SUPERINTENDENT'S REPORT AND AGENDA

Regular Meeting of the Board of Education
Independent School District No. 280, Richfield, Minnesota

Richfield Public Schools *inspires* and *empowers* each individual to learn, grow and *excel*

Monday, December 20, 2021
7:00 p.m. School Board Meeting

I. CALL TO ORDER

II. REVIEW AND APPROVAL OF THE AGENDA

III. INFORMATION AND PROPOSALS -- NON-ACTION ITEMS

A. Public Comment

B. Superintendent Update

1. Reminder About Board Reorganization in January
2. World's Best Workforce
3. Audit Report

C. Commendations

IV. CONSENT AGENDA

A. Routine Matters

1. Minutes of the regular meeting held December 6, 2021
2. General Disbursements as of 12/9/21 in the amount of $325,108.92
3. Year-to-Date Finance Update

B. Personnel Items

V. OLD BUSINESS

A. Policy 452 - Evaluation and Development of Professional Staff & Administrative Guideline 452.1

B. Policy 713 – Post-Issuance Debt Compliance & Administrative Guideline 713.1

VI. NEW BUSINESS

A. Policy 781 - School Activities & Administrative Guideline 781.1

B. Non-Resident Tuition Rate for 2021-2022

C. RPS Legislative Platform

D. Acceptance of Fiscal Year 2021 Final Audit Report

E. Resolution Designating Polling Places for 2022

F. Donations

VII. ADVANCE PLANNING

A. Legislative Update

B. Information and Questions from Board

C. Future Meeting Dates

1-3-2022	7:00 p.m.	Board Organizational Meeting
Tuesday, 1-18-2022	7:00 p.m.	Regular Board Meeting - Public Comment

D. Suggested/Future Agenda Items

VIII. ADJOURN REGULAR MEETING

INFORMATION AND PROPOSALS – NON-ACTION ITEMS **Agenda Item III.B.**

Board of Education
Independent School District 280
Richfield, Minnesota

Regular Meeting, December 20, 2021

Subject: Superintendent Update

In January the board will undergo a reorganization. Two new members will join the board, replacing two current members. The board will have the opportunity to elect new officers to hold leadership positions for the 2022 calendar year. Our current officers are as follows:
Chair: Tim Pollis – has completed 1 year as chair; will be starting a new 4-year term as a board member in January
Vice Chair: Paula Cole – has completed 1 year as vice chair; currently in the middle of a 4-year term as a board member
Clerk: Christine Maleck – will be leaving the board
Treasurer: Allegra Smisek – has completed 1 year as treasurer; currently in the middle of a 4-year term as a board member

Assistant Superintendent Dr. Latanya Daniels will present the annual World's Best Workforce report alongside District Data & Testing Coordinator Melissa Morrissey. An external auditor from MMKR will provide their annual audit report.

Attached:
World's Best Workforce Presentation
Audit Report Presentation

Enriching and accelerating learning

RICHFIELD
PUBLIC SCHOOLS

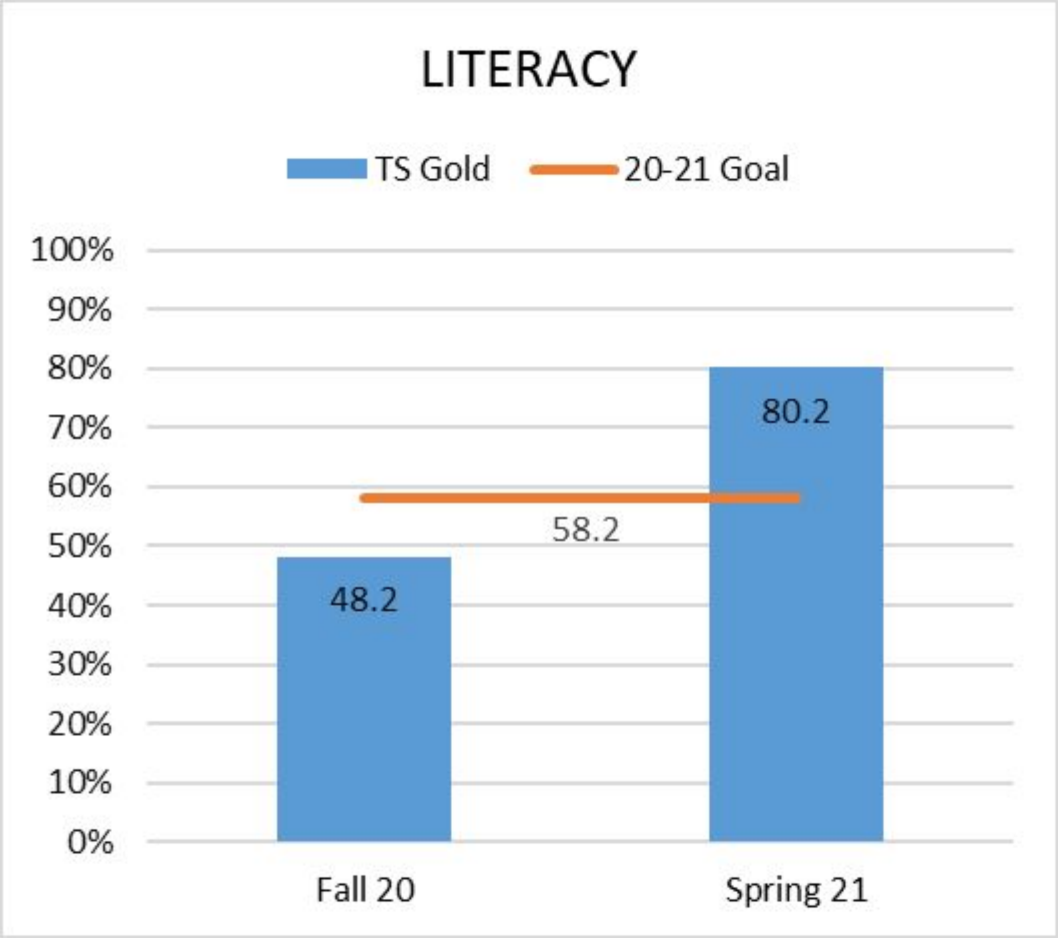
World's Best Workforce

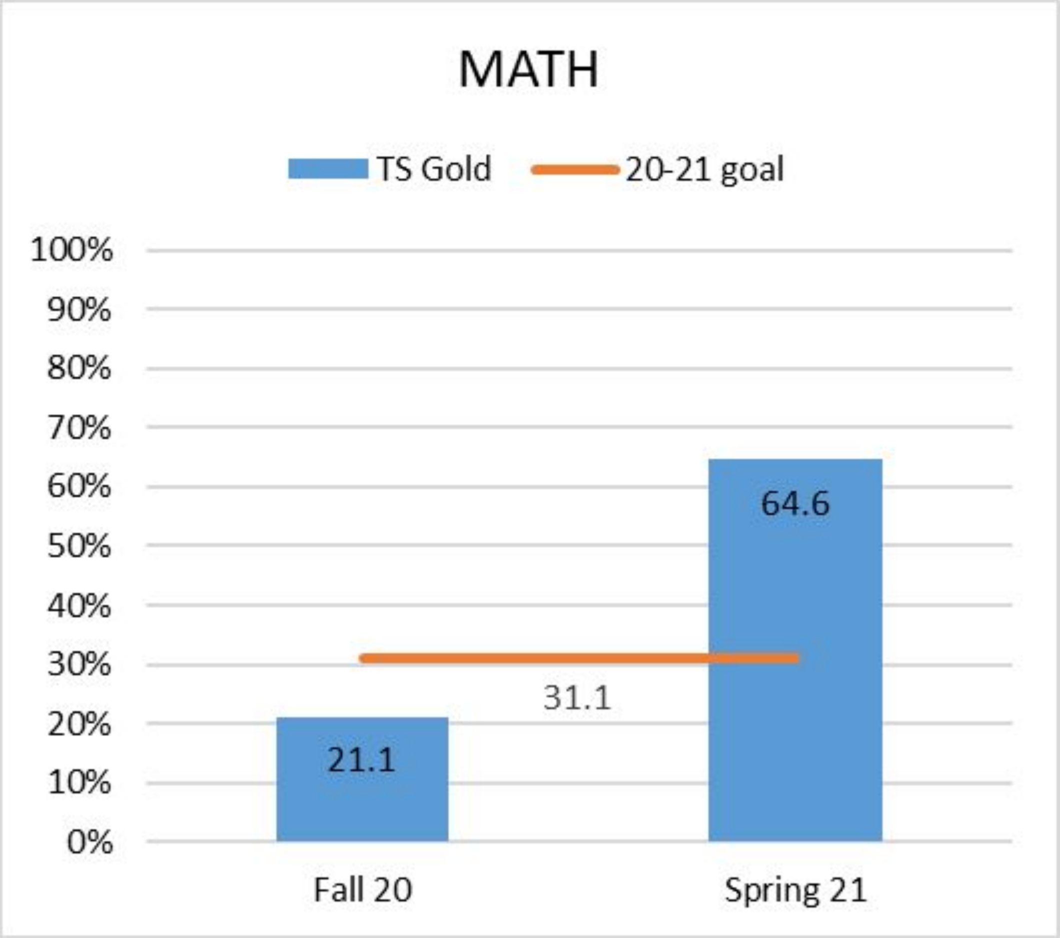
Annual Report

December 15, 2021

Enriqueciendo y acelerando el aprendizaje

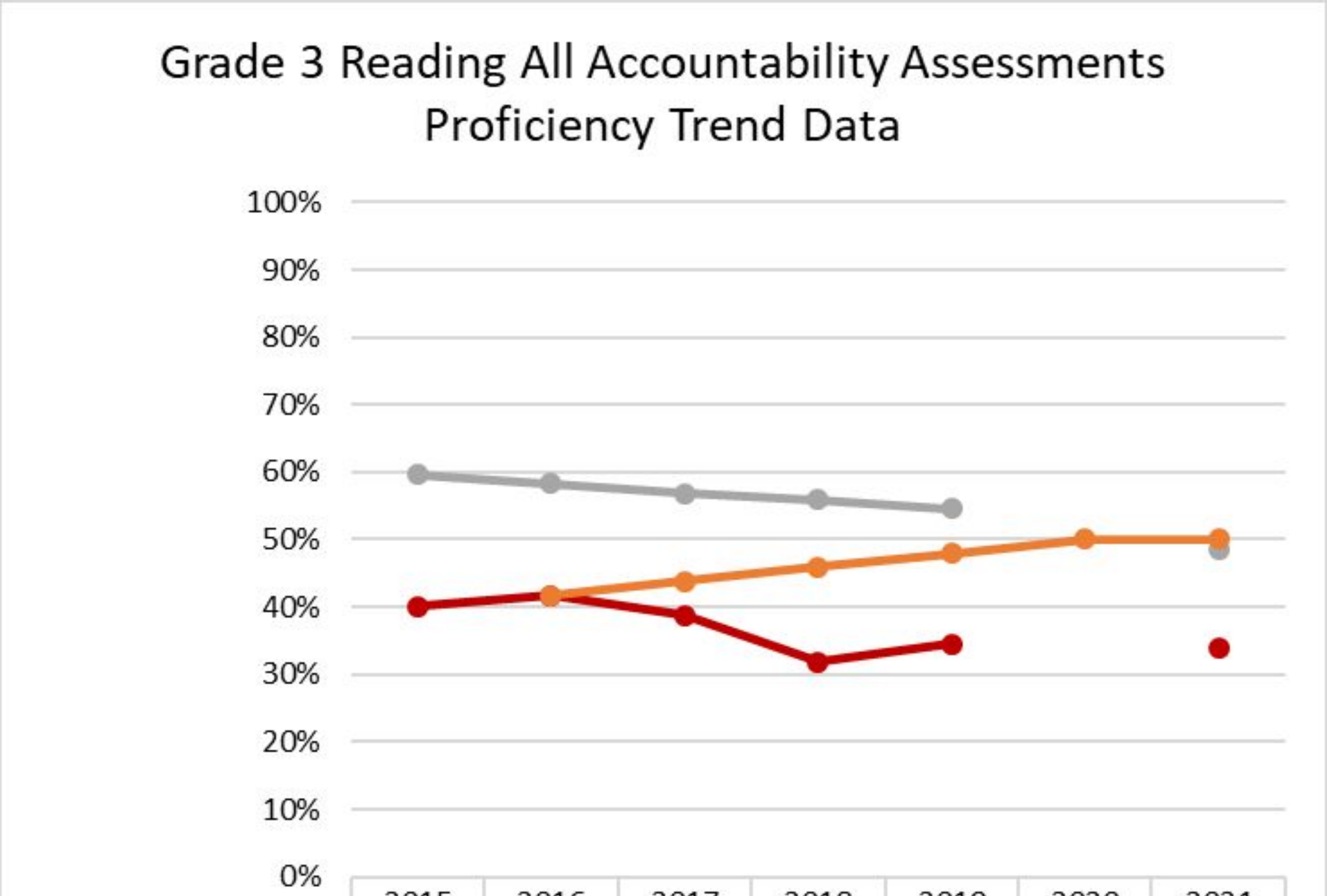
Kindergarten Readiness





3rd Graders Reading at Grade Level

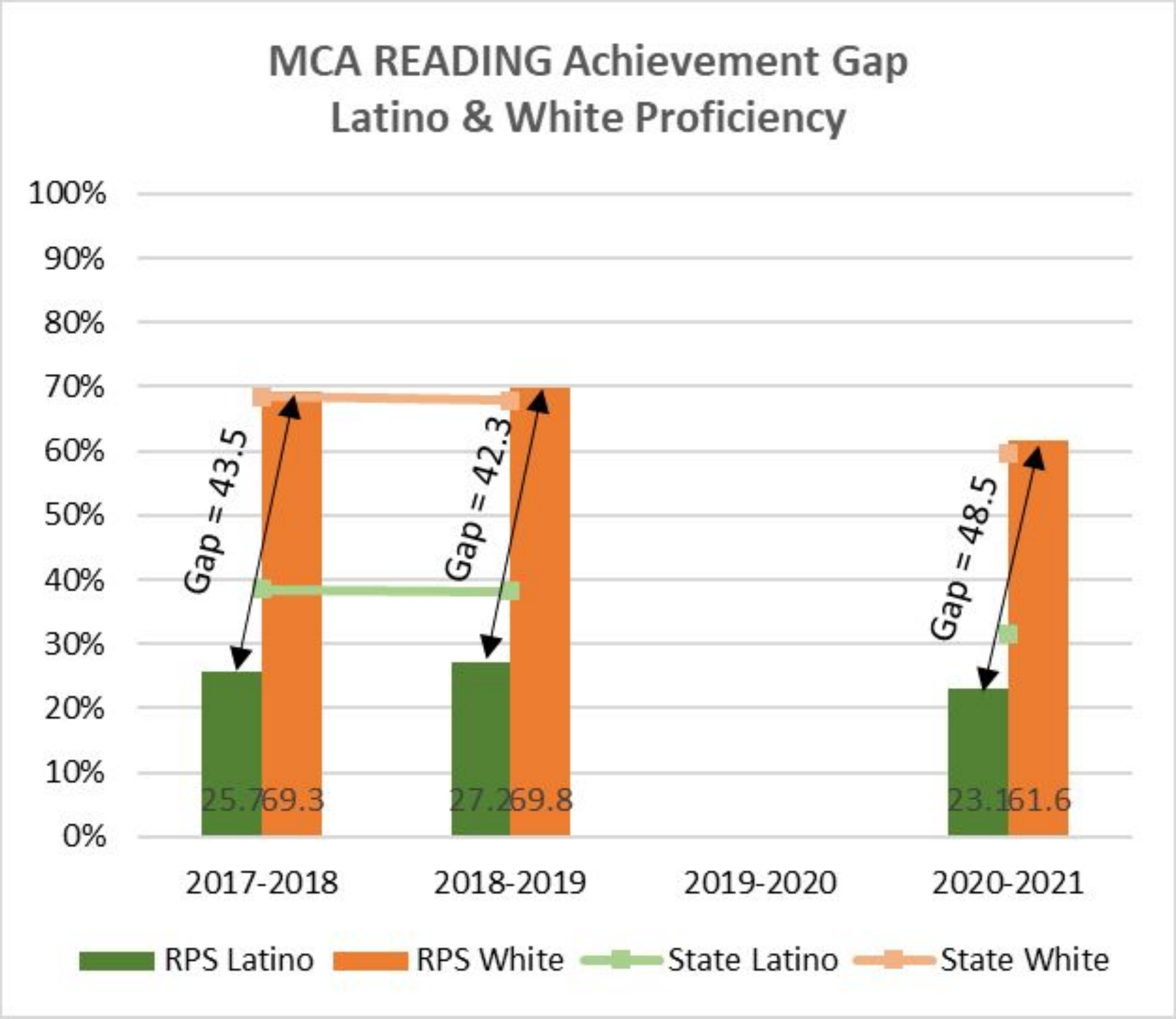
RICHFIELD
PUBLIC SCHOOLS

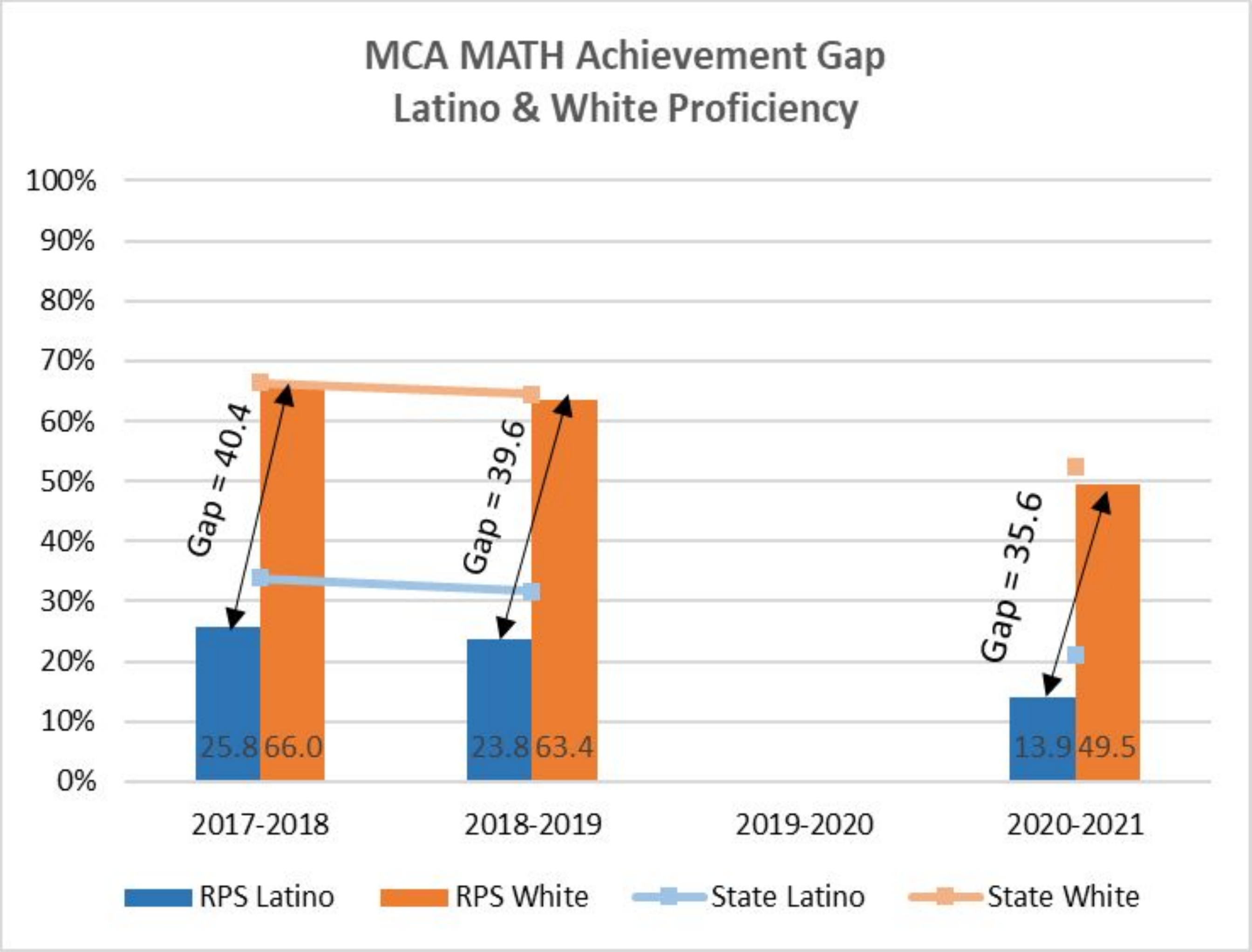


	2015	2016	2017	2018	2019	2020	2021
RPS Grade 3	40.1	41.7	38.8	31.9	34.5		34.0
State Grade 3	59.7	58.3	56.8	55.9	54.6		48.5
Goal		41.7	43.8	45.9	48.0	50.0	50.0

Closing Achievement Gaps in Student Groups

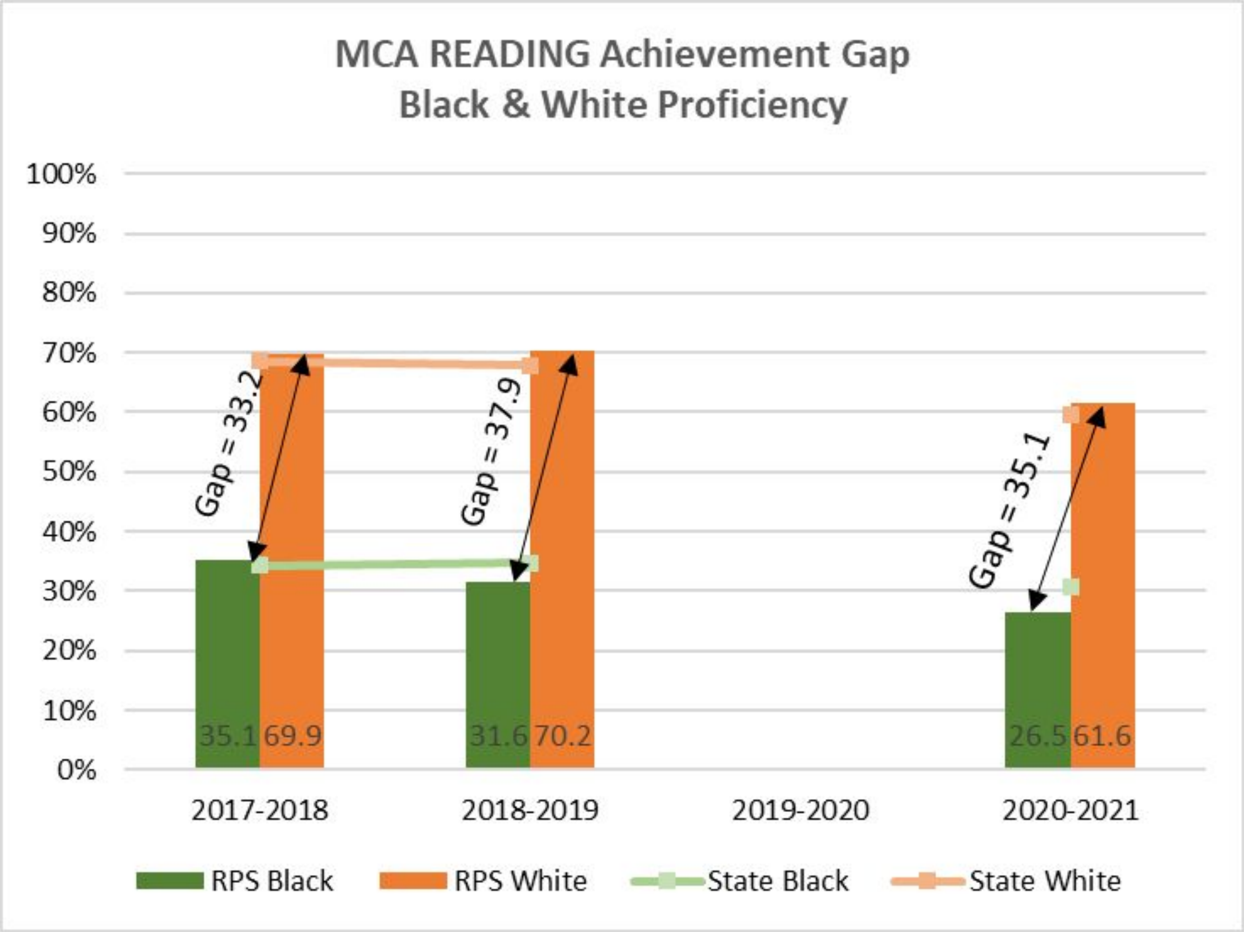
RICHFIELD PUBLIC SCHOOLS

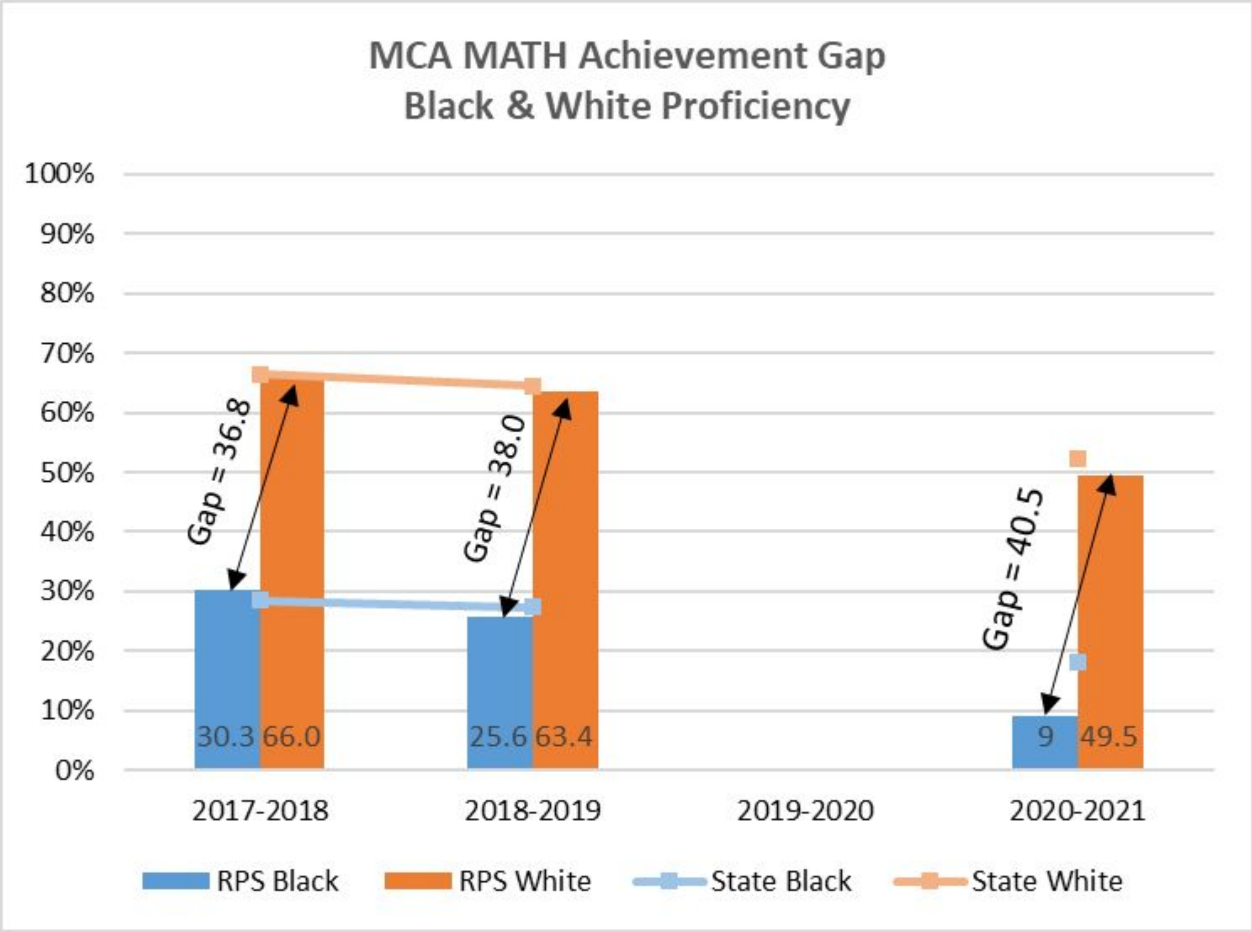




Closing Achievement Gaps in Student Groups

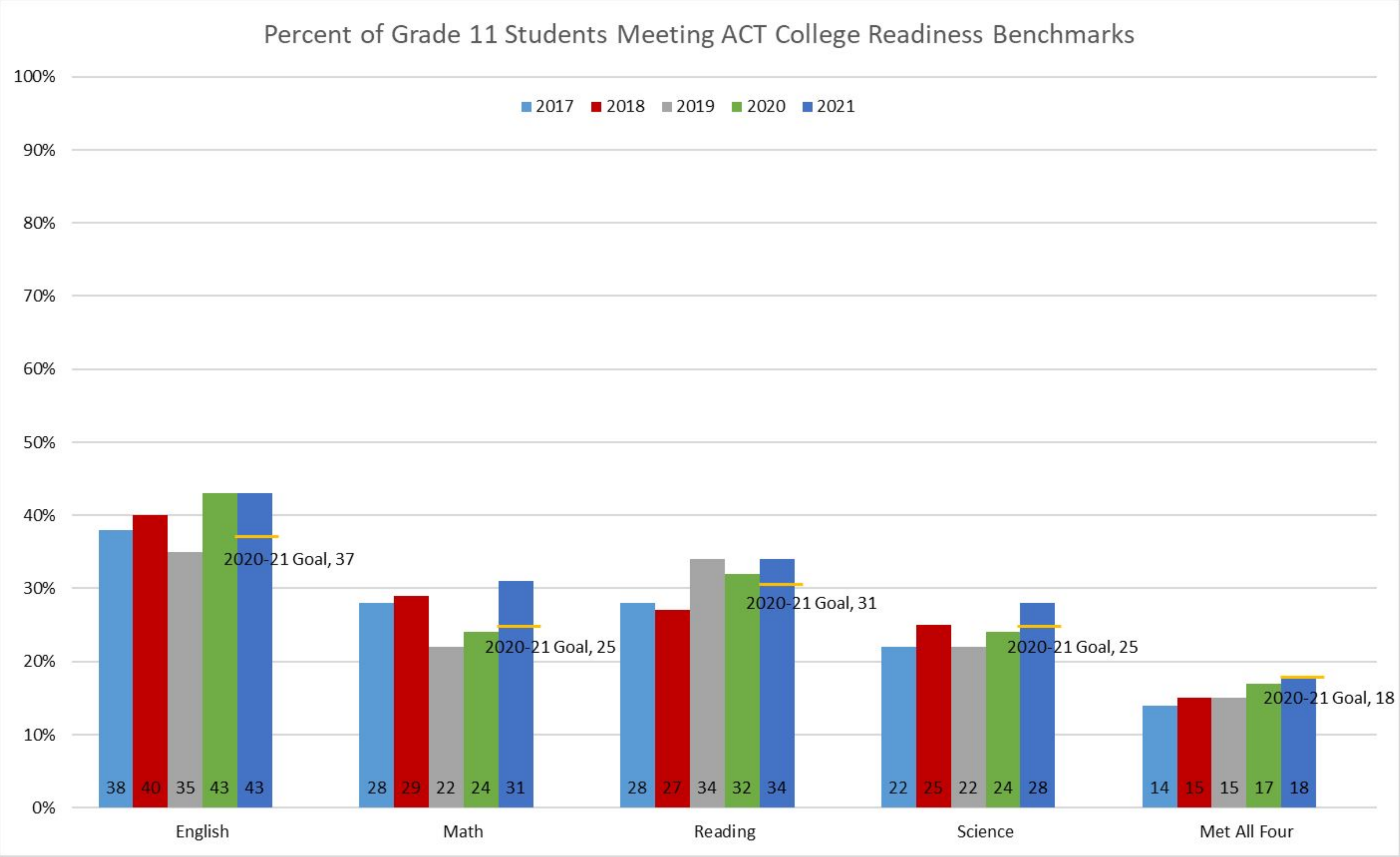
RICHFIELD PUBLIC SCHOOLS



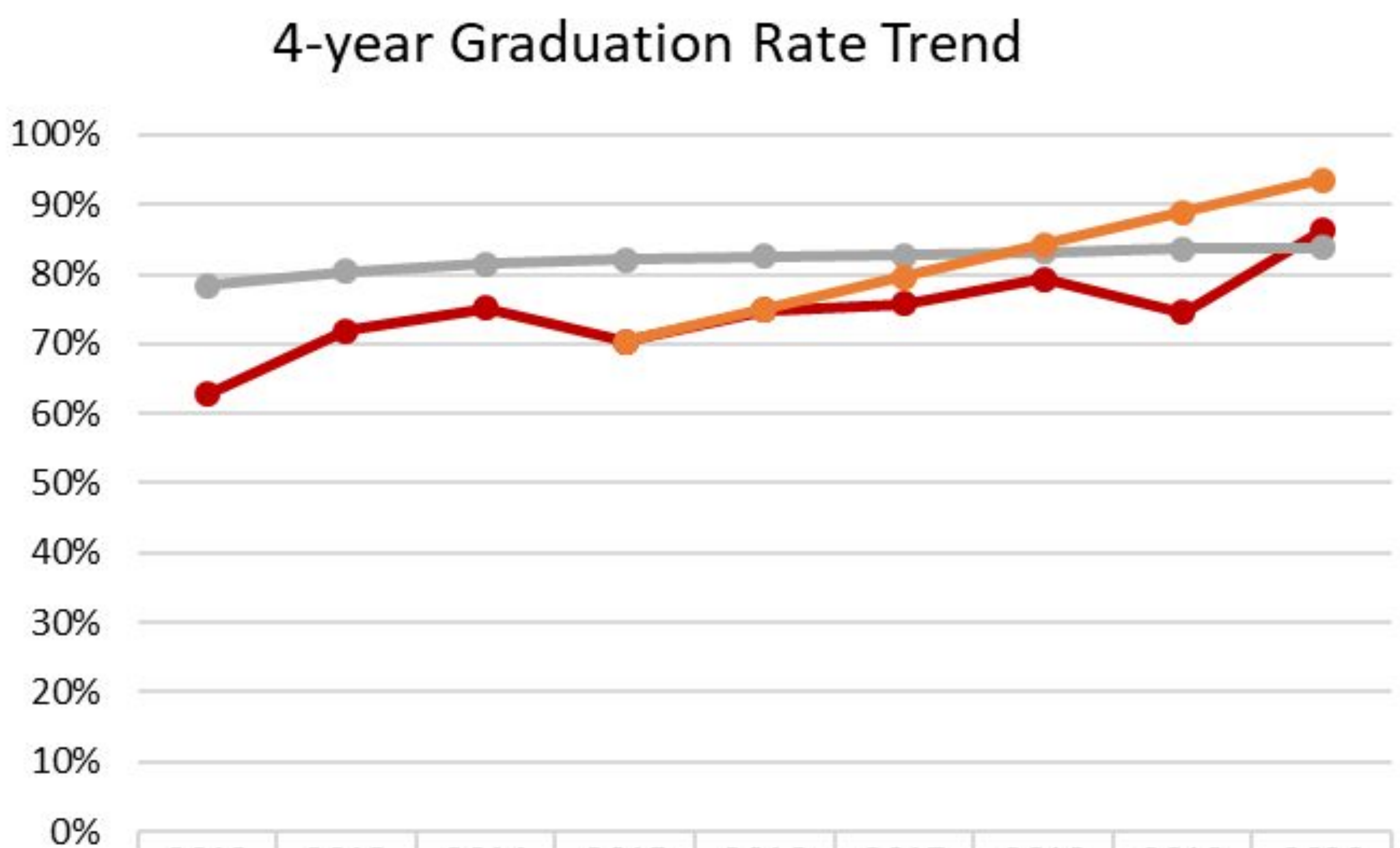


College and Career Readiness of All Students

RICHFIELD PUBLIC SCHOOLS



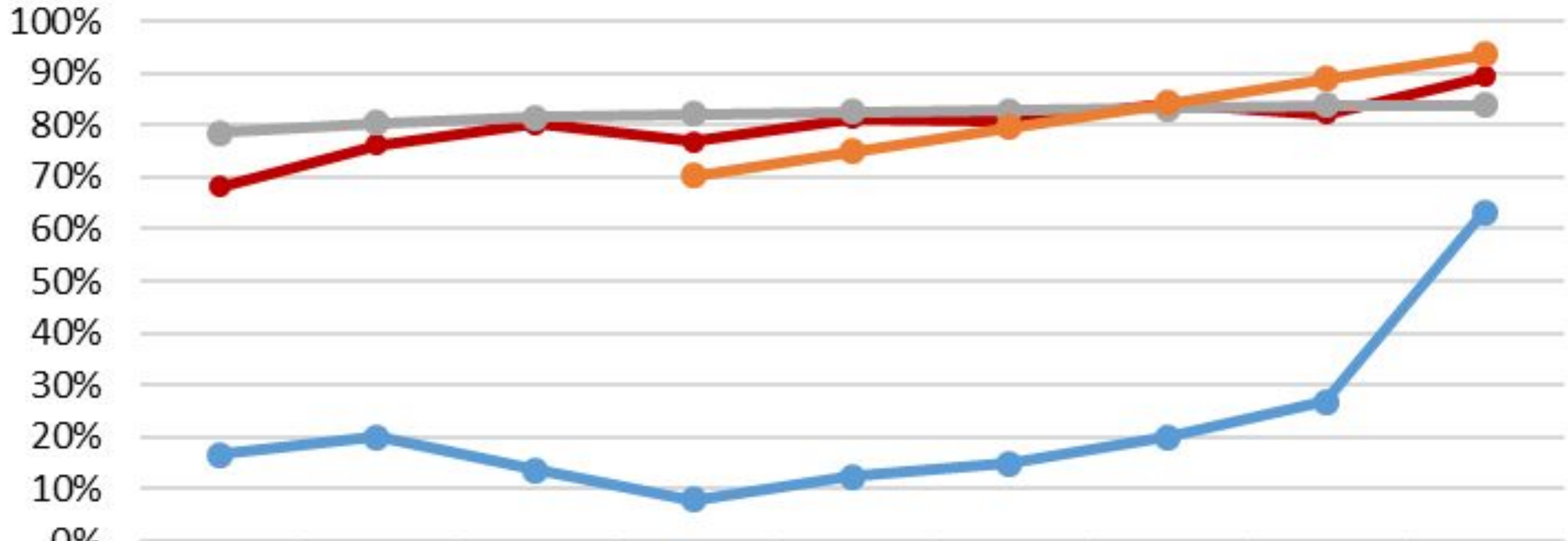
All Students Graduate



	2012	2013	2014	2015	2016	2017	2018	2019	2020
RPS	62.7	71.9	75.2	70.3	74.8	75.7	79.3	74.5	86.3
State	78.4	80.4	81.4	82.1	82.5	82.7	83.2	83.7	83.8
Goal				70.3	74.9	79.6	84.2	88.9	93.5

All Students Graduate

4-year Graduation Rate Trend
by Secondary School/Program



	2012	2013	2014	2015	2016	2017	2018	2019	2020
RHS	68.1	76.1	80.2	76.9	81.2	80.9	84.3	82.0	89.4
RCEP	16.7	20.0	13.6	8.0	12.5	15.0	20.0	26.8	63.3
State	78.4	80.4	81.4	82.1	82.5	82.7	83.2	83.7	83.8
Goal				70.3	74.9	79.6	84.2	88.9	93.5

Closing Thoughts and Questions

RICHFIELD PUBLIC SCHOOLS

MMKR
CERTIFIED PUBLIC ACCOUNTANTS

Independent School District No. 280
Audit Report
Year Ended June 30, 2021
Malloy Montague, Karnowski, Radosevich, & Co., P.A.

Auditor's Role

- Opinion on Basic Financial Statements
- Single Audit of Federal Awards
- Test Internal Controls and Compliance
  - Financial Statement Audit
  - Federal "Single Audit"
  - State Laws and Regulations

Audit Results – District Audit

- **Internal Control Over Financial Reporting**
  - *Monthly Cash Reconciliation Process*
  - *Reconciliations for November Through June Not Timely*
- **Compliance – Financial Reporting**
  - *No findings Reported*
- **Minnesota Legal Compliance**
  - *Timely Payment of Claims*
  - *1 of 25 Claims tested Not Paid Within 35 Days*

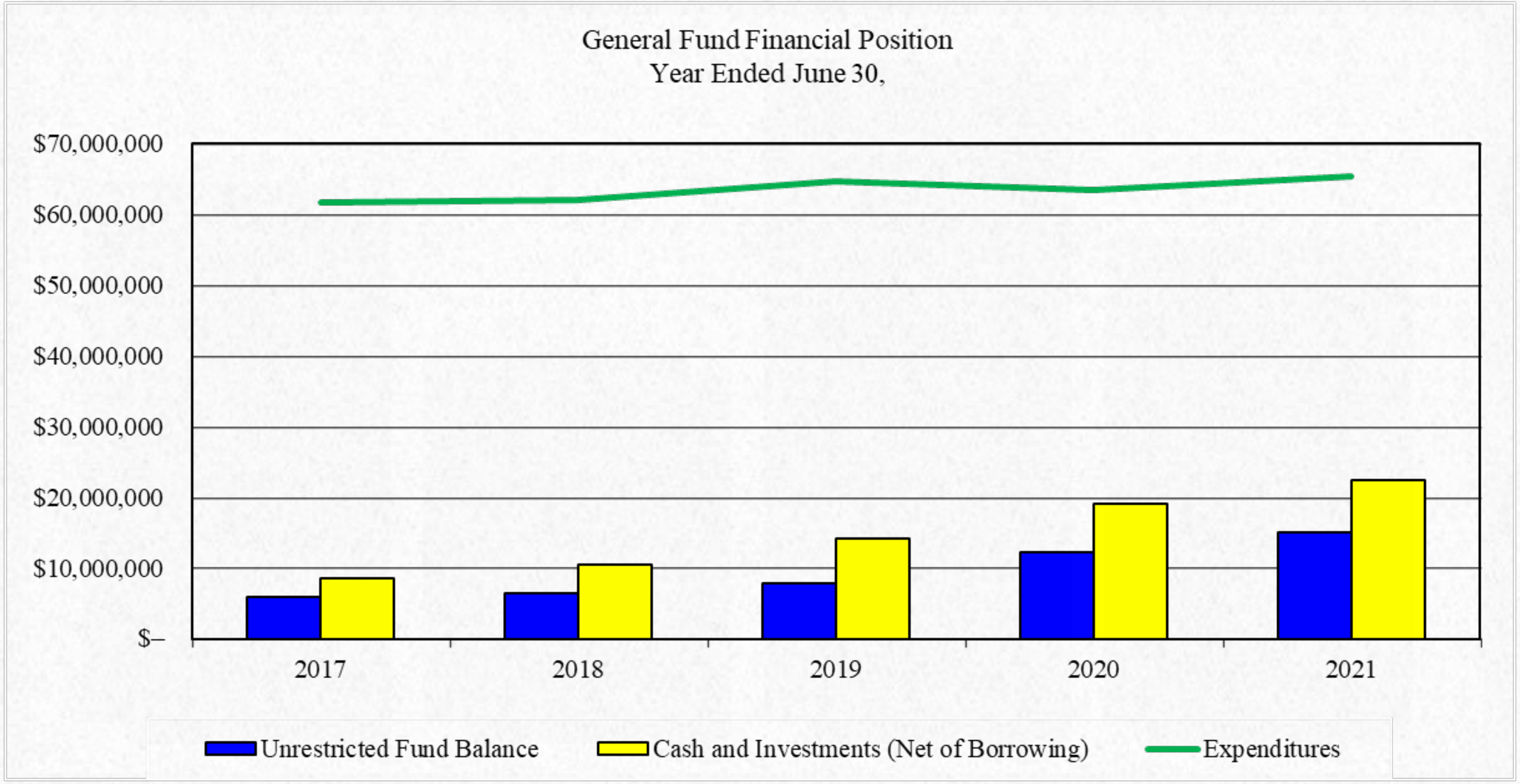
Audit Results – Federal Single Audit

- **Clean Opinion on Schedule of Federal Awards**
  - ***Fairly Stated in Relation to the Basic Financial Statements***
  - ***Major Programs Audited – Title I, Special Education Cluster, Coronavirus Relief Fund***

- **Internal Control Over Federal Compliance**
  - ***No Findings Reported***

- ***Compliance Requirement – Major Programs***
  - ***No Findings Reported***

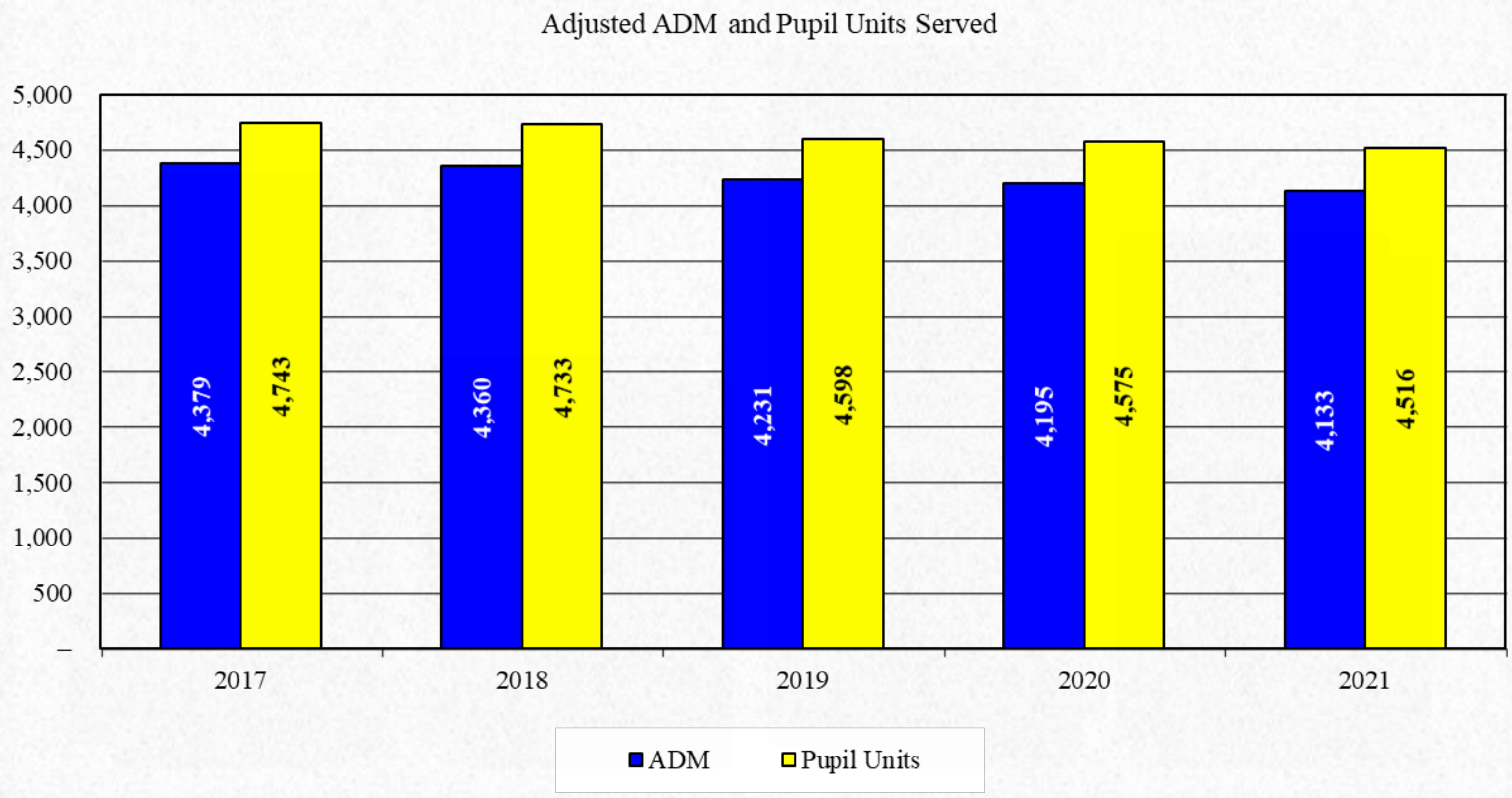
General Fund Financial Position



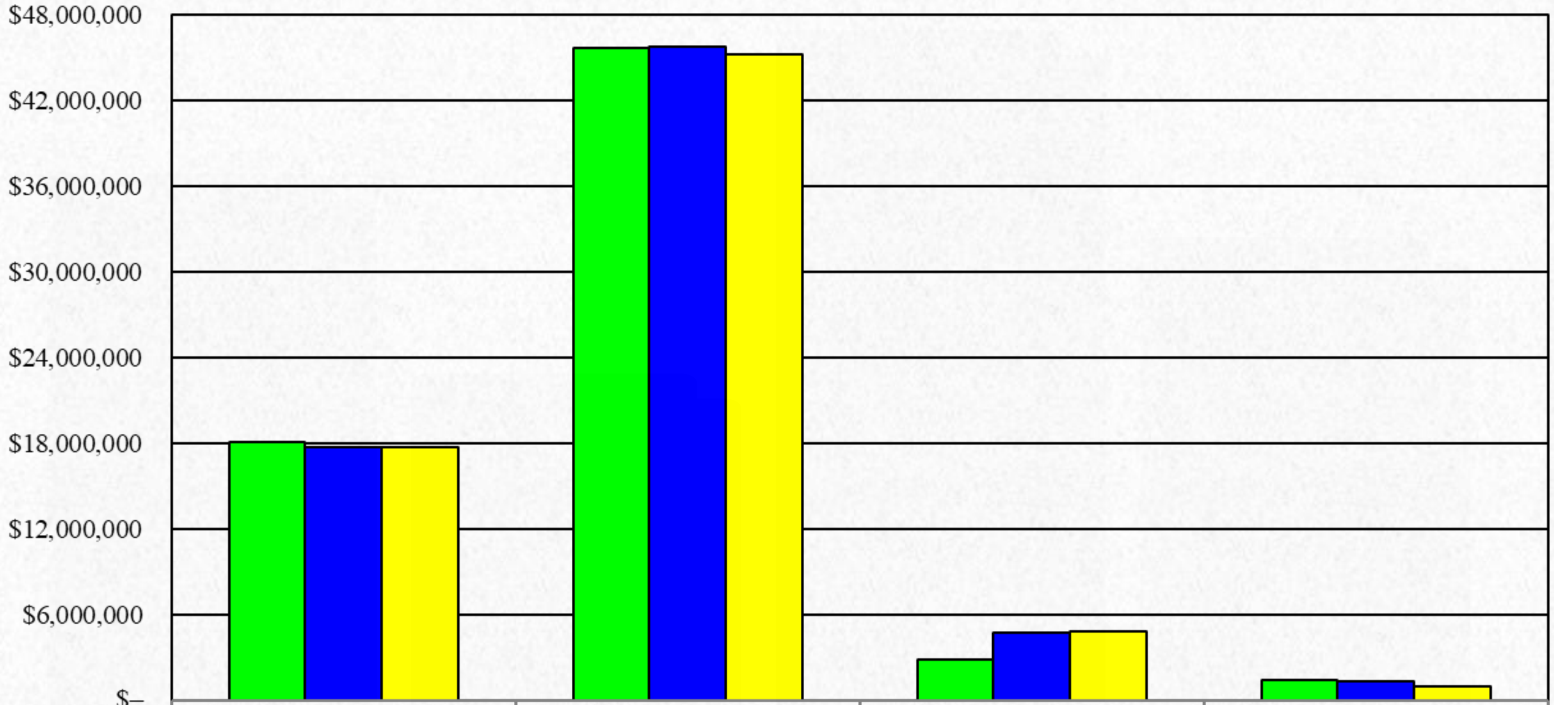
General Fund Financial Position

	June 30, 2019	June 30, 2020	June 30, 2021
Nonspendable fund balances	$ 931,474	$ 33,813	$ 458,242
Restricted fund balances	2,482,106	3,964,677	4,120,720
Unrestricted fund balances			
Assigned	3,326,097	5,278,307	3,834,622
Unassigned	4,545,037	6,920,954	11,208,090
Total fund balance	$ 11,284,714	$ 16,197,751	$ 19,621,674
Unrestricted fund balances as a percentage of expenditures	12.2%	19.2%	23.0%
Unassigned fund balances as a percentage of expenditures	7.0%	10.9%	17.2%

Students Served



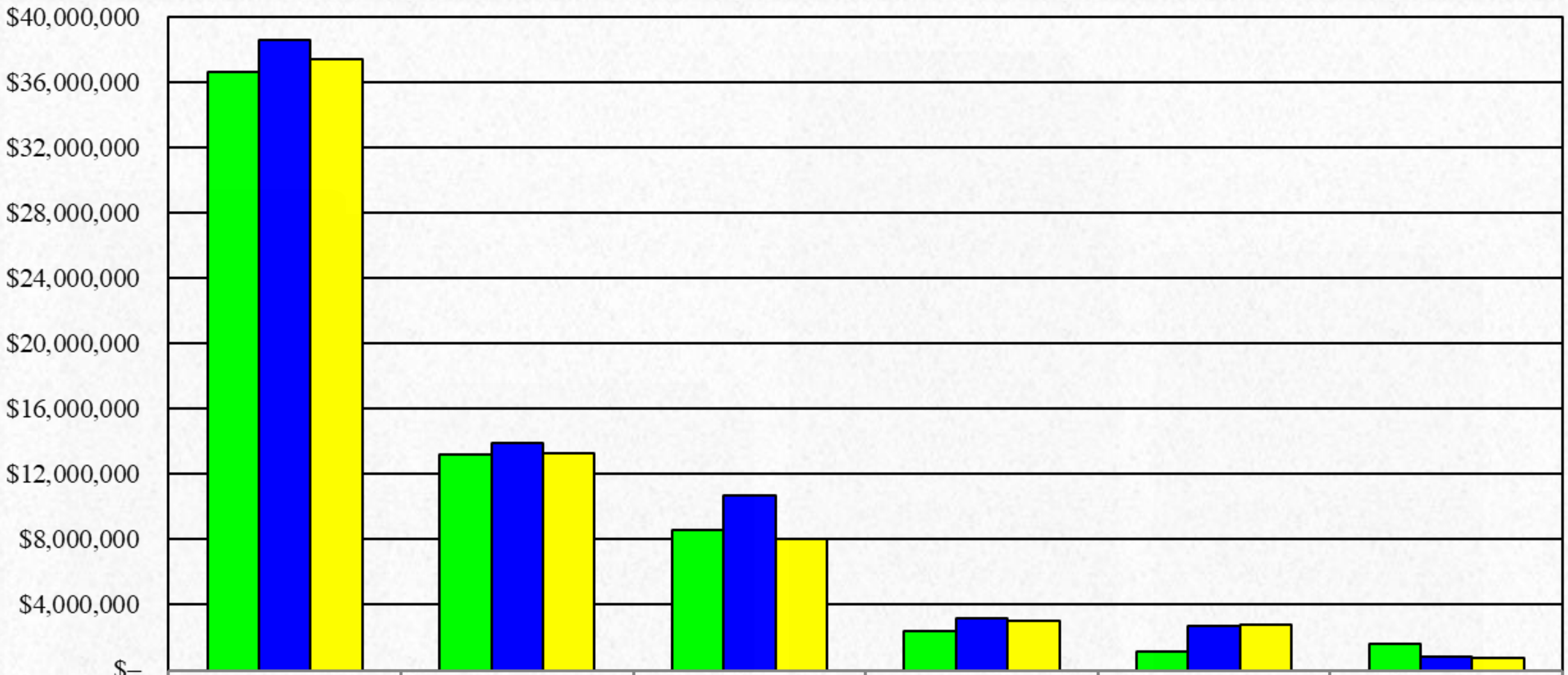
General Fund Revenue



	Property Taxes	State Sources	Federal Sources	Other
Prior Year	$18,018,703	$45,674,571	$2,834,496	$1,390,374
Budget	$17,677,523	$45,753,835	$4,751,670	$1,290,594
Actual	$17,711,182	$45,171,242	$4,835,776	$985,192

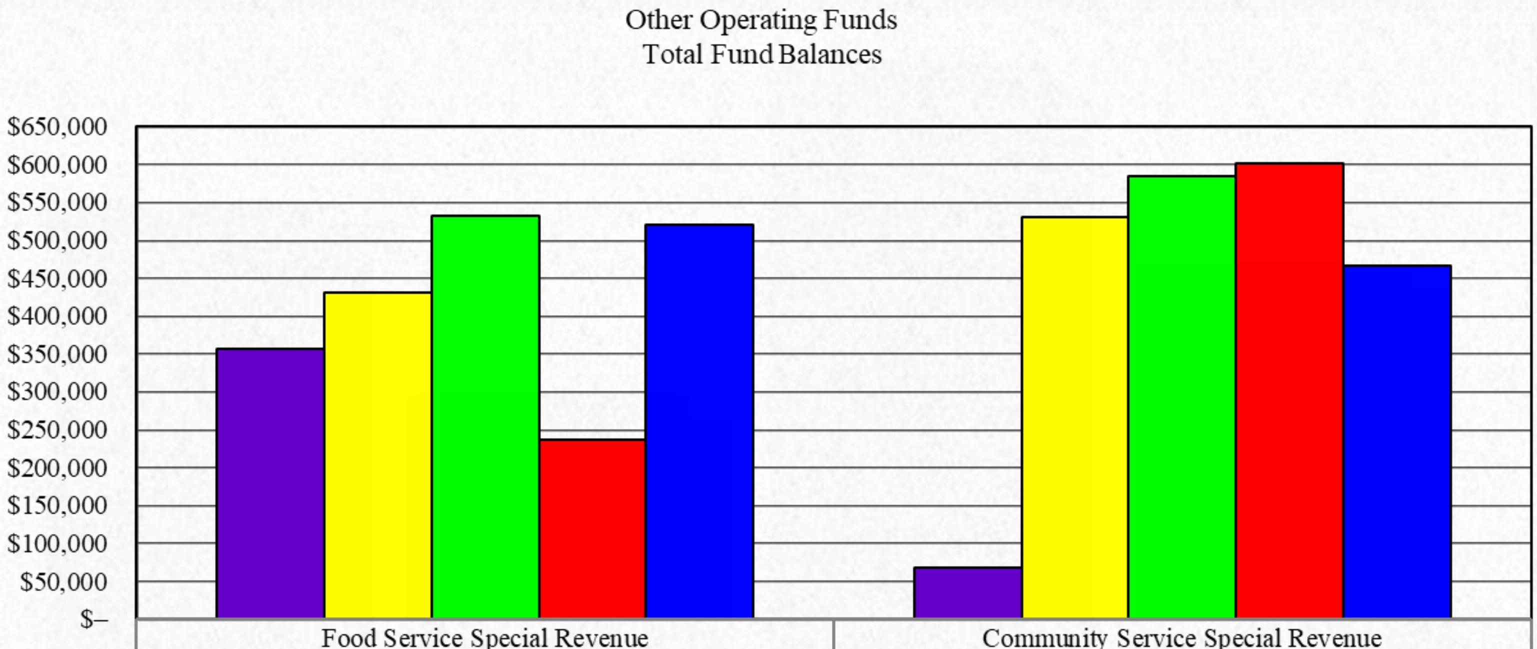
MMKR
CERTIFIED PUBLIC ACCOUNTANTS

General Fund Expenditures



	Salaries	Employee Benefits	Purchased Services	Supplies	Capital	Other
Prior Year	$36,586,621	$13,190,109	$8,591,697	$2,365,639	$1,117,966	$1,608,215
Budget	$38,602,193	$13,922,815	$10,713,725	$3,150,042	$2,721,108	$809,630
Actual	$37,395,347	$13,311,058	$8,061,862	$3,032,053	$2,778,869	$715,036

Other Governmental Funds



	Food Service Special Revenue	Community Service Special Revenue
2017	$357,454	$67,563
2018	$431,368	$531,089
2019	$532,885	$584,749
2020	$237,508	$600,659
2021	$521,062	$466,817

MMKR CERTIFIED PUBLIC ACCOUNTANTS

District-Wide Statement of Net Position

	June 30, 2021	June 30, 2020	Change
Net position – governmental activities			
Total fund balances – governmental funds	$ 31,347,285	$ 62,481,593	$ (31,134,308)
Capital assets, less accumulated depreciation	154,381,729	121,596,280	32,785,449
Bonds and capital leases	(142,386,297)	(147,224,587)	4,838,290
Pension liabilities, net of deferments	(61,822,191)	(59,641,006)	(2,181,185)
OPEB liability, net of deferments	(11,766,059)	(12,463,338)	697,279
Other	770,578	1,833,242	(1,062,664)
Total net position	$ (29,474,955)	$ (33,417,816)	$ 3,942,861
Net position			
Net investment in capital assets	$ 26,783,196	$ 26,263,596	$ 519,600
Restricted	10,962,938	10,384,473	578,465
Unrestricted	(67,221,089)	(70,065,885)	2,844,796
Total net position	$ (29,474,955)	$ (33,417,816)	$ 3,942,861

INFORMATION AND PROPOSALS – NON-ACTION ITEMS **Agenda Item III.C.**

Board of Education
Independent School District 280
Richfield, Minnesota

Regular Meeting, December 20, 2021

Subject: Commendations

Richfield Public Schools would like to commend board members Christine Maleck and Peter Toensing for their exemplary service on the board.

Christine Maleck has served on the board since 2014 in the roles of director, vice chair, chair, and clerk. As clerk, Christine has been a key member of the District Construction Committee throughout the last few years of major renovation projects. She has also served on the District Curriculum Advisory Committee and several other committees.

Pete Toensing was first seated on the board in 2008 and has served in the roles of director, treasurer, vice chair, and chair. Pete has been a highly valued member of the District Health, Safety, and Wellness Committee. He has also served as a representative to AMSD as well as several other committees.

RPS has deep gratitude for the contributions of time and talents given by Christine and Pete. We wish them well in their future endeavors and hope that they will come back to visit RPS!

Richfield Public Schools would also like to commend RPS bus driver Al Iverson who will be retiring after the last day of school in December. Al has served as a bus driver with RPS for 29 years! We are very grateful for Al's many years of dedication to our district in this critical role of providing a means for students to get to school every day. Thank you Al, and best of luck in your retirement!

FUND	CHECK	DATE	VENDOR	TYPE	AMOUNT
01	303007	11/18/2021	ALLIED PROFESSIONALS, INC.	R	1,345.50
01	303008	11/18/2021	AMITY INSTITUTE LTD	R	3,240.00
01	303009	11/18/2021	ANDERSON JULIE R	R	120.00
01	303010	11/18/2021	ROSANNE E. DOUGHTY	R	2,000.00
01	303011	11/18/2021	AQUA ENGINEERING INC	R	537.75
01	303012	11/18/2021	AQUA LOGIC INC	R	389.57
01	303013	11/18/2021	BEN FRANKLIN ELECTRIC INC	R	1,403.00
01	303014	11/18/2021	BLUE CROSS BLUE SHIELD OF MINNESOTA	R	8,580.00
01	303015	11/18/2021	BSN SPORTS, LLC	R	600.00
01	303016	11/18/2021	CDW GOVERNMENT INC	R	11,548.80
01	303017	11/18/2021	CINTAS CORPORATION NO 2	R	106.85
01	303018	11/18/2021	CITY OF RICHFIELD	R	225.00
01	303019	11/18/2021	CITY OF RICHFIELD	R	6,740.14
01	303020	11/18/2021	COMCAST BUSINESS	R	539.74
01	303021	11/18/2021	COMMONLIT INC	R	7,500.00
01	303022	11/18/2021	CONTINENTAL RESEARCH CORP	R	873.80
01	303023	11/18/2021	DECKER EQUIPMENT INC	R	682.84
01	303024	11/18/2021	DOOR SERVICE COMPANY OF THE TWIN CI	R	187.50
01	303025	11/18/2021	EASYPERMIT POSTAGE	R	1,628.88
01	303026	11/18/2021	EDUCATORS BENEFIT CONSULTANTS LLC	R	432.97
01	303027	11/18/2021	FAIRVIEW HEALTH SERVICES	R	9,240.00
01	303028	11/18/2021	FINANGER PHILLIP J	R	50.00
01	303029	11/18/2021	FLANERY-OLSON, JODI	R	20.00
01	303030	11/18/2021	GLASS DOCTOR OF MINNEAPOLIS	R	341.76
01	303031	11/18/2021	WW GRAINGER INC	R	499.37
01	303032	11/18/2021	HAAS MUSICAL INSTRUMENT REPAIR, INC	R	286.20
01	303033	11/18/2021	HILLYARD	R	2,681.59
01	303034	11/18/2021	HOGAN ASSESSMENT SYSTEMS INC	R	450.00
01	303035	11/18/2021	HOPE CHURCH	R	14,413.77
01	303036	11/18/2021	INSTITUTE FOR ENVIROMENTAL	R	10,980.50
01	303037	11/18/2021	JULIE MANDERY	R	75.00
01	303038	11/18/2021	KAJEET, INC.	R	2,627.42
01	303039	11/18/2021	KLEIST DOUGLAS	R	124.00
01	303040	11/18/2021	KROONBLAWD DAVID	R	172.00
01	303041	11/18/2021	LANGUAGE LINE SERVICE	R	2,670.07
01	303042	11/18/2021	LOFFLER COMPANIES	R	129.00
01	303043	11/18/2021	MALLOY MONTAGUE KARNOWSKI & RADO	R	4,300.00
01	303044	11/18/2021	MATRIX COMMUNICATIONS INC	R	5,278.62
01	303045	11/18/2021	MENDELBLATT SCOTT	R	20.00
01	303046	11/18/2021	METROPOLITAN MECHANICAL CONTRACTORS	R	2,194.89
01	303047	11/18/2021	MILES SARA	R	50.00
01	303048	11/18/2021	MINNESOTA CLAY COMPANY	R	136.78
01	303049	11/18/2021	MINNESOTA DEPT OF HEALTH	R	35.00
01	303050	11/18/2021	MINUTEMAN PRESS OF RICHFIELD	R	245.40
01	303051	11/18/2021	ALBIN ACQUISITION CORP	R	25.00
01	303052	11/18/2021	MTN-METROPOLITAN TRANSP NETWORK	R	288,233.00
01	303053	11/18/2021	MULTILINGUAL WORD INC	R	10,687.00
01	303054	11/18/2021	NEW DOMINION SCHOOL	R	5,523.63
01	303055	11/18/2021	NORTHERN CLAY CENTER	R	922.00

01	303056	11/18/2021	OCCUPATIONAL MEDICINE CONSULTANTS	R	245.00
01	303057	11/18/2021	OLEYAR DAVID A	R	62.00
01	303058	11/18/2021	ONE OF ONE CLOTHING	R	2,828.00
01	303059	11/18/2021	PAPCO, INC.	R	55.00
01	303060	11/18/2021	PAYDHEALTH	R	17,438.86
01	303061	11/18/2021	POPP RYAN G	R	20.00
01	303062	11/18/2021	POVOLNY KATHLEEN IGOE	R	80.00
01	303063	11/18/2021	PREMIUM WATERS INC	R	30.00
01	303064	11/18/2021	KASTL, HOLLY	R	110.58
01	303065	11/18/2021	RATWIK ROSZAK & MALONEY PA	R	1,198.50
01	303066	11/18/2021	RUPP ANDERSON SQUIRES & WALDSPURGER	R	8,074.87
01	303067	11/18/2021	SCHMITT MUSIC CREDIT	R	754.74
01	303068	11/18/2021	SEPTRAN STUDENT TRANSPORTATION	R	11,440.00
01	303069	11/18/2021	TOLL COMPANY	R	48.12
01	303070	11/18/2021	TWIN CITY FILTER SERVICE INC	R	208.88
01	303071	11/18/2021	TWIN CITY HARDWARE	R	220.00
01	303072	11/18/2021	TYLER TECHNOLOGIES, INC.	R	3,150.00
01	303073	11/18/2021	UNITED HEALTHCARE INSURANCE CO	R	503.63
01	303074	11/18/2021	UNITED HEALTHCARE/AARP MEDICARE RX	R	88.70
01	303075	11/18/2021	UNITED HEARTHCARE /AARP MEDICARE RX	R	88.70
01	303076	11/18/2021	UNIVERSITY OF MINNESOTA	R	1,885.00
01	303077	11/18/2021	TREMCO/WEATHERPROOFING TECH, INC.	R	70,572.92
01	303078	11/18/2021	XCEL ENERGY	R	1,633.54
01	303079	11/18/2021	ZARNOTH BRUSH WORKS	R	502.00
01	V611345	11/19/2021	ERIC ANDERSON	R	53.85
01	V611346	11/19/2021	LISA M BAIRD	R	30.92
01	V611347	11/19/2021	MELISSA M HUSABY	R	23.94
01	V611348	11/19/2021	RACHEL M JOHNSON	R	125.97
01	V611349	11/19/2021	LEAH M LANNERS	R	170.95
01	V611350	11/19/2021	JOHN M LORENZINI	R	250.00
01	V611351	11/19/2021	ANN M RUMMEL	R	170.00
01	V611352	11/19/2021	LORI M VOIGT	R	170.00
01	V611353	11/19/2021	GREGORY A VONRUDEN	R	14.88
01	V611354	11/19/2021	PAULA J WASHINGTON	R	92.15
01	V611355	11/19/2021	KASYA L WILLHITE	R	25.00
01	V611356	11/19/2021	THEODORE WURST	R	13.44
01	303080	11/23/2021	ALL STATE COMMUNICATIONS INC	R	637.50
01	303081	11/23/2021	AQUA ENGINEERING INC	R	14,173.00
01	303082	11/23/2021	ATHLETIC PERFORMANCE SOLUTIONS -APS	R	4,300.00
01	303083	11/23/2021	CORVAL CONSTRUCTION	R	110,690.99
01	303084	11/23/2021	COSNEY CORPORATION	R	4,353.00
01	303085	11/23/2021	ICS CONSULTING, LLC (DBA: ICS)	R	6,196.00
01	303086	11/23/2021	ROCHON CORPORATION MINNESOTA	R	123,318.71
01	303087	11/23/2021	INDIGO SIGNWORKS, INC.	R	31,511.50
01	303088	11/23/2021	VALLEY RICH CO INC	R	12,142.05
01	303089	11/23/2021	WOLD ARCHITECTS AND ENGINEERS	R	29,526.96
01	V611357	11/23/2021	ERICA T BARLOW	R	77.00
01	V611358	11/23/2021	KATHERINE A CHRISTIAN	R	140.37
01	V611359	11/23/2021	NATHAN EDWARDS	R	183.70
01	V611360	11/23/2021	MICHAEL G HARRIS	R	60.00

01	V611361	11/23/2021	CASSIDY H JAVNER	R	18.67
01	V611362	11/23/2021	ASHLIE M KAUN	R	414.03
01	V611363	11/23/2021	LISA A LEIKNES	R	396.98
01	V611364	11/23/2021	MAIA M MACK	R	407.70
01	V611365	11/23/2021	ERIN H NEILON	R	58.20
01	V611366	11/23/2021	CHRISTOPHER A OLSON	R	69.76
01	V611367	11/23/2021	JUAN J REYES	R	250.00
01	V611368	11/23/2021	REBECCA S WALD	R	66.19
01	V611369	11/23/2021	MELISSA J WILLIAMS	R	17.94
01	303090	11/24/2021	806 TECHNOLOGIES INC	R	3,500.00
01	303091	11/24/2021	ALLIED PROFESSIONALS, INC.	R	1,200.00
01	303092	11/24/2021	ANDERSON BRENDA	R	20.00
01	303093	11/24/2021	ANDERSON SHEILA K	R	45.00
01	303094	11/24/2021	APADANA LLC	R	12,190.00
01	303095	11/24/2021	APPRIZE TECHNOLOGY	R	300.00
01	303096	11/24/2021	BERRY COFFEE COMPANY INC.	R	502.50
01	303097	11/24/2021	BIX FRUIT COMPANY	R	4,801.87
01	303098	11/24/2021	BRAND FARMS	R	1,998.00
01	303099	11/24/2021	BRINK'S INCORPORATED	R	1,427.58
01	303100	11/24/2021	BSN SPORTS, LLC	R	1,060.50
01	303101	11/24/2021	CANON USA	R	4,166.53
01	303102	11/24/2021	CAPTIVATE MEDIA & CONSULTING	R	1,488.00
01	303103	11/24/2021	CARLA MARIA BODE	R	168.00
01	303104	11/24/2021	CAROLINA BIOLOGICAL	R	790.42
01	303105	11/24/2021	CATALYST BUYING GROUP LLC	R	469.99
01	303106	11/24/2021	CHAMPION YOUTH	R	1,197.70
01	303107	11/24/2021	CITY OF RICHFIELD	R	1,208.76
01	303108	11/24/2021	COMMERCIAL KITCHEN	R	2,384.29
01	303109	11/24/2021	DIGITAL INSURANCE LLC	R	3,607.00
01	303110	11/24/2021	FINANGER PHILLIP J	R	45.00
01	303111	11/24/2021	FURTHER	R	6,034.50
01	303112	11/24/2021	GAVIN PIANO SERVICES, INC.	R	383.00
01	303113	11/24/2021	GONZALEZ JOSUE	R	197.71
01	303114	11/24/2021	WW GRAINGER INC	R	98.03
01	303115	11/24/2021	GROTH MUSIC COMPANY	R	1,346.61
01	303116	11/24/2021	GROUP MEDICAREBLUE RX	R	7,097.00
01	303117	11/24/2021	HILLYARD	R	2,694.06
01	303118	11/24/2021	HUBERT COMPANY, LLC	R	176.37
01	303119	11/24/2021	IDEAL ENERGIES LLC	R	992.09
01	303120	11/24/2021	INDOFF INC	R	298.98
01	303121	11/24/2021	INNOVATIVE OFFICE SOLUTIONS LLC	R	72.35
01	303122	11/24/2021	IXL LEARNING	R	2,100.00
01	303123	11/24/2021	JW PEPPER & SON INC	R	1,070.74
01	303124	11/24/2021	KINECT ENERGY INC	R	8,344.01
01	303125	11/24/2021	LAKE COUNTRY SCALE WORKS INC	R	360.00
01	303126	11/24/2021	LOFFLER	R	1,225.09
01	303127	11/24/2021	LOFFLER COMPANIES	R	1,205.43
01	303128	11/24/2021	MADISON NATIONAL LIFE INS CO INC	R	6,261.86
01	303129	11/24/2021	MATRIX COMMUNICATIONS INC	R	1,542.15
01	303130	11/24/2021	MENDELBLATT SCOTT	R	20.00

01	303131	11/24/2021	METRO ECSU	R	3,150.00
01	303132	11/24/2021	MILES SARA	R	45.00
01	303133	11/24/2021	MINUTEMAN PRESS OF RICHFIELD	R	49.22
01	303134	11/24/2021	MN AAA	R	130.00
01	303135	11/24/2021	NAVARRO RAYMOND	R	64.00
01	303136	11/24/2021	NOVACARE REHABILITATION	R	150.00
01	303137	11/24/2021	OKEY CHRIS	R	50.00
01	303138	11/24/2021	PAN O GOLD BAKING CO	R	311.96
01	303139	11/24/2021	PARAGON DEVELOPMENT SYSTEMS, INC.	R	8,839.52
01	303140	11/24/2021	INNOCENT TECHNOLOGIES LLC	R	37,500.00
01	303141	11/24/2021	PITSCO INC	R	1,967.76
01	303142	11/24/2021	RIVERA DAVID	R	64.00
01	303143	11/24/2021	SCHOOL SPECIALTY, LLC	R	194.45
01	303144	11/24/2021	SOCIAL THINKING	R	38.95
01	303145	11/24/2021	SOURCEWELL TECHNOLOGY	R	18,000.00
01	303146	11/24/2021	TRAFERA HOLDINGS, INC.	R	1,630.00
01	303147	11/24/2021	TRIO SUPPLY COMPANY	R	1,334.48
01	303148	11/24/2021	U OF M TWIN CITIES ROCHESTER	R	1,000.00
01	303149	11/24/2021	UPPER LAKES FOODS	R	14,980.98
01	303150	11/24/2021	VIP BOOTHS	R	649.00
01	303151	11/24/2021	VSP VISION SERVICE PLAN	R	3,246.32
01	303152	11/24/2021	WINSOR LEARNING	R	842.50
01	303153	11/24/2021	MADISON NATIONAL LIFE INS CO INC	R	10,787.04
01	303154	11/24/2021	SCHOOL SERVICE EMPLOYEES UNION	R	8,509.19
01	303158	11/24/2021	AMAZON.COM SYNCB/AMAZON	R	6,629.24
01	303159	11/30/2021	BRIEN HALL	R	390.00
			TOTAL CHECKS & E-PAYS		**1,077,129.46**

CHECKS & E-PAYS FOR
12/06/2021 BOARD REPORTS

BANK 05		DATE	AMOUNT
	E-Pays	11/19/2021	1,141.10
		11/23/2021	2,160.54
	Checks	11/18/2021	532,333.38
		11/24/2021	178,329.26
		11/24/2021	25,925.47
		11/30/2021	390.00
	Construction Checks	11/23/2021	336,849.71
	CHECK REGISTER BANK 05 TOTAL =		**1,077,129.46**

BREAKDOWN

01-206-00	370,978.81
02-206-00	30,787.72
03-206-00	304,607.13
04-206-00	6,141.93
06-206-00	334,777.46
07-206-00	-
18-206-00	-
20-206-00	28,293.77
21-206-00	1,542.64
47-206-00	
BANK TOTAL =	**1,077,129.46**

SUPERINTENDENT'S REPORT AND AGENDA

Regular Meeting of the Board of Education
Independent School District No. 280, Richfield, Minnesota

Richfield Public Schools *inspires* and *empowers* each individual to learn, grow and *excel*

Monday, December 6, 2021
7:00 p.m. School Board Meeting

I. CALL TO ORDER

The regular meeting of the Board of Education of ISD 280, Hennepin County, Richfield, Minnesota was held on Monday, December 6, 2021 in the boardroom at the Richfield Public Schools district office. Chair Tim Pollis called the Regular Board Meeting to order at 7 p.m. with the following school board members in attendance: Cole, Maleck, and Toensing. Brakke and Smisek were not able to attend.

Administrators present were Superintendent Unowsky, Assistant Superintendent Daniels (virtually) and Chief HR & Admin Officer Holje. Student representatives present were Elsy Cruz Parra and Helen Dombrock.

II. REVIEW AND APPROVAL OF THE AGENDA

Motion by Toensing, seconded by Cole, and unanimously carried, the Board of Education approved the agenda.

III. INFORMATION AND PROPOSALS -- NON-ACTION ITEMS

A. Superintendent Update
    1. Truth-in-Taxation Hearing
    2. Inclusive Schools Week Proclamation
    3. RDLS Presentation

IV. CONSENT AGENDA

Motion by Maleck, seconded by Toensing, and unanimously carried, the Board of Education approved the consent agenda.

A. Routine Matters
    1. Minutes of the regular meeting held November 22, 2021
    2. General Disbursements as of 11/30/21 in the amount of $1,077,129.46
    3. Investment Holdings

B. Personnel Items

Classified Part Time Position For Employment – Facilities and Transportation
Joseph Carlson-Oknich – 13.75 hr/wk – Bus Driver
Effective 11/29/2021

V. OLD BUSINESS

A. Policy 601: Academic Standards and Instructional Curriculum - third read

Motion by Cole, seconded by Maleck, and unanimously carried, the Board of Education approved the revised policy.

B. Policy 452: Evaluation and Development of Professional Staff & Administrative Guideline 452.1 - second read

VI. NEW BUSINESS

A. Policy 521: Graduation Requirements - single read

Motion by Maleck, seconded by Toensing, and unanimously carried, the Board of Education approved the revised policy.

B. Policy 713: Post-Issuance Debt Compliance & Administrative Guideline 713.1 - first read
C. Final Levy Certification 2021

Motion by Toensing, seconded by Cole, and unanimously carried, the Board of Education approved the levy certification.

D. Resolution of Support: Safe Routes to School Infrastructure Grant

Motion by Maleck, seconded by Cole, and unanimously carried, the Board of Education approved the resolution.

E. Safe Routes to School Local Coordinator Grant Contract Amendment

Motion by Toensing, seconded by Maleck, and unanimously carried, the Board of Education approved the contract amendment.

F. Draft of Compliance with OSHA Emergency Temporary Standard
G. Donations

Motion by Cole, seconded by Toensing, and unanimously carried, the Board of Education approved the donations with gratitude.

VII. ADVANCE PLANNING

A. Legislative Update
   1. Review AMSD Legislative Platform
B. Information and Questions from Board
C. Future Meeting Dates
   12-20-2021 7:00 p.m. Regular Board Meeting - Public Comment

1-3-2022 7:00 p.m. Board Organizational Meeting

D. Suggested/Future Agenda Items

VIII. ADJOURN REGULAR MEETING

Chair Pollis adjourned the meeting at 8:32 p.m.

P-CARD,CHECK RUNS, E-PAYS & WIRES FOR 12/20/2021 BOARD REPORTS

BANK 05		DATE	AMOUNT
	Checks	12/2/2021	209,497.00
		12/6/2021	2,500.00
		12/9/2021	72,347.50
	E-Pays	12/1/2021	3,880.89
	Pcards-NOVEMBER Paid 12/3/21	12/3/2021	36,883.53
	CHECK REGISTER BANK 05 TOTAL =		**325,108.92**

BREAKDOWN	
01-206-00	217,263.58
02-206-00	62,664.51
03-206-00	29,219.37
04-206-00	14,762.71
06-206-00	796.75
07-206-00	-
18-206-00	-
20-206-00	306.00
21-206-00	96.00
47-206-00	-
BANK TOTAL =	**325,108.92**

FUND	CHECK	DATE	VENDOR	TYPE	AMOUNT
01	V611370	12/01/2021	ERICA T BARLOW	R	70.00
01	V611371	12/01/2021	MIRIAM A CASTRO SANJUAN	R	40.00
01	V611372	12/01/2021	MARY L CLARKSON	R	70.00
01	V611373	12/01/2021	SONYA COLEMAN	R	2.30
01	V611374	12/01/2021	LATANYA R DANIELS	R	70.00
01	V611375	12/01/2021	GEORGE A DENNIS	R	35.00
01	V611376	12/01/2021	MEGAN M STECHER	R	70.00
01	V611377	12/01/2021	JARED ELLERSON	R	70.00
01	V611378	12/01/2021	JUAN R FIGUEROA GARCIA	R	250.00
01	V611379	12/01/2021	PETER J FITZPATRICK	R	40.00
01	V611380	12/01/2021	STEVEN T FLUCAS	R	70.00
01	V611381	12/01/2021	MICHAEL L FRANKENBERG	R	70.00
01	V611382	12/01/2021	DAVID A FREEBURG	R	70.00
01	V611383	12/01/2021	AREND J GEURINK	R	70.00
01	V611384	12/01/2021	JAMES A GILLIGAN	R	70.00
01	V611385	12/01/2021	CHRISTINA M GONZALEZ	R	70.00
01	V611386	12/01/2021	KYLE L GUSTAFSON	R	40.00
01	V611387	12/01/2021	KEVIN D HARRIS	R	40.00
01	V611388	12/01/2021	ANGELICA HELLER	R	39.50
01	V611389	12/01/2021	JAMES L HILL	R	40.00
01	V611390	12/01/2021	JESSICA M HOFFMAN	R	40.00
01	V611391	12/01/2021	CRAIG D HOLJE	R	70.00
01	V611392	12/01/2021	CORY J KLINGE	R	70.00
01	V611393	12/01/2021	DANIEL E KRETSINGER	R	70.00
01	V611394	12/01/2021	ANOOP KUMAR	R	40.00
01	V611395	12/01/2021	LISA A LEIKNES	R	396.48
01	V611396	12/01/2021	SHANNON J LINDBERG	R	40.00
01	V611397	12/01/2021	JOHN M LORENZINI	R	70.00
01	V611398	12/01/2021	COLLEEN M MAHONEY	R	70.00
01	V611399	12/01/2021	STACIE L MAHOWALD	R	29.62
01	V611400	12/01/2021	DANIEL P MCGINN	R	40.00
01	V611401	12/01/2021	DOUG R MCMEEKIN	R	70.00
01	V611402	12/01/2021	CAROLE R MCNAUGHTON-COMMERS	R	70.00
01	V611403	12/01/2021	KENT D MEYER	R	70.00
01	V611404	12/01/2021	ALECIA M MOBLEY	R	70.00
01	V611405	12/01/2021	ERIN H NEILON	R	40.00
01	V611406	12/01/2021	ROBERT G OLSON	R	40.00
01	V611407	12/01/2021	LAURA B OTTERNESS	R	70.00
01	V611408	12/01/2021	MARK S PEDERSEN	R	40.00
01	V611409	12/01/2021	DARBY L SWANK	R	70.00
01	V611410	12/01/2021	DENNIS E PETERSON	R	35.00
01	V611411	12/01/2021	CASSANDRA QUAM	R	70.00
01	V611412	12/01/2021	KEITH D RIEF	R	40.00
01	V611413	12/01/2021	TERESA L ROSEN	R	70.00
01	V611414	12/01/2021	TIMECKA MARIE SANCHEZ-MICHAELS	R	70.00
01	V611415	12/01/2021	ASHLEY SCHAEFER	R	70.00
01	V611416	12/01/2021	NANCY J STACHEL	R	70.00
01	V611417	12/01/2021	PATRICK M SURE	R	40.00
01	V611418	12/01/2021	STACY THEIEN-COLLINS	R	70.00

01	V611419	12/01/2021	STEVEN P UNOWSKY	R	150.00
01	V611420	12/01/2021	STEPHEN C URBANSKI	R	40.00
01	V611421	12/01/2021	CARRIE A VALA	R	70.00
01	V611422	12/01/2021	JENNIFER K VALLEY	R	70.00
01	V611423	12/01/2021	RYAN WAGNER	R	40.00
01	V611424	12/01/2021	REBECCA S WALD	R	40.00
01	V611425	12/01/2021	DEBRA A WEBSTER	R	22.99
01	V611426	12/01/2021	KASYA L WILLHITE	R	70.00
01	V611427	12/01/2021	AMY J WINTER AHSENMACHER	R	70.00
01	303160	12/02/2021	BEN FRANKLIN ELECTRIC INC	R	6,135.00
01	303161	12/02/2021	BERRY COFFEE COMPANY INC.	R	39.80
01	303162	12/02/2021	BERWALD ROOFING CO	R	24,035.00
01	303163	12/02/2021	BESSER WELDING & FABRICATION	R	580.00
01	303164	12/02/2021	BEST PLUMBING SPECIALTIES, INC.	R	96.20
01	303165	12/02/2021	BIX FRUIT COMPANY	R	4,930.23
01	303166	12/02/2021	BRAMBILLA'S LEASE SYSTEMS, INC	R	2,161.00
01	303167	12/02/2021	BSI MECHANICAL, INC.	R	2,957.43
01	303168	12/02/2021	BSN SPORTS, LLC	R	1,500.00
01	303169	12/02/2021	CARQUEST AUTO PARTS	R	216.11
01	303170	12/02/2021	CINTAS CORPORATION NO 2	R	213.70
01	303171	12/02/2021	COMCAST	R	267.00
01	303172	12/02/2021	COMCAST BUSINESS	R	244.74
01	303173	12/02/2021	COMMERCIAL KITCHEN	R	1,085.00
01	303174	12/02/2021	DECKER EQUIPMENT INC	R	115.66
01	303175	12/02/2021	DOOR SERVICE COMPANY OF THE TWIN CI	R	1,172.50
01	303176	12/02/2021	ECM PUBLISHERS INC	R	139.00
01	303177	12/02/2021	ECOLAB INC	R	698.95
01	303178	12/02/2021	EXPLORE LEARNING, LLC	R	875.00
01	303179	12/02/2021	FLICEK WELDING	R	2,500.00
01	303180	12/02/2021	FREEWHEEL BIKE RICHFIELD	R	27.00
01	303181	12/02/2021	GLASS DOCTOR OF MINNEAPOLIS	R	437.91
01	303182	12/02/2021	WW GRAINGER INC	R	801.25
01	303183	12/02/2021	HASTINGS PUBLIC SCHOOLS	R	33.00
01	303184	12/02/2021	HENNEPIN COUNTY TREASURER	R	3,362.70
01	303185	12/02/2021	HILLYARD	R	8,900.83
01	303186	12/02/2021	HOGLUND BUS CO INC	R	443.58
01	303187	12/02/2021	HOTSY MINNESOTA	R	542.45
01	303188	12/02/2021	HR SIMPLIFIED INC.	R	600.00
01	303189	12/02/2021	HUBERT COMPANY, LLC	R	949.55
01	303190	12/02/2021	IIX INSURANCE INFORMATION EXCHANGE	R	60.20
01	303191	12/02/2021	INSTITUTE FOR ENVIROMENTAL	R	521.50
01	303192	12/02/2021	KINECT ENERGY INC	R	525.00
01	303193	12/02/2021	HAAG COMPANIES, INC.	R	128.00
01	303194	12/02/2021	KREMER SERVICES LLC	R	1,000.00
01	303195	12/02/2021	LAKEVILLE NORTH HIGH SCHOOL	R	250.00
01	303196	12/02/2021	LOFFLER COMPANIES	R	975.00
01	303197	12/02/2021	MARKS TOWING	R	165.00
01	303198	12/02/2021	MEDSOURCE SALES LLC	R	1,164.00
01	303199	12/02/2021	MIDWEST BUS PARTS INC	R	60.90
01	303200	12/02/2021	MINNESOTA MEMORY, INC.	R	2,850.00

01	303201	12/02/2021	MINUTEMAN PRESS OF RICHFIELD	R	535.51
01	303202	12/02/2021	MN DEPT OF LABOR AND INDUSTRY	R	590.00
01	303203	12/02/2021	THE PROPHET CORPORATION	R	581.12
01	303204	12/02/2021	MPLS PUBLIC SCHOOL SPECIAL DIST 1	R	20,929.84
01	303205	12/02/2021	MSDSONLINE	R	6,699.00
01	303206	12/02/2021	MTI DISTRIBUTING CO	R	82.51
01	303207	12/02/2021	NCS PEARSON INC	R	280.37
01	303208	12/02/2021	NEWS 2 YOU INC	R	219.65
01	303209	12/02/2021	OLYMPIC COMMUNICATIONS INC	R	10,128.25
01	303210	12/02/2021	PAN O GOLD BAKING CO	R	821.14
01	303211	12/02/2021	PROFESSIONAL WIRELESS COMMUNICATION	R	2,527.23
01	303212	12/02/2021	PTM DOCUMENT SYSTEMS	R	163.77
01	303213	12/02/2021	RUPP ANDERSON SQUIRES & WALDSPURGER	R	171.50
01	303214	12/02/2021	RYAN JEANNIE M	R	689.27
01	303215	12/02/2021	SCHOLASTIC INC	R	574.15
01	303216	12/02/2021	SCHWAB-VOLLHABER	R	631.82
01	303217	12/02/2021	SHAVOR SYDNEY	R	40.00
01	303218	12/02/2021	SONEN ISABELLA	R	60.00
01	303219	12/02/2021	STEVE WEISS MUSIC INC	R	1,441.85
01	303220	12/02/2021	TAFFE SARAH ANN	R	8,492.23
01	303221	12/02/2021	THE RETROFIT COMPANIES, INC.	R	2,782.50
01	303222	12/02/2021	TIERNEY BROTHERS INC	R	3,807.55
01	303223	12/02/2021	TRIO SUPPLY COMPANY	R	2,455.03
01	303224	12/02/2021	TRISTATE BOBCAT INC	R	1,037.49
01	303225	12/02/2021	TWIN CITY FILTER SERVICE INC	R	339.36
01	303226	12/02/2021	TWIN CITY HARDWARE	R	191.29
01	303227	12/02/2021	TWIN CITY TRANSPORTATION	R	1,376.20
01	303228	12/02/2021	UNIVERSITY LANGUAGE CENTER	R	194.00
01	303229	12/02/2021	UPPER LAKES FOODS	R	24,744.99
01	303230	12/02/2021	VELOCITY DRAIN SERVICES INC	R	1,884.69
01	303231	12/02/2021	VERIZON WIRELESS	R	273.61
01	303232	12/02/2021	VISTAR	R	197.92
01	303233	12/02/2021	ALLSTATE PETERBILT OF S ST PAUL	R	380.80
01	303234	12/02/2021	WIESE USA, INC.	R	1,571.47
01	303235	12/02/2021	WORLD FUEL SERVICES, INC.	R	22,184.74
01	303236	12/02/2021	XCEL ENERGY	R	14,642.52
01	303237	12/02/2021	ZACK'S INC.	R	118.44
01	303238	12/02/2021	MASBO	R	1,895.00
01	V2201061	12/03/2021	P-CARD BAIRD LISA	R	7,025.97
01	V2201062	12/03/2021	P-CARD BARLOW ERICA	R	140.00
01	V2201063	12/03/2021	P-CARD BROWN MATTHEW	R	1,090.76
01	V2201065	12/03/2021	P-CARD BRUNNER PATTI	R	11,901.47
01	V2201066	12/03/2021	P-CARD BURT EMILY	R	760.77
01	V2201067	12/03/2021	P-CARD CARUSO MATTHEW	R	1,168.65
01	V2201068	12/03/2021	P-CARD DINGMAN KRISTI	R	1,265.00
01	V2201069	12/03/2021	P-CARD EDWARDS NATHAN	R	158.80
01	V2201070	12/03/2021	P-CARD FINDLEY LAMPKIN MELISSA	R	1,182.20
01	V2201071	12/03/2021	P-CARD GEURINK AREND	R	930.77
01	V2201072	12/03/2021	P-CARD GULLICKSON KEVIN	R	77.97
01	V2201073	12/03/2021	P-CARD KRETSINGER DAN	R	1,604.78

01	V2201074	12/03/2021	P-CARD LEWIS JENNIFER	R	1,207.13
01	V2201075	12/03/2021	P-CARD MACE CHRISTI JO	R	2,161.82
01	V2201076	12/03/2021	P-CARD MAHONEY COLLEEN	R	395.40
01	V2201077	12/03/2021	P-CARD MANNING MICHAEL	R	232.00
01	V2201078	12/03/2021	P-CARD MCGINN DAN	R	743.04
01	V2201079	12/03/2021	P-CARD MCNAUGHTON COMMERS CAROLE	R	295.84
01	V2201080	12/03/2021	P-CARD MORALES LIZETTE	R	1,477.64
01	V2201081	12/03/2021	P-CARD MORRISSEY MELISSA	R	462.44
01	V2201082	12/03/2021	P-CARD SHAHSAVAND MARTA	R	81.92
01	V2201083	12/03/2021	P-CARD SMITH DANE	R	73.52
01	V2201084	12/03/2021	P-CARD STACHEL NANCY	R	268.94
01	V2201085	12/03/2021	P-CARD VALLEY JENNIFER	R	1,000.79
01	V2201086	12/03/2021	P-CARD WILLHITE KASYA	R	610.89
01	V2201087	12/03/2021	P-CARD WINTER AMY	R	565.02
01	303239	12/06/2021	MARIA PAULA MEDINA TRUJILLO	R	1,250.00
01	303240	12/06/2021	NELSON ENRIQUE ESCOBAR ESCOBAR	R	1,250.00
01	303241	12/09/2021	ALLIED PROFESSIONALS, INC.	R	1,964.16
01	303242	12/09/2021	ARVIG ENTERPRISES INC	R	1,107.90
01	303243	12/09/2021	BIX FRUIT COMPANY	V	0.00
01	303244	12/09/2021	BIX FRUIT COMPANY	R	3,872.91
01	303245	12/09/2021	BRAND FARMS	R	999.00
01	303246	12/09/2021	CENTURYLINK	R	43.77
01	303247	12/09/2021	CITY OF RICHFIELD	R	11,603.02
01	303248	12/09/2021	DISTRIBUTIVE EDUCATION CLUBS	R	429.00
01	303249	12/09/2021	DICK BLICK COMPANY	R	58.26
01	303250	12/09/2021	EDFIRST MN LLC	R	7,359.30
01	303251	12/09/2021	EDUCATORS BENEFIT CONSULTANTS LLC	R	102.00
01	303252	12/09/2021	FREEWHEEL BIKE RICHFIELD	R	45.98
01	303253	12/09/2021	GROTH MUSIC COMPANY	R	589.00
01	303254	12/09/2021	HAAS MUSICAL INSTRUMENT REPAIR, INC	R	243.80
01	303255	12/09/2021	HEARTLAND BUSINESS SYSTEMS LLC	R	330.00
01	303256	12/09/2021	HENNEPIN COUNTY TREASURER	R	3,693.00
01	303257	12/09/2021	HERFF JONES INC	R	336.78
01	303258	12/09/2021	ULMER, INGA	R	250.00
01	303259	12/09/2021	HOME DEPOT U.S.A.	R	505.67
01	303260	12/09/2021	JEFF R SCHAD	R	500.00
01	303261	12/09/2021	JODI KARELS	R	89.20
01	303262	12/09/2021	KEANE SENSE OF RHYTHM INC	R	325.00
01	303263	12/09/2021	LEARNING A-Z	R	118.00
01	303264	12/09/2021	MCEA	R	3,133.00
01	303265	12/09/2021	METRO TRANSIT	R	485.00
01	303266	12/09/2021	MINUTEMAN PRESS OF RICHFIELD	R	840.99
01	303267	12/09/2021	MINUTEMAN PRESS-BLOOMINGTON	R	50.00
01	303268	12/09/2021	MISF	R	35.00
01	303269	12/09/2021	NORTHERN SALT INC	R	4,245.00
01	303270	12/09/2021	NOVAK JANICE SOPHIE	R	80.00
01	303271	12/09/2021	ONE OF ONE CLOTHING	R	532.70
01	303272	12/09/2021	PAN O GOLD BAKING CO	R	293.44
01	303273	12/09/2021	PITNEY BOWES GLOBAL FINANCIAL SVC	R	1,104.42
01	303274	12/09/2021	PRO ED INC	R	70.00

01	303275	12/09/2021	RED PEPPER SOFTWARE, LLC	R	600.00
01	303276	12/09/2021	SCHMITT MUSIC CREDIT	R	170.19
01	303277	12/09/2021	ST LOUIS PARK PUBLIC SCHOOLS	R	645.26
01	303278	12/09/2021	TIERNEY BROTHERS INC	R	425.34
01	303279	12/09/2021	TRAFFIC SAFETY WAREHOUSE	R	172.50
01	303280	12/09/2021	TRIO SUPPLY COMPANY	R	627.34
01	303281	12/09/2021	TWIN CITY HARDWARE	R	630.00
01	303282	12/09/2021	UPPER LAKES FOODS	R	17,428.78
01	303283	12/09/2021	VELOCITY DRAIN SERVICES INC	R	396.00
01	303284	12/09/2021	VERIZON WIRELESS	R	29.69
01	303285	12/09/2021	WAGNER GREENHOUSES INC	R	1,155.00
01	303286	12/09/2021	XCEL ENERGY	R	48.10
01	303287	12/09/2021	YOGA OPTIONS, LLC	R	162.00
01	303288	12/09/2021	CITY OF RICHFIELD	R	4,422.00

TOTAL EPAYS, CHECKS & PCARDS	**325,108.92**

REVENUE & EXPENDITURE SUMMARY BY SOURCE, OBJECT SERIES & PROGRAM SERIES

RICHFIELD | October 31, 2021

REVENUE CATEGORIES	June 30, 2020	June 30, 2021	Adopted Budget	Projected End Of Year	Received YTD	Budget Remaining	October 31, 2021 % of Budget Received	October 31, 2020 % of Actuals Received	October 31, 2019 % of Actuals Received	Current YTD vs. PYTD	October 31, 2020	October 31, 2019
STATE	45,674,569	45,171,242	45,287,702	46,104,636	12,681,186	32,606,516	28.00%	27.37%	28.73%	319,598	12,361,588	13,122,628
FEDERAL	2,834,495	4,835,777	7,405,625	7,665,775	938,779	6,466,846	12.68%	29.78%	-0.08%	(501,374)	1,440,154	(2,400)
PROPERTY TAXES	18,018,704	17,711,183	17,137,896	14,100,932	4,045,345	13,092,551	23.60%	72.51%	70.91%	(8,796,253)	12,841,598	12,776,576
LOCAL SALES, INS RECOVERY & JUDGEMENTS	130,566	346,118	102,910	102,051	28,887	74,023	28.07%	2.02%	22.38%	21,887	7,000	29,220
SALE OF BONDS & LOANS	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
INCOMING TRANSFERS FROM OTH FUNDS	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
LOCAL (FEES, INTEREST, ETC.)	1,284,111	653,828	1,123,630	1,124,867	234,796	888,834	20.90%	15.05%	30.55%	136,364	98,432	392,323
TOTALS	**67,942,444**	**68,718,148**	**71,057,763**	**69,098,261**	**17,928,993**	**53,128,770**	**25.23%**	**38.93%**	**38.74%**	**(8,819,779)**	**26,748,772**	**26,318,346**

EXPENDITURES (OBJECT SERIES)	June 30, 2020	June 30, 2021	Adopted Budget	Projected End Of Year	Expended YTD	Budget Remaining	October 31, 2021 % of Budget Expended	October 31, 2020 % of Actuals Expended	October 31, 2019 % of Actuals Expended	Current YTD vs. PYTD	October 31, 2020	October 31, 2019
SALARIES & WAGES	36,586,619	37,395,344	40,653,895	40,255,863	7,967,320	32,686,575	19.60%	20.05%	20.71%	471,134	7,496,187	7,576,789
EMPLOYEE BENEFITS	13,190,108	13,311,059	13,937,881	14,356,387	3,450,514	10,487,367	24.76%	24.05%	24.64%	249,851	3,200,663	3,250,589
PURCHASED SERVICES	8,325,304	7,829,673	9,360,559	9,739,920	2,608,995	6,751,564	27.87%	18.89%	23.90%	1,130,116	1,478,879	1,989,577
SUPPLIES	2,632,033	3,264,242	3,460,020	3,756,586	1,598,569	1,861,451	46.20%	33.40%	42.32%	508,407	1,090,163	1,113,750
EQUIPMENT	2,313,465	3,127,326	2,846,283	3,948,129	2,275,298	570,986	79.94%	56.49%	76.42%	508,617	1,766,681	1,767,970
DEBT SERVICE	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
OTHER EXPENDITURES	412,717	366,580	399,670	416,543	79,679	319,992	19.94%	12.23%	14.12%	34,836	44,842	58,261
OTHER FINANCING USES	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
TOTALS	**63,460,246**	**65,294,224**	**70,658,308**	**72,473,428**	**17,980,375**	**52,677,933**	**25.45%**	**23.09%**	**24.83%**	**2,902,960**	**15,077,415**	**15,756,934**

EXPENDITURES (PROGRAM SERIES)	June 30, 2020	June 30, 2021	Adopted Budget	Projected End Of Year	Expended YTD	Budget Remaining	October 31, 2021 % of Budget Expended	October 31, 2020 % of Actuals Expended	October 31, 2019 % of Actuals Expended	Current YTD vs. PYTD	October 31, 2020	October 31, 2019
SITE ADMINISTRATION	1,960,813	1,782,559	1,842,666	1,969,722	698,183	1,144,483	37.89%	33.23%	35.01%	105,782	592,400	686,570
DISTRICT ADMINISTRATION	2,060,508	2,143,369	2,160,087	1,988,763	428,119	1,731,968	19.82%	23.05%	34.46%	(66,012)	494,131	710,113
SUPPORT SERVICES	2,214,338	2,393,196	2,605,288	2,864,045	1,090,641	1,514,647	41.86%	43.14%	41.65%	58,268	1,032,373	922,276
REGULAR INSTRUCTION	26,944,471	27,799,860	29,848,695	29,332,277	5,173,302	24,675,393	17.33%	18.18%	19.52%	119,808	5,053,495	5,260,067
EXTRA-CURRICULAR ACTIVITES	979,957	845,030	1,045,554	1,043,629	239,616	805,938	22.92%	20.93%	27.94%	62,738	176,877	273,790
VOCATIONAL INSTRUCTION	446,106	457,380	637,555	643,398	125,810	511,745	19.73%	13.60%	18.13%	63,626	62,184	80,892
SPECIAL EDUCATION	12,270,481	11,761,573	12,521,704	12,383,622	2,324,763	10,196,941	18.57%	17.72%	19.18%	241,159	2,083,604	2,353,597
COMMUNITY SERVICES	65,126	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
INSTRUCTIONAL SUPPORT	4,727,289	4,551,070	4,796,535	5,238,642	2,075,476	2,721,059	43.27%	37.11%	48.55%	386,614	1,688,862	2,295,201
PUPIL SUPPORT SERVICES	6,626,336	6,736,524	7,802,980	7,988,354	1,922,842	5,880,138	24.64%	25.30%	24.40%	218,346	1,704,495	1,616,929
FACILITIES	4,893,517	6,499,064	7,124,914	8,637,259	3,555,742	3,569,172	49.91%	29.92%	27.18%	1,611,298	1,944,444	1,329,846
OTHER FINANCING USES	271,303	324,599	272,330	383,718	345,881	(73,551)	127.01%	75.34%	83.91%	101,332	244,549	227,654
TOTALS	**63,460,246**	**65,294,224**	**70,658,308**	**72,473,428**	**17,980,375**	**52,677,933**	**25.45%**	**23.09%**	**24.83%**	**2,902,960**	**15,077,415**	**15,756,934**

REVENUE & EXPENDITURE SUMMARY BY SOURCE, OBJECT SERIES & PROGRAM SERIES

RICHFIELD | October 31, 2021

ACTIVITY - OTHER FUNDS

REVENUE	June 30, 2020	June 30, 2021	Adopted Budget	Projected End Of Year	Received YTD	Budget Remaining	October 31, 2021 % of Budget Received	October 31, 2020 % of Actuals Received	October 31, 2019 % of Actuals Received	Current YTD vs. PYTD	October 31, 2020	October 31, 2019
FOOD SERVICE	2,684,713	2,613,215	2,816,200	2,426,289	199,901	2,616,299	7.10%	11.78%	5.95%	(107,987)	307,889	159,726
COMMUNITY EDUCATION	1,957,664	1,892,291	2,037,908	2,125,860	587,427	1,450,481	28.82%	38.58%	28.65%	(142,684)	730,111	560,835
CONSTRUCTION	2,184,625	232,885	13,500	10,755	(4,939)	18,439	-36.59%	-117.33%	-41.23%	268,300	(273,239)	(900,674)
DEBT SERVICE	8,469,549	7,641,299	7,150,836	5,592,490	1,580,168	5,570,669	22.10%	73.73%	71.08%	(4,053,423)	5,633,590	6,020,282
TRUST	0	0	0	0	0	0	0.00%	0.00%	0.00%	(27,934)	27,934	36,347
CUSTODIAL	8,908	9,151	6,100	9,707	3,608	2,492	59.15%	0.03%	0.00%	3,606	3	0
INTERNAL SERVICE	7,722,748	7,521,053	7,605,050	7,470,812	1,563,347	6,041,704	20.56%	20.69%	20.52%	7,199	1,556,147	1,584,392
OPEB REVOCABLE TRUST	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
OPEB IRREVOCABLE TRUST	247,051	100,761	50,000	113,572	61,894	(11,894)	123.79%	-38.23%	4.39%	100,420	(38,526)	10,842
OPEB DEBT SERVICE	811,277	2,129,110	2,096,886	1,596,004	463,510	1,633,376	22.10%	73.63%	71.43%	(1,104,088)	1,567,597	579,524
TOTALS	**24,086,536**	**22,139,765**	**21,776,480**	**19,345,490**	**4,454,915**	**17,321,565**	**20.46%**	**42.96%**	**33.43%**	**(5,056,590)**	**9,511,506**	**8,051,274**

EXPENDITURES	June 30, 2020	June 30, 2021	Adopted Budget	Projected End Of Year	Expended YTD	Budget Remaining	October 31, 2021 % of Budget Expended	October 31, 2020 % of Actuals Expended	October 31, 2019 % of Actuals Expended	Current YTD vs. PYTD	October 31, 2020	October 31, 2019
FOOD SERVICE	2,980,090	2,329,661	2,670,312	2,720,356	650,812	2,019,500	24.37%	24.75%	21.33%	74,138	576,673	635,697
COMMUNITY EDUCATION	1,941,755	2,026,134	1,984,879	2,090,415	627,735	1,357,144	31.63%	25.32%	26.98%	114,760	512,975	523,932
CONSTRUCTION	65,066,268	35,442,525	3,900,000	7,687,301	5,387,525	(1,487,525)	138.14%	48.75%	41.85%	(11,890,039)	17,277,564	27,230,489
DEBT SERVICE	8,105,988	7,246,938	7,251,038	7,183,919	2,349,894	4,901,144	32.41%	33.09%	30.22%	(47,975)	2,397,869	2,449,894
TRUST	0	0	0	0	0	0	0.00%	0.00%	0.00%	(32,135)	32,135	46,551
CUSTODIAL	13,551	6,098	6,100	12,150	6,050	50	99.18%	0.00%	0.00%	6,050	0	0
INTERNAL SERVICE	7,047,734	7,805,471	7,710,600	10,211,679	3,153,683	4,556,917	40.90%	25.87%	42.81%	1,134,126	2,019,557	3,017,122
OPEB REVOCABLE TRUST	0	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0
OPEB IRREVOCABLE TRUST	816,085	697,086	735,000	735,000	0	735,000	0.00%	0.00%	0.00%	0	0	0
OPEB DEBT SERVICE	783,025	2,021,775	2,033,150	2,034,127	174,250	1,858,900	8.57%	9.82%	26.08%	(24,375)	198,625	204,250
TOTALS	**86,754,495**	**57,575,688**	**26,291,079**	**32,674,947**	**12,349,948**	**13,941,131**	**46.97%**	**39.97%**	**39.32%**	**(10,665,450)**	**23,015,398**	**34,107,934**

SUMMARY - ALL FUNDS

SUMMARY	June 30, 2020	June 30, 2021	Adopted Budget	Projected End Of Year	YTD	Budget Remaining	October 31, 2021 % of Budget Expended	October 31, 2020 % of Actuals Expended	October 31, 2019 % of Actuals Expended	Current YTD vs. PYTD	October 31, 2020	October 31, 2019
REVENUE	92,028,981	90,857,913	92,834,243	88,443,751	22,383,908	70,450,335	24.11%	39.91%	37.35%	(13,876,369)	36,260,278	34,369,620
EXPENDITURES	150,214,740	122,869,913	96,949,387	105,148,375	30,330,323	66,619,064	31.28%	31.00%	33.20%	(7,762,490)	38,092,812	49,864,868
SPENDING VARIANCE	(58,185,760)	(32,012,000)	(4,115,144)	(16,704,624)	(7,946,414)	N/A	N/A	N/A	N/A	(6,113,879)	(1,832,535)	(15,495,248)

Consent Agenda – For Action **Agenda Item IV.B**

Board of Education
Independent School District 280
Richfield, Minnesota

Regular Meeting, December 20, 2021

Subject: **PERSONNEL ITEMS**
(Recommended by Superintendent)

That the Board of Education approve the following personnel items:

Classified Part Time - Food & Nutrition Services
Kimberlyn Leitner – 25 hr/wk – Kitchen Assistant – RMS
Effective 12/13/2021

Classified Part Time Resignation - Facilities & Transportation
Al Iverson – Bus Driver – Garage
Effective 01/04/2021

Classified Part Time Time Resignation – Paraprofessional
Christine Hanson – 37.5 hr/wk – Attendance Clerk
Effective 12/21/2021
Cara Halvorson – 35 hr/wk – SPED Paraprofessional – RSTEM
Effective 1/7/2022

OLD BUSINESS – FOR ACTION **Agenda Item V.A.**

Board of Education
Independent School District 280
Richfield, Minnesota

Regular Meeting, December 20, 2021

Subject: Evaluation and Development of Professional Staff

(Recommended by the Superintendent)

Passage upon a third read of Policy 452: Evaluation and Development of Professional Staff and Administrative Guideline 452.1. This policy was reviewed by the District Staff Development Committee as well as the Q-Comp team and has been updated to reflect current practices and initiatives.

Attachments:
Policy 452: Evaluation and Development of Professional Staff - redlined
Administrative Guideline 452.1 - redlined

RICHFIELD PUBLIC SCHOOLS

EVALUATION AND DEVELOPMENT OF PROFESSIONAL STAFF

I. PURPOSE

The Richfield Board of Education recognizes that the quality of educational programs and school environment experienced by the students in this district depends, to a large degree, upon the performance and skills of the professional staff. The Board believes that periodic evaluation and staff development can contribute positively to both performance and skills. This process:

1. will provide identification and recognition of effective performance.

2. will be a key element in a systematic process whereby each staff member may improve competence and effectiveness.

3. will be one basis for improving the instruction that is provided for students.

4. will guide decisions regarding the granting of tenure and subsequent retention of staff.

~~5. will include measures based on classroom observations, student engagement and student achievement.~~

II. POLICY

The Evaluation and Development of Professional Staff in Richfield will include the following components:

1. ~~Classroom/Teacher Observations will encompass 45 percent of the total professional staff evaluation.~~ Three formal evaluation/development procedures will be employed as follows:

   A. One procedure will be the evaluation of probationary staff. Probationary staff members will be evaluated three times yearly by a licensed administrator. At least one of the evaluations may be unannounced, and staff members will be given general information as to when the unannounced evaluation will occur. Such evaluations will summarize the probationary staff member's competence at a given point in time and will be the basis for personnel decisions such as retention and/or the granting of tenure. Evaluations shall be based on observed performance resulting in a written document that is reviewed with the teacher and placed in the teacher's personnel file. ~~The frequency of formal evaluation for probationary staff shall be as provided in law.~~

   B. The second set of procedures will be used for the evaluation and development of continuing contract ~~non-probationary~~ staff ~~whose overall performance is satisfactory or better~~.

1.) The evaluation process for continuing contract staff members will include two formal evaluations each year. Staff members will choose one of these evaluations to be placed in their personnel file. The formal evaluations will be conducted by a trained peer reviewer. Every third year, at least one of the evaluations may be an unannounced evaluation conducted by a licensed administrator. Staff members will be given general information as to when the unannounced evaluation will occur. ~~The staff development process will recognize competence and contribution and will encourage continued improvement of performance. A Professional Growth Plan shall be prepared at least once each year. It will be reviewed by an administrator and placed in the teacher's personnel file. Non-probationary staff will participate in a 3 year review cycle that includes three sets of observation/conferences by a peer reviewer during the first two years of the cycle. During the third year of the cycle, two observations/conferences will be conducted by peer reviewers and a third observation/conference will be completed by an administrator who will complete a summative evaluation. The Summative evaluation will be maintained as part of the teacher's personnel file~~.

2.). A formal evaluation process may be requested by an administrator when performance deems it necessary or by the teacher when desired.

C. A performance improvement process will be used for continuing contract staff when their performance is deemed unsatisfactory. ~~A third procedure will be used for the evaluation of tenured staff whose performance becomes unsatisfactory.~~ This ~~evaluation~~ process will summarize the staff member's competence at a given point in time, will provide guidance, assistance and time for improvement, and will be the basis for personnel decisions ~~regarding retention of staff~~.

2. ~~Student Engagement will compose 20% of the professional staff evaluation. Student engagement will be measured used identified indicators on the Richfield Professional Teaching Standards that are included in each of the standards.~~

~~3. Student achievement will encompass 35% of the professional staff evaluation. This component will be based on the following achievement data:~~

~~a. School Improvement Goal – 5%~~
~~b. Professional Learning Community Goal – 20%~~
~~c. Indivdiual Professional Growth Plan – 10%~~

These procedures apply to all licensed staff, full and part time, who are not classified as administrators. The latter are participants in a separate process.

Evaluations ~~and staff development conferences~~ shall be conducted in a fair and open manner and shall be based on the following ~~criteria~~Charlotte Danielson Framework for Teaching Domains:

Domain 1: Planning and Preparation
Domain 2: The Classroom Environment
Domain 3: Instruction
Domain 4: Professional Responsibilities
~~Standard 1: Relationships and Learning Environment~~
~~Standard 2 : Planning for Student~~
~~Standard 3: Knowledge of Pedagogy and Delivery of~~
~~Standard 4: Classroom Management~~
~~Standard 5: Professionalism~~

~~Summative Evaluations will be conducted by a licensed administrator, and a summary document will be prepared in writing. The staff member being evaluated shall have the opportunity to review the document with the administrator and make any written responses, which may be appropriate. Both persons will sign the evaluation document indicating that they have conferred about the results. This document shall be reviewed by a district office administrator whose signature will also appear on it.~~ The evaluation document will become part of the professional staff member's personnel file. As such it will be treated as private data, and access to it will be limited to the employee and other school district employees who have a legitimate need for the information.

Each evaluation document will contain a summary of scores based on the Charlotte Danielson Framework for Teaching and a written reflection from the evaluator that contains areas of strength and areas of growth along with any recommendations for improvement.~~written improvement plan, will be specific as to performance, will identify when direct observation(s) occurred, and will indicate the source of other data.~~

~~The staff development and goal setting process will include a review of the plan at the beginning of the year and again in May. The record~~Staff members' professional growth plan goals and reflections, along with copies of evaluations will be kept in the employee's personnel file. ~~The record will include related information as indicated on the professional growth form and the professional growth that resulted.~~The forms will be reviewed at the beginning of the year and again in May.

The Board intends that administrators will make the evaluation/development of professional staff a high priority and will treat it accordingly in the allocation of their time. In turn, the Board will provide training and other resources necessary for the proper execution of the function. ~~It is the Board's intent that building principals and teachers be involved in developing the detailed procedures necessary to give effect to the principles contained in this policy and that the procedures be made a part of the Licensed Personnel Policies and Procedures Manual.~~

Legal References: Minn. Stat. § 120A.41 (Length of School Year; Days of Instruction)
Minn. Stat. § 120A.415 (Extended School Calendar)
Minn. Stat. § 120B.22, Subd. 2 (Violence Prevention Education)
Minn. Stat. § 122A.18, Subd. 4 (Board to Issue Licenses; Expiration and Renewal)
Minn. Stat. § 122A.40, Subds. 7 and 7a (Employment; Contracts; Termination - Additional Staff Development and Salary)
Minn. Stat. § 122A.41, Subds. 4 and 4a (Teacher Tenure Act; Cities of the First Class; Definitions - Additional Staff Development and Salary)
Minn. Stat. § 122A.60 (Staff Development Program)
Minn. Stat. § 122A.61 (Reserved Revenue for Staff Development)
Minn. Stat. § 126C.10, Subds. 2 and 2b (General Education Revenue)
Minn. Stat. § 126C.13, Subd. 5 (General Education Levy and Aid)

~~ADOPTED~~ RATIFIED BY THE BOARD OF EDUCATION: November 18, 1985

~~AMENDED~~ REVISED BY THE BOARD OF EDUCATION: October 6, 1986; July 21, 1997; January 7, 2002; April 19, 2004, August 18, 2014; December 20, 2021

RICHFIELD PUBLIC SCHOOLS

EVALUATION AND DEVELOPMENT OF PROFESSIONAL STAFF

To realize the vision of ~~academic success for all students~~students receiving a challenging, engaging and relevant academic experience to prepare them for college, career and life, we must ensure that all staff apply or are developing ~~the skills~~practices, strategies and dispositions ~~that enable them to differentiate instruction, assessment, communication and learning environment to provide full access for all students to rigorous, relevant learning opportunities~~to ensure high quality teaching and learning that benefit all students.

I. PURPOSE

Guide and support the professional growth of Richfield Public School's teachers through ~~positive~~ transformative collegial coaching and embedded professional development.

II. ASSUMPTIONS

- A culture that supports excellence in teaching strengthens RPS's capacity to attract, develop, and retain highly effective professionals.
- New teachers need ongoing support to succeed.
- Collegial collaboration to support continuous improvement of teaching and learning and ongoing support from peers and administrators contribute significantly to teacher effectiveness.

III. ~~PROFESSIONAL TEACHING STANDARDS~~CHARLOTTE DANIELSON FRAMEWORK FOR TEACHING

The Charlotte Danielson Framework for teaching provides staff and administrators with common language and a foundation of instructional excellence. The purpose of the Charlotte Danielson Framework for Teaching provides educators and administrators with a clear and common understanding of expectations around teaching, learning and professional expectations. They form the basis for personal goal setting and evaluation. ~~The purpose of these standards is to define professional practices that will foster student success in a diverse and changing community. Standards provide teachers, mentors and administrators with a clear and common understanding of professional expectations. They form the basis for goal setting, coaching and professional development.~~

~~The standards are a result of collaboration within and across groups of administrators and teachers. They are derived from analysis and synthesis of national models with consideration for the characteristics of the Richfield schools' community, strategic goals and school improvement initiatives. They will be the framework for professional discussions related to teaching and learning, professional development and evaluation of teacher performance and will guide the process of professional development and teacher evaluation.~~

IV. TEACHER INDUCTION PROGRAM

A. A licensed administrator will complete ~~at least 2~~three formal classroom observations of the probationary teacher based on the ~~Professional Teaching Standards~~ Charlotte Danielson Framework for Teaching for each year 1-3. ~~The third observation will be designed collaboratively between teacher and administrator based on teacher need/interest.~~

B. In years 1 and 2, ~~probationary teachers~~educators who are new to the field of teaching will receive coaching and support through a mentorship program, which capitalizes on the expertise of ~~experienced teachers who are interested in working with new teachers~~teachers on special assignment who are trained in coaching and evaluation.

- ~~Non-tenured teachers will receive a Teacher Induction Program Handbook, which will guide mentor/mentee interactions.~~
- Licensed administrators will work with the ~~district staff development coordinator to select a mentor from the assigned site or program. Exceptions may be made to the requirement for an on-site mentor.~~peer review team to assign mentors to new-to-profession staff.
- Mentor and Mentee will meet at least monthly and more often as agreed upon between mentor/mentee.
- Observation and/or modeling and ~~,~~ collaborative planning ~~and other development~~ will occur ~~quarterly~~ three times per year or as determined by the mentor and mentee. A reflective conference will follow observations and demonstrations.
- Mentors will attend training sessions to facilitate their mentorship and coaching skill development.

V. PROFESSIONAL EFFECTIVENESS PROGRAM

A. A licensed administrator will complete a formal classroom observation based on the ~~Professional Teaching Standards~~Charlotte Danielson Framework every third year for each ~~tenured~~ continuing contract staff member~~teacher~~.

B. In addition, continuing contract teachers will complete evaluations from a peer reviewer twice per year when not being evaluated by a licensed administrator, and once per year when evaluated by a licensed administrator every third year. ~~tenured teachers will choose one of the following growth plan options:~~

~~1. Establish a professional development study group with one or more colleagues.~~
   - ~~Collect and use data pertaining to student achievement and other factors related to their responsibilities (surveys, test results, student work or other indicators) to identify professional growth priorities.~~
   - ~~Annually develop an individual or group professional growth plan that focuses on student achievement, is aligned with the Professional Teaching Standards, and addresses goals and initiatives in the school improvement plan.~~

- ~~Use varied activities including peer observation and coaching, action research, analysis of student work, and other activities developed in consultation with a licensed administrator.~~
- ~~Submit the professional growth plan to the licensed administrator who will help guide the work of the study group.~~
- ~~Meet with the study group at least 4 times during the school year.~~
- ~~Summarize the process and results with attention to changes in professional practice and submit the summary to the licensed administrator.~~

~~2. Design an individual professional growth plan each school year, which follows all of the steps for the professional study group process but is done independently in alignment with their professional growth goals and with the support of a licensed administrator.~~

C. All teachers will complete a personal growth plan (PGP) goal every year that is aligned to the Charlotte Danielson Framework for Teaching. PGP goals are reviewed and approved by a peer on the instructional leadership team. The personal growth plan goal includes an annual written reflection to evaluate the effectiveness of the PGP goal.

D. All teachers will participate in professional learning communities that focus on collective learning for staff to improve their practice and student outcomes. All licensed staff members will write a professional learning goal and reflection annually.

Professional growth forms including PGP goals and evaluations are submitted to building administration at the end of each year. ~~the Director of Curriculum, Instruction & Technology in the Fall and to Personnel following administrative review in the Spring.~~

VI. FORMAL OBSERVATION AND EVALUATION

Formal observation and evaluation includes a review of completed pre-observation documents, a classroom observation, a post observation conference with full and summary professional teaching standards information, and a reflective summary. The observation will be completed by a licensed administrator and will be based on the ~~Professional Teaching Standards~~Charlotte Danielson Framework for Teaching. The teacher will complete a pre- and post- observation form that includes a summary of the planning and preparation of the observed lesson as well as a reflection on their teaching and student learning to ~~self-assessment on the standards to~~ share with the administrator in the ~~post~~ post-observation conference. The observation and evaluation form that is completed by the licensed teacher and administrator is submitted to the ~~Director of Curriculum, Instruction & Technology~~Director of Human Resources and placed in the teacher's personnel file.

RPS Q-Comp Steering Committee~~Education Effectiveness Advisory~~ will ensure the continuous improvement of our professional evaluation and support system through periodic review, development and revision of the process including:

- Professional teaching standards
- ~~Tenured~~ Continuing contract staff ~~teachers'~~ assessment and development
- Teacher induction

Dated: April 19, 2004
Reviewed: August 18, 2014
Revised: December 22, 2021

OLD BUSINESS – FOR REVIEW **Agenda Item V.B.**

Board of Education
Independent School District 280
Richfield, Minnesota

Regular Meeting, December 20, 2021

Subject: Post-Issuance Debt Compliance

(Recommended by the Superintendent)

A second read of Policy 713: Post-Issuance Debt Compliance and Administrative Guideline 713.1: Post-Issuance Debt Compliance Procedures. Both the policy and the guideline have been updated to incorporate changes to statute.

Attachments:
Policy 713: Post-Issuance Debt Compliance – redlined
Administrative Guideline 713.1 – redlined
Ehlers Model Policy
Ehlers Model Guideline

RICHFIELD PUBLIC SCHOOLS

Post-Issuance Debt Compliance Policy

The School Board (the "Board") of Independent School District No. 280 (Richfield), Minnesota (the "District") has chosen, by policy, to take steps to help ensure that all obligations will be in compliance with all applicable federal regulations. This policy may be amended, as necessary, in the future.

IRS Background
The Internal Revenue Service (IRS) is responsible for enforcing compliance with the Internal Revenue Code (the "Code") and regulations promulgated thereunder ("Treasury Regulations") governing certain obligations (for example: tax-exempt obligations, Build America Bonds, Recovery Zone Development Bonds and various "Tax Credit" Bonds). The IRS encourages issuers and beneficiaries of these obligations to adopt and implement a post-issuance debt compliance policy and procedures to safeguard against post-issuance violations.

SEC Background
The Securities and Exchange Commission (SEC) is responsible for enforcing compliance with the SEC Rule 15c2-12 (the "Rule"). Governments or governmental entities issuing obligations generally have a requirement to meet specific continuing disclosure standards set forth in continuing disclosure agreements ("CDA"). Unless the issuer, obligated person, or a specific obligation is exempt from compliance with CDAs, these agreements are entered into at the time of obligation issuance to enable underwriter(s) to comply with the Rule. The Rule sets forth certain obligations of (i) underwriters to receive, review and disseminate official statements prepared by issuers of most primary offerings of municipal securities, (ii) underwriters to obtain CDAs from issuers and other obligated persons to provide material event disclosure and annual financial information on a continuing basis, and (iii) broker-dealers to have access to such continuing disclosure in order to make recommendations of municipal securities transactions in the secondary market. The SEC encourages issuers and beneficiaries adopt and implement a post-issuance debt compliance policy and procedures to safeguard against Rule violations.

When obligations are issued, the CDA commits the issuer or obligated person to provide certain annual financial information and material event notices to the public. Issuers and other obligated persons may also choose to provide periodic, voluntary financial information and filings to investors in addition to fulfilling the specific responsibilities delineated in their CDA. It is important to note that issuers and other obligated persons should not give any one investor certain information that is not readily available to all market participants by disseminating information to the marketplace, at large. Issuers and other obligated persons should be aware that any disclosure activities determined to be "communicating to the market" can be subject to regulatory scrutiny.

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Post-Issuance Debt Compliance Policy Objective
The District desires to monitor these obligations to ensure compliance with the Code~~ and ~~, Treasury Regulations and the SEC Rule. To help ensure compliance, the District has developed ~~the following policy (the "Post-Issuance Debt Compliance Policy").~~this policy. ~~The Post-Issuance Debt Compliance Policy~~ This policy shall apply to the obligations mentioned above, including bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt that is subject to compliance.

Post-Issuance Debt Compliance Policy
The Director of Finance is designated as the District's agent who is responsible for post-issuance compliance of these obligations.

The Director of Finance shall assemble all relevant documentation, records and activities required to ensure post-issuance debt compliance as further detailed in ~~corresponding procedures (the "Post-Issuance Debt Compliance Procedures").~~Administrative Guideline 713.1: Post-Issuance Debt Compliance Procedures. At a minimum, the Post-Issuance Debt Compliance Procedures for each qualifying obligation will address the following:

1. General post-issuance compliance;
2. ~~Proper and timely use of obligation proceeds and obligation-financed property~~General recordkeeping;
3. Arbitrage yield restriction and rebate;
4. ~~Timely filings and other general requirements;~~Expenditure and asset documentation to be assembled and retained;
5. Miscellaneous documentation to be assembled and retained;

~~5.~~6. Additional undertakings ~~or~~ and activities that support points 1 through ~~4~~ 5 above;

~~6.~~7. ~~Maintenance of proper records related to the obligations and the investment of proceeds of obligations~~Continuing disclosure obligations;

~~7.~~8. ~~Other requirements that become necessary in the future~~Compliance with future requirements.

The Director of Finance shall apply the Post-Issuance Debt Compliance Procedures to each qualifying obligation and maintain a record of the results. Further, the Director of Finance will ensure that the Post-Issuance Debt Compliance Policy and Procedures are updated on a regular and as needed basis.

The Director of Finance or any other individuals responsible for assisting the Director of Finance ~~-~~in maintaining records needed to ensure post-issuance debt compliance, are authorized to expend funds as needed to attend training or secure use of other educational resources for ensuring compliance such as consulting, publications, and compliance assistance.

Most of the provisions of this Post-Issuance Debt Compliance Policy are not applicable to taxable governmental obligations unless there is a reasonable possibility that the District may refund their taxable governmental obligation, in whole or in part, with the proceeds of a tax-exempt governmental obligation. If this refunding possibility exists, then the Director of Finance shall treat the taxable governmental obligation as if such issue were an issue of tax-exempt governmental obligations and comply with the requirements of this ~~Post-Issuance Debt Compliance Policy~~policy.

Private Activity Bonds

The District may issue tax-exempt obligations that are "private activity" bonds because either (1) the bonds finance a facility that is owned by the District but used by one or more qualified 501(c)(3) organizations, or (2) the bonds are so-called "conduit bonds", where the proceeds are loaned to a qualified 501(c)(3) organization or another private entity that finances activities eligible for tax-exempt financing under federal law (such as certain manufacturing projects and certain affordable housing projects). Prior to the issuance of either of these types of bonds, the Director of Finance shall take steps necessary to ensure that such obligations will remain in compliance with the requirements of this Post-Issuance Debt Compliance Policy.

In a case where compliance activities are reasonably within the control of a private party (i.e., a 501(c)(3) organization or conduit borrower), the Director of Finance may determine that all or some portion of compliance responsibilities described in this ~~Post-Issuance Debt Compliance Policy~~policy shall be assigned to the relevant party. In the case of conduit bonds, the conduit borrower will be assigned all compliance responsibilities other than those required to be undertaken by the District under federal law. In a case where the Director of Finance is concerned about the compliance ability of a private party, the Director of Finance may require that a trustee or other independent third party be retained to assist with record keeping for the obligation and/or that the trustee or such third party be responsible for all or some portion of the compliance responsibilities.

The Director of Finance is additionally authorized to seek the advice, as necessary, of bond counsel and/or its financial advisor to ensure the District is in compliance with this Post-Issuance Debt Compliance Policy.

Cross References: Internal Revenue Code Section 148
Treasury Regulation Section 1.150-2
Treasury Regulation Section 1.141

~~ADOPTED~~ RATIFIED BY THE BOARD OF EDUCATION: March 7, 2016

REVISED BY THE BOARD OF EDUCATION: January 3, 2022

RICHFIELD PUBLIC SCHOOLS

Post-Issuance Debt Compliance Procedures

~~The School Board (the "Board") of Independent School District No. 280 (Richfield), Minnesota (the "District") has adopted the attached Post-Issuance Debt Compliance Policy dated February 16, 2016. The Post-Issuance Debt Compliance Policy applies to qualifying debt obligations issued by the District.~~ As directed by the adoption of the Post-Issuance Debt Compliance Policy, the Director of Finance will perform the following Post-Issuance Debt Compliance Procedures for all of the District's outstanding debt.

1. General Post-Issuance Compliance

    a. Ensure written procedures and/or guidelines have been put in place for individuals to follow when more than one person is responsible for ensuring compliance with Post-Issuance Debt Compliance Procedures.
    b. Ensure training and/or educational resources for post-issuance compliance have been approved and obtained.
    c. The Director of Finance understands that there are options for voluntarily correcting failures to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Treasury Regulations and the ability to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31 (the "VCAP Program")).

2. General Recordkeeping

    a. Retain records and documents for the obligation and all obligations issued to refund the obligation for a period of at least seven years following the final payment of the obligation. ~~(or if~~If an~~such~~ obligation is refunded, then the final payment of the refunding ~~bond)~~ obligation becomes the beginning of the period unless otherwise directed by the District's bond counsel.
    b. Retain ~~both paper and~~ electronic (preferred) and/or paper versions of records and documents for the obligation.
    c. General records and documentation to be assembled and retained:
        i. Description of the purpose of the obligation (referred to as the project) and the state statute authorizing the project.
        ii. Record of tax-exempt status or revocation of tax-exempt status, if applicable.
        iii. Any correspondence between the District and the IRS.
        iv. Audited financial statements.
        ~~iv.~~v. All accounting audits of property financed by the obligation.
        ~~v.~~vi. ~~Bond~~ Obligation transcripts, official statements and other offering documents of the obligation.

- ~~vi.~~vii. Minutes and resolutions authorizing the issuance of the obligation.
- ~~vii.~~viii. Certifications of the issue price of the obligation.
- ~~viii.~~ix. Any formal elections for the obligation (i.e. election to employ an accounting methodology other than the specific tracing method).
- x. Appraisals, demand surveys, or feasibility studies for property financed by the obligation.
- xi. All information reports filed for the obligations.
- ~~ix.~~xii. All management contracts and other service agreements, research contracts, and naming rights contracts.
- ~~x.~~xiii. Documents related to governmental grants~~,~~ associated with construction, renovation or purchase of property financed with the obligation.
- xiv. Reports of any prior IRS examinations of the District or the District's obligation.
- ~~xi.~~xv. All correspondence related to the above (faxes, emails, or letters).

3. Arbitrage Yield Restriction and Rebate Recordkeeping

   a. Investment and arbitrage documentation to be assembled and retained
      i. An accounting of all deposits, expenditures, interest income and asset balances associated with each fund established in connection with the obligation. This includes an accounting of all monies deposited to the ~~Debt~~ debt ~~Service~~ service ~~Account~~ fund to make debt service payments on the obligation, regardless of the source derived. Accounting for expenditures and assets is described in further detail in Section 4.
      ii. Statements prepared by Trustee or Investment Provider.
      iii. Documentation of at least quarterly allocations of investments and investment earnings to each obligation ~~(i.e. uncommingling analysis).~~
      iv. Documentation for investments made with obligation proceeds such as:
         1. Investment contracts (i.e. guaranteed investment contracts).
         2. Credit enhancement transactions (i.e. bond insurance contracts).
         3. Financial derivatives (e.g. swaps, caps, ~~etc~~and collars).
         4. Bidding of financial products.
            - Investments acquired with obligation proceeds are purchased at fair market value (e.g.~~i.e~~. three bid safe harbor rule~~s~~ for open market securities needed in advance refunding escrows).

   b. Computations of the arbitrage yield.
   c. Computations of yield restriction and rebate amounts including but not limited to:

i. Compliance in meeting the "Temporary Period from Yield Restriction Exception" and limiting the investment of funds after the temporary period expires.

ii. Compliance in meeting the "Rebate Exception".

1. Qualifying for the "Small Issuer Exception"
2. Qualifying for a "Spending Exception"
   - 6 Month Spending Exception
   - 18 Month Spending Exception
   - 24 Month Spending Exception
3. Qualifying for the "Bona Fide Debt Service Fund Exception"
4. Quantifying arbitrage on all funds established in connection with the obligation in lieu of satisfying arbitrage exceptions ~~(~~including ~~Reserve~~ reserve ~~Funds~~ funds and ~~Debt~~ debt ~~Service~~ service Funds.~~)~~

d. Computations of yield restriction and rebate payments.

e. Timely Tax Form 8038-T filing, if applicable.

i. Remit any arbitrage liability associated with the obligation to the IRS at each five year anniversary date of the obligation, and the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 60 days of said date.

f. Timely Tax Form 8038-R filing, if applicable.

~~f.~~a. i. Remit the form after the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 2 years of said date.

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g. Procedures or guidelines for monitoring instances where compliance with applicable yield restriction requirements depends on subsequent reinvestment of obligation proceeds in lower yielding investments (~~for example:~~e.g. reinvestment in zero coupon SLGS).

4. Expenditure and Asset Documentation to be Assembled and Retained

a. Documentation of allocations of obligation proceeds to expenditures (~~i.e~~e.g. allocation of proceeds to expenditures for the construction, renovation or purchase of facilities owned and used in the performance of exempt purposes).

i. Such allocation will be done not later than the earlier of: eighteen (18) months after the later of the date the expenditure is paid, or the date the project, if any, that is financed by the ~~tax-exempt bond issue~~obligation is placed in service; or

the date sixty (60) days after the earlier of the fifth anniversary of the issue date of the ~~tax-exempt bond issue~~obligation, or the date sixty (60) days after the retirement of the ~~tax-exempt bond issue~~obligation.

b. Documentation of allocations of obligation proceeds to issuance costs.

c. Copies of requisitions, draw schedules, draw requests, invoices, bills and cancelled checks related to obligation proceed expenditures during the construction period.
d. Copies of all contracts entered into for the construction, renovation or purchase of facilities financed with obligation proceeds.
e. Records of expenditure reimbursements incurred prior to issuing ~~bonds for facilities~~obligations for projects financed with obligation proceeds (~~Declaration~~ declaration of ~~Official~~ official ~~Intent~~intent/~~Reimbursement~~ reimbursement ~~Resolutions~~ resolutions including all modifications).
f. List of all facilities and equipment financed with obligation proceeds.
g. Depreciation schedules for depreciable property financed with obligation proceeds.
h. Documentation that tracks the purchase and sale of assets financed with obligation proceeds.
i. Documentation of timely payment of principal and interest payments on the obligation.
j. Tracking of all issue proceeds and the transfer of proceeds into the debt service fund as appropriate.
k. Documentation that excess earnings from a Reserve Fund ~~is~~ are transferred to the Debt Service Fund on an annual basis. Excess earnings are balances in a Reserve Fund that exceed the Reserve Fund requirement.

5. Miscellaneous Documentation to be Assembled and Retained

a. Ensure that the project, while the obligation is outstanding, will avoid IRS private activity concerns.
b. ~~i.~~ The Director of Finance shall monitor the use of all obligation-financed facilities in order to:
i. ~~determine~~ Determine whether private business uses of obligation-financed facilities have exceeded the *de minimus* limits set forth in Section 141(b) of the Code as a result of:
1) sale of the facilities;
2) sale of District capacity rights;
3) ~~(including sale of capacity rights,~~ leases and subleases of facilities ~~(~~including easements or use arrangements for areas outside the four walls~~,~~ (e.g., hosting of cell phone towers);~~,~~
4) leasehold improvement contracts, licenses, management contracts ~~(~~in which the District authorizes a third party to operate a facility~~,~~ (e.g. cafeteria);
~~,~~5) research contracts;~~,~~
6) preference arrangements (in which the District permits a third party preference~~, such as~~ (e.g. parking in a public parking lot~~)~~, joint ventures, limited liability companies or partnership arrangements);~~,~~
7) output contracts or other contracts for use of utility facilities ~~(~~including contracts with large utility users~~),~~;

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8) development agreements which provide for guaranteed payments or property values from a developer;
~~,~~ 9) grants or loans made to private entities ~~(~~including special assessment agreements;~~),~~
10) naming rights agreements;~~,~~ and
11) ~~or~~ other arrangements that provide special legal entitlements to nongovernmental persons~~; and~~

ii. determine whether private security or payments that exceed the *de minimus* limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such obligation-financed facilities.

c. ~~ii.~~ The Director of Finance shall provide training and educational resources to any District staff that have the primary responsibility for the operation, maintenance, or inspection of obligation-financed facilities with regard to the limitations on the private business use of obligation-financed facilities and as to the limitations on the private security or payments with respect to obligation-financed facilities.

d. ~~b.~~ The Director of Finance shall undertake the following with respect to the obligations:

i. an annual review of the books and records maintained by the District with respect to such obligations; and
ii. an annual physical inspection of the facilities financed with the proceeds of such obligations, conducted by the Director of Finance with the assistance of any District staff who have the primary responsibility for the operation, maintenance, or inspection of such obligation-financed facilities.

e. ~~c.~~ Changes in the project that impact the terms or commitments of the obligation are properly documented and necessary certificates or opinions are on file.

6. Additional Undertakings and Activities that Support Sections 1 through 5 above:

    a. The Director of Finance will notify the District's bond counsel, financial advisor and arbitrage provider of any survey or inquiry by the IRS immediately upon receipt. ~~(~~Usually responses to IRS inquiries are due within 21 days of receipt. Such IRS responses require the review of the above~~-~~mentioned data and must be in writing. As much time as possible is helpful in preparing the response~~)~~.
    b. The Director of Finance will consult with the District's bond counsel, financial advisor and arbitrage provider before engaging in post-issuance credit enhancement transactions (~~i.e.~~e.g. ~~bond~~ obligation insurance, letter of credit, or hedging transactions ~~(i.e. interest rate swap, cap).~~

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c. The Director of Finance will monitor all "qualified tax-exempt debt obligations" (often referred to as "bank qualified" obligations) within the first calendar year to determine if the limit is exceeded, and if exceeded, will address accordingly. For ~~tax-exempt debt~~ obligations issued during years 2009 and 2010, the limit ~~is~~ was $30,000,000 ~~(The limit was $10,000,000 prior to 2009. In 2011 and thereafter it will remain at $10,000,000 unless changed by Congress).~~ During this period, the limit also applie~~s~~d to pooled financings of the governing body and provides a separate $30,000,000 for each 501 (c)(3) conduit borrower. In 2011 and thereafter it is $10,000,000 unless changed by Congress.

~~d. Comply with Continuing Disclosure Requirements.~~

~~i. If applicable, the timely filing of annual information agreed to in the Continuing Disclosure Certificate.~~

~~ii. Give notice of any Material Event.~~

~~e.~~d. Identify any post-issuance change to terms of ~~bonds~~ obligations which could be treated as a current refunding of "old" ~~bonds~~ obligations by "new" ~~bonds~~obligations, often referred to as a "reissuance".

~~f~~e. The Director of Finance will consult with the District's bond counsel prior to any sale, transfer, change in use or change in users of obligation-financed property which may require "remedial action" under applicable Treasury Regulations or resolution pursuant to the VCAP Program.

i. A remedial action has the effect of curing a deliberate action taken by the District which results in satisfaction of the private business test or private loan test. Remedial actions under Section 1.141-12(d)(e) and (f) include the redemption of non-qualified ~~bonds~~ obligations and/or alternative uses of proceeds or the facility (i.e. to be used for another qualified purpose ~~instead~~).

g. The Director of Finance will ensure that the appropriate tax form for federal subsidy payments is prepared and filed in a timely fashion for applicable obligations (~~i.e.~~ e.g. Build America Bonds).

7. Continuing Disclosure Obligations

a. Identify a position at the District to be responsible for compliance with continuing disclosure obligations as defined by the Rule and any policies of the District.

b. The position responsible for compliance may have the ability to assign responsibilities, delegate where appropriate or engage a dissemination agent or third-party service providers to perform all or some of the duties described in this section. The District cannot delegate its compliance responsibilities.

c. The District should specify how providers or delegated authorities will be monitored and supervised.

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d. The District should identify the documents that set forth the respective requirements being monitored at the time of closing for each obligation.
e. The District should catalog all outstanding Continuing Disclosure Agreements and establish consolidated filing requirements based on the outstanding CDAs.
f. The District should identify the frequency of the actions to be undertaken to ensure compliance, establish a system or filing alerts or reminders to administer the filing requirements.
g. The Director of Finance for compliance must be made aware of any new outstanding debt, changes to obligation or loan covenants, events of acceleration or default that would materially affect investors.
h. The District should review a compliance checklist to verify compliance with CDA requirements, at least annually, although it may be advisable to provide more frequent reviews in connection to specific material events.
i. The District should monitor mandatory material events specifically identified in accordance with the Rule and file required notices within 10 days of occurrence.

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers or their failure to perform.
6. Adverse tax opinion, IRS notices or material events affecting the tax status of the obligation.
7. Modifications to rights of security holders, if material.
8. Obligation calls, if material.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the obligations, if material.
11. Rating Changes.
12. Bankruptcy, insolvency, receivership, or similar event of the obligated person(s).
13. Merger, consolidation, or acquisition of the obligated person, if material.
14. Appointment of a successor or additional trustee, or change of name of a trustee, if material.
15. Incurrence of financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.

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16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District, any of which reflect financial difficulties.

j. In addition to the mandatory material events, the District should review and file any additional or voluntary event notices.

k. The District should maintain a catalog of all outstanding obligations whether publicly offered or privately placed, and the terms and conditions that govern default or acceleration provisions.

l. Any missed filing requirement should be remedied with a failure to file notice as soon as possible once the late filing is identified and the required information is available to file.

m. Sensitive information such as bank accounts and wire information should be redacted from documents prior to posting on EMMA.

n. The District needs to monitor for changes in law and regulations that effect continuing disclosure obligations and review disclosure policies and procedures periodically to ensure compliance and consistency with regulation and market expectations.

~~7.~~8. Compliance with Future Requirements

a. Take measures to comply with any future requirements issued beyond the date of these Post-Issuance Debt Compliance Procedures which are essential to ensuring compliance with the applicable state and federal regulations.

Cross References: Internal Revenue Code Section 148
Treasury Regulation Section 1.150-2
Treasury Regulation Section 1.141

~~ADOPTED BY THE BOARD OF EDUCATION:~~Dated: March 7, 2016
Revised: January 3, 2022

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Independent School District No. 280
(Richfield Public Schools), Minnesota
Post-Issuance Debt Compliance Policy

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The Internal Revenue Service (IRS) is responsible for enforcing compliance with the Internal Revenue Code (the "Code") and regulations promulgated thereunder ("Treasury Regulations") governing certain obligations (for example: tax-exempt obligations, Build America Bonds, Recovery Zone Development Bonds and various "Tax Credit" Bonds). The IRS encourages issuers and beneficiaries of these obligations to adopt and implement a post-issuance debt compliance policy and procedures to safeguard against post-issuance violations.

SEC Background
The Securities and Exchange Commission (SEC) is responsible for enforcing compliance with the SEC Rule 15c2-12 (the "Rule"). Governments or governmental entities issuing obligations generally have a requirement to meet specific continuing disclosure standards set forth in continuing disclosure agreements ("CDA"). Unless the issuer, obligated person, or a specific obligation is exempt from compliance with CDAs, these agreements are entered into at the time of obligation issuance to enable underwriter(s) to comply with the Rule. The Rule sets forth certain obligations of (i) underwriters to receive, review and disseminate official statements prepared by issuers of most primary offerings of municipal securities, (ii) underwriters to obtain CDAs from issuers and other obligated persons to provide material event disclosure and annual financial information on a continuing basis, and (iii) broker-dealers to have access to such continuing disclosure in order to make recommendations of municipal securities transactions in the secondary market. The SEC encourages issuers and beneficiaries adopt and implement a post-issuance debt compliance policy and procedures to safeguard against Rule violations.

When obligations are issued, the CDA commits the issuer or obligated person to provide certain annual financial information and material event notices to the public. Issuers and other obligated persons may also choose to provide periodic, voluntary financial information and filings to investors in addition to fulfilling the specific responsibilities delineated in their CDA. It is important to note that issuers and other obligated persons should not give any one investor certain information that is not readily available to all market participants by disseminating information to the marketplace, at large. Issuers and other obligated persons should be aware that any disclosure activities determined to be "communicating to the market" can be subject to regulatory scrutiny.

Post-Issuance Debt Compliance Policy Objective
The District desires to monitor these obligations to ensure compliance with the IRS Code, Treasury Regulations and the SEC Rule. To help ensure compliance, the District has

developed the following policy (the “Post-Issuance Debt Compliance Policy”). The Post-Issuance Debt Compliance Policy shall apply to the obligations mentioned above, including bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt that is subject to compliance.

Post-Issuance Debt Compliance Policy
The Director of Finance of the District is designated as the District’s agent who is responsible for post-issuance compliance of these obligations.

The Director of Finance shall assemble all relevant documentation, records and activities required to ensure post-issuance debt compliance as further detailed in corresponding procedures (the “Post-Issuance Debt Compliance Procedures”). At a minimum, the Post-Issuance Debt Compliance Procedures for each qualifying obligation will address the following:

1. General Post-Issuance Compliance
2. General Recordkeeping
3. Arbitrage Yield Restriction and Rebate Recordkeeping
4. Expenditure and Asset Documentation to be Assembled and Retained
5. Miscellaneous Documentation to be Assembled and Retained
6. Additional Undertakings and Activities that Support Sections 1 through 5 above
7. Continuing Disclosure Obligations
8. Compliance with Future Requirements

The Director of Finance shall apply the Post-Issuance Debt Compliance Procedures to each qualifying obligation and maintain a record of the results. Further, the Director of Finance will ensure that the Post-Issuance Debt Compliance Policy and Procedures are updated on a regular and as needed basis.

The Director of Finance or any other individuals responsible for assisting the Director of Finance in maintaining records needed to ensure post-issuance debt compliance, are authorized to expend funds as needed to attend training or secure use of other educational resources for ensuring compliance such as consulting, publications, and compliance assistance.

Most of the provisions of this Post-Issuance Debt Compliance Policy are not applicable to taxable governmental obligations unless there is a reasonable possibility that the District may refund their taxable governmental obligation, in whole or in part, with the proceeds of a tax-exempt governmental obligation. If this refunding possibility exists, then the Director of Finance shall treat the taxable governmental obligation as if such issue were an issue of tax-exempt governmental obligations and comply with the requirements of this Post-Issuance Debt Compliance Policy.

Private Activity Bonds
The District may issue tax-exempt obligations that are “private activity” bonds because either (1) the bonds finance a facility that is owned by the District but used by one or more qualified 501(c)(3) organizations, or (2) the bonds are so-called “conduit bonds”, where the proceeds are loaned to a qualified 501(c)(3) organization or another private entity that finances activities eligible for tax-exempt financing under federal law (such as certain

manufacturing projects and certain affordable housing projects). Prior to the issuance of either of these types of bonds, the Director of Finance shall take steps necessary to ensure that such obligations will remain in compliance with the requirements of this Post-Issuance Debt Compliance Policy.

In a case where compliance activities are reasonably within the control of a private party (i.e., a 501(c)(3) organization or conduit borrower), the Director of Finance may determine that all or some portion of compliance responsibilities described in this Post-Issuance Debt Compliance Policy shall be assigned to the relevant party. In the case of conduit bonds, the conduit borrower will be assigned all compliance responsibilities other than those required to be undertaken by the District under federal law. In a case where the Director of Finance is concerned about the compliance ability of a private party, the Director of Finance may require that a trustee or other independent third party be retained to assist with record keeping for the obligation and/or that the trustee or such third party be responsible for all or some portion of the compliance responsibilities.

The Director of Finance is additionally authorized to seek the advice, as necessary, of bond counsel and/or its financial advisor to ensure the District is in compliance with this Post-Issuance Debt Compliance Policy.

Adopted this date_________________ by the Independent School District No. 280 (Richfield Public Schools), Minnesota

Independent School District No. 280
(Richfield Public Schools), Minnesota
Post-Issuance Debt Compliance Procedures

The Board of Education (the "Board]") of the Independent School District No. 280 (Richfield Public Schools), Minnesota (the "District") has adopted the attached Post-Issuance Debt Compliance Policy dated ____. The Post-Issuance Debt Compliance Policy applies to qualifying debt obligations issued by the District. As directed by the adoption of the Post-Issuance Debt Compliance Policy, the Director of Finance of the District will perform the following Post-Issuance Debt Compliance Procedures for all of the District's outstanding debt.

1) General Post-Issuance Compliance
   a) Ensure written procedures and/or guidelines have been put in place for individuals to follow when more than one person is responsible for ensuring compliance with Post-Issuance Debt Compliance Procedures.
   b) Ensure training and/or educational resources for post-issuance compliance have been approved and obtained.
   c) The Director of Finance understands that there are options for voluntarily correcting failures to comply with post-issuance compliance requirements (e.g. as remedial actions under Section 1.141-12 of the Treasury Regulations and the ability to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31(the "VCAP Program")).

2) General Recordkeeping
   a) Retain records and documents for the obligation and all obligations issued to refund the obligation for a period of at least seven years following the final payment of the obligation. If an obligation is refunded, then the final payment of the refunding obligation becomes the beginning of the period unless otherwise directed by the District's bond counsel.
   b) Retain electronic (preferred) and/or paper versions of records and documents for the obligation.
   c) General records and documentation to be assembled and retained:
      i) Description of the purpose of the obligation (i.e. the project or projects) and the state statute authorizing the project.
      ii) Record of tax-exempt status or revocation of tax-exempt status, if applicable.
      iii) Any correspondence between the District and the IRS.
      iv) Audited financial statements.
      v) All accounting audits of property financed by the obligation.
      vi) Obligation transcripts, official statements, and other offering documents of the obligation.
      vii) Minutes and resolutions authorizing the issuance of the obligation.

viii) Certifications of the issue price of the obligation.
ix) Any formal elections for the obligation (i.e. an election to employ an accounting methodology other than the specific tracing method).
x) Appraisals, demand surveys, or feasibility studies for property financed by the obligation.
xi) All information reports filed for the obligations.
xii) All management contracts and other service agreements, research contracts, and naming rights contracts.
xiii) Documents related to governmental grants associated with construction, renovation or purchase of property financed by the obligation.
xiv) Reports of any prior IRS examinations of the District or the District's obligation.
xv) All correspondence related to the above (faxes, emails, or letters).

3) Arbitrage Yield Restriction and Rebate Recordkeeping

a) Investment and arbitrage documentation to be assembled and retained:
   i) An accounting of all deposits, expenditures, interest income and asset balances associated with each fund established in connection with the obligation. This includes an accounting of all monies deposited to the debt service fund to make debt service payments on the obligation, regardless of the source derived. Accounting for expenditures and assets is described in further detail in Section 4.
   ii) Statements prepared by Trustee and/or Investment Provider.
   iii) Documentation of at least quarterly allocations of investments and investment earnings to each obligation.
   iv) Documentation for investments made with obligation proceeds such as:
      (1) investment contracts (i.e. guaranteed investment contracts),
      (2) credit enhancement transactions (i.e. obligation insurance contracts),
      (3) financial derivatives (e.g. swaps, caps, and collars), and
      (4) bidding of financial products:
         (a) Investments acquired with obligation proceeds are purchased at fair market value (e.g. three bid safe harbor rule for open market securities needed in advance refunding escrows).
b) Computations of the arbitrage yield.
c) Computations of yield restriction and rebate amounts including but not limited to:
   i) Compliance in meeting the "Temporary Period from Yield Restriction Exception" and limiting the investment of funds after the temporary period expires.
   ii) Compliance in meeting the "Rebate Exception."
      (1) qualifying for the "Small Issuer Exception,"
      (2) qualifying for a "Spending Exception,"
         (a) 6-Month Spending Exception
         (b) 18-Month Spending Exception

(c) 24-Month Spending Exception
(3) qualifying for the "Bona Fide Debt Service Fund Exception," and
(4) quantifying arbitrage on all funds established in connection with the obligation in lieu of satisfying arbitrage exceptions including reserve funds and debt service funds.

d) Computations of yield restriction and rebate payments.
e) Timely Tax Form 8038-T filing, if applicable.
   i) Remit any arbitrage liability associated with the obligation to the IRS at each five-year anniversary date of the obligation, and the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 60 days of said date.
f) Timely Tax Form 8038-R filing, if applicable.
   i) Remit the form after the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 2 years of said date.
g) Procedures or guidelines for monitoring instances where compliance with applicable yield restriction requirements depends on subsequent reinvestment of obligation proceeds in lower yielding investments (e.g. reinvestment in zero coupon SLGS).

4) Expenditure and Asset Documentation to be Assembled and Retained

a) Documentation of allocations of obligation proceeds to expenditures (e.g. allocation of proceeds to expenditures for the construction, renovation or purchase of facilities owned and used in the performance of exempt purposes).
   i) Such allocation will be done not later than the earlier of:
      (1) eighteen (18) months after the later of the date the expenditure is paid, or the date the project, if any, that is financed by the obligation is placed in service; or
      (2) the date sixty (60) days after the earlier of the fifth anniversary of the issue date of the obligation, or the date sixty (60) days after the retirement of the obligation.
b) Documentation of allocations of obligation proceeds to issuance costs.
c) Copies of requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks related to obligation proceed expenditures during the construction period.
d) Copies of all contracts entered into for the construction, renovation or purchase of facilities financed with obligation proceeds.
e) Records of expenditure reimbursements incurred prior to issuing obligations for projects financed with obligation proceeds (declaration of official intent/reimbursement resolutions including all modifications).
f) List of all facilities and equipment financed with obligation proceeds.

g) Depreciation schedules for depreciable property financed with obligation proceeds.
h) Documentation that tracks the purchase and sale of assets financed with obligation proceeds.
i) Documentation of timely payment of principal and interest payments on the obligation.
j) Tracking of all issue proceeds and the transfer of proceeds into the debt service fund as appropriate.
k) Documentation that excess earnings from a Reserve Fund are transferred to the Debt Service Fund on an annual basis. Excess earnings are balances in a Reserve Fund that exceed the Reserve Fund requirement.

5) Miscellaneous Documentation to be Assembled and Retained

a) Ensure that the project, while the obligation is outstanding, will avoid IRS private activity concerns.
b) The Director of Finance shall monitor the use of all obligation-financed facilities in order to:
   i) Determine whether private business uses of obligation-financed facilities have exceeded the *de minimus* limits set forth in Section 141(b) of the Code as a result of:
      (1) sale of the facilities;
      (2) sale of District capacity rights;
      (3) leases and subleases of facilities including easements or use arrangements for areas outside the four walls (e.g. hosting of cell phone towers);
      (4) leasehold improvement contracts, licenses, management contracts in which the District authorizes a third party to operate a facility (e.g. cafeteria);
      (5) research contracts;
      (6) preference arrangements in which the District permits a third-party preference (e.g. parking in a public parking lot, joint ventures, limited liability companies or partnership arrangements);
      (7) output contracts or other contracts for use of utility facilities including contracts with large utility users;
      (8) development agreements which provide for guaranteed payments or property values from a developer;
      (9) grants or loans made to private entities including special assessment agreements;
      (10) naming rights agreements; and
      (11) any other arrangements that provide special legal entitlements to nongovernmental persons.
   ii) Determine whether private security or payments that exceed the *de minimus* limits set forth in Section 141(b) of the Code have been provided

by nongovernmental persons with respect to such obligation-financed facilities.

c) The Director of Finance shall provide training and educational resources to any District staff that have the primary responsibility for the operation, maintenance, or inspection of obligation-financed facilities with regard to the limitations on the private business use of obligation-financed facilities and as to the limitations on the private security or payments with respect to obligation-financed facilities.

d) The District shall undertake the following with respect to the obligations:

   i) An annual review of the books and records maintained by the District with respect to such obligations.

   ii) An annual physical inspection of the facilities financed with the proceeds of such obligations, conducted by the Director of Finance with the assistance of any District staff who have the primary responsibility for the operation, maintenance, or inspection of such obligation-financed facilities.

e) Changes in the project that impact the terms or commitments of the obligation are properly documented and necessary certificates or opinions are on file.

6) Additional Undertakings and Activities that Support Sections 1 through 5 above:

a) The Director of Finance will notify the District's bond counsel, financial advisor and arbitrage provider of any survey or inquiry by the IRS immediately upon receipt. Usually responses to IRS inquiries are due within 21 days of receipt. Such IRS responses require the review of the above-mentioned data and must be in writing. As much time as possible is helpful in preparing the response.

b) The Director of Finance will consult with the District's bond counsel, financial advisor and arbitrage provider before engaging in post-issuance credit enhancement transactions (e.g. obligation insurance, letter of credit, or hedging transaction).

c) The Director of Finance will monitor all "qualified tax-exempt debt obligations" (often referred to as "bank qualified" obligations) within the first calendar year to determine if the limit is exceeded, and if exceeded, will address accordingly. For obligations issued during years 2009 and 2010 the limit was $30,000,000. During this period, the limit also applied to pooled financings of the governing body and provides a separate $30,000,000 for each 501 (c)(3) conduit borrower. In 2011 and thereafter it is $10,000,000 unless changed by Congress.

d) Identify any post-issuance change to terms of obligations which could be treated as a current refunding of "old" obligations by "new" obligations, often referred to as a "reissuance."

e) The Director of Finance will consult with the District's bond counsel prior to any sale, transfer, change in use or change in users of obligation-financed property which may require “remedial action” under applicable Treasury Regulations or resolution pursuant to the VCAP Program.

   i) A remedial action has the effect of curing a deliberate action taken by the District which results in satisfaction of the private business test or private loan test. Remedial actions under Section 1.141-12(d)(e) and (f) include the redemption of non-qualified obligations and/or the alternative uses of proceeds or the facility (i.e. to be used for another qualified purpose).

f) The Director of Finance will ensure that the appropriate tax form for federal subsidy payments is prepared and filed in a timely fashion for applicable obligations (e.g. Build America Bonds).

7) Continuing Disclosure Obligations

a) Identify a position at the District to be responsible for compliance with continuing disclosure obligations as defined by the Rule and any policies of the District.

b) The position responsible for compliance may have the ability to assign responsibilities, delegate where appropriate or engage a dissemination agent or third-party service providers to perform all or some of the duties described in this section. The District cannot delegate its compliance responsibilities.

c) The District should specify how providers or delegated authorities will be monitored and supervised.

d) The District should identify the documents that set forth the respective requirements being monitored at the time of closing for each obligation.

e) The District should catalog all outstanding Continuing Disclosure Agreements and establish consolidated filing requirements based on the outstanding CDAs.

f) The District should identify the frequency of the actions to be undertaken to ensure compliance, establish a system or filing alerts or reminders to administer the filing requirements.

g) The Director of Finance for compliance must be made aware of any new outstanding debt, changes to obligation or loan covenants, events of acceleration or default that would materially affect investors.

h) The District should review a compliance checklist to verify compliance with CDA requirements, at least annually, although it may be advisable to provide more frequent reviews in connection to specific material events.

i) The District should monitor mandatory material events specifically identified in accordance with the Rule and file required notices within 10 days of occurrence.

   i) Principal and interest payment delinquencies.

   ii) Non-payment related defaults, if material.

   iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
v) Substitution of credit or liquidity providers or their failure to perform.
vi) Adverse tax opinion, IRS notices or material events affecting the tax status of the obligation.
vii) Modifications to rights of security holders, if material.
viii) Obligation calls, if material.
ix) Defeasances.
x) Release, substitution or sale of property securing repayment of the obligations, if material.
xi) Rating Changes.
xii) Bankruptcy, insolvency, receivership, or similar event of the obligated person(s).
xiii) Merger, consolidation, or acquisition of the obligated person, if material.
xiv) Appointment of a successor or additional trustee, or change of name of a trustee, if material.
xv) Incurrence of financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District, any of which reflect financial difficulties.

j) In addition to the mandatory material events, the District should review and file any additional or voluntary event notices.
k) The District should maintain a catalog of all outstanding obligations whether publicly offered or privately placed, and the terms and conditions that govern default or acceleration provisions.
l) Any missed filing requirement should be remedied with a failure to file notice as soon as possible once the late filing is identified and the required information is available to file.
m) Sensitive information such as bank accounts and wire information should be redacted from documents prior to posting on EMMA.
n) The District needs to monitor for changes in law and regulations that effect continuing disclosure obligations and review disclosure policies and procedures periodically to ensure compliance and consistency with regulation and market expectations.

8) Compliance with Future Requirements

a) Take measures to comply with any future requirements issued beyond the date of these Post-Issuance Debt Compliance Procedures which are essential to ensuring compliance with the applicable state and federal regulations.

NEW BUSINESS – FOR ACTION **Agenda Item VI.A.**

Board of Education
Independent School District 280
Richfield, Minnesota

Regular Meeting, December 20, 2021

Subject: School Activities

(Recommended by the Superintendent)

A repeal of Policy 781 and transfer of Administrative Guideline 781.1 to Policy 651, thereby renaming it as Administrative Guideline 651.2. Policy 651 was revised by the board on May 17, 2021 to be inclusive of all school activities rather than just athletics. Because of this, Policy 651 and Administrative Guideline 651.1 now generally cover the information presented in Policy 781, making Policy 781 unnecessary.

Attachments:
Policy 781: School Activities
Administrative Guideline 781.1 - redlined
Policy 651: Athletic & Activity Program
Administrative Guideline 651.1
MSBA Model Policy 510: School Activities

RICHFIELD PUBLIC SCHOOLS

SCHOOL ACTIVITIES

I. PURPOSE

The purpose of this policy is to impart to students, employees and the community the school district's policy related to the student activity program.

II. GENERAL STATEMENT OF POLICY

School activities provide additional opportunities for students to pursue special interests that contribute to their physical, mental and emotional well-being. They are of secondary importance in relationship to the formal instructional program; however, they complement the instructional program by providing additional opportunities for healthy youth development through programs that encourage participation, healthy life styles and a sense of accomplishment.

III. RESPONSIBILITY

A. The school board expects all students who participate in school sponsored activities to represent the school and community in a responsible manner. All rules pertaining to student conduct and student discipline extend to school activities.

B. It shall be the responsibility of the superintendent to disseminate information needed to inform students, parents, staff and the community of the opportunities available within the school activity program and the rules of participation.

C. Those students who participate in Minnesota State High School League (MSHSL) activities must also abide by the league rules. It shall be the responsibility of those employees who conduct MSHSL activities to familiarize students and parents with all applicable rules, penalties, and opportunities. Elementary students in grades 1-6 are not eligible for participation in any MSHSL sponsored activity.

D. The superintendent shall be responsible for conducting an annual evaluation of school activity programs and presenting the results and any recommendations to the school board.

E. Activity fees will be charged for each of the activities as outlined in the attached Administrative Guidelines.

Legal Reference: Minn. Stat. 123B.49 (Co-curricular and Extracurricular Activities) and 123B.36 (Authorized Fees)

Cross Reference: Board Policy 651 - Mission and Philosophy of the Richfield Interscholastic and Activity Program.

ADOPTED BY THE BOARD OF EDUCATION:	April 19, 1999
REVIEWED BY THE BOARD OF EDUCATION:	May 2, 2005; May 15, 2006; March 5, 2007, April 6, 2009, May 3, 2010, May 2, 2011, May 21, 2012, May 20, 2013, September 3, 2013, June 17, 2014, June 22, 2015, October 5, 2015
REVISED BY THE BOARD OF EDUCATION:	June 19, 2000; May 21, 2001, April 15, 2002, April 7, 2008

RICHFIELD PUBLIC SCHOOLS

ADMINISTRATIVE GUIDELINES

SCHOOL ACTIVITY FEES

I. INTRODUCTION

It is the policy of the State of Minnesota that public school education shall be free and no pupil shall be denied an education. Minnesota State Statute 123B.36 also recognizes that school boards may establish fees to support certain student activities. These administrative guidelines delineate school activity fees, pursuant to Board Policy ~~781~~651.

II. ACTIVITIES SUBJECT TO FEES

A. Minnesota State High School League Activities

Participants in Interscholastic athletics and fine arts activities governed by the Minnesota State High School League will be charged a fee. In addition a late fee of $25 will be assessed for each season as per the registration calendar published by the Athletic Director.

B. Other Fees

1. A program fee of $35/student shall be charged for participation in the summer school programs by grade level (grades K-10) where funding is not provided by the state.

2. Additional fees as listed in the attached schedule.

III. FEE EXCEPTIONS

A. Fee Waiver

The student of a parent / guardian applying and qualifying for the Free or Reduced Lunch Program and providing the verification of income shall be eligible for a reduced fee.

1. A student who qualifies for a reduced price lunch will receive a 25% discount.

2. A student who qualifies for a free lunch will receive a 50% discount.

3. A full waiver may be allowed for students qualifying for the discount noted above at the discretion of the ~~Athletic Director or Activities~~

~~Coordinator~~Activities Director upon consideration of extenuating circumstances.

The homeless student as defined in Section 103(a) (1) (2) of P.L. 100-77 participating in an activity under this guideline shall have their fee paid by the Parent Teacher Organization (P.T.O.), Title I funds, other donations, or the fee will be waived.

B. Third Season Free

Students participating in all three seasons will pay no fee to participate in the third season. This special rate is exclusive of the established late registration fee.

Legal References: Minn. Stat. § 123B.36 (Authorized Fees)
Minn. Stat. § 123B.37 (Prohibited Fees)

Cross References: Board Policy 781 (Student Activities)
Board Policy 651 (Mission and Philosophy of the Richfield Interscholastic Athletic and Activity Program)

Dated: April 19, 1999
Reviewed: April 6, 2009, May 3, 2010, May 21, 2012, June 17, 2014
Revised: June 19, 2000; May 21, 2001; June 19, 2001; April 15, 2002; July 21, 2003; April 5, 2004, May 2, 2005, July 11, 2005; May 15, 2006; August 21, 2006; March 5, 2007, April 7, 2008, May 2, 2011, May 20, 2013, September 3, 2013, June 22, 2015, October 5, 2015; December 20, 2021

RICHFIELD PUBLIC SCHOOLS ACTIVITY FEES
AMOUNT APPLICABLE BY GRADE LEVELS

ACTIVITY	GR 5-12	GR 7-12#	GR 6-8##	GR 9-12
BAND – HONORS & JAZZ			$10 each	
BAND – SUMMER ($20 uniform fee in N/A to color guard)			$65	$110+$20
BASEBALL#				$182
BASKETBALL – B/G#			$95	$252
CHEERLEADING (per season)				$50
CROSS COUNTRY RUNNING – B/G#		$168		
NORDIC SKIING – B/G#		$196	~~$95~~	
WINTER COMPETITIVE DANCE				$196
FALL PERFORMANCE DANCE				$95
DIVING#		$196		
FOOTBALL#			$95	$210
GOLF – B/G#		$182		
GRADUATION FEE (Excluding cap & gown cost)				No Charge
GYMNASTICS#		$210		
HOCKEY – B~~/G~~#			$95	$238
INSTRUMENT RENTAL (one time fee)	$65			
INTRAMURAL (including middle school Academic, athletic & art intramurals, & Clubs meeting outside the school day)			$10 each	$30 each
MATH TEAM (one time fee)			$10	$50
PARKING PERMIT (per semester)				$100
ALPINE SKIING#		$196		
SOCCER – B/G#			$95	$168
SOFTBALL#		$182		
SPEECH#				$75
SWIMMING – B/G#		$196		
SWIMMING – SYNCHRONIZED#		$~~196~~182		
TENNIS – B/G#		~~$154~~	$95	$154
THEATRE (Fall Play, Musical & RMS Play) One-Act# play			$30 each	$65
TRACK – B/G#			$95	$182
VOLLEYBALL#			$95	$182
WRESTLING#		~~$210~~	$95	$210

#MSHSL Activities, # Jr. Varsity Program, ##Middle School Program

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RICHFIELD PUBLIC SCHOOLS
ATHLETIC/CO-CURRICULAR

REDUCED FEE REQUEST FORM

Reduced fees shall be based on the following criteria.

- A student who qualifies for a reduced price lunch will receive a 25% discount.
- A student who qualifies for a free lunch will receive a 50% discount.

Student's Name____________________________________Date:__________________

Parent/Guardian Name______________________________Sport/Activity___________

Address____

Telephone____Reduced rate Requested_____________

Reason____

____

____

____

____

________________________________ ________________________________
Student Signature Parent/Guardian Signature

For office use only:

Action taken:____

____

____

____ ______________________
~~Athletic Director/Co-Curricular Activity Coordinator~~Activities Director
Date

RICHFIELD PUBLIC SCHOOLS

ATHLETIC AND ACTIVITY PROGRAM

I. MISSION

The mission of the Richfield Public Schools extra-curricular program is to promote healthy youth development through programs that encourage participation, healthy life styles, development of positive attitudes and skills, and a sense of accomplishment.

II. VALUE AND PURPOSES

A. Consistent with the mission of the extra-curricular program, the Board of Education believes that extra-curricular activities can be a vital educational experience and can contribute to healthy youth development.

B. The Board of Education recognizes several important purposes for an extra-curricular program that includes athletics and activities:

1. The program should provide students with the opportunity to have fun, learn through competition, learn to respect other participants, and to abide by the rules of the activity.

2. It should provide students and the community an opportunity to develop pride in themselves and their schools.

3. It should aid students in managing time and priorities in order to enjoy leisure-time activities while promoting refinement and expansion of skills.

4. It should promote and develop the physical, mental and psychological attributes of participants.

5. Finally, the program should develop the self-concept, self discipline, cooperative spirit, leadership potential, citizenship, and character of the participants.

III. EXTRA-CURRICULAR PROGRAM EXPECTATIONS

A. The school athletic and activities program must build on students' desire for participation in athletics and activities. Since each person is unique, it is essential that learners be provided an environment with options and alternatives that reflect student interests.

B. Extra-curricular experiences must:

1. Help students to maintain and build understandings, skills and attitudes that contribute to their successful participation; and

2. Nurture self-respect, interests, enthusiasm, physical development, motivation and capacity for enjoyment.

C. The extra-curricular program shall be reviewed and evaluated on a periodic basis and coaches shall be evaluated annually. The review and evaluation process for the program and coaches shall include opportunities for feedback from parents and students.

IV. EXPECTATIONS REGARDING STUDENT PARTICIPATION

Participation in the extra-curricular program is a privilege. A student can earn and maintain that privilege by adhering to Minnesota State High School League and school district requirements, as outlined in Administrative Guidelines 651.1. Failure to meet MSHSL and / or local expectations may result in suspension or revocation of participation privileges.

V. EXPECTATIONS OF PROGRAM ADMINISTRATION AND STAFF

A. Administrators and staff designated by the superintendent to administer the athletics and activities programs, along with the coaches and activity advisors, are primarily responsible for attaining extra-curricular program goals and maintaining program standards. Therefore, these individuals should view themselves as teachers and as role models in the areas of character, behavior and leadership.

B. The Superintendent is authorized to develop administrative guidelines to facilitate implementation of this policy.

C. The policy and administrative guidelines shall be included in a Coaches/Advisors Handbook, which shall be revised regularly.

VI. ADDITION AND DELETION OF ATHLETICS AND ACTIVITIES OFFERINGS

The Board recognizes that student interest in athletics and activities participation changes over time and that offerings available to students must change in response. In addition, the School Board supports the goal of gender equity in athletics and activities programs. Therefore, the School Board charges the Activities Director with the development and implementation of a process to regularly survey student interest regarding offerings. The superintendent is responsible for the implementation of a process for considering the addition and deletion of athletics and activities.

A. Secondary students will be surveyed at least every other year to determine interest in athletics and activities offerings. The information collected through student surveys will be used to identify potential additions or deletions to offerings. Students also may initiate consideration of program changes through petitions directed to the school principal demonstrating substantial student interest in a particular athletic or activity offering.

B. Potential athletic or activity offering additions will be considered on the following criteria. It is not required that all criteria are met for a new offering to be approved:

1. It will address a gender imbalance in athletic offerings.

2. It will address a gender imbalance in participation rates.

3. There is sufficient interest and ability to sustain a viable program.

4. There is a reasonable expectation of competition and/or participation.

5. The activity is sponsored by the Minnesota State High School League (MSHSL) or there is a reasonable expectation that it soon will be.

6. Appropriate facilities and coaching/supervision are available, or can be provided to accommodate the program.

Athletic or activity programs may be considered for deletion when any of the above criteria no longer are satisfied.

C. Potential athletics and activities program changes will be reviewed initially by the Activities Director and appropriate school principal in light of the above criteria. The Activities Director will obtain feedback from the District Activities Advisory Committee related to any potential program changes. The building principal is responsible for forwarding the requests to the superintendent with a recommendation. The superintendent, in turn, will review the request and forward it with a recommendation and supporting data to the School Board for action. Athletics and activities offerings considered for deletion also will be presented to the School Board with a recommendation and supporting rationale for Board consideration and action.

D. The addition and deletion of levels of competition within an activity will be governed by the number of participants and budget considerations. Where the number of participants justifies two or more levels of competition at least one assistant coach/advisor will be provided for each of the levels below varsity. Activities where specific coaching/advising specialties are required may be allocated additional assistant coaches/advisors.

Legal Reference:
20 U.S.C. § 1681 et seq. (Title IX of the Education Amendments of 1972)

RATIFIED BY THE BOARD OF EDUCATION: October 2, 1978

REVISED BY THE BOARD OF EDUCATION: June 18, 1990; December 17, 1990; February 1, 1999; September 7, 2004; May 17, 2021

REAFFIRMED BY THE BOARD OF EDUCATION: July 15, 2013

RICHFIELD PUBLIC SCHOOLS

ADMINISTRATIVE GUIDELINES

ATHLETICS AND ACTIVITIES

The purpose of these administrative guidelines is to guide implementation of Board Policy 651: Athletic and Activity Program.

I. REQUIREMENTS FOR PARTICIPATION IN ATHLETICS AND ACTIVITIES:

A. In order to participate in athletics or activities governed by the Minnesota State High School League, a student must meet all of the eligibility requirements as defined in Sections 100 and 200 of the Minnesota State High School League Bylaws.

B. In addition, a student must be on track toward graduation according to the MSHSL guidelines to participate in MSHSL athletics. Student participation in activities not governed by MSHSL will be allowed without course credit earning restrictions. .

II. EXTRA-CURRICULAR PROGRAM REVIEW AND EVALUATION

A. A review and evaluation of the extra-curricular program shall be conducted in conjunction with the rotational review of Board Policy 651 and administrative guidelines 651.1.

B. The review process shall include opportunities for participation and formal written input from students and parents.

C. The Coaches / Advisors Handbook shall be revised to reflect changes in the extra-curricular program, policies and guidelines resulting from the program review and evaluation.

III. EVALUATION OF COACHES / ACTIVITY SUPERVISORS

A formal evaluation shall be completed at the end of the athletic season or activity, and shall include the following components:

A. The head coach or activity supervisor will submit a report to the Activities Director that includes information pertaining to student participation, accomplishments in relation to goals, an evaluation of assistant coaches / activity supervisors, and suggestions for program improvement.

B. The Activities Director will complete a written evaluation of the head coach / activity supervisor, based on multiple sources of information, including the report referenced in III.A above, observation records, and feedback from students, parents, and others familiar with the program or activity.

C. The Activities Director shall include all necessary forms for evaluation and reporting in the Coaches / Advisors Handbook.

IV. COMMUNICATIONS

A. The Activities Director is expected to provide relevant information about the interscholastic athletic and activity program to coaches and activity supervisors, students, parents, and the public.

B. The Superintendent authorizes the Activities Director and coaches to develop a statement of philosophy and beliefs, provided that the statement is aligned with Board Policy 651.

C. Feedback and ideas from parents, students, and interested community members will be obtained in conjunction with the extra-curricular program review described in Section I above, with opportunities for additional feedback via student surveys, written correspondence, telephone calls and conferences.

Dated: September 7, 2004
Reviewed: July 15, 2013
Revised: May 17, 2021

Reference: Minnesota State High School League Official Handbook

APPENDIX
ATHLETIC PROGRAM PHILOSOPHY

The following statement was developed by coaches and is included in the Coaches Handbook:

We believe that the opportunity for participation in a wide variety of student-selected activities is a vital part of the student's educational experiences. This participation is a privilege that carries with it responsibilities to the school, other participants and the community. The purpose of athletics and activities program is to provide experiences that help young people to develop physically, mentally, socially and emotionally.

Athletics and activities should be available to all students who develop an interest in participating, regardless of their individual abilities. Accordingly, whenever feasible, appropriate skill levels should be established within athletics and activities, so students may become involved regardless of their level of skills.

Leadership should be of the highest quality and exemplify the type of behavior, which the program attempts to develop. Leadership success is measured in terms of the goals of the athletic and activity program rather than solely on the victories or defeats. Coaches, advisors or sponsors will provide guidance in the development of good sportsmanship, cooperation, leadership and self-actualization.

It is intended that the athletic and activities programs be conducted in accordance with existing Board of Education policies and guidelines. Winning is considered a worthy goal, but good sportsmanship and the wellbeing of participants are considered more important. The programs are, at all times, to be conducted in such a manner as to justify them as educational activities.

Dated: September 7, 2004
Reviewed: July 15, 2013
Revised: May 17, 2021

*Adopted:*_________________

*Revised:*_________________

MSBA/MASA Model Policy 510
Orig. 1995
Rev. 2019

510 SCHOOL ACTIVITIES

I. PURPOSE

The purpose of this policy is to impart to students, employees, and the community the school district's policy related to the student activity program.

II. GENERAL STATEMENT OF POLICY

School activities provide additional opportunities for students to pursue special interests that contribute to their physical, mental, and emotional well-being. They are of secondary importance in relationship to the formal instructional program; however, they complement the instructional program in providing students with additional opportunities for growth and development.

III. RESPONSIBILITY

A. The school board expects all students who participate in school-sponsored activities to represent the school and community in a responsible manner. All rules pertaining to student conduct and student discipline extend to school activities.

B. The school board expects all spectators at school sponsored activities, including parents, employees, and other members of the public, to behave in an appropriate manner at those activities. Students and employees may be subject to discipline and parents and other spectators may be subject to sanctions for engaging in misbehavior or inappropriate, illegal, or unsportsmanlike behavior at these activities or events.

C. The superintendent shall be responsible for disseminating information needed to inform students, parents, staff, and the community of the opportunities available within the school activity program and the rules of participation.

D. Those students who participate in Minnesota State High School League (MSHSL) activities must also abide by the league rules. Those employees who conduct MSHSL activities shall be responsible for familiarizing students and parents with all applicable rules, penalties, and opportunities.

E. The superintendent shall be responsible for conducting an annual evaluation of school activity programs and presenting the results and any recommendations to the school board.

F. The school board will ensure that any funds raised for extracurricular activities will be spent only on extracurricular activities.

Legal References: Minn. Stat. § 123B.49 (Extracurricular Activities; Insurance)

Cross References: MSBA/MASA Model Policy 503 (Student Attendance)
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA Model Policy 713 (Student Activity Accounting)

Board of Education
Independent School District 280
Richfield, Minnesota

Regular Meeting, December 20, 2021

SUBJECT: NON-RESIDENT TUITION RATE FOR 2021-22

(Recommended by the Superintendent)

That the Board of Education approve non-resident student tuition rates for the 2021-22 school year as noted below.

Background Information
(Prepared by Craig Holje and Jim Gilligan)

The preliminary audited 2020-2021 general fund expenditure data was used when calculating the tuition rate for the 2021-22 school year and then increased for inflation. The calculated average cost per student for 2021-22 school year is total general fund expenditures divided by the Adjusted Pupil Units (APU) funded by the district budget and then increased at the secondary level by 20% to reflect the state's pupil unit weighting system.

The average cost per student is converted into the following tuition rates:

2021-22 TUITION PER STUDENT
WADM factor

	Pupil Units	Annual	Daily
K-6	1.000	$15,012.79	$ 88.31
Grades 7-12	1.2	$18,015.35	$105.35

NEW BUSINESS – FOR REVIEW **Agenda Item VI.C.**

Board of Education
Independent School District 280
Richfield, Minnesota

Regular Meeting, December 20, 2021

Subject: Legislative Platform

The Association of Metropolitan School Districts (AMSD) has a wide range of position papers and a legislative platform. Based on the RPS mission and current realities, these particular issues and policies are proposed as the most important to achieve our legislative priorities:

Suggested priorities:

STABILIZE EDUCATION FUNDING

- Link the basic formula and local optional revenue to inflation to provide a stable and consistent funding stream that allows school boards and administrators to engage in long-range planning
- Allow locally-elected school boards to renew an existing operating referendum at the same level (suggested removal from platform)
- Increase special education and English learner funding to reduce the shortfalls in these important programs

INCREASE AND DIVERSIFY TEACHER WORKFORCE

- Remove barriers and provide incentives to address the shortage of substitute teachers, school bus drivers, paraprofessionals, and other staff
- Continue to expand programs and incentives to attract, develop and retain teachers of color

REDUCE MANDATES AND ENHANCE LOCAL CONTROL

- Implement a competency-based education model in lieu of seat time requirements (suggested removal from platform)
- Replace the high school MCA exams with a nationally recognized college entrance exam
- Change open meeting law to allow for hybrid board meetings as an option

Attached:
AMSD 2022 Legislative Platform

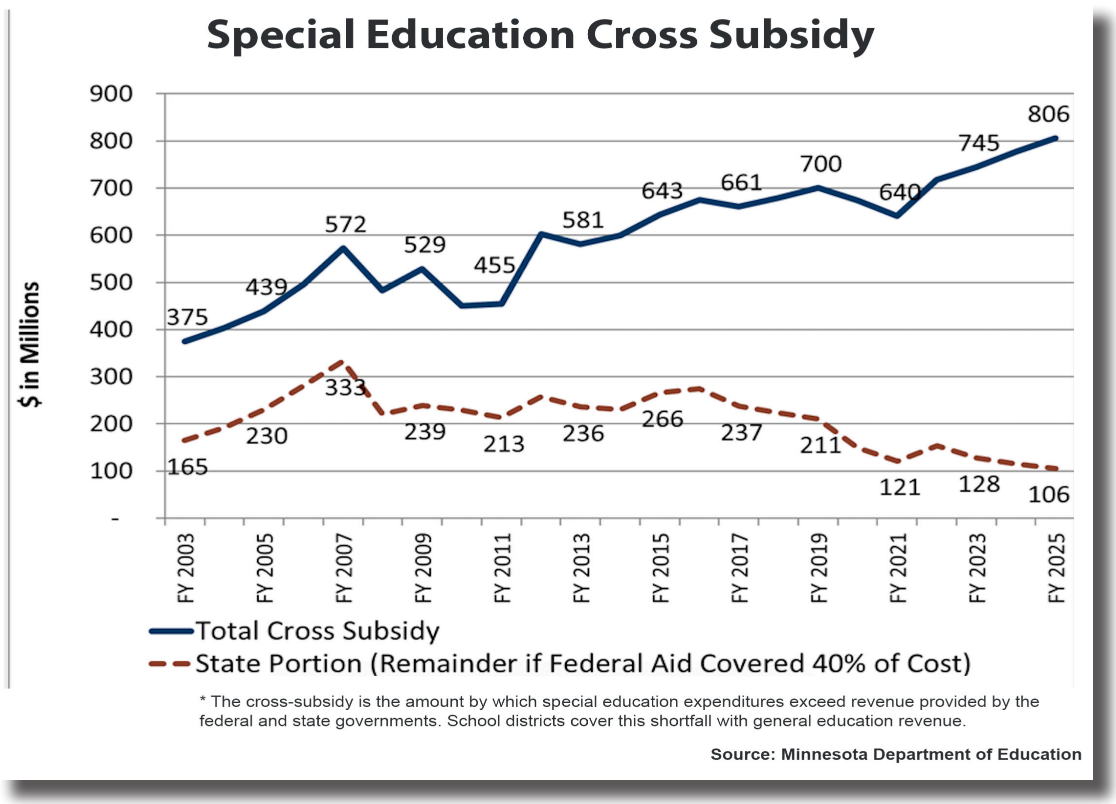
Association of Metropolitan School Districts

LEGISLATIVE PLATFORM

2022

The AMSD Board of Directors recognizes that the 2022 session is not a budget-setting session.

At the same time, it is critical that state policymakers strengthen Minnesota's education funding system which is not providing adequate, equitable or reliable resources for our schools. As the chart to the right shows, the special education cross-subsidy (shortfall) is projected to grow to $806 million by FY 2025. Similarly, the shortfall in the English learner program was more than $117 million in FY 2020. The basic formula would be $598 per pupil higher today if it had simply kept pace with inflation since 2003.



AMSD is committed to helping students recover from the COVID-19 pandemic and closing opportunity gaps based on race and socioeconomic status. The federal government provided significant, one-time emergency funding over the past two years to help school districts address technology and internet connectivity, increased transportation costs, personal protective equipment, cleaning and sanitization supplies, and the loss of revenue related to enrollment decline. However, the federal aid is one-time funding and does not negate the need for reliable and predictable state funding.

The AMSD Board of Directors urges the Goveror and Legislators to stabilize the education funding system by addressing the following critical issues in the 2022 legislative session.

ABOUT AMSD

TThe Association of Metropolitan School Districts represents 44 K-12 school districts, five intermediate/ cooperative districts and two integration districts. AMSD member school districts enroll more than one-half of all public school students in Minnesota. AMSD stands ready to assist state policymakers by providing current research and data to help them make informed decisions.

WWW.AMSD.ORG WWW.FACEBOOK.COM/AMSDMN @AMSDMN

AMSD

Association of Metropolitan School Districts

STABILIZE EDUCATION FUNDING

• Link the basic formula and local optional revenue to inflation to provide a stable and consistent funding stream that allows school boards and administrators to engage in long-range planning;
• Allow locally-elected school boards to renew an existing operating referendum at the same level;
• Increase special education and English learner funding to reduce the shortfalls in these important programs; and
• Increase equalization of the operating referendum, local optional, and debt service levies to reduce taxpayer and education funding disparities.

ENSURE SAFE, MODERN SCHOOL FACILITIES

• Increase the Safe Schools levy and state aid to allow school districts and intermediate school districts to hire additional support staff to address the mental health needs of students; and
• Remove the per-pupil limit and expand allowable uses of Long-Term Facilities Revenue to allow school districts and intermediate school districts to enhance safety through security modifications, remodeling and additions to existing buildings.

INCREASE AND DIVERSIFY TEACHER WORKFORCE

• Remove barriers and provide incentives to address the shortage of substitute teachers, school bus drivers, paraprofessionals, and other staff;
• Continue to expand programs and incentives to attract, develop and retain teachers of color; and
• Maintain multiple pathways to licensure in the tiered licensing system.

REDUCE MANDATES AND ENHANCE LOCAL CONTROL

Oppose any new unfunded mandates and allow school districts greater flexibility to:

• Implement a competency-based education model in lieu of seat time requirements;
• Replace the high school MCA exams with a nationally recognized college entrance exam;
• Post minutes and budget information on the district website rather than be published in a newspaper;
• Establish the school calendar that best meets the needs of their students and community; and
• Recover the rapidly escalating costs associated with data information requests.

AMSD MEMBER DISTRICTS

Anoka-Hennepin School District • Bloomington Public Schools • Brooklyn Center Community Schools • Burnsville-Eagan-Savage School District 191 • Centennial School District • Columbia Heights Public Schools • Duluth Public Schools • Eastern Carver County Schools • Eden Prairie Schools • Edina Public Schools • Elk River School District ISD #728 • Equity Alliance MN • Farmington Area Public Schools • Fridley Public Schools • Hastings Public Schools • Hopkins Public Schools • Intermediate School District #287 • Intermediate School District #917 • Inver Grove Heights Schools • Lakeville Area Public Schools • Mahtomedi Public Schools • Metro ECSU • Minneapolis Public Schools • Minnetonka Public Schools • Mounds View Public Schools • North St. Paul-Maplewood-Oakdale School District • Northeast Metro Intermediate School District #916 • Northwest Suburban Integration District • Orono Schools • Osseo Area Schools • Prior Lake-Savage Area Schools • Richfield Public Schools • Robbinsdale Area Schools • Rochester Public Schools • Rockford Area Schools • Rosemount-Apple Valley-Eagan Public Schools • Roseville Area Schools • Shakopee Public Schools • South St. Paul Public Schools • South Washington County Schools • SouthWest Metro Intermediate District • Spring Lake Park Schools • St. Anthony-New Brighton Independent School District • St. Cloud Area School District 742 • St. Louis Park Public Schools • Saint Paul Public Schools • Stillwater Area Public Schools • Wayzata Public Schools • West St. Paul-Mendota Heights-Eagan School District • Westonka Public Schools • White Bear Lake Area Schools

CONTACT AMSD: 612-430-7750 or email Scott Croonquist at scroonquist@amsd.org

NEW BUSINESS - FOR ACTION **Agenda Item VI.D.**

Board of Education
Independent School District 280
Richfield, Minnesota

Regular Meeting, December 20, 2021

SUBJECT: Acceptance of Fiscal Year 2021 Final Audit Report

Recommended by the Superintendent that the Board of Education accept the attached RESOLUTION for acceptance of the 2020-21 audit report.

Background Information

Board Policy 704 requires the school board to accept the audit report by resolution. The audit report will be presented earlier in the evening by Bill Lauer with the auditing firm of Malloy, Montague, Karnowski & Radosevich & Company. The resolution is attached.

RESOLUTION AUTHORIZING ACCEPTANCE OF 2021 ANNUAL AUDIT REPORT

Pursuant to due call and notice thereof, a regular meeting of the Board of Education of Independent School District No. 280, State of Minnesota, was duly held on December 20, 2021, at 7:00 p.m.

MEMBERS PRESENT:

MEMBERS ABSENT:

Member ____________________ introduced the following resolution and moved its adoption:

BE IT RESOLVED, by the Board of Education of Independent School District No. 280, the acceptance of the Fiscal Year 2021 Annual Financial Audit Report as prepared and presented by the auditing firm of Malloy, Montague, Karnowski & Radosevich & Company.

The motion for adoption of the foregoing resolution was duly seconded by Member_________________,

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution, having received the affirmative votes of a majority of the members, was declared duly passed and adopted.

WITNESS MY HAND officially as such recording officer this 20th day of December, 2021.

____

School District Clerk

Richfield Public Schools
7001 Harriet Avenue South
Richfield MN 55423

Independent School District 280
612.798.6000
www.richfieldschools.org

INSPIRE
EMPOWER
EXCEL

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

A. FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER FINANCIAL REPORTING

2021-001 Timeliness of Cash Reconciliations

Finding Summary

The monthly cash reconciliations prepared by Independent School District No. 280, Richfield, Minnesota's (the District) staff were not being performed in a timely manner for the months of November 2020 through May 2021. The effectiveness of this critical internal control was diminished, due to a lack of timeliness in completing the procedure.

Corrective Action Plan

Actions Planned – The District added a new position in its Finance Department that has taken over completing these reconciliations, and the reconciliation process was current as of the District's year-end closing process for fiscal 2021. District management will continue to review its internal control procedures to ensure monthly cash reconciliations are accurately completed in a timely manner going forward, even in the event of employee absence or turnover.

Official Responsible – The District's Director of Finance, James Gilligan.

Planned Completion Date – December 31, 2021.

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

Plan to Monitor – The District's Chief Administrative Officer, Craig Holje, will monitor the implementation of these corrective actions as determined by the Director of Finance to ensure these control procedures are completed timely and accurately, and that district controls over financial reporting are functioning appropriately in the future.

B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

C. MINNESOTA LEGAL COMPLIANCE FINDINGS

2021-002 Payment of Invoices

Finding Summary

Minnesota Statutes require the District to pay each vendor obligation according to the terms of each contract or within 35 days after the receipt of the goods or services or the invoice for the goods or services, whichever is later. If such obligations are not paid within the appropriate time period, the District must pay interest on the unpaid obligations at the rate of 1.5 percent per month or part of a month. For 1 of 25 disbursements selected for testing, the District did not pay the obligation within the required time period, and did not pay interest on the unpaid obligation.

Corrective Action Plan

Actions Planned – District management will review payment schedules and processes to ensure invoices are paid within statutory timelines in the future.

Official Responsible – The District's Director of Finance, James Gilligan.

Planned Completion Date – December 31, 2021.

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

Plan to Monitor – The District's Chief Administrative Officer, Craig Holje, will monitor the implementation of these corrective actions as determined by the Director of Finance to ensure all claims are paid timely in the future.

D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

MATERIAL WEAKNESS IN INTERNAL CONTROL OVER COMPLIANCE AND MATERIAL NONCOMPLIANCE – U.S. DEPARTMENT OF EDUCATION, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES – FEDERAL ALN 84.010

2020-001 Internal Control Over Compliance and Noncompliance With Federal Allowable Cost Requirements

Corrective action has been taken.

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF EDUCATION, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES – FEDERAL ALN 84.010

2020-002 Internal Control Over Compliance With Federal Level of Effort Requirements

Corrective action has been taken.

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF AGRICULTURE, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, CHILD NUTRITION CLUSTER – FEDERAL ALN 10.553, 10.555, AND 10.559

2020-003 Internal Control Over Compliance With Federal Allowable Activities Requirements

Corrective action has been taken.

Management Report

for

Independent School District No. 280
Richfield, Minnesota

June 30, 2021

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MMKR
CERTIFIED PUBLIC ACCOUNTANTS

To the School Board and Management of
Independent School District No. 280
Richfield, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 280, Richfield, 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
December 9, 2021

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

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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 one deficiency in the District's internal control over financial reporting that we considered to be a significant deficiency. The monthly cash reconciliation process was not being completed in a timely manner, at times, throughout the year.

- 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 one finding based on our testing of the District's compliance with Minnesota laws and regulations. One of 25 claims tested was not paid within 35 days of the receipt of goods or services, or the invoice for goods or services, as required by Minnesota Statutes § 471.425.

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 our prior year audit. In the prior year, we reported the following findings related to the District's single audit of federal awards:

- Finding 2020-001 – Material weakness in internal control over compliance and material noncompliance with federal allowable cost requirements over the Title I federal program.
- Finding 2020-002 – Significant deficiency in internal control over compliance with federal level of effort requirements over the Title I federal program.
- Finding 2020-003 – Significant deficiency in internal control over compliance with federal allowable activities requirements over the Child Nutrition Cluster federal programs.

Based on testing performed as part of our fiscal 2021 audit, appropriate corrective action was taken for all three findings and no similar findings were reported in the current year.

OTHER OBSERVATIONS AND RECOMMENDATIONS

Uniform Guidance Written Controls and Micro-Purchase Threshold

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

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

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

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

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

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

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

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

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

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated December 9, 2021.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

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

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

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

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FUNDING PUBLIC EDUCATION IN MINNESOTA

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

BASIC GENERAL EDUCATION REVENUE

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

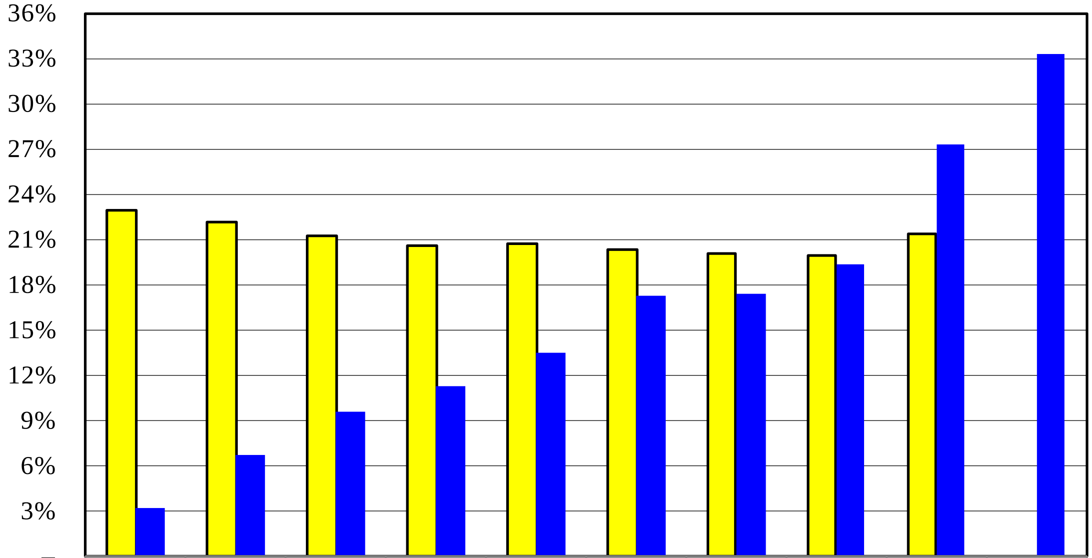
The table below presents a summary of the formula allowance for the past decade and as approved for the next two fiscal years. The 2021 Legislature approved per pupil increases of $161 for fiscal 2022 and $135 for fiscal 2023. The amount of the formula allowance and the percentage change from year-to-year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

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

STATE-WIDE SCHOOL DISTRICT FINANCIAL TRENDS

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



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
State-Wide	22.9%	22.1%	21.2%	20.6%	20.7%	20.3%	20.0%	19.9%	21.3%	–
ISD No. 280	3.2%	6.7%	9.6%	11.3%	13.4%	17.3%	17.4%	19.4%	27.3%	33.3%

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 33.3 percent at the end of the current year, continuing a trend of steady improvement.

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.

Governmental Funds Revenue per Student (ADM) Served

	State-Wide		Metro Area		ISD No. 280 – Richfield		
	2019	2020	2019	2020	2019	2020	2021
General Fund							
Property taxes	$ 2,140	$ 2,345	$ 2,796	$ 3,100	$ 3,818	$ 4,202	$ 4,267
Other local sources	556	538	454	417	353	324	237
State	9,883	10,144	9,885	10,127	10,671	10,652	10,882
Federal	475	480	499	499	485	661	1,165
Total General Fund	13,054	13,507	13,634	14,143	15,327	15,839	16,551
Special revenue funds							
Food Service	559	554	556	539	656	626	630
Community Service	676	632	797	732	449	457	456
Debt Service Fund	1,229	1,322	1,287	1,385	2,013	1,975	1,841
Total revenue	$ 15,518	$ 16,015	$ 16,274	$ 16,799	$ 18,445	$ 18,897	$ 19,478
ADM served per MDE School District Profiles Report (current year estimated)					4,328	4,288	4,151

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

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 $80.9 million in the governmental funds reflected above in fiscal 2021, a decrease of $179,781 (0.2 percent) from the prior year. Due to the decline in the District's enrollment, this translates to an increase of $581 per ADM. Total General Fund revenue increased $785,248 ($712 per ADM), due to an increase of $2.0 million in federal revenue related to several additional new federal awards in fiscal 2021, related to COVID-19 relief. This increase was partially offset by decreases in state general education aid, activity fees and tuition, and investment income compared to the prior year. Debt Service Fund revenue declined by $134 per ADM, due to a reduction in scheduled debt service levies for general obligation capital debt.

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.

Governmental Funds Expenditures per Student (ADM) Served

	State-Wide		Metro Area		ISD No. 280 – Richfield		
	2019	2020	2019	2020	2019	2020	2021
General Fund							
Administration and district support	$ 1,065	$ 1,093	$ 1,078	$ 1,100	$ 1,116	$ 1,163	$ 1,172
Elementary and secondary regular instruction	5,787	5,881	6,112	6,231	6,731	6,562	6,918
Vocational education instruction	180	186	165	171	110	104	110
Special education instruction	2,380	2,481	2,505	2,626	2,803	2,842	2,829
Instructional support services	669	683	751	787	747	802	972
Pupil support services	1,178	1,203	1,282	1,316	1,378	1,428	1,436
Sites, buildings, and other	960	952	907	910	1,659	1,637	1,622
Total General Fund – noncapital	12,219	12,479	12,800	13,141	14,544	14,538	15,059
General Fund capital expenditures	721	748	675	717	382	261	669
Total General Fund	12,940	13,227	13,475	13,858	14,926	14,799	15,728
Special revenue funds							
Food Service	561	556	556	548	632	695	561
Community Service	675	661	799	774	436	453	488
Debt Service Fund	1,313	1,360	1,308	1,379	1,841	1,890	1,746
Total expenditures	$ 15,489	$ 15,804	$ 16,138	$ 16,559	$ 17,835	$ 17,837	$ 18,523
ADM served per MDE School District Profiles Report (current year estimated)					4,328	4,288	4,151

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

The District spent approximately $76.9 million in the governmental funds reflected above in fiscal 2021, an increase of $408,877 (0.5 percent) from the prior year, or $686 per ADM. General Fund operating expenditures (excluding capital) increased $521 per student, mainly in elementary and secondary regular instruction ($356 per pupil) and instructional support services ($170 per pupil). General Fund capital expenditures increased $408 per pupil, due to the timing of projects. Food Service Fund costs decreased $134 per ADM, due to lower participation and program changes related to COVID-19. Scheduled debt service payments on outstanding capital debt decreased $144 per pupil.

SUMMARY

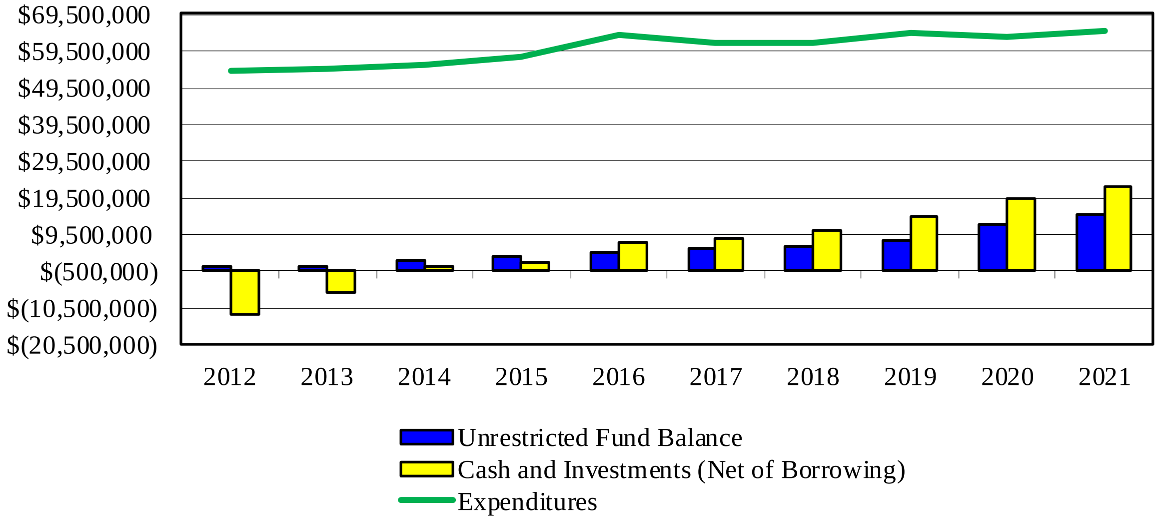
The COVID-19 pandemic caused numerous financial and operational challenges for districts in fiscal 2021; creating instability in student populations, requiring numerous shifts in the delivery of educational services, and resulting in substantial new and unfamiliar federal revenue streams, to name a few. 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.

General Fund Financial Position
Year Ended June 30,



The District's General Fund ended fiscal year 2021 with a total fund balance of $19,621,674. Total fund balance increased $3,423,923 during the 2021 fiscal year, compared to a decrease projected in the final budget of $416,691. General Fund cash and investments at year-end (net of interfund borrowing) were $22,397,382, an improvement of $3,219,667 from last year.

Legislatively-approved changes in the metering of the state aid payments to school districts and in the tax shift significantly impacted cash and investment balances in certain years presented in the above graph.

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	$ 38,225	$ 1,103,097	$ 931,474	$ 33,813	$ 458,242
Restricted fund balances (1)	1,625,505	1,617,120	2,482,106	3,964,677	4,120,720
Unrestricted fund balances					
Assigned	3,046,457	3,039,788	3,326,097	5,278,307	3,834,622
Unassigned	2,843,928	3,392,874	4,545,037	6,920,954	11,208,090
Total fund balance	$ 7,554,115	$ 9,152,879	$ 11,284,714	$ 16,197,751	$ 19,621,674
Unrestricted fund balances as a percentage of expenditures	9.5%	10.4%	12.2%	19.2%	23.0%
Unassigned fund balances as a percentage of expenditures	4.6%	5.5%	7.0%	10.9%	17.2%

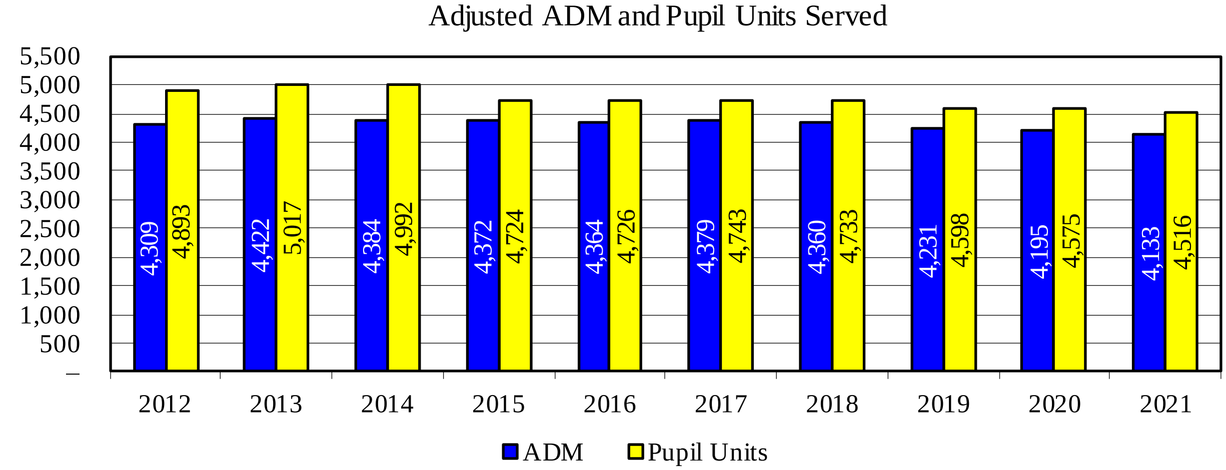
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.

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

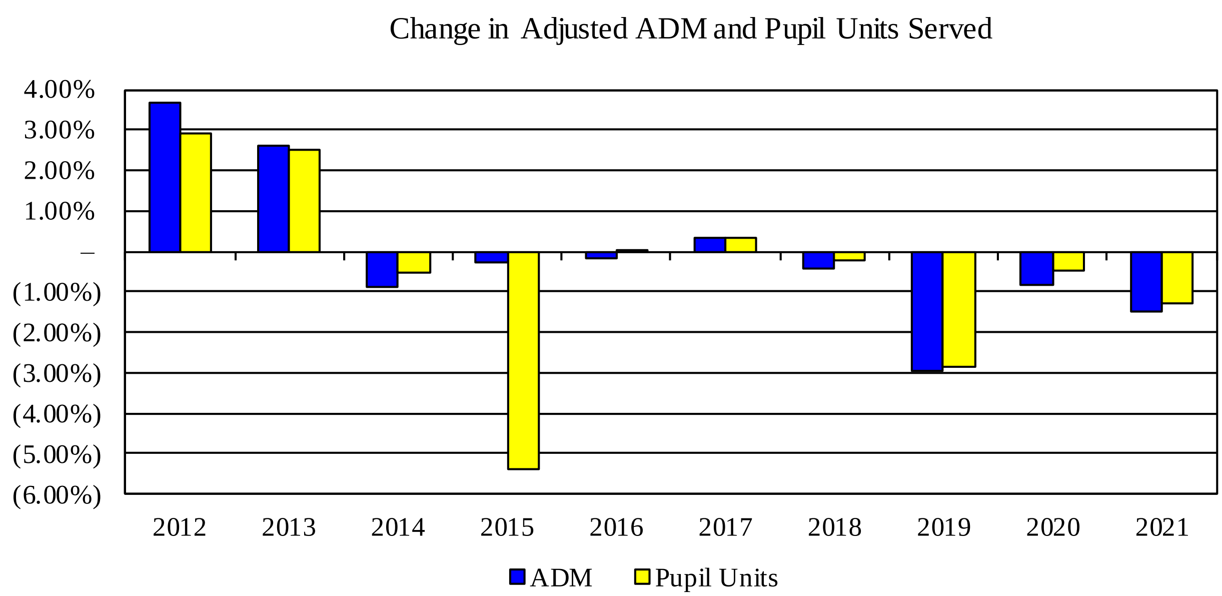
General Fund unassigned fund balance as a percentage of expenditures is one key measure of a school district's financial health. At June 30, 2021, the unassigned fund balance in the General Fund represented 17.2 percent of annual expenditures, or about nine weeks of operations assuming level spending throughout the year.

AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS

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



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



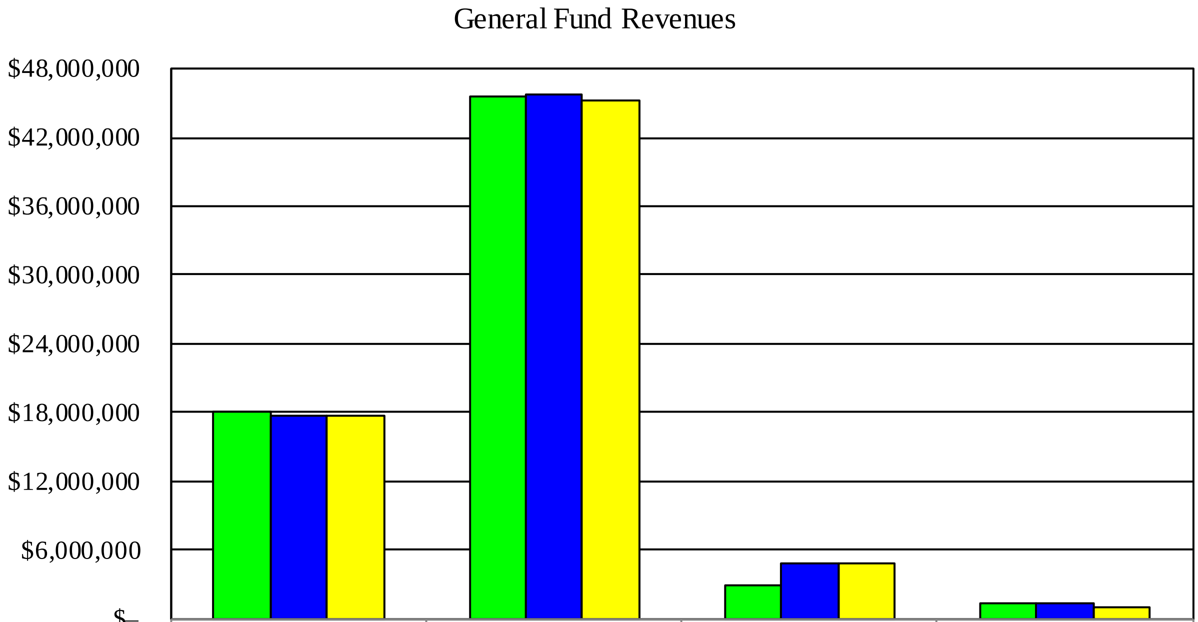
The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

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

The ADM served by the District for 2021 is estimated to be 4,133, a decrease of about 62 from the prior year. The pupil units generated from this ADM were 4,516, a decrease of about 59 pupil units from the prior year.

GENERAL FUND REVENUES

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



	Property Taxes	State Sources	Federal Sources	Other
Prior Year	$18,018,703	$45,674,571	$2,834,496	$1,390,374
Budget	$17,677,523	$45,753,835	$4,751,670	$1,290,594
Actual	$17,711,182	$45,171,242	$4,835,776	$985,192

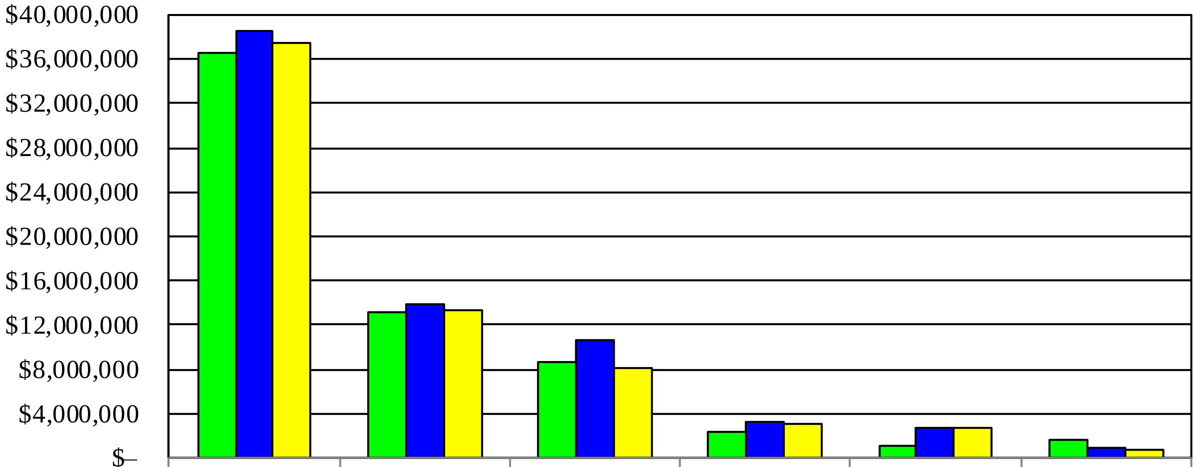
Total General Fund revenues were $68,703,392 for the year ended June 30, 2021, which was $770,230 (1.1 percent) under the final budget. Revenue from state sources was under budget by $582,593, mainly in general education aid due to declining enrollment. Federal revenue was over budget by $84,106, due to several new grant awards received in the current year. Revenues from other local sources, as shown above, (including gifts, bequests, tuition, rental, and investment income) were $271,419 under budget, due to the widespread effect of COVID-19 on activities and less disposable income for gifts.

General Fund total revenues were $785,248 (1.2 percent) higher than the previous year. Property taxes were $307,521 lower than last year, due to a decrease in the voter-approved levy. Revenue from state sources was $503,329 less than last year, mainly in general education aid. Revenue from federal sources was $2,001,280 higher than last year, due to the COVID-19 relief grant awards the District received. Other revenues were down $405,182 from the prior year, due in part, to reduced activity fees and admissions caused by COVID-19 restrictions.

General Fund Expenditure

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

General Fund Expenditures



	Salaries	Employee Benefits	Purchased Services	Supplies	Capital	Other
Prior Year	$36,586,621	$13,190,109	$8,591,697	$2,365,639	$1,117,966	$1,608,215
Budget	$38,602,193	$13,922,815	$10,713,725	$3,150,042	$2,721,108	$809,630
Actual	$37,395,347	$13,311,058	$8,061,862	$3,032,053	$2,778,869	$715,036

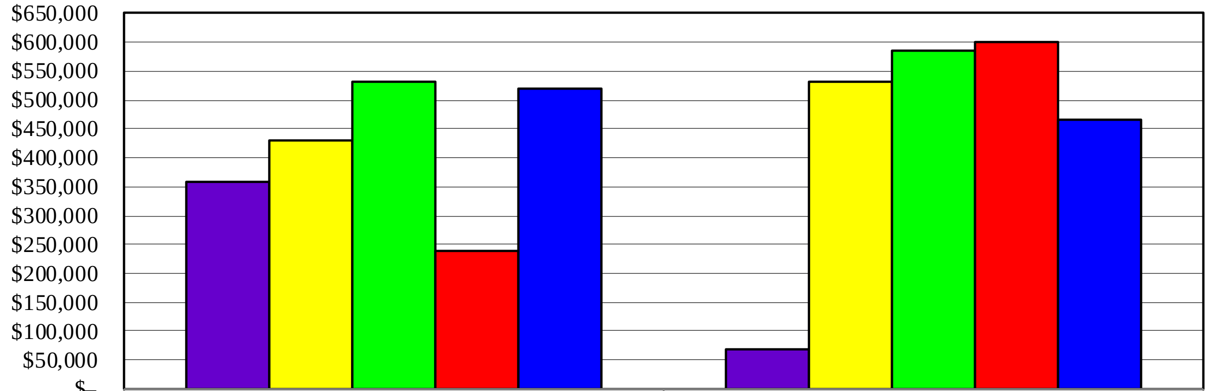
Total General Fund expenditures were $65,294,225 for the year ended June 30, 2021, which was $4,625,288 (6.6 percent) under the final budget. Salaries and benefits were $1,818,603 under budget, mainly in elementary and secondary regular instruction. Cost-containment efforts and operational changes, due to COVID-19, resulted in cost savings in purchased services ($2,651,863) and supplies ($117,989) compared to budget.

Total General Fund expenditures were $1,833,978 (2.9 percent) more than the prior year. Salaries and benefits were $929,675 higher than the previous year, due to contractual and inflationary increases. Supplies costs increased by $666,414 and capital expenditures increased by $1,660,903, due to more technology purchases to facilitate distance learning and an increase in planned maintenance projects. Purchased services were $529,835 less than last year, with reductions in transportation and utility costs, due to distance learning. Expenditure in the "other" category as shown above were $893,179 less than last year, mainly due to a decrease in principal and interest on capital leases.

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	Community Service Special Revenue
2017	$357,454	$67,563
2018	$431,368	$531,089
2019	$532,885	$584,749
2020	$237,508	$600,659
2021	$521,062	$466,817

Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended fiscal 2021 with a fund balance increase of $283,554, compared to a budgeted increase of $1,294. Food service revenue was $2,613,214, which was over budget by $105,794. Revenue from federal sources exceeded budget, while revenue from state and local sources were under budget, both due to a change in the District's child nutrition program operations. The District operated as a "Summer Food Service Program for Children" in the current year, which provides federally-funded free meals to all school-age children. Expenditures were $2,329,660, and were under budget by $176,466. Supplies and materials were under budget by $183,257, due to less overall meals provided throughout the year. The ending fund balance of $521,062 represents 22.4 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 $133,842, compared to a budgeted increase of $110,232. Revenues of $1,892,293 were under budget by $340,328, mainly in program tuition and fees due to the impact of COVID-19 restrictions. Expenditures were $2,026,135, and were under budget by $96,254, mainly in personnel costs and supplies. The ending fund balance of $466,817 in this fund represents 23.0 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. The District has been able to maintain healthy, stable fund balances in both funds.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund ended the year with a fund balance decrease of $35,209,640, compared to a projected decrease of $39,850,958. The variance was due to the timing of capital projects. The District issued $116.2 million of general obligation school building and facilities maintenance bonds in fiscal 2018 to finance a number of significant improvement projects. At year-end, $4,535,866 of fund balance is restricted for capital projects, and an additional $4,185,050 is restricted for projects under the long-term facilities maintenance program.

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. At June 30, 2021, the Debt Service Fund had a fund balance of $2,016,816, an increase of $501,697 from the prior year.

Internal Service Funds

The District maintains two internal service funds to account for and finance the uninsured risk of loss for its employee medical and dental insurance plans. At June 30, 2021, the District has a net position of $5,683,183 accumulated to finance future medical and dental benefits for participating employees, a decrease of $284,418 from the previous year-end.

Post-Employment Benefits Trust Fund

The District's Post-Employment Benefits Trust Fund is used to account for an irrevocable trust account established to finance the District's liability for post-employment healthcare benefits. During the year, this fund paid out $697,086 for benefits that would have otherwise been paid from the District's governmental funds. At year-end, the trust's net position of $8,289,865 is available for future OPEB payments.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	June 30, 2021	June 30, 2020	Change
Net position – governmental activities			
Total fund balances – governmental funds	$ 31,347,285	$ 62,481,593	$ (31,134,308)
Capital assets, less accumulated depreciation	154,381,729	121,596,280	32,785,449
Bonds and capital leases	(142,386,297)	(147,224,587)	4,838,290
Pension liabilities, net of deferments	(61,822,191)	(59,641,006)	(2,181,185)
OPEB liability, net of deferments	(11,766,059)	(12,463,338)	697,279
Other	770,578	1,833,242	(1,062,664)
Total net position – governmental activities	$ (29,474,955)	$ (33,417,816)	$ 3,942,861
Net position			
Net investment in capital assets	$ 26,783,196	$ 26,263,596	$ 519,600
Restricted	10,962,938	10,384,473	578,465
Unrestricted	(67,221,089)	(70,065,885)	2,844,796
Total net position	$ (29,474,955)	$ (33,417,816)	$ 3,942,861

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

Total net position increased by $3,942,861 during fiscal 2021.

The District's net investment in capital assets increased $519,600 this year. The change in this category of net position typically depends on the relationship between the rate at which the District is adding additional capital assets, the rate capital assets are being depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. Restricted net position increased $578,465 from the prior year, mainly in resources restricted for capital assets acquisition and food service. Unrestricted net position improved by $2,844,796, due primarily to positive operating results in the General Fund.

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. 280
RICHFIELD, MINNESOTA

Financial Statements and
Supplemental Information

Year Ended
June 30, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 280

Table of Contents

Table of Contents (continued)

INTRODUCTORY SECTION

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INDEPENDENT SCHOOL DISTRICT NO. 280

School Board and Administration
Year Ended June 30, 2021

SCHOOL BOARD

	Position
Timothy Pollis	Chairperson
Paula Cole	Vice Chairperson
Allegra Smisek	Treasurer
Christine Maleck	Clerk
Crystal Brakke	Director
Peter Toensing	Director

ADMINISTRATION

Steven Unowsky	Superintendent
Latanya Daniels	Assistant Superintendent
Craig Holje	Chief Administrative Officer
Mary Clarkson	Executive Director of Special Programs
Jim Gilligan	Director of Finance
John Lorenzini	Finance Manager

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FINANCIAL SECTION

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MMKR
CERTIFIED PUBLIC
ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 280
Richfield, 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. 280 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

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

OPINIONS

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

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and other District 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 Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the District. 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, and is also not a required part of the basic financial statements of the District.

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

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

(continued)

Prior Year Comparative Information

We have previously audited the District's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 28, 2020. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
December 9, 2021

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As management of Independent School District No. 280 (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 $29,474,955 (deficit net position).

- Government-wide revenues totaled $83,378,655 and expenses were $79,435,794. As a result, the District's total net position increased by $3,942,861 during the fiscal year.

- The District's General Fund, its primary operating fund, ended the most recent fiscal year with a total fund balance of $19,621,674, an increase of $3,423,923 from the prior year. The unrestricted portion of the year-end fund balance (assigned and unassigned) was $15,042,712, which represents 23.0 percent of annual General Fund expenditures based on fiscal 2021 expenditure levels. The unassigned fund balance was $11,208,090, which represents 17.2 percent of fiscal 2021 General Fund expenditures.

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 Minnesota statutory requirements and accounting principles generally accepted in the United States of America. Some funds are required by state law and by bond covenants. The District can establish other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District maintains the following types 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 medical and dental self-insurance programs. 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 Statement of Changes in Fiduciary Net Position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

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

	2021	2020
Assets		
Current and other assets	$ 69,437,895	$ 107,683,801
Capital assets, net of depreciation	154,381,729	121,596,280
Total assets	$ 223,819,624	$ 229,280,081
Deferred outflows of resources		
Pension plan deferments	$ 19,692,186	$ 32,547,496
OPEB plan deferments	825,913	432,669
Deferred charges on refunding	383,590	451,784
Total deferred outflows of resources	$ 20,901,689	$ 33,431,949
Liabilities		
Current and other liabilities	$ 9,233,913	$ 14,997,650
Long-term liabilities, including due within one year	200,685,801	199,202,927
Total liabilities	$ 209,919,714	$ 214,200,577
Deferred inflows of resources		
Property taxes levied for subsequent year	$ 25,107,598	$ 26,286,641
Pension plan deferments	35,949,048	51,088,679
OPEB plan deferments	3,219,908	4,553,949
Total deferred inflows of resources	$ 64,276,554	$ 81,929,269
Net position		
Net investment in capital assets	$ 26,783,196	$ 26,263,596
Restricted	10,962,938	10,384,473
Unrestricted	(67,221,089)	(70,065,885)
Total net position	$ (29,474,955)	$ (33,417,816)

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, other post-employment benefits (OPEB), and pension benefits, which are not included in fund balances.

Total net position increased by $3,942,861 in 2021. The decrease in current assets and increase in capital assets was a result of construction related to bonds issued in a previous year. Increases in resources restricted for capital asset acquisition and food service resulted in the overall increase in restricted net position. Changes in the District's proportionate share of two state-wide pension plans administered by the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) contributed to the changes in deferred inflows/outflows of resources and long-term liabilities.

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

Table 2
Change in Net Position
for the Years Ended June 30, 2021 and 2020

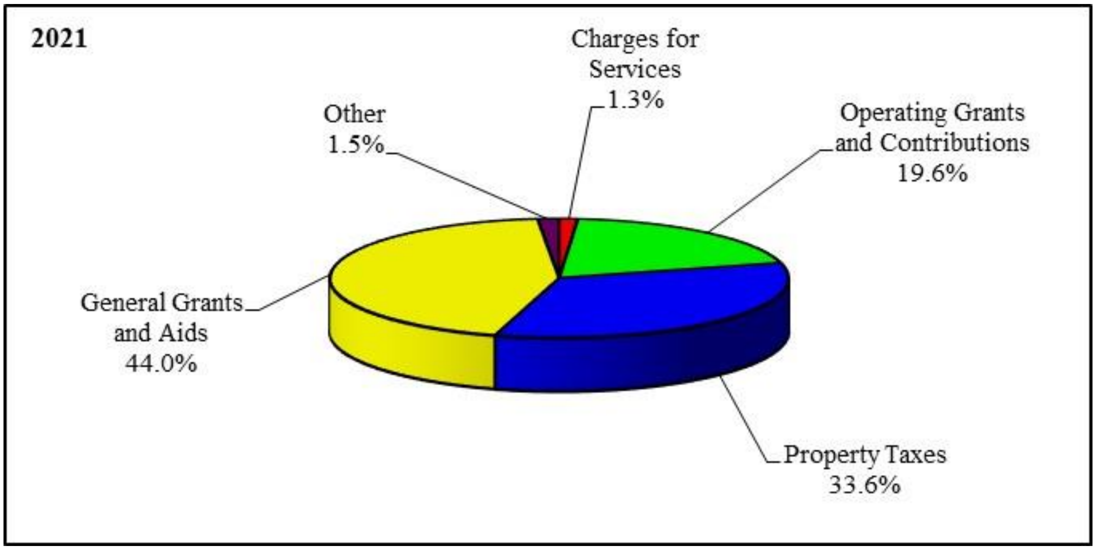
	2021	2020
Revenues		
Program revenues		
Charges for services	$ 1,068,091	$ 1,492,769
Operating grants and contributions	16,364,623	13,785,794
General revenues		
Property taxes	27,990,914	27,653,830
General grants and aids	36,678,555	37,922,927
Other	1,276,472	3,203,835
Total revenues	83,378,655	84,059,155
Expenses		
Administration	2,514,812	2,926,141
District support services	2,376,927	2,157,245
Elementary and secondary regular instruction	30,942,132	29,846,895
Vocational education instruction	480,947	466,338
Special education instruction	12,223,647	12,729,667
Instructional support services	4,676,005	3,858,263
Pupil support services	6,202,568	6,280,289
Sites and buildings	10,568,828	8,695,645
Fiscal and other fixed cost programs	324,599	271,303
Food service	2,330,987	2,887,952
Community service	2,017,178	1,938,043
Interest and fiscal charges	4,777,164	5,283,250
Total expenses	79,435,794	77,341,031
Change in net position	3,942,861	6,718,124
Net position – beginning	(33,417,816)	(40,135,940)
Net position – ending	$ (29,474,955)	$ (33,417,816)

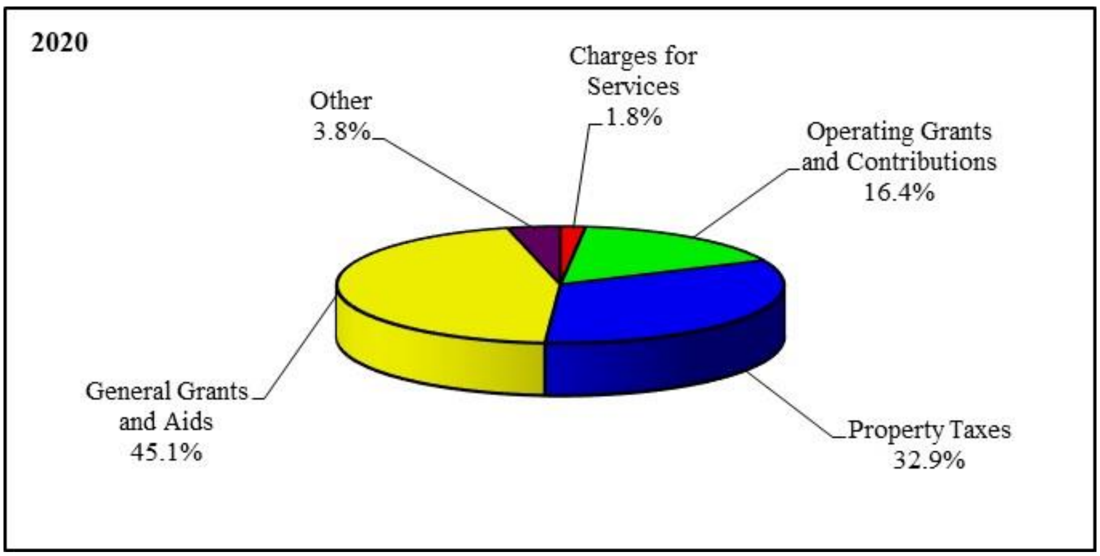
This table is presented on an accrual basis of accounting, and it includes all governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Government-wide revenues for fiscal year 2021 were $680,500 lower than last year, while expenses increased by $2,094,763. Operating grants and contributions increased, due to multiple federal grant awards related to COVID-19 relief available during the current year. The decrease in general grants and aids was primarily in general education state aid, due to a decline in District enrollment. Charges for services and other general revenues were also lower than the prior year, due to the impact of COVID-19 restrictions and reduced investment income. The increase in expenses primarily reflects changes in the District's proportionate share of the PERA and the TRA state-wide pension plans.

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



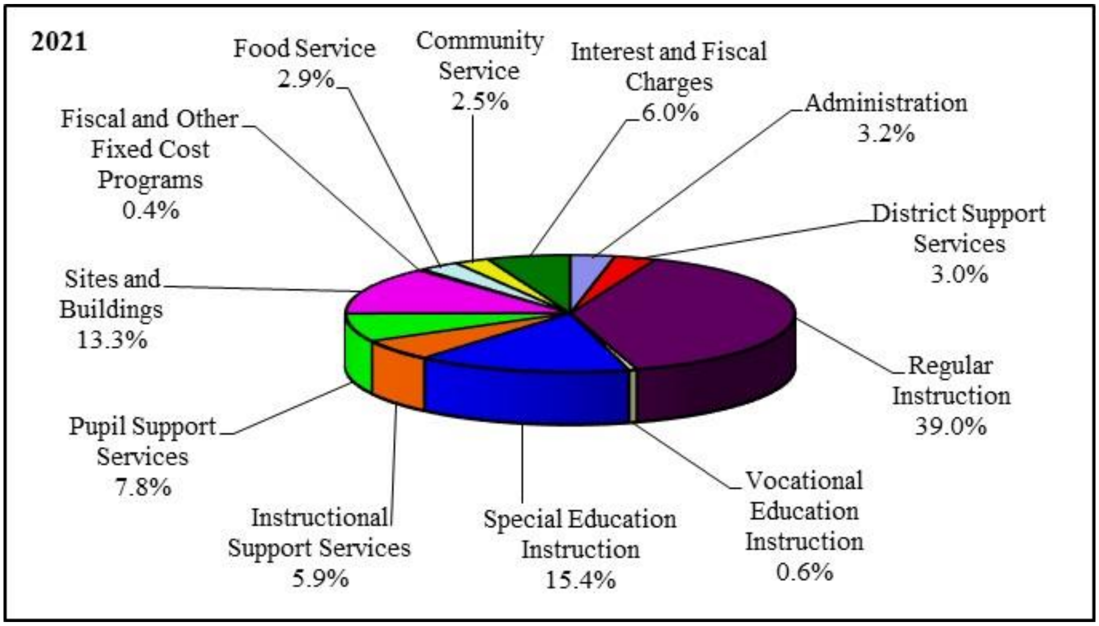


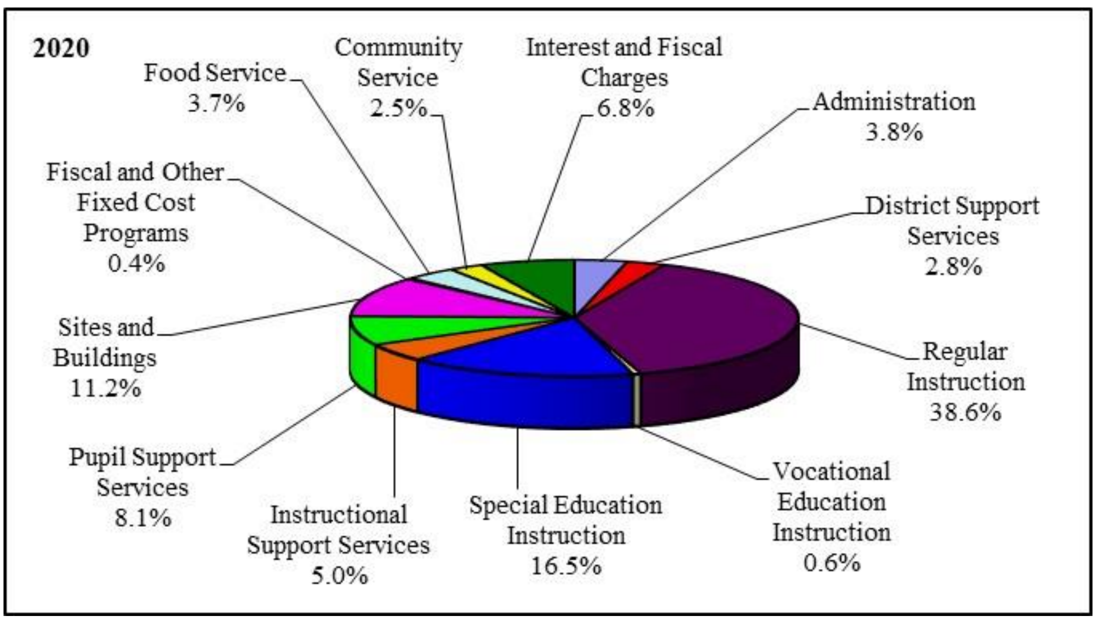
The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants. This significant reliance on the state for funding has placed pressure on local school districts, as a result of limited funding increases in recent years.

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.

The increase in the proportion of revenue derived from operating grants and contributions in fiscal 2021 was mainly due to the federal grant awards available for COVID-19 relief, as previously discussed. Charges for services decreased, due to the effects of the COVID-19 pandemic, which reduced activity fees and admissions. The drop in the "other" revenue category in fiscal 2021, was mainly caused by a decrease in investment income with less cash available for investment, due to the District spending down bond proceeds for its construction projects.

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.

Expenses for instructional support services and sites and buildings were higher than the prior year, due to increased purchases of instructional technology and software to facilitate distance learning and increased maintenance projects. The year-to-year change in the percentage of expenses incurred in several program areas shown above, was also impacted by the change in expenses related to the two state-wide pension plans, which caused greater fluctuations in program areas with a higher proportion of salaries.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

	2021	2020	Change
Major funds			
General	$ 19,621,674	$ 16,197,751	$ 3,423,923
Capital Projects – Building Construction	8,720,916	43,930,556	(35,209,640)
Debt Service	2,016,816	1,515,119	501,697
Nonmajor funds			
Food Service Special Revenue	521,062	237,508	283,554
Community Service Special Revenue	466,817	600,659	(133,842)
Total governmental funds	$ 31,347,285	$ 62,481,593	$ (31,134,308)

The General Fund balance increased $3,423,923 in fiscal 2021. The increase was mainly due to additional federal funding received for COVID-19 relief, and cost-containment measures that resulted in expenditures being held $4,625,288 under budget.

The Capital Projects – Building Construction Fund decreased $35,209,640, due to spending on a number of significant capital projects financed by school building bonds and facilities maintenance bonds issued during the previous year.

The Debt Service Fund increased $501,697, which was due to debt service property tax levies exceeding scheduled debt service expenditures.

The Food Service Special Revenue Fund increased $283,554, as the District operated its child nutrition program as a Summer Food Service Program for Children in fiscal 2021, under which meals for all school-age children are provided free through a federal grant. Expenses decreased $650,430 from last year, due to a lower number of meals served overall.

The Community Service Special Revenue Fund decreased $133,842 in the current year. COVID-19 restrictions reduced program participation, causing tuition and fees revenues to end fiscal 2021 at $233,986 under budget.

Analysis of the General Fund

Table 4 summarizes the amendments to the General Fund budget:

Table 4
General Fund
Budget

	Original Budget	Final Budget	Change	Percent Change
Revenue	$ 67,814,901	$ 69,473,622	$ 1,658,721	2.4%
Expenditures	$ 69,382,406	$ 69,919,513	$ 537,107	0.8%
Other financing sources	$ 29,200	$ 29,200	$ –	–

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.

The changes from the original budget to the final budget are due to additional grant awards, salary and benefit adjustments based on negotiated contract settlements, and recalculations of state aids using updated enrollment numbers.

Table 5 summarizes the operating results of the General Fund:

Table 5
General Fund
Operating Results

		Over (Under) Final Budget		Over (Under) Prior Year	
	2021 Actual	Amount	Percent	Amount	Percent
Revenue	$ 68,703,392	$ (770,230)	(1.1%)	$ 785,248	1.2%
Expenditures	65,294,225	$ (4,625,288)	(6.6%)	$ 1,833,978	2.9%
Other financing sources	14,756	$ (14,444)	(49.5%)	$ (9,544)	(39.3%)
Net change in fund balances	$ 3,423,923				

The increase in 2021 actual revenue is largely due to increased federal COVID-19 relief grant funding. State revenues were under budget by $582,593, mainly in general education aid due to lower enrollment than anticipated, which contributed to the overall variance of $770,230. The increase in expenditures from the prior year was mostly due to increases in instructional technology supplies and capital maintenance expenditures. The underspending compared to budget was due to conservative budgeting, cost-containment measures, and savings in purchased services for transportation, utilities, and maintenance services, due to distance learning.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

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

Table 6
Capital Assets

	2021	2020	Change
Land	$ 349,265	$ 349,265	$ –
Construction in process	115,907,048	80,363,921	35,543,127
Land improvements	6,607,884	6,607,884	–
Buildings	90,026,844	90,021,281	5,563
Equipment	10,189,222	9,442,831	746,391
Less accumulated depreciation	(68,698,534)	(65,188,902)	(3,509,632)
Total	$ 154,381,729	$ 121,596,280	$ 32,785,449
Depreciation expense	$ 3,509,632	$ 3,462,203	$ 47,429

The increase in construction in progress reflects the improvement projects activity in the Capital Projects – Building Construction Fund. The increase in equipment is primarily due to buses and maintenance equipment purchased during the year.

Long-Term Liabilities

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

Table 7
Outstanding Long-Term Liabilities

	2021	2020	Change
General obligation bonds	$ 137,400,000	$ 141,475,000	$ (4,075,000)
Premiums	4,175,012	4,620,889	(445,877)
Capital leases	811,285	1,128,698	(317,413)
Net/total pension liability	45,565,329	41,099,823	4,465,506
Net OPEB liability	9,372,064	8,342,058	1,030,006
Compensated absences	499,592	481,868	17,724
Severance benefits	2,862,519	2,054,591	807,928
Total	$ 200,685,801	$ 199,202,927	$ 1,482,874

The decreases in general obligation bonds and capital leases as shown in Table 7 are due to scheduled principal payments, with no new debt issued in fiscal 2021.

The differences in the net pension liability mainly reflects the change in the District's proportionate share of the state-wide pension obligations for the PERA and the TRA. The change in the net OPEB liability reflects the change in the District's estimated liability for retiree insurance benefits.

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 8).

Table 8
Limitations on Debt

District's market value	$ 5,594,102,275
Limit rate	15.0%
Legal debt limit	$ 839,115,341

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

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

In November 2017, voters approved authorization to increase the excess operating referendum by $450, revoking the previous authority of $964.60, plus inflationary increases, and replacing it with a level $1,414.60. With the additional funding, the District targeted reducing class sizes, improving course offerings, and stabilizing educational programming beginning in the 2018–2019 school year. In addition, voters approved a bond issue for $84,615,000 to provide facility improvements focused on deferred maintenance, safety, and improved instructional facilities. This is being combined with $31,545,000 in School Board-authorized bond projects for indoor air quality improvements as part of a multi-year improvement project. Construction related to the issued bonds in 2018 began in the spring of 2019, and is expected to continue through Summer 2022.

In August 2016, the District was one of 74 districts in the state to receive funding for a Voluntary Pre-Kindergarten Program. This funding allowed the District to offer an additional 126 4-year-old students the opportunity to participate in preschool programming. Funding for these students is provided as part of the general education student formula allocation. In 2017, the District received approval for an additional 20 students at Richfield Dual Language School, expanding the program to all of the elementary schools in Richfield. The Voluntary Pre-Kindergarten Program has continued to grow, serving 194 students in 2020–21.

In November 2013, the community approved a renewal and increase to the capital projects referendum that provides the District with revenue over the following 10 years for technology purchases. The District has upgraded its technology infrastructure to provide for a robust Wi-Fi system. The District installed the new system in all seven buildings during the summer of 2015. In the fall of 2018, the District provided increased access by students to technology devices through a program that provides devices at a 1:1 ratio for secondary students, and a 2:1 ratio for elementary students. This funding is based on the net tax capacity of the District, which has been increasing over the past few years as a result of the expiration of existing tax increment financing districts, as well as increased redevelopment within the community. This referendum provided $3.5 million in 2021 and is anticipated to continue to increase incrementally throughout its term.

The District has continued its efforts to develop and implement a more transparent budgeting system, which is aligned with the District's new Strategic Plan and priorities. The District continues to expand its enrichment opportunities for all students and is enhancing its gifted and talented programs, as well as dual-credit programs, which provide opportunities for students to receive college credits while attending Richfield High School. In total, 256 students participated in College in the Schools programming, earning 2,284 credits from the University of Minnesota worth more than $1.2 million in 2020–2021. The District maintains board-approved gender inclusion and equity policies, while focusing on equity-based programming. Furthermore, the District is actively increasing solar installations with a goal of 20 percent of electricity coming from solar energy.

The District consists mostly of residential and commercial/industrial properties with redevelopment of new multifamily and multipurpose units in Richfield. While the long-term net financial impact of this redevelopment is anticipated to be positive, the transitional timeline around this is anticipated to have a mixed impact on district enrollment and resources, which the administration is actively reviewing and accounting for in planning activities.

The amount of funding a district receives is also dependent on the number of students it serves, meaning attracting and retaining students is critical to the District's financial well-being. The COVID-19 pandemic caused numerous financial and operational challenges for school districts in fiscal 2021, including impacting the number of students districts served, and is expected to continue to have a significant impact in fiscal 2022 and possibly beyond.

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. 280, 700 Harriet Avenue South, Richfield, Minnesota 55423.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	Governmental Activities	
	2021	2020
Assets		
Cash and temporary investments	$ 48,832,999	$ 85,650,632
Receivables		
Current taxes	13,394,855	14,205,334
Delinquent taxes	194,742	212,457
Accounts and interest	146,480	1,502,441
Due from fiduciary fund	697,086	816,085
Due from other governmental units	5,660,503	5,243,363
Inventory	86,321	35,613
Prepaid items	424,909	17,876
Capital assets		
Not depreciated	116,256,313	80,713,186
Depreciated, net of accumulated depreciation	38,125,416	40,883,094
Total capital assets, net of accumulated depreciation	154,381,729	121,596,280
Total assets	223,819,624	229,280,081
Deferred outflows of resources		
Pension plan deferments	19,692,186	32,547,496
OPEB plan deferments	825,913	432,669
Deferred charges on refunding	383,590	451,784
Total deferred outflows of resources	20,901,689	33,431,949
Total assets and deferred outflows of resources	$ 244,721,313	$ 262,712,030
Liabilities		
Salaries payable	$ 545,201	$ 335,208
Accounts and contracts payable	4,380,140	10,382,385
Accrued interest payable	2,122,222	2,192,130
Due to other governmental units	709,641	612,713
Unearned revenue	942,105	955,714
Claims incurred, but not reported	534,604	519,500
Long-term liabilities		
Due within one year	5,319,973	5,023,641
Due in more than one year	195,365,828	194,179,286
Total long-term liabilities	200,685,801	199,202,927
Total liabilities	209,919,714	214,200,577
Deferred inflows of resources		
Property taxes levied for subsequent year	25,107,598	26,286,641
Pension plan deferments	35,949,048	51,088,679
OPEB plan deferments	3,219,908	4,553,949
Total deferred inflows of resources	64,276,554	81,929,269
Net position		
Net investment in capital assets	26,783,196	26,263,596
Restricted for		
Capital asset acquisition	8,458,609	8,052,268
Food service	521,062	237,508
Community service	597,057	691,075
Other state restrictions	1,386,210	1,403,622
Unrestricted	(67,221,089)	(70,065,885)
Total net position	(29,474,955)	(33,417,816)
Total liabilities, deferred inflows of resources, and net position	$ 244,721,313	$ 262,712,030

See notes to basic financial statements

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

	2021				2020
		Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Administration	$ 2,514,812	$ 470,316	$ 55,805	$ (1,988,691)	$ (2,674,130)
District support services	2,376,927	–	–	(2,376,927)	(2,157,245)
Elementary and secondary regular instruction	30,942,132	89,349	5,239,939	(25,612,844)	(26,448,096)
Vocational education instruction	480,947	–	10,373	(470,574)	(454,783)
Special education instruction	12,223,647	133,462	6,740,302	(5,349,883)	(5,518,761)
Instructional support services	4,676,005	–	132,884	(4,543,121)	(3,849,863)
Pupil support services	6,202,568	–	769,420	(5,433,148)	(5,821,159)
Sites and buildings	10,568,828	–	–	(10,568,828)	(8,695,645)
Fiscal and other fixed cost programs	324,599	–	–	(324,599)	(271,303)
Food service	2,330,987	11,246	2,578,319	258,578	(219,436)
Community service	2,017,178	363,718	837,581	(815,879)	(668,797)
Interest and fiscal charges	4,777,164	–	–	(4,777,164)	(5,283,250)
Total governmental activities	$ 79,435,794	$ 1,068,091	$ 16,364,623	(62,003,080)	(62,062,468)
General revenues					
Taxes					
Property taxes, levied for general purposes				17,739,503	17,990,103
Property taxes, levied for community service				472,528	441,383
Property taxes, levied for debt service				9,778,883	9,222,344
General grants and aids				36,678,555	37,922,927
Other general revenues				956,964	671,646
Investment earnings				319,508	2,532,189
Total general revenues				65,945,941	68,780,592
Change in net position				3,942,861	6,718,124
Net position – beginning				(33,417,816)	(40,135,940)
Net position – ending				$ (29,474,955)	$ (33,417,816)

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Assets			
Cash and temporary investments	$ 21,700,296	$ 12,575,064	$ 6,621,460
Receivables			
Current taxes	8,523,542	–	4,639,365
Delinquent taxes	125,650	–	65,554
Accounts and interest	66,202	64,123	–
Due from other governmental units	5,197,881	–	–
Due from Fiduciary Fund	697,086	–	–
Inventory	41,968	–	–
Prepaid items	416,274	–	–
Total assets	$ 36,768,899	$ 12,639,187	$ 11,326,379
Liabilities			
Salaries payable	$ 495,252	$ –	$ –
Accounts and contracts payable	429,622	3,918,271	–
Due to other governmental units	701,848	–	–
Unearned revenue	–	–	–
Total liabilities	1,626,722	3,918,271	–
Deferred inflows of resources			
Property taxes levied for subsequent year	15,399,020	–	9,246,303
Unavailable revenue – delinquent taxes	121,483	–	63,260
Total deferred inflows of resources	15,520,503	–	9,309,563
Fund balances (deficit)			
Nonspendable	458,242	–	–
Restricted	4,120,720	8,720,916	2,016,816
Assigned	3,834,622	–	–
Unassigned	11,208,090	–	–
Total fund balances	19,621,674	8,720,916	2,016,816
Total liabilities, deferred inflows of resources, and fund balances	$ 36,768,899	$ 12,639,187	$ 11,326,379

Nonmajor Funds	Total Governmental Funds 2021	Total Governmental Funds 2020
$ 822,544	$ 41,719,364	$ 78,251,403
231,948	13,394,855	14,205,334
3,538	194,742	212,457
6,178	136,503	1,492,950
462,622	5,660,503	5,243,363
–	697,086	816,085
44,353	86,321	35,613
1,260	417,534	17,876
$ 1,572,443	$ 62,306,908	$ 100,275,081
$ 49,949	$ 545,201	$ 335,208
32,247	4,380,140	10,382,385
7,793	709,641	612,713
28,905	28,905	34,095
118,894	5,663,887	11,364,401
462,275	25,107,598	26,286,641
3,395	188,138	142,446
465,670	25,295,736	26,429,087
45,613	503,855	53,489
1,069,111	15,927,563	50,316,653
–	3,834,622	5,278,307
(126,845)	11,081,245	6,833,144
987,879	31,347,285	62,481,593
$ 1,572,443	$ 62,306,908	$ 100,275,081

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

	2021	2020
Total fund balances – governmental funds	$ 31,347,285	$ 62,481,593
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	223,080,263	186,785,182
Accumulated depreciation	(68,698,534)	(65,188,902)
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.		
General obligation bonds	(137,400,000)	(141,475,000)
Unamortized premium	(4,175,012)	(4,620,889)
Capital leases	(811,285)	(1,128,698)
Net/total pension liability	(45,565,329)	(41,099,823)
Net OPEB liability	(9,372,064)	(8,342,058)
Compensated absences	(499,592)	(481,868)
Severance benefits	(2,862,519)	(2,054,591)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(2,122,222)	(2,192,130)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	5,683,183	5,967,601
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	19,692,186	32,547,496
Deferred outflows of resources – OPEB plan deferments	825,913	432,669
Deferred outflows of resources – deferred charges on refunding	383,590	451,784
Deferred inflows of resources – pension plan deferments	(35,949,048)	(51,088,679)
Deferred inflows of resources – OPEB plan deferments	(3,219,908)	(4,553,949)
Deferred inflows of resources – unavailable revenue – delinquent taxes	188,138	142,446
Total net position – governmental activities	$ (29,474,955)	$ (33,417,816)

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Revenue			
Local sources			
Property taxes	$ 17,711,182	$ –	$ 9,762,301
Investment earnings	57,517	232,886	8,107
Other	927,675	–	–
State sources	45,171,242	–	–
Federal sources	4,835,776	–	–
Total revenue	68,703,392	232,886	9,770,408
Expenditures			
Current			
Administration	2,474,595	–	–
District support services	2,393,196	–	–
Elementary and secondary regular instruction	28,745,798	–	–
Vocational education instruction	457,381	–	–
Special education instruction	11,744,010	–	–
Instructional support services	4,551,070	–	–
Pupil support services	6,489,250	–	–
Sites and buildings	7,765,869	–	–
Fiscal and other fixed cost programs	324,599	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	35,442,526	–
Debt service			
Principal	317,413	–	4,075,000
Interest and fiscal charges	31,044	–	5,193,711
Total expenditures	65,294,225	35,442,526	9,268,711
Excess (deficiency) of revenue over expenditures	3,409,167	(35,209,640)	501,697
Other financing sources			
Sale of capital assets	14,756	–	–
Net change in fund balances	3,423,923	(35,209,640)	501,697
Fund balances			
Beginning of year	16,197,751	43,930,556	1,515,119
End of year	$ 19,621,674	$ 8,720,916	$ 2,016,816

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds 2021	Total Governmental Funds 2020
$ 471,739	$ 27,945,222	$ 27,704,059
2,643	301,153	2,431,089
613,172	1,540,847	2,198,053
773,665	45,944,907	46,719,750
2,644,288	7,480,064	4,972,930
4,505,507	83,212,193	84,025,881
–	2,474,595	2,773,580
–	2,393,196	2,214,339
–	28,745,798	28,172,567
–	457,381	446,106
–	11,744,010	12,252,919
–	4,551,070	3,983,311
–	6,489,250	6,341,124
–	7,765,869	5,809,500
–	324,599	271,303
2,329,660	2,329,660	2,932,950
2,026,041	2,026,041	1,941,557
94	35,442,620	65,113,606
–	4,392,413	4,719,548
–	5,224,755	5,364,963
4,355,795	114,361,257	142,337,373
149,712	(31,149,064)	(58,311,492)
–	14,756	24,392
149,712	(31,134,308)	(58,287,100)
838,167	62,481,593	120,768,693
$ 987,879	$ 31,347,285	$ 62,481,593

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INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021	2020
Total net change in fund balances – governmental funds	$(31,134,308)	$(58,287,100)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	36,295,081	65,872,649
Depreciation expense	(3,509,632)	(3,462,203)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.	–	(58,030)
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	4,075,000	3,580,000
Unamortized premium	445,877	445,878
Capital leases	317,413	1,139,548
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/total pension liability	(4,465,506)	(1,636,311)
Net OPEB liability	(1,030,006)	1,321,958
Compensated absences	(17,724)	(72,875)
Severance benefits	(807,928)	105,062
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.	69,908	(295,971)
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 Fund is included in the governmental activities on the Statement of Activities.	(284,418)	675,014
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	(12,855,310)	(14,564,210)
Deferred outflows of resources – OPEB plan deferments	393,244	(115,656)
Deferred outflows of resources – deferred charges on refunding	(68,194)	(68,194)
Deferred inflows of resources – pension plan deferments	15,139,631	12,510,262
Deferred inflows of resources – OPEB plan deferments	1,334,041	(321,468)
Deferred inflows of resources – unavailable revenue – delinquent taxes	45,692	(50,229)
Change in net position – governmental activities	$ 3,942,861	$ 6,718,124

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 280

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

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Local sources				
Property taxes	$ 17,677,523	$ 17,677,523	$ 17,711,182	$ 33,659
Investment earnings	85,000	91,500	57,517	(33,983)
Other	1,076,544	1,199,094	927,675	(271,419)
State sources	46,150,048	45,753,835	45,171,242	(582,593)
Federal sources	2,825,786	4,751,670	4,835,776	84,106
Total revenue	67,814,901	69,473,622	68,703,392	(770,230)
Expenditures				
Current				
Administration	2,878,323	2,620,283	2,474,595	(145,688)
District support services	1,980,877	2,006,673	2,393,196	386,523
Elementary and secondary regular instruction	30,501,275	30,526,020	28,745,798	(1,780,222)
Vocational education instruction	458,424	524,943	457,381	(67,562)
Special education instruction	12,895,403	12,015,633	11,744,010	(271,623)
Instructional support services	5,016,573	4,919,215	4,551,070	(368,145)
Pupil support services	6,813,514	7,415,697	6,489,250	(926,447)
Sites and buildings	8,251,462	9,257,588	7,765,869	(1,491,719)
Fiscal and other fixed cost programs	239,330	286,236	324,599	38,363
Debt service				
Principal	316,843	316,843	317,413	570
Interest and fiscal charges	30,382	30,382	31,044	662
Total expenditures	69,382,406	69,919,513	65,294,225	(4,625,288)
Excess (deficiency) of revenue over expenditures	(1,567,505)	(445,891)	3,409,167	3,855,058
Other financing sources				
Sale of capital assets	29,200	29,200	14,756	(14,444)
Net change in fund balances	$ (1,538,305)	$ (416,691)	3,423,923	$ 3,840,614
Fund balances				
Beginning of year			16,197,751	
End of year			$ 19,621,674	

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021	2020
Assets		
Current assets		
Cash and temporary investments	$ 7,113,635	$ 7,399,229
Receivables		
Accounts	9,977	9,491
Prepaid items	7,375	–
Total current assets	7,130,987	7,408,720
Liabilities		
Current liabilities		
Claims payable	534,604	519,500
Unearned revenue	913,200	921,619
Total current liabilities	1,447,804	1,441,119
Net position		
Unrestricted	$ 5,683,183	$ 5,967,601

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021	2020
Operating revenue		
Contributions from governmental funds	$ 7,502,698	$ 7,621,648
Operating expenses		
Medical benefit claims	7,314,396	6,590,943
Dental benefit claims	491,075	456,791
Total operating expenses	7,805,471	7,047,734
Operating income (loss)	(302,773)	573,914
Nonoperating revenue		
Investment earnings	18,355	101,100
Change in net position	(284,418)	675,014
Net position		
Beginning of year	5,967,601	5,292,587
End of year	$ 5,683,183	$ 5,967,601

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

	2021	2020
Cash flows from operating activities		
Contributions from governmental funds	$ 7,486,418	$ 7,607,660
Payments for medical claims	(7,295,255)	(6,564,152)
Payments for dental claims	(495,112)	(472,925)
Net cash flows from operating activities	(303,949)	570,583
Cash flows from investing activities		
Investment income received	18,355	101,100
Net change in cash and cash equivalents	(285,594)	671,683
Cash and cash equivalents		
Beginning of year	7,399,229	6,727,546
End of year	$ 7,113,635	$ 7,399,229
Reconciliation of operating income (income) to net cash flows from operating activities		
Operating income (loss)	$ (302,773)	$ 573,914
Adjustments to reconcile operating income (loss) to cash provided by operating activities		
Changes in assets and liabilities		
Accounts receivable	(486)	(167)
Prepaids	(7,375)	–
Claims payable	15,104	10,657
Unearned revenue	(8,419)	(13,821)
Net cash flows from operating activities	$ (303,949)	$ 570,583

See notes to basic financial statements

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

	Custodial Fund	Post-Employment Benefits Trust Fund
Assets		
Deposits	$ 24,006	$ 1,078,900
Investments held by trustee, at fair value		
State and local obligations	–	6,581,793
MNTrust Investment Shares Portfolio	–	1,210,001
Accounts and interest receivable	–	116,257
Total assets	24,006	8,986,951
Liabilities		
Due to district	–	697,086
Net position		
Restricted for OPEB and scholarships	$ 24,006	$ 8,289,865

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

	Custodial Fund	Post-Employment Benefits Trust Fund
Additions		
Contributions		
Private donations	$ 9,149	$ –
Investment earnings	2	100,761
Total additions	9,151	100,761
Deductions		
Benefits	–	697,086
Scholarships	6,098	–
Total deductions	6,098	697,086
Change in net position	3,053	(596,325)
Net position		
Beginning of year	20,953	8,886,190
End of year	$ 24,006	$ 8,289,865

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 280 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a six-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 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)

Depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. 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, such as the Custodial and Post-Employment Benefits Trust 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. 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 medical and dental benefits provided to employees as self-insured plans.

Fiduciary Funds

Custodial Fund – The Custodial Fund is used to account for scholarship activity administered by outside parties.

Post-Employment Benefits Trust Fund – The Post-Employment Benefits Trust Fund is used to administer assets held in an irrevocable trust to fund other post-employment benefits (OPEB) for eligible employees.

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. There were no budgeted expenditure appropriation lapses at year-end.

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 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.

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.

Investments are generally stated at fair value, except for investments in certain 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 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.

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.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded as expenditures/expenses when consumed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 $1,587,259 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 $3,000 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 50 years for land improvements and buildings, and 5 to 15 years for 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.

L. Interfund Balances

At June 30, 2021, the General Fund had a receivable of $697,086 due from the Post-Employment Benefits Trust Fund to reimburse OPEB costs paid from the General Fund.

Interfund balances reported in the fund financial statements are eliminated to the extent possible in the government-wide financial statements. However, balances due between the governmental funds and fiduciary funds are not eliminated.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations

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

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

N. 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.

O. 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.

P. 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)

Q. Other Post-Employment Benefits (OPEB) Plan

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

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.

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

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. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. 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 the current fiscal year.

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 healthcare and dental costs as described in the plans. 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 health and dental 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 health insurance claim liabilites for the last two years were as follows:

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	$ 476,547	$ 6,590,943	$ 6,564,152	$ 503,338
2021	$ 503,338	$ 7,314,396	$ 7,295,255	$ 522,479

   Changes in the balance for dental insurance claim liabilites for the last two years were as follows:

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	$ 32,296	$ 456,791	$ 472,925	$ 16,162
2021	$ 16,162	$ 491,075	$ 495,112	$ 12,125

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Net Position

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

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

- **Restricted** – 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.

V. 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 director of finance 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Prior Period Comparative Financial Information/Reclassification

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

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	$	7,328,089
Investments		50,398,460
Cash on hand		1,150
Total	$	57,727,699

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

Government-Wide Statement of Net Position		
Cash and temporary investments	$	48,832,999
Statement of Fiduciary Net Position		
Custodial Fund		24,006
Post-Employment Benefits Trust Fund		8,870,694
Total	$	57,727,699

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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 $7,328,089, while the balance on the bank records was $7,330,930. At June 30, 2021, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name.

C. Investments

The District has the following investments at year-end:

	Credit Risk		Fair Value Measurements	Investment Risk – Maturity Duration in Years		
Investment Type	Rating	Agency	Using	Less Than 1	1 to 5	Total
State and local bonds	AAA	S&P	Level 2	$ –	$ 3,430,120	$ 3,430,120
State and local bonds	AA	S&P	Level 2	$ 999,632	$ –	999,632
State and local bonds	Aa	Moody's	Level 2	$ 1,154,710	$ 2,151,897	3,306,607
Negotiable certificates of deposit	Not rated		Level 2	$ 160,000	$ –	160,000
U.S. agency securities	AA	S&P	Level 2	$ 2,002,325	$ –	2,002,325
U.S. treasuries	AA	S&P	Level 2	$ 501,620	$ –	501,620
Investment pools/mutual funds						
MNTrust Investment Shares Portfolio	AAA	S&P	Not applicable	No maturity date		21,498,156
MNTrust Term Series	Not rated		Not applicable	$ 18,500,000	$ –	18,500,000
Total investments						$ 50,398,460

The Minnesota Trust (MNTrust) Investment Shares Portfolio and MNTrust Term Series are external investment pools regulated by Minnesota Statutes not registered with the Securities and Exchange Commission (SEC) that follow the regulatory rules of the SEC. 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 unfunded commitments, redemption frequency is daily, there is no redemption notice required for the MNTrust Investment Shares Portfolio, but the MNTrust Term Series has a seven-day redemption notice requirement.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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 policy limits the percentage of its total portfolio invested in certain instruments as follows: bankers' acceptances (25.0 percent), commercial paper (85.0 percent), repurchase agreements (25.0 percent), certificates of deposit (50.0 percent from commercial banks and 50.0 percent from savings and loan associations), and local government investment pools (75.0 percent). At the end of the current fiscal year, 5.2 percent of the District's portfolio was invested in debt securities issued by Independent School District No. 281, Robbinsdale, Minnesota.

NOTE 3 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated				
Land	$ 349,265	$ –	$ –	$ 349,265
Construction in progress	80,363,921	35,543,127	–	115,907,048
Total capital assets, not depreciated	80,713,186	35,543,127	–	116,256,313
Capital assets, depreciated				
Land improvements	6,607,884	–	–	6,607,884
Buildings	90,021,281	5,563	–	90,026,844
Equipment	9,442,831	746,391	–	10,189,222
Total capital assets, depreciated	106,071,996	751,954	–	106,823,950
Less accumulated depreciation for				
Land improvements	(4,724,048)	(346,592)	–	(5,070,640)
Buildings	(54,059,584)	(2,553,658)	–	(56,613,242)
Equipment	(6,405,270)	(609,382)	–	(7,014,652)
Total accumulated depreciation	(65,188,902)	(3,509,632)	–	(68,698,534)
Net capital assets, depreciated	40,883,094	(2,757,678)	–	38,125,416
Total capital assets, net	$ 121,596,280	$ 32,785,449	$ –	$ 154,381,729

Depreciation expense was charged to the following governmental functions:

Administration	$ 393
District support services	1,411
Elementary and secondary regular instruction	10,923
Vocational education instruction	481
Special education instruction	8,046
Instructional support services	52,604
Pupil support services	171,718
Sites and buildings	3,237,667
Food service	26,389
Total depreciation expense	$ 3,509,632

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
2013A Refunding Bonds	11/14/2013	3.00–4.00%	$ 16,765,000	02/01/2025	$ 3,155,000
2016A Refunding Bonds	01/13/2016	2.00–5.00%	$ 4,880,000	02/01/2025	3,385,000
2017A Taxable OPEB Refunding Bonds	02/09/2017	3.00%	$ 14,290,000	02/01/2027	11,585,000
2017B Alternative Facilities Refunding Bonds	02/09/2017	3.00%	$ 6,130,000	02/01/2025	4,215,000
2018A School Building Bonds	03/01/2018	3.50–5.00%	$ 84,615,000	02/01/2043	83,515,000
2018B Facilities Maintenance Bonds	03/01/2018	2.00–5.00%	$ 31,545,000	02/01/2036	31,545,000
Total general obligation bonds					$ 137,400,000

These bonds were issued to finance the acquisition or construction of capital facilities, to finance OPEB, or to finance the retirement (refunding) of prior 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 number of capital leases for the purchase of various 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:

Asset Leased	Asset Value Capitalized	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Buses, computers, and energy improvements	$ 1,234,000	4.86%	07/16/2007	07/16/2021	$ 68,392
Solar panels – Middle School	$ 33,490	4.00%	09/01/2012	09/01/2022	5,078
Solar panels – High School	$ 33,600	4.00%	11/01/2012	11/01/2022	5,736
Solar panels – STEM School	$ 34,220	4.00%	08/01/2013	08/01/2023	7,890
Buses	$ 197,094	2.11%	07/01/2014	07/01/2021	29,947
Buses	$ 197,022	2.19%	07/15/2015	07/15/2022	28,708
Buses	$ 314,901	2.29%	07/12/2016	07/12/2023	146,462
Buses	$ 503,592	1.65%	11/01/2017	07/01/2025	293,241
Buses	$ 305,149	3.75%	07/15/2018	07/15/2025	225,831
Total capital leases					$ 811,285

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

C. Other Long-Term Liabilities

The District offers various 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 and the Food Service and Community Service Special Revenue Funds.

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 a 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 in the current year:

Pension Plans	Net/Total Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	$ 8,207,781	$ 1,144,315	$ 331,950	$ 399,815
State-wide, multiple-employer – TRA	35,913,719	18,512,236	34,978,704	5,121,696
Single-employer – District	1,443,829	35,635	638,394	92,932
Total	$ 45,565,329	$ 19,692,186	$ 35,949,048	$ 5,614,443

D. Minimum Debt Payments

Future principal and interest payments for general obligation bonds and capital leases are as follows:

Year Ending	General Obligation Bonds		Capital Leases	
June 30,	Principal	Interest	Principal	Interest
2022	$ 4,235,000	$ 5,042,588	$ 299,546	$ 21,794
2023	4,385,000	4,892,038	171,589	12,955
2024	4,520,000	4,761,188	169,683	8,873
2025	4,640,000	4,634,188	121,916	4,815
2026	4,920,000	4,503,738	48,551	1,821
2027–2031	27,840,000	19,209,763	–	–
2032–2036	33,505,000	13,645,025	–	–
2037–2041	36,675,000	7,166,850	–	–
2042–2043	16,680,000	880,775	–	–
	$ 137,400,000	$ 64,736,150	$ 811,285	$ 50,258

E. Changes in Long-Term Liabilities

	June 30, 2020	Additions	Retirements	June 30, 2021	Due Within One Year
General obligation bonds	$ 141,475,000	$ –	$ 4,075,000	$ 137,400,000	$ 4,235,000
Premiums	4,620,889	–	445,877	4,175,012	–
Capital leases	1,128,698	–	317,413	811,285	299,546
Net/total pension liability	41,099,823	9,010,679	4,545,173	45,565,329	78,993
Net OPEB liability	8,342,058	2,381,472	1,351,466	9,372,064	–
Compensated absences	481,868	499,592	481,868	499,592	499,592
Severance benefits	2,054,591	963,931	156,003	2,862,519	206,842
	$ 199,202,927	$ 12,855,674	$ 11,372,800	$ 200,685,801	$ 5,319,973

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
Nonspendable					
Inventory	$ 41,968	$ –	$ –	$ 44,353	$ 86,321
Prepaids	416,274	–	–	1,260	417,534
Total nonspendable	458,242	–	–	45,613	503,855
Restricted					
Student activities	71,791	–	–	–	71,791
Scholarships	434,923	–	–	–	434,923
Capital projects levy	626,301	–	–	–	626,301
Operating capital	373,849	–	–	–	373,849
Area learning center	345,573	–	–	–	345,573
Basic skills extended time	427,074	–	–	–	427,074
Long-term facilities maintenance	1,734,360	4,185,050	–	–	5,919,410
Medical Assistance	106,849	–	–	–	106,849
Food service	–	–	–	475,449	475,449
Early childhood family education	–	–	–	131,942	131,942
School readiness	–	–	–	325,764	325,764
Community service	–	–	–	135,956	135,956
Capital projects	–	4,535,866	–	–	4,535,866
Debt service	–	–	2,016,816	–	2,016,816
Total restricted	4,120,720	8,720,916	2,016,816	1,069,111	15,927,563
Assigned					
Third party special education	335,054	–	–	–	335,054
Synthetic turf	374,384	–	–	–	374,384
Carryover spending	397,047	–	–	–	397,047
School specific carryover	120,913	–	–	–	120,913
Program initiative	905,027	–	–	–	905,027
Enrollment	600,000	–	–	–	600,000
Future retirement	638,422	–	–	–	638,422
COVID-19	463,775	–	–	–	463,775
Total assigned	3,834,622	–	–	–	3,834,622
Unassigned					
Community education restricted account deficit	–	–	–	(126,845)	(126,845)
General Fund	11,208,090	–	–	–	11,208,090
Total unassigned	11,208,090	–	–	(126,845)	11,081,245
Total	$ 19,621,674	$ 8,720,916	$ 2,016,816	$ 987,879	$ 31,347,285

B. Minimum Unassigned Fund Balance Policy

The School Board has a formal fund balance policy of maintaining 4–10 percent of operating expenditures in unassigned General Fund reserves, with actions outlined for certain benchmarks in that range, chosen for contingency and sustainability purposes.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

B. Benefits Provided

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

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

1. GERF Benefits

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

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

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

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

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

Tier II Benefits

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

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2021, were $705,335. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

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

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2021, were $2,360,678. 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:

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

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2021, the District reported a liability of $8,207,781 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 $253,060. 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 0.1369 percent at the end of the measurement period and 0.1355 percent for the beginning of the period.

District's proportionate share of the net pension liability	$ 8,207,781
State's proportionate share of the net pension liability associated with the District	$ 253,060

For the year ended June 30, 2021, the District recognized pension expense of $377,791 for its proportionate share of the GERF's pension expense. In addition, the District recognized an additional $22,024 as grant revenue for its proportionate share of the state of Minnesota's contribution of $16 million to the GERF.

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	$ 74,015	$ 31,054
Changes in actuarial assumptions	–	300,896
Net collective difference between projected and actual investment earnings	172,132	–
Changes in proportion	192,833	–
District's contributions to the GERF subsequent to the measurement date	705,335	–
Total	$ 1,144,315	$ 331,950

The $705,335 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	$ (317,346)
2023	$ 50,796
2024	$ 175,276
2025	$ 198,304

2. TRA Pension Costs

At June 30, 2021, the District reported a liability of $35,913,719 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 0.4861 percent at the end of the measurement period and 0.5062 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	$ 35,913,719
State's proportionate share of the net pension liability associated with the District	$ 3,009,465

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

For the year ended June 30, 2021, the District recognized pension expense of $4,846,009. It also recognized $275,687 as an increase to pension expense for the support provided by direct aid.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 720,215	$ 560,690
Changes in actuarial assumptions	13,827,601	30,294,201
Net difference between projected and actual investment earnings on pension plan investments	530,247	–
Changes in proportion	1,073,495	4,123,813
District's contributions to the TRA subsequent to the measurement date	2,360,678	–
Total	$ 18,512,236	$ 34,978,704

A total of $2,360,678 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 inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	$ 465,309
2023	$ (12,238,277)
2024	$ (7,790,575)
2025	$ 800,475
2026	$ (64,078)

E. Actuarial Assumptions

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

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

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

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

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

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

1. **GERF**

CHANGES IN ACTUARIAL ASSUMPTIONS

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

CHANGES IN PLAN PROVISIONS

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

2. **TRA**

CHANGES IN ACTUARIAL ASSUMPTIONS

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

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:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.50%	7.50%	8.50%
District's proportionate share of the GERF net pension liability	$ 13,154,225	$ 8,207,781	$ 4,127,361
TRA discount rate	6.50%	7.50%	8.50%
District's proportionate share of the TRA net pension liability	$ 54,983,524	$ 35,913,719	$ 20,201,164

H. Pension Plan Fiduciary Net Position

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

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

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible 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 as follows:

Teacher Pension Benefits – For eligible teachers (with at least 15 years of continuous service and at least 55 years of age), the District pays a lump sum pension benefit that ranges from $7,500 to $10,000, based on years of service at retirement. Eligible teachers can earn an additional lump sum benefit of $5,000 if they have unused sick leave of more than 150 days at retirement.

Other Pension Benefits – The District offers pension benefits to several other employee groups. Eligible employees (with at least 15 years of continuous service and at least 55 years of age) can earn a lump sum pension benefit that differs by bargaining unit, ranging from $3,500 up to 50 percent of their annual salary.

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

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's pay-as-you-go contributions for the benefits described above were $79,000 during the current year. The District has not established a trust fund to finance these pension benefits.

C. Membership

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

Active plan members	627

D. Actuarial Methods and Assumptions

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

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

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2018 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

E. Discount Rate

The discount rate used to measure the pension liability was 2.10 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. The discount rate was changed from 2.40 percent to 2.10 percent since the previous valuation.

F. Changes in the Total Pension Liability

	Total Pension Liability
Beginning balance – July 1, 2020	$ 1,343,038
Changes for the year	
Service cost	125,988
Interest	34,314
Assumption changes	19,489
Benefit payments – employer-financed	(79,000)
Total net changes	100,791
Ending balance – June 30, 2021	$ 1,443,829

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

G. Total Pension Liability Sensitivity to Discount Rate Changes

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Pension discount rate	1.10%	2.10%	3.10%
Total pension liability	$ 1,526,259	$ 1,443,829	$ 1,361,515

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

For the current year ended, the District recognized pension expense of $92,932, and at year-end reported the following deferred outflows and 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	$ –	$ 614,878
Changes in actuarial assumptions	35,635	23,516
Total	$ 35,635	$ 638,394

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	$ (67,370)
2023	$ (67,370)
2024	$ (67,370)
2025	$ (67,370)
2026	$ (67,370)
Thereafter	$ (265,909)

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.

The District administers a defined benefit Post-Employment Benefits Trust Fund. The assets of the plan are reported in the District's financial report in the Post-Employment Benefits Trust Fund, established by the District to finance these obligations. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan. The plan does not issue a publicly available financial report.

B. Benefits Provided

All retirees of the District 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 hired before January 1, 2011, the District pays the eligible retiree's premiums for medical (single or family coverage premium at active employee rates), dental (single or family coverage premium at active employee rates), and/or life insurance (coverage to 2–3 times their basic annual salary to a maximum of $300,000), for some period after retirement. The length of the benefits to be paid by the District differ by bargaining unit, with some contracts specifying a number of months of coverage based on years of service (ranging from 48–120 months coverage for 15–30 years of continuous service), and some covering premium costs from the time of retirement until the employee reaches the age of eligibility for Medicare.

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.

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. The District's pay-as-you-go contributions for the benefits described above were $654,380 during the current year.

D. Membership

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

Retirees and beneficiaries receiving benefits	108
Active plan members	642
Total members	750

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

E. Net OPEB Liability of the District

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. The components of the net OPEB liability of the District at year-end were as follows:

Total OPEB liability	$ 17,661,929
Plan fiduciary net position	(8,289,865)
District's net OPEB liability	$ 9,372,064
Plan fiduciary net position as a percentage of the total OPEB liability	46.9%

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study with a valuation date as of July 1, 2019 and measurement date as of June 30, 2021, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.10%
Expected long-term investment return	2.40% (net of investment expenses)
20-year municipal bond yield	2.10%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.25% grading to 5.00% over 5 years
Dental trend rate	4.00%

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2018 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

Assumption changes since the prior measurement date include:

- The expected long-term investment rate was changed from 2.90 percent to 2.40 percent.
- The discount rate was changed from 2.50 percent to 2.10 percent.

The District's policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statutes.

The long-term expected rate of return on OPEB Plan investments was set based on the plan's target investment allocation described below, along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	5.00 %	1.00 %
Fixed income	95.00	2.50 %
Total	100.00 %	2.40 %

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

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 1.10 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Discount Rate

The discount rate used to measure the total OPEB liability was 2.10 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the Trust Fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been taken into account.

I. Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Beginning balance – July 1, 2020	$ 17,228,248	$ 8,886,190	$ 8,342,058
Changes for the year			
Service cost	815,590	–	815,590
Interest	434,307	–	434,307
Assumption changes	535,250	–	535,250
Contributions – paid through governmental funds	–	654,380	(654,380)
Net investment income	–	213,269	(213,269)
Difference between expected and actual experience	–	(112,508)	112,508
Benefit payments – paid through trust	(697,086)	(697,086)	–
Benefit payments – paid through governmental funds	(654,380)	(654,380)	–
Total net changes	433,681	(596,325)	1,030,006
Ending balance – June 30, 2021	$ 17,661,929	$ 8,289,865	$ 9,372,064

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

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount rate	1.10%	2.10%	3.10%
Net OPEB liability	$ 10,980,130	$ 9,372,064	$ 7,948,493

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

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

	1% Decrease in Healthcare Cost Trend Rates	Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Medical trend rate	5.25% decreasing to 4.00% over 5 years	6.25% decreasing to 5.00% over 5 years	7.25% decreasing to 6.00% over 5 years
Dental trend rate	3.00%	4.00%	5.00%
Net OPEB liability	$ 7,119,658	$ 9,372,064	$ 12,083,711

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

For the current year ended, the District recognized negative OPEB expense of $42,899. 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
Difference between expected and actual economic experience	$ –	$ 2,265,445
Changes in actuarial assumptions	679,795	954,463
Difference between projected and actual investment earnings	146,118	–
Total	$ 825,913	$ 3,219,908

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	$ (1,105,306)
2023	$ (1,132,828)
2024	$ (80,861)
2025	$ (164,205)
2026	$ 89,205

NOTE 9 – FLEXIBLE BENEFIT PLAN

The District has established the Richfield 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 $5,700,000 under construction contracts for which the work was not yet completed.

D. COVID-19 Impact

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

NOTE 11 – SUBSEQUENT EVENT

In October 2021, the District approved the sale of $2,230,000 General Obligation Alternative Facilities Refunding Bonds, Series 2021A. The bonds, which will be used to refund the 2023 through 2025 maturities of the 2013A G.O. Refunding Bonds, have an interest rate of 5.00 percent and a final maturity of February 1, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

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

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.1533%	$ 7,201,266	$ –	$ 7,201,266	$ 8,045,286	89.51%	78.70%
06/30/2016	06/30/2015	0.1454%	$ 7,535,384	$ –	$ 7,535,384	$ 8,532,242	88.32%	78.20%
06/30/2017	06/30/2016	0.1337%	$ 10,855,777	$ 141,837	$ 10,997,614	$ 8,274,425	131.20%	68.90%
06/30/2018	06/30/2017	0.1289%	$ 8,228,891	$ 103,489	$ 8,332,380	$ 8,303,816	99.10%	75.90%
06/30/2019	06/30/2018	0.1330%	$ 7,378,295	$ 241,911	$ 7,620,206	$ 8,932,562	82.60%	79.50%
06/30/2020	06/30/2019	0.1355%	$ 7,491,491	$ 232,823	$ 7,724,314	$ 9,521,362	78.68%	80.20%
06/30/2021	06/30/2020	0.1369%	$ 8,207,781	$ 253,060	$ 8,460,841	$ 9,731,816	84.34%	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	$ 630,341	$ 630,341	$ –	$ 8,532,242	7.39%
06/30/2016	$ 620,582	$ 620,582	$ –	$ 8,274,425	7.50%
06/30/2017	$ 622,899	$ 622,899	$ –	$ 8,303,816	7.50%
06/30/2018	$ 670,214	$ 670,214	$ –	$ 8,932,562	7.50%
06/30/2019	$ 715,561	$ 715,561	$ –	$ 9,521,362	7.52%
06/30/2020	$ 729,901	$ 729,901	$ –	$ 9,731,816	7.50%
06/30/2021	$ 705,335	$ 705,335	$ –	$ 9,404,488	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. 280

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	0.5182%	$ 23,878,283	$ 1,679,943	$ 25,558,226	$ 23,658,854	100.93%	81.50%
06/30/2016	06/30/2015	0.4984%	$ 30,830,969	$ 3,781,486	$ 34,612,455	$ 25,326,686	121.73%	76.80%
06/30/2017	06/30/2016	0.5217%	$ 124,437,898	$ 12,491,078	$ 136,928,976	$ 27,134,182	458.60%	44.88%
06/30/2018	06/30/2017	0.4982%	$ 99,449,757	$ 9,614,203	$ 109,063,960	$ 26,824,890	370.74%	51.57%
06/30/2019	06/30/2018	0.4863%	$ 30,544,192	$ 2,869,778	$ 33,413,970	$ 26,855,892	113.73%	78.07%
06/30/2020	06/30/2019	0.5062%	$ 32,265,294	$ 2,855,396	$ 35,120,690	$ 28,743,799	112.25%	78.21%
06/30/2021	06/30/2020	0.4861%	$ 35,913,719	$ 3,009,465	$ 38,923,184	$ 28,250,668	127.13%	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	$ 1,899,501	$ 1,899,501	$ –	$ 25,326,686	7.50%
06/30/2016	$ 2,035,062	$ 2,035,062	$ –	$ 27,134,182	7.50%
06/30/2017	$ 2,010,864	$ 2,010,864	$ –	$ 26,824,890	7.50%
06/30/2018	$ 2,014,735	$ 2,014,735	$ –	$ 26,855,892	7.50%
06/30/2019	$ 2,222,026	$ 2,222,026	$ –	$ 28,743,799	7.73%
06/30/2020	$ 2,236,945	$ 2,236,945	$ –	$ 28,250,668	7.92%
06/30/2021	$ 2,360,678	$ 2,360,678	$ –	$ 29,038,274	8.13%

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. 280

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

	District Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Total pension liability					
Service cost	$ 132,145	$ 88,783	$ 95,865	$ 117,330	$ 125,988
Interest	72,669	71,782	50,886	49,064	34,314
Assumption changes	–	(2,494)	23,297	(26,634)	19,489
Plan changes	–	36,550	–	–	–
Difference between expected and actual experience	–	(669,205)	–	(185,271)	–
Benefit payments	(142,256)	(233,568)	(59,134)	(152,476)	(79,000)
Net change in total pension liability	62,558	(708,152)	110,914	(197,987)	100,791
Total pension liability – beginning of year	2,075,705	2,138,263	1,430,111	1,541,025	1,343,038
Total pension liability – end of year	$ 2,138,263	$ 1,430,111	$ 1,541,025	$ 1,343,038	$ 1,443,829
Covered-employee payroll	$ 32,571,794	$ 30,214,468	$ 31,120,902	$ 36,284,075	$ 37,372,597
Total pension liability as a percentage of covered-employee payroll	6.56%	4.73%	4.95%	3.70%	3.86%

Note 1: The District has not established a trust fund to finance its single-employer-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 added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	District Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Total OPEB liability					
Service cost	$ 1,037,067	$ 715,483	$ 778,052	$ 740,487	$ 815,590
Interest	790,623	803,777	603,253	553,907	434,307
Assumption changes	–	(502,988)	467,508	(1,180,205)	535,250
Difference between expected and actual experience	–	(5,845,737)	–	(475,304)	–
Benefit payments	(788,391)	(1,406,567)	(1,593,821)	(1,529,876)	(1,351,466)
Net change in total OPEB liability	1,039,299	(6,236,032)	254,992	(1,890,991)	433,681
Total OPEB liability – beginning of year	24,060,980	25,100,279	18,864,247	19,119,239	17,228,248
Total OPEB liability – end of year	25,100,279	18,864,247	19,119,239	17,228,248	17,661,929
Plan fiduciary net position					
Contributions	475,081	489,232	1,094,928	713,791	654,380
Investment earnings	128,792	115,612	203,285	247,052	100,761
Benefit payments	(788,391)	(1,406,567)	(1,593,821)	(1,529,876)	(1,351,466)
Net change in plan fiduciary net position	(184,518)	(801,723)	(295,608)	(569,033)	(596,325)
Plan fiduciary net position					
Beginning of year	10,737,072	10,552,554	9,750,831	9,455,223	8,886,190
End of year	10,552,554	9,750,831	9,455,223	8,886,190	8,289,865
Net OPEB liability	$ 14,547,725	$ 9,113,416	$ 9,664,016	$ 8,342,058	$ 9,372,064
Plan fiduciary net position as a percentage of the total OPEB liability	42.04%	51.69%	49.45%	51.58%	46.94%
Covered-employee payroll	$ 32,754,693	$ 30,401,080	$ 31,313,113	$ 36,975,971	$ 38,085,250
Net OPEB liability as a percentage of covered-employee payroll	44.41%	29.98%	30.86%	22.56%	24.61%

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

INDEPENDENT SCHOOL DISTRICT NO. 280

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

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	1.20 %
2018	1.10 %
2019	2.10 %
2020	2.60 %
2021	1.10 %

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

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.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

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.

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.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PENSION BENEFITS PLAN

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.40 percent to 2.10 percent.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees, to rates which vary by service and contract group.
- The discount rate was changed from 3.10 percent to 2.40 percent.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.40 percent to 3.10 percent.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.

2018 CHANGES IN PLAN PROVISIONS

- One retiree with a special agreement was paid a specified amount during the year.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.40 percent.
- Retirement rates were changed to all start at age 55, regardless of whether the participant is eligible for a benefit.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment rate was changed from 2.90 percent to 2.40 percent.
- The discount rate was changed from 2.50 percent to 2.10 percent.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- Healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees, to rates which vary by service and contract group.
- The discount rate was changed from 2.90 percent to 2.50 percent.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.20 percent to 2.90 percent.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Headcount Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Headcount Mortality Tables with MP-2016 Generational Improvement Scale.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.20 percent.

SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	$ 161,706	$ 660,838	$ 822,544
Receivables			
Current taxes	–	231,948	231,948
Delinquent taxes	–	3,538	3,538
Accounts and interest	–	6,178	6,178
Due from other governmental units	384,379	78,243	462,622
Inventory	44,353	–	44,353
Prepaid items	1,260	–	1,260
Total assets	$ 591,698	$ 980,745	$ 1,572,443
Liabilities			
Salaries payable	$ 19,567	$ 30,382	$ 49,949
Accounts and contracts payable	21,766	10,481	32,247
Due to other governmental units	398	7,395	7,793
Unearned revenue	28,905	–	28,905
Total liabilities	70,636	48,258	118,894
Deferred inflows of resources			
Property taxes levied for subsequent year	–	462,275	462,275
Unavailable revenue – delinquent taxes	–	3,395	3,395
Total deferred inflows of resources	–	465,670	465,670
Fund balances (deficit)			
Nonspendable	45,613	–	45,613
Restricted	475,449	593,662	1,069,111
Unassigned	–	(126,845)	(126,845)
Total fund balances	521,062	466,817	987,879
Total liabilities, deferred inflows of resources, and fund balances	$ 591,698	$ 980,745	$ 1,572,443

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

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	$ –	$ 471,739	$ 471,739
Investment earnings	537	2,106	2,643
Other	34,358	578,814	613,172
State sources	–	773,665	773,665
Federal sources	2,578,319	65,969	2,644,288
Total revenue	2,613,214	1,892,293	4,505,507
Expenditures			
Current			
Food service	2,329,660	–	2,329,660
Community service	–	2,026,041	2,026,041
Capital outlay	–	94	94
Total expenditures	2,329,660	2,026,135	4,355,795
Net change in fund balances	283,554	(133,842)	149,712
Fund balances			
Beginning of year	237,508	600,659	838,167
End of year	$ 521,062	$ 466,817	$ 987,879

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021	2020
Assets		
Cash and temporary investments	$ 21,700,296	$ 18,361,630
Receivables		
Current taxes	8,523,542	8,953,645
Delinquent taxes	125,650	139,017
Accounts and interest	66,202	213,924
Due from other governmental units	5,197,881	4,939,385
Due from OPEB trust	697,086	816,085
Inventory	41,968	15,937
Prepaid items	416,274	17,876
Total assets	$ 36,768,899	$ 33,457,499
Liabilities		
Salaries payable	$ 495,252	$ 246,576
Accounts and contracts payable	429,622	311,858
Due to other governmental units	701,848	601,583
Total liabilities	1,626,722	1,160,017
Deferred inflows of resources		
Property taxes levied for subsequent year	15,399,020	16,006,569
Unavailable revenue – delinquent taxes	121,483	93,162
Total deferred inflows of resources	15,520,503	16,099,731
Fund balances (deficits)		
Nonspendable for inventory	41,968	15,937
Nonspendable for prepaids	416,274	17,876
Restricted for student activities	71,791	85,533
Restricted for scholarships	434,923	434,691
Restricted for capital projects levy	626,301	81,208
Restricted for operating capital	373,849	887,203
Restricted for area learning center	345,573	108,151
Restricted for achievement and integration	–	39,185
Restricted for basic skills extended time	427,074	558,710
Restricted for long-term facilities maintenance	1,734,360	1,592,644
Restricted for Medical Assistance	106,849	177,352
Assigned for third party special education	335,054	335,054
Assigned for synthetic turf	374,384	362,271
Assigned for carryover spending	397,047	258,424
Assigned for school specific carryover	120,913	141,501
Assigned for program initiative	905,027	905,027
Assigned for enrollment	600,000	600,000
Assigned for future retirement	638,422	638,422
Assigned for COVID-19	463,775	499,303
Assigned for subsequent year budget	–	1,538,305
Unassigned	11,208,090	6,920,954
Total fund balances	19,621,674	16,197,751
Total liabilities, deferred inflows of resources, and fund balances	$ 36,768,899	$ 33,457,499

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

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 17,677,523	$ 17,711,182	$ 33,659	$ 18,018,703
Investment earnings	91,500	57,517	(33,983)	273,021
Other	1,199,094	927,675	(271,419)	1,117,353
State sources	45,753,835	45,171,242	(582,593)	45,674,571
Federal sources	4,751,670	4,835,776	84,106	2,834,496
Total revenue	69,473,622	68,703,392	(770,230)	67,918,144
Expenditures				
Current				
Administration				
Salaries	1,812,191	1,763,232	(48,959)	1,973,342
Employee benefits	575,652	585,494	9,842	604,956
Purchased services	64,689	29,019	(35,670)	47,934
Supplies and materials	86,686	41,368	(45,318)	92,663
Capital expenditures	–	779	779	–
Other expenditures	81,065	54,703	(26,362)	54,685
Total administration	2,620,283	2,474,595	(145,688)	2,773,580
District support services				
Salaries	1,016,250	1,029,707	13,457	935,215
Employee benefits	428,084	424,956	(3,128)	395,325
Purchased services	462,906	533,611	70,705	544,147
Supplies and materials	61,632	359,931	298,299	330,426
Capital expenditures	10,300	400	(9,900)	–
Other expenditures	27,501	44,591	17,090	9,226
Total district support services	2,006,673	2,393,196	386,523	2,214,339
Elementary and secondary regular instruction				
Salaries	20,344,182	19,539,394	(804,788)	18,944,392
Employee benefits	7,287,007	6,930,387	(356,620)	6,686,735
Purchased services	1,877,736	1,425,509	(452,227)	1,618,470
Supplies and materials	818,442	670,985	(147,457)	721,906
Capital expenditures	20,570	30,871	10,301	35,131
Other expenditures	178,083	148,652	(29,431)	165,933
Total elementary and secondary regular instruction	30,526,020	28,745,798	(1,780,222)	28,172,567

(continued)

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

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	324,692	307,434	(17,258)	280,846
Employee benefits	124,121	107,187	(16,934)	104,151
Purchased services	56,528	22,884	(33,644)	38,501
Supplies and materials	18,102	17,983	(119)	20,490
Other expenditures	1,500	1,893	393	2,118
Total vocational education instruction	524,943	457,381	(67,562)	446,106
Special education instruction				
Salaries	8,047,688	8,080,014	32,326	8,242,424
Employee benefits	2,906,138	2,811,313	(94,825)	3,013,624
Purchased services	897,652	713,545	(184,107)	784,306
Supplies and materials	112,155	88,898	(23,257)	94,682
Capital expenditures	–	–	–	64,841
Other expenditures	52,000	50,240	(1,760)	53,042
Total special education instruction	12,015,633	11,744,010	(271,623)	12,252,919
Instructional support services				
Salaries	1,857,612	1,900,690	43,078	1,839,392
Employee benefits	628,496	637,592	9,096	619,222
Purchased services	468,680	380,684	(87,996)	354,053
Supplies and materials	1,195,007	1,101,754	(93,253)	598,955
Capital expenditures	735,900	515,953	(219,947)	545,429
Other expenditures	33,520	14,397	(19,123)	26,260
Total instructional support services	4,919,215	4,551,070	(368,145)	3,983,311
Pupil support services				
Salaries	3,318,405	2,915,631	(402,774)	2,579,125
Employee benefits	1,229,866	1,077,592	(152,274)	1,038,497
Purchased services	2,201,270	1,793,706	(407,564)	2,278,157
Supplies and materials	210,255	163,221	(47,034)	177,992
Capital expenditures	425,171	526,799	101,628	216,549
Other expenditures	30,730	12,301	(18,429)	50,804
Total pupil support services	7,415,697	6,489,250	(926,447)	6,341,124

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	1,881,173	1,859,245	(21,928)	1,791,885
Employee benefits	743,451	736,537	(6,914)	727,599
Purchased services	4,444,934	2,872,405	(1,572,529)	2,698,475
Supplies and materials	647,763	587,913	(59,850)	328,525
Capital expenditures	1,529,167	1,704,067	174,900	256,016
Other expenditures	11,100	5,702	(5,398)	7,000
Total sites and buildings	9,257,588	7,765,869	(1,491,719)	5,809,500
Fiscal and other fixed cost programs				
Purchased services	239,330	290,499	51,169	227,654
Other expenditures	46,906	34,100	(12,806)	43,649
Total fiscal and other fixed cost programs	286,236	324,599	38,363	271,303
Debt service				
Principal	316,843	317,413	570	1,139,548
Interest and fiscal charges	30,382	31,044	662	55,950
Total debt service	347,225	348,457	1,232	1,195,498
Total expenditures	69,919,513	65,294,225	(4,625,288)	63,460,247
Excess (deficiency) of revenue over expenditures	(445,891)	3,409,167	3,855,058	4,457,897
Other financing sources				
Sale of capital assets	29,200	14,756	(14,444)	24,300
Net change in fund balances	$ (416,691)	3,423,923	$ 3,840,614	4,482,197
Fund balances				
Beginning of year		16,197,751		11,715,554
End of year		$ 19,621,674		$ 16,197,751

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021	2020
Assets		
Cash and temporary investments	$ 161,706	$ 126,253
Receivables		
Due from other governmental units	384,379	217,506
Inventory	44,353	19,676
Prepaid items	1,260	–
Total assets	$ 591,698	$ 363,435
Liabilities		
Salaries payable	$ 19,567	$ 65,241
Accounts and contracts payable	21,766	22,721
Due to other governmental units	398	3,870
Unearned revenue	28,905	34,095
Total liabilities	70,636	125,927
Fund balances		
Nonspendable for inventory	44,353	19,676
Nonspendable for prepaids	1,260	–
Restricted for food service	475,449	217,832
Total fund balances	521,062	237,508
Total liabilities and fund balances	$ 591,698	$ 363,435

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	$ 500	$ 537	$ 37	$ 3,819
Other – primarily meal sales	205,040	34,358	(170,682)	358,710
State sources	176,000	–	(176,000)	183,658
Federal sources	2,125,880	2,578,319	452,439	2,138,434
Total revenue	2,507,420	2,613,214	105,794	2,684,621
Expenditures				
Current				
Salaries	764,738	869,165	104,427	1,113,482
Employee benefits	358,203	350,092	(8,111)	457,354
Purchased services	80,445	48,818	(31,627)	70,216
Supplies and materials	1,239,880	1,056,623	(183,257)	1,278,286
Other expenditures	11,000	4,962	(6,038)	13,612
Capital outlay	51,860	–	(51,860)	47,140
Total expenditures	2,506,126	2,329,660	(176,466)	2,980,090
Excess (deficiency) of revenue over expenditures	1,294	283,554	282,260	(295,469)
Other financing sources				
Sale of capital assets	–	–	–	92
Net change in fund balances	$ 1,294	283,554	$ 282,260	(295,377)
Fund balances				
Beginning of year		237,508		532,885
End of year		$ 521,062		$ 237,508

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021	2020
Assets		
Cash and temporary investments	$ 660,838	$ 785,254
Receivables		
Current taxes	231,948	242,048
Delinquent taxes	3,538	3,852
Accounts and interest	6,178	27
Due from other governmental units	78,243	86,472
Total assets	$ 980,745	$ 1,117,653
Liabilities		
Salaries payable	$ 30,382	$ 23,067
Accounts and contracts payable	10,481	10,257
Due to other governmental units	7,395	7,260
Total liabilities	48,258	40,584
Deferred inflows of resources		
Property taxes levied for subsequent year	462,275	473,804
Deferred revenue – delinquent taxes	3,395	2,606
Total deferred inflows of resources	465,670	476,410
Fund balances (deficit)		
Restricted for early childhood family education	131,942	201,523
Restricted for school readiness	325,764	395,272
Restricted for community service	135,956	91,674
Unassigned – community education restricted account deficit	(126,845)	(87,810)
Total fund balances	466,817	600,659
Total liabilities, deferred inflows of resources, and fund balances	$ 980,745	$ 1,117,653

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 567,971	$ 471,739	$ (96,232)	$ 461,511
Investment earnings	3,000	2,106	(894)	12,643
Other – primarily tuition and fees	812,800	578,814	(233,986)	621,990
State sources	788,179	773,665	(14,514)	861,521
Federal sources	60,671	65,969	5,298	–
Total revenue	2,232,621	1,892,293	(340,328)	1,957,665
Expenditures				
Current				
Salaries	1,128,307	1,101,133	(27,174)	1,114,083
Employee benefits	430,373	388,196	(42,177)	382,590
Purchased services	389,402	440,060	50,658	361,771
Supplies and materials	154,474	87,770	(66,704)	82,803
Other expenditures	16,033	8,882	(7,151)	310
Capital outlay	3,800	94	(3,706)	198
Total expenditures	2,122,389	2,026,135	(96,254)	1,941,755
Net change in fund balances	$ 110,232	(133,842)	$ (244,074)	15,910
Fund balances				
Beginning of year		600,659		584,749
End of year		$ 466,817		$ 600,659

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021	2020
Assets		
Cash and temporary investments	$ 12,575,064	$ 52,689,430
Receivables		
Accounts and interest	64,123	1,278,999
Total assets	$ 12,639,187	$ 53,968,429
Liabilities		
Salaries payable	$ –	$ 324
Accounts and contracts payable	3,918,271	10,037,549
Total liabilities	3,918,271	10,037,873
Fund balances		
Restricted for long-term facilities maintenance	4,185,050	11,186,480
Restricted for capital projects	4,535,866	32,744,076
Total fund balances	8,720,916	43,930,556
Total liabilities and fund balances	$ 12,639,187	$ 53,968,429

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	$ 600,000	$ 232,886	$ (367,114)	$ 2,084,625
Other	–	–	–	100,000
Total revenue	600,000	232,886	(367,114)	2,184,625
Expenditures				
Capital outlay				
Salaries	51,000	51,641	641	65,323
Employee benefits	28,555	20,279	(8,276)	18,314
Purchased services	1,376,000	1,751,542	375,542	3,832,925
Capital expenditures	38,995,403	33,619,064	(5,376,339)	61,149,706
Total expenditures	40,450,958	35,442,526	(5,008,432)	65,066,268
Net change in fund balances	$ (39,850,958)	(35,209,640)	$ 4,641,318	(62,881,643)
Fund balances				
Beginning of year		43,930,556		106,812,199
End of year		$ 8,720,916		$ 43,930,556

INDEPENDENT SCHOOL DISTRICT NO. 280

Debt Service Fund
Comparative Balance Sheet
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	$ 5,264,279	$ 1,357,181	$ 6,621,460	$ 6,288,836
Receivables				
Current taxes	3,587,149	1,052,216	4,639,365	5,009,641
Delinquent taxes	54,613	10,941	65,554	69,588
Total assets	$ 8,906,041	$ 2,420,338	$ 11,326,379	$ 11,368,065
Deferred inflows of resources				
Property taxes levied for subsequent year	$ 7,149,225	$ 2,097,078	$ 9,246,303	$ 9,806,268
Deferred revenue – delinquent taxes	53,204	10,056	63,260	46,678
Total deferred inflows of resources	7,202,429	2,107,134	9,309,563	9,852,946
Fund balances				
Restricted for debt service	1,703,612	313,204	2,016,816	1,515,119
Total deferred inflows of resources and fund balances	$ 8,906,041	$ 2,420,338	$ 11,326,379	$ 11,368,065

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	2021					2020
		Actual				
	Budget	Regular Debt Service Account	OPEB Debt Service Account	Total	Over (Under) Budget	Actual
Revenue						
Local sources						
Property taxes	$ 9,805,406	$ 7,633,192	$ 2,129,109	$ 9,762,301	$ (43,105)	$ 9,223,845
Investment earnings	10,000	8,107	–	8,107	(1,893)	56,981
Total revenue	9,815,406	7,641,299	2,129,109	9,770,408	(44,998)	9,280,826
Expenditures						
Debt service						
Principal	4,075,000	2,450,000	1,625,000	4,075,000	–	3,580,000
Interest	5,187,288	4,790,987	396,299	5,187,286	(2)	5,302,588
Fiscal charges and other	6,450	5,950	475	6,425	(25)	6,425
Total expenditures	9,268,738	7,246,937	2,021,774	9,268,711	(27)	8,889,013
Net change in fund balances	$ 546,668	394,362	107,335	501,697	$ (44,971)	391,813
Fund balances						
Beginning of year		1,309,250	205,869	1,515,119		1,123,306
End of year		$ 1,703,612	$ 313,204	$ 2,016,816		$ 1,515,119

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	Medical Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals 2021	Totals 2020
Assets				
Current assets				
Cash and temporary investments	$ 6,940,342	$ 173,293	$ 7,113,635	$ 7,399,229
Receivables				
Accounts	4,818	5,159	9,977	9,491
Prepaid items	7,375	–	7,375	–
Total current assets	6,952,535	178,452	7,130,987	7,408,720
Liabilities				
Current liabilities				
Claims payable	522,479	12,125	534,604	519,500
Unearned revenue	860,119	53,081	913,200	921,619
Total current liabilities	1,382,598	65,206	1,447,804	1,441,119
Net position				
Unrestricted	$ 5,569,937	$ 113,246	$ 5,683,183	$ 5,967,601

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)

	Medical Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals 2021	Totals 2020
Operating revenue				
Contributions from governmental funds	$ 6,989,164	$ 513,534	$ 7,502,698	$ 7,621,648
Operating expenses				
Medical benefit claims	7,314,396	–	7,314,396	6,590,943
Dental benefit claims	–	491,075	491,075	456,791
Total operating expenses	7,314,396	491,075	7,805,471	7,047,734
Operating income (loss)	(325,232)	22,459	(302,773)	573,914
Nonoperating revenue				
Investment earnings	17,991	364	18,355	101,100
Change in net position	(307,241)	22,823	(284,418)	675,014
Net position				
Beginning of year	5,877,178	90,423	5,967,601	5,292,587
End of year	$ 5,569,937	$ 113,246	$ 5,683,183	$ 5,967,601

INDEPENDENT SCHOOL DISTRICT NO. 280

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

	Medical Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals 2021	Totals 2020
Cash flows from operating activities				
Contributions from governmental funds	$ 6,977,567	$ 508,851	$ 7,486,418	$ 7,607,660
Payments for medical claims	(7,295,255)	–	(7,295,255)	(6,564,152)
Payments for dental claims	–	(495,112)	(495,112)	(472,925)
Net cash flows from operating activities	(317,688)	13,739	(303,949)	570,583
Cash flows from investing activities				
Investment income received	17,991	364	18,355	101,100
Net change in cash and cash equivalents	(299,697)	14,103	(285,594)	671,683
Cash and cash equivalents				
Beginning of year	7,240,039	159,190	7,399,229	6,727,546
End of year	$ 6,940,342	$ 173,293	$ 7,113,635	$ 7,399,229
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	$ (325,232)	$ 22,459	$ (302,773)	$ 573,914
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Accounts receivable	(438)	(48)	(486)	(167)
Prepaid items	(7,375)	–	(7,375)	–
Claims payable	19,141	(4,037)	15,104	10,657
Unearned revenue	(3,784)	(4,635)	(8,419)	(13,821)
Net cash flows from operating activities	$ (317,688)	$ 13,739	$ (303,949)	$ 570,583

OTHER DISTRICT INFORMATION

(UNAUDITED)

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Government-Wide Revenue by Type
Last Ten Fiscal Years

	Program Revenues		General Revenues			
Year Ended June 30,	Charges for Services	Operating Grants and Contributions	Property Taxes	General Grants and Aids	Investment Earnings and Other	Total
2012	$ 1,323,815	$ 9,293,298	$ 15,535,989	$ 32,608,548	$ 1,140,976	$ 59,902,626
	2.2%	15.5%	25.9%	54.4%	2.0%	100.0%
2013	1,424,268	9,746,687	16,830,692	33,166,877	1,332,852	62,501,376
	2.3%	15.6%	26.9%	53.1%	2.1%	100.0%
2014	1,583,759	10,968,097	13,361,381	39,261,648	1,060,054	66,234,939
	2.4%	16.6%	20.2%	59.3%	1.5%	100.0%
2015	1,381,895	10,858,507	18,478,774	36,866,254	987,311	68,572,741
	2.0%	15.8%	26.9%	53.8%	1.5%	100.0%
2016	1,584,189	12,316,562	18,231,651	37,777,017	1,245,057	71,154,476
	2.2%	17.3%	25.6%	53.1%	1.8%	100.0%
2017	1,560,266	12,880,552	18,795,154	39,625,932	932,227	73,794,131
	2.1%	17.4%	25.5%	53.7%	1.3%	100.0%
2018	1,833,335	12,985,765	18,537,869	38,449,108	1,538,817	73,344,894
	2.5%	17.7%	25.3%	52.4%	2.1%	100.0%
2019	1,731,697	13,055,457	26,504,457	36,127,245	4,320,055	81,738,911
	2.1%	16.0%	32.4%	44.2%	5.3%	100.0%
2020	1,492,769	13,785,794	27,653,830	37,922,927	3,203,835	84,059,155
	1.8%	16.4%	32.9%	45.1%	3.8%	100.0%
2021	1,068,091	16,364,623	27,990,914	36,678,555	1,276,472	83,378,655
	1.3%	19.6%	33.6%	44.0%	1.5%	100.0%

Note: The impact of legislative changes to the "tax shift" on the amount of tax revenue recognized were particularly significant in fiscal year 2014. These changes were offset by equal adjustments to state aid payments.

Government-Wide Expenses by Program
Last Ten Fiscal Years

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction	Instructional Support Services	Pupil Support Services
2012	$ 2,469,933	$ 1,427,634	$ 26,191,779	$ 725,344	$ 9,935,410	$ 1,442,920	$ 4,942,630
	3.9%	2.3%	41.5%	1.1%	15.7%	2.3%	7.8%
2013	2,463,144	1,344,273	26,204,800	552,076	10,325,009	1,315,674	5,014,798
	3.9%	2.1%	41.5%	0.9%	16.3%	2.1%	7.9%
2014	2,704,943	1,367,285	26,209,555	523,544	10,709,470	2,665,280	5,612,101
	4.2%	2.1%	40.5%	0.8%	16.5%	4.1%	8.7%
2015	2,780,256	1,350,886	27,446,721	439,443	11,177,578	2,855,239	5,511,201
	4.2%	2.0%	41.0%	0.7%	16.7%	4.3%	8.2%
2016	2,441,557	1,879,857	28,500,351	499,839	12,410,065	5,673,182	5,619,303
	3.4%	2.6%	39.3%	0.7%	17.1%	7.8%	7.7%
2017	3,205,654	1,941,718	40,383,383	453,790	15,977,707	3,615,236	6,640,241
	3.7%	2.2%	46.1%	0.5%	18.2%	4.1%	7.6%
2018	3,226,510	2,209,014	35,798,892	537,777	15,041,531	3,927,678	6,395,379
	3.8%	2.6%	42.2%	0.6%	17.7%	4.6%	7.6%
2019	1,921,888	2,038,601	18,949,610	333,061	8,264,835	2,987,518	5,556,435
	3.3%	3.5%	32.6%	0.6%	14.2%	5.1%	9.6%
2020	2,926,141	2,157,245	29,846,895	466,338	12,729,667	3,858,263	6,280,289
	3.8%	2.8%	38.6%	0.6%	16.5%	5.0%	8.1%
2021	2,514,812	2,376,927	30,942,132	480,947	12,223,647	4,676,005	6,202,568
	3.2%	3.0%	39.0%	0.6%	15.4%	5.9%	7.8%

Note: The District began allocating all depreciation to the applicable program areas in 2020, thereby eliminating unallocated depreciation.

Sites and Buildings	Fiscal and Other Fixed Cost Programs	Food Service	Community Service	Unallocated Depreciation	Interest and Fiscal Charges	Total
$ 6,635,565	$ 233,039	$ 1,985,798	$ 1,307,059	$ 3,216,881	$ 2,613,772	$ 63,127,764
10.5%	0.4%	3.1%	2.1%	5.1%	4.2%	100.0%
6,654,356	251,815	2,086,777	1,245,474	3,219,889	2,483,173	63,161,258
10.5%	0.4%	3.3%	2.0%	5.1%	4.0%	100.0%
5,136,435	279,042	2,372,816	1,335,512	3,296,138	2,577,800	64,789,921
7.9%	0.4%	3.7%	2.1%	5.1%	3.9%	100.0%
6,124,862	318,428	2,390,570	1,344,766	3,246,459	1,957,346	66,943,755
9.1%	0.5%	3.6%	2.0%	4.8%	2.9%	100.0%
5,901,471	268,482	2,675,729	1,519,388	3,234,815	1,903,059	72,527,098
8.1%	0.4%	3.7%	2.1%	4.5%	2.6%	100.0%
5,733,901	248,327	2,771,245	1,668,349	3,235,338	1,766,334	87,641,223
6.5%	0.3%	3.2%	1.9%	3.7%	2.0%	100.0%
7,243,559	233,841	2,645,759	1,703,165	3,253,593	2,578,471	84,795,169
8.6%	0.3%	3.1%	2.0%	3.8%	3.1%	100.0%
5,757,551	223,275	2,657,883	1,454,964	3,284,068	4,687,319	58,117,008
9.9%	0.4%	4.6%	2.5%	5.6%	8.1%	100.0%
8,695,645	271,303	2,887,952	1,938,043	–	5,283,250	77,341,031
11.2%	0.4%	3.7%	2.5%	–	6.8%	100.0%
10,568,828	324,599	2,330,987	2,017,178	–	4,777,164	79,435,794
13.3%	0.4%	2.9%	2.5%	–	6.0%	100.0%

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INDEPENDENT SCHOOL DISTRICT NO. 280

General Fund Revenue by Source
Last Ten Fiscal Years

Year Ended June 30,	Local Property Tax Levies	State Revenue	Federal Revenue	Other Local and Miscellaneous	Total
2012	$ 10,587,151	$ 37,026,885	$ 2,497,377	$ 1,819,060	$ 51,930,473
	20.4%	71.3%	4.8%	3.5%	100.0%
2013	11,353,435	38,123,440	2,391,684	2,088,697	53,957,256
	21.0%	70.7%	4.4%	3.9%	100.0%
2014	7,594,508	44,992,848	2,671,161	1,837,042	57,095,559
	13.3%	78.8%	4.7%	3.2%	100.0%
2015	12,429,665	42,796,472	2,268,868	1,667,896	59,162,901
	21.0%	72.3%	3.8%	2.9%	100.0%
2016	12,969,947	45,073,735	2,051,552	2,048,208	62,143,442
	20.9%	72.5%	3.3%	3.3%	100.0%
2017	13,422,904	45,677,476	2,083,704	1,592,465	62,776,549
	21.4%	72.8%	3.3%	2.5%	100.0%
2018	13,100,376	46,142,115	2,251,487	1,533,633	63,027,611
	20.8%	73.2%	3.6%	2.4%	100.0%
2019	16,524,052	46,183,093	2,098,367	1,528,684	66,334,196
	24.9%	69.6%	3.2%	2.3%	100.0%
2020	18,018,703	45,674,571	2,834,496	1,390,374	67,918,144
	26.5%	67.3%	4.2%	2.0%	100.0%
2021	17,711,182	45,171,242	4,835,776	985,192	68,703,392
	25.8%	65.8%	7.0%	1.4%	100.0%

Note: The impact of legislative changes to the “tax shift” on the amount of tax revenue recognized were particularly significant in fiscal year 2014. These changes were offset by equal adjustments to state aid payments.

INDEPENDENT SCHOOL DISTRICT NO. 280

General Fund Expenditures by Program
Last Ten Fiscal Years

Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction
2012	$ 2,353,857	$ 1,365,761	$ 25,066,366	$ 695,800	$ 9,548,848
	4.3%	2.5%	46.1%	1.3%	17.5%
2013	2,352,202	1,333,360	25,418,747	531,952	10,195,144
	4.3%	2.4%	46.3%	1.0%	18.6%
2014	2,485,240	1,322,189	25,989,323	506,708	10,657,828
	4.4%	2.4%	46.3%	0.9%	19.0%
2015	2,562,193	1,307,061	27,005,565	417,657	11,046,981
	4.4%	2.3%	46.6%	0.7%	19.1%
2016	2,531,424	1,868,531	27,838,034	484,356	12,232,161
	3.9%	2.9%	43.4%	0.8%	19.1%
2017	2,472,656	1,890,917	28,685,536	295,009	11,519,037
	4.0%	3.1%	46.5%	0.5%	18.7%
2018	2,690,786	2,282,534	26,702,012	439,099	11,823,370
	4.3%	3.7%	43.1%	0.7%	19.1%
2019	2,689,891	2,138,021	29,180,561	473,959	12,129,556
	4.2%	3.3%	45.2%	0.7%	18.8%
2020	2,773,580	2,214,339	28,172,567	446,106	12,252,919
	4.4%	3.5%	44.4%	0.7%	19.3%
2021	2,474,595	2,393,196	28,745,798	457,381	11,744,010
	3.8%	3.7%	44.0%	0.7%	18.0%

Instructional Support Services	Pupil Support Services	Sites and Buildings	Other	Total
$ 1,312,859	$ 4,880,377	$ 8,306,378	$ 894,205	$ 54,424,451
2.4%	9.0%	15.3%	1.6%	100.0%
1,255,126	5,096,974	7,905,507	847,840	54,936,852
2.3%	9.3%	14.4%	1.4%	100.0%
2,633,320	5,470,787	6,160,962	935,255	56,161,612
4.7%	9.7%	11.0%	1.6%	100.0%
2,816,864	5,537,272	6,402,196	886,727	57,982,516
4.9%	9.5%	11.0%	1.5%	100.0%
5,628,717	5,650,890	6,396,910	1,557,185	64,188,208
8.8%	8.8%	10.0%	2.3%	100.0%
2,935,556	6,107,461	6,221,688	1,555,329	61,683,189
4.8%	9.9%	10.1%	2.4%	100.0%
3,349,715	6,333,655	6,872,773	1,498,822	61,992,766
5.4%	10.2%	11.1%	2.4%	100.0%
3,756,365	6,313,381	6,458,926	1,456,153	64,596,813
5.8%	9.8%	10.0%	2.2%	100.0%
3,983,311	6,341,124	5,809,500	1,466,801	63,460,247
6.3%	10.0%	9.2%	2.2%	100.0%
4,551,070	6,489,250	7,765,869	673,056	65,294,225
7.0%	9.9%	11.9%	1.0%	100.0%

INDEPENDENT SCHOOL DISTRICT NO. 280

School Tax Levies and Tax Capacity Rates by Fund
Last Ten Fiscal Years

	Year Collectible	General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total All Funds
Levies					
	2012	$ 10,894,520	$ 443,325	$ 5,195,929	$ 16,533,774
	2013	11,681,439	448,603	5,517,081	17,647,123
	2014	12,413,561	440,121	5,510,138	18,363,820
	2015	12,781,122	423,798	4,848,050	18,052,970
	2016	13,591,717	433,925	5,125,866	19,151,508
	2017	13,295,212	454,869	5,191,980	18,942,061
	2018	16,506,195	465,023	9,556,851	26,528,069
	2019	18,046,456	465,989	9,321,120	27,833,565
	2020	17,525,262	473,804	9,806,268	27,805,334
	2021	16,986,279	462,275	9,246,302	26,694,856
Tax capacity rates					
	2012	12.690	1.274	14.930	28.894
	2013	13.710	1.301	16.000	31.011
	2014	16.834	1.280	16.024	34.138
	2015	14.207	1.001	11.451	26.659
	2016	15.664	1.023	12.084	28.771
	2017	14.988	0.972	11.094	27.054
	2018	16.168	0.969	19.913	37.050
	2019	15.586	0.845	16.900	33.331
	2020	14.846	0.821	16.991	32.658
	2021	14.494	0.763	15.260	30.517

Source: State of Minnesota School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 280

Tax Capacities
Last Ten Fiscal Years

For Taxes Collectible	Nonagricultural	Fiscal Disparities Contribution	Fiscal Disparities Distribution	Tax Increment	Total Tax Capacity
2012	$ 43,229,608	$ (6,938,495)	$ 6,030,051	$ (7,016,169)	$ 35,304,995
2013	41,734,658	(5,994,792)	5,395,576	(6,266,994)	34,868,448
2014	42,259,288	(6,684,990)	5,690,941	(6,640,874)	34,624,365
2015	46,463,214	(6,982,700)	5,553,498	(4,097,780)	40,936,232
2016	49,828,563	(7,775,655)	5,480,389	(4,809,613)	42,723,684
2017	53,877,113	(8,342,402)	6,063,378	(5,498,277)	46,099,812
2018	57,728,286	(8,277,082)	6,000,883	(5,852,405)	49,599,682
2019	62,741,676	(8,212,926)	6,544,357	(6,559,348)	54,513,759
2020	66,716,919	(9,279,808)	6,730,399	(6,770,124)	57,397,386
2021	71,067,212	(9,680,006)	7,086,490	(8,540,202)	59,933,494

Source: State of Minnesota School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 280

Property Tax Levies and Receivables
Last Ten Fiscal Years

For Taxes Collectible	Original Levy		
	Local Spread	Fiscal Disparities	Total Spread
2012	$ 13,908,410	$ 2,625,364	$ 16,533,774
2013	15,083,955	2,563,168	17,647,123
2014	15,451,538	2,912,282	18,363,820
2015	15,087,402	2,965,568	18,052,970
2016	16,814,889	2,336,619	19,151,508
2017	16,204,749	2,737,312	18,942,061
2018	24,099,392	2,428,677	26,528,069
2019	24,207,991	3,625,574	27,833,565
2020	24,410,184	3,395,150	27,805,334
2021	23,282,853	3,412,003	26,694,856

Note: Delinquent taxes receivable are written off after seven years.

Source: State of Minnesota School Tax Report

Uncollected Taxes Receivable as of June 30, 2021			
Delinquent		Current	
Amount	Percent	Amount	Percent
$ –	– %	$ –	– %
–	–	–	–
–	–	–	–
6,873	0.04	–	–
15,658	0.08	–	–
11,318	0.06	–	–
36,543	0.14	–	–
34,142	0.12	–	–
90,208	0.32	–	–
–	–	13,394,855	50.18
$ 194,742		$ 13,394,855	

INDEPENDENT SCHOOL DISTRICT NO. 280

Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served and Tuition Paid)					Total Pupil Units
	Handicapped and Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2012	82.28	403.87	1,978.34	1,844.21	4,308.70	4,893.13
2013	97.00	407.88	2,063.44	1,853.72	4,422.04	5,017.11
2014	78.03	373.05	2,094.56	1,838.06	4,383.70	4,991.76
2015	90.27	369.00	2,151.30	1,761.09	4,371.66	4,723.88
2016	84.62	329.47	2,136.43	1,813.32	4,363.84	4,726.49
2017	153.83	292.39	2,110.31	1,822.44	4,378.97	4,743.47
2018	186.40	300.31	2,006.61	1,866.58	4,359.90	4,733.18
2019	210.28	269.91	1,916.25	1,834.58	4,231.02	4,597.92
2020	225.10	242.19	1,827.48	1,900.34	4,195.11	4,575.16
2021	194.61	275.33	1,747.85	1,915.29	4,133.08	4,516.12

Note 1: Student enrollment for the most recent year is an estimate.

Note 2: ADM is weighted as follows in computing pupil units:

	Early Childhood and Kindergarten – Handicapped	Part-Time/ All-Day Kindergarten	Elementary 1–3	Elementary 4–6	Secondary
Fiscal 2012 through 2014	Various	0.612	1.115	1.060	1.300
Fiscal 2015 through 2021	1.000	0.550/1.000	1.000	1.000	1.200

SINGLE AUDIT AND OTHER REQUIRED REPORTS

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INDEPENDENT SCHOOL DISTRICT NO. 280

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

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures	
U.S. Department of Agriculture			
Passed through Minnesota Department of Education			
Child nutrition cluster			
COVID-19 – Summer Food Service Program for Children	10.559	$ 2,149,576	
Summer Food Service Program for Children	10.559	177,279	
Total ALN 10.559 and child nutrition cluster			$ 2,326,855
Child and Adult Care Food Program	10.558		1,458
Fresh Fruit and Vegetable Program	10.582		50,585
U.S. Department of Transportation			
Passed through Minnesota Department of Transportation			
Highway Planning and Construction	20.205		61,390
U.S. Department of the Treasury			
Passed through Minnesota Department of Education			
COVID-19 – Coronavirus Relief Fund	21.019		1,601,259
COVID-19 – Coronavirus State and Local Fiscal Recovery Fund	21.027		21,495
U.S. Department of Education			
Direct			
Indian Education Grants to Local Educational Agencies	84.060		10,985
Passed through Minnesota Department of Education			
Special education cluster			
Special Education Grants to States	84.027	801,300	
Special Education Preschool Grants	84.173	38,967	
Total special education cluster			840,267
Title I Grants to Local Educational Agencies	84.010		912,276
Career and Technical Education – Basic Grants to States	84.048		9,846
Special Education – Grants for Infants and Families	84.181		35,519
Education for Homeless Children and Youth	84.196		19,050
English Language Acquisition State Grants	84.365		79,839
Supporting Effective Instruction State Grants	84.367		128,244
Comprehensive Literacy Development	84.371		662,570
Education Stabilization Fund			
COVID-19 – Governor's Emergency Education Relief (GEER) Fund	84.425C	149,155	
COVID-19 – Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	571,224	
Total ALN 84.425			720,379
Total expenditures of federal awards			$ 7,482,017

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

Note 2: All pass-through entities listed above use the same Assistance Listing 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 had $173,053 of noncash assistance included in the Summer Food Service Program for Children, ALN 10.559.

Note 5: The District had $100,622 transferred into Title I ALN 84.010 from other Title programs.

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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. 280
Richfield, 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. 280 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as finding 2021-001, that we consider to be a significant deficiency.

(continued)

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COMPLIANCE AND OTHER MATTERS

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

DISTRICT'S RESPONSE TO FINDING

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
December 9, 2021

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

To the School Board and Management of
Independent School District No. 280
Richfield, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Independent School District No. 280's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

(continued)

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OPINION ON EACH MAJOR FEDERAL PROGRAM

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to 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 their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
December 9, 2021

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INDEPENDENT AUDITOR'S REPORT

ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Independent School District No. 280
Richfield, 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. 280 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2021.

MINNESOTA LEGAL COMPLIANCE

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

DISTRICT'S RESPONSE TO FINDING

The District's response to the legal compliance finding identified in our audit has been included in the Schedule of Findings and Questioned Costs. The District's response was not subject to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

(continued)

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PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
December 9, 2021

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

A. SUMMARY OF AUDIT RESULTS

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

Financial Statements

What type of auditor's report is issued?	X Unmodified ___ Qualified ___ Adverse ___ Disclaimer	
Internal control over financial reporting:		
Material weakness(es) identified?	___ Yes	X No
Significant deficiencies identified?	X Yes	___ 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 deficiencies 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		
Title I Grants to Local Educational Agencies		Unmodified
Special education cluster		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	Federal ALN
The U.S. Department of the Treasury	
COVID–19 Coronavirus Relief Fund	21.019
The U.S. Department of Education	
Title I Grants to Local Educational Agencies	84.010
The U.S. Department of Education – special education cluster consisting of:	
Special Education Grant to States	84.027
Special Education Preschool Grants	84.173

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

B. FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER FINANCIAL REPORTING

2021-001 TIMELINESS OF CASH RECONCILIATIONS

Criteria – Internal controls over financial reporting are intended to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. To be effective, control procedures such as periodic and year-end account and subledger reconciliations must be performed regularly, accurately, and in a timely manner.

Condition – During our audit, we noted that the monthly cash reconciliations prepared by Independent School District No. 280, Richfield, Minnesota's (the District) staff were not being performed in a timely manner throughout the fiscal year. The effectiveness of this critical internal control was diminished due to a lack of timeliness in completing the procedure.

Questioned Costs – Not applicable.

Context – Monthly bank reconciliations were not being completed in a timely manner for the months of November 2020 through May 2021.

Repeat Finding – This is a current year finding.

Cause – The District employee responsible for completing this reconciliation was not completing them in a timely manner, and then that position turned over during the year. The cash reconciliation process was not current until the District's year-end closing process.

Effect – This condition subjected the District to a higher risk that misstatements could occur due to errors or fraud, and not be prevented or detected in a timely manner.

Recommendation – We recommend that District management review its internal controls to ensure the timely and accurate completion of monthly cash reconciliations, even in the event of employee absence or turnover.

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. District management will continue to review its internal control procedures to ensure monthly cash reconciliations are accurately completed in a timely manner going forward. The District has separately issued a Corrective Action Plan related to this finding.

C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

D. MINNESOTA LEGAL COMPLIANCE FINDINGS

2021-002 PAYMENT OF INVOICES

Criteria – Minnesota Statutes § 471.425.

Condition – Minnesota Statutes require the District to pay each vendor obligation according to the terms of each contract or within 35 days after the receipt of the goods or services or the invoice for the goods or services, whichever is later. If such obligations are not paid within the appropriate time period, the District must pay interest on the unpaid obligations at the rate of 1.5 percent per month or part of a month. For 1 of 25 disbursements selected for testing, the District did not pay the obligation within the required time period, and did not pay interest on the unpaid obligation.

Questioned Costs – Not applicable.

Context – One of twenty-five disbursements tested were not in compliance.

Repeat Finding – This is a current year finding.

Cause – This was an oversight by the District's management.

Effect – The invoice was not paid within the 35-day period as required by Minnesota Statutes, nor was interest paid on the obligation.

Recommendation – We recommend that the District review procedures in place to ensure that all invoices are paid within statutory requirements.

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. District management will review payment schedules and processes to ensure invoices are paid within statutory timelines in the future. The District has issued a separate Corrective Action Plan related to this finding.

INDEPENDENT SCHOOL DISTRICT NO. 280

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

		Audit		UFARS		Audit – UFARS
General Fund						
Total revenue		$	68,703,392	$	68,703,392	$	–
Total expenditures		$	65,294,225	$	65,294,224	$	1
Nonspendable							
460	Nonspendable fund balance	$	458,242	$	458,242	$	–
Restricted							
401	Student activities	$	71,791	$	71,791	$	–
402	Scholarships	$	434,923	$	434,923	$	–
403	Staff development	$	–	$	–	$	–
407	Capital projects levy	$	626,301	$	626,301	$	–
408	Cooperative revenue	$	–	$	–	$	–
413	Projects funded by COP	$	–	$	–	$	–
414	Operating debt	$	–	$	–	$	–
416	Levy reduction	$	–	$	–	$	–
417	Taconite building maintenance	$	–	$	–	$	–
424	Operating capital	$	373,849	$	373,849	$	–
426	$25 taconite	$	–	$	–	$	–
427	Disabled accessibility	$	–	$	–	$	–
428	Learning and development	$	–	$	–	$	–
434	Area learning center	$	345,573	$	345,573	$	–
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	$	427,074	$	427,074	$	–
467	Long-term facilities maintenance	$	1,734,360	$	1,734,360	$	–
472	Medical Assistance	$	106,849	$	106,849	$	–
473	PPP loans	$	–	$	–	$	–
474	EIDL loans	$	–	$	–	$	–
464	Restricted fund balance	$	–	$	–	$	–
475	Title VII – Impact Aid	$	–	$	–	$	–
476	PILT	$	–	$	–	$	–
Committed							
418	Committed for separation	$	–	$	–	$	–
461	Committed fund balance	$	–	$	–	$	–
Assigned							
462	Assigned fund balance	$	3,834,622	$	3,834,622	$	–
Unassigned							
422	Unassigned fund balance	$	11,208,090	$	11,208,091	$	(1)
Food Service							
Total revenue		$	2,613,214	$	2,613,215	$	(1)
Total expenditures		$	2,329,660	$	2,329,661	$	(1)
Nonspendable							
460	Nonspendable fund balance	$	45,613	$	45,613	$	–
Restricted							
452	OPEB liability not in trust	$	–	$	–	$	–
474	EIDL loans	$	–	$	–	$	–
464	Restricted fund balance	$	475,449	$	475,449	$	–
Unassigned							
463	Unassigned fund balance	$	–	$	–	$	–
Community Service							
Total revenue		$	1,892,293	$	1,892,291	$	2
Total expenditures		$	2,026,135	$	2,026,134	$	1
Nonspendable							
460	Nonspendable fund balance	$	–	$	–	$	–
Restricted							
426	$25 taconite	$	–	$	–	$	–
431	Community education	$	(126,845)	$	(126,845)	$	–
432	ECFE	$	131,942	$	131,942	$	–
440	Teacher development and evaluation	$	–	$	–	$	–
444	School readiness	$	325,764	$	325,764	$	–
447	Adult basic education	$	–	$	–	$	–
452	OPEB liability not in trust	$	–	$	–	$	–
473	PPP loans	$	–	$	–	$	–
474	EIDL loans	$	–	$	–	$	–
464	Restricted fund balance	$	135,956	$	135,955	$	1
Unassigned							
463	Unassigned fund balance	$	–	$	–	$	–

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

		Audit	UFARS	Audit – UFARS
Building Construction				
Total revenue		$ 232,886	$ 232,885	$ 1
Total expenditures		$ 35,442,526	$ 35,442,525	$ 1
Nonspendable				
460	Nonspendable fund balance	$ –	$ –	$ –
Restricted				
407	Capital projects levy	$ –	$ –	$ –
413	Projects funded by COP	$ –	$ –	$ –
467	Long-term facilities maintenance	$ 4,185,050	$ 4,185,050	$ –
464	Restricted fund balance	$ 4,535,866	$ 4,535,866	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –
Debt Service				
Total revenue		$ 7,641,299	$ 7,641,299	$ –
Total expenditures		$ 7,246,937	$ 7,246,938	$ (1)
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	$ 1,703,612	$ 1,703,612	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –
Trust				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
401	Student activities	$ –	$ –	$ –
402	Scholarships	$ –	$ –	$ –
422	Net position	$ –	$ –	$ –
Custodial				
Total revenue		$ 9,151	$ 9,151	$ –
Total expenditures		$ 6,098	$ 6,098	$ –
401	Student activities	$ –	$ –	$ –
402	Scholarships	$ 24,006	$ 24,005	$ 1
448	Achievement and integration	$ –	$ –	$ –
464	Restricted fund balance	$ –	$ –	$ –
Internal Service				
Total revenue		$ 7,521,053	$ 7,521,053	$ –
Total expenditures		$ 7,805,471	$ 7,805,471	$ –
422	Net position	$ 5,683,183	$ 5,683,183	$ –
OPEB Revocable Trust Fund				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
422	Net position	$ –	$ –	$ –
OPEB Irrevocable Trust Fund				
Total revenue		$ 100,761	$ 100,761	$ –
Total expenditures		$ 697,086	$ 697,086	$ –
422	Net position	$ 8,289,865	$ 8,289,865	$ –
OPEB Debt Service Fund				
Total revenue		$ 2,129,109	$ 2,129,110	$ (1)
Total expenditures		$ 2,021,774	$ 2,021,775	$ (1)
Nonspendable				
460	Nonspendable fund balance	$ –	$ –	$ –
Restricted				
425	Bond refundings	$ –	$ –	$ –
464	Restricted fund balance	$ 313,204	$ 313,204	$ –
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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RESOLUTION DESIGNATING POLLING PLACES FOR 2022

WHEREAS, Minnesota Statute 204B.16, subd.1 requires Richfield Public Schools, by ordinance or resolution, to designate polling places for the upcoming year; and

WHEREAS, changes to the polling places locations may be made at least 90 days before the next election if one or more of the authorized polling places becomes unavailable for use; and

WHEREAS, changes to the polling place locations may be made in the case of an emergency when it is necessary to ensure a safe and secure location for voting; and

NOW, THEREFORE, BE IT RESOLVED, Richfield Public Schools hereby designates the following polling places for elections conducted in the city as well as residents in non-Richfield precincts in 2022;

Precinct No. 1 Fort Snelling P1 Ward 3	Mt. Calvary Education Building 6541 16th Avenue
Precinct No. 2 Ward 2	St. Peter's Catholic Church 6730 Nicollet Avenue
Precinct No. 3 Edina P14, Edina P16 Edina P17, Edina P18 Ward 1	Sheridan Hills Elementary School 6400 Sheridan Avenue
Precinct No. 4 Ward 1	St. Richard's Catholic Church 7540 Penn Avenue
Precinct No. 5 Ward 1	Richfield Middle School 7461 Oliver Avenue
Precinct No. 6 Ward 2	Central Education Center 7145 Harriet Avenue
Precinct No. 7 Ward 2	Hope Presbyterian Education Facility 7132 Portland Avenue
Precinct No. 8 Ward 3	Richfield Dual Language School (RDLS) 7001 Elliot Avenue
Precinct No. 9 Ward 3	Centennial Elementary School 7315 Bloomington Avenue

NOW, THEREFORE, BE IT RESOLVED by Richfield Public Schools that the nine locations listed above are the designated 2022 polling locations in Richfield.

Adopted by Richfield Public Schools this 20th day of December, 2021.

ATTEST:

Christine Maleck, Board Clerk

Timothy Pollis, Board Chair

NEW BUSINESS - FOR ACTION **Agenda Item VI.F.**

Board of Education
Independent School District 280
Richfield, Minnesota

Regular Meeting, December 20, 2021

Subject: Donations

(Recommended by the Superintendent)

That the Board of Education accept the following donations with gratitude.

Sheridan Hills Elementary School received a donation in the amount of $1,300.00 from UrbanWorks Architecture LLC located in Minneapolis.