respect to minors, appeals to a prurient interest in nudity, sex, or excretion; or
  2. Depicts, describes, or represents, in a patently offensive way with respect to what is suitable for minors, an actual or simulated sexual act or sexual contact, actual or simulated normal or perverted sexual acts, or a lewd exhibition of the genitals; and
  3. Taken as a whole, lacks serious literary, artistic, political, or scientific value as to minors.
- B. Software filtering technology shall be narrowly tailored and shall not discriminate based on viewpoint.
- C. An administrator, supervisor or other person authorized by the Superintendent

may disable the technology protection measure, during use by an adult, to enable access for bonafide research or other lawful purposes.

- D. The school district will educate students about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response.

## **VII. CONSISTENCY WITH OTHER SCHOOL POLICIES**

Use of the school district computer system and use of the Internet shall be consistent with school district policies, the mission and core values of the school district.

## **VIII. LIMITED EXPECTATION OF PRIVACY**

1. By authorizing use of the school district system, the school district does not relinquish control over materials on the system or contained in files on the system. Users should expect only limited privacy in the contents of personal files on the school district system.
2. Routine maintenance and monitoring of the school district system may lead to a discovery that a user has violated this policy, another school district policy, or the law.
3. An individual investigation or search will be conducted if school authorities have a reasonable suspicion that the search will uncover a violation of law or school district policy.
4. School district employees should be aware that the school district retains the right at any time to investigate or review the contents of their files and e-mail files. In addition, school district employees should be aware that data and other materials in files maintained on the school district system may be subject to review, disclosure or discovery under Minn. Stat. Ch. 13 (the Minnesota Government Data Practices Act). In the event there is a claim of suspected violation regarding this policy, the user will be provided due process as set forth by school policy.
5. The school district will cooperate fully with local, state and federal authorities in any investigation concerning or related to any illegal activities or activities not in compliance with school district policies conducted through the school district system.

## **IX. INTERNET USE AGREEMENT**

1. The proper use of the Internet, and the educational value to be gained from proper Internet use, is the joint responsibility of students, parents and employees of the school district.
2. This policy requires the permission of and supervision by the school's designated professional staff before a student may use a school account or resource to access the Internet.
3. The Internet Use Agreement form for students must be read and signed by the user, the parent or guardian, and the supervising teacher. The Internet Use Agreement form for employees<sup>248</sup> must be signed by the employee. The form must then be filed at the school office. As supervising teachers change, the

agreement signed by the new teacher shall be attached to the original agreement.

#### **X. LIMITATION ON SCHOOL DISTRICT LIABILITY**

Use of the school district system is at the user's own risk. The system is provided on an "as is, as available" basis. The school district will not be responsible for any damage users may suffer, including, but not limited to, loss, damage or unavailability of data stored on school district or cloud storage devices, or for delays or changes in or interruptions of service or misdeliveries or nondeliveries of information or materials, regardless of the cause. The school district is not responsible for the accuracy or quality of any advice or information obtained through or stored on the school district system. The school district will not be responsible for financial obligations arising through unauthorized use of the school district system or the Internet.

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1. All employees shall be notified of the school district policies relating to Internet use.
2. This notification shall include the following:
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  2. Disclaimers limiting the school district's liability relative to:
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    - b. Information retrieved through school district devices, networks or online resources.
    - c. Personal property used to access school district computers, networks or online resources.
    - d. Unauthorized financial obligations resulting from use of school district resources/accounts to access the Internet.
  3. A description of the privacy rights and limitations of school sponsored/managed Internet accounts.
  4. Notification that, even though the school district may use technical means to limit student and employee Internet access, these limits do not provide a foolproof means for enforcing the provisions of this acceptable use policy.
  5. Notification that goods and services can be purchased over the Internet that could potentially result in unwanted financial obligations and that any financial obligation incurred by an employee through the Internet is the sole responsibility of the employee.
  6. Notification that the collection, creation, reception, maintenance and dissemination of data via the Internet, including electronic communications, is governed by Policy 406, Public and Private Personnel Data, and Policy 515, Protection and Privacy of Pupil Records.

7. Notification that, should the user violate the school district's acceptable use policy, the user's access privileges may be revoked, employee disciplinary action may be taken and/or appropriate legal action may be taken.
8. Notification that all provisions of the acceptable use policy are subordinate to local, state and federal laws.

## **XII. IMPLEMENTATION; POLICY REVIEW**

1. The school district administration may develop appropriate user notification forms, guidelines and procedures necessary to implement this policy for submission to the school board for approval. Upon approval by the school board, such guidelines, forms and procedures shall be an addendum to this policy.
2. The administration shall revise the user notifications, including student and parent notifications, if necessary, to reflect the adoption of these guidelines and procedures.
3. The school district Internet policies and procedures are available for review by all parents, guardians, staff and members of the community.
4. Because of the rapid changes in the development of the Internet, the school board shall conduct an annual review of this policy.

### ***Legal References:***

15 U.S.C. § 6501 *et seq.* (Children's Online Privacy Protection Act) 17 U.S.C. § 101 *et seq.* (Copyrights)

20 U.S.C. § 6751 *et seq.* (Enhancing Education through Technology Act of 2001) 47 U.S.C. § 254 (Children's Internet Protection Act of 2000 (CIPA))

47 C.F.R. § 54.520 (FCC rules implementing CIPA)

Minn. Stat. § 125B.15 (Internet Access for Students)

Minn. Stat. § 125B.26 (Telecommunications/Internet Access Equity Act)

*Tinker v. Des Moines Indep. Cmty. Sch. Dist.*, 393 U.S. 503, 89 S.Ct. 733, 21 L.Ed.2d 731 (1969)

*United States v. American Library Association*, 539 U.S. 194, 123 S.Ct. 2297, 56 L.Ed.2d 221 (2003)

*Doniner v. Niehoff*, 527 F.3d 41 (2<sup>nd</sup> Cir.2008)

*R.S. v. Minnewaska Area Sch. Dist. No. 2149*, No. 12-588, 2012 WL3870868 (D. Minn. 2012)

*S.J.W. v. Lee's Summit R-7 Sch. Dist.*, 696F.3d 771 (8<sup>th</sup> Cir. 2012)

*Kowalski v. Berkeley County Sch.*, 652F.3d 565 (4<sup>th</sup> Cir. 2011)

*Layshock v. Hermitage Sch. Dist.* , 650F.3d 205 (3<sup>rd</sup> Cir. 2011)

*Parents, Families and Friends of Lesbians and Gays, Inc. v. Camden R-III Sch. Dist.* 853F. Supp.2d888 (W.D. Mo.2012)

*M.T. v. Cent. York Sch. Dist.*, 937 A.2d 538 (*Pa. Commw. Ct.* 2007)

***Cross References:***

MSBA/MASA Model Policy 403 (Discipline, Suspension, and Dismissal of School District Employees)

MSBA/MASA Model Policy 505 (Distribution of Nonschool-sponsored Materials on School Premises by Students and Employees)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 506 (Student Behavior Intervention)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 514 (Bullying Prohibition Policy)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 515 (Protection and Privacy of Pupil Records)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 519 (Interviews of Students by Outside Agencies)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 521 (Student Disability Nondiscrimination)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 522 (Student Sex Nondiscrimination)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 524 (Internet Acceptable Use and Safety - Students)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 603 (Curriculum Development)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 604 (Instructional Curriculum)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 606 (Textbooks and Instructional Materials)

St. Louis Park Public Schools ~~MSBA/MASA Model~~ Policy 806 (Crisis Management Policy)

MSBA/MASA Model Policy 904 (Distribution of Materials on School District Property by Nonschool Persons)

## **INTERNET USE AGREEMENT - EMPLOYEE**

### **SCHOOL DISTRICT EMPLOYEE**

I have read and do understand the school district policies relating to safety and acceptable use of the school district computer system and the Internet and agree to abide by them. I further understand that should I commit any violation, my access privileges may be revoked, school disciplinary action may be taken, and/or appropriate legal action may be taken, including the possibility of termination of employment.

User's Full Name (please print):

User Signature:

Date:

**INDEPENDENT SCHOOL DISTRICT 283**

**SECTION/FILE** 103

**DATE OF ADOPTION** 2021

**REVISED** \_\_\_\_\_

**TITLE** Racial Equity

**I. PURPOSE**

The purpose of this policy is to establish expectations and accountability measures for the District’s work promoting racial equity and developing culturally relevant learning environments in order to create an equitable and anti-racist school system that honors all children, families, and staff.

**II. GENERAL STATEMENT OF POLICY**

St. Louis Park Public Schools is committed to the success of all students and their right to a high-quality education. St. Louis Park School Board acknowledges the historical, generational, and compounding reality of the systems, structures, and practices that have intentionally created and continue to afford advantages to dominant racial groups while perpetuating inequities for others. The District acknowledges and accepts its past and present role in creating and maintaining policies, procedures, and practices that result in predictably lower academic and graduation outcomes and disproportionate disciplinary action for Students of Color and American Indian/Indigenous and/or Native students, relative to their White peers. The process of dismantling the systems that support racially-predictable disparities in educational outcomes will take time and focused effort. In moving forward with urgency, the District will ~~actively engage in creating systems that are racially equitable~~ strive to create racially equitable systems by adhering to the following guiding principles:

- A. Resources - Recognizing that students in the dominant racial, cultural, and linguistic group have historically had more access to educational resources than their peers, the District shall provide every student with high-quality and culturally relevant instruction, curriculum, support, and facilities, and shall differentiate resources when necessary to accomplish this goal.
- B. Student Brilliance & High Standards - Recognizing that every student brings unique brilliance and individual hopes and dreams to our schools, the District shall actively encourage, support, and expect students from all racial groups to meet high standards and shall collaborate with students and families to define measures of success.
- C. Employees - Recognizing the importance of a learning community in which students see themselves represented and validated by adults, the District shall recruit, employ, support, and retain racially and linguistically diverse, culturally competent, and qualified instructional, support, and administrative staff and shall provide professional learning opportunities to all employees to develop the skill and capacity to eliminate racial, cultural, and linguistic

disparities in student achievement.

- D. Racially Inclusive Learning Environments - Recognizing that separation of students for academic interventions, advanced coursework, Gifted and Talented programs, and special education often creates classroom environments in which BIPOC students and English learners are over- or under-represented throughout their school careers, the District will discontinue practices that result in racially isolated spaces and empower all students with opportunities for enrichment and differentiated learning to ensure readiness for college and career.
- E. Discipline Practices - Recognizing that practices that remove students from the learning environment, such as suspension, disproportionately deny BIPOC students access to classroom instruction opportunities, the District shall foster safe and nurturing school environments, utilize restorative practices to build and restore community, prioritize relationships, navigate conflict, repair harm, and seek to minimize loss of classroom instruction time due to disciplinary matters.
- F. Cultural & Racial Literacy - Recognizing the importance of cultural and racial literacy for individual development, college and career success, and democratic citizenship, all staff and students shall be given the opportunity to understand racial identity and the impact of their own racial identity on themselves and others.
- G. Family Engagement - Recognizing that students and families are essential partners in education at the individual, classroom, school, and district level and that BIPOC families and linguistically diverse families have been underrepresented or excluded from participation in school, the District shall create linguistically- and culturally-relevant opportunities for collaboration and communication and environments that reflect and celebrate the identities of our students, staff, and community.

### **III. DEFINITIONS**

- A. Anti-Racism - The active process of identifying and eliminating racism in St. Louis Park Public Schools by changing systems, organizational structures, policies and practices, and attitudes, so that power is redistributed and shared equitably and students learn at high levels and have their spirit energized and enhanced. (Source: Dr. Ibram X. Kendi, Alberta Civil Liberties Research Centre, St. Louis Park Public Schools Strategic Plan)
- B. “BIPOC” - Black, Indigenous, and People of Color
- C. Culturally Relevant Teaching - The process of using familiar cultural information and processes to scaffold learning. Emphasizes communal orientation. Focused on relationships, cognitive scaffolding, and critical social awareness. (Z. Hammond)
- D. Educational Equity - Educational equity activities promote the real possibility of equality of educational results for each student and between diverse groups

of students. (Source: National Alliance for Partnerships in Equity) Educational equity is when educators provide all students with the high-quality instruction and support they need to reach and exceed a common standard. (Source: The Achievement Network)

- E. Equity - “Equity is defined as “the state, quality or ideal of being just, impartial and fair.” The concept of equity is synonymous with fairness and justice. It is helpful to think of equity as not simply a desired state of affairs or a lofty value. To be achieved and sustained, equity needs to be thought of as a structural and systemic concept.” (Source: The Annie E. Casey Foundation)
- F. Inclusive Education - Inclusive education is about embracing everyone and making a commitment to provide each student in the community, each citizen in a democracy, with the inalienable right to belong. Inclusion is a belief system, not just a set of strategies. (Source: Association for Supervision and Curriculum Development)
- G. Learning Environment - Refers to the diverse physical locations, contexts, and cultures in which students learn. Students may learn in a wide variety of settings, such as outside-of-school locations and outdoor environments. (Source: Great Schools Partnership)
- H. People of Color - Racial justice advocates have been using the term “people of color” (not to be confused with the pejorative “colored people”) since the late 1970s as an inclusive and unifying frame across different racial groups that are not White, to address racial inequities. While “people of color” can be a politically useful term, and describes people with their own attributes (as opposed to what they are not, e.g., “non-White”), it is also important whenever possible to identify people through their own racial/ethnic group, as each has its own distinct experience and meaning and may be more appropriate. (Source: Race Forward).
- I. Race - “Race is a socially constructed system of categorizing humans largely based on observable physical features (phenotypes), such as skin color, and on ancestry. There is no scientific basis for or discernible distinction between racial categories. The ideology of race has become embedded in our identities, institutions and culture and is used as a basis for discrimination and domination.” (Source: The Annie E. Casey Foundation)
- J. Racial Equity - Acknowledging and accounting for past and current inequities, and providing all stakeholders, particularly those most impacted by racial inequities, the infrastructure needed to thrive.
  - 1. (intentionally) including stakeholders of color in decision-making that impacts their lived experience in St. Louis Park Public Schools;
  - 2. engaging, sustaining and deepening conversations about race;
  - 3. recognizing and valuing the race and culture of all St. Louis Park Public Schools stakeholders under the belief that comes through the diversity and expression of our shared humanity; and
  - 4. creating learning experiences that are culturally and racially relevant;
  - 5. academically rigorous

6. understanding self culturally and racially working towards proficiency in other cultures and races
7. opportunities for critically and racially conscious leadership development

(Source: Center for Social Inclusion, National Public Education Support Fund and Courageous Conversations)

- K. Racial Identity - Racial identity is externally imposed: “How do others perceive me?” Racial identity is also internally constructed: “How do I identify myself?” Understanding how our identities and experiences have been shaped by race is vital. We are all awarded certain privileges and or disadvantages because of our race whether or not we are conscious of it. (Source: Smithsonian National Museum of African American History and Culture)
- L. Racism - The belief that different St. Louis Park Public Schools stakeholders possess distinct characteristics, abilities, or qualities, based on their skin color, especially so as to distinguish them as inferior or superior to one another. (Source: Merriam Webster and Courageous Conversations)
- M. Removal from Learning Environment - Encompass any type of school disciplinary action that removes or excludes a student from the usual instructional setting or learning environment, including in-school suspension, out-of-school suspension, and expulsion.
- N. Restorative Practices - [With roots in many Indigenous and People of Color cultures and communities, Restorative Practices seek to prioritize the building of relationships in order to develop healthy school communities, decrease unsafe and harmful actions, and restore relationships and repair community harm when necessary. Restorative Practices include social emotional learning lessons for all students, classroom circles and routines to build community and establish relationships, and small circles or formal conferences to navigate conflict or repair harm.](#)

#### **IV. ACCOUNTABILITY MEASUREMENTS**

- A. The Board shall conduct its business in alignment with the mission and core values of the District and goals stated in the policy.
- B. The Superintendent shall establish, in accordance with this policy, such plans and procedures as necessary and appropriate to accomplish its purpose and intent. Plans and procedures shall include clear accountability for actions and oversight, and shall include metrics for evaluation.
- C. Professional Development
1. The District commits to providing annual and ongoing professional development for all St. Louis Park staff members. The professional development should deliver strategies to assist staff in reaching the goals set forth by the District’s strategic plan. This will also include an expectation that all staff will have the opportunity

to understand racial identity, the impact of their own racial identity on themselves and others, and the provisions of this policy.

2. District staff shall, within the parameters of their assigned duties and responsibilities, comply with and execute such plans as are designed to address the values and goals of this policy. This includes, but is not limited to:
  - a) Attending and engaging in professional development connected to this policy;
  - b) Understanding their own racial identities;
  - c) Understanding the impact of their own racial identities on themselves and others; and
  - d) Reflection on growth in culturally relevant teaching using evidence-based practices.

#### D. Review

The Superintendent shall annually report to the Board and community on each policy area including:

1. Racially differentiated measurement data and progress towards closing racially predictable achievement gaps;
2. Data that evaluates the effectiveness of our school programming with special attention to traditionally marginalized groups of students: i.e. graduation rates, college entrance exam, discipline referrals, special education referrals;
3. Recommendations for adjustments in any programming, curriculum, or policies; and
4. Timelines for any follow-up or modifications based on the data presented.



# Transaction Search - Company

All amounts are tax inclusive and displayed in their billing currency

As an administrator you may make adjustments to these transactions

**BMO, 10/01/2021 to 10/31/2021**

## Mapped Cards

### Martinez-Grande A

Posting Date	Tran Date	Account	Supplier	Amount	
10/04/2021	10/03/2021	XXXX-XXXX-XXXX-8314	Amzn Mktp US 2c35c9990	11.49	
10/05/2021	10/05/2021	XXXX-XXXX-XXXX-8314	Amzn Mktp US 2c1ac6yz0	1,174.90	
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-8314	Old Log Theatre	272.85	
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-8314	Www.Volgistics.Com	38.00	
				Debit Total USD	1,497.24
				Credit Total USD	0.00
				Total USD	1,497.24

### Schrader Abby

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-6547	Amzn Mktp US 2c8qz0ew2	12.00	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-6547	Deltamath.Com	95.00	
10/04/2021	09/30/2021	XXXX-XXXX-XXXX-6547	Paypal Inthinkinge	270.00	
10/04/2021	10/01/2021	XXXX-XXXX-XXXX-6547	Amzn Mktp US 2c9qx86k0	45.07	
10/05/2021	10/01/2021	XXXX-XXXX-XXXX-6547	Office Depot #1090	85.24	
10/06/2021	10/05/2021	XXXX-XXXX-XXXX-6547	Deltamath.Com	95.00	
10/14/2021	10/12/2021	XXXX-XXXX-XXXX-6547	Office Depot #1090	23.99	
10/14/2021	10/12/2021	XXXX-XXXX-XXXX-6547	Office Depot #1090	35.76	
10/14/2021	10/14/2021	XXXX-XXXX-XXXX-6547	Amzn Mktp US 272ax3mz2	74.40	
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-6547	International Book Imp	-28.80	
10/18/2021	10/13/2021	XXXX-XXXX-XXXX-6547	Officemax/Officedept#6	36.14	
10/18/2021	10/13/2021	XXXX-XXXX-XXXX-6547	Office Depot #1090	86.10	
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-6547	Wisconsin Center For E	200.00	
10/18/2021	10/17/2021	XXXX-XXXX-XXXX-6547	Amzn Mktp US 2y2rg2jw1	239.80	
10/20/2021	10/18/2021	XXXX-XXXX-XXXX-6547	Office Depot #1090	115.19	
10/20/2021	10/20/2021	XXXX-XXXX-XXXX-6547	Amzn Mktp US 2y7ak5vx1	29.92	
10/21/2021	10/18/2021	XXXX-XXXX-XXXX-6547	Office Depot #1090	45.55	
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-6547	Amzn Mktp US 2y5wh3lt2	53.91	
10/22/2021	10/22/2021	XXXX-XXXX-XXXX-6547	Amazon.Com 2y8g86qs0	29.92	

10/25/2021	10/22/2021	XXXX-XXXX-XXXX-6547	Amzn Mktp US 2y4vy06s0	39.98	?
10/25/2021	10/24/2021	XXXX-XXXX-XXXX-6547	Amzn Mktp US 2y7dz9id0	29.99	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-6547	Amzn Mktp US 2y96a12z2	149.97	?
10/28/2021	10/26/2021	XXXX-XXXX-XXXX-6547	Paypal Inthinking	720.00	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-6547	Flat.io Subscription	100.00	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-6547	Amzn Mktp US HI2I14n23	119.58	?
				Debit Total USD	2,732.51
				Credit Total USD	-28.80
				Total USD	2,703.71

**Nelson Angela**

Posting Date	Tran Date	Account	Supplier	Amount	
10/06/2021	10/05/2021	XXXX-XXXX-XXXX-0235	Hawthorne Educational	182.24	?
10/06/2021	10/06/2021	XXXX-XXXX-XXXX-0235	Amzn Mktp US 2c3ws59h2	13.50	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-0235	Generationgenius.Com	50.00	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-0235	Generationgenius.Com	125.00	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-0235	Pacer Center	200.00	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-0235	Learning A-Z, Llc	216.00	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-0235	Paypal Mase	319.00	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-0235	Paypal Mase	319.00	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-0235	Paypal Mase	319.00	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-0235	Western Psychological	558.00	?
10/11/2021	10/07/2021	XXXX-XXXX-XXXX-0235	Maddens On Gull Lake	496.66	?
10/11/2021	10/07/2021	XXXX-XXXX-XXXX-0235	Maddens On Gull Lake	496.66	?
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-0235	Amzn Mktp US 271au85r0	74.97	?
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-0235	Msswa	210.00	?
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-0235	Western Psychological	301.50	?
10/13/2021	10/11/2021	XXXX-XXXX-XXXX-0235	Office Depot #1090	65.75	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-0235	Brookes Publishing	87.69	?
10/14/2021	10/14/2021	XXXX-XXXX-XXXX-0235	Awl Pearson Education	494.12	?
10/18/2021	10/14/2021	XXXX-XXXX-XXXX-0235	Office Depot #1090	47.00	?
10/19/2021	10/19/2021	XXXX-XXXX-XXXX-0235	Amzn Mktp US 2y2g281r1	19.04	?
10/20/2021	10/18/2021	XXXX-XXXX-XXXX-0235	Office Depot #1090	40.47	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-0235	Amzn Mktp US 2y4ku7lm2	5.45	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-0235	Amazon.Com 2y58q5m51	11.14	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-0235	Amzn Mktp US 2y1tw7hg1	14.99	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-0235	Amzn Mktp US 2y2o49l82	32.99	?
10/22/2021	10/21/2021	XXXX-XXXX-XXXX-0235	Sq Talk Yoga	55.00	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-0235	Amazon.Com 2y0jy20k2 A	51.08	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-0235	Amzn Mktp US 2y70o17i1	47.92	?
10/25/2021	10/24/2021	XXXX-XXXX-XXXX-0235	Amzn Mktp US 2y9119m0	11.99	?

10/25/2021	10/24/2021	XXXX-XXXX-XXXX-0235	Amzn Mktp US 2y1ua7rc1	18.99	?
10/25/2021	10/24/2021	XXXX-XXXX-XXXX-0235	Amazon.Com 2y0l36i51	42.54	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-0235	Tools To Grow Inc	54.99	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-0235	Tools To Grow Inc	54.99	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-0235	Tools To Grow Inc	54.99	?
10/27/2021	10/27/2021	XXXX-XXXX-XXXX-0235	Amazon.Com 9j3bh6wi3	26.97	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-0235	Medexsupply.Com	46.72	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-0235	Amzn Mktp US 8j44l83k3	194.44	?
				Debit Total USD	5,360.79
				Credit Total USD	0.00
				Total USD	5,360.79

**Valentine Brian**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-5304	Dalco Enterprises	453.96	?
10/04/2021	10/01/2021	XXXX-XXXX-XXXX-5304	Horizon Commercial Poo	360.00	?
10/06/2021	10/05/2021	XXXX-XXXX-XXXX-5304	Horizon Commercial Poo	485.24	?
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-5304	Grainger	214.45	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-5304	Horizon Commercial Poo	505.44	?
10/13/2021	10/11/2021	XXXX-XXXX-XXXX-5304	The Home Depot #2806	22.09	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-5304	Dalco Enterprises	484.11	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-5304	Hillyard Inc Minneapol	424.97	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-5304	Horizon Commercial Poo	628.66	?
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-5304	The Home Depot #2806	71.83	?
10/21/2021	10/19/2021	XXXX-XXXX-XXXX-5304	The Home Depot #2806	-64.86	?
10/21/2021	10/19/2021	XXXX-XXXX-XXXX-5304	The Home Depot #2806	69.74	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-5304	The Home Depot #2806	50.95	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-5304	Dalco Enterprises	53.75	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-5304	Homedepot.Com	113.98	?
10/26/2021	10/25/2021	XXXX-XXXX-XXXX-5304	Dalco Enterprises	655.52	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-5304	Horizon Commercial Poo	116.49	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-5304	Horizon Commercial Poo	240.98	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-5304	Dalco Enterprises	479.31	?
10/29/2021	10/28/2021	XXXX-XXXX-XXXX-5304	Hillyard Inc Minneapol	384.05	?
				Debit Total USD	5,815.52
				Credit Total USD	-64.86
				Total USD	5,750.66

**Phimister Bridgett**

Posting Date	Tran Date	Account	Supplier	Amount	
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-5376	Officemax/Depot	69.99	?

10/14/2021	10/13/2021	XXXX-XXXX-XXXX-5376	Target 00002600	26.88	
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-5376	Republic Services Tras	145.70	
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-5376	Republic Services Tras	997.89	
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-5376	Aspen Waste Systems	7,524.02	
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-5376	Amazon.Com 2y6uv52l2	18.61	
10/28/2021	10/21/2021	XXXX-XXXX-XXXX-5376	Office Depot #1090	21.99	
10/29/2021	10/27/2021	XXXX-XXXX-XXXX-5376	Jimmys Johnnys Inc	-107.14	
10/29/2021	10/28/2021	XXXX-XXXX-XXXX-5376	Cintas Corp	5,200.37	
				Debit Total USD	14,005.45
				Credit Total USD	-107.14
				Total USD	13,898.31

**SCHROEDER BRITTANI**

Posting Date	Tran Date	Account	Supplier	Amount	
10/04/2021	10/02/2021	XXXX-XXXX-XXXX-2937	Elite Sportswear	4,418.55	
10/12/2021	10/12/2021	XXXX-XXXX-XXXX-2937	Amzn Mktp US 2764j9ev2	29.72	
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-2937	B2b Prime 2y2a43s52	179.00	
				Debit Total USD	4,627.27
				Credit Total USD	0.00
				Total USD	4,627.27

**Grossinger Brooks**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-9485	Financial Services	2,050.91	
10/06/2021	10/04/2021	XXXX-XXXX-XXXX-9485	Office Depot #1090	37.67	
10/13/2021	10/11/2021	XXXX-XXXX-XXXX-9485	Office Depot #1090	100.94	
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-9485	Financial Services	3,085.99	
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-9485	Masbo	130.00	
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-9485	Masbo	340.00	
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-9485	Popp Communications	1,794.55	
10/28/2021	10/26/2021	XXXX-XXXX-XXXX-9485	Office Depot #1090	10.58	
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-9485	Financial Services	3,934.68	
				Debit Total USD	11,485.32
				Credit Total USD	0.00
				Total USD	11,485.32

**Young Darrell**

Posting Date	Tran Date	Account	Supplier	Amount	
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-3989	Target 00021899	90.46	
10/14/2021	10/14/2021	XXXX-XXXX-XXXX-3989	Minnesota Community Ed	279.00	
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-3989	Target 00021899262	110.20	
				Debit Total USD	479.66

Credit Total USD 0.00

Total USD 479.66

**Carson Deborah**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/28/2021	XXXX-XXXX-XXXX-9869	Office Depot #1090	21.78	?
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-9869	Amazon.Com 2c6hj0bl0	56.08	?
10/14/2021	10/13/2021	XXXX-XXXX-XXXX-9869	Mathematicallyminded	297.00	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-9869	Amazon.Com 278el4750 A	79.60	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-9869	Mathematicallyminded	297.00	?
10/18/2021	10/14/2021	XXXX-XXXX-XXXX-9869	Office Depot #1090	128.05	?
10/18/2021	10/18/2021	XXXX-XXXX-XXXX-9869	Amazon.Com 2y9nm0tl1	89.97	?
10/20/2021	10/20/2021	XXXX-XXXX-XXXX-9869	Amzn Mktp US 2y0ny7vs1	36.91	?
				Debit Total USD	1,006.39
				Credit Total USD	0.00
				Total USD	1,006.39

**Gruning Dee**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	10/01/2021	XXXX-XXXX-XXXX-3360	Really Good Stuff	190.18	?
10/04/2021	10/02/2021	XXXX-XXXX-XXXX-3360	Office Depot #1079	7.90	?
10/05/2021	10/01/2021	XXXX-XXXX-XXXX-3360	Office Depot #1090	714.08	?
10/06/2021	10/05/2021	XXXX-XXXX-XXXX-3360	Amzn Mktp US 278a48z91	27.94	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-3360	Drums Alive	367.00	?
10/12/2021	10/08/2021	XXXX-XXXX-XXXX-3360	Office Depot #1090	53.25	?
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-3360	Wild Rumpus	277.65	?
10/13/2021	10/13/2021	XXXX-XXXX-XXXX-3360	Amzn Mktp US 271e36dn0	22.55	?
10/13/2021	10/13/2021	XXXX-XXXX-XXXX-3360	Amzn Mktp Us	-84.30	?
10/14/2021	10/14/2021	XXXX-XXXX-XXXX-3360	Amzn Mktp US 2714z6kw0	17.15	?
10/14/2021	10/14/2021	XXXX-XXXX-XXXX-3360	Amzn Mktp US 277j38ry1	94.56	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-3360	Amzn Mktp US 276k36w01	42.98	?
10/19/2021	10/15/2021	XXXX-XXXX-XXXX-3360	Office Depot #1090	48.86	?
10/20/2021	10/15/2021	XXXX-XXXX-XXXX-3360	Office Depot #1090	20.19	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-3360	Heggerty Literacy Res	2,310.87	?
10/27/2021	10/25/2021	XXXX-XXXX-XXXX-3360	Office Depot #1090	57.87	?
				Debit Total USD	4,253.03
				Credit Total USD	-84.30
				Total USD	4,168.73

**Krutina Flower**

Posting Date	Tran Date	Account	Supplier	263	Amount
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10/05/2021	10/05/2021	XXXX-XXXX-XXXX-9783	Amzn Mktp US 2723y2ca0	10.32	?
10/05/2021	10/05/2021	XXXX-XXXX-XXXX-9783	Amazon.Com 278hi54g1	166.95	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-9783	Eb 2021 Amsd Annual C	100.00	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-9783	Eb 2021 Amsd Annual C	100.00	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-9783	Signupgenius	9.99	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-9783	Zoom.Us 888-799-9666	74.95	?
10/22/2021	10/21/2021	XXXX-XXXX-XXXX-9783	Zoom.Us 888-799-9666	-4.89	?
10/28/2021	10/28/2021	XXXX-XXXX-XXXX-9783	Panera Bread #601307 O	109.43	?
Debit Total USD				571.64	
Credit Total USD				-4.89	
Total USD				566.75	

**Bailey Freida**

Posting Date	Tran Date	Account	Supplier	Amount	
10/04/2021	10/01/2021	XXXX-XXXX-XXXX-6177	Sage Publications	338.22	?
10/04/2021	10/02/2021	XXXX-XXXX-XXXX-6177	Adobe 800-833-6687	9.99	?
10/04/2021	10/02/2021	XXXX-XXXX-XXXX-6177	Wpy Pacific Educationa	68.25	?
Debit Total USD				416.46	
Credit Total USD				0.00	
Total USD				416.46	

**Holmbeck Greg**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-2999	Greencardvoices	123.91	?
10/04/2021	10/02/2021	XXXX-XXXX-XXXX-2999	Amzn Mktp US 2c8ml6mc2	18.98	?
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-2999	Greencardvoices	-8.67	?
10/11/2021	10/11/2021	XXXX-XXXX-XXXX-2999	Amzn Mktp US 2732b1vj0	40.00	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-2999	Amzn Mktp US 279gc36i3	69.93	?
Debit Total USD				252.82	
Credit Total USD				-8.67	
Total USD				244.15	

**Middleton Heidi**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/29/2021	XXXX-XXXX-XXXX-0213	Office Depot #1090	32.30	?
10/04/2021	09/30/2021	XXXX-XXXX-XXXX-0213	Office Depot #1079	3.95	?
10/04/2021	10/01/2021	XXXX-XXXX-XXXX-0213	Amazon.Com 2c3rq2g72	33.52	?
10/04/2021	10/02/2021	XXXX-XXXX-XXXX-0213	Amazon Prime 2c6hj3vn2	119.00	?
10/08/2021	10/08/2021	XXXX-XXXX-XXXX-0213	Amazon.Com 279m741v1	22.08	?
10/11/2021	10/09/2021	XXXX-XXXX-XXXX-0213	Amzn Mktp US 270iv6110	207.20	?
10/12/2021	10/08/2021	XXXX-XXXX-XXXX-0213	Office Depot #10264	57.90	?
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-0213	Amazon.Com 277vs56i1 A	43.74	?

10/12/2021	10/11/2021	XXXX-XXXX-XXXX-0213	Amazon.Com 2793b4570	53.94	?
10/12/2021	10/12/2021	XXXX-XXXX-XXXX-0213	Amzn Mktp US 275js4d91	45.98	?
10/12/2021	10/12/2021	XXXX-XXXX-XXXX-0213	Amazon.Com 277702e12	305.66	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-0213	Amzn Mktp US 270e962z1	52.55	?
10/14/2021	10/13/2021	XXXX-XXXX-XXXX-0213	Amzn Mktp US 271z25is1	22.99	?
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-0213	Gleason Printing	1,282.46	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-0213	Gleason Printing	86.37	?
10/21/2021	10/21/2021	XXXX-XXXX-XXXX-0213	Amazon.Com 2y9on25x0	27.99	?
10/22/2021	10/21/2021	XXXX-XXXX-XXXX-0213	Amzn Mktp US 2y49g7jw2	6.99	?
10/22/2021	10/21/2021	XXXX-XXXX-XXXX-0213	Amzn Mktp US 2y48133r2	11.99	?
10/22/2021	10/22/2021	XXXX-XXXX-XXXX-0213	Community Playthings	2,499.00	?
10/27/2021	10/27/2021	XXXX-XXXX-XXXX-0213	Amazon.Com 781dr0z53	17.10	?
10/28/2021	10/26/2021	XXXX-XXXX-XXXX-0213	Office Depot #1079	60.56	?
10/28/2021	10/26/2021	XXXX-XXXX-XXXX-0213	Office Depot #1090	163.81	?
				Debit Total USD	5,157.08
				Credit Total USD	0.00
				Total USD	5,157.08

#### Deonarine Jagatnarine

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-3973	Tri-Dim Filter Corp	1,112.64	?
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-3973	Tri-Dim Filter Corp	1,426.66	?
10/04/2021	10/01/2021	XXXX-XXXX-XXXX-3973	Napa Store 3279001	44.38	?
10/04/2021	10/01/2021	XXXX-XXXX-XXXX-3973	The Home Depot #2806	111.22	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-3973	Hillyard Inc Minneapol	703.36	?
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-3973	Dalco Enterprises	656.40	?
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-3973	Dalco Enterprises	762.20	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-3973	Hillyard Inc Minneapol	317.64	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-3973	Grainger	214.45	?
10/29/2021	10/28/2021	XXXX-XXXX-XXXX-3973	Tri-Dim Filter Corp	539.00	?
				Debit Total USD	5,887.95
				Credit Total USD	0.00
				Total USD	5,887.95

#### Dorn Jane

Posting Date	Tran Date	Account	Supplier	Amount	
10/06/2021	10/05/2021	XXXX-XXXX-XXXX-6707	Cengage Gale	50.00	?
				Debit Total USD	50.00
				Credit Total USD	0.00
				Total USD	50.00

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-6043	Minnesota Reading Asso	175.00	?
10/01/2021	10/01/2021	XXXX-XXXX-XXXX-6043	Ssl Ecomm	-9.55	?
10/01/2021	10/01/2021	XXXX-XXXX-XXXX-6043	Tst Mexico City Cafe	106.61	?
10/04/2021	10/02/2021	XXXX-XXXX-XXXX-6043	First Book	51.28	?
10/05/2021	10/01/2021	XXXX-XXXX-XXXX-6043	Office Depot #1090	8.22	?
10/05/2021	10/04/2021	XXXX-XXXX-XXXX-6043	Musicplayonline.Com	174.95	?
10/07/2021	10/05/2021	XXXX-XXXX-XXXX-6043	Office Depot #1090	80.94	?
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-6043	Target.Com	13.84	?
10/07/2021	10/07/2021	XXXX-XXXX-XXXX-6043	Target.Com	3.19	?
10/07/2021	10/07/2021	XXXX-XXXX-XXXX-6043	Target.Com	10.64	?
10/07/2021	10/07/2021	XXXX-XXXX-XXXX-6043	Target.Com	11.71	?
10/07/2021	10/07/2021	XXXX-XXXX-XXXX-6043	Target.Com	13.84	?
10/07/2021	10/07/2021	XXXX-XXXX-XXXX-6043	Target.Com	63.87	?
10/08/2021	10/06/2021	XXXX-XXXX-XXXX-6043	Office Depot #1090	52.59	?
10/11/2021	10/08/2021	XXXX-XXXX-XXXX-6043	Target.Com	38.61	?
10/11/2021	10/09/2021	XXXX-XXXX-XXXX-6043	Learning Without Tears	2,919.16	?
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-6043	Target.Com	9.89	?
10/13/2021	10/13/2021	XXXX-XXXX-XXXX-6043	Target.Com	0.99	?
10/13/2021	10/13/2021	XXXX-XXXX-XXXX-6043	Target.Com	3.96	?
10/13/2021	10/13/2021	XXXX-XXXX-XXXX-6043	Target.Com	9.90	?
10/14/2021	10/13/2021	XXXX-XXXX-XXXX-6043	Sq Mn Association Of	280.00	?
10/18/2021	10/13/2021	XXXX-XXXX-XXXX-6043	Office Depot #1090	50.77	?
10/18/2021	10/14/2021	XXXX-XXXX-XXXX-6043	Heggerty Literacy Res	2,086.89	?
10/18/2021	10/16/2021	XXXX-XXXX-XXXX-6043	Ixl School Subscript	938.00	?
10/18/2021	10/17/2021	XXXX-XXXX-XXXX-6043	Amazon.Com 277ls0k92	24.99	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-6043	Audible 2y5g27ch2	16.07	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-6043	Target.Com	10.89	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-6043	Amazon Prime 2y1pw8640	12.99	?
10/27/2021	10/25/2021	XXXX-XXXX-XXXX-6043	Office Depot #1090	62.20	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-6043	Amzn Mktp US 3v42d3ea3	51.96	?
			Debit Total USD	7,283.95	
			Credit Total USD	-9.55	
			Total USD	7,274.40	

**Pickford Janet**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/24/2021	XXXX-XXXX-XXXX-7469	Officemax/Officedept#2	244.14	?
10/01/2021	09/29/2021	XXXX-XXXX-XXXX-7469	Heggerty Literacy Res	192.77	?
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-7469	Amazon.Com 2c42n4e22	92.85	?
10/04/2021	10/01/2021	XXXX-XXXX-XXXX-7469	Makemusic, Inc.	-26.34	?

10/04/2021	10/03/2021	XXXX-XXXX-XXXX-7469	Amzn Mktp US 2c9yn9hn2	11.00	?
10/04/2021	10/03/2021	XXXX-XXXX-XXXX-7469	Amazon.Com 2c2wo2wg1 A	24.74	?
10/04/2021	10/03/2021	XXXX-XXXX-XXXX-7469	Amazon.Com 2c5lw4wg1 A	27.14	?
10/04/2021	10/03/2021	XXXX-XXXX-XXXX-7469	Amazon.Com 2c9a59hj2	47.87	?
10/04/2021	10/03/2021	XXXX-XXXX-XXXX-7469	Amazon.Com 2c04h55k2 A	77.84	?
10/05/2021	10/05/2021	XXXX-XXXX-XXXX-7469	Amzn Mktp US 274lr24q1	119.95	?
10/06/2021	09/30/2021	XXXX-XXXX-XXXX-7469	Officemax/Officedept#2	65.96	?
10/06/2021	10/04/2021	XXXX-XXXX-XXXX-7469	The Math Learning Cent	34.00	?
10/06/2021	10/04/2021	XXXX-XXXX-XXXX-7469	Scholastic, Inc.	-554.22	?
10/06/2021	10/05/2021	XXXX-XXXX-XXXX-7469	Amzn Mktp US 270sp3le1	9.99	?
10/06/2021	10/05/2021	XXXX-XXXX-XXXX-7469	Amzn Mktp US 2c69m5kz2	15.79	?
10/07/2021	10/05/2021	XXXX-XXXX-XXXX-7469	Office Depot #1090	59.16	?
10/07/2021	10/05/2021	XXXX-XXXX-XXXX-7469	Office Depot #1090	105.80	?
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-7469	Amazon.Com 273lk5391 A	10.22	?
10/08/2021	10/04/2021	XXXX-XXXX-XXXX-7469	Officemax/Officedept#2	57.83	?
10/11/2021	10/05/2021	XXXX-XXXX-XXXX-7469	Officemax/Officedept#2	144.60	?
10/11/2021	10/11/2021	XXXX-XXXX-XXXX-7469	Amzn Mktp US 278ed23c2	23.98	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-7469	Signupgenius	999.00	?
10/13/2021	10/13/2021	XXXX-XXXX-XXXX-7469	Amzn Mktp US 2745k4sx0	539.60	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-7469	Amazon Prime 2748t9950	119.00	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-7469	Deborah R Glaser Llc	123.20	?
10/18/2021	10/04/2021	XXXX-XXXX-XXXX-7469	Officemax/Officedept#2	72.94	?
10/18/2021	10/16/2021	XXXX-XXXX-XXXX-7469	Amzn Mktp US 2y6ri7o30	8.99	?
10/18/2021	10/18/2021	XXXX-XXXX-XXXX-7469	Amazon.Com 2y5oq2t01	99.00	?
10/18/2021	10/18/2021	XXXX-XXXX-XXXX-7469	Amazon.Com 276f70942 A	225.94	?
10/20/2021	10/18/2021	XXXX-XXXX-XXXX-7469	Office Depot #1090	82.40	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-7469	Amazon.Com 2y4f581w0 A	28.95	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-7469	Mackin Educational Res	82.89	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-7469	Mackin Educational Res	82.89	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-7469	Amazon.Com 2y0d16pe1	89.04	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-7469	Mackin Educational Res	109.90	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-7469	Sp Boomwhackers	240.00	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-7469	Mackin Educational Res	531.51	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-7469	Mackin Educational Res	884.31	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-7469	Mackin Educational Res	-82.89	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-7469	Amzn Mktp US 2y91c1vw0	85.61	?
10/22/2021	10/20/2021	XXXX-XXXX-XXXX-7469	Officemax/Officedept#6	10.42	?
10/22/2021	10/20/2021	XXXX-XXXX-XXXX-7469	Office Depot #1090	40.83	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-7469	Heggerty Literacy Res	2,834.56	?
10/27/2021	10/27/2021	XXXX-XXXX-XXXX-7469	Amzn Mktp US 2y8of57a2	199.97	?
10/29/2021	10/27/2021	XXXX-XXXX-XXXX-7469	Office Depot #1090	12.72	?

Debit Total USD 8,869.30

Credit Total USD -663.45

Total USD 8,205.85

**Halseth Jeff**

Posting Date	Tran Date	Account	Supplier	Amount	
10/07/2021	10/05/2021	XXXX-XXXX-XXXX-5172	The Home Depot #2806	70.92	?
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-5172	J.R.'s Advanced Rec	164.00	?
10/21/2021	10/19/2021	XXXX-XXXX-XXXX-5172	Menards Golden Valley	11.97	?
10/29/2021	10/28/2021	XXXX-XXXX-XXXX-5172	Minvalco Inc - Mnpls	297.60	?
				Debit Total USD	544.49
				Credit Total USD	0.00
				Total USD	544.49

**Bongaarts Joanne**

Posting Date	Tran Date	Account	Supplier	Amount	
10/04/2021	10/01/2021	XXXX-XXXX-XXXX-2259	Follett School Solutio	267.71	?
10/04/2021	10/01/2021	XXXX-XXXX-XXXX-2259	Follett School Solutio	565.04	?
10/11/2021	10/08/2021	XXXX-XXXX-XXXX-2259	Follett School Solutio	104.72	?
10/11/2021	10/10/2021	XXXX-XXXX-XXXX-2259	Follett School Solutio	68.64	?
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-2259	Follett School Solutio	23.76	?
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-2259	Flocabulary	120.00	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-2259	Follett School Solutio	14.18	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-2259	Follett School Solutio	72.31	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-2259	Flocabulary	120.00	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-2259	Follett School Solutio	74.82	?
10/28/2021	10/26/2021	XXXX-XXXX-XXXX-2259	Demco Inc	112.99	?
10/29/2021	10/27/2021	XXXX-XXXX-XXXX-2259	Follett School Solutio	32.56	?
				Debit Total USD	1,576.73
				Credit Total USD	0.00
				Total USD	1,576.73

**Hatzenbeller Jodi**

Posting Date	Tran Date	Account	Supplier	Amount	
10/06/2021	10/04/2021	XXXX-XXXX-XXXX-9282	Menards Golden Valley	145.06	?
10/08/2021	10/06/2021	XXXX-XXXX-XXXX-9282	Menards Golden Valley	79.70	?
10/13/2021	10/11/2021	XXXX-XXXX-XXXX-9282	Menards Golden Valley	17.02	?
10/15/2021	10/13/2021	XXXX-XXXX-XXXX-9282	Menards Golden Valley	91.68	?
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-9282	Menards Golden Valley	9.99	?
10/20/2021	10/18/2021	XXXX-XXXX-XXXX-9282	Menards Golden Valley	39.60	?
10/25/2021	10/21/2021	XXXX-XXXX-XXXX-9282	Menards Golden Valley	28.97	?
				Debit Total USD	412.02

Credit Total USD 0.00

Total USD 412.02

**MCBRIDE-BIBBY JULIA**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-6532	In Edpuzzle	2,800.00	?
10/05/2021	10/04/2021	XXXX-XXXX-XXXX-6532	Officemax/Depot 6302	89.70	?
10/06/2021	10/05/2021	XXXX-XXXX-XXXX-6532	Cub Foods Knollwood	48.25	?
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-6532	Sams Club #4738	86.05	?
10/08/2021	10/06/2021	XXXX-XXXX-XXXX-6532	Officemax/Depot 6302	-89.70	?
10/11/2021	10/07/2021	XXXX-XXXX-XXXX-6532	Office Depot #1090	55.86	?
10/11/2021	10/08/2021	XXXX-XXXX-XXXX-6532	Amzn Mktp US 278bw4ow2	34.79	?
10/14/2021	10/13/2021	XXXX-XXXX-XXXX-6532	Dollar Tree, Inc.	232.25	?
10/14/2021	10/13/2021	XXXX-XXXX-XXXX-6532	Dollar Tree, Inc.	309.67	?
10/18/2021	10/14/2021	XXXX-XXXX-XXXX-6532	The Home Depot #2806	155.54	?
10/18/2021	10/14/2021	XXXX-XXXX-XXXX-6532	The Home Depot #2806	-167.24	?
10/18/2021	10/14/2021	XXXX-XXXX-XXXX-6532	The Home Depot #2806	167.24	?
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-6532	Amazon Prime 2y74z8a61	12.99	?
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-6532	Allianz Travel Ins	27.00	?
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-6532	Delta 00624799761493	276.80	?
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-6532	Omni Nashville	393.37	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-6532	Amzn Mktp US 277gx9yd2	24.97	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-6532	Dominos 1974	146.77	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-6532	Dominos 1974	288.48	?
10/21/2021	10/21/2021	XXXX-XXXX-XXXX-6532	Amzn Mktp US 2y4nw5h60	42.99	?
10/22/2021	10/21/2021	XXXX-XXXX-XXXX-6532	Amzn Mktp US 2y9w54jb2	29.93	?
10/22/2021	10/21/2021	XXXX-XXXX-XXXX-6532	Amazon.Com 2y6668qc1 A	61.60	?
10/22/2021	10/21/2021	XXXX-XXXX-XXXX-6532	Backyard Brains	2,810.72	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-6532	Officemax/Depot 6419	32.98	?
10/25/2021	10/24/2021	XXXX-XXXX-XXXX-6532	Amazon.Com 2y5d017j0 A	125.93	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-6532	Officemax/Depot 6419	3.00	?
				Debit Total USD	8,256.88
				Credit Total USD	-256.94
				Total USD	7,999.94

**Mueller Kara**

Posting Date	Tran Date	Account	Supplier	Amount	
10/14/2021	10/14/2021	XXXX-XXXX-XXXX-6488	Amazon.Com 272fk0re1	18.15	?
10/14/2021	10/14/2021	XXXX-XXXX-XXXX-6488	Amazon.Com 278ef3mn2	24.04	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-6488	Amzn Mktp US 279dt4h32	20.49	?
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-6488	Amzn Mktp US 279h39b0	105.19	?

10/15/2021	10/15/2021	XXXX-XXXX-XXXX-6488	Target.Com	53.76	?
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-6488	Amzn Mktp US 275591y40	115.33	?
10/18/2021	10/18/2021	XXXX-XXXX-XXXX-6488	Amzn Mktp US 277wy59v2	37.94	?
10/26/2021	10/25/2021	XXXX-XXXX-XXXX-6488	Calendly	96.00	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-6488	Amzn Mktp US E53sy16u3	26.97	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-6488	Aed Superstore	1,587.02	?
10/29/2021	10/28/2021	XXXX-XXXX-XXXX-6488	Teacherspayteachers.Co	17.20	?
				Debit Total USD	2,102.09
				Credit Total USD	0.00
				Total USD	2,102.09

**Benshoof Larry**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	10/01/2021	XXXX-XXXX-XXXX-4722	Amazon.Com 2c7783102 A	485.11	?
10/06/2021	10/06/2021	XXXX-XXXX-XXXX-4722	Www.Northstar-Av.Com	996.00	?
10/08/2021	10/08/2021	XXXX-XXXX-XXXX-4722	Amazon.Com 273nc8t70	31.92	?
10/11/2021	10/09/2021	XXXX-XXXX-XXXX-4722	Teamviewer.Com	4,855.80	?
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-4722	Amzn Mktp US 2702n2560	223.61	?
10/14/2021	10/13/2021	XXXX-XXXX-XXXX-4722	Amzn Mktp US 2757c4xr2	460.26	?
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-4722	Amzn Mktp US 279i15rt0	463.51	?
10/18/2021	10/16/2021	XXXX-XXXX-XXXX-4722	Amazon.Com 2y8e61ly1 A	639.99	?
10/19/2021	10/19/2021	XXXX-XXXX-XXXX-4722	Amzn Mktp US 270rr2wy2	395.74	?
10/20/2021	10/20/2021	XXXX-XXXX-XXXX-4722	Amzn Mktp US 2y3fx8mt1	373.74	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-4722	Amzn Mktp US 2y7pb7f92	878.19	?
10/21/2021	10/21/2021	XXXX-XXXX-XXXX-4722	Amzn Mktp US 2y2ep4zj2	138.62	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-4722	Slack Tp6mmmh60	127.27	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-4722	Amzn Mktp US F04tw4sd3	199.88	?
				Debit Total USD	10,269.64
				Credit Total USD	0.00
				Total USD	10,269.64

**Ganyo Margaret**

Posting Date	Tran Date	Account	Supplier	Amount	
10/14/2021	09/23/2021	XXXX-XXXX-XXXX-8240	Officemax/Depot 6419	17.18	?
10/14/2021	10/13/2021	XXXX-XXXX-XXXX-8240	Caribou Coffee Co #123	3.86	?
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-8240	Tjmaxx #0239	8.58	?
10/25/2021	10/24/2021	XXXX-XXXX-XXXX-8240	Tuesday Morning # 0213	17.18	?
				Debit Total USD	46.80
				Credit Total USD	0.00
				Total USD	46.80

**Juberian Mary**

Posting Date	Tran Date	Account	Supplier	Amount	
10/07/2021	10/07/2021	XXXX-XXXX-XXXX-7172	Amzn Mktp US 277b14nx0	6.97	
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-7172	Amzn Mktp US 272ay9e21	10.99	
10/11/2021	10/08/2021	XXXX-XXXX-XXXX-7172	Amzn Mktp US 271ce1gj1	41.72	
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-7172	Amazon.Com 275hd90q2 A	155.60	
10/14/2021	10/13/2021	XXXX-XXXX-XXXX-7172	Amazon Tips 271vd8x62	10.00	
				Debit Total USD	225.28
				Credit Total USD	0.00
				Total USD	225.28

#### Thomas Matthew

Posting Date	Tran Date	Account	Supplier	Amount	
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-5522	Eig Constantcontact.Co	135.00	
10/29/2021	10/28/2021	XXXX-XXXX-XXXX-5522	Rethinkedu	79.00	
10/29/2021	10/28/2021	XXXX-XXXX-XXXX-5522	Rethinkedu	79.00	
				Debit Total USD	293.00
				Credit Total USD	0.00
				Total USD	293.00

#### Howard Patrice

Posting Date	Tran Date	Account	Supplier	Amount	
10/19/2021	10/19/2021	XXXX-XXXX-XXXX-3027	Minnesota Community Ed	179.00	
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-3027	Squarespace Inc.	16.00	
				Debit Total USD	195.00
				Credit Total USD	0.00
				Total USD	195.00

#### Nelson Robin

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/29/2021	XXXX-XXXX-XXXX-4435	Demco Inc	122.58	
10/11/2021	10/10/2021	XXXX-XXXX-XXXX-4435	Amazon Prime 2723v1hp1	12.99	
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-4435	Amazon.Com 279n945x0	15.49	
10/18/2021	10/16/2021	XXXX-XXXX-XXXX-4435	Amazon.Com 277k98dq2 A	130.62	
10/18/2021	10/17/2021	XXXX-XXXX-XXXX-4435	Amzn Mktp US 2y1hy2zs0	24.99	
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-4435	Follett School Solutio	413.77	
10/26/2021	10/25/2021	XXXX-XXXX-XXXX-4435	Amazon.Com 5p3ol6j33 A	52.45	
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-4435	Amazon.Com Amzn.Com/Bi	-7.45	
				Debit Total USD	772.89
				Credit Total USD	-7.45
				Total USD	765.44

Posting Date	Tran Date	Account	Supplier	Amount	
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-8651	Calendly	144.44	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-8651	Sams Club #6311	3.58	?
10/29/2021	10/27/2021	XXXX-XXXX-XXXX-8651	Office Depot #1090	50.53	?
				Debit Total USD	198.55
				Credit Total USD	0.00
				Total USD	198.55

#### Vandewalker Sara

Posting Date	Tran Date	Account	Supplier	Amount	
10/05/2021	10/04/2021	XXXX-XXXX-XXXX-0729	Follett School Solutio	100.32	?
10/11/2021	10/09/2021	XXXX-XXXX-XXXX-0729	Amazon.Com 279gj04m2 A	58.90	?
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-0729	Amazon.Com 277fk3601	198.92	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-0729	Amzn Mktp US Amzn.Com/	-207.00	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-0729	Follett School Solutio	2,553.31	?
				Debit Total USD	2,911.45
				Credit Total USD	-207.00
				Total USD	2,704.45

#### LAFAYETTE SILVY

Posting Date	Tran Date	Account	Supplier	Amount	
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-9172	Amazon.Com 2711x33b1	11.99	?
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-9172	Amazon.Com 270tw33z1	29.66	?
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-9172	Amazon.Com 275ii5z30	60.27	?
10/11/2021	10/10/2021	XXXX-XXXX-XXXX-9172	Amazon Prime 277zp3n72	12.99	?
10/18/2021	10/17/2021	XXXX-XXXX-XXXX-9172	Amazon.Com 276xi32h2 A	31.28	?
				Debit Total USD	146.19
				Credit Total USD	0.00
				Total USD	146.19

#### Centurylink Slp

Posting Date	Tran Date	Account	Supplier	Amount	
10/12/2021	10/12/2021	XXXX-XXXX-XXXX-6339	Centurylink	1,171.58	?
				Debit Total USD	1,171.58
				Credit Total USD	0.00
				Total USD	1,171.58

#### City Water Slp

Posting Date	Tran Date	Account	Supplier	Amount	
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slputilities	7.71	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slputilities	272 14.74	?

10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	17.06	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	66.97	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	164.29	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	213.29	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	325.56	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	360.39	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	361.06	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	600.31	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	626.33	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	691.32	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	720.00	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	749.23	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	821.63	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	900.25	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	1,196.20	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-6313	Slutilities	2,998.02	?
10/28/2021	10/28/2021	XXXX-XXXX-XXXX-6313	Slutilities	75.08	?
10/28/2021	10/28/2021	XXXX-XXXX-XXXX-6313	Slutilities	4,992.36	?
				Debit Total USD	15,901.80
				Credit Total USD	0.00
				Total USD	15,901.80

**Office Depot Slp**

Posting Date	Tran Date	Account	Supplier	Amount	
10/05/2021	10/04/2021	XXXX-XXXX-XXXX-8115	Office Depot #1099	233.09	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-8115	Office Depot #1099	303.31	?
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-8115	Office Depot #1099	178.33	?
10/26/2021	10/25/2021	XXXX-XXXX-XXXX-8115	Office Depot #1099	188.56	?
				Debit Total USD	903.29
				Credit Total USD	0.00
				Total USD	903.29

**Verizon Slp**

Posting Date	Tran Date	Account	Supplier	Amount	
10/05/2021	10/05/2021	XXXX-XXXX-XXXX-4216	Vzwrlls Apocc Visb	70.02	?
10/25/2021	10/23/2021	XXXX-XXXX-XXXX-4216	Vzwrlls Apocc Visb	3,905.04	?
				Debit Total USD	3,975.06
				Credit Total USD	0.00
				Total USD	3,975.06

**Ross Sophia**

Posting Date	Tran Date	Account	Supplier	Amount
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10/12/2021	10/11/2021	XXXX-XXXX-XXXX-6194	Samsclub #6310	457.12	
			Debit Total USD	457.12	
			Credit Total USD	0.00	
			Total USD	457.12	

**Fahey Susanne**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-1383	Solution Tree Inc	2,067.00	
10/05/2021	10/01/2021	XXXX-XXXX-XXXX-1383	Office Depot #1090	55.19	
10/05/2021	10/05/2021	XXXX-XXXX-XXXX-1383	Amazon.Com 2c21w9yi0 A	37.99	
10/06/2021	10/04/2021	XXXX-XXXX-XXXX-1383	Office Depot #1090	249.87	
10/06/2021	10/05/2021	XXXX-XXXX-XXXX-1383	Sq Tribal Nations Map	48.00	
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-1383	Bestbuydirect239100591	1,712.93	
10/11/2021	10/07/2021	XXXX-XXXX-XXXX-1383	Continental Clay Compa	27.38	
10/11/2021	10/10/2021	XXXX-XXXX-XXXX-1383	Amzn Mktp US 279w84501	9.99	
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-1383	Amazon.Com 2708685q0 A	29.88	
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-1383	Msswa	175.00	
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-1383	Msswa	240.00	
10/13/2021	10/13/2021	XXXX-XXXX-XXXX-1383	Msswa	-175.00	
10/14/2021	10/12/2021	XXXX-XXXX-XXXX-1383	Office Depot #1090	36.50	
10/19/2021	10/19/2021	XXXX-XXXX-XXXX-1383	Amzn Mktp US 276w81wf2	246.49	
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-1383	Amzn Mktp US 2y2bi2040	179.97	
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-1383	Amzn Mktp US 2y07q61x0	599.92	
10/22/2021	10/21/2021	XXXX-XXXX-XXXX-1383	Officemax/Depot 6419	38.45	
10/25/2021	10/21/2021	XXXX-XXXX-XXXX-1383	Office Depot #1090	51.58	
10/26/2021	10/25/2021	XXXX-XXXX-XXXX-1383	Www.Ncte.Org	112.00	
10/28/2021	10/26/2021	XXXX-XXXX-XXXX-1383	Office Depot #1090	42.77	
			Debit Total USD	5,960.91	
			Credit Total USD	-175.00	
			Total USD	5,785.91	

**Odermatt Thomas**

Posting Date	Tran Date	Account	Supplier	Amount	
10/06/2021	10/06/2021	XXXX-XXXX-XXXX-4730	Amzn Mktp US 274l28470	15.48	
10/08/2021	10/07/2021	XXXX-XXXX-XXXX-4730	Amzn Mktp US 272fl73w0	18.58	
10/08/2021	10/08/2021	XXXX-XXXX-XXXX-4730	Sp Make.Do	75.00	
10/11/2021	10/09/2021	XXXX-XXXX-XXXX-4730	Partsbuilt 3d	21.94	
10/11/2021	10/11/2021	XXXX-XXXX-XXXX-4730	Amzn Mktp US 278ux98g1	14.95	
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-4730	Amzn Mktp US 2701h7wn1	50.57	
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-4730	Amzn Mktp US 271q96yt1	130.76	
10/15/2021	10/15/2021	XXXX-XXXX-XXXX-4730	Amazon.Com 278v35if0	3.98	

10/18/2021	10/17/2021	XXXX-XXXX-XXXX-4730	Tasksboard.App	5.99	?
10/25/2021	10/24/2021	XXXX-XXXX-XXXX-4730	Www.lorad.Com	10.00	?
10/25/2021	10/24/2021	XXXX-XXXX-XXXX-4730	Scribd Inc	10.74	?
10/26/2021	10/25/2021	XXXX-XXXX-XXXX-4730	Amazon.Com Hv5vq1ha3 A	52.45	?
10/27/2021	10/27/2021	XXXX-XXXX-XXXX-4730	Apple.Com/Bill	86.01	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-4730	Amazon.Com Amzn.Com/Bi	-7.45	?
10/29/2021	10/28/2021	XXXX-XXXX-XXXX-4730	Amzn Mktp US OI54y0gm3	10.39	?
				Debit Total USD	506.84
				Credit Total USD	-7.45
				Total USD	499.39

**Donahue Timothy**

Posting Date	Tran Date	Account	Supplier	Amount	
10/04/2021	10/01/2021	XXXX-XXXX-XXXX-9266	The Home Depot #2806	134.06	?
10/11/2021	10/07/2021	XXXX-XXXX-XXXX-9266	The Home Depot #2806	104.83	?
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-9266	Horizon Commercial Poo	622.37	?
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-9266	Dalco Enterprises	863.66	?
10/26/2021	10/25/2021	XXXX-XXXX-XXXX-9266	Sps Companies Ctydk	49.31	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-9266	Hillyard Inc Minneapol	122.52	?
10/29/2021	10/28/2021	XXXX-XXXX-XXXX-9266	Hillyard Inc Minneapol	156.32	?
				Debit Total USD	2,053.07
				Credit Total USD	0.00
				Total USD	2,053.07

**Pickford Timothy**

Posting Date	Tran Date	Account	Supplier	Amount	
10/06/2021	10/04/2021	XXXX-XXXX-XXXX-3441	Menards Golden Valley	137.83	?
10/06/2021	10/05/2021	XXXX-XXXX-XXXX-3441	J H Larson Electrica	422.76	?
10/06/2021	10/06/2021	XXXX-XXXX-XXXX-3441	Amazon.Com 2708I9n81	21.28	?
10/11/2021	10/08/2021	XXXX-XXXX-XXXX-3441	Dalco Enterprises	314.39	?
10/11/2021	10/09/2021	XXXX-XXXX-XXXX-3441	Amzn Mktp US 2722z60h0	81.25	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-3441	Hillyard Inc Minneapol	151.42	?
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-3441	J H Larson Electrica	163.50	?
10/14/2021	10/13/2021	XXXX-XXXX-XXXX-3441	Hillyard Inc Minneapol	63.80	?
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-3441	Cub Foods Knollwood	3.56	?
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-3441	Amzn Mktp US 2762t5ix2	15.38	?
10/20/2021	10/19/2021	XXXX-XXXX-XXXX-3441	Dalco Enterprises	346.22	?
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-3441	Hillyard Inc Minneapol	10.05	?
10/25/2021	10/22/2021	XXXX-XXXX-XXXX-3441	Shiffler Equipment	367.89	?
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-3441	Dalco Enterprises	923.47	?
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-3441	Dalco Enterprises <sup>275</sup>	25.38	?

10/28/2021	10/27/2021	XXXX-XXXX-XXXX-3441	Hillyard Inc Minneapol	431.90	
				Debit Total USD	3,480.08
				Credit Total USD	0.00
				Total USD	3,480.08

**Marble Tom**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-0299	Mediafour Owc	-7.52	
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-0299	Amzn Mktp US 279r59z50	32.99	
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-0299	Amzn Mktp US 2c1j709p2	35.71	
10/07/2021	10/06/2021	XXXX-XXXX-XXXX-0299	Amzn Mktp US 2724a9l50	49.46	
10/28/2021	10/28/2021	XXXX-XXXX-XXXX-0299	Amazon.Com Wk5gk2iq3	289.61	
				Debit Total USD	407.77
				Credit Total USD	-7.52
				Total USD	400.25

**Halseth Travis**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/30/2021	XXXX-XXXX-XXXX-7630	Amzn Mktp US 2c9w70e72	599.97	
10/01/2021	10/01/2021	XXXX-XXXX-XXXX-7630	Uline Ship Supplies	2,072.12	
10/12/2021	10/11/2021	XXXX-XXXX-XXXX-7630	J And F Reddy Rents	45.00	
10/13/2021	10/11/2021	XXXX-XXXX-XXXX-7630	The Home Depot #2806	7.82	
10/13/2021	10/13/2021	XXXX-XXXX-XXXX-7630	Amzn Mktp US 270d22gu2	18.99	
10/15/2021	10/14/2021	XXXX-XXXX-XXXX-7630	Grainger	608.22	
10/18/2021	10/15/2021	XXXX-XXXX-XXXX-7630	Menards Golden Valley	16.76	
10/19/2021	10/18/2021	XXXX-XXXX-XXXX-7630	Kendell Doors & Hardwa	5,570.00	
10/21/2021	10/19/2021	XXXX-XXXX-XXXX-7630	The Home Depot #2806	19.88	
10/21/2021	10/19/2021	XXXX-XXXX-XXXX-7630	Menards Golden Valley	719.90	
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-7630	J H Larson Electrica	5.76	
10/21/2021	10/20/2021	XXXX-XXXX-XXXX-7630	Samaritan Tire Minneto	29.00	
10/22/2021	10/21/2021	XXXX-XXXX-XXXX-7630	Samaritan Tire Minneto	143.00	
10/22/2021	10/22/2021	XXXX-XXXX-XXXX-7630	Uline Ship Supplies	3,067.49	
10/25/2021	10/21/2021	XXXX-XXXX-XXXX-7630	Homedepot.Com	49.97	
10/25/2021	10/21/2021	XXXX-XXXX-XXXX-7630	Homedepot.Com	49.97	
10/25/2021	10/21/2021	XXXX-XXXX-XXXX-7630	The Home Depot #2806	238.97	
10/27/2021	10/26/2021	XXXX-XXXX-XXXX-7630	Mti	350.42	
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-7630	Samaritan Tire Minneto	40.00	
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-7630	Siteone Landscape Supp	41.20	
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-7630	Napa Store 3279001	104.70	
10/29/2021	10/27/2021	XXXX-XXXX-XXXX-7630	The Home Depot #2806	28.94	
				Debit <del>276</del> USD	13,828.08
				Credit Total USD	0.00

**Nelson Virginia**

Posting Date	Tran Date	Account	Supplier	Amount	
10/01/2021	09/29/2021	XXXX-XXXX-XXXX-0875	Olive Garden 0026428	158.60	
10/13/2021	10/12/2021	XXXX-XXXX-XXXX-0875	Lunds&byerlys Ridged	53.98	
10/14/2021	10/13/2021	XXXX-XXXX-XXXX-0875	Acme Tools Plymouth	203.98	
10/25/2021	10/21/2021	XXXX-XXXX-XXXX-0875	Office Depot #1090	168.30	
10/28/2021	10/27/2021	XXXX-XXXX-XXXX-0875	Lunds&byerlys Ridged	9.98	
10/29/2021	10/27/2021	XXXX-XXXX-XXXX-0875	Nelsons Meat	153.86	
				Debit Total USD	748.70
				Credit Total USD	0.00
				Total USD	748.70

**Drenth-Iverson Wanda**

Posting Date	Tran Date	Account	Supplier	Amount	
10/13/2021	10/11/2021	XXXX-XXXX-XXXX-1581	Office Depot #1090	221.99	
10/14/2021	10/12/2021	XXXX-XXXX-XXXX-1581	Office Depot #1090	98.03	
				Debit Total USD	320.02
				Credit Total USD	0.00
				Total USD	320.02

**ELECTRONIC FUND TRANSFERS - Oct. 2021**

**Deposits into Associated Bank**

DATE	FROM	AMOUNT	DESCRIPTION
10/7/2021	MN STATE FINANCE	\$20,762.09	EDI PAYMENTS MISC GRANTS/IDEAS PAYMENT
10/15/2021	MN STATE FINANCE	\$1,165,473.40	EDI PAYMENTS MISC GRANTS/IDEAS PAYMENT
10/21/2021	MN STATE FINANCE	\$214,945.67	EDI PAYMENTS MISC GRANTS/IDEAS PAYMENT
10/26/2021	HENNEPIN CTY	\$7,400,000.00	HENNEPIN CTY
10/29/2021	MN STATE FINANCE	\$1,389,267.18	EDI PAYMENTS MISC GRANTS/IDEAS PAYMENT
10/01/2021-10/31/2021	TSYS/TRANSFIRST	\$ 40,487.56	CREDIT CARD PAYMENTS FOR STUDENT ACCOUNTS WITH FOOD SERVICE, MS ATHLETICS & HS ATHLETICS
10/01/2021-10/31/2021	SQUARE INC.	\$ 682.84	

STORIOLE CREDIT CARD PURCHASES

**Withdrawals From Associated Bank**

DATE	TO	AMOUNT	DESCRIPTION	AUTHORIZATION
10/4/2021	DELTA DENTAL	\$7,884.38	DENTAL - CLAIMS PAYMENT	BROOKS GROSSINGER
10/4/2021	PREFERRED ONE	\$27,999.99	PREFERRED ONE CLAIMS	BROOKS GROSSINGER
10/4/2021	PREFERRED ONE			
		\$53,750.94	PREFERRED ONE PAYMENT	BROOKS GROSSINGER
10/5/2021	BMO PMT	169,877.49	P CARD PMT	BROOKS GROSSINGER
10/6/2021	FURTHER	17,683.03	COBRA/RETIREE	BROOKS GROSSINGER
10/7/2021	FURTHER	17,544.79	COBRA/RETIREE	BROOKS GROSSINGER
10/12/2021	DELTA DENTAL	1,085.50	DENTAL - CLAIMS PAYMENT	BROOKS GROSSINGER
10/12/2021	DELTA DENTAL	14,032.92	DENTAL - CLAIMS PAYMENT	BROOKS GROSSINGER
10/12/2021	PREFERRED ONE	26,761.72	PREFERRED ONE	BROOKS GROSSINGER
10/12/2021	PREFERRED ONE	82,699.38	PREFERRED ONE PAYMENT	BROOKS GROSSINGER
10/14/2021	FURTHER	10,601.52	COBRA/RETIREE	BROOKS GROSSINGER
10/14/2021	PREFERRED ONE	93,452.76	PREFERRED ONE	BROOKS GROSSINGER
10/18/2021	DELTA DENTAL	6,810.01	DENTAL - CLAIMS PAYMENT	BROOKS GROSSINGER
10/18/2021	PREFERRED ONE	27,711.75	PREFERRED ONE PAYMENT	BROOKS GROSSINGER
10/18/2021	PREFERRED ONE	107,832.07	PREFERRED ONE PAYMENT	BROOKS GROSSINGER
10/21/2021	DELTA DENTAL	2,942.20	DENTAL - CLAIMS PAYMENT	BROOKS GROSSINGER
10/21/2021	FURTHER	12,325.94	COBRA/RETIREE	BROOKS GROSSINGER
10/22/2021	FURTHER	4,077.00	COBRA/RETIREE	BROOKS GROSSINGER
10/25/2021	PREFERRED ONE	14.00	PREFERRED ONE	BROOKS GROSSINGER
10/25/2021	DELTA DENTAL	11,678.84	DENTAL - CLAIMS PAYMENT	BROOKS GROSSINGER
10/25/2021	PREFERRED ONE	58,327.86	PREFERRED ONE PAYMENT	BROOKS GROSSINGER
10/28/2021	FURTHER	10552.35	COBRA/RETIREE	BROOKS GROSSINGER

VENDOR	CHECK CHECK		AMOUNT
	NUMBER	DATE	
292 DESIGN GROUP, INC	334911	10/01/2021	1,517.50
AFFINETY SOLUTIONS INC	334912	10/01/2021	190.00
AJ MOORE ELECTRIC, INC	334913	10/01/2021	130,280.89
ALL IN ONE - TRANSLATION AGENCY LLC	334914	10/01/2021	620.00
ANCHOR PAPER COMPANY	334915	10/01/2021	2,224.39
ARETE ACADEMY	334916	10/01/2021	6,425.00
ARMSTRONG TORSETH SKOLD & RYDEEN, INC	334918	10/01/2021	14,347.14
ARTHUR J GALLAGHER RISK MANAGEMENT SERVICES	334919	10/01/2021	300.00
BATRES, JULIO	334920	10/01/2021	71.00
BILAL, FARID	334921	10/01/2021	40.00
BIX PRODUCE COMPANY	334922	10/01/2021	334.25
BOELTER - PREMIER (REMIT)	334923	10/01/2021	1,390.00
BRIESE IRON WORKS, INC	334924	10/01/2021	4,930.50
BURGESSON, NANCY	334925	10/01/2021	150.00
CENTERPOINT ENERGY	334926	10/01/2021	16.61
CORY SHUBERT PHOTOGRAPHY	334927	10/01/2021	600.00
CRAWFORD MERZ, LLC	334928	10/01/2021	24,806.78
CUNINGHAM GROUP ARCHITECTURE INC	334929	10/01/2021	36,738.47
DAVIS, MICAH	334930	10/01/2021	76.94
DECOR-TEC INCORPORATED	334931	10/01/2021	350.00
EBERT CONSTRUCTION	334932	10/01/2021	112,034.16
ECKROTH MUSIC	334933	10/01/2021	1,385.92
EDWARDS, NICHOLAS	334934	10/01/2021	80.00
FORD METRO INC	334935	10/01/2021	2,059.79
FRANSEN DECORATING INC	334936	10/01/2021	17,120.71
GAERTNER, FRANK	334937	10/01/2021	77.00
GLEASON PRINTING INC	334938	10/01/2021	66.91
GLOVER, SCOTT	334939	10/01/2021	458.98
GOPHER SPORT	334940	10/01/2021	811.94
HACHEM, DRISS	334941	10/01/2021	71.00
HORDS, TERRY	334942	10/01/2021	40.00
IMEG CORP	334943	10/01/2021	6,675.00
INNOVATIVE LABORATORY SYSTEMS, INC	334944	10/01/2021	9,894.25
INTELLIGERE, INC	334945	10/01/2021	130.00
INTEREUM, INC	334946	10/01/2021	23,483.81
JESSEN PRESS INC	334947	10/01/2021	1,896.00
JOHNSON, MICHAEL	334948	10/01/2021	71.00
KALLESTAD, JAMES	334949	10/01/2021	71.00
KELLINGTON CONSTRUCTION INC	334950	10/01/2021	38,233.99
KENNEDY & GRAVEN	334951	10/01/2021	470.00
KINECT ENERGY, INC	334952	10/01/2021	980.00
KNUTSON FLYNN & DEANS	334953	10/01/2021	165.00
KRAUS-ANDERSON CONSTRUCTION	334954	10/01/2021	93,354.43
LOPEZ, ALAN	334955	10/01/2021	71.00
MAKEMUSIC	334956	10/01/2021	1,908.71
MAVO SYSTEMS INC	334957	10/01/2021	25,608.40
MEDCO SUPPLY COMPANY	334958	10/01/2021	574.08
METRO VOLLEYBALL OFFICIAL ASSOC LLC	334959	10/01/2021	1,248.00
MINNJET CONSULTING	334960	10/01/2021	520.00
MODERN PIPING, INC	334961	10/01/2021	329,876.29
MOVEFWD	334962	10/01/2021	4,500.00
MYSTERY SCIENCE INC	334963	10/01/2021	799.00
NORTHLAND CONCRETE & MASONRY COMPANY LLC	334964	10/01/2021	12,368.33
NORTHSTAR BUS LINES, LLC	334965	10/01/2021	7,932.66
NOVA FIRE PROTECTION, INC	334966	10/01/2021	19,000.00
NOVAK, JANICE	334967	10/01/2021	40.00

VENDOR	CHECK	CHECK	AMOUNT
	NUMBER	DATE	
NUEVO MUNDO TRANSLATIONS	334968	10/01/2021	400.00
OHMAN, DOUG	334969	10/01/2021	100.00
OLYMPIC COMMUNICATIONS INC	334970	10/01/2021	226.25
PACIFIC EDUCATIONAL GROUP INC	334971	10/01/2021	9,300.00
PARK NICOLLET FOUNDATION	334972	10/01/2021	6,000.00
PERFORMANCE TOURS	334973	10/01/2021	500.00
PERSPECTIVES INC	334974	10/01/2021	2,500.00
PETERSON COMPANIES, INC	334975	10/01/2021	51,950.62
PRIME SOLUTIONS, LLC	334976	10/01/2021	13,382.29
PROS OF THE ROPE, LLC	334977	10/01/2021	2,700.00
RIGHT-WAY CAULKING, INC	334978	10/01/2021	4,522.95
RTL CONSTRUCTION, INC	334979	10/01/2021	60,459.65
SCHOOL NUTRITION DIRECTORS OF MN	334980	10/01/2021	100.00
SKOLD SPECIALTY CONTRACTING, LLC	334981	10/01/2021	35,738.05
SOURCEWELL TECHNOLOGY	334982	10/01/2021	20,512.50
ST PAUL LINOLEUM AND CARPET CO	334983	10/01/2021	50,888.00
ST PAUL BEVERAGE SOLUTIONS, LLC	334984	10/01/2021	68.14
STEP	334985	10/01/2021	2,500.00
TEACHERS ON CALL A KELLY SERVICES CO	334986	10/01/2021	24,455.68
TREEHOUSE	334987	10/01/2021	2,000.00
TWIN CITY ACOUSTICS, INC	334988	10/01/2021	72,598.00
TYLER TECHNOLOGIES LB678715	334989	10/01/2021	700.00
U H L COMPANY	334990	10/01/2021	2,334.61
UNIVERSAL ATHLETIC, LLC (REMIT)	334991	10/01/2021	748.27
VAN RIESSEN, EDWIN	334992	10/01/2021	71.00
VSI CONSTRUCTION, INC	334993	10/01/2021	4,463.51
WILSON-EPES PRINTING CO, INC	334994	10/01/2021	1,055.23
WOODSIDE INDUSTRIES, INC	334995	10/01/2021	9,045.84
WTG TERRAZZO & TILE, INC	334996	10/01/2021	51,687.76
ST LOUIS PARK TRANSPORTATION	334997	10/12/2021	186,747.77
CHILD SUPPORT PAYMENT CENTER	334998	10/15/2021	135.00
EDUCATION MINNESOTA-SPARK	334999	10/15/2021	1,613.82
MINNESOTA CHILD SUPPORT PAYMEN	335000	10/15/2021	712.67
PARK ASSOCIATION OF TEACHERS	335001	10/15/2021	18,281.56
SCHOOL SERVICE EMPLOYEES LOCAL 284	335002	10/15/2021	1,605.71
STATE DISBURSEMENT UNIT	335003	10/15/2021	6.00
292 DESIGN GROUP, INC	335004	10/15/2021	1,697.50
ANCHOR PAPER COMPANY	335005	10/15/2021	2,369.66
ARVIG	335006	10/15/2021	5,456.51
BIX PRODUCE COMPANY	335007	10/15/2021	158.35
BLACKBOARD INC	335008	10/15/2021	435.00
BRIDGE FOR YOUTH	335009	10/15/2021	2,500.00
BRIN CONTRACT GLAZING	335010	10/15/2021	4,206.85
BURROWS, KELLI	335011	10/15/2021	1,462.50
CENTER FOR THE COLLABORATIVE CLASSROOM	335012	10/15/2021	210.60
CENTERPOINT ENERGY	335013	10/15/2021	143.11
CENTURYLINK	335014	10/15/2021	125.96
CI SOLUTIONS	335015	10/15/2021	4,923.00
CITY OF ST LOUIS PARK	335016	10/15/2021	708.24
COMMERCIAL KITCHEN SERVICES CORP	335017	10/15/2021	333.75
CRAWFORD MERZ, LLC	335018	10/15/2021	21,142.22
DEFLORES, ROBERT	335019	10/15/2021	100.00
DENDROS GROUP, LLC	335020	10/15/2021	2,500.00
DRESS FOR SUCCESS TWIN CITIES	335021	10/15/2021	2,500.00
ECKROTH MUSIC	335022	10/15/2021	61.52
EDUCATORS BENEFIT CONSULTANTS	335023	10/15/2021	345.77

VENDOR	CHECK CHECK		AMOUNT
	NUMBER	DATE	
EXPRESS SERVICES INC	335024	10/15/2021	7,493.69
FORD, CHAUNTE	335025	10/15/2021	168.00
FRAGALE ANNETTE	335026	10/15/2021	300.00
FRSECURE, LLC	335027	10/15/2021	8,000.00
GOVCONNECTION, INC (REMIT)	335028	10/15/2021	7,265.00
HAMMER SPORTS LLC	335029	10/15/2021	116.00
HOUGHTON MIFFLIN (REMIT)	335030	10/15/2021	398.08
INTEREUM, INC	335031	10/15/2021	3,661.31
INTERMEDIATE DISTRICT #287	335032	10/15/2021	348.40
KENNEDY & GRAVEN	335033	10/15/2021	1,081.00
KIDCREATE STUDIO	335034	10/15/2021	2,448.00
KNOWLEDGE MATTERS	335035	10/15/2021	2,800.00
KNUTSON FLYNN & DEANS	335036	10/15/2021	110.00
LADSON BILLINGS, GLORIA	335037	10/15/2021	2,000.00
LEARNING A-Z (REMIT)	335038	10/15/2021	648.00
LONG, LARRY	335039	10/15/2021	2,500.00
M S B A	335040	10/15/2021	60.00
MAGERS & QUINN BOOK SELLERS	335041	10/15/2021	2,228.10
MALMBERG, DENNIS	335042	10/15/2021	280.00
MANLEY, OLIVER	335043	10/15/2021	280.00
MCGRAW-HILL SCHOOL EDUCATION HOLDINGS LLC	335044	10/15/2021	190.66
METROPOLITAN COURIER CORP	335045	10/15/2021	743.28
MN STATE HS MATH LEAGUE	335046	10/15/2021	600.00
NARDINI FIRE EQUIPMENT CO, INC	335047	10/15/2021	75.50
NATL INVENTORS HALL OF FAME, INC	335048	10/15/2021	100.00
NCPERS MINNESOTA	335049	10/15/2021	16.00
NORTHSTAR BUS LINES, LLC	335052	10/15/2021	4,296.75
NORTHSTAR MEDIA, INC	335053	10/15/2021	480.61
NOVAK, JANICE	335054	10/15/2021	60.00
OHMAN, DOUG	335055	10/15/2021	50.00
ORKIN	335056	10/15/2021	117.60
OWEN, AUSTIN	335057	10/15/2021	300.00
PAN O GOLD BAKING CO	335058	10/15/2021	1,882.99
PENNICA, ELYSE	335059	10/15/2021	10.00
PHOENIX SCHOOL COUNSELING LLC	335060	10/15/2021	26,337.17
PROFESSIONAL WIRELESS COMMUNICATIONS	335061	10/15/2021	355.00
RED WING SHOE STORE	335062	10/15/2021	217.49
RELATE, INC.	335063	10/15/2021	2,500.00
RICOH USA, INC	335064	10/15/2021	13,714.68
SCENARIO LEARNING LLC	335065	10/15/2021	4,161.64
SCHOOL DATEBOOKS INC	335066	10/15/2021	4,361.09
SCHOOL SPECIALTY, LLC	335067	10/15/2021	75.66
SEEDS FEEDS	335068	10/15/2021	315.00
SHADYWOOD TREE EXPERTS	335069	10/15/2021	2,025.00
ST LOUIS PARK TRANSPORTATION	335070	10/15/2021	106,607.58
SOLUTRAN, INC	335071	10/15/2021	1,668.00
SOURCEWELL TECHNOLOGY	335072	10/15/2021	2,250.00
ST PAUL BEVERAGE SOLUTIONS, LLC	335073	10/15/2021	8,661.85
STANDARD INSURANCE COMPANY	335074	10/15/2021	20,773.60
STEP	335075	10/15/2021	2,500.00
STRAIT STUFF SCREEN PRINTING	335076	10/15/2021	917.75
TEACHERS ON CALL A KELLY SERVICES CO	335078	10/15/2021	46,936.32
TIERNEY BROS INC	335079	10/15/2021	35,765.59
TRIO SUPPLY COMPANY	335080	10/15/2021	4,751.12
WATERLOGIC AMERICAS LLC	335081	10/15/2021	417.00
WILLIAM H SADLIER, INC (REMIT)	335082	10/15/2021	278.04

VENDOR	CHECK CHECK		AMOUNT
	NUMBER	DATE	
XANEDU PUBLISHING, INC	335083	10/15/2021	4,720.00
XCEL ENERGY	335084	10/15/2021	11,578.48
292 DESIGN GROUP, INC	335085	10/24/2021	1,300.00
ALBIN ACQUISITION CORP	335086	10/24/2021	103.45
ANCHOR PAPER COMPANY	335087	10/24/2021	960.30
ANDERSON, EMILY	335088	10/24/2021	50.00
ARTHUR J GALLAGHER RISK MANAGEMENT SERVICES	335089	10/24/2021	2,500.00
AUTUMN, STEPHANIE	335090	10/24/2021	1,628.00
BENEFIT EXTRAS, INC	335091	10/24/2021	3,516.82
BROWN'S ICE CREAM	335092	10/24/2021	1,664.93
BRUBAKER, TERESA	335093	10/24/2021	780.00
BUNKER HILLS GOLF	335094	10/24/2021	39.00
BURROWS, KELLI	335095	10/24/2021	165.00
CI SOLUTIONS	335096	10/24/2021	6,935.00
CITY OF ST LOUIS PARK	335097	10/24/2021	922.56
CRAWFORD MERZ, LLC	335098	10/24/2021	37,873.81
DAKOTA TRUCK UNDERWRITERS	335099	10/24/2021	22,835.00
ECKROTH MUSIC	335100	10/24/2021	76.40
EDMENTUM, INC	335101	10/24/2021	660.60
EVERYTHING'S POSSIBLE LLC	335102	10/24/2021	360.00
EXPRESS SERVICES INC	335103	10/24/2021	3,679.83
FAMILY SERVICE DIVISION, JFCS	335104	10/24/2021	2,500.00
FLOOD, LIONEL	335105	10/24/2021	90.00
FOSTER, SEAN	335106	10/24/2021	28.20
GIMKIT, INC	335107	10/24/2021	650.00
GOLF SQUAD LLC	335108	10/24/2021	9,315.00
HAMMER SPORTS LLC	335109	10/24/2021	495.00
HAMMOND, KARA	335110	10/24/2021	27.30
HEINEMANN	335111	10/24/2021	341.00
HOUSE OF NOTE CORP	335112	10/24/2021	575.90
IN-PULSE CPR INC	335113	10/24/2021	780.00
INDIANHEAD FOODSERVICE DISTRIBUTOR	335114	10/24/2021	80,064.33
INSPEC INC	335115	10/24/2021	7,000.00
INTEREUM, INC	335116	10/24/2021	132.25
INTERMEDIATE DISTRICT #287	335117	10/24/2021	52,364.16
JAMAR COMPANY	335118	10/24/2021	4,185.00
KINECT ENERGY, INC	335119	10/24/2021	11,849.78
KLEIN, ZACH	335120	10/24/2021	100.00
KNUTSON FLYNN & DEANS	335121	10/24/2021	385.00
LAMINATOR.COM	335122	10/24/2021	392.46
LEARNING WITHOUT TEARS	335123	10/24/2021	1,341.73
LIFE SAFETY SYSTEMS, INC	335124	10/24/2021	135.00
LVC COMPANIES, INC	335125	10/24/2021	659.60
MALMBERG, DENNIS	335126	10/24/2021	140.00
MANLEY, OLIVER	335127	10/24/2021	140.00
MASBO	335128	10/24/2021	210.00
MASSP	335129	10/24/2021	964.00
MINNJET CONSULTING	335130	10/24/2021	80.00
MY SPIRIT EXPERIENCE	335131	10/24/2021	200.00
N A C	335134	10/24/2021	24,218.00
NORTHSTAR BUS LINES, LLC	335135	10/24/2021	2,054.25
JW PEPPER & SONS, INC	335136	10/24/2021	60.00
PROFESSIONAL WIRELESS COMMUNICATIONS	335137	10/24/2021	3,206.00
RAINBOW RESOURCE	335138	10/24/2021	139.26
RICOH USA, INC	335139	10/24/2021	660.74
SCHMELZLE, NANCY	335140	10/24/2021	176.98

VENDOR	CHECK CHECK		AMOUNT
	NUMBER	DATE	
SCHOEFF, KELLY	335141	10/24/2021	300.00
SCHOOL PROJECT	335142	10/24/2021	4,566.00
SEEDS FEEDS	335143	10/24/2021	3,906.11
SHRED-IT USA, LLC	335144	10/24/2021	187.06
SINGAPORE MATH INC	335145	10/24/2021	3,490.68
SKYHAWKS MINNESOTA	335146	10/24/2021	1,378.25
TYLER TECHNOLOGIES LB678715	335147	10/24/2021	3,750.00
U H L COMPANY	335148	10/24/2021	746.34
UNIVERSAL ATHLETIC, LLC (REMIT)	335149	10/24/2021	4,148.00
VISTAR	335150	10/24/2021	4,075.74
VOLKER, ELIZABETH	335151	10/24/2021	892.00
VSI CONSTRUCTION, INC	335152	10/24/2021	4,279.30
WATERLOGIC AMERICAS LLC	335153	10/24/2021	474.00
XCEL ENERGY	335154	10/24/2021	97,455.91
ZEE SERVICE COMPANY	335155	10/24/2021	799.40
CHILD SUPPORT PAYMENT CENTER	335156	10/29/2021	135.00
CLERICAL\SECRETARIAL ASSOCIATION PARK SCHOOLS	335157	10/29/2021	253.14
EDUCATION MINNESOTA-SPARK	335158	10/29/2021	1,646.17
MINNESOTA CHILD SUPPORT PAYMEN	335159	10/29/2021	712.67
PARK ASSOCIATION OF TEACHERS	335160	10/29/2021	18,252.40
SCHOOL SERVICE EMPLOYEES LOCAL 284	335161	10/29/2021	1,605.71
STATE DISBURSEMENT UNIT	335162	10/29/2021	6.00
MINNESOTA DEPARTMENT OF REVENUE	202100098	10/15/2021	73,088.37
TEACHERS RETIREMENT ASSOCIATIO	202100099	10/15/2021	215,330.76
INTERNAL REVENUE SERVICE	202100100	10/15/2021	447,124.84
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION	202100101	10/15/2021	83,417.25
MINNESOTA STATE RETIREMENT SYSTEM	202100102	10/15/2021	0.00
TASC	202100103	10/15/2021	22,501.45
EDUCATORS BENEFIT CONSULTANTS	202100104	10/15/2021	110,528.40
SAM'S CLUB MASTERCARD	202100105	10/14/2021	11,750.05
MINNESOTA DEPARTMENT OF REVENUE	202100106	10/18/2021	91.32
INTERNAL REVENUE SERVICE	202100107	10/18/2021	564.84
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION	202100108	10/18/2021	345.55
MINNESOTA DEPARTMENT OF REVENUE	202100109	10/29/2021	73,013.17
TEACHERS RETIREMENT ASSOCIATIO	202100110	10/29/2021	213,188.44
INTERNAL REVENUE SERVICE	202100111	10/29/2021	446,230.49
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION	202100112	10/29/2021	85,437.73
MINNESOTA STATE RETIREMENT SYSTEM	202100113	10/29/2021	0.00
TASC	202100114	10/29/2021	22,795.83
EDUCATORS BENEFIT CONSULTANTS	202100115	10/29/2021	108,559.29
MINNESOTA DEPARTMENT OF REVENUE	202100116	10/29/2021	-178.56
TEACHERS RETIREMENT ASSOCIATIO	202100117	10/29/2021	-592.42
INTERNAL REVENUE SERVICE	202100118	10/29/2021	-1,015.13
EDUCATORS BENEFIT CONSULTANTS	202100119	10/29/2021	-37.40
MINNESOTA DEPARTMENT OF REVENUE	202100120	10/29/2021	105.00
TEACHERS RETIREMENT ASSOCIATIO	202100121	10/29/2021	592.42
INTERNAL REVENUE SERVICE	202100122	10/29/2021	777.40
EDUCATORS BENEFIT CONSULTANTS	202100123	10/29/2021	1,120.74
BANK OF MONTREAL (CA) HARRIS	202100124	10/28/2021	169,877.49
BOLLMANN, DANIEL	212200089	10/15/2021	178.50
BORK, LESLIE	212200090	10/15/2021	1,235.98
BRYANT, MICHELLE	212200091	10/15/2021	104.00
BUSSE, JESSICA	212200092	10/15/2021	4,822.79
CAREY, BRIAN	212200093	10/15/2021	611.00
DAVIS, LACIE	212200094	10/15/2021	58.33
GOGGLEEYE, TODD	212200095	10/15/2021	506.98

VENDOR	CHECK	CHECK	AMOUNT
	NUMBER	DATE	
HOESCHEN, KAREN	212200096	10/15/2021	22.99
JOHNSON, TERRI	212200097	10/15/2021	442.32
KEEKLEY, LORI	212200098	10/15/2021	450.00
LAWRENCE, DEANNA	212200099	10/15/2021	509.93
MARBLE, THOMAS	212200100	10/15/2021	242.85
MCBRIDE-BIBBY, JULIA	212200101	10/15/2021	60.00
NIRENSTEIN, MARLEE	212200102	10/15/2021	250.00
OSEI, ASTEIN	212200103	10/15/2021	690.18
QUATTRINI, KATHERINE	212200104	10/15/2021	94.59
RICHARDSON, STEPHANIE	212200105	10/15/2021	25.97
RUDIN, MARIA	212200106	10/15/2021	121.51
SANCHEZ ALVA, JABNIA	212200107	10/15/2021	43.81
SAXENA, ILA	212200108	10/15/2021	16.95
BERG, SUZANNE	212200109	10/29/2021	26.13
BOLLMANN, DANIEL	212200110	10/29/2021	16.74
BROOKS, OLIVIA	212200111	10/29/2021	29.94
BUSSE, JESSICA	212200112	10/29/2021	110.99
CARDEN, KIMBERLY	212200113	10/29/2021	295.68
GILMER, LYNN	212200114	10/29/2021	278.00
GONZALEZ, FEBE	212200115	10/29/2021	12.99
HUSSONG, HEATHER	212200116	10/29/2021	95.00
JERGENSON, LISA	212200117	10/29/2021	125.00
MARBLE, THOMAS	212200118	10/29/2021	397.00
NAATZ, ADAM	212200119	10/29/2021	6.97
NELSEN, RYLAND	212200120	10/29/2021	1,060.34
OSMUNDSON, SAMANTHA	212200121	10/29/2021	60.85
QUATTRINI, KATHERINE	212200122	10/29/2021	100.14
SODHI PROPERTIES LLC	212200123	10/29/2021	16,334.25
STEFONOWICZ, JODY	212200124	10/29/2021	50.00
TROMBLEY, KELLY	212200125	10/29/2021	18.99
	Totals for checks		4,542,871.81

FUND SUMMARY

<u>FUND</u>	<u>DESCRIPTION</u>	<u>BALANCE SHEET</u>	<u>REVENUE</u>	<u>EXPENSE</u>	<u>TOTAL</u>
01	GENERAL	1,726,062.90	0.00	821,981.62	2,548,044.52
02	FOOD SERVICES	24,892.69	515.50	103,456.13	128,864.32
03	TRANSPORTATION	260.45	0.00	281,628.19	281,888.64
04	COMMUNITY SERVICES	152,149.70	0.00	115,551.84	267,701.54
06	BUILDING CONSTRUCTION	7,080.40	0.00	1,205,836.71	1,212,917.11
16	TECHNOLOGY LEVY	37,525.49	0.00	60,506.17	98,031.66
18	CUSTODIAL	0.00	0.00	250.00	250.00
21	SELF FUNDED MEDICAL INSURANCE	0.00	0.00	1,668.00	1,668.00
50	STUDENT ACTIVITIES	0.00	0.00	3,506.02	3,506.02
***	Fund Summary Totals ***	1,947,971.63	515.50	2,594,384.68	4,542,871.81

\*\*\*\*\* End of report \*\*\*\*\*

Account	Settle	Mature	Description	Cost	Days	Rate
			SIMMONS BANK/LANDMARK COMMUNITY			
31135-101	1/27/2020	1/25/2022	BANK	\$242,600.00	729	1.49
			PENTAGON FEDERAL CREDIT UNION (183 day			
31135-101	12/20/2019	1/25/2022	and out)	\$2,000,000.00	767	1.52
31135-101	11/8/2019	1/25/2022	NAVY FEDERAL CREDIT UNION	\$2,000,000.00	809	1.55
			PENTAGON FEDERAL CREDIT UNION (183 day			
31135-101	3/13/2020	1/25/2022	and out)	\$1,000,000.00	683	0.57
31135-101	1/30/2020	1/31/2022	SYNOVUS BANK GA	\$247,719.89	732	1.5
31135-101	4/7/2020	4/7/2022	AMERICAN EXPR NATL BK	\$247,472.61	730	1.25
31135-101	4/9/2020	4/8/2022	MERRICK BANK	\$247,724.64	729	1.05
31135-101	4/8/2020	4/21/2022	BERKSHIRE BK/PITTSFIELD	\$247,743.76	743	1.1
31135-208	10/25/2021	11/24/2021	MN TRUST TERM SERIES	\$1,000,000.00	30	0.03
31135-208	7/23/2019	11/30/2021	BRIDGEWATER BANK	\$300,000.00	861	1.82
31135-208	7/18/2019	12/30/2021	FARMERS BANK AND TRUST	\$239,000.00	896	1.8
31135-208	7/18/2019	1/31/2022	FIRST NATIONAL BANK	\$238,100.00	928	1.87
			WESTERN ALLIANCE BANK / TORREY PINES			
31135-301	10/28/2021	10/28/2022	BANK	\$249,700.00	365	0.11
31135-301	10/28/2021	10/28/2022	GREENSTATE CREDIT UNION	\$249,800.00	365	0.07
31135-301	3/30/2021	8/1/2023	WINCHESTER-A-TXBL-REF	\$251,165.00	854	0.15
31135-301	11/10/2021	11/15/2023	US TREASURY N/B	\$598,478.55	735	0.29
31135-301	1/21/2020	6/28/2024	FIRST PRYORITY BANK	\$231,100.00	1620	1.67
31135-301	11/15/2021	11/15/2024	US TREASURY N/B	\$599,073.13	1096	0.58
31135-301	3/26/2021	2/15/2029	MINERAL WELLS ISD	\$198,371.80	2883	0.16

**RESOLUTION ACCEPTING DONATIONS**

**WHEREAS, Minnesota Statutes 123B.02, Subd. 6 provides: “The board may receive, for the benefit of the district, bequest, donations, or gifts for the proper purpose and apply the same to the purpose designated. In that behalf, the board may act as trustee of any trust created for the benefit of the district, or for the benefit of pupils thereof, including trust created to provide pupils of the district with advanced education after completion of high school, in the advancement of education.”; and**

**WHEREAS, Minnesota Statutes 465.03 provides: “Any city, county, school district or town may accept a grant or devise of real or personal property and maintain such property for the benefit of its citizens in accordance with the terms prescribed by the donor. Nothing herein shall authorize such acceptance or use for religious or sectarian purposes. Every such acceptance shall be by resolution of the governing body adopted by a two-thirds majority of its members, expressing such terms in full.”;**

**THEREFORE, BE IT RESOLVED, that the School Board of St. Louis Park Public Schools, ISD 283, gratefully accepts the following donations as identified below:**

<b>Donor</b>	<b>Item</b>	<b>Designated Purpose (If Any)</b>
MASMA	\$500.00	Facilities
KOPP Family Foundation	\$1,000.00	Aquila
Blackbaud Giving Fund	\$18.00	Middle School

**The vote on adoption of the Resolution was as follows**

**Aye:**

**Nay:**

**Absent:**

**Whereupon, said Resolution was declared duly adopted.**

**Approved by: \_\_\_\_\_  
Board Chair**

**Approved by: \_\_\_\_\_  
Board Clerk**

**Date: \_\_\_\_\_**

**Date: \_\_\_\_\_**

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Monday, April 26, 2021 – 6:30 p.m.  
St. Louis Park High School Room C350

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened at 6:30 p.m. on Monday, April 26, 2021 in St. Louis Park High School Room C350. Present were Board Members Mary Tomback, Karen Waters, Anne Casey, Ken Morrison, Heather Wilsey, Laura McClendon, C. Colin Cox and Superintendent Astein Osei.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 6:34 p.m.

**APPROVAL OF AGENDA**

A motion was made by Morrison, seconded by Cox to approve the agenda, as presented. The motion passed 7-0.

**OPEN FORUM**

There were no Open Forum participants.

**SUPERINTENDENT'S REPORT**

Superintendent Osei recognized St. Louis Park High School senior Erin Brousseau who was named the school's Athena Award winner for 2021. The Athena Awards annually recognize an outstanding senior female athlete from each of the Minneapolis city, suburban and private schools for their achievements in one or more sports. Osei then shared that the St. Louis Park Public Schools & Community Foundation are seeking support for the class of 2021 by purchasing a lawn sign to help raise funds so that the Senior Class party will be open to all students (free of charge). Next, the School Board received an update on the Aquila Elementary School Principal selection process and outlined the timeline. The report concluded with an invitation to view the High School Theatre Program's livestream of its spring production of "Working, A Musical".

**DISCUSSION ITEMS**

**Seeds Feeds Community Garden at Aquila**

Patricia Magnuson, Director of Business Services, and SLP Seeds (Seeds Feeds) volunteers Ariel Steinman, Deandre Adams, Kristy Burgeson and Michelle Bissonnette provided an update on the Seeds Feeds Community Garden at Aquila Elementary. Presenters provided an overview of Seeds Feeds and the plans for the community garden. Plans include a shed, water and wash station, compost bin, and learning circle/outdoor classroom in addition to the gardens.

**Curriculum and Instruction - Math Update**

Patrick Duffy, Director of Curriculum and Instruction and the Math Design team provided an update on math curriculum and instruction. The Math Design Team shared that the Bridges in Mathematics curriculum would be implemented. The team gave a background on Bridges and

shared how the decision was made, alignment between Bridges framework and the strategic direction of the District, and professional development needs for successful implementation.

### **Safe Learning Plan Update**

Superintendent Osei provided a Safe Learning Plan update and included information connected to end of year activities. He shared that in-person learning for students in grades 6-12 recently increased as the District welcomed students back to school in-person in a hybrid model. The District will continue to follow guidance from the Minnesota Department of Education and Minnesota Department of Health leveraging local data and focusing data from within the schools. Superintendent Osei also shared elementary and secondary end of year events and the mitigation strategies to keep students safe during the events.

### **Self-Funded Health Insurance**

Richard Kreyer, Director of Human Resources provided a present self-funded health insurance rates and information for approval at the evening's Action Agenda.

## **CONSENT AGENDA**

A motion was then made by Waters, seconded by Morrison to approve the following Consent Agenda items:

1. Payroll for March 15, 2021 in the amount of 1,582,659.71 and March 31, 2021 in the amount of 1,562,197.49
2. Recap of Expenditures
3. Electronic Fund Transfers
4. Accounts Payable Disbursements
5. Investment Holdings
6. Donations
7. Minutes
8. Agreement to Resolve Special Education Student Matter
9. Personnel

The motion passed 7-0.

## **ACTION AGENDA**

### **Land Acknowledgement Approval**

A motion was made by Casey, seconded by Waters to approve instituting an indigenous land acknowledgement at School Board meetings, as follows:

#### Proposed Language for Land Acknowledgement

We are gathered on the land of the Dakota and Ojibwe peoples. I ask you to join me in acknowledging the Dakota and Ojibwe community, their elders both past and present, as well as future generations. St. Louis Park Public Schools also acknowledges that it was founded upon exclusions and erasures of many Indigenous Peoples, including those on whose land this school district is located. This acknowledgement demonstrates a commitment to dismantling the ongoing legacies of colonial power and the district's desire to support the ongoing work of local Indigenous communities to thrive in our schools.

The motion passed 7-0.

**High School Principal Contract Approval**

A motion was made by Cox, seconded by Morrison to approve the employment contract between Independent School District #283 and LaNisha Paddock as the High School Principal. The motion passed 7-0.

**Self-Funded Health Insurance Rates Approval**

A motion was made by Morrison, seconded by Wilsey to approve the self-funded health insurance rates, as presented. The motion passed 7-0.

**Capital-Related Budgets Approval**

A motion was made by Casey, seconded by McClendon to approve the DRAFT Operating Capital, Lease Levy, and Capital Projects Levy (technology) budgets for FY 2022, as presented. The motion passed 7-0.

**COMMUNICATIONS AND TRANSMITTALS**

**ADJOURNMENT**

A motion was made by Casey, seconded by Cox to adjourn. The motion passed 7-0. The meeting adjourned at 8:09 p.m.

Respectfully submitted:

Approved:

\_\_\_\_\_  
Laura McClendon, Clerk

\_\_\_\_\_  
Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Monday, May 10, 2021 – 6:30 p.m.  
St. Louis Park High School Room C350

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened at 6:30 p.m. on Monday, May 10, 2021 in St. Louis Park High School Room C350. Present were Board Members Mary Tomback, Karen Waters, Anne Casey, Ken Morrison, Heather Wilsey, Laura McClendon, C. Colin Cox and Superintendent Astein Osei.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 6:42 p.m.

**APPROVAL OF AGENDA**

A motion was made by Cox, seconded by Waters to approve the agenda, as presented. The motion passed 7-0.

**SUPERINTENDENT’S REPORT**

Superintendent Osei recognized teachers and staff during Teacher and Staff Appreciation Week thanking them for their hard work and dedication to St. Louis Park Public Schools. He then provided an update on the Aquila Elementary Principal search, noting that first round interviews had been held the week before and the interview team was preparing for second round interviews. Osei’s report concluded his report by sharing that Minnesota was set to begin a three-step process that will lead to an end of all COVID-19 restrictions by May 28, and an end to the masking requirement by July 1 and what this means for schools connected to face coverings, prom and graduation celebrations, summer programming, and the District’s Safe Learning Plan.

**DISCUSSION ITEMS**

**2021 Election Overview**

Michael Sund, City of St. Louis Park Elections Specialist provided an overview of the candidate filing process for those considering running for School Board for the 2021 election and helpful ballot information for voters in St. Louis Park including dates and deadlines, how to file for office, and ballot information. St. Louis Park Public Schools will have three seats on the ballot at the time of the election.

**Enrollment Update**

Patricia Magnuson, Director of Business Services and Sara Thompson, Director of Communications and Community Relations provided an enrollment strategies update. The update included current enrollment data, projections for next year, and updates to the Enrollment Center which included a one-stop shop for all students/grades and online enrollment. Various marketing efforts will take place to capture robust and accurate data, capture stories from families including exit surveys, communicate findings to affect change to develop best practices and strategies. Data driven strategies for increasing enrollment include virtual events, print materials and direct mailings, and a focus on Kindergarten, 6th and 9th grades. The enrollment

strategy will also be in alignment with the District’s Strategic Plan for Racial Equity Transformation.

**Policy Development - Revision Policy 808 COVID-19 Face Coverings**

The School Board reviewed to revise Policy 808 COVID-19 Face Coverings.

**Policy Development - Second Reading 524 Internet and Technology Responsible Use - Students**

The School Board reviewed Policy 524 Internet and Technology Responsible Use - Students as a second reading.

**ACTION AGENDA**

**Approval of Revision of Policy 808 COVID-19 Face Covering**

A motion was made by McClendon, seconded by Cox to approve the revision of policy 808 COVID-19 Face Covering, as presented. The motion passed 7-0.

**Approval of Second Reading of Policy 524 Internet Acceptable Use and Safety**

A motion was made by Morrison, seconded by Cox to approve the second reading of policy 524 Internet Acceptable Use and Safety, as presented. The motion passed 7-0.

**COMMUNICATIONS AND TRANSMITTALS**

**ADJOURNMENT**

A motion was made by Casey, seconded by Morrison to adjourn. The motion passed 7-0. The meeting adjourned at 7:21 p.m.

Respectfully submitted:

Approved:

\_\_\_\_\_  
Laura McClendon, Clerk

\_\_\_\_\_  
Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Monday, June 14, 2021 – 6:30 p.m.  
St. Louis Park High School Room C350

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened at 6:30 p.m. on Monday, June 14, 2021 in St. Louis Park High School Room C350. Present were Board Members Mary Tomback, Anne Casey, Karen Waters, Heather Wilsey, Laura McClendon, C. Colin Cox and Superintendent Astein Osei. Director Ken Morrison was absent.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 6:37 p.m.

**APPROVAL OF AGENDA**

A motion was made by Casey, seconded by Wilsey to approve the agenda, as presented. The motion passed 6-0.

**SUPERINTENDENT’S REPORT**

Superintendent Osei congratulated the 373 seniors who participated in St. Louis Park High School’s 122nd commencement ceremony and thanked staff for putting together a special event for students and families. He also recognized three St. Louis Park High School students who were recently recognized by the Minnesota Music Educators Association's (MMEA) All-State band program. Junior clarinet player Olivia Brown and sophomore tenor saxophone player Isaiah Klepfer were named to the 2021-22 Minnesota All-State Band. Junior tuba player Kris Moe was chosen as an alternate. Superintendent Osei concluded his report by acknowledging the Middle School Theater Spring Musical and their presentation of “James and the Giant Peach Jr.”

**DISCUSSION ITEMS**

**Community Education Presentation**

Patrice Howard, Director of Community Education, and Community Education staff Angie Martinez-Grande, Kim Rosholt and Kelleen O’Brion provided an update on Community Education during the last year in St. Louis Park. Included in the update were the number of children served in childcare programs as care continued to be offered in person despite the pandemic. The team also shared highlights from the Early Learning Program, Kids Place Preschool Childcare, Kids Place School Age Childcare, Youth Enrichment, and Adult and Senior Program highlights. The team encouraged the community to review the upcoming spring/summer catalog for summer program information and more.

**Children First Annual Update**

Margaret Ganyo, Executive Director of Children First, provided an update on the work done at Children First during the past year. Ganyo shared Children First’s vision and purpose, partnership structure, how collaborative action groups work, key drivers and strategies connected to kindergarten readiness and health, St. Louis Park youth emotional well-being using the Minnesota Student Survey data from 2019, and other kindergarten readiness information.

**FY22 Budget Discussion**

Patricia Magnuson, Director of Business Services, shared information with the School Board about the FY22 budget. The School Board will be asked to approve the FY22 budget at the June 28, 2021 Action Agenda. Magnuson reviewed budget assumptions and highlighted budget assumptions connected to COVID-19 and the American Rescue Plan (ARP). She then reviewed the general fund unrestricted, restricted, and unassigned. Information was shared about the School Nutrition and Community Service Funds as well as the building construction, internal service and finally the trust and agency fund. Next Magnuson discussed long term stability, ongoing budget attention, and provided an example of future budget actions. She concluded by sharing next steps which included approving the budget, the preliminary levy for taxes payable in 2022, completing the budget audit, and continuing to provide budget updates to the School Board.

**Policy Development - Second Reading of Policy 506 Student Discipline**

The School Board reviewed policy 506 Student Discipline as a second reading.

**ACTION AGENDA**

**Aquila Elementary Principal Contract Approval**

A motion was made by McClendon, seconded by Waters to approve the employment contract between Independent School District #283 and Maria Graver as the Aquila Elementary Principal, as presented. The motion passed 6-0.

**COMMUNICATIONS AND TRANSMITTALS**

**ADJOURNMENT**

A motion was made by Casey, seconded by Cox to adjourn. The motion passed 6-0. The meeting adjourned at 8:23 p.m.

Respectfully submitted:

Approved:

\_\_\_\_\_  
Laura McClendon, Clerk

\_\_\_\_\_  
Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Monday, February 22, 2021 – 6:30 p.m.  
Online Meeting

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened on Monday, February 22, 2021 via online meeting platform. Present were Board Members Mary Tomback, Karen Waters, Anne Casey, Heather Wilsey, Laura McClendon, C. Colin Cox, Ken Morrison, and Superintendent Astein Osei. Also present were members of the Superintendent's Cabinet.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 6:31 p.m.

**APPROVAL OF AGENDA**

A motion was made by Waters, seconded by Casey to approve the agenda, as presented. By means of roll call vote, motion passed 7-0.

**OPEN FORUM**

There were no open forum participants.

**SUPERINTENDENT'S REPORT**

Superintendent Osei first acknowledged School Board members for Minnesota School Board Recognition Week. A great deal of appreciation was expressed to Board members for their leadership and commitment especially in the last year during the COVID-19 pandemic. He also recognized and celebrated school bus drivers who have worked diligently and have been essential support to students and families in our district. Superintendent Osei concluded his report with a brief Safe Learning Plan update including; welcoming secondary (6-12) students back to school in-person, updates to Minnesota's Safe Learning Plan which no longer requires schools to implement a rolling start and schools in in-person or hybrid models should rely on school-level COVID-19 transmission data and staff capacity for educational delivery model transition decisions, physical distancing updates, and mealtime mitigation strategy updates.

**DISCUSSION ITEMS**

**American Indian Parent Advisory Council Update**

Freida Bailey, Principal on Special Assignment and members of the American Indian Parent Advisory Council (AIPAC) provided an update on the council's work within the District. The council's work included, but was not limited to, submitting an application to the Minnesota Department of Education for an American Indian Grant, inviting 128 American Indian parents/guardians and families to AIPAC meetings, and organizing a celebration event for Indigenous Peoples Day. They then looked ahead to 2021-22 and reviewed committee priorities and student goals.

**Financial Advisory Committee Recommendations**

Patricia Magnuson, Director of Business Services and members of the Financial Advisory Committee including Julia Frederickson (parent/guardian), Elliot Salmon (student), and Ukee

Dozier (Internal Auditor) presented their recommendations to the Board. The purpose of the committee, committee members, and their approach for 2021 was reviewed. The committee's recommendations were as follows:

**Budget recommendations**

- 1% Increase in Per Pupil Formula
- 4,862 Adjusted Pupil Units (APU's)
- Maintain at least a 10% Unreserved Fund Balance
- Increase Student Activity Fees and Meal Prices

**Fiscal recommendations**

- Balance the Budget
- Manage Expense Increases
- Grow Resident Enrollment

An additional recommendation is: due to the uncertainty of future state funding, the district should continue to balance expenses, class sizes, and programs offered, while seeking operational efficiencies and retaining a sufficient fund balance.

**Strategic Plan Presentation**

Sara Thompson, Director of Communications and Community Relations and members of the Core Planning Team provided a presentation of the 2020-2025 Strategic Plan for Racial Equity Transformation. Thompson reviewed the process which was an adaptive approach with the support of Luis Versalles from Courageous Conversations and technical execution led by Director Thompson. The presentation reviewed Core Planning Team members, background and situation analysis, the focus question the new strategic plan aims to answer, and the group's racial equity journey.

The group developed a vision statement, which the District currently does not have, is a vision of the desired future. That statement reads, "St. Louis Park Public Schools – Where students are seen and valued and become their best selves as racially conscious, globally minded contributors to society." The mission statement that was developed, which declares what is being achieved, reads, "St. Louis Park Public Schools sees, inspires, and empowers each learner to live their brilliance in an environment that centers student voice and experience to create racially equitable learning that energizes and enhances the spirit of our community." Areas of focus, also known as strategies, were reviewed. An updated set of core values were also developed by the group and read as follows:

**We believe in:**

- **The brilliance of ourselves and others.** Everyone has the capacity and responsibility to foster the growth and brilliance of others.
- **Authentic community engagement.** Engaging and supporting our employees, families, and communities will enhance the healthy development of each learner.
- **High expectations.** Instilling and upholding high expectations empowers students and staff to higher levels of achievement.
- **Collective responsibility.** Embodying the collective and urgent responsibility of anti-racist practices enriches a work and learning environment and community.
- **Persistent effort.** Through persistent effort we will create anti-racist schools and academically successful learners.
- **Racial consciousness and cultural competence.** Racial consciousness and cultural

- competence are essential to each person’s ability to be a catalyst for change.
- **Advocacy for equity.** Everyone has equal intrinsic worth and we will advocate for the historically marginalized.

Next steps include the development of an FAQ and final report and School Board approval at the March 8, 2021 meeting.

**Phase 3 Curriculum and Instruction Review Plan Update**

Patrick Duffy, Director of Curriculum and Instruction provided an update on Phase 3 Curriculum and Instruction Review Plan including Math, Gifted and Talented, and World Languages. The development and review timeline and process were reviewed as well as the Design Team belief statements and connection to the Strategic Plan for Racial Equity Transformation. Updates to curriculum and instruction include:

**Grades E-5**

- Implement a new math instructional framework and curriculum, E-5 at all sites, that will serve all students.
- Replace Gifted and Talented programming and Park Fast LANE with a new strengths based anti-racist talent development program for all.
- Embed Spanish language specialists (Eng. at PSI) into classrooms to ensure more content based bilingual instruction and education for all.
- Have a specialist at each site to provide culturally relevant literacy support for K-2 teachers & classrooms.

**Grades 6-12**

- Commit to have each World Language and Cultures classroom teaching to a 90% Target Language rate with ACTFL standards through a 6-12 scope and sequence.
- Provide each SLP student (including MLL) with an opportunity to graduate with a bilingual seal.
- Integrate all math courses in grades 6-10 by fall of 2022 by introducing a new instructional framework with CRP.
- Graduate each student with at least one college math course in a pathway of their choice.
- Provide gifted education as extension curriculum choices for every child connected to summative assessments in language arts, science, and social studies in grades 6-10.
- Ensure each student takes at least one IB, AP, or concurrent college course before graduation.

**AMENDMENT TO AGENDA**

A motion was made by Tomback, seconded by Waters to move discussion item 5.E. Restorative Practices to a future meeting. By means of roll call vote, motion passed 7-0.

**CONSENT AGENDA**

A motion was then made by Casey, seconded by Cox to approve the following Consent Agenda items:

1. Recap of Expenditures
2. Accounts Payable Disbursements
3. Electronic Fund Transfers
4. Donations
5. Investment Holdings

6. Payroll for January 15, 2021 in the amount of 1,557,755.97 and January 29, 2021 in the amount of 1,584,530.70
7. Personnel

By means of roll call vote, motion passed 7-0.

## **ACTION AGENDA**

### **American Indian Parent Advisory Council Resolution Approval**

A motion was made by Waters, seconded by McClendon to approve the American Indian Parent Advisory Council Resolution, as presented. By means of roll call vote, motion passed 7-0.

## **COMMUNICATIONS AND TRANSMITTALS**

### **ADJOURNMENT**

A motion was made by Cox, seconded by Waters to adjourn. By means of roll call vote, motion passed 7-0. The meeting adjourned at 10:06 p.m.

Respectfully submitted:

Approved:

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Laura McClendon, Clerk

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Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Study Session  
Monday, March 8, 2021 – 6:30 p.m.  
Online Meeting

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened on Monday, March 8, 2021 via online meeting platform. Present were Board Members Mary Tomback, Karen Waters, Anne Casey, Heather Wilsey, Laura McClendon, C. Colin Cox, Ken Morrison, and Superintendent Astein Osei. Also present were Tami Reynolds, Director of Student Services, Richard Kreyer, Director of Human Resources, Scott Meyers, Restorative Practices Coordinator, Michele Edwins, Peter Hobart School Social Worker, and Flower Krutina, Executive Leadership Partner.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 6:33 p.m.

**APPROVAL OF AGENDA**

A motion was made by Wilsey, seconded by Cox to approve the agenda, as presented. By means of roll call vote, motion passed 7-0.

**SUPERINTENDENT’S REPORT**

Superintendent Osei first shared that St. Louis Park High School was named one of fourteen recipients of the Journalism Education Association (JEA) First Amendment Press Freedom Award for 2021. This is the sixth time in the last seven years that the High School has received the award. He then congratulated High School junior Semona Robel who recently earned second place in a criminal justice reform youth essay, video and audio contest organized by the Minnesota Urban Debate League and the Star Tribune Opinion Department. Osei concluded his report by congratulating Talia Liss-sour Lissauer who was named the 2021 Minnesota Journalist of the Year. Talia will now move on to the National Journalist of the Year competition. This is the second year in a row that a St. Louis Park student has been awarded Minnesota Journalist of the Year.

**DISCUSSION ITEMS**

**Restorative Practices**

Scott Meyers, Restorative Practices Coordinator provided an update on restorative practices in the District. Meyers shared that Restorative Practices is a way of being for schools, not a program to implement. It has history in many Indigenous/People of Color cultures and communities throughout the world. Through community-building we will create more pathways to prioritize relationships, navigate conflict, restore community, and repair harm. Restorative Practices is different from Restorative Justice in that the focus of Restorative Justice is on alternative consequences for behavior. Meyers shared a timeline of Restorative Practices in St. Louis Park Public Schools, who members of the Restorative Practices Team are, the three tiers of practices, how these practices align with the District’s mission, and the work being done currently. Restorative Practices work currently being done includes training and consultation, development of site work plans, alignment of current practices, and learning from students.

### **Land Acknowledgement**

Laura McClendon, Board Clerk presented information on a proposed land acknowledgment for School Board meetings. McClendon described what a land acknowledgment is and why St. Louis Park Public Schools should have one, shared a map of indigenous land that the District sits on, a possible timeline for implementation, and recommended additional actions that the School Board should take to support indigenous students and families. The draft language that was presented read:

We are gathered on the land of the Dakota and Ojibwe peoples. I ask you to join me in acknowledging the Dakota and Ojibwe community, their elders both past and present, as well as future generations. St. Louis Park Public Schools also acknowledges that it was founded upon exclusions and erasures of many Indigenous Peoples, including those on whose land this school district is located. This acknowledgement demonstrates a commitment to dismantling the ongoing legacies of ~~settler~~ (colonial mistrust/ power) and the district's desire to support the ongoing work of local Indigenous communities to thrive in our schools.

McClendon thanked the American Indian Parent Advisory Council for providing feedback on the proposed land acknowledgement and for their collaboration.

### **Safe Learning Plan Update**

Superintendent Osei shared a Safe Learning Plan Update and updated recommendations to the School Board for approval. Osei highlighted the vaccination POD (point of distribution) that was able to be offered to staff through a partnership with Hennepin County. He then shared his recommendations to increase in-person learning opportunities for students in grades 6-12 with additional mitigation strategies. Osei's recommendation to the School Board for approval was the following:

- Increase in-person learning opportunities for students in grades 6-12 to 4 days a week starting on April 12, 2021.
- Hybrid - No assigned capacity (Approximately 70% of secondary students are in hybrid)
- In-person learning 4 days a week (Monday, Tuesday, Thursday and Friday)
- Six feet physical distance whenever feasible; when six feet of distancing cannot be met, a minimum of three feet of physical distance between students must be maintained.
- Continue to provide a Student Support/Feedback day (Wednesday)
- Continue to offer distance learning for students (Cohort C)

### **Policy Development - First Reading Policies 514 Bullying Prohibition and 524 Internet Acceptable Use and Safety**

The School Board reviewed policies 514 Bullying Prohibition and 524 Internet Acceptable Use and Safety (Students) as a first reading. Vice Chair Casey recommended that Policy 514 be taken back to the Policy Committee for further review and edits.

### **CONSENT AGENDA**

A motion was then made by Morrison, seconded by Casey to approve the following Consent Agenda items:

1. Minutes

By means of roll call vote, motion passed 7-0.

**ACTION AGENDA**

**Safe Learning Plan Approval**

A motion was made by Cox, seconded by Waters to approve the Safe Learning Plan, as presented. By means of roll call vote, motion passed 7-0.

**2020-2025 Strategic Plan for Racial Equity Transformation Approval**

A motion was made by Tomback, seconded by Casey to approve the 2020-2025 Strategic Plan for Racial Equity Transformation, as presented. By means of roll call vote, motion passed 7-0.

**COMMUNICATIONS AND TRANSMITTALS**

**ADJOURNMENT**

A motion was made by Morrison, seconded by McClendon to adjourn. By means of roll call vote, motion passed 7-0. The meeting adjourned at 8:44 p.m.

Respectfully submitted:

Approved:

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Laura McClendon, Clerk

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Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Special School Board Meeting  
Monday, March 8, 2021 – 5:30 p.m.  
Online Meeting - Zoom

The special meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened at 5:30 p.m. on Monday, March 8, 2021 via online meeting platform Zoom. Present were Board Members Mary Tomback, Anne Casey, Karen Waters, Ken Morrison (5:55 p.m.), Heather Wilsey, Laura McClendon, C. Colin Cox and Superintendent Astein Osei. Also present was District legal counsel, Peter Martin.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 5:33 p.m.

**ADJOURNMENT TO CLOSED SESSION**

A motion was made by Tomback, seconded by Casey to close the meeting pursuant Minnesota Statute Section 13D.05, subd. 2(a)(3) to discuss private educational data regarding a special education matter, and Minnesota Statute Section 13D.05, subd. 3(b)(the attorney-client privilege) to discuss pending litigation. By means of roll call vote, the motion passed 6-0. Director Morrison was absent at the time of vote.

**ADJOURNMENT TO OPEN SESSION**

A motion was made by Waters, seconded by Cox to re-open the meeting pursuant to Minnesota Statute Section 13D.05, Subdivision 3(b). By means of roll call vote, the motion passed 7-0.

**ADJOURNMENT**

A motion was made by Casey, seconded by Waters to adjourn. By means of roll call vote, the motion passed 7-0.

The meeting adjourned at 6:26 p.m.

Respectfully submitted:

Approved:

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Laura McClendon, Clerk

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Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Business  
Monday, March 22, 2021 – 6:30 p.m.  
Online Meeting

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened on Monday, March 22, 2021 via online meeting platform. Present were Board Members Mary Tomback, Karen Waters, Anne Casey, Heather Wilsey, Laura McClendon, C. Colin Cox, and Superintendent Astein Osei. Also present were Patricia Magnuson, Director of Business Services, Tami Reynolds, Director of Student Services, Richard Kreyer, Director of Human Resources, Brooks Grossinger, Controller, Ukee Dozier, Internal Auditor, Tom Bravo, Facilities Manager, and Flower Krutina, Executive Leadership Partner. Director Ken Morrison was absent.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 6:38 p.m.

**APPROVAL OF AGENDA**

A motion was made by Waters, seconded by McClendon to approve the agenda, as presented. By means of roll call vote, motion passed 6-0.

**OPEN FORUM**

There were no open forum participants.

**SUPERINTENDENT’S REPORT**

Superintendent Osei provided an update on the High School Principal interview process. The two finalists are LaNisha Paddock and Xavier Reed. Final round of interviews will be held on Wednesday, March 24 with the hope of bringing a recommendation to the School Board at the April 12 meeting. Osei then shared details for a second vaccination POD (point of distribution) through a partnership with Hennepin County. His report concluded with COVID-19 testing for kids and families in the District. Students will be able to bring at-home tests to school to be mailed to a lab for testing.

**DISCUSSION ITEMS**

**Mid-Year and Capital Budget Update**

Patricia Magnuson, Director of Business Services, Brooks Grossinger, Controller, and Ukee Dozier, Internal Auditor, provided a mid-year and capital budget update to prepare the School Board to take action on the FY2021 mid-year budget update and to provide an update regarding the budget planning process for FY2022 including general fund budget assumptions and a capital budget preview. For the FY21 mid-year budget update, the group reviewed the budget framework, timeline, FY21 general fund mid-year budget adjustments, general unreserved fund balance calculation, FY21 school nutrition fund mid-year budget adjustments and calculation, and the FY21 community service fund mid-year budget adjustments and calculation. For their FY22 general fund budget assumptions the group reviewed the Financial Advisory Committee FY22 budget and fiscal recommendations, potential deficit reductions, and additional

recommendations. The assumptions will be used to prepare the FY2022 budget for School Board Action in June. The FY22 capital budget overview included a review of annual allocations and carryover projects.

Next steps for the School Board include;

- March 22, 2021 - Approve FY2021 mid-year budget update
- April 26, 2021 - Approve FY2022 Capital Budget
- June 25, 2021 - Approve FY2022 final budget for all funds

### **Construction Update**

Patricia Magnuson, Director of Business Services and Tom Bravo, Facilities Manager, provided a construction update. Updates included remaining bond referendum projects to be done the summer of 2021 through the summer of 2023, construction cost increases (actual and anticipated), cost containment strategies, and updates with photos of construction schematics for projects at the High School and central. Bravo also provided a solar projects update and reviewed next steps.

### **Policy Development - First Reading Policy 506 Student Discipline**

The School Board reviewed Policy 506 Student Discipline as a first reading. The policy is significantly different but now more aligned with current practices. The draft will be reviewed further and revised by the Policy Committee and additional stakeholder feedback will be gathered prior to bringing it back to the School Board for a second reading.

### **CONSENT AGENDA**

A motion was then made by Cox, seconded by Tomback to approve the following Consent Agenda items:

1. Payroll for February 12, 2021 in the amount of \$1,588,511.06 and January 29, 2021 in the amount of \$1,592,807.28
2. Recap of Expenditures
3. Electronic Fund Transfers
4. Accounts Payable Disbursements
5. Investment Holdings
6. Donations
7. Minutes
8. MTI Contract Termination
9. Personnel

By means of roll call vote, motion passed 6-0.

### **ACTION AGENDA**

#### **Achievement & Integration Budget Approval**

A motion was made by Wilsey, seconded by McClendon to approve the Achievement & Integration Budget, as presented. By means of roll call vote, motion passed 6-0.

#### **Mid-Year Budget Approval**

A motion was made by Casey, seconded by Cox to approve the Mid-Year Budget, as presented. By means of roll call vote, motion passed 6-0.

**School Board Meeting Format Approval**

A motion was made by Tomback, seconded by Waters to resume meeting in person effective the April 26, 2021 School Board meeting, and to otherwise remain consistent with the delivery model in effect at the High School. By means of roll call vote, motion passed 6-0.

**COMMUNICATIONS AND TRANSMITTALS**

**ADJOURNMENT**

A motion was made by Waters, seconded by Casey to adjourn. By means of roll call vote, motion passed 6-0. The meeting adjourned at 8:14 p.m.

Respectfully submitted:

Approved:

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Laura McClendon, Clerk

\_\_\_\_\_  
Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Special School Board Meeting  
Monday, June 14, 2021 – 5:30 p.m.  
St. Louis Park High School Room C365

The special meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, scheduled to convene at 5:30 p.m. on Monday, June 14, 2021 in St. Louis Park High School Room C365. Present were Board Members Mary Tomback, Anne Casey, Karen Waters, Heather Wilsey, Laura McClendon, C. Colin Cox and Superintendent Astein Osei. Director Ken Morrison was absent. Also present was Patricia Magnuson, Director of Business Services, and Sara Thompson, Director of Communications & Community Relations.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 5:28 p.m.

**APPROVAL OF THE AGENDA**

A motion was made by Casey, seconded by Cox to approve the agenda. The motion passed 5-0. Clerk McClendon was absent at the time of vote.

**DISCUSSION ITEM**

**Funding & Election Considerations**

Patricia Magnuson, Director of Business Services, and the School Board discussed funding and election considerations.

**ADJOURNMENT**

A motion was made by Waters, seconded by Coz to adjourn. The motion passed 6-0.

The meeting adjourned at 6:33 p.m.

Respectfully submitted:

Approved:

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Laura McClendon, Clerk

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Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Monday, June 28, 2021 – 6:30 p.m.  
High School Room C350

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened on Monday, June 28, 2021 at 6:30 p.m. in St. Louis Park High School Room C350. Present were Board Members Mary Tomback, Karen Waters, Anne Casey, Heather Wilsey, Laura McClendon, C. Colin Cox, Ken Morrison, and Superintendent Astein Osei. Also present were Richard Kreyer, Director of Human Resources, Patricia Magnuson, Director of Business Services, Steve Shmitz, Director of Bands, World Drumming and Beat Making, and Flower Krutina, Executive Leadership Partner.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 6:32 p.m.

**APPROVAL OF AGENDA**

A motion was made by Casey, seconded by McClendon to approve the agenda, as presented. The motion passed 7-0.

**OPEN FORUM**

There were two Open Forum participants. Catherine Crowley addressed the high school ultimate frisbee club and Jay Lindgren expressed his support for the work being done to update Policy 506 Student Discipline.

**SUPERINTENDENT'S REPORT**

Superintendent Osei acknowledged the start of Summer Learning Academy, the St. Louis Park High School Boys Ultimate Frisbee Club Team for winning the North Suburban Conference Championship, and a video presentation was shown to honor the 2020-21 retirees.

**DISCUSSION ITEMS**

**High School Band International Trip 2022**

Steve Shmitz, Director of Bands, World Drumming and Beat Making, presented information to the Board to request approval for an international trip to Ireland for high school band members during the 2022 spring break. The presentation included activities that would be available to students, how Ireland was selected, costs, and addressed racial and socio-economic equity in his presentation. Schmitz also provided students testimonials and plans if COVID-19 cases rise and the trip needs to be cancelled.

**Policy Committee Update**

Anne Casey, Board Vice Chair, provided an update on the work of the Policy Committee. The Board was not asked to review any policies. The Policy Committee continues to work on Policy 506 Student Discipline, 514 Bullying Prohibition, and a new Racial Equity Policy. Work will be done to gather feedback on the most current draft of Policy 506 focusing on feedback from community members that have historically been left out from the feedback loop. Families from

the following groups will be convened to provide feedback prior to the next Board meeting include; Indigenous, Black/African-American, Latinx (in Spanish), and Somali (in Somali).

### **CONSENT AGENDA**

A motion was then made by Cox seconded by Morrison to approve the following Consent Agenda items:

1. Payroll for May 14, 2021 in the amount of \$1,603,034.27 and May 28, 2021 in the amount of 1,654,315.93
2. Recap of Expenditures
3. Electronic Fund Transfers
4. Accounts Payable Disbursements
5. Investment Holdings
6. Donations
7. Minutes
8. Personnel

The motion passed 7-0.

### **ACTION AGENDA**

#### **FY22 Budget Approval**

A motion was made by Waters, seconded by Wilsey to approve the FY22 Budget, as presented. The motion passed 7-0.

#### **Approval of Long Term Facility Maintenance Plan (LTFM) Funding Strategy**

A motion was made by Casey, seconded by Cox to approve the Long Term Facility Maintenance Plan (LTFM) Funding Strategy for Independent School District 283, as presented. The motion passed 7-0.

#### **Approval of District 287 Long Term Facility Maintenance Plan (LTFM) Resolution**

A motion was made by Morrison, seconded by McClendon to approve the Long Term Facility Maintenance Plan (LTFM) Resolution for Intermediate School District 287, as presented. The motion passed 7-0.

#### **High School Band International Trip Approval**

A motion was made by Waters, seconded by Morrison to approve the international trip to Ireland for the High School Band during the 2022 spring break, as presented. The motion passed 5-0. Board Chair Tomback and Vice Chair Casey abstained due to their children being signed up for the trip. The approval is conditional due to COVID-19.

### **COMMUNICATIONS AND TRANSMITTALS**

#### **ADJOURNMENT**

A motion was made by Cox, seconded by Morrison to adjourn. The motion passed 7-0. The meeting adjourned at 7:34 p.m.

Respectfully submitted:

Approved:

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Laura McClendon, Clerk

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Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Special School Board Meeting  
School Board Retreat  
Tuesday, August 17, 2021 – 5:30 p.m.  
Meeting Location: Director Waters’ Home  
Address: 4111 Brookside Ave S, St. Louis Park, MN 55426

The special meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, scheduled to convene at 5:30 p.m. on Tuesday, August 17, 2021 at Director Waters’ Home located at 4111 Brookside Ave S, St. Louis Park, MN 55426 for a School Board Retreat. Present were Board Members Mary Tomback, Anne Casey, Karen Waters, Heather Wilsey, Laura McClendon, C. Colin Cox, Ken Morrison and Superintendent Astein Osei.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 6:00 p.m.

**APPROVAL OF THE AGENDA**

A motion was made by Waters, seconded by Cox to approve the agenda. The motion passed 7-0.

**ADJOURNMENT TO CLOSED SESSION**

A motion was made by Waters, seconded by Wilsey to close the meeting pursuant to Minnesota Statute Section 13D.05, Subdivision 3(a) for the purpose for discussion of the annual evaluation of the Superintendent of Schools. The motion passed 7-0.

**ADJOURNMENT TO OPEN SESSION**

A motion was made by Cox, seconded by Casey to re-open the meeting. The motion passed 7-0.

**MOTION TO RECESS**

A motion was made by Tomback, seconded by Waters to recess the School Board. The motion passed 7-0. The Board recessed at 7:43 p.m.

**MOTION TO RESUME MEETING**

A motion was made by Cox, seconded by Wilsey to come out of recess and resume the meeting. The motion passed 7-0. The School Board resumed their meeting at 7:50 p.m.

**DISCUSSION ITEMS**

**Discussion of Liaison Assignments for 2021-2022 School Year**

The School Board discussed and planned school liaison assignments for the upcoming school year.

**Review of 2020-2021 School Year**

Astein Osei, Superintendent, led a discussion to review key takeaways from the 2020-2021 school year and experiences of the pandemic.

**ADJOURNMENT**

A motion was made by Cox, seconded by Morrison to adjourn. The motion passed 7-0.

The meeting adjourned at 9:50 p.m.

Respectfully submitted:

Approved:

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Laura McClendon, Clerk

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Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Tuesday, September 28, 2021 – 6:30 p.m.  
St. Louis Park High School Room C350

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened at 6:30 p.m. on Tuesday, September 28, 2021 in St. Louis Park High School Room C350. Present were Board Members Karen Waters, Anne Casey, Ken Morrison, Heather Wilsey, Laura McClendon, C. Colin Cox and Superintendent Astein Osei. Board Chair Mary Tomback was absent. Vice Chair Casey presided over the meeting in Chair Tomback’s absence. Also present were members of the Superintendent’s Cabinet including: Patrick Duffy, Director of Curriculum and Instruction, Patricia Magnuson, Director of Business Services, and Flower Krutina, Executive Leadership Partner.

**CALL TO ORDER**

Board Vice Chair Anne Casey called the meeting to order at 6:32 p.m.

**APPROVAL OF AGENDA**

A motion was made by Wilsey, seconded by Waters to approve the agenda, as presented. The motion passed 6-0.

**OPEN FORUM**

**SUPERINTENDENT’S REPORT**

Superintendent Osei shared that students Fiona Petrie, Sophie Davis, Gunner Anderson, Isaiah Klepfer, Ada Turman, John Lawrence, Owen Winecoff, Alicia Mainjeni, Ramona Mavis, Chiara Colinet-Adler, Anya Panday, Louise Marshall, Mae Turman, Caroline Butler, Jacob Nelson, Emily Foster, Maree Lasala, Semona Robel, Jack Kottke, Jack Mintz, and Paris Lim were selected to participate and perform with their respective Metro West All Conference Ensembles Music Festival on Tuesday, September 28, 2021. Also recognized were the year’s National Merit Scholars. Five St. Louis Park High School seniors have recently been recognized by the National Merit Scholarship Program as either a National Merit Semifinalist or a Commended Scholar.

Daniel Shope is one of approximately 270 students in Minnesota to be named a National Merit Semifinalist. St. Louis Park seniors – Kristina Moe, Fiona Petrie, James Vournakis, and Jude Wickberg – have all been named National Merit Commended Scholars for 2022. Next, Superintendent Osei shared plans for homecoming 2021. The report concluded with the announcement that the District is hiring school aged childcare staff.

**DISCUSSION ITEMS**

**School Resource Officers**

Superintendent Osei and Chief Harcey, Sergeant Meyer, Officer Ford and Officer Smith from the St. Louis Park Police Department, provided information on the partnership and collaboration of School Resource Officers within St. Louis Park Public Schools. The presentation also shared

more about the District’s School Resource Officers, Officers Ford and Smith, their roles at the Middle and High School, and programs that they support.

**Elementary Talent Development**

Patrick Duffy, Director of Curriculum and Instruction and the Elementary Talent Development Team provided an update on the implementation of the Elementary Talent Development model. The Elementary Talent Development Team is comprised of the following:

**Aquila**

K-2: Marriah Foudray

3-5: Lisa Bottolene

**Park Spanish Immersion**

K-2: Maria Ponce-Khoury

3-5: Kim Wieber duSaire

**Peter Hobart**

K-2: Kathryn Oberg

3-5: Renee Robinson

**Susan Lindgren**

K-2: Meg Schauer

3-5: Carrie Runke-Jones

There were three areas of focus as the team developed their purpose statement which reads, “To cultivate the innate potential and brilliance of each student by: Identifying and activating students’ strengths, Empowering student voice, choice and action in their learning, and Developing racially conscious and globally minded citizens. The team then shared more details and examples connected to each area of focus, professional development, and operational practices and the scope and sequence for each elementary section. Next the team discussed how student learning and growth as well as other measures would be assessed.

**Construction Update**

Patricia Magnuson, Director of Business Services and Tom Bravo, Construction Manager, will provide a construction update. School Board members received information to understand the results of the August 2021 construction bid opening, the proposed use of remaining 2017 construction funds, and the process toward a potential special election to renew technology levy and issue bonds. The 2017 construction management estimates for remaining construction projects came in higher than the actual August 2021 bids. Factors that impacted bids were regulatory changes and other universal factors, such as COVID. The remaining \$13.3 million in remaining construction funds from the 2017 Bond Issue would go to renovating Middle School classrooms, renovating Central Community Center, and to purchase cafeteria furniture for the High School. Director Magnuson then discussed a Potential Special Election for construction bonds and capital projects levy to cover remaining projects at the High School such as the kitchen, 10 classrooms, media center renovations, and student common areas. The capital project levy would be connected to technology. Director Magnuson concluded her presentation with important election deadlines and next steps.

**Preliminary Levy Payable 2022**

Patricia Magnuson, Director of Business Services, presented information on the 2021 Preliminary Levy Payable in 2022. She reviewed the budget timeline for operating fund budgets, high level audit information, and FY21 enrollment and the impact that has on the budget. The School Board reviewed the preliminary Pay 2022 tax levy for St. Louis Park Public Schools in preparation for School Board action to certify the levy at maximum during the evening’s Action Agenda.

## CONSENT AGENDA

A motion was then made by Cox, seconded by Morrison to approve the following Consent Agenda items:

1. Payroll for August 13, 2021 in the amount of 1,512,682.00 and August 31, 2021 in the amount of 1,473,399.41
2. Recap of Expenditures
3. Electronic Fund Transfers
4. Accounts Payable Disbursements
5. Donations
6. Investment Holdings
7. Personnel

By means of roll call vote, motion passed 6-0.

## ACTION AGENDA

### **Approval of the Elementary and Secondary School Emergency Relief Fund (ESSER) III Application**

Director Magnuson provided a brief overview of the ESSER III application process, use of funds, and community feedback. Staff will continue to work with MDE before submitting the application to meet the October 1 deadline. A motion was made by Cox, seconded by Wilsey to approve the ESSER III for FIN 160 and 161, as presented. The motion passed 6-0.

### **Approval of the 2021 Preliminary Levy Payable in 2022**

A motion was made by Morrison, seconded by Waters to approve the 2021 Preliminary Levy payable in 2022 at maximum, as presented. The motion passed 6-0.

### **Approval of District Office Lease Termination**

A motion was made by Cox, seconded by Wilsey to approve the termination of the lease for the District Office located at 6311 Wayzata Blvd. St. Louis Park, MN 55426, as presented. The motion passed 6-0.

## COMMUNICATIONS AND TRANSMITTALS

### ADJOURNMENT

A motion was made by Cox, seconded by Wilsey to adjourn. The motion passed 6-0. The meeting adjourned at 8:33 p.m.

Respectfully submitted:

Approved:

\_\_\_\_\_  
Laura McClendon, Clerk

\_\_\_\_\_  
Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Special School Board Meeting  
Tuesday, September 28, 2021 – 5:30 p.m.  
High School Room C365

The special meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, scheduled to convene at 5:30 p.m. on Tuesday, September 28, 2021 in High School Room C365 for a special School Board meeting. Present were Board Members Anne Casey, Karen Waters, Heather Wilsey, Laura McClendon, C. Colin Cox, Ken Morrison and Superintendent Astein Osei. Board Chair Mary Tomback was absent. Also present was Patricia Magnuson, Director of Business Services.

**CALL TO ORDER**

Board Vice Chair Anne Casey called the meeting to order at 5:33 p.m.

**APPROVAL OF THE AGENDA**

A motion was made by Waters, seconded by Cox to approve the agenda. The motion passed 6-0.

**DISCUSSION ITEMS**

**Budget Update**

Patricia Magnuson, Director of Business Services, provided a budget update discussing fund transfers, Elementary and Secondary School Emergency Relief Fund (ESSER) III funds application, and the preliminary levy payable in 2022.

**Construction Update**

Patricia Magnuson, Director of Business Services, and Tom Bravo, Construction Manager, provided a construction update.

**ADJOURNMENT**

A motion was made by Morrison, seconded by Wilsey to adjourn. The motion passed 6-0.

The meeting adjourned at 6:24 p.m.

Respectfully submitted:

Approved:

---

Laura McClendon, Clerk

---

Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Monday, May 24, 2021 – 6:30 p.m.  
St. Louis Park High School Room C350

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened at 6:30 p.m. on Monday, May 24, 2021 in St. Louis Park High School Room C350. Present were Board Members Karen Waters, Anne Casey, Ken Morrison, Heather Wilsey, Laura McClendon, C. Colin Cox and Superintendent Astein Osei. Board Chair Mary Tomback was absent. Vice Chair Casey presided over the meeting in Chair Tomback’s absence.

**CALL TO ORDER**

Board Vice Chair Anne Casey called the meeting to order at 6:36 p.m.

**APPROVAL OF AGENDA**

A motion was made by Cox, seconded by McClendon to approve the agenda, as presented. The motion passed 6-0.

**OPEN FORUM**

There were no open forum participants.

**SUPERINTENDENT’S REPORT**

Superintendent Osei shared information about an upcoming student vaccine clinic on June 6 and June 26, 2021 at the High School and on June 19 at Aquila. He also shared that Maria Graver was offered the position of Principal at Aquila Elementary School and thanked all of the stakeholders that participated in the process. Osei’s report concluded recognizing the High School Choir that will perform “Calling All Dawns” in a combined performance including high school choirs, band and orchestra students as well as faculty and alumni.

**DISCUSSION ITEMS**

**District Instructional Program Advisory Committee (DIPAC) Update**

Patrick Duffy, Director of Curriculum and Instruction provided an update on the work of the District Instructional Program Advisory Committee (DIPAC). He explained how someone can become a member of DIPAC noting that it is based on interest and not educational experience and that individuals that apply would serve for a two year term. DIPAC strives to reflect the racial, gender, language, and ability balance of the school district and actively recruits participants from underrepresented groups. Representatives include parents/guardians and students. Duffy concluded his update by sharing the meeting schedule.

**Keystone Update**

Patrick Duffy, Director of Curriculum and Instruction, Evelyn Lashley and Efe Mensah-Brown provided an overview of the Middle School Keystone course. The team shared the course description and provided examples of activities and actions that students have taken at the Middle School to make an impact and move towards a more equitable and anti-racist school. The report concluded by centering student voice by watching a video of students sharing why they

took the class, what they learned, and why they think it is important for other students to take the course.

**Policy Committee Update**

Anne Casey, Board Vice Chair provided an update on the work of the Policy Committee. Vice Chair Casey reviewed work being done on Policies 506 Student Discipline and 514 Bullying Prohibition.

**CONSENT AGENDA**

A motion was then made by Cox, seconded by Waters to approve the following Consent Agenda items:

1. Payroll for April 15, 2021 in the amount of 1,577,568.77 and April 30, 2021 in the amount of 1,590,507.75
2. Recap of Expenditures
3. Electronic Fund Transfers
4. Accounts Payable Disbursements
5. Investment Holdings
6. Donations
7. Minutes
8. Personnel

The motion passed 6-0.

**ACTION AGENDA**

**Motion to Forgo the Reading of Individual Names of Probationary Non-Renewal Staff**

A motion was made by Waters, seconded by Wilsey to forgo the reading of individual names of probationary non-renewal staff. The motion passed 6-0.

**Approval of 2020-21 Probationary Non-Renewal Staffing Resolution**

A motion was made by Waters, seconded by Morrison to approve the resolution relating to the non-renewal of the teaching contract of 25 probationary teachers. By means of roll call vote, the motion passed 6-0.

**COMMUNICATIONS AND TRANSMITTALS**

**ADJOURNMENT**

A motion was made by Morrison, seconded by Cox to adjourn. The motion passed 6-0. The meeting adjourned at 7:53 p.m.

Respectfully submitted:

Approved:

\_\_\_\_\_  
Laura McClendon, Clerk

\_\_\_\_\_  
Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Tuesday, August 10, 2021 – 6:30 p.m.  
St. Louis Park High School Room C350

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened at 6:30 p.m. on Tuesday, August 10, 2021 in St. Louis Park High School Room C350. Present were Board Members Mary Tomback, Karen Waters, Anne Casey, Heather Wilsey, Laura McClendon, C. Colin Cox and Superintendent Astein Osei. Director Ken Morrison was absent.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 6:38 p.m.

**APPROVAL OF AGENDA**

A motion was made by Casey, seconded by Waters to approve the agenda with the amendment to add item 6.I. Policy 808 COVID-19 Face Covering to the Action Agenda for approval of the recommended changes without a second reading per Policy 208 Development, Adoption and Implementation of Policies due to emergency action required to Policy 808. The motion passed 6-0.

**SUPERINTENDENT'S REPORT**

Superintendent Osei acknowledged the effort of staff that served students over the summer. He also acknowledged the School Board for all of the support, work and engagement of the Board over the last year. Superintendent Osei then acknowledged the work of all of the staff connected to the work of summer programming and provided information connected to Early Learning, Kids Place, Summer Learning Academy (Rising 1-5), Summer Learning Academy (Rising 608) and High School credit recovery, and senior and adult programming that took place over the summer. His report concluded with information connected to community engagement specifically highlighting the SLP summer of Action and National Night Out.

**DISCUSSION ITEMS**

**Digital Learning Update**

Tom Marble, Director of Information Services, and Nathan Tangen and Angela Fransen, Digital Learning Integrationists, provided an update on the work of the Digital Learning Team in preparation for the 2021-2022 school year. The team discussed what they have learned throughout the past year in distance and hybrid learning about technology and learning and the systems and structures necessary to support technology integration. Looking ahead to the 2021-21 school year, the team has prepared for a digital learning environment that affords each student ready access to a device. All students will have access to a device during the upcoming school year using a collective focus for digital device implementation and support.

**Return to School Update**

Astein Osei, Superintendent, provided the School Board with an update on the recommended mitigation strategies to safely start the 2021-22 school year. His update started by outlining what

we have done and will do to promote vaccination. Next Osei discussed consistent and correct mask use and how that impacts the close contact definition, physical distancing, screening and testing, ventilation, handwashing, and cleaning and disinfection protocols. He then focused on encouraging stakeholders to stay home when they are sick and getting tested. Osei discussed the contact tracing in combination with isolation and quarantine and the difference between the two and transportation considerations. He presented the online learning option for students grades K-12 in partnership with Eden Prairie Public Schools. More information will be forthcoming. Osei's recommendations for Board approval included:

- Five days a week E-12 in-person learning experience with K-12 online learning option.
- Mask requirement for all students and staff in compliance with policy 808.
  - No quarantining for close contacts when masks are consistently and correctly worn.
- Pending additional information from MDH, offer voluntary testing every two weeks for staff and students.
- Physically distance to the extent possible.
- Shorten quarantine period:
  - 10 days without testing
  - 7 days after receiving a negative test result (test must occur on day 5 or later)

**Policy Development - First Reading Policy 808 COVID-19 Face Covering**

The School Board reviewed policy 808 COVID-19 Face Covering as a first reading.

**Policy Development - Second Reading Policy 514 Bullying Prohibition**

The School Board reviewed policy 514 Bullying Prohibition as a second reading and will be asked to approve the revisions during the Action Agenda.

**Policy Development - Second Reading Policy 506 Student Discipline**

The School Board reviewed policy 506 Student Discipline as a third reading and will be asked to approve the revisions during the Action Agenda with the amended title of 506 Student Behavior Intervention.

**CONSENT AGENDA**

A motion was then made by Cox, seconded by Wilsey to approve the following Consent Agenda items:

1. Payroll for June 15, 2021 in the amount of 2,001,884.02 and June 30, 2021 in the amount of 2,116,109.63 and July 15, 2021 in the amount of 1,554,696.92 and July 30, 2021 in the amount of 1,498,331.71.
2. Recap of Expenditures
3. Electronic Fund Transfers
4. Accounts Payable Disbursements
5. Donations
6. Investment Holdings
7. Minutes
8. Personnel

The motion passed 6-0.

## **ACTION AGENDA**

### **Truth in Taxation Date (December 14, 2021)**

A motion was made by Casey, seconded by Cox to approve the date of December 14, 2021 at 6:00 p.m. as the Truth in Taxation 2021, as presented. The motion passed 6-0.

### **Minnesota State High School League Resolution 2021-22**

A motion was made by Waters, seconded by Wilsey to approve the renewal of the Minnesota State High School League (MSHSL) Resolution 2021-2022, as presented. The motion passed 6-0.

### **Transportation Contract**

A motion was made by McClendon, seconded by Wilsey to approve the contract for special education transportation with Park Adam Transportation for FY22, as presented. The motion passed 6-0.

### **Appointment of Title IX Officers Resolution**

A motion was made by Waters, seconded by McClendon to approve the resolution appointing Title IX Officers, as presented. The motion passed 6-0.

### **School Board Listening Session Dates**

A motion was made by Cox, seconded by Casey to approve the following dates for the 2021-22 School Board Listening Sessions: November 16, 2021 - 6:30 p.m.; February 15, 2022 - 6:30 p.m.; April 19, 2022 - 6:30 p.m. The motion passed 6-0.

### **Approval of Return to School Recommendations**

A motion was made by Cox, seconded by Casey to approve the recommended return to school plans and mitigation strategies, as presented. The motion passed 6-0.

### **Approval of Second Reading of Policy 514 Bullying Prohibition**

A motion was made by Wilsey, seconded by Cox to approve the second reading of policy 514 Bullying Prohibition, as presented. The motion passed 6-0.

### **Approval of Third Reading of Policy 506 Student Discipline**

A motion was made by McClendon, seconded by Tomback to approve the third reading of policy 506 Student Discipline with the amended title of Student Behavior Intervention, as presented. The motion passed 6-0.

### **Approval of Amended Policy 808 COVID-19 Face Covering**

A motion was made by Waters, seconded by Cox to approve the amended policy 808 COVID-19 Face Covering, as presented. The motion passed 6-0.

## **COMMUNICATIONS AND TRANSMITTALS**

## **ADJOURNMENT**

A motion was made by Wilsey, seconded by Tomback to adjourn. The motion passed 6-0. The meeting adjourned at 8:37 p.m.

Respectfully submitted:

Approved:

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Laura McClendon, Clerk

---

Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*

**St. Louis Park Public Schools**  
Minutes of the Regular School Board Meeting  
Tuesday, September 14, 2021 – 6:30 p.m.  
St. Louis Park High School Room C350

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened at 6:30 p.m. on Tuesday, September 14, 2021 in St. Louis Park High School Room C350. Present were Board Members Mary Tomback, Karen Waters, Anne Casey, Heather Wilsey, Laura McClendon, C. Colin Cox, Ken Morrison (6:32 p.m.) and Superintendent Astein Osei.

**CALL TO ORDER**

Board Chair Mary Tomback called the meeting to order at 6:30 p.m.

**APPROVAL OF AGENDA**

A motion was made by Wilsey, seconded by Cox to approve the agenda as presented. The motion passed 6-0.

**SUPERINTENDENT’S REPORT**

Superintendent Osei highlighted the start of the 2021-22 school year. He provided an overview of Day 1 and the positive trend in enrollment. He also reviewed mitigation strategies in response to COVID-19 to keep staff and students safe. Osei’s report concluded with acknowledgement of District facilities and grounds staff for their hard work over the summer during summer programming and in preparation for the start of the school year.

**DISCUSSION ITEMS**

**District Office Lease Termination**

Patricia Magnuson, Director of Business Services, provided an update on the District Office lease so that School Board members will be prepared to take action to terminate the lease of space for the District Office at its September 28 regular school board meeting. Included in the update were lease details, plans for District Office relocation to Central Community Center following the remodel, and next steps.

**Elementary and Secondary School Emergency Relief Programs (ESSER) III Application Overview**

Patricia Magnuson, Director of Business Services, provided an overview of the Elementary and Secondary School Emergency Relief Programs (ESSER) III application for use of pandemic response and learning recovery federal relief funds. Magnuson presented information so that Board members understand the ESSER III application process, understand how the application process connects to the FY2022 budget approved in June 2021, and understand next steps, including community feedback.

**Superintendent Evaluation Summary**

Vice Chair Anne Casey provided a summary of the superintendent annual evaluation. The School Board met on August 17, 2021 in a closed meeting to discuss the annual superintendent

evaluation. This meeting was closed in accordance with state statute. All members were present. The Superintendent was rated as accomplished or exemplary in all performance areas. The goals were taken directly from the strategic plan and in all areas the Superintendent was developing with the note that the goals in the strategic plan cannot be accomplished in one year. However, the efforts he has made are exemplary and the Board thanked him for his commitment to the mission of St. Louis Park Public Schools.

**Policy Development - First Reading 103 Racial Equity**

The School Board reviewed policy 103 Racial Equity, a proposed new policy, as a first reading.

**School Board Liaison Assignment Update**

The School Board updated school liaison assignments for the 2021-2022 school year. Liaison assignments are as follows:

- Aquila - Karen Waters
- Peter Hobart - Ken Morrison
- Susan Lindgren - C. Colin Cox
- Middle School - Laura McClendon
- High School - Anne Casey
- Park Spanish Immersion -Heather Wilsey
- Early Childhood - Heather Wilsey

**ACTION AGENDA**

**Minnesota Department of Education Identified Official with Authority (IOwA) Resolution**

A motion was made by Waters, seconded by Morrison to approve resolution to designate Superintendent Astein Osei as the Identified Official with Authority (IOwA) and Flower Krutina as the IOwA Proxy to add and remove names only for the Education Identity Access Management (EDIAM) system for St. Louis Park Public School Dist. 0283-01, as presented. The motion passed 7-0.

**COMMUNICATIONS AND TRANSMITTALS**

**ADJOURNMENT**

A motion was made by Cox, seconded by Wilsey to adjourn. The motion passed 7-0. The meeting adjourned at 7:19 p.m.

Respectfully submitted:

Approved:

---

Laura McClendon, Clerk

---

Mary Tomback, Chair

*Minutes prepared by Flower M. Krutina*



**LICENSED**

**APPOINTMENTS**

LAST NAME	FIRST NAME	POSITION	LOCATION	FTE	REPLACING	START
Brand	Laurie	Teacher - Math	Middle School	0.80	Efe Mensah-Brown (LOA)	5-Nov-21
Klute	Wendy	Counselor	Middle School	1.00	Linda Litweiler	5-Nov-21

**SEPARATIONS**

LAST NAME	FIRST NAME	POSITION	LOCATION	REASON	LENGTH OF SERVICE	END
Lee	Katelyn	Teacher - Special Education	High School	Resignation	7 Years	9-Nov-21
Ross	Sophia	Teacher - Business	High School	Resignation	25 Years	31-Dec-21

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**CLASSIFIED**

**APPOINTMENTS**

LAST NAME	FIRST NAME	POSITION	LOCATION	FTE	REPLACING	START
Amelse	Grant	PARA 5 - Special Education Assistant	High School	0.81	Secellia Riley	25-Oct-21
Jones	Ailea	Office Assistant	High School	1.00	Jennifer Thomas	3-Nov-21

**ASSIGNMENT CHANGES**

LAST NAME	FIRST NAME	POSITION	LOCATION	FTE	REPLACING	START
Bielous	Tahra	School Age Care Educator 3	Susan Lindgren	0.50	New Position	15-Nov-21
Jones	Denari	School Age Care Educator 1	Peter Hobart	0.50	New Position	15-Nov-21
Rivera	Alfred	Custodian 5	Central	1.00	Eric Schwartz (moved)	1-Nov-21

**SEPARATIONS**

LAST NAME	FIRST NAME	POSITION	LOCATION	REASON	LENGTH OF SERVICE	END
Birru	Yeshareg	Custodian 2	Central	Resignation	2 Years	17-Nov-21
Cauble	Molly	PARA 5 - Special Education Assistant	Peter Hobart	Resignation	5 Years	15-Nov-21
Kyles Jr	Quitman	PARA 5 - Special Education Assistant	Middle School	Resignation	2 Years	25-Oct-21
McMullen	Allison	Pre-School Educator	Central	Resignation	2 Years	7-Dec-21
Morgan	Joseph	PARA 5 - Special Education Assistant	Peter Hobart	Resignation	3 Weeks	15-Nov-21
Murdoch Meyer	Olive	PARA 5 - Special Education Assistant	Peter Hobart	Resignation	7 Months	25-Oct-21



# St. Louis Park Public Schools

*Achieving success, one student at a time!*

## INDEPENDENT SCHOOL DISTRICT NO. 283

Corrective Action Plans and  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2021

### A. FINANCIAL STATEMENT FINDINGS

None.

### B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

### C. MINNESOTA LEGAL COMPLIANCE FINDINGS

#### 2021-001 Untimely Payment of Invoices

##### **Finding Summary**

Minnesota Statutes require prompt payment of local government bills within a standard payment period of 35 days from receipt for governing boards that meet at least once a month.

##### **Corrective Action Plan**

**Actions Planned** – Independent School District No. 283 (the District) intends to review its procedures relating to disbursements to ensure compliance in the future.

**Official Responsible** – Patricia Magnuson, Director of Business Services.

**Planned Completion Date** – June 30, 2022.

**Disagreement With or Explanation of Finding** – The District is in agreement with this finding.

**Plan to Monitor** – Patricia Magnuson, Director of Business Services, will work with the financial auditors to review specific weaknesses identified during the annual audit, and actions needed to eliminate or mitigate this finding.

INDEPENDENT SCHOOL DISTRICT NO. 283

Corrective Action Plans and  
Summary Schedule of Prior Audit Findings (continued)  
Year Ended June 30, 2021

**C. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)**

**2021-002 Unclaimed Property Report**

**Finding Summary**

Minnesota Statutes § 345.41 and § 345.43 require unclaimed property held for more than three years (or one year for unpaid compensation) to be reported and paid or delivered to the state Commissioner of Commerce each year. This requirement was not met by the District for the current audit year.

**Corrective Action Plan**

**Actions Planned** – The District will review its procedures relating to unclaimed property laws to ensure compliance in the future.

**Official Responsible** – Patricia Magnuson, Director of Business Services.

**Planned Completion Date** – June 30, 2022.

**Disagreement With or Explanation of Finding** – The District is in agreement with this finding.

**Plan to Monitor** – Patricia Magnuson, Director of Business Services, will assure appropriate internal controls and procedures are updated and in place for future compliance.

**2021-003 Annual Report of Outstanding Obligations**

**Finding Summary**

Per Minnesota Statutes § 471.70, the principal accounting officer of its district has to submit a report of outstanding obligations by February 1 of each year. This requirement was not met by the District for the current audit year.

**Corrective Action Plan**

**Actions Planned** – The District will review its procedures relating to the filing of the report of outstanding indebtedness to ensure compliance in the future.

**Official Responsible** – Patricia Magnuson, Director of Business Services.

**Planned Completion Date** – June 30, 2022.

**Disagreement With or Explanation of Finding** – The District is in agreement with this finding.

**Plan to Monitor** – Patricia Magnuson, Director of Business Services, will assure appropriate internal controls and procedures are updated and in place for future compliance.

INDEPENDENT SCHOOL DISTRICT NO. 283

Corrective Action Plans and  
Summary Schedule of Prior Audit Findings (continued)  
Year Ended June 30, 2021

**D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – SCHOOL BREAKFAST PROGRAM – FEDERAL ALN 10.553, NATIONAL SCHOOL LUNCH PROGRAM – FEDERAL ALN 10.555, AND SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (COVID-19) – FEDERAL ALN 10.559 – PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION**

**2020-001 Internal Control Over Compliance With Federal Special Tests and Provisions**

**Condition/Context** – During the audit of the year ended June 30, 2020, the District did not have sufficient controls in place within its child nutrition cluster federal program to ensure compliance with the special tests and provisions requirement to accurately complete the verification testing packet for free and reduced-price applications.

**Current Status** – This is not a finding for the audit of the year ended June 30, 2021.

**MINNESOTA LEGAL COMPLIANCE FINDINGS**

**2020-002 Untimely Payment of Invoices**

**Condition/Context** – During the audit of the year ended June 30, 2020, the District did not make prompt payment of local government bills within a standard payment period of 35 days from receipt for governing boards that meet at least once a month.

**Current Status** – See finding 2021-001 for the current status of this finding.

INDEPENDENT SCHOOL DISTRICT NO. 283  
ST. LOUIS PARK, MINNESOTA

Financial Statements and  
Supplemental Information

Year Ended  
June 30, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 283

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INTRODUCTORY SECTION

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INDEPENDENT SCHOOL DISTRICT NO. 283

School Board and Superintendent's Cabinet  
Year Ended June 30, 2021

**SCHOOL BOARD**

	<u>Position</u>
Mary Tomback	Chairperson
Anne Casey	Vice Chairperson
Kenneth Morrison	Treasurer
Karen Waters	Clerk
C. Colin Cox	Director
Laura McClendon	Director
Heather Wilsey	Director

**SUPERINTENDENT'S CABINET**

Astein Osei	Superintendent
Patricia Magnuson	Director of Business Services
Tami Reynolds	Director of Student Services
Richard Kreyer	Director of Human Resources
Dr. Patrick Duffy	Director of Curriculum and Instruction
Patrice Howard	Director of Community Education
Sara Thompson, APR	Director of Communications and Community Relations
Tom Marble, CETL	Director of Information Services
Andrew Ewald	Director of Athletics
Silvy Lafayette	Director of Assessment, Research, and Evaluation

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FINANCIAL SECTION

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PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, 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 the Independent School District No. 283 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

(continued)

## **OPINIONS**

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

## **OTHER MATTERS**

### **Required Supplementary Information**

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

### **Other Information**

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

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

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

(continued)

## **Prior Year Comparative Information**

We have previously audited the District's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 7, 2020. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements provided from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
November 19, 2021

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## INDEPENDENT SCHOOL DISTRICT NO. 283

### Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

As management of Independent School District No. 283 (the District), we have provided readers of the District's financial statements with this narrative overview and analysis of the District's financial activities during the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the other components of the District's financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2021 by \$21,116,957 (deficit net position). Government-wide revenues totaled \$92,277,313, and expenses were \$95,481,686. As a result, the District's total net position decreased by \$3,204,373 during the fiscal year ended June 30, 2021.
- The District's General Fund, its primary operating fund, ended the most recent fiscal year with a total fund balance of \$16,279,101, a decrease of \$3,390,424 from the prior year. The unrestricted portion of the year-end fund balance (assigned and unassigned) was \$9,698,327, which represents 13.0 percent of annual General Fund expenditures based on fiscal 2021 expenditure levels. The unassigned fund balance, including assigned for subsequent year's budget, was 13.0 percent of General Fund noncategorized expenditures and is above the District's policy for year-end minimum amounts of unassigned fund balance of 6.0 percent.

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

The financial section of the annual financial statements consists of the following parts:

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

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

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

### **FUND FINANCIAL STATEMENTS**

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

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

The District maintains the following kinds of funds:

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

**Proprietary Funds** – The District maintains one type of proprietary fund. Internal service funds are used as an accounting device to accumulate and allocate costs internally among the District’s various functions. The District uses its internal service funds to account for its self-insured dental plan, self-insured medical plan, and its other post-employment benefits (OPEB) obligations financed by a Revocable OPEB Trust. These services have been included within governmental activities in the government-wide financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2021	2020
<b>Assets</b>		
Current and other assets	\$ 79,881,823	\$ 124,110,567
Capital assets, net of depreciation	160,560,811	132,269,288
Total assets	\$ 240,442,634	\$ 256,379,855
<b>Deferred outflows of resources</b>		
Pension plan deferments	\$ 21,124,655	\$ 34,886,446
Single-employer plan deferments	630,313	555,392
OPEB plan deferments	720,077	781,472
Total deferred outflows of resources	\$ 22,475,045	\$ 36,223,310
<b>Liabilities</b>		
Current and other liabilities	\$ 15,213,686	\$ 23,659,005
Long-term liabilities, including due within one year	200,373,034	201,874,673
Total liabilities	\$ 215,586,720	\$ 225,533,678
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	\$ 30,964,559	\$ 30,571,526
Pension plan deferments	36,138,085	53,578,205
Single-employer plan deferments	186,612	175,908
OPEB plan deferments	1,158,660	656,432
Total deferred inflows of resources	\$ 68,447,916	\$ 84,982,071
<b>Net position</b>		
Net investment in capital assets	\$ 37,444,587	\$ 35,154,657
Restricted	6,785,321	7,650,048
Unrestricted	(65,346,865)	(60,717,289)
Total net position	\$ (21,116,957)	\$ (17,912,584)

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as depreciation estimates and capitalization policies. Another major factor in determining net position is the inclusion of liabilities for long-term severance, OPEB, and pension benefits, which are not included in fund balances.

Total net position decreased by \$3,204,373 in 2021. The decline in General Fund balance and the changes in the District's proportionate share of the state-wide pension plans contributed to the decrease in unrestricted net position, the changes in deferred inflows and outflows of resources, and the change in long-term liabilities. The increase in capital assets and current and other liabilities relates to the use of bond proceeds for building construction issued by the District in fiscal 2018, totaling \$92,950,000, and bond proceeds for long-term facilities maintenance of \$22,795,000, issued in fiscal 2020.

Table 2 presents a condensed version of the change in net position of the District:

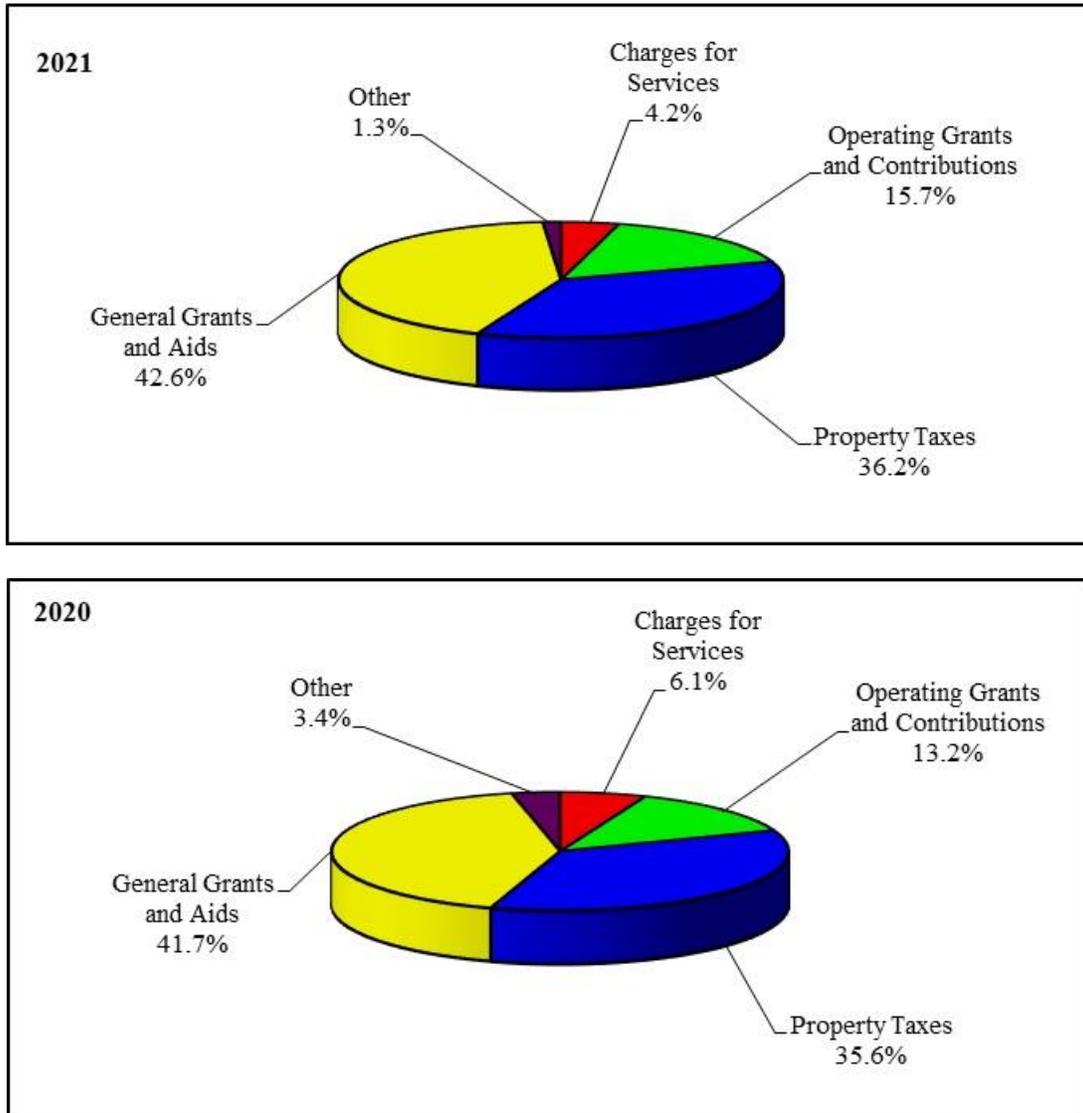
	2021	2020
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 3,833,064	\$ 5,562,961
Operating grants and contributions	14,502,027	11,991,035
General revenues		
Property taxes	33,426,265	32,299,084
General grants and aids	39,320,242	37,841,249
Other	1,195,715	3,123,323
Total revenues	92,277,313	90,817,652
<b>Expenses</b>		
Administration	3,059,470	3,005,456
District support services	5,703,281	4,505,309
Elementary and secondary regular instruction	34,046,132	34,171,764
Vocational education instruction	754,089	658,411
Special education instruction	13,750,159	12,605,865
Instructional support services	4,665,263	4,691,071
Pupil support services	6,751,332	6,503,434
Sites and buildings	9,289,786	11,366,574
Fiscal and other fixed cost programs	459,560	276,349
Food service	1,573,535	2,027,320
Community service	6,989,372	7,735,384
Unallocated depreciation	3,880,283	3,594,073
Interest and fiscal charges	4,559,424	4,505,516
Total expenses	95,481,686	95,646,526
Change in net position	(3,204,373)	(4,828,874)
Net position – beginning	(17,912,584)	(13,083,710)
Net position – ending	\$ (21,116,957)	\$ (17,912,584)

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

Total revenues for fiscal year 2021 were \$1,459,661 higher than last year, mainly due to increases in federal sources. This increase is offset by declines in other revenue related to COVID-19 pandemic changes in operations and the related change to distance learning during the year. Total expenses decreased \$164,840, compared to fiscal year 2020 levels, which primarily reflects increased costs in district support services related to COVID-19 stimulus-related grant spending, increases in special education related costs, offset by decreases in sites and buildings as facility upgrades slowed in the current year. Food service and community service costs also declined in the current year, due to operational changes related to the COVID-19 pandemic.

Figures A and B show further analysis of these revenue sources and expense functions:

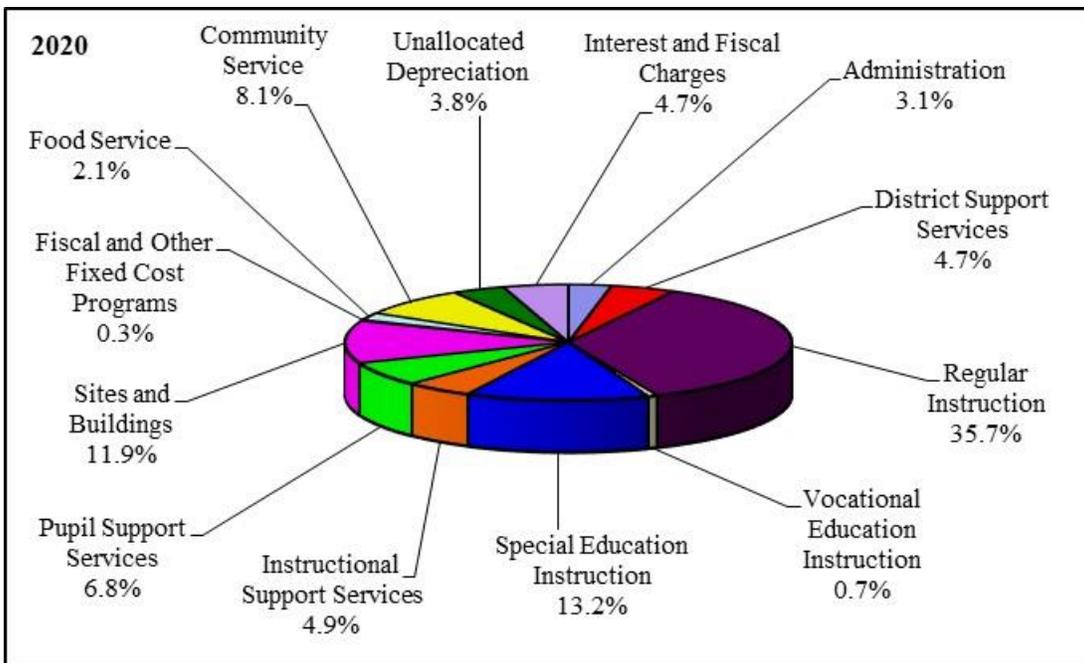
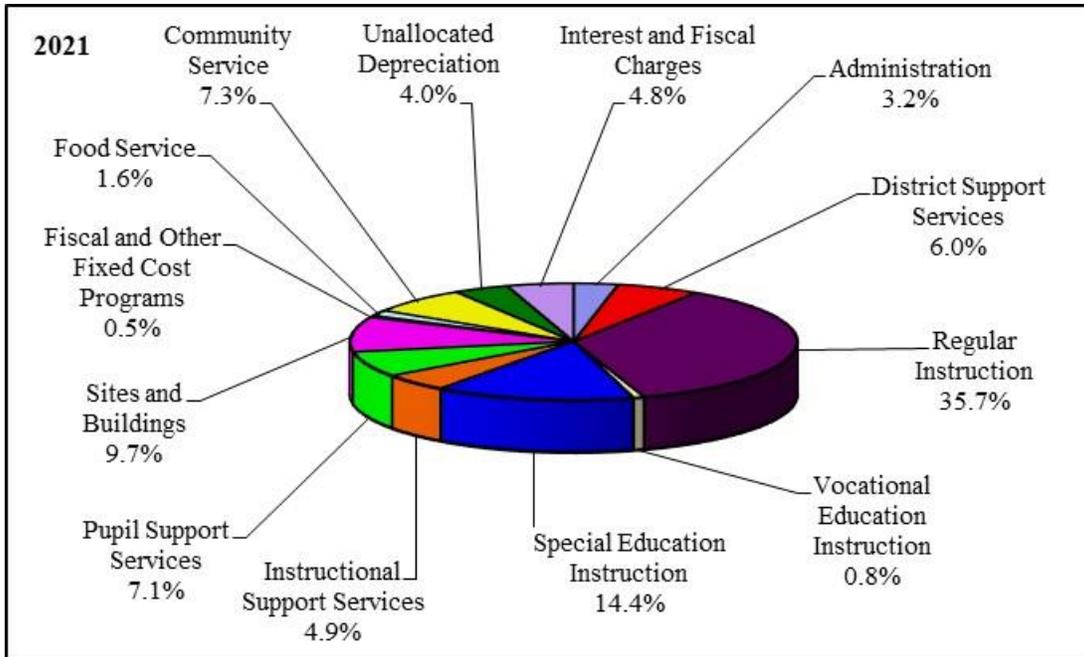
**Figure A – Sources of Revenue for Fiscal Years 2021 and 2020**



The largest share of the District’s revenue is received from the state, including the general education aid formula and most of the operating grants. This significant reliance on the state for funding has placed pressure on local school districts, as a result of limited funding increases in recent years.

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

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



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

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Major funds			
General	\$ 16,279,101	\$ 19,669,525	\$ (3,390,424)
Capital Projects – Building Construction	13,291,266	46,856,218	(33,564,952)
Debt Service	1,751,679	1,695,401	56,278
Nonmajor funds			
Food Service Special Revenue	23,771	114,675	(90,904)
Community Service Special Revenue	<u>2,110</u>	<u>15,320</u>	<u>(13,210)</u>
Total governmental funds	<u>\$ 31,347,927</u>	<u>\$ 68,351,139</u>	<u>\$ (37,003,212)</u>

In 2021, the General Fund balance decreased \$3,390,424 from the prior year. This compares to a final budget that anticipated a decline in fund balance of \$3,941,731. These better than projected results were mainly due to revenues exceeding budgeted amounts by \$691,338.

The Capital Projects – Building Construction Fund decreased \$33,564,952 from the prior year, due to the use of school building bonds that were issued during fiscal 2018, as well as the use of facilities maintenance bonds that were issued during fiscal 2020.

The Debt Service Fund increased \$56,278, consistent with property tax levies and debt service payment schedules in this fund.

The decrease in the Food Service Special Revenue Fund of \$90,904 was mainly due the costs of supplies, materials, and other expenditures exceeding budget projections.

The Community Service Special Revenue Fund experienced a fund balance decrease of \$13,210.

## Analysis of the General Fund

Table 4 summarizes the amendments to the General Fund budget:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenue	<u>\$ 68,821,042</u>	<u>\$ 70,484,117</u>	<u>\$ 1,663,075</u>	<u>2.42 %</u>
Expenditures	<u>\$ 72,366,391</u>	<u>\$ 74,425,848</u>	<u>\$ 2,059,457</u>	<u>2.85 %</u>

The District was required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. It is the District's practice to amend the General Fund budget during the year for known significant changes in circumstances, such as: updated enrollment estimates, legislation changes, new or additional funding, staffing changes, employee contract settlements, adjustments to health insurance premiums, special education tuition changes, or utility rate changes.

Table 5 summarizes the operating results of the General Fund:

	<u>2021 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue	\$ 71,175,455	\$ 691,338	1.0%	\$ 1,604,800	2.3%
Expenditures	74,565,879	\$ 140,031	0.2%	\$ 4,187,998	6.0%
Other financing sources	<u>—</u>	\$ —	—	\$ (42,731)	100.0%
Net change in fund balances	<u>\$ (3,390,424)</u>				

The increase in 2021 actual revenue was due to federal sources increasing \$2,392,357, due to the District receiving COVID-19 pandemic-related stimulus grants and aids in the current year.

Expenditures increases were mainly in salaries, which increased \$1,476,805, or 3.64 percent, mainly related to contract-related increases in the current year. Employee benefit expenditures increased \$823,404, mainly due to the increased salary amounts and health insurance costs related to increased rates. Supplies and materials expenditures were higher than last year by \$904,298, mainly related to federal stimulus grant-related spending.

General Fund revenues exceeded budgeted amounts by \$691,338. Federal revenues were over budget by \$499,149. The majority of this variance was due to higher than projected pandemic-related stimulus grants and aids received during the current year. Revenues from property taxes were \$508,739 over budget, which is due to higher than projected nonlevy-related tax collections in the current year.

Expenditures were over budget by \$140,031, or 0.2 percent.

### **Internal Service Funds**

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains three internal service funds. These funds are used to account for the District's self-insured medical insurance, dental insurance, and OPEB revocable trust functions.

- **Medical Self-Insurance**

Revenues for fiscal 2021 totaled \$9,232,938, while expenses totaled \$8,318,513. The net position as of June 30, 2021 was \$1,310,952, which represents 15.8 percent of annual operating expenses of this fund.

- **Dental Self-Insurance**

Revenues for fiscal 2021 totaled \$656,830, while expenses totaled \$634,793. The net position as of June 30, 2021 was \$421,230, which represents 66.4 percent of annual operating expenses of this fund.

- **OPEB Fund**

Revenues for fiscal 2021 totaled \$159,864, while expenses totaled \$384,326. The net position as of June 30, 2021 was a deficit \$2,957,683.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

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

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Land	\$ 7,812,500	\$ 7,812,500	\$ -
Construction in process	22,694,727	36,685,222	(13,990,495)
Land improvements	264,344	264,344	-
Buildings and improvements	149,106,187	103,054,713	46,051,474
Furniture and equipment	60,858,849	60,647,275	211,574
Less accumulated depreciation	<u>(80,175,796)</u>	<u>(76,194,766)</u>	<u>(3,981,030)</u>
 Total	 <u>\$ 160,560,811</u>	 <u>\$ 132,269,288</u>	 <u>\$ 28,291,523</u>
 Depreciation expense	 <u>\$ 3,981,030</u>	 <u>\$ 3,803,435</u>	 <u>\$ 177,595</u>

The decrease in construction in progress is due to less projects ongoing at year-end. The increase in buildings and improvements is related to capital spending for various improvement projects at district sites from the issuance of debt in fiscal 2018 and 2020. The majority of the change can be attributed to various renovation projects at the elementary schools, high school, and early childhood center.

### Long-Term Liabilities

Table 7 shows the components of the District's long-term liabilities and the change from the prior year:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
General obligation bonds	\$ 126,075,000	\$ 132,725,000	\$ (6,650,000)
Premiums	9,794,084	10,330,176	(536,092)
Capital leases	538,406	915,673	(377,267)
Net pension liability	50,672,545	44,242,270	6,430,275
Single-employer pension liability	4,048,730	4,180,586	(131,856)
Total OPEB liability	4,910,168	5,422,015	(511,847)
Compensated absences	796,596	739,784	56,812
Severance benefits	<u>3,537,505</u>	<u>3,319,169</u>	<u>218,336</u>
 Total	 <u>\$ 200,373,034</u>	 <u>\$ 201,874,673</u>	 <u>\$ (1,501,639)</u>

The decrease in general obligation bonds and premiums, as shown in Table 7, is based on the planned repayment and amortization schedules. The change in capital leases is based on the planned repayment schedules and debt cancellation. The change in net pension liability is related to changes in the District's proportionate share of the state-wide pension plans.

The state limits the amount of general obligation debt the District can issue to 15 percent of the market value of all taxable property within the District's corporate limits (see Table 8).

District's market value	\$ 7,813,656,650
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 1,172,048,498</u>

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

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

The Legislature has added \$161, or 2.45 percent, and \$135, or 2.00 percent, per pupil to the general education aid formula for fiscal years 2022 and 2023, respectively. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs, due to increased costs from inflation and required mandates. Additionally, the effect of the COVID-19 pandemic on student enrollment and the state-wide economy will likely impact the financial condition of the District. The District will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility. The District will continue to use the long-range financial model and annual budget framework to ensure that expenditures are aligned with revenues. Efforts will continue to be made to influence Legislators to recommit to their financial support for public education.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

These financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about these statements or need additional financial information, contact the Business Office, Independent School District No. 283, 6311 Wayzata Boulevard, St. Louis Park, Minnesota 55426.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 283

Statement of Net Position  
as of June 30, 2021

(With Partial Comparative Information as of June 30, 2020)

	Governmental Activities	
	2021	2020
<b>Assets</b>		
Cash and temporary investments	\$ 34,978,769	\$ 39,204,478
Receivables		
Current taxes	17,073,578	17,189,609
Delinquent taxes	410,106	379,147
Accounts and interest	541,104	1,553,112
Due from other governmental units	8,302,869	5,149,886
Inventory	22,059	75,956
Prepaid items	196,545	209,734
Restricted assets – temporarily restricted		
Cash and investments for building construction	15,591,785	57,670,771
Cash and investments for OPEB	2,765,008	2,677,874
Capital assets		
Not depreciated	30,507,227	44,497,722
Depreciated, net of accumulated depreciation	<u>130,053,584</u>	<u>87,771,566</u>
Total capital assets, net of accumulated depreciation	<u>160,560,811</u>	<u>132,269,288</u>
Total assets	240,442,634	256,379,855
Deferred outflows of resources		
Pension plan deferments	21,124,655	34,886,446
Single-employer pension plan deferments	630,313	555,392
OPEB plan deferments	<u>720,077</u>	<u>781,472</u>
Total deferred outflows of resources	<u>22,475,045</u>	<u>36,223,310</u>
Total assets and deferred outflows of resources	<u>\$ 262,917,679</u>	<u>\$ 292,603,165</u>
<b>Liabilities</b>		
Salaries payable	\$ 6,313,908	\$ 5,828,865
Accounts and contracts payable	4,064,756	12,789,748
Accrued interest payable	2,071,051	2,141,427
Due to other governmental units	14,657	231,631
Severance payable	-	79,198
Unearned revenue	2,132,353	2,159,910
Claims incurred, but not reported	616,961	428,226
Long-term liabilities		
Due within one year	8,982,910	7,852,942
Due in more than one year	<u>191,390,124</u>	<u>194,021,731</u>
Total long-term liabilities	<u>200,373,034</u>	<u>201,874,673</u>
Total liabilities	215,586,720	225,533,678
Deferred inflows of resources		
Property taxes levied for subsequent year	30,964,559	30,571,526
Pension plan deferments	36,138,085	53,578,205
Single-employer pension plan deferments	186,612	175,908
OPEB plan deferments	<u>1,158,660</u>	<u>656,432</u>
Total deferred inflows of resources	<u>68,447,916</u>	<u>84,982,071</u>
Net position		
Net investment in capital assets	37,444,587	35,154,657
Restricted for		
Capital asset acquisition	4,796,405	3,440,251
Food service	23,771	114,675
Community service	377,321	768,552
Other purposes (state funding restrictions)	1,587,824	3,326,570
Unrestricted	<u>(65,346,865)</u>	<u>(60,717,289)</u>
Total net position	<u>(21,116,957)</u>	<u>(17,912,584)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 262,917,679</u>	<u>\$ 292,603,165</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

Functions/Programs	2021			2020	
	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Administration	\$ 3,059,470	\$ -	\$ -	\$ (3,059,470)	\$ (3,005,456)
District support services	5,703,281	25	5,600	(5,697,656)	(4,493,023)
Elementary and secondary regular instruction	34,046,132	280,784	875,521	(32,889,827)	(33,084,822)
Vocational education instruction	754,089	-	-	(754,089)	(658,411)
Special education instruction	13,750,159	108,810	8,370,169	(5,271,180)	(4,762,568)
Instructional support services	4,665,263	-	-	(4,665,263)	(4,690,756)
Pupil support services	6,751,332	39,172	974,879	(5,737,281)	(5,646,725)
Sites and buildings	9,289,786	-	122,331	(9,167,455)	(11,232,682)
Fiscal and other fixed cost programs	459,560	-	-	(459,560)	(276,349)
Food service	1,573,535	10,505	1,527,195	(35,835)	(215,570)
Community service	6,989,372	3,393,768	2,626,332	(969,272)	(1,926,579)
Unallocated depreciation	3,880,283	-	-	(3,880,283)	(3,594,073)
Interest and fiscal charges	4,559,424	-	-	(4,559,424)	(4,505,516)
<b>Total governmental activities</b>	<b>\$ 95,481,686</b>	<b>\$ 3,833,064</b>	<b>\$ 14,502,027</b>	<b>(77,146,595)</b>	<b>(78,092,530)</b>
General revenue					
Taxes					
Property taxes, levied for general purposes				20,641,070	20,804,298
Property taxes, levied for community service				980,306	949,049
Property taxes, levied for debt service				11,804,889	10,545,737
General grants and aids				39,320,242	37,841,249
Other general revenues				823,342	756,798
Investment earnings				372,373	2,366,525
<b>Total general revenues</b>				<b>73,942,222</b>	<b>73,263,656</b>
Change in net position				(3,204,373)	(4,828,874)
Net position – beginning				(17,912,584)	(13,083,710)
Net position – ending				<b>\$ (21,116,957)</b>	<b>\$ (17,912,584)</b>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
<b>Assets</b>			
Cash and temporary investments	\$ 23,332,548	\$ –	\$ 7,956,948
Cash and investments held by trustee	–	15,591,785	–
Receivables			
Current taxes	10,008,990	–	6,539,919
Delinquent taxes	264,762	–	132,161
Accounts and interest	139,276	147,758	–
Due from other governmental units	6,597,798	–	–
Due from other funds	1,291,288	–	–
Inventory	–	–	–
Prepaid items	196,545	–	–
	<u>41,831,207</u>	<u>15,739,543</u>	<u>14,629,028</u>
<b>Total assets</b>	<b>\$ 41,831,207</b>	<b>\$ 15,739,543</b>	<b>\$ 14,629,028</b>
<b>Liabilities</b>			
Salaries payable	\$ 6,106,760	\$ –	\$ –
Accounts and contracts payable	1,398,625	2,448,277	–
Due to other governmental units	10,534	–	–
Due to other funds	–	–	–
Severance payable	–	–	–
Unearned revenue	681,099	–	–
<b>Total liabilities</b>	<b>8,197,018</b>	<b>2,448,277</b>	<b>–</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	17,155,444	–	12,783,539
Unavailable revenue – delinquent taxes	199,644	–	93,810
<b>Total deferred inflows of resources</b>	<b>17,355,088</b>	<b>–</b>	<b>12,877,349</b>
<b>Fund balances</b>			
Nonspendable	196,545	–	–
Restricted	6,384,229	13,291,266	1,751,679
Assigned	2,763,949	–	–
Unassigned	6,934,378	–	–
<b>Total fund balances</b>	<b>16,279,101</b>	<b>13,291,266</b>	<b>1,751,679</b>
	<u>41,831,207</u>	<u>15,739,543</u>	<u>14,629,028</u>
<b>Total liabilities, deferred inflow of resources,     and fund balances</b>	<b>\$ 41,831,207</b>	<b>\$ 15,739,543</b>	<b>\$ 14,629,028</b>

Nonmajor Funds	Total Governmental Funds	
	2021	2020
\$ -	\$ 31,289,496	\$ 36,677,013
-	15,591,785	57,670,771
524,669	17,073,578	17,189,609
13,183	410,106	379,147
240,660	527,694	1,493,142
1,705,071	8,302,869	5,149,886
-	1,291,288	280,165
22,059	22,059	75,956
-	196,545	209,734
<u>\$ 2,505,642</u>	<u>\$ 74,705,420</u>	<u>\$ 119,125,423</u>
\$ 207,148	\$ 6,313,908	\$ 5,828,865
89,687	3,936,589	12,692,917
780	11,314	231,631
903,938	903,938	117,020
-	-	79,198
242,634	923,733	942,277
<u>1,444,187</u>	<u>12,089,482</u>	<u>19,891,908</u>
1,025,576	30,964,559	30,571,526
9,998	303,452	310,850
<u>1,035,574</u>	<u>31,268,011</u>	<u>30,882,376</u>
22,059	218,604	285,690
369,035	21,796,209	56,115,329
-	2,763,949	4,239,796
(365,213)	6,569,165	7,710,324
<u>25,881</u>	<u>31,347,927</u>	<u>68,351,139</u>
<u>\$ 2,505,642</u>	<u>\$ 74,705,420</u>	<u>\$ 119,125,423</u>

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INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
Total fund balances – governmental funds	\$ 31,347,927	\$ 68,351,139
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.</p>		
Cost of capital assets	240,736,607	208,464,054
Accumulated depreciation	(80,175,796)	(76,194,766)
<p>Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance.</p>		
General obligation bonds	(126,075,000)	(132,725,000)
Unamortized premium	(9,794,084)	(10,330,176)
Capital leases	(538,406)	(915,673)
Compensated absences	(796,596)	(739,784)
Severance benefits	(3,537,505)	(3,319,169)
Net pension liability	(50,672,545)	(44,242,270)
Single-employer pension liability	(4,048,730)	(4,180,586)
<p>The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.</p>		
Deferred outflows of resources – pension plan deferments	21,124,655	34,886,446
Deferred outflows of resources – single-employer pension plan deferments	630,313	555,392
Deferred inflows of resources – pension plan deferments	(36,138,085)	(53,578,205)
Deferred inflows of resources – single-employer pension plan deferments	(186,612)	(175,908)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in the governmental activities in the Statement of Net Position.</p>		
	(1,225,501)	(1,937,501)
<p>Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.</p>		
	(2,071,051)	(2,141,427)
<p>Certain revenues (including delinquent property taxes) are included in net position, but are excluded from fund balances until they are available to liquidate liabilities of the current period.</p>		
	<u>303,452</u>	<u>310,850</u>
Total net position – governmental activities	<u>\$ (21,116,957)</u>	<u>\$ (17,912,584)</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
<b>Revenue</b>			
Local sources			
Property taxes	\$ 20,648,739	\$ –	\$ 11,804,234
Investment earnings	103,063	221,895	20,185
Other	904,775	50,436	–
State sources	45,054,510	–	–
Federal sources	4,464,368	122,331	27,533
Total revenue	<u>71,175,455</u>	<u>394,662</u>	<u>11,851,952</u>
<b>Expenditures</b>			
Current			
Administration	2,970,384	–	–
District support services	5,751,164	–	–
Elementary and secondary regular instruction	32,469,154	–	–
Vocational education instruction	709,217	–	–
Special education instruction	13,190,356	–	–
Instructional support services	4,596,550	–	–
Pupil support services	6,663,418	–	–
Sites and buildings	7,558,196	–	–
Fiscal and other fixed cost programs	459,560	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	33,959,614	–
Debt service			
Principal	177,662	–	6,650,000
Interest and fiscal charges	20,218	–	5,145,674
Total expenditures	<u>74,565,879</u>	<u>33,959,614</u>	<u>11,795,674</u>
Excess (deficiency) of revenue over expenditures	(3,390,424)	(33,564,952)	56,278
<b>Other financing sources</b>			
Capital lease issued	–	–	–
Debt issued	–	–	–
Premium on debt issued	–	–	–
Proceeds from sale of assets	–	–	–
Total other financing sources	<u>–</u>	<u>–</u>	<u>–</u>
Net change in fund balances	(3,390,424)	(33,564,952)	56,278
<b>Fund balances</b>			
Beginning of year	<u>19,669,525</u>	<u>46,856,218</u>	<u>1,695,401</u>
End of year	<u>\$ 16,279,101</u>	<u>\$ 13,291,266</u>	<u>\$ 1,751,679</u>

Nonmajor Funds	Total Governmental Funds	
	2021	2020
\$ 980,690	\$ 33,433,663	\$ 32,342,488
505	345,648	2,291,354
3,404,273	4,359,484	6,303,351
1,323,768	46,378,278	46,513,610
2,829,759	7,443,991	3,318,674
<u>8,538,995</u>	<u>91,961,064</u>	<u>90,769,477</u>
–	2,970,384	2,773,649
–	5,751,164	4,475,982
–	32,469,154	31,996,647
–	709,217	615,702
–	13,190,356	11,936,163
–	4,596,550	4,515,915
–	6,663,418	6,320,400
–	7,558,196	7,009,165
–	459,560	276,349
1,597,330	1,597,330	2,016,624
7,012,752	7,012,752	7,576,472
33,027	33,992,641	48,185,799
–	6,827,662	6,615,690
–	5,165,892	4,896,561
<u>8,643,109</u>	<u>128,964,276</u>	<u>139,211,118</u>
(104,114)	(37,003,212)	(48,441,641)
–	–	42,731
–	–	23,099,442
–	–	2,641,233
–	–	575
<u>–</u>	<u>–</u>	<u>25,783,981</u>
(104,114)	(37,003,212)	(22,657,660)
<u>129,995</u>	<u>68,351,139</u>	<u>91,008,799</u>
<u>\$ 25,881</u>	<u>\$ 31,347,927</u>	<u>\$ 68,351,139</u>

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INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
Total net change in fund balances – governmental funds	\$ (37,003,212)	\$ (22,657,660)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase. A gain or loss on disposal of capital assets is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
Capital outlays	32,272,553	43,832,838
Depreciation expense	(3,981,030)	(3,803,435)
The amount of debt issued including the related premiums/discounts are reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds	–	(22,795,000)
Unamortized premium	–	(2,945,675)
Capital leases	–	(42,731)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	712,000	356,407
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances. Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance.		
General obligation bonds	6,650,000	6,190,000
Unamortized premium	536,092	654,682
Capital leases	377,267	425,690
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	(6,430,275)	38,131
Single-employer pension liability	131,856	(58,513)
Compensated absences	(56,812)	5,996
Severance benefits	(218,336)	(191,120)
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	70,376	(331,222)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(13,761,791)	(16,447,410)
Deferred outflows of resources – single-employer pension plan deferments	74,921	170,382
Deferred outflows of resources – gain on bond refunding	–	67,585
Deferred inflows of resources – pension plan deferments	17,440,120	12,717,040
Deferred inflows of resources – single-employer pension plan deferments	(10,704)	28,545
Deferred inflows of resources – unavailable revenue – delinquent taxes	(7,398)	(43,404)
Change in net position – governmental activities	<u>\$ (3,204,373)</u>	<u>\$ (4,828,874)</u>

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INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 20,140,000	\$ 20,140,000	\$ 20,648,739	\$ 508,739
Investment earnings	280,000	280,000	103,063	(176,937)
Other	1,204,080	1,063,505	904,775	(158,730)
State sources	45,317,000	45,035,393	45,054,510	19,117
Federal sources	1,879,962	3,965,219	4,464,368	499,149
Total revenue	<u>68,821,042</u>	<u>70,484,117</u>	<u>71,175,455</u>	<u>691,338</u>
Expenditures				
Current				
Administration	3,496,720	2,888,540	2,970,384	81,844
District support services	4,489,600	5,858,691	5,751,164	(107,527)
Elementary and secondary regular instruction	32,939,739	33,522,983	32,469,154	(1,053,829)
Vocational education instruction	624,040	553,109	709,217	156,108
Special education instruction	11,658,119	12,337,898	13,190,356	852,458
Instructional support services	4,645,755	4,378,621	4,596,550	217,929
Pupil support services	6,762,536	6,653,805	6,663,418	9,613
Sites and buildings	6,596,405	7,444,724	7,558,196	113,472
Fiscal and other fixed cost programs	470,000	470,000	459,560	(10,440)
Debt service				
Principal	653,256	293,256	177,662	(115,594)
Interest and fiscal charges	30,221	24,221	20,218	(4,003)
Total expenditures	<u>72,366,391</u>	<u>74,425,848</u>	<u>74,565,879</u>	<u>140,031</u>
Net change in fund balances	<u>\$ (3,545,349)</u>	<u>\$ (3,941,731)</u>	<u>(3,390,424)</u>	<u>\$ 551,307</u>
Fund balances				
Beginning of year			<u>19,669,525</u>	
End of year			<u>\$ 16,279,101</u>	

INDEPENDENT SCHOOL DISTRICT NO. 283

Statement of Net Position  
 Proprietary Funds  
 Internal Service Funds  
 as of June 30, 2021

(With Partial Comparative Information as of June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and temporary investments	\$ 3,689,273	\$ 2,527,465
Cash and investments – held by trustee	2,765,008	2,677,874
Accounts and interest receivable	13,410	59,970
Total current assets	<u>6,467,691</u>	<u>5,265,309</u>
Deferred outflows of resources		
OPEB plan deferments	720,077	781,472
Liabilities		
Current liabilities		
Claims payable	128,167	96,831
Unearned revenue	1,208,620	1,217,633
Claims incurred, but not reported	616,961	428,226
Due to other governmental units	3,343	–
Due to other funds	387,350	163,145
Total OPEB liability – due within one year	<u>332,301</u>	<u>–</u>
Total current liabilities	2,676,742	1,905,835
Long-term liabilities		
Total OPEB liability – due in more than one year	<u>4,577,867</u>	<u>5,422,015</u>
Total liabilities	7,254,609	7,327,850
Deferred inflows of resources		
OPEB plan deferments	<u>1,158,660</u>	<u>656,432</u>
Net position		
Unrestricted	<u>\$ (1,225,501)</u>	<u>\$ (1,937,501)</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
Operating revenue		
Contributions from governmental funds	\$ 10,022,907	\$ 8,450,093
Operating expenses		
Dental benefit claims	634,793	516,208
Medical benefit claims	8,318,513	7,223,081
OPEB	384,326	429,568
Total operating expenses	<u>9,337,632</u>	<u>8,168,857</u>
Operating income	685,275	281,236
Nonoperating revenue		
Investment earnings	<u>26,725</u>	<u>75,171</u>
Change in net position	712,000	356,407
Net position		
Beginning of year	<u>(1,937,501)</u>	<u>(2,293,908)</u>
End of year	<u>\$ (1,225,501)</u>	<u>\$ (1,937,501)</u>

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INDEPENDENT SCHOOL DISTRICT NO. 283

Statement of Cash Flows  
 Proprietary Funds  
 Internal Service Funds  
 Year Ended June 30, 2021

(With Partial Comparative Information for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Contributions from governmental funds	\$ 10,013,894	\$ 9,590,844
Payments for dental claims	(623,774)	(521,249)
Payments for medical claims	(8,106,118)	(6,727,505)
Payments for OPEB	<u>(332,550)</u>	<u>(330,327)</u>
Net cash flows from operating activities	951,452	2,011,763
Cash flows from noncapital financing activities		
Payments from other funds	<u>224,205</u>	<u>163,145</u>
Cash flows from investing activities		
Investment income received	<u>73,285</u>	<u>80,554</u>
Net change in cash and cash equivalents	1,248,942	2,255,462
Cash and cash equivalents		
Beginning of year	<u>5,205,339</u>	<u>2,949,877</u>
End of year	<u>\$ 6,454,281</u>	<u>\$ 5,205,339</u>
Presented on Statement of Net Position as follows:		
Cash and temporary investments	\$ 3,689,273	\$ 2,527,465
Cash and investments – held by trustee	<u>2,765,008</u>	<u>2,677,874</u>
Total cash and cash equivalents	<u>\$ 6,454,281</u>	<u>\$ 5,205,339</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 685,275	\$ 281,236
Adjustments to reconcile operating income to cash provided by operating activities		
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources		
Deferred outflows of resources	61,395	2,270
Total OPEB liability	(511,847)	195,554
Claims payable	31,336	79,984
Unearned revenue	(9,013)	1,140,751
Deferred inflows of resources	502,228	(98,583)
Claims incurred, but not reported	188,735	410,551
Due to other governmental units	<u>3,343</u>	<u>–</u>
Net cash flows from operating activities	<u>\$ 951,452</u>	<u>\$ 2,011,763</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Scholarship and Other Custodial Fund
	<u>                    </u>
Assets	
Cash and temporary investments	\$ 140,253
Liabilities	
	<u>933</u>
Net position	
Restricted for scholarships and other custodial purposes	<u>\$ 139,320</u>

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

	Scholarship and Other Custodial Fund
	<u>                    </u>
Additions	
Contributions	
Private donations	\$ 350
Investment earnings	643
Total additions	<u>993</u>
Deductions	
Scholarships and other deductions	<u>7,613</u>
Change in net position	(6,620)
Net position	
Beginning of year	<u>145,940</u>
End of year	<u>\$ 139,320</u>

# INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Basic Financial Statements  
June 30, 2021

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Organization**

Independent School District No. 283 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a seven-member School Board elected by the voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### **B. Reporting Entity**

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

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

### **C. Government-Wide Financial Statement Presentation**

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

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

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

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

For capital assets that can be specifically identified with, or allocated to functional areas, depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. For capital assets that essentially serve all functional areas, depreciation expense is reported as “unallocated depreciation.” Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### D. Fund Financial Statement Presentation

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

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days after year-end. Grants and similar revenues are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to Minnesota Statutes. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

Internal service funds are presented in the proprietary fund financial statements. Internal service funds account for the 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. Because the principal users of the internal services are the District’s governmental activities, the internal service funds are 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 funds are charges to customers (other district funds) for services. Operating expenses for the internal service funds include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

### Description of Funds

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

#### Major Governmental Funds

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

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

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

#### Nonmajor Governmental Funds

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

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

#### Proprietary Funds

**Internal Service Funds** – The District has established internal service funds to account for dental and medical benefits provided to employees as self-insured plans and OPEB Revocable Trust Fund activities.

#### Fiduciary Fund

**Scholarship and Other Custodial Funds** – The Scholarship and Other Custodial Funds is used to account for resources held in trust to be used by various other third parties to award scholarships to former students of the District and donations made for specific purposes.

### E. Budgetary Information

The School Board adopts an annual budget for all governmental funds on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end. Actual expenditures exceeded budgeted amounts in the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund by \$140,031, \$144,077, and \$450,506, respectively. Revenues in excess of budget and available fund balance covered the variances.

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

### **F. Cash and Temporary Investments**

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

Cash and investments held by trustee include balances held in segregated accounts established for specific purposes. In the Capital Projects – Building Construction Fund these assets represent amounts held for future capital projects related to previous bond issues. In the Post-Employment Benefits Trust Fund, these assets represent amounts contributed to an irrevocable trust established to finance the District's liability for post-employment insurance benefits. Earnings from all trust fund investments are allocated directly to the respective funds.

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

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

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

### **G. Receivables**

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. The only receivables not expected to be fully collected within one year are 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 basis. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

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

### **I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

### **J. Property Taxes**

The majority of district revenue is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aids by the Minnesota Legislature based on education funding priorities.

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the “tax shift,” which periodically changes the District’s recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year’s levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$2,409,018 of the property tax levy collectible in 2021 as revenue to the District in fiscal year 2020–2021. The remaining portion of the taxes collectible in 2021 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

### **K. Capital Assets**

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

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 40 years for land improvements, buildings, and building improvements and 5 to 15 years for furniture and equipment. Land and construction in progress are not depreciated.

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

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

### **L. Long-Term Obligations**

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

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

### **M. Compensated Absences**

Eligible employees accrue vacation and sick leave at varying rates as specified by contract, portions of which may be carried over to future years. Employees are reimbursed for any unused accrued vacation upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.

### **N. Severance Benefits**

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

Severance pay based on convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements as the liability matures prior to year-end.

### **O. State-Wide Pension Plans**

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

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

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

**P. Other Post-Employment Benefits (OPEB) Plan**

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

**Q. Risk Management**

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers’ compensation for which it carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District’s insurance coverage in fiscal year 2021.
2. **Self-Insurance** – The District has established internal service funds to account for and finance its uninsured risk of loss for its employee medical and dental insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various medical and dental costs as described in the plan. The District makes premium payments to the internal service funds on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss insurance premium costs and administrative service charges.

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

Changes in the balance for dental insurance claim liabilities for the last two years were:

Fiscal Year Ended June 30,	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable End of Year
2020	\$ 17,675	\$ 516,208	\$ 520,001	\$ 13,882
2021	\$ 13,882	\$ 634,793	\$ 639,494	\$ 9,181

Changes in the balance for medical insurance claim liabilities for the last year were:

Fiscal Year Ended June 30,	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable End of Year
2020	\$ –	\$ 7,223,081	\$ 6,808,737	\$ 414,344
2021	\$ 414,344	\$ 8,318,513	\$ 8,125,077	\$ 607,780

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

### R. Deferred Outflows/Inflows of Resources

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

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

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

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

### S. Net Position

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

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

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

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

### T. Fund Balance Classifications

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

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

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

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

### U. Use of Estimates

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

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

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

### W. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements, such as a bond indenture. Restricted assets are reported only in the government-wide financial statements. In the fund financial statements, these assets have been reported as “cash and investments held by trustee.”

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Components of Cash and Investments

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

Deposits	\$	7,500,688
Investments		45,973,627
Cash on hand		<u>1,500</u>
Total	\$	<u><u>53,475,815</u></u>

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

Government-Wide Statement of Net Position		
Cash and temporary investments	\$	34,978,769
Restricted assets – temporarily restricted		
Cash and investments for building construction		15,591,785
Cash and investments for OPEB		2,765,008
Statement of Fiduciary Net Position		
Cash and temporary investments		<u>140,253</u>
Total	\$	<u><u>53,475,815</u></u>

### B. Deposits

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

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

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

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

At year-end, the carrying amount of the District’s deposits was \$7,500,688, while the balance on the bank records was \$10,406,031. At June 30, 2021, all deposits were insured or collateralized by securities held by the District’s agent in the District’s name.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Investment Risk – Maturity Duration in Years			Total
	Rating	Agency		Less Than 1	1 to 5	6 to 10	
General obligation bonds							
State and local bonds	AAA	S&P	Level 2	\$ 2,710,852	\$ 249,878	\$ –	\$ 2,960,730
State and local bonds	Aaa	Moody's	Level 2	\$ –	\$ –	\$ 196,329	196,329
State and local bonds	AA	S&P	Level 2	\$ 3,334,506	\$ –	\$ –	3,334,506
Negotiable certificates of deposit	N/R	N/A	Level 2	\$ 2,982,666	\$ –	\$ –	2,982,666
U.S. treasuries	AA	S&P	Level 2	\$ 501,620	\$ –	\$ –	501,620
Investment pools/mutual funds							
MNTrust Term Series	N/R	N/A	Amortized Cost	\$ 1,000,000	\$ –	\$ –	1,000,000
MNTrust Limited Term Duration Series	N/R	N/A	Amortized Cost	N/A	N/A	N/A	8,333,281
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized Cost	N/A	N/A	N/A	26,664,495
Total investments							<u>\$ 45,973,627</u>

N/A – Not Applicable

N/R – Not Rated

The Minnesota Trust (MNTrust) Investment Shares Portfolio, MNTrust Limited Term Duration Series, and the MNTrust Term Series are external investment pools regulated by Minnesota Statutes not registered with the Securities and Exchange Commission. The District's investment in these pools is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For these investment pools there are no restriction or limitations on withdrawals, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice. MNTrust Term Series Portfolios are intended to be held until maturity; a participant's withdrawal prior to maturity will require seven-days' notice of redemption and will likely carry a penalty, which could be substantial in that it would be intended to allow the MNTrust Term Series Portfolio to recoup any associated penalties, charges, losses, or other costs associated with the early redemption of the investments therein. Investments in the MNTrust Limited Term Duration must be deposited for a minimum of 30 calendar days.

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

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

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

**Concentration Risk** – This is the risk associated with investing a significant portion of the District’s investments (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk.

### NOTE 3 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 7,812,500	\$ –	\$ –	\$ –	\$ 7,812,500
Construction in progress	36,685,222	15,805,074	–	(29,795,569)	22,694,727
Total capital assets, not depreciated	44,497,722	15,805,074	–	(29,795,569)	30,507,227
Capital assets, depreciated					
Land improvements	264,344	–	–	–	264,344
Buildings and improvements	103,054,713	16,255,905	–	29,795,569	149,106,187
Furniture and equipment	60,647,275	211,574	–	–	60,858,849
Total capital assets, depreciated	163,966,332	16,467,479	–	29,795,569	210,229,380
Less accumulated depreciation for					
Land improvements	(159,200)	(9,320)	–	–	(168,520)
Buildings and improvements	(22,531,262)	(2,999,137)	–	–	(25,530,399)
Furniture and equipment	(53,504,304)	(972,573)	–	–	(54,476,877)
Total accumulated depreciation	(76,194,766)	(3,981,030)	–	–	(80,175,796)
Net capital assets, depreciated	87,771,566	12,486,449	–	29,795,569	130,053,584
Total capital assets, net	\$ 132,269,288	\$ 28,291,523	\$ –	\$ –	\$ 160,560,811

Depreciation expense was charged to the following governmental functions:

Administration	\$ 11,083
Elementary and secondary regular instruction	30,222
Special education instruction	3,327
Instructional support services	22,795
Pupil support services	20,177
Community service	13,143
Unallocated depreciation	3,880,283
Total depreciation expense	\$ 3,981,030

### NOTE 4 – LONG-TERM LIABILITIES

#### A. General Obligation Bonds

The District currently has the following general obligation bonds outstanding:

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
Facilities bonds					
2010A Capital Facilities Bonds	07/15/2010	1.75–5.30%	\$ 885,000	02/01/2025	\$ 260,000
2015A Alternative Facilities Bonds	05/27/2015	2.00%	\$ 2,195,000	02/01/2023	1,500,000
2019A Facilities Maintenance Bonds	07/18/2019	3.00–5.00%	\$ 22,795,000	02/01/2036	22,300,000
School building bonds					
2014A School Building Bonds	02/19/2014	1.00–3.00%	\$ 14,900,000	02/01/2023	9,705,000
2018A School Building Bonds	02/15/2018	3.13–5.00%	\$ 92,950,000	02/01/2038	92,310,000
Total general obligation bonds					\$ 126,075,000

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

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

#### B. Capital Leases

The District has entered into a capital lease for the purchase of capital assets. At the end of each agreement, the District owns the assets or has the right to purchase them for \$1. If the values of the individual assets acquired through the lease agreements exceed the District's capitalization threshold, the assets are reported in equipment at the values noted below, and the amortization of the lease cost is included in depreciation.

All lease agreements are being paid by the General Fund. Capital lease agreements outstanding at year-end are as follows:

<u>Asset Leased</u>	<u>Asset Value Capitalized</u>	<u>Interest Rate</u>	<u>Lease Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Peter Hobart Elementary School remodeling	\$ 964,000	3.15 %	07/24/2013	08/01/2028	\$ 538,406

Failure by the District to pay any payments under these agreements, or upon the occurrence of and continuation of an event of default, the lender, without any further demand or notice, may take one or any combination of the following steps: 1) the lender, with or without terminating the agreement, may declare all payments due, or become due, during the fiscal year in effect when the default occurs; 2) the lender may repossess the facility or equipment by giving the District written notice to surrender the facility or equipment to the lender and; 3) the lender will thereafter use its best efforts to sell or lease its interest in the facility or equipment, or any portion thereof, in a commercially reasonable manner, in accordance with applicable state laws. The lender may also pursue any other remedy available to require the District to perform any of its obligations in these agreements.

#### C. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including severance benefits, compensated absences, pension benefits, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are paid from the General Fund, Food Service Special Revenue Fund, Community Service Special Revenue Fund, and Other Post-Employment Benefits Internal Service Fund.

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

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

Pension Plans	Net/Total Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	\$ 10,761,845	\$ 1,245,909	\$ 619,987	\$ 351,393
State-wide, multiple-employer – TRA	39,910,700	19,878,746	35,518,098	6,099,840
Single-employer – District	4,048,730	630,313	186,612	238,380
Total	\$ 54,721,275	\$ 21,754,968	\$ 36,324,697	\$ 6,689,613

#### D. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2022	\$ 7,180,000	\$ 4,970,521	\$ 64,727	\$ 16,459
2023	7,635,000	4,729,471	66,781	14,404
2024	5,735,000	4,468,806	68,902	12,284
2025	5,930,000	4,181,926	71,089	10,096
2026	6,160,000	3,885,232	73,346	7,839
2027–2031	35,715,000	14,504,006	193,561	9,248
2032–2036	42,585,000	6,785,713	–	–
2037–2038	15,135,000	799,050	–	–
	\$ 126,075,000	\$ 44,324,725	\$ 538,406	\$ 70,330

#### E. Changes in Long-Term Liabilities

	June 30, 2020	Additions	Retirements	Debt Cancellation	June 30, 2021	Due Within One Year
General obligation bonds	\$ 132,725,000	\$ –	\$ 6,650,000	\$ –	\$ 126,075,000	\$ 7,180,000
Premiums	10,330,176	–	536,092	–	9,794,084	–
Capital leases	915,673	–	177,662	199,605	538,406	64,727
Net pension liability	44,242,270	10,157,892	3,727,617	–	50,672,545	–
Single-employer pension liability	4,180,586	238,380	370,236	–	4,048,730	373,704
Total OPEB liability	5,422,015	384,077	895,924	–	4,910,168	332,301
Compensated absences	739,784	893,983	837,171	–	796,596	796,596
Severance benefits	3,319,169	624,376	406,040	–	3,537,505	235,582
	\$ 201,874,673	\$ 12,298,708	\$ 13,600,742	\$ 199,605	\$ 200,373,034	\$ 8,982,910

## NOTE 5 – FUND BALANCES

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

### A. Classifications

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
<b>Nonspendable</b>					
Inventory	\$ –	\$ –	\$ –	\$ 22,059	\$ 22,059
Prepaid items	196,545	–	–	–	196,545
Total nonspendable	196,545	–	–	22,059	218,604
<b>Restricted</b>					
Student activities	193,043	–	–	–	193,043
Operating capital	3,454,974	–	–	–	3,454,974
Technology levy	1,279,596	–	–	–	1,279,596
Food service	–	–	–	1,712	1,712
Community service	–	–	–	367,323	367,323
Long-term facilities maintenance	1,341,431	7,863,812	–	–	9,205,243
Capital projects	–	5,427,454	–	–	5,427,454
Medical Assistance	115,185	–	–	–	115,185
Debt service	–	–	1,751,679	–	1,751,679
Total restricted	6,384,229	13,291,266	1,751,679	369,035	21,796,209
<b>Assigned</b>					
Subsequent year’s budget	1,107,029	–	–	–	1,107,029
Severance payments	1,656,920	–	–	–	1,656,920
Total assigned	2,763,949	–	–	–	2,763,949
<b>Unassigned</b>					
General Fund	6,934,378	–	–	–	6,934,378
Community education restricted account deficit	–	–	–	(365,213)	(365,213)
Total unassigned	6,934,378	–	–	(365,213)	6,569,165
Total	\$ 16,279,101	\$ 13,291,266	\$ 1,751,679	\$ 25,881	\$ 31,347,927

### B. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy that establishes a desired unassigned General Fund. The policy states the District establishes a year-end minimum unassigned fund balance of 6.0 percent of current year’s General Fund noncategorical expenditures.

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

### **A. Plan Descriptions**

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

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

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

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

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

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

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

### **B. Benefits Provided**

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

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

#### **1. GERF Benefits**

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

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

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

**2. TRA Benefits**

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

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

**Tier I Benefits**

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

With these provisions:

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

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

**Tier II Benefits**

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

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

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

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

**C. Contributions**

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

**1. GERF Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2021, were \$956,639. The District’s contributions were equal to the required contributions as set by state statutes.

**2. TRA Contributions**

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

	Year Ended June 30,					
	2019		2020		2021	
	Employee	Employer	Employee	Employer	Employee	Employer
<b>Basic Plan</b>	11.00 %	11.71 %	11.00 %	11.92 %	11.00 %	12.13 %
<b>Coordinated Plan</b>	7.50 %	7.71 %	7.50 %	7.92 %	7.50 %	8.13 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2021, were \$2,614,040. The District’s contributions were equal to the required contributions for each year as set by state statutes.

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

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

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

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

### D. Pension Costs

#### 1. GERF Pension Costs

At June 30, 2021, the District reported a liability of \$10,761,845 for its proportionate share of the General Employees Fund’s net pension liability. The District’s net pension liability reflected a reduction due to the state of Minnesota’s contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The state of Minnesota’s proportionate share of the net pension liability associated with the District totaled \$331,973. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA’s participating employers. The District’s proportionate share was 0.1795 percent at the end of the measurement period and 0.1787 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 10,761,845
State’s proportionate share of the net pension liability associated with the District	\$ 331,973

For the year ended June 30, 2021, the District recognized pension expense of \$322,517 for its proportionate share of the GERF’s pension expense. In addition, the District recognized \$28,876 as grant revenue for its proportionate share of the state of Minnesota’s pension expense for the annual \$16 million contribution.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 97,747	\$ 40,718
Changes in actuarial assumptions	–	399,878
Net collective difference between projected and actual investment earnings	158,350	–
Changes in proportion	33,173	179,391
District’s contributions to the GERF subsequent to the measurement date	956,639	–
Total	<u>\$ 1,245,909</u>	<u>\$ 619,987</u>

The \$956,639 reported as deferred outflows of resources related to pensions resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	\$ (764,629)
2023	\$ (41,693)
2024	\$ 215,595
2025	\$ 260,010

**2. TRA Pension Costs**

At June 30, 2021, the District reported a liability of \$39,910,700 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District’s proportionate share was 0.5402 percent at the end of the measurement period and 0.5391 percent for the beginning of the period.

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

District’s proportionate share of the net pension liability	\$ 39,910,700
State’s proportionate share of the net pension liability associated with the District	\$ 3,344,802

For the year ended June 30, 2021, the District recognized pension expense of \$5,793,434. It also recognized \$306,406 as an increase to pension expense for the support provided by direct aid.

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

At June 30, 2021, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 800,371	\$ 611,789
Changes in actuarial assumptions	14,155,982	33,867,555
Net difference between projected and actual investment earnings on pension plan investments	573,422	–
Changes in proportion	1,734,931	1,038,754
District’s contributions to the TRA subsequent to the measurement date	2,614,040	–
Total	<u>\$ 19,878,746</u>	<u>\$ 35,518,098</u>

A total of \$2,614,040 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	\$ 1,073,478
2023	\$ (11,758,740)
2024	\$ (8,598,133)
2025	\$ 852,235
2026	\$ 177,768

**E. Actuarial Assumptions**

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

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

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

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

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

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

### **1. GERF**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

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

#### **CHANGES IN PLAN PROVISIONS**

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

### **2. TRA**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

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

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

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

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

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

### F. Discount Rate

#### 1. GERF

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

#### 2. TRA

The discount rate used to measure the total pension liability was 7.50 percent. There was no change since the prior measurement. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2020 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

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

### G. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the GERF net pension liability	\$ 17,247,505	\$ 10,761,845	\$ 5,411,697
TRA discount rate	6.50%	7.50%	8.50%
District’s proportionate share of the TRA net pension liability	\$ 61,102,859	\$ 39,910,700	\$ 22,449,432

### H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the PERA website at [www.mnpera.org](http://www.mnpera.org).

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

## NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

### A. Plan Description

The District provides pension benefits to certain eligible employees through its Pension Benefits Plan, a single-employer defined benefit plan administered by the District. All pension benefits are based on contractual agreements with employee groups, with eligibility based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are available to the following groups: building operations supervisors, clerical/secretarial association, community education coordinators, custodial/maintenance personnel, director of assessment, director of information services, director of special services, principal and assistant principals, professional personnel, school nutrition personnel, support personnel, student data coordinator, supervisors/managers, and teachers.

### B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has not established a trust fund to finance these pension benefits.

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

**C. Membership**

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

Active plan members	140
Retirees and beneficiaries receiving benefits	<u>1</u>
Total	<u><u>141</u></u>

**D. Actuarial Methods and Assumptions**

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

Discount rate	2.45%
20-year municipal bond yield	2.45%
Inflation rate	2.25%

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on MP-2015 Generational Improvement Scale for teachers and the Pub-2010 General Mortality Tables with projected mortality improvements based on MP-2019 Generational Improvement Scale for nonteachers.

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies. Annual salary increases are based on the most recently disclosed assumption for the pension plan in which the employee participates.

**E. Discount Rate**

The discount rate used to measure the pension liability was 2.45 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

**F. Changes in the Total Pension Liability**

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2020	\$ 4,180,586
Changes for the year	
Service cost	172,090
Interest	128,622
Differences between expected and actual experience	(44,888)
Assumption changes	102,616
Changes of benefit terms	(3,622)
Benefit payments – employer-financed	<u>(486,674)</u>
Total net changes	<u>(131,856)</u>
Ending balance – June 30, 2021	<u><u>\$ 4,048,730</u></u>

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

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.13 percent to 2.45 percent.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Retirement Plan and July 1, 2018 TRA valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

Plan provision changes since the prior measurement date include the following:

- Severance benefits were removed from several individual director and coordinator contracts.

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	1.45%	2.45%	3.45%
Total pension liability	\$ 4,193,101	\$ 4,048,730	\$ 3,898,038

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

For the current year ended, the District recognized a pension expense of \$238,380, and at year-end reported the following deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 46,454	\$ 39,249
Changes in actuarial assumptions	149,406	147,363
District contributions subsequent to the measurement date	<u>434,453</u>	<u>–</u>
Total	<u>\$ 630,313</u>	<u>\$ 186,612</u>

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

A total of \$434,453 reported as deferred outflows of resources related to contributions to the single-employer plan subsequent to the measurement date will be recognized as a reduction of total pension liability in the year ending June 30, 2022. These amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	\$ (4,290)
2023	\$ (4,290)
2024	\$ (4,290)
2025	\$ (4,290)
2026	\$ 1,393
Thereafter	\$ 25,015

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**

**A. Plan Description**

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**B. Benefits Provided**

All retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays the eligible retiree’s premiums for medical, dental, and/or life insurance, for some period after retirement. The length of the benefits to be paid by the District differ by bargaining unit.

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

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**C. Contributions**

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

**D. Membership**

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

Retirees and beneficiaries receiving benefits	16
Active plan members	<u>740</u>
Total members	<u><u>756</u></u>

**E. Total OPEB Liability of the District**

The District’s total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020.

**F. Actuarial Methods and Assumptions**

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

Discount rate	2.45%
20-year municipal bond yield	2.45%
Inflation rate	2.25%
Medical trend rate	6.70%, grading to 3.80% over 55 years

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on MP-2015 Generational Improvement Scale for teachers and Pub-2010 General Mortality Tables with projected mortality improvements based on MP-2019 Generational Improvement Scale for nonteachers.

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

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information, as well as consistency with other economic assumptions. Annual salary increases are based on the most recently disclosed assumption for the pension plan in which the employee participates.

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

**G. Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Beginning balance – July 1, 2020	\$ 5,422,015
Changes for the year	
Service cost	309,654
Interest	174,232
Differences between expected and actual experience	(629,621)
Assumption changes	(49,830)
Changes in benefit terms	14,045
Benefit payments	<u>(330,327)</u>
Total net changes	<u>(511,847)</u>
Ending balance – June 30, 2021	<u>\$ 4,910,168</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.13 percent to 2.45 percent.
- Healthcare trend medical and dental rates were reset to reflect updated cost increase expectations. Medical trend updates include the repeal of the Affordable Care Act’s Excise Tax on high-cost health insurance plans.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Retirement Plan and July 1, 2018 TRA valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

Plan provision changes since the prior measurement date include the following:

- Severance benefits were removed from several individual director, coordinator, and technical personnel contracts.

**H. Total OPEB Liability Sensitivity to Discount and Medical Cost Trend Rate Changes**

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	1.45%	2.45%	3.45%
Total OPEB liability	\$ 5,139,379	\$ 4,910,168	\$ 4,676,630

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

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

	1% Decrease in Medical Cost Trend Rate	Medical Cost Trend Rate	1% Increase in Medical Cost Trend Rate
OPEB medical cost trend rate	5.70%, decreasing to 3.80% over 55 years	6.70%, decreasing to 3.80% over 55 years	7.70%, decreasing to 3.80% over 55 years
Total OPEB liability	\$ 4,493,056	\$ 4,910,168	\$ 5,389,137

**I. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources**

For the current year ended, the District recognized OPEB expense of \$384,077. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability	\$ 287,648	\$ 556,748
Changes in actuarial assumptions	100,128	601,912
District contributions subsequent to the measurement date	332,301	–
Total	<u>\$ 720,077</u>	<u>\$ 1,158,660</u>

A total of \$332,301 reported as deferred outflows of resources related to contributions to the OPEB Plan subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	OPEB Expense Amount
2022	\$ (113,854)
2023	\$ (113,854)
2024	\$ (113,854)
2025	\$ (113,854)
2026	\$ (108,397)
Thereafter	\$ (207,071)

## **NOTE 9 – FLEXIBLE BENEFIT PLAN**

The District has established the St. Louis Park Employees' Flex-Benefits Plan (the Plan). The Plan is a flexible benefit plan classified as a "cafeteria plan" under § 125 of the IRC. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for health insurance, healthcare, and dependent care benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

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

The employee portion of insurance premiums (health, dental, and disability) are withheld and paid by the District directly to the designated insurance companies. The dependent care and medical expense reimbursement portions of the Plan are administered by an independent contract administrator. All plan activity is accounted for in the General Fund and special revenue funds. All property of the Plan and income attributable to that property is solely the property of the District, subject to the claims of the District's general creditors. Participants' rights under the Plan are equal to those of general creditors of the District in an amount equal to the eligible healthcare and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

## **NOTE 10 – COMMITMENTS AND CONTINGENCIES**

### **A. Legal Claims**

The District has the usual and customary types of miscellaneous legal claims pending at year-end, mostly of a minor nature and usually covered by insurance carried for that purpose.

### **B. Federal and State Receivables**

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

### **C. Construction Contracts**

At June 30, 2021, the District had commitments totaling \$9,471,101 under construction contracts for which the work was not yet completed.

## NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

### D. Operating Leases

The District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights and, therefore, the results of the lease agreements are not reflected as a liability in the District's financial statements. Total expenditures for these leases for the year totaled \$238,764. Annual minimum lease payments for the operating leases are as follows:

Year Ending June 30,	Amount
2022	\$ 196,011
2023	199,931
2024	203,930
2025	208,008
2026	212,169
2027–2028	437,152
	<u>\$ 1,457,201</u>

Failure by the District to pay any payments under these agreements, or upon the occurrence of and continuation of an event of default, the lender, without any further demand or notice, may take one or any combination of the following steps: 1) the lender, with or without terminating the agreement, may declare all payments due, or become due, during the fiscal year in effect when the default occurs; 2) the lender may no longer provide access to the facility by giving the District written notice to surrender the facility or and; 3) the lender will thereafter use its best efforts to sell or lease its interest in the facility or equipment, or any portion thereof, in a commercially reasonable manner, in accordance with applicable state laws. The lender may also pursue any other remedy available to require the District to perform any of its obligations in these agreements.

### E. COVID-19

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

### F. Solar Power Purchase Commitment

During fiscal year 2021, the District entered into nine solar subscription agreements with an outside company for each of the District buildings. The District is committed to purchasing 100 percent of the annual delivered energy from the solar systems for a period of 25 years from the commercial operation date to receive bill credits associated with the energy production.

**NOTE 11 – INTERFUND BALANCE**

The District's General Fund has a receivable of \$1,291,288 at year-end, due from the Post-Employment Benefits Internal Service Fund of \$387,350 related to reimbursements of OPEB costs, \$129,783 from the Food Service Special Revenue Fund for cash flow purposes, and \$774,155 from the Community Service Special Revenue Fund for cash flow purposes. Interfund receivables and payables reported in the fund financial statements are eliminated to the extent possible in the government-wide financial statements.

**NOTE 12 – DEFICIT NET POSITION**

At June 30, 2021, the District's Other Post-Employment Benefits Internal Service Fund reported a deficit net position of \$2,957,683.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 283

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

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.1889%	\$ 8,873,576	\$ -	\$ 8,873,576	\$ 11,746,254	75.54%	78.70%
06/30/2016	06/30/2015	0.1838%	\$ 9,525,470	\$ -	\$ 9,525,470	\$ 12,107,860	78.67%	78.20%
06/30/2017	06/30/2016	0.1856%	\$ 15,069,799	\$ 196,897	\$ 15,266,696	\$ 13,223,419	113.96%	68.90%
06/30/2018	06/30/2017	0.1878%	\$ 11,989,028	\$ 150,271	\$ 12,139,299	\$ 13,404,414	89.44%	75.90%
06/30/2019	06/30/2018	0.1816%	\$ 10,074,423	\$ 330,535	\$ 10,404,958	\$ 13,732,693	73.36%	79.50%
06/30/2020	06/30/2019	0.1787%	\$ 9,879,923	\$ 307,153	\$ 10,187,076	\$ 12,518,036	78.93%	80.20%
06/30/2021	06/30/2020	0.1795%	\$ 10,761,845	\$ 331,973	\$ 11,093,818	\$ 12,747,970	84.42%	79.10%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 798,857	\$ 798,857	\$ -	\$ 12,107,860	6.60%
06/30/2016	\$ 860,304	\$ 860,304	\$ -	\$ 13,223,419	6.51%
06/30/2017	\$ 909,358	\$ 909,358	\$ -	\$ 13,404,414	6.78%
06/30/2018	\$ 915,421	\$ 915,421	\$ -	\$ 13,732,693	6.67%
06/30/2019	\$ 939,245	\$ 939,245	\$ -	\$ 12,518,036	7.50%
06/30/2020	\$ 955,918	\$ 955,918	\$ -	\$ 12,747,970	7.50%
06/30/2021	\$ 956,639	\$ 956,639	\$ -	\$ 12,757,568	7.50%

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

INDEPENDENT SCHOOL DISTRICT NO. 283

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

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.5456%	\$ 25,140,855	\$ 1,768,679	\$ 26,909,534	\$ 24,907,042	100.94%	81.50%
06/30/2016	06/30/2015	0.5156%	\$ 31,894,959	\$ 3,911,929	\$ 35,806,888	\$ 26,167,840	121.89%	76.80%
06/30/2017	06/30/2016	0.5340%	\$ 127,371,741	\$ 12,784,807	\$ 140,156,548	\$ 27,779,987	458.50%	44.88%
06/30/2018	06/30/2017	0.5527%	\$ 110,328,946	\$ 10,664,657	\$ 120,993,603	\$ 29,998,018	367.79%	51.57%
06/30/2019	06/30/2018	0.5446%	\$ 34,205,978	\$ 3,213,935	\$ 37,419,913	\$ 30,255,612	113.06%	78.07%
06/30/2020	06/30/2019	0.5391%	\$ 34,362,347	\$ 3,040,919	\$ 37,403,266	\$ 30,530,140	112.55%	78.21%
06/30/2021	06/30/2020	0.5402%	\$ 39,910,700	\$ 3,344,802	\$ 43,255,502	\$ 31,353,181	127.29%	75.48%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,880,413	\$ 1,880,413	\$ -	\$ 26,167,840	7.19%
06/30/2016	\$ 2,159,961	\$ 2,159,961	\$ -	\$ 27,779,987	7.78%
06/30/2017	\$ 2,239,979	\$ 2,239,979	\$ -	\$ 29,998,018	7.47%
06/30/2018	\$ 2,268,034	\$ 2,268,034	\$ -	\$ 30,255,612	7.50%
06/30/2019	\$ 2,356,658	\$ 2,356,658	\$ -	\$ 30,530,140	7.72%
06/30/2020	\$ 2,485,617	\$ 2,485,617	\$ -	\$ 31,353,181	7.93%
06/30/2021	\$ 2,614,040	\$ 2,614,040	\$ -	\$ 32,130,320	8.14%

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

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	District Fiscal Year-End Date				
	2017	2018	2019	2020	2021
Total pension liability					
Service cost	\$ 191,808	\$ 198,521	\$ 186,488	\$ 154,407	\$ 172,090
Interest	121,139	119,344	144,153	148,975	128,622
Differences between expected and actual experience	–	–	70,820	–	(44,888)
Assumption changes	–	(122,198)	(125,009)	77,443	102,616
Change of benefit terms	–	–	–	–	(3,622)
Benefit payments	(293,415)	(471,857)	(103,099)	(322,312)	(486,674)
Net change in total pension liability	19,532	(276,190)	173,353	58,513	(131,856)
Total pension liability – beginning of year	4,205,378	4,224,910	3,948,720	4,122,073	4,180,586
Total pension liability – end of year	<u>\$ 4,224,910</u>	<u>\$ 3,948,720</u>	<u>\$ 4,122,073</u>	<u>\$ 4,180,586</u>	<u>\$ 4,048,730</u>
Covered-employee payroll	<u>\$ 12,064,057</u>	<u>\$ 12,564,715</u>	<u>\$ 11,789,415</u>	<u>\$ 12,153,286</u>	<u>\$ 10,602,032</u>
Total pension liability as a percentage of covered-employee payroll	<u>35.02%</u>	<u>31.43%</u>	<u>34.96%</u>	<u>34.40%</u>	<u>38.19%</u>

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

Note 2: The District implemented GASB Statement No. 73 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	District Fiscal Year-End Date			
	2018	2019	2020	2021
Total OPEB liability				
Service cost	\$ 298,346	\$ 283,062	\$ 272,916	\$ 309,654
Interest	159,816	194,344	191,866	174,232
Differences between expected and actual experience	–	434,159	–	(629,621)
Changes in assumptions	(169,944)	(703,143)	129,192	(49,830)
Changes in benefit terms	–	–	–	14,045
Benefit payments	(341,220)	(408,795)	(398,420)	(330,327)
Net change in total OPEB liability	(53,002)	(200,373)	195,554	(511,847)
Total OPEB liability – beginning of year	5,479,836	5,426,834	5,226,461	5,422,015
Total OPEB liability – end of year	<u>\$ 5,426,834</u>	<u>\$ 5,226,461</u>	<u>\$ 5,422,015</u>	<u>\$ 4,910,168</u>
Covered-employee payroll	<u>\$ 42,960,575</u>	<u>\$ 41,333,803</u>	<u>\$ 41,888,500</u>	<u>\$ 41,927,677</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>12.63%</u>	<u>12.64%</u>	<u>12.94%</u>	<u>11.71%</u>

Note: The District implemented GASB Statement No. 75 for the year ended June 30, 2018. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

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INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information  
June 30, 2021

**PERA – GENERAL EMPLOYEES RETIREMENT FUND**

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2020 CHANGES IN PLAN PROVISIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

**2019 CHANGES IN PLAN PROVISIONS**

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

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2018 CHANGES IN PLAN PROVISIONS**

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

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

**2017 CHANGES IN PLAN PROVISIONS**

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

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2015 CHANGES IN PLAN PROVISIONS**

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

**2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**TEACHERS RETIREMENT ASSOCIATION (TRA)**

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2017 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)**

**2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

**2015 CHANGES IN PLAN PROVISIONS**

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

**2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**PENSION BENEFITS PLAN**

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.13 percent to 2.45 percent.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Retirement Plan and July 1, 2018 TRA valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

**2021 CHANGES IN PLAN PROVISIONS**

- Severance benefits were removed from several individual director and coordinator contracts.

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.62 percent to 3.13 percent.

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.53 percent to 3.62 percent.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2015 PERA General Employees Retirement Plan and July 1, 2015 TRA valuations to the rates used in the July 1, 2018 valuations.
- The inflation assumption was changes from 2.72 percent to 2.50 percent.

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 2.85 percent to 3.53 percent based on updated 20-year municipal bond rates.

INDEPENDENT SCHOOL DISTRICT NO. 283

Notes to Required Supplementary Information (continued)  
June 30, 2021

**OTHER POST-EMPLOYMENT BENEFITS PLAN**

**2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.13 percent to 2.45 percent.
- Healthcare trend medical and dental rates were reset to reflect updated cost increase expectations. Medical trend updates include the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Retirement Plan and July 1, 2018 TRA valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

**2021 CHANGES IN PLAN PROVISIONS**

- Severance benefits were removed from several individual director, coordinator, and technical personnel contracts.

**2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.62 percent to 3.13 percent.

**2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.53 percent to 3.62 percent based on updated 20-year municipal bond rates.
- Medical trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated to RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale for teachers and with an MP-2017 Generational Scale for nonteachers to the rates used in the July 1, 2018 valuations.
- The inflation assumption was changed from 2.75 percent to 2.50 percent.

**2018 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 2.85 percent to 3.53 percent.

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SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Special Revenue Funds		Total
	Food Service	Community Service	
<b>Assets</b>			
Cash and temporary investments	\$ -	\$ -	\$ -
Receivables			
Current taxes	-	524,669	524,669
Delinquent taxes	-	13,183	13,183
Accounts and interest	122,265	118,395	240,660
Due from other governmental units	174,959	1,530,112	1,705,071
Inventory	22,059	-	22,059
<b>Total assets</b>	<b>\$ 319,283</b>	<b>\$ 2,186,359</b>	<b>\$ 2,505,642</b>
<b>Liabilities</b>			
Salaries payable	\$ 49,460	\$ 157,688	\$ 207,148
Accounts and contracts payable	14,375	75,312	89,687
Due to other governmental units	-	780	780
Due to other funds	129,783	774,155	903,938
Unearned revenue	101,894	140,740	242,634
<b>Total liabilities</b>	<b>295,512</b>	<b>1,148,675</b>	<b>1,444,187</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	-	1,025,576	1,025,576
Unavailable revenue – delinquent taxes	-	9,998	9,998
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,035,574</b>	<b>1,035,574</b>
<b>Fund balances (deficits)</b>			
Nonspendable for inventory	22,059	-	22,059
Restricted	1,712	367,323	369,035
Unassigned	-	(365,213)	(365,213)
<b>Total fund balances</b>	<b>23,771</b>	<b>2,110</b>	<b>25,881</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 319,283</b>	<b>\$ 2,186,359</b>	<b>\$ 2,505,642</b>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Special Revenue Funds		Total
	Food Service	Community Service	
Revenue			
Local sources			
Property taxes	\$ -	\$ 980,690	\$ 980,690
Investment earnings	-	505	505
Other	10,505	3,393,768	3,404,273
State sources	-	1,323,768	1,323,768
Federal sources	1,527,195	1,302,564	2,829,759
Total revenue	<u>1,537,700</u>	<u>7,001,295</u>	<u>8,538,995</u>
Expenditures			
Current			
Food service	1,597,330	-	1,597,330
Community service	-	7,012,752	7,012,752
Capital outlay	31,274	1,753	33,027
Total expenditures	<u>1,628,604</u>	<u>7,014,505</u>	<u>8,643,109</u>
Net change in fund balances	(90,904)	(13,210)	(104,114)
Fund balances			
Beginning of year	<u>114,675</u>	<u>15,320</u>	<u>129,995</u>
End of year	<u>\$ 23,771</u>	<u>\$ 2,110</u>	<u>\$ 25,881</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and temporary investments	\$ 23,332,548	\$ 28,984,325
Receivables		
Current taxes	10,008,990	10,495,201
Delinquent taxes	264,762	251,127
Accounts and interest	139,276	247,878
Due from other governmental units	6,597,798	4,485,953
Due from other funds	1,291,288	280,165
Prepaid items	<u>196,545</u>	<u>209,734</u>
Total assets	<u>\$ 41,831,207</u>	<u>\$ 44,954,383</u>
<b>Liabilities</b>		
Salaries payable	\$ 6,106,760	\$ 5,623,079
Accounts and contracts payable	1,398,625	696,937
Due to other governmental units	10,534	231,051
Severance payable	-	79,198
Unearned revenue	<u>681,099</u>	<u>723,402</u>
Total liabilities	8,197,018	7,353,667
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	17,155,444	17,723,878
Unavailable revenue – delinquent taxes	<u>199,644</u>	<u>207,313</u>
Total deferred inflows of resources	17,355,088	17,931,191
<b>Fund balances</b>		
Nonspendable for prepaid items	196,545	209,734
Restricted for student activities	193,043	179,038
Restricted for staff development	-	95,489
Restricted for operating capital	3,454,974	3,440,251
Restricted for basic skills	-	823,835
Restricted for technology levy	1,279,596	1,074,205
Restricted for long-term facilities maintenance	1,341,431	1,101,684
Restricted for Medical Assistance	115,185	52,319
Assigned for subsequent year's budget	1,107,029	2,385,192
Assigned for severance payments	1,656,920	1,854,604
Unassigned	<u>6,934,378</u>	<u>8,453,174</u>
Total fund balances	<u>16,279,101</u>	<u>19,669,525</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 41,831,207</u>	 <u>\$ 44,954,383</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		Over (Under) Budget	2020
	Budget	Actual		Actual
<b>Revenue</b>				
Local sources				
Property taxes	\$ 20,140,000	\$ 20,648,739	\$ 508,739	\$ 20,833,568
Investment earnings	280,000	103,063	(176,937)	516,543
Other	1,063,505	904,775	(158,730)	1,078,629
State sources	45,035,393	45,054,510	19,117	45,069,904
Federal sources	3,965,219	4,464,368	499,149	2,072,011
Total revenue	70,484,117	71,175,455	691,338	69,570,655
<b>Expenditures</b>				
Current				
Administration				
Salaries	1,865,626	2,102,804	237,178	1,856,959
Employee benefits	709,904	723,336	13,432	721,690
Purchased services	78,525	80,295	1,770	108,486
Supplies and materials	21,900	9,155	(12,745)	26,549
Capital expenditures	165,760	248	(165,512)	6,622
Other expenditures	46,825	54,546	7,721	53,343
Total administration	2,888,540	2,970,384	81,844	2,773,649
District support services				
Salaries	2,090,426	2,177,578	87,152	2,072,937
Employee benefits	813,514	838,904	25,390	790,109
Purchased services	447,550	567,239	119,689	466,865
Supplies and materials	1,312,814	1,100,038	(212,776)	362,177
Capital expenditures	1,186,687	1,094,227	(92,460)	802,870
Other expenditures	7,700	(26,822)	(34,522)	(18,976)
Total district support services	5,858,691	5,751,164	(107,527)	4,475,982
Elementary and secondary regular instruction				
Salaries	22,510,409	22,100,728	(409,681)	21,606,955
Employee benefits	8,132,460	7,956,581	(175,879)	7,524,038
Purchased services	1,467,461	1,493,178	25,717	1,856,868
Supplies and materials	895,496	548,930	(346,566)	659,563
Capital expenditures	451,617	150,320	(301,297)	145,123
Other expenditures	65,540	219,417	153,877	204,100
Total elementary and secondary regular instruction	33,522,983	32,469,154	(1,053,829)	31,996,647

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		Over (Under) Budget	2020
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	401,448	508,734	107,286	435,849
Employee benefits	116,961	158,463	41,502	133,766
Purchased services	16,100	10,928	(5,172)	15,582
Supplies and materials	18,000	25,985	7,985	26,519
Capital expenditures	—	—	—	463
Other expenditures	600	5,107	4,507	3,523
Total vocational education instruction	553,109	709,217	156,108	615,702
Special education instruction				
Salaries	7,729,736	7,831,313	101,577	7,780,262
Employee benefits	2,858,365	2,961,073	102,708	2,959,158
Purchased services	1,607,580	1,490,298	(117,282)	1,078,807
Supplies and materials	142,217	42,268	(99,949)	67,887
Capital expenditures	—	3,228	3,228	3,720
Other expenditures	—	862,176	862,176	46,329
Total special education instruction	12,337,898	13,190,356	852,458	11,936,163
Instructional support services				
Salaries	2,613,521	2,880,900	267,379	2,632,385
Employee benefits	1,003,758	1,089,219	85,461	1,005,856
Purchased services	394,380	350,039	(44,341)	537,013
Supplies and materials	183,862	181,833	(2,029)	215,060
Capital expenditures	177,800	75,133	(102,667)	110,281
Other expenditures	5,300	19,426	14,126	15,320
Total instructional support services	4,378,621	4,596,550	217,929	4,515,915
Pupil support services				
Salaries	2,084,091	2,137,712	53,621	1,969,114
Employee benefits	748,879	804,856	55,977	720,795
Purchased services	3,261,261	3,366,900	105,639	3,324,887
Supplies and materials	203,824	181,453	(22,371)	223,144
Capital expenditures	355,000	125,546	(229,454)	71,060
Other expenditures	750	46,951	46,201	11,400
Total pupil support services	6,653,805	6,663,418	9,613	6,320,400

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		Over (Under) Budget	2020
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	2,347,201	2,267,081	(80,120)	2,175,584
Employee benefits	829,432	884,885	55,453	738,501
Purchased services	2,257,397	2,466,647	209,250	2,457,201
Supplies and materials	879,606	1,104,045	224,439	708,510
Capital expenditures	1,058,588	947,965	(110,623)	1,042,919
Other expenditures	72,500	(112,427)	(184,927)	(113,550)
Total sites and buildings	<u>7,444,724</u>	<u>7,558,196</u>	<u>113,472</u>	<u>7,009,165</u>
Fiscal and other fixed cost programs				
Purchased services	470,000	459,560	(10,440)	276,349
Debt service				
Principal	293,256	177,662	(115,594)	425,690
Interest and fiscal charges	24,221	20,218	(4,003)	32,219
Total debt service	<u>317,477</u>	<u>197,880</u>	<u>(119,597)</u>	<u>457,909</u>
Total expenditures	<u>74,425,848</u>	<u>74,565,879</u>	<u>140,031</u>	<u>70,377,881</u>
Excess (deficiency) of revenue over expenditures	(3,941,731)	(3,390,424)	551,307	(807,226)
Other financing sources				
Capital lease issued	<u>—</u>	<u>—</u>	<u>—</u>	<u>42,731</u>
Net change in fund balances	<u>\$ (3,941,731)</u>	<u>(3,390,424)</u>	<u>\$ 551,307</u>	<u>(764,495)</u>
Fund balances				
Beginning of year		<u>19,669,525</u>		<u>20,434,020</u>
End of year		<u>\$ 16,279,101</u>		<u>\$ 19,669,525</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
Assets		
Receivables		
Accounts and interest	\$ 122,265	\$ 145,562
Due from other governmental units	174,959	189,800
Inventory	<u>22,059</u>	<u>75,956</u>
Total assets	<u>\$ 319,283</u>	<u>\$ 411,318</u>
Liabilities		
Salaries payable	\$ 49,460	\$ 67,231
Accounts and contracts payable	14,375	29,191
Due to other governmental units	-	280
Due to other funds	129,783	117,020
Unearned revenue	<u>101,894</u>	<u>82,921</u>
Total liabilities	295,512	296,643
Fund balances		
Nonspendable for inventory	22,059	75,956
Restricted for food service	<u>1,712</u>	<u>38,719</u>
Total fund balances	<u>23,771</u>	<u>114,675</u>
Total liabilities and fund balances	<u>\$ 319,283</u>	<u>\$ 411,318</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		Over (Under) Budget	2020
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 3,000	\$ -	\$ (3,000)	\$ 3,731
Other – primarily meal sales	-	10,505	10,505	613,884
State sources	-	-	-	103,385
Federal sources	1,481,527	1,527,195	45,668	1,094,481
Total revenue	<u>1,484,527</u>	<u>1,537,700</u>	<u>53,173</u>	<u>1,815,481</u>
Expenditures				
Current				
Salaries	726,085	638,379	(87,706)	744,840
Employee benefits	325,541	300,910	(24,631)	318,535
Purchased services	160,800	7,632	(153,168)	29,465
Supplies and materials	262,601	444,693	182,092	751,633
Other expenditures	9,500	205,716	196,216	172,151
Capital outlay	-	31,274	31,274	4,608
Total expenditures	<u>1,484,527</u>	<u>1,628,604</u>	<u>144,077</u>	<u>2,021,232</u>
Excess (deficiency) of revenue over expenditures	-	(90,904)	(90,904)	(205,751)
Other financing sources				
Sale of assets	-	-	-	575
Net change in fund balances	<u>\$ -</u>	<u>(90,904)</u>	<u>\$ (90,904)</u>	<u>(205,176)</u>
Fund balances				
Beginning of year		<u>114,675</u>		<u>319,851</u>
End of year		<u>\$ 23,771</u>		<u>\$ 114,675</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and temporary investments	\$ —	\$ 338,318
Receivables		
Current taxes	524,669	513,286
Delinquent taxes	13,183	12,403
Accounts and interest	118,395	1,186
Due from other governmental units	<u>1,530,112</u>	<u>474,133</u>
Total assets	<u>\$ 2,186,359</u>	<u>\$ 1,339,326</u>
<b>Liabilities</b>		
Salaries payable	\$ 157,688	\$ 138,555
Accounts and contracts payable	75,312	53,720
Due to other governmental units	780	300
Due to other funds	774,155	—
Unearned revenue	<u>140,740</u>	<u>135,954</u>
Total liabilities	<u>1,148,675</u>	<u>328,529</u>
<b>Deferred inflows of resources</b>		
Property taxes levied for subsequent year	1,025,576	985,095
Unavailable revenue – delinquent taxes	<u>9,998</u>	<u>10,382</u>
Total deferred inflows of resources	<u>1,035,574</u>	<u>995,477</u>
<b>Fund balances (deficits)</b>		
Restricted for early childhood family education programs	—	444,342
Restricted for community service	367,323	313,828
Unassigned – community education programs restricted account deficit	<u>(365,213)</u>	<u>(742,850)</u>
Total fund balances	<u>2,110</u>	<u>15,320</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,186,359</u>	<u>\$ 1,339,326</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue</b>				
Local sources				
Property taxes	\$ 985,000	\$ 980,690	\$ (4,310)	\$ 950,623
Investment earnings	5,000	505	(4,495)	12,348
Other – primarily tuition and fees	3,032,633	3,393,768	361,135	4,468,484
State sources	1,348,021	1,323,768	(24,253)	1,340,321
Federal sources	1,193,345	1,302,564	109,219	–
Total revenue	<u>6,563,999</u>	<u>7,001,295</u>	<u>437,296</u>	<u>6,771,776</u>
<b>Expenditures</b>				
Current				
Salaries	3,877,812	4,244,018	366,206	4,500,798
Employee benefits	1,515,551	1,594,088	78,537	1,668,763
Purchased services	849,660	852,467	2,807	1,017,846
Supplies and materials	301,001	279,484	(21,517)	351,549
Other expenditures	9,125	42,695	33,570	37,516
Capital outlay	10,850	1,753	(9,097)	11,357
Total expenditures	<u>6,563,999</u>	<u>7,014,505</u>	<u>450,506</u>	<u>7,587,829</u>
Net change in fund balances	<u>\$ –</u>	<u>(13,210)</u>	<u>\$ (13,210)</u>	<u>(816,053)</u>
<b>Fund balances</b>				
Beginning of year		<u>15,320</u>		<u>831,373</u>
End of year		<u>\$ 2,110</u>		<u>\$ 15,320</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	<u>2021</u>	<u>2020</u>
Assets		
Cash and investments – held by trustee	\$ 15,591,785	\$ 57,670,771
Accounts and interest receivable	<u>147,758</u>	<u>1,098,516</u>
Total assets	<u>\$ 15,739,543</u>	<u>\$ 58,769,287</u>
Liabilities		
Accounts and contracts payable	\$ 2,448,277	\$ 11,913,069
Fund balances		
Restricted for capital projects	5,427,454	26,670,894
Restricted for long-term facilities maintenance	<u>7,863,812</u>	<u>20,185,324</u>
Total fund balances	<u>13,291,266</u>	<u>46,856,218</u>
Total liabilities and fund balances	<u>\$ 15,739,543</u>	<u>\$ 58,769,287</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

Capital Projects – Building Construction Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Budget and Actual

Year Ended June 30, 2021

(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		Over (Under) Budget	2020
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 625,000	\$ 221,895	\$ (403,105)	\$ 1,682,325
Other	–	50,436	50,436	142,354
Federal sources	–	122,331	122,331	133,892
Total revenue	<u>625,000</u>	<u>394,662</u>	<u>(230,338)</u>	<u>1,958,571</u>
Expenditures				
Capital outlay				
Salaries	–	5,019	5,019	–
Employee benefits	–	1,489	1,489	–
Purchased services	10,135,900	2,510,232	(7,625,668)	6,582,084
Capital expenditures	31,900,000	31,442,874	(457,126)	41,472,129
Debt service				
Fiscal charges and other	–	–	–	115,621
Total expenditures	<u>42,035,900</u>	<u>33,959,614</u>	<u>(8,076,286)</u>	<u>48,169,834</u>
Excess (deficiency) of revenue over expenditures	(41,410,900)	(33,564,952)	7,845,948	(46,211,263)
Other financing sources				
Debt issued	–	–	–	22,795,000
Premium on debt issued	–	–	–	2,641,233
Total other financing sources	<u>–</u>	<u>–</u>	<u>–</u>	<u>25,436,233</u>
Net change in fund balances	<u>\$ (41,410,900)</u>	<u>(33,564,952)</u>	<u>\$ 7,845,948</u>	<u>(20,775,030)</u>
Fund balances				
Beginning of year		<u>46,856,218</u>		<u>67,631,248</u>
End of year		<u>\$ 13,291,266</u>		<u>\$ 46,856,218</u>

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INDEPENDENT SCHOOL DISTRICT NO. 283

Debt Service Fund  
 Balance Sheet by Account  
 as of June 30, 2021  
 (With Comparative Totals as of June 30, 2020)

	Regular Debt Service Account	OPEB Debt Service Account	Totals	
			2021	2020
Assets				
Cash and temporary investments	\$ 7,807,335	\$ 149,613	\$ 7,956,948	\$ 7,354,370
Receivables				
Current taxes	6,539,919	-	6,539,919	6,181,122
Delinquent taxes	125,154	7,007	132,161	115,617
	<u>\$ 14,472,408</u>	<u>\$ 156,620</u>	<u>\$ 14,629,028</u>	<u>\$ 13,651,109</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	\$ 12,783,539	\$ -	\$ 12,783,539	\$ 11,862,553
Unavailable revenue – delinquent taxes	86,803	7,007	93,810	93,155
Total deferred inflows of resources	12,870,342	7,007	12,877,349	11,955,708
Fund balances				
Restricted for debt service	1,602,066	149,613	1,751,679	1,695,401
	<u>1,602,066</u>	<u>149,613</u>	<u>1,751,679</u>	<u>1,695,401</u>
Total deferred inflows of resources and fund balances	<u>\$ 14,472,408</u>	<u>\$ 156,620</u>	<u>\$ 14,629,028</u>	<u>\$ 13,651,109</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	2021		
	Budget	Regular Debt Service Account	OPEB Debt Service Account
Revenue			
Local sources			
Property taxes	\$ 11,862,000	\$ 11,802,422	\$ 1,812
Investment earnings	-	20,185	-
Federal sources	-	27,533	-
Total revenue	<u>11,862,000</u>	<u>11,850,140</u>	<u>1,812</u>
Expenditures			
Debt service			
Principal	6,650,000	6,650,000	-
Interest	5,139,424	5,139,424	-
Fiscal charges and other	10,950	6,250	-
Total expenditures	<u>11,800,374</u>	<u>11,795,674</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	61,626	54,466	1,812
Other financing sources			
Premium on debt issued	-	-	-
Net change in fund balances	<u>\$ 61,626</u>	54,466	1,812
Fund balances			
Beginning of year		<u>1,547,600</u>	<u>147,801</u>
End of year		<u>\$ 1,602,066</u>	<u>\$ 149,613</u>

		2020
Total	Over (Under) Budget	Actual
\$ 11,804,234	\$ (57,766)	\$ 10,558,297
20,185	20,185	76,407
27,533	27,533	18,290
<u>11,851,952</u>	<u>(10,048)</u>	<u>10,652,994</u>
6,650,000	–	6,190,000
5,139,424	–	4,853,154
6,250	(4,700)	11,188
<u>11,795,674</u>	<u>(4,700)</u>	<u>11,054,342</u>
56,278	(5,348)	(401,348)
–	–	304,442
56,278	<u>\$ (5,348)</u>	(96,906)
<u>1,695,401</u>		<u>1,792,307</u>
<u>\$ 1,751,679</u>		<u>\$ 1,695,401</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits
Assets			
Current assets			
Cash and temporary investments	\$ 536,646	\$ 3,152,627	\$ –
Cash and investments – held by trustee	–	–	2,765,008
Accounts and interest receivable	–	–	13,410
Total current assets	<u>536,646</u>	<u>3,152,627</u>	<u>2,778,418</u>
Deferred outflows of resources			
OPEB plan deferments	–	–	720,077
Liabilities			
Current liabilities			
Claims payable	31,319	96,848	–
Unearned revenue	74,916	1,133,704	–
Claims incurred, but not reported	9,181	607,780	–
Due to other governmental units	–	3,343	–
Due to other funds	–	–	387,350
Total OPEB liability – due within one year	–	–	332,301
Total current liabilities	<u>115,416</u>	<u>1,841,675</u>	<u>719,651</u>
Long-term liabilities			
Total OPEB liability – due in more than one year	<u>–</u>	<u>–</u>	<u>4,577,867</u>
Total liabilities	115,416	1,841,675	5,297,518
Deferred inflows of resources			
OPEB plan deferments	<u>–</u>	<u>–</u>	<u>1,158,660</u>
Net position			
Unrestricted	<u>\$ 421,230</u>	<u>\$ 1,310,952</u>	<u>\$ (2,957,683)</u>

Totals	
2021	2020
\$ 3,689,273	\$ 2,527,465
2,765,008	2,677,874
13,410	59,970
<u>6,467,691</u>	<u>5,265,309</u>
720,077	781,472
128,167	96,831
1,208,620	1,217,633
616,961	428,226
3,343	–
387,350	163,145
332,301	–
<u>2,676,742</u>	<u>1,905,835</u>
<u>4,577,867</u>	<u>5,422,015</u>
7,254,609	7,327,850
<u>1,158,660</u>	<u>656,432</u>
<u>\$ (1,225,501)</u>	<u>\$ (1,937,501)</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits
Operating revenue			
Contributions from governmental funds	\$ 654,806	\$ 9,223,150	\$ 144,951
Operating expenses			
Dental benefit claims	634,793	-	-
Medical benefit claims	-	8,318,513	-
OPEB	-	-	384,326
Total operating expenses	<u>634,793</u>	<u>8,318,513</u>	<u>384,326</u>
Operating income (loss)	20,013	904,637	(239,375)
Nonoperating revenue			
Investment earnings	<u>2,024</u>	<u>9,788</u>	<u>14,913</u>
Change in net position	22,037	914,425	(224,462)
Net position			
Beginning of year	<u>399,193</u>	<u>396,527</u>	<u>(2,733,221)</u>
End of year	<u>\$ 421,230</u>	<u>\$ 1,310,952</u>	<u>\$ (2,957,683)</u>

Totals	
<u>2021</u>	<u>2020</u>
\$ 10,022,907	\$ 8,450,093
634,793	516,208
8,318,513	7,223,081
384,326	429,568
<u>9,337,632</u>	<u>8,168,857</u>
685,275	281,236
<u>26,725</u>	<u>75,171</u>
712,000	356,407
<u>(1,937,501)</u>	<u>(2,293,908)</u>
<u>\$ (1,225,501)</u>	<u>\$ (1,937,501)</u>

INDEPENDENT SCHOOL DISTRICT NO. 283

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

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits
Cash flows from operating activities			
Contributions from governmental funds	\$ 652,985	\$ 9,215,958	\$ 144,951
Payments for dental claims	(623,774)	-	-
Payments for medical claims	-	(8,106,118)	-
Payments for OPEB	-	-	(332,550)
Net cash flows from operating activities	<u>29,211</u>	<u>1,109,840</u>	<u>(187,599)</u>
Cash flows from noncapital financing activities			
Payments from due to other funds	-	-	224,205
Cash flows from investing activities			
Investment income received	<u>8,531</u>	<u>14,226</u>	<u>50,528</u>
Net change in cash and cash equivalents	37,742	1,124,066	87,134
Cash and cash equivalents			
Beginning of year	<u>498,904</u>	<u>2,028,561</u>	<u>2,677,874</u>
End of year	<u>\$ 536,646</u>	<u>\$ 3,152,627</u>	<u>\$ 2,765,008</u>
Presented on statement of net position as follows:			
Cash and temporary investments	\$ 536,646	\$ 3,152,627	\$ -
Cash and investments – held by trustee	-	-	2,765,008
Total cash and cash equivalents	<u>\$ 536,646</u>	<u>\$ 3,152,627</u>	<u>\$ 2,765,008</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 20,013	\$ 904,637	\$ (239,375)
Adjustments to reconcile operating income (loss) to cash flows from operating activities			
Changes in assets and liabilities			
Deferred outflows of resources	-	-	61,395
Total OPEB liability	-	-	(511,847)
Claims payable	15,720	15,616	-
Unearned revenue	(1,821)	(7,192)	-
Deferred inflows of resources	-	-	502,228
Claims incurred, but not reported	(4,701)	193,436	-
Due to other governmental units	-	3,343	-
Net cash flows from operating activities	<u>\$ 29,211</u>	<u>\$ 1,109,840</u>	<u>\$ (187,599)</u>

Totals	
2021	2020
\$ 10,013,894	\$ 9,590,844
(623,774)	(521,249)
(8,106,118)	(6,727,505)
<u>(332,550)</u>	<u>(330,327)</u>
951,452	2,011,763
<u>224,205</u>	<u>163,145</u>
<u>73,285</u>	<u>80,554</u>
1,248,942	2,255,462
<u>5,205,339</u>	<u>2,949,877</u>
<u>\$ 6,454,281</u>	<u>\$ 5,205,339</u>
\$ 3,689,273	\$ 2,527,465
<u>2,765,008</u>	<u>2,677,874</u>
<u>\$ 6,454,281</u>	<u>\$ 5,205,339</u>
\$ 685,275	\$ 281,236
61,395	2,270
(511,847)	195,554
31,336	79,984
(9,013)	1,140,751
502,228	(98,583)
188,735	410,551
<u>3,343</u>	<u>-</u>
<u>\$ 951,452</u>	<u>\$ 2,011,763</u>

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Management Report

for

Independent School District No. 283  
St. Louis Park, Minnesota

June 30, 2021

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PRINCIPALS

Thomas A. Karnowski, CPA  
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William J. Lauer, CPA  
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Jaclyn M. Huegel, CPA  
Kalen T. Karnowski, CPA

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 283, St. Louis Park, Minnesota's (the District) financial statements for the year ended June 30, 2021. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota  
November 19, 2021

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## AUDIT SUMMARY

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### **PLANNED SCOPE AND TIMING OF THE AUDIT**

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

### **AUDIT OPINION AND FINDINGS**

Based on our audit of the District's financial statements for the year ended June 30, 2021:

- We have issued an unmodified opinion on the District's basic financial statements.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

- We reported three findings based on our testing of the District’s compliance with Minnesota laws and regulations:
  1. Minnesota Statutes require prompt payment of local government bills within a standard payment period of 35 days from receipt for governing boards that meet at least once a month. We noted 8 of 40 disbursements we tested were not paid within the statutory timeline.
  2. Minnesota Statutes require unclaimed property held for more than three years (or one year for unpaid compensation) to be reported and paid or delivered to the state Commissioner of Commerce each year. This requirement was not met by the District for the current audit year.
  3. Minnesota Statutes require the principal accounting officer of its district to submit a report of outstanding obligations to the county auditor by February 1 of each year. This requirement was not met by the District for the current audit year.

### **FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

As a part of our audit of the District’s financial statements for the year ended June 30, 2021, we performed procedures to follow-up on any findings and recommendations that resulted from the prior year audit. We reported the following findings that were corrected by the District in the current year:

- In the prior year, we reported a significant deficiency in the District’s controls over special tests and provisions for the child nutrition cluster related to the internal verification process of error-prone free and reduced-price meal applications. Based our testing in the current year, there was no similar finding.

### **OTHER OBSERVATIONS AND RECOMMENDATIONS**

#### **Uniform Guidance Written Controls and Micro-Purchase Threshold**

Federal Uniform Guidance requires that nonfederal entities must have and use documented procurement procedures consistent with 2CFR § 200.317-320 for the acquisition of property or services required under a federal award or subaward. Effective August 31, 2020, the federal micro-purchase threshold, which is the threshold that allows for procurements without soliciting competitive price or rate quotations given certain conditions, was increased from \$3,500 to \$10,000 in the Federal Acquisition Regulations (FAR).

Effective November 12, 2020, the Uniform Guidance was also revised to allow nonfederal entities to establish a micro-purchase threshold higher than the \$10,000 threshold established in the FAR under certain circumstances. The nonfederal entity may self-certify a micro-purchase threshold up to \$50,000 if the requirements in 2CFR § 200.320(a)(1)(iv) are followed. Requirements include an **annual** self-certification and clear documentation of the justification to support the increase in the threshold. Acceptable reasons for justification must meet **one** of the following criteria:

- A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit,
- An annual internal institutional risk assessment to identify, mitigate, and manage financial risks, or,
- A higher threshold consistent with state law.

This flexibility would allow Minnesota local governments to increase and align their federal procurement procedures, specifically the micro-purchase threshold, with state law, which allows for procurements below \$25,000 to be made without competitive price or rate quotations.

We recommend that the District review its current federal procurement policy. If the micro-purchase threshold in your currently adopted policy is below the allowable FAR limit of \$10,000, you would need to make a one-time amendment to the policy to adopt the \$10,000 FAR limit before using it. If you prefer to increase your federal micro-purchase threshold to \$25,000 to align it with state law, in addition to amending your federal procurement policy, you would need to annually certify the higher threshold and the justification for using the higher threshold.

### **SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2021.

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

### **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

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

General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.

Special education state aid includes an adjustment related to tuition billings to and from other school districts for special education services, which are computed using formulas derived by the Minnesota Department of Education (MDE). Because of the timing of the calculations, this adjustment for the current fiscal year is not finalized until after the District has closed its financial records. The impact of this adjustment on the receivable and revenue recorded for state special education aid is calculated using preliminary information available to the District.

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

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

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

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

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

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

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

#### **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

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

#### **CORRECTED AND UNCORRECTED MISSTATEMENTS**

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

#### **DISAGREEMENTS WITH MANAGEMENT**

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

#### **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated November 19, 2021.

#### **MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### **OTHER AUDIT FINDINGS OR ISSUES**

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

## **OTHER MATTERS**

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

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

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

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## FUNDING PUBLIC EDUCATION IN MINNESOTA

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this report. A summary of legislative changes affecting school districts included later in this report gives an indication of how complicated the funding system is. This section provides selected state-wide funding and financial trend information.

### BASIC GENERAL EDUCATION REVENUE

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

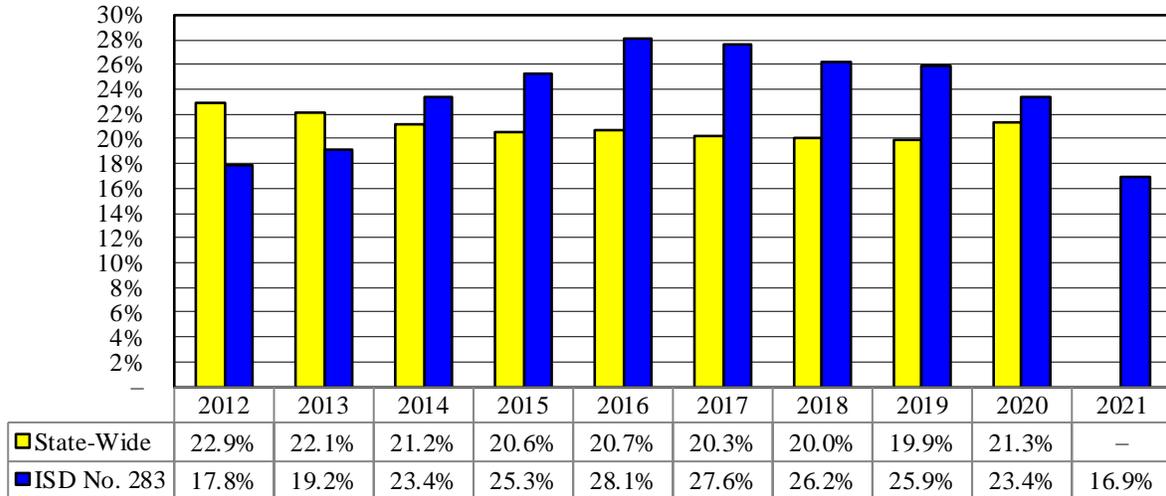
The table below presents a summary of the formula allowance for the past decade and as approved for the next two fiscal years. The 2021 Legislature approved per pupil increases of \$161 for fiscal 2022 and \$135 for fiscal 2023. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2012	\$ 5,174	1.00 %
2013	\$ 5,224	1.00 %
2014	\$ 5,302	1.50 %
2015	\$ 5,831	2.00 %
2016	\$ 5,948	2.00 %
2017	\$ 6,067	2.00 %
2018	\$ 6,188	2.00 %
2019	\$ 6,312	2.00 %
2020	\$ 6,438	2.00 %
2021	\$ 6,567	2.00 %
2022	\$ 6,728	2.45 %
2023	\$ 6,863	2.00 %

## STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

State-Wide Unrestricted Operating Fund Balance  
as a Percentage of Operating Expenditures



Note: State-wide information is not available for fiscal 2021.

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

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts decreased gradually from 22.9 percent at the end of fiscal 2012 to 19.9 percent at the end of fiscal 2019, a period of relative stability in the state's economic condition and school funding. This ratio increased back up to 21.3 percent at the end of fiscal 2020, the highest level since 2014.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 16.9 percent at the end of the current year, as compared to 23.4 percent at June 30, 2020.

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

<b>Governmental Funds Revenue per Student (ADM) Served</b>								
	State-Wide		Metro Area		ISD No. 283 – St. Louis Park			
	2019	2020	2019	2020	2019	2020	2021	
<b>General Fund</b>								
Property taxes	\$ 2,140	\$ 2,345	\$ 2,796	\$ 3,100	\$ 4,485	\$ 4,486	\$ 4,608	
Other local sources	556	538	454	417	496	343	225	
State	9,883	10,144	9,885	10,127	9,236	9,705	10,055	
Federal	475	480	499	499	483	446	996	
Total General Fund	<u>13,054</u>	<u>13,507</u>	<u>13,634</u>	<u>14,143</u>	<u>14,700</u>	<u>14,980</u>	<u>15,884</u>	
<b>Special revenue funds</b>								
Food Service	559	554	556	539	449	391	343	
Community Service	676	632	797	732	1,655	1,458	1,562	
Debt Service Fund	<u>1,229</u>	<u>1,322</u>	<u>1,287</u>	<u>1,385</u>	<u>2,114</u>	<u>2,133</u>	<u>2,645</u>	
Total revenue	<u>\$ 15,518</u>	<u>\$ 16,015</u>	<u>\$ 16,274</u>	<u>\$ 16,799</u>	<u>\$ 18,918</u>	<u>\$ 18,962</u>	<u>\$ 20,434</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>4,660</u>	<u>4,644</u>	<u>4,481</u>	
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.								
Source of state-wide and metro area data: School District Profiles Report published by the MDE								

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

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

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

The District earned approximately \$92 million in the governmental funds reflected above in fiscal 2021, which is an increase of about \$3.5 million from the prior year. Total revenue per ADM served increased by \$1,472 per student. Federal sources in the General Fund increased \$550 per student, with coronavirus relief and education stabilization funds recognized for COVID-19 pandemic-related spending. General Fund state aid revenues were \$350 per student higher than last year, mainly due to the per pupil unit increase in the general education formula allowance, as well as increases in special education state aids. Other local sources decreased \$118, mainly the result of substantially lower investment earnings. Community Service Special Revenue Fund revenue increased \$104 per student, due to significant programming changes and distance learning occurring, the result of the COVID-19 pandemic. Debt Service Fund increased \$512 per student, as anticipated in approved debt financing plans.

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

<b>Governmental Funds Expenditures per Student (ADM) Served</b>							
	State-Wide		Metro Area		ISD No. 283 – St. Louis Park		
	2019	2020	2019	2020	2019	2020	2021
<b>General Fund</b>							
Administration and district support	\$ 1,065	\$ 1,093	\$ 1,078	\$ 1,100	\$ 1,336	\$ 1,387	\$ 1,702
Elementary and secondary regular instruction	5,787	5,881	6,112	6,231	6,744	6,859	7,212
Career and technical instruction	180	186	165	171	124	132	158
Special education instruction	2,380	2,481	2,505	2,626	2,341	2,569	2,943
Instructional support services	669	683	751	787	940	949	1,009
Pupil support services	1,178	1,203	1,282	1,316	1,197	1,346	1,459
Sites, buildings, and other	960	952	907	910	1,458	1,443	1,622
Total General Fund – noncapital	12,219	12,479	12,800	13,141	14,140	14,685	16,105
General Fund capital expenditures	721	748	675	717	252	470	535
Total General Fund	12,940	13,227	13,475	13,858	14,392	15,155	16,640
<b>Special revenue funds</b>							
Food Service	561	556	556	548	419	435	363
Community Service	675	661	799	774	1,650	1,634	1,565
Debt Service Fund	1,313	1,360	1,308	1,379	2,063	2,209	2,632
Total expenditures	<u>\$ 15,489</u>	<u>\$ 15,804</u>	<u>\$ 16,138</u>	<u>\$ 16,559</u>	<u>\$ 18,524</u>	<u>\$ 19,433</u>	<u>\$ 21,200</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>4,660</u>	<u>4,644</u>	<u>4,481</u>
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.							
Source of state-wide and metro area data: School District Profiles Report published by the MDE							

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

The District’s expenditures per ADM have been above the metro area average in recent years, mainly in General Fund operating, Community Service Special Revenue Fund, and Debt Service Fund expenditures.

The District spent approximately \$95 million in the governmental funds reflected above in fiscal 2021, an increase of approximately \$4.8 million (5.3 percent) from the prior year. On a per student basis, this represents an increase of \$1,767. General Fund operating expenditures (excluding capital) increased \$1,420 per student, mainly in elementary and secondary regular instruction (\$353 per pupil), mainly for salaries and benefits, administrative and district support (\$315), mainly in supplies and materials for federal COVID-19 stimulus grant-related spending, and special education instruction (\$374 per pupil), mainly for contracted services. Debt Service Fund expenditures also increased \$423 per pupil, mainly from increased payments on previously issued bonds.

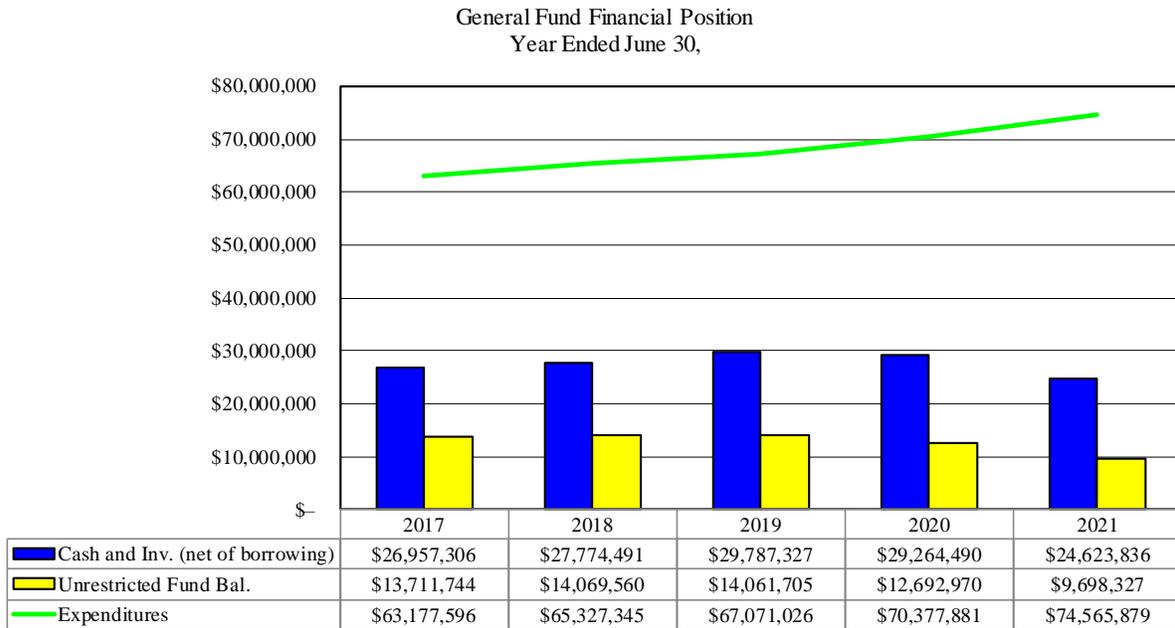
**SUMMARY**

The COVID-19 pandemic caused numerous financial and operational challenges for districts in fiscal 2021; creating instability in student populations, requiring numerous shifts in the delivery of educational services, and resulting in substantial new and unfamiliar federal revenue streams, to name a few. Such challenges are expected to continue into the foreseeable future, as districts strive to provide a safe and effective learning experience for their students in this uncertain and unprecedented environment.

## FINANCIAL TRENDS OF YOUR DISTRICT

### GENERAL FUND FINANCIAL POSITION

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



The District ended fiscal year 2021 with a General Fund cash balance of \$24,623,836 (net of borrowing and interfund receivables and payables), a decrease of \$4,640,654 from the previous year. Unrestricted fund balance (consisting of any assigned or unassigned fund balances) at year-end totaled \$9,698,327, a decrease of \$2,994,643.

## GENERAL FUND COMPONENTS OF FUND BALANCE

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

	June 30,				
	2017	2018	2019	2020	2021
Nonspendable fund balances	\$ 249,200	\$ 203,888	\$ 160,802	\$ 209,734	\$ 196,545
Restricted fund balances (1)	4,727,208	4,636,922	5,979,060	6,766,821	6,384,229
Unrestricted fund balances					
Assigned	6,268,705	3,489,241	3,422,803	4,239,796	2,763,949
Unassigned	7,443,039	10,580,319	10,638,902	8,453,174	6,934,378
<b>Total fund balance</b>	<b>\$ 18,688,152</b>	<b>\$ 18,910,370</b>	<b>\$ 20,201,567</b>	<b>\$ 19,669,525</b>	<b>\$ 16,279,101</b>
Unrestricted fund balances as a percentage of expenditures	<u>21.7%</u>	<u>21.5%</u>	<u>21.0%</u>	<u>18.0%</u>	<u>13.0%</u>

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

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

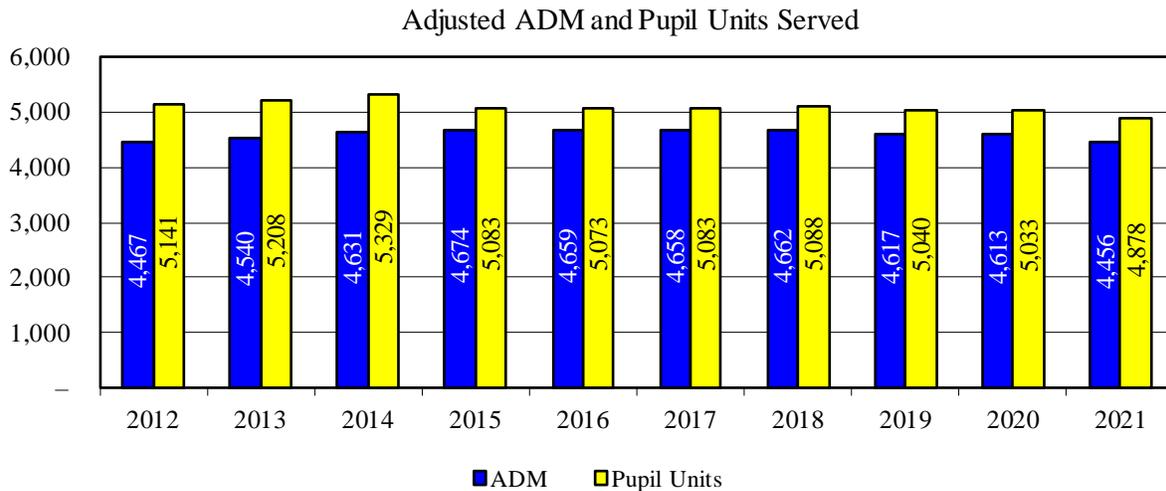
The School Board has a formally adopted a fund balance policy that establishes a desired unassigned General Fund balance. The policy states the District establishes a year-end minimum unassigned fund balance of 6.0 percent of subsequent year's General Fund noncategorical expenditures.

The District's General Fund, its primary operating fund, ended the most recent fiscal year with a total fund balance of \$16,279,101, a decrease of \$3,390,424 from the prior year. The unrestricted portion of the year-end fund balance (assigned and unassigned) was \$9,698,327, which represents 13.0 percent of annual General Fund expenditures based on fiscal 2021 expenditure levels.

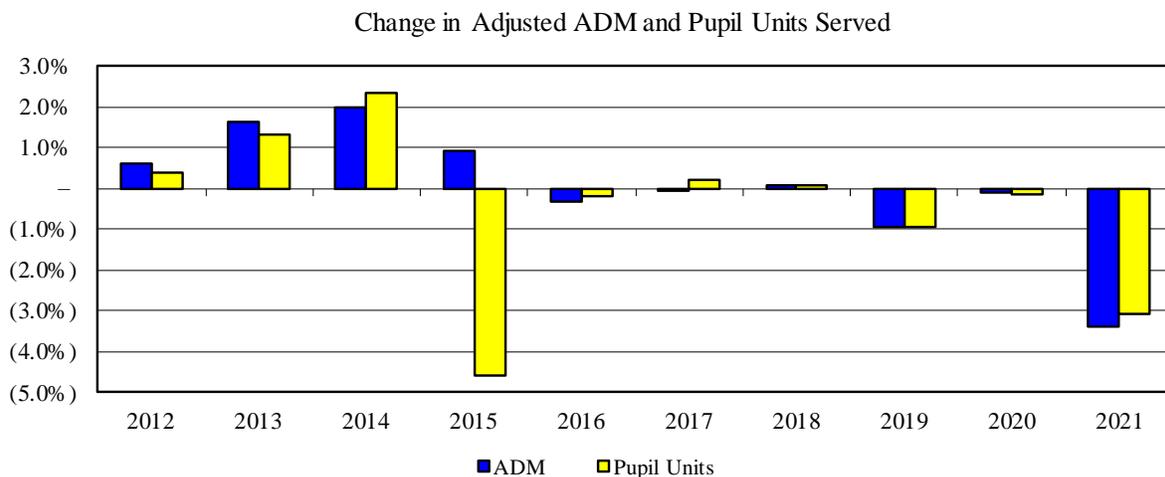
The unassigned fund balance, including assigned for subsequent year's budget, was 13.0 percent of General Fund noncategorized expenditures (per District policy) and is above the District's policy for year-end minimum amounts of unassigned fund balance of 6.0 percent.

## AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS

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



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



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

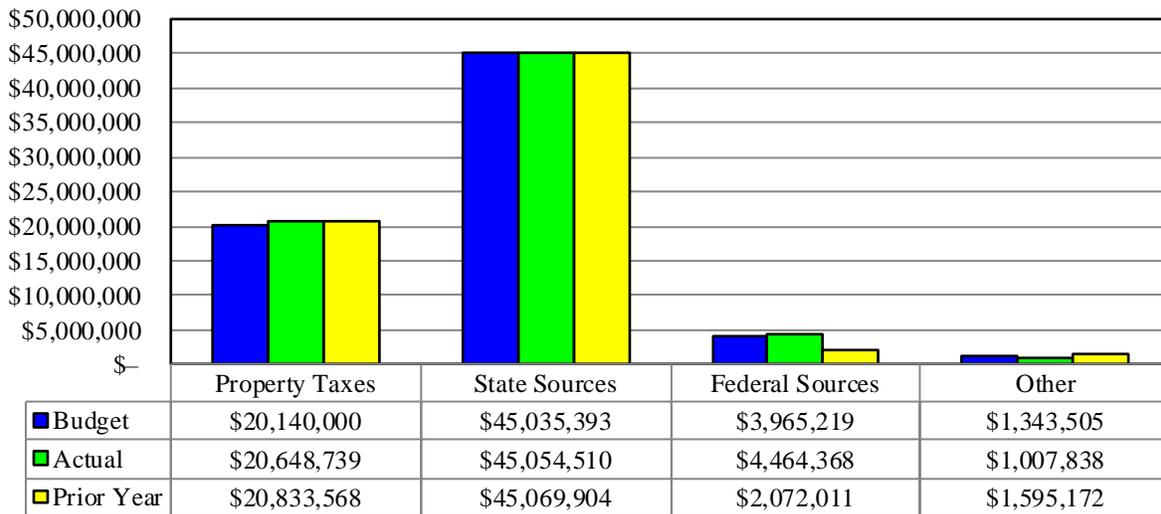
ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts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

The District served an estimated adjusted ADM of 4,456 in 2021, a decrease of 157 from the previous year. The number of pupil units served by the District for fiscal 2021 was 4,878, a decrease of 155 from the prior year.

## GENERAL FUND REVENUES

The following graph summarizes the District's General Fund revenue for 2021:

General Fund Revenue



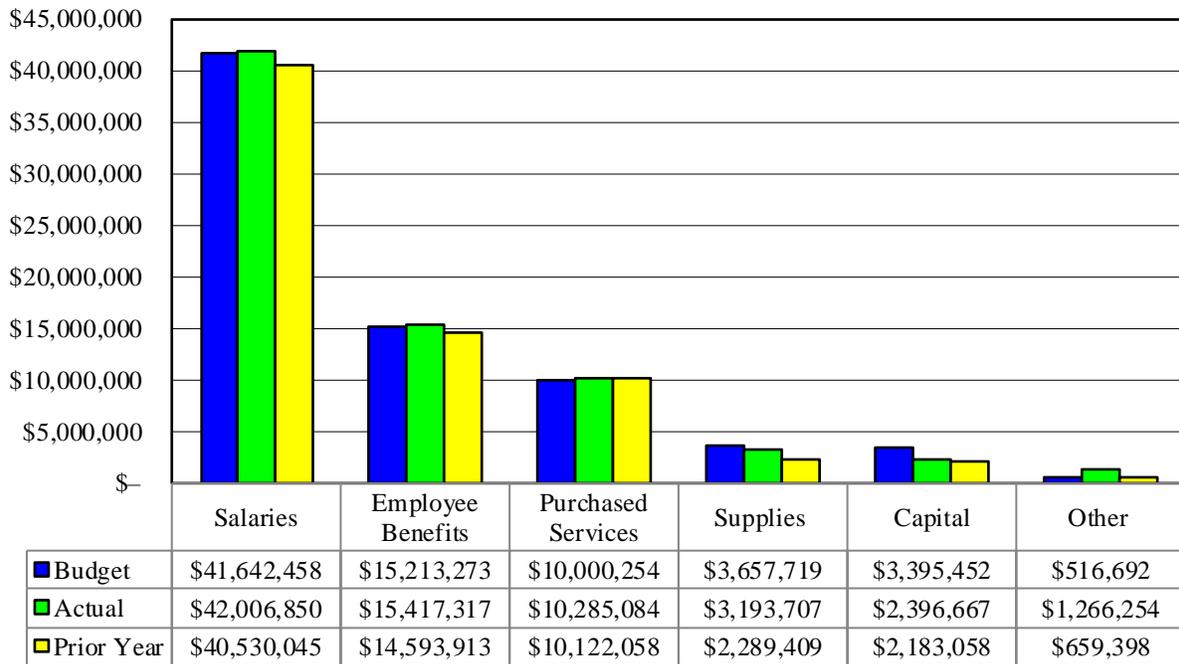
Total General Fund revenues were \$71,175,455 for the year ended June 30, 2021, which was \$691,338 (1.0 percent) over the final budget. Property taxes were over budget by \$508,739, due to higher-than-expected collections of nonlevy-related items. Federal revenues were over budget by \$499,149, due to higher than projected COVID-19 stimulus-related grants and aids received.

General Fund total revenues were \$1,604,800 higher than the previous year. The increase from the prior year was mainly in federal sources, which increased \$2,392,357. This was a result of an increase in coronavirus relief and education stabilization funds recognized for COVID-19 pandemic-related spending, as previously discussed. This increase is partially offset by a decrease in other local sources of \$587,334, primarily from a decline in investment earnings.

## GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2021:

General Fund Expenditures



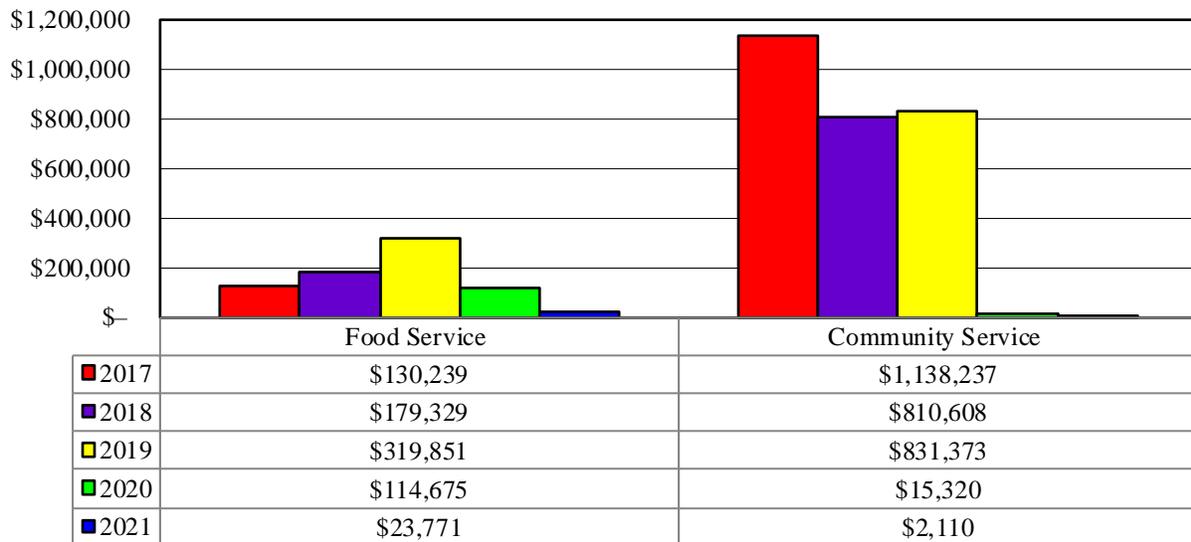
Total General Fund expenditures were \$74,565,879 for the year ended June 30, 2021, which was \$140,031 (0.2 percent) over the final budget. This resulted from a combination of some categories being over budget, while other categories were under budget, with the largest variance being capital expenditures, which was \$998,785 under budget, primarily from projects delayed to future years, due to the COVID-19 pandemic.

Total General Fund expenditures were \$4,187,998 (6.0 percent) more than the prior year. The largest increase was in salaries and benefit expenditures, which increased \$2,300,209, or 4.2 percent, from the prior year, due to increases in contract-related items and increases in health insurance rates. Supplies and materials were \$904,298 higher than the previous year, mainly for purchases within COVID-19 stimulus-related grants and technology purchases to assist with distance-learning activities.

**OTHER FUNDS OF THE DISTRICT**

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

Other Operating Funds  
Total Fund Balances



**Food Service Special Revenue Fund**

The District’s Food Service Special Revenue Fund ended fiscal 2021 with a fund balance decrease of \$90,904, compared to a break-even budget. Food service revenue was \$1,537,700, which was over budget by \$53,173, mainly in federal revenue. Expenditures were \$1,628,604, and over budget by \$144,077. The ending fund balance of \$23,771 in this fund represents 1.5 percent of current year expenditures.

**Community Service Special Revenue Fund**

The District’s Community Service Special Revenue Fund ended fiscal 2021 with a fund balance decrease of \$13,210, compared to break-even budget. Revenues were \$7,001,295, which was over budget by \$437,296, mainly in program fees. Expenditures were \$7,014,505, which was over budget by \$450,506 mainly in salaries and benefits. The ending fund balance of \$2,110 in this fund represents 0.03 percent of current year expenditures.

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

**Capital Projects – Building Construction Fund**

The Capital Projects – Building Construction Fund ended the year with a fund balance decrease of \$33,564,952, as the District spent down bond proceeds from bonds issued in the current year and previous years. At June 30, 2021, the fund balance is \$13,291,266, restricted for capital projects and long-term facilities maintenance needs.

## **Debt Service Fund**

The District's Debt Service Fund ended fiscal 2021 with a fund balance increase of \$56,278, compared to a budgeted increase of \$61,626. Revenues were \$11,851,952, which was less than budget by \$10,048. Expenditures were \$11,795,674, and under budget by \$4,700. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan.

## **Internal Service Funds**

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains three internal service funds. These funds are used to account for the District's self-insured dental insurance, self-insured medical insurance, and OPEB revocable trust functions.

**Dental Self-Insurance** – Revenues for fiscal 2021 totaled \$656,830, while expenses totaled \$634,793. The net position as of June 30, 2021 was \$421,230, which represents 66.4 percent of annual operating expenses of this fund.

**Medical Self-Insurance** – Revenues for fiscal 2021 totaled \$9,232,938, while expenses totaled \$8,318,513. The net position as of June 30, 2021 was \$1,310,952, which represents 15.8 percent of annual operating expenses of this fund.

**Other Post-Employment Benefits (OPEB) Fund** – Revenues for fiscal 2021 totaled \$159,864, while expenses totaled \$384,326. The net position (deficit) as of June 30, 2021 was (\$2,957,683).

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	June 30,		Change
	2021	2020	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 31,347,927	\$ 68,351,139	\$ (37,003,212)
Total capital assets, net of depreciation	160,560,811	132,269,288	28,291,523
Bonds and leases, net of premiums	(136,407,490)	(143,970,849)	7,563,359
Pensions, net of deferred outflows and inflows	(69,291,004)	(66,735,131)	(2,555,873)
Other adjustments	(7,327,201)	(7,827,031)	499,830
<b>Total net position – governmental activities</b>	<b>\$ (21,116,957)</b>	<b>\$ (17,912,584)</b>	<b>\$ (3,204,373)</b>
Net position			
Net investment in capital assets	\$ 37,444,587	\$ 35,154,657	\$ 2,289,930
Restricted	6,785,321	7,650,048	(864,727)
Unrestricted	(65,346,865)	(60,717,289)	(4,629,576)
<b>Total net position</b>	<b>\$ (21,116,957)</b>	<b>\$ (17,912,584)</b>	<b>\$ (3,204,373)</b>

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

Unrestricted net position decreased \$4,629,576 in fiscal 2021. The decline in the General Fund balance as previously discussed and the change in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association state-wide pension liabilities and related deferments was the primary cause.

The District's net investment in capital assets increased \$2,289,930. This change generally relates to the relationship between the rate capital assets are being added and depreciated, and the rate at which the District is repaying the debt issued to purchase or construct those assets. The increase in the current year was also impacted by capital additions financed with available resources and capital-related levies, which do not result in additional capital-related debt.

Restricted net position decreased \$864,727, mainly in state funding restrictions.

## LEGISLATIVE SUMMARY

In a typical year, the primary focus of the 2021 Minnesota legislative session would have been the development of the state's fiscal year (FY) 2022–2023 biennial budget. However, given the significant events of the preceding year, including the COVID-19 pandemic and death of George Floyd while in police custody, the focus of the regular session shifted to legislation responding to the pressing issues that resulted from these events. The business of setting a biennial budget and passing an education finance bill were ultimately not addressed until a June special session.

There was positive news on the state's budget outlook entering the session. A May 2020 special pandemic budget projection had predicted the state would finish the FY 2020–2021 biennium with a \$2.4 billion shortfall. By the regular budget and economic forecast in February 2021, the state's fiscal outlook had improved, projecting a positive budgetary variance of \$940 million at the end of the biennium, reducing the threat of potential funding cuts to local government programs. The resulting education finance bill passed and signed by the Governor on June 30, 2021, included appropriation increases of approximately \$554 billion for the FY 2022–2023 biennium, and \$669 billion for the FY 2024–2025 biennium.

The following is a brief summary of specific legislative changes from the 2021 Legislature impacting Minnesota school districts in future years.

**General Education Revenue** – The Legislature approved annual increases of 2.45 percent and 2.00 percent to the basic general education formula allowance for the FY 2022–2023 biennium. The per pupil allowance will increase \$161 to \$6,728 for FY 2022, and another \$135 to \$6,863 for FY 2023.

**English Learner Cross Subsidy Aid** – Approved annual appropriations of \$2 million to provide English learner cross-subsidy aid for FY 2022 through FY 2025. This new funding will be allocated annually to school districts and charter schools based on their proportionate share of English learner and concentration revenue from the preceding fiscal year, and must be used and accounted for within the basic skills program.

**Special Education Revenue** – The Legislature had previously approved enhancements to special education funding designed to hold the state average cross-subsidy per pupil constant at the FY 2019 level of \$82 per ADM for FY 2021, which included establishing a new component of the state special education funding formula, known as cross-subsidy reduction aid. Cross subsidy reduction aid will equal a percentage of each district's "initial cross-subsidy" for the prior fiscal year, with the percentages set at 6.43 percent for 2021. Initial cross-subsidy is defined as the district's nonfederal special education costs, including transportation, less state special education aid after tuition adjustments and general education aid attributable to students receiving special education services outside of the regular classroom for at least 60.00 percent of the school day. The 2021 Legislature approved an additional appropriation of \$10.425 million to fund a one-time increase to cross-subsidy for FY 2022, which is estimated to increase the percentage funded by 1.24 percent to a total of 7.67 percent. Charter schools are not eligible for cross-subsidy reduction aid.

**Voluntary Pre-Kindergarten (VPK) and School Readiness Plus (SRP)** – The Legislature approved continued funding for FY 2022 and FY 2023 to maintain 4,000 state-wide VPK and SRP seats set to expire after FY 2021. The Local Optional Revenue (LOR) second tier equalization factor was increased for FY 2023 only to offset the state-wide impact of levy changes for the VPK/SRP continuation, which should result in a levy increase for VPK/SRP districts and a levy decrease for most other districts.

**Hiring Bonuses** – Districts or schools are authorized to offer a hiring or retention bonus of \$2,500–\$5,000 to attract teachers who are American Indians or persons of color, or \$4,000–\$8,000 to meet staffing needs in shortage areas and to attract teachers who are American Indians or persons of color.

**Sales Tax Exemption** – A previous sales tax exemption for sales made by school-associated student groups for funding extracurricular student activities, that was eliminated by the 2019 omnibus education bill, was restored.

**Staff Development** – Teacher mentorship was added as an eligible use of general education aid restricted for staff development as part of a mandate for districts to develop teacher mentoring programs.

**Lunch Shaming Prohibited** – Students approved for free or reduced-price meal status must be served reimbursable meals irrespective of any outstanding individual student lunch account debt. Districts are required to post this policy.

## ACCOUNTING AND AUDITING UPDATES

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

### **GASB STATEMENT NO. 87, *LEASES***

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of the four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for fiscal years beginning after June 15, 2021.

### **GASB STATEMENT NO. 92, *OMNIBUS 2020***

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post-employment benefits

- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post-employment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

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

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

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

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

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

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

***GASB STATEMENT NO. 97, CERTAIN COMPONENT UNIT CRITERIA, AND ACCOUNTING AND FINANCIAL REPORTING FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLANS—AN AMENDMENT OF GASB STATEMENT NO. 14 AND NO. 84, AND A SUPERSESSION OF GASB STATEMENT NO. 32***

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this statement that (1) exempt primary governments that perform the duties that a government board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this statement.

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INDEPENDENT SCHOOL DISTRICT NO. 283  
ST. LOUIS PARK, MINNESOTA

Special Purpose Audit Reports

Year Ended  
June 30, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 283

Special Purpose Audit Reports  
Year Ended June 30, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures	
<b>U.S. Department of Agriculture</b>			
Passed through Minnesota Department of Education			
Child nutrition cluster			
Summer Food Service Program for Children	10.559	\$ 132,398	
COVID-19 Summer Food Service Program for Children	10.559	<u>1,090,776</u>	
Total ALN 10.559			\$ <u>1,223,174</u>
Total child nutrition cluster			\$ 1,223,174
COVID-19 – Pandemic EBT Administrative Costs	10.649		18,048
<b>U.S. Department of the Treasury</b>			
Passed through Minnesota Department of Education			
COVID-19 Coronavirus Relief Fund	21.019		1,301,433
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		25,719
<b>U.S. Department of Education</b>			
Passed through Minnesota Department of Education			
Title I Grants to Local Educational Agencies	84.010		594,025
Special education cluster			
Special Education Grants to States	84.027	1,306,877	
Special Education Preschool Grants	84.173	<u>40,683</u>	
Total special education cluster			1,347,560
Special Education – Grants for Infants and Families	84.181		69,040
English Language Acquisition State Grants	84.365		63,485
Supporting Effective Instruction State Grants	84.367		202,918
Education Stabilization Fund			
COVID-19 Governor’s Emergency Education Relief (GEER) Fund	84.425C	81,365	
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	<u>2,316,324</u>	
Total ALN 84.425			2,397,689
Passed through Independent School District No. 284, Wayzata			
Career and Technical Education – Basic Grants to States	84.048		<u>40,435</u>
Total federal awards			<u>\$ 7,283,526</u>

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

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

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

Note 4: The District transferred \$36,641 into Supporting Effective Instruction State Grants (Federal ALN 84.367) from Student Support and Academic Enrichment Program (Federal ALN 84.424).

Note 5: The District had \$132,398 of noncash assistance included in the Summer Food Service Program for Children, Federal ALN 10.559.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL**  
**OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS**  
**BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN**  
**ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 283 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2021.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

(continued)

## COMPLIANCE AND OTHER MATTERS

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

## PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota  
November 19, 2021



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

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited Independent School District No. 283's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

**MANAGEMENT'S RESPONSIBILITY**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

(continued)

## **OPINION ON EACH MAJOR FEDERAL PROGRAM**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **PURPOSE OF THIS REPORT**

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

(continued)

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 19, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Minneapolis, Minnesota  
November 19, 2021

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INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 283 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2021.

**MINNESOTA LEGAL COMPLIANCE**

In connection with our audit, we noted that the District failed to comply with provisions of the claims and disbursements, miscellaneous provisions, and public indebtedness of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters as described in the Schedule of Findings and Questioned Costs as findings 2021-001, 2021-002, and 2021-003. Also, in connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

**DISTRICT'S RESPONSES TO FINDINGS**

The District's responses to the legal compliance findings identified in our audit have been included in the Schedule of Findings and Questioned Costs. The District's responses were not subject to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on them.

**PURPOSE OF THIS REPORT**

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

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

Minneapolis, Minnesota  
November 19, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021

**A. SUMMARY OF AUDIT RESULTS**

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

**Financial Statements**

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

Internal control over financial reporting:

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

**Federal Awards**

Internal controls over major federal award programs:

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

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

The U.S. Department of the Treasury – COVID-19 Coronavirus Relief Fund Unmodified  
 The U.S. Department of Education – Education Stabilization Fund Unmodified

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

Programs tested as major programs:

Program or Cluster(s)	Federal ALN
The U.S. Department of the Treasury – COVID-19 Coronavirus Relief Fund	21.019
The U.S. Department of Education – Education Stabilization Fund	84.425

Threshold for distinguishing type A and B programs.   \$ 750,000  

Does the auditee qualify as a low-risk auditee?        Yes   X   No

INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2021

**B. FINANCIAL STATEMENT FINDINGS**

None.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS**

**2021-001 UNTIMELY PAYMENT OF INVOICES**

**Criteria** – Minnesota Statutes § 471.425, Subd. 2.

**Condition** – Minnesota Statutes require prompt payment of local government bills within a standard payment period of 35 days from receipt for governing boards that meet at least once a month.

**Questioned Costs** – Not applicable.

**Context** – We noted 8 of 40 disbursements we tested were not paid within the statutory timeline.

**Repeat Finding** – This is a current year and prior year finding.

**Cause** – This was an oversight by district personnel.

**Effect** – Independent School District No. 283 (the District), did not pay eight of its invoices selected for testing in a timely manner, based on statutory requirements.

**Recommendation** – We recommend that the District review its payment procedures to ensure that all bills are paid within the statutory time limit.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District intends to review its procedures relating to disbursements to ensure compliance in the future. The District has separately issued a Corrective Action Plan related to this finding.

INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2021

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)**

**2021-002 UNCLAIMED PROPERTY REPORT**

**Criteria** – Minnesota Statutes § 345.41 and § 345.43.

**Condition** – Minnesota Statutes require unclaimed property held for more than three years (or one year for unpaid compensation) to be reported and paid or delivered to the state Commissioner of Commerce each year. This requirement was not met by the District for the current audit year.

**Questioned Costs** – Not applicable.

**Context** – The District did not file the unclaimed property report to the state Commissioner of Commerce in the current audit year.

**Repeat Finding** – This is a current year finding.

**Cause** – This was an oversight by district personnel.

**Effect** – The District was not in compliance with state unclaimed property requirements.

**Recommendation** – We recommend that the District comply with state statutory requirements for unclaimed property in the future.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District will review its procedures relating to unclaimed property laws to ensure compliance in the future. The District has separately issued a Corrective Action Plan related to this finding.

INDEPENDENT SCHOOL DISTRICT NO. 283

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2021

**D. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)**

**2021-003 ANNUAL REPORT OF OUTSTANDING OBLIGATIONS**

**Criteria** – Minnesota Statutes § 471.70.

**Condition** – Minnesota Statutes require the principal accounting officer of its district to submit a report of outstanding obligations to the county auditor by February 1 of each year. This requirement was not met by the District for the current audit year.

**Questioned Costs** – Not applicable.

**Context** – The District did not submit the report for outstanding obligations by February 1.

**Repeat Finding** – This is a current year finding.

**Cause** – This was an oversight by district personnel.

**Effect** – The District was not in compliance with state reporting requirements for outstanding indebtedness requirements.

**Recommendation** – We recommend that the District comply with state statutory requirements for reporting outstanding indebtedness in the future.

**View of Responsible Official and Planned Corrective Actions** – The District agrees with the finding. The District will review its procedures relating to reporting outstanding indebtedness to ensure compliance in the future. The District has separately issued a Corrective Action Plan related to this finding.



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INDEPENDENT AUDITOR'S REPORT ON UNIFORM FINANCIAL  
ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE

To the School Board and Management of  
Independent School District No. 283  
St. Louis Park, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 283 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2021.

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

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

(continued)

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

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

Minneapolis, Minnesota

November 19, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 283

Uniform Financial Accounting and Reporting Standards  
Compliance Table  
June 30, 2021

	Audit	UFARS	Audit – UFARS
<b>General Fund</b>			
Total revenue	\$ 71,175,455	\$ 71,175,455	\$ –
Total expenditures	\$ 74,565,879	\$ 74,565,881	\$ (2)
Nonspendable			
460 Nonspendable fund balance	\$ 196,545	\$ 196,545	\$ –
Restricted			
401 Student activities	\$ 193,043	\$ 193,043	\$ –
402 Scholarships	\$ –	\$ –	\$ –
403 Staff development	\$ –	\$ –	\$ –
407 Capital projects levy	\$ –	\$ –	\$ –
408 Cooperative revenue	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
414 Operating debt	\$ –	\$ –	\$ –
416 Levy reduction	\$ –	\$ –	\$ –
417 Taconite building maintenance	\$ –	\$ –	\$ –
424 Operating capital	\$ 3,454,974	\$ 3,454,974	\$ –
426 \$25 taconite	\$ –	\$ –	\$ –
427 Disabled accessibility	\$ –	\$ –	\$ –
428 Learning and development	\$ –	\$ –	\$ –
434 Area learning center	\$ –	\$ –	\$ –
435 Contracted alternative programs	\$ –	\$ –	\$ –
436 State approved alternative program	\$ –	\$ –	\$ –
438 Gifted and talented	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
441 Basic skills programs	\$ –	\$ –	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
449 Safe schools levy	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
453 Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459 Basic skills extended time	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ 1,341,431	\$ 1,341,431	\$ –
472 Medical Assistance	\$ 115,185	\$ 115,185	\$ –
473 PPP loans	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 1,279,596	\$ 1,279,596	\$ –
475 Title VII – Impact Aid	\$ –	\$ –	\$ –
476 PILT	\$ –	\$ –	\$ –
Committed			
418 Committed for separation	\$ –	\$ –	\$ –
461 Committed fund balance	\$ –	\$ –	\$ –
Assigned			
462 Assigned fund balance	\$ 2,763,949	\$ 2,763,949	\$ –
Unassigned			
422 Unassigned fund balance	\$ 6,934,378	\$ 6,934,378	\$ –
<b>Food Service</b>			
Total revenue	\$ 1,537,700	\$ 1,537,700	\$ –
Total expenditures	\$ 1,628,604	\$ 1,628,604	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ 22,059	\$ 22,059	\$ –
Restricted			
452 OPEB liability not in trust	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 1,712	\$ 1,712	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Community Service</b>			
Total revenue	\$ 7,001,295	\$ 7,001,295	\$ –
Total expenditures	\$ 7,014,505	\$ 7,014,504	\$ 1
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
426 \$25 taconite	\$ –	\$ –	\$ –
431 Community education	\$ (365,213)	\$ (365,213)	\$ –
432 ECFE	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
444 School readiness	\$ –	\$ –	\$ –
447 Adult basic education	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
473 PPP loans	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 367,323	\$ 367,323	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 283

Uniform Financial Accounting and Reporting Standards  
Compliance Table (continued)  
June 30, 2021

	Audit	UFARS	Audit – UFARS
<b>Building Construction</b>			
Total revenue	\$ 394,662	\$ 394,662	\$ –
Total expenditures	\$ 33,959,614	\$ 33,959,614	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
407 Capital projects levy	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ 7,863,812	\$ 7,863,812	\$ –
464 Restricted fund balance	\$ 5,427,454	\$ 5,427,454	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Debt Service</b>			
Total revenue	\$ 11,850,140	\$ 11,850,140	\$ –
Total expenditures	\$ 11,795,674	\$ 11,795,674	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
433 Maximum effort loan	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 1,602,066	\$ 1,602,066	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
<b>Trust</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>Custodial Fund</b>			
Total revenue	\$ 993	\$ 993	\$ –
Total expenditures	\$ 7,613	\$ 7,613	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 139,320	\$ 139,320	\$ –
<b>Internal Service</b>			
Total revenue	\$ 9,889,768	\$ 9,889,768	\$ –
Total expenditures	\$ 8,953,306	\$ 8,953,306	\$ –
422 Net position	\$ 1,732,182	\$ 1,732,182	\$ –
<b>OPEB Revocable Trust Fund</b>			
Total revenue	\$ 159,864	\$ 159,865	\$ (1)
Total expenditures	\$ 384,326	\$ 384,326	\$ –
422 Net position	\$ (2,957,683)	\$ (2,957,683)	\$ –
<b>OPEB Irrevocable Trust Fund</b>			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
<b>OPEB Debt Service Fund</b>			
Total revenue	\$ 1,812	\$ 1,811	\$ 1
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 149,613	\$ 149,613	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

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

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