

ANNUAL COMPREHENSIVE FINANCIAL REPORT



WHITE BEAR LAKE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 624
WHITE BEAR LAKE, MINNESOTA
FOR THE YEAR ENDED JUNE 30, 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021

INDEPENDENT SCHOOL DISTRICT NO. 624
WHITE BEAR LAKE, MINNESOTA

4855 Bloom Avenue
White Bear Lake, MN 55110

Prepared by:
Business Office

Assistant Superintendent for Finance and Operations
Tim Wald

Director of Finance
Andi Johnson, CPA

Accounting Coordinator
Seth Mader, CPA

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INDEPENDENT SCHOOL DISTRICT NO. 624

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INTRODUCTORY SECTION



White Bear Lake Area Public Schools Independent School District 624

FINANCE DEPARTMENT

4855 BLOOM AVE
WHITE BEAR LAKE, MN 55110
(651) 407-7518 FAX (651) 407-7521

December 15, 2021

To the Board of Education, Citizens, and Employees of Independent School District No. 624:

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 624, White Bear Lake, Minnesota (the District) for the fiscal year ended June 30, 2021, is submitted herewith. The audit report was completed on December 15, 2021, and the report was subsequently issued. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial status have been incorporated within this report.

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

The District is required to undergo an annual Single Audit as required by the U.S. Office of Management and Budget's Uniform Guidance. Information related to this Single Audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and independent auditor's reports on internal controls and compliance with applicable laws and regulations, are included in a separate report. Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

The Reporting Entity and Its Services

In January 1857, James F. Murray and other White Bear Lake settlers decided to establish their own school district. Upon approval from the county for this new district, Murray donated property along Bald Eagle Lake for a new school. At a cost of \$100, and with the help of community labor, the first schoolhouse in White Bear Lake was opened in 1857, a year before Minnesota became the 32nd state in the Union.

The District, which is located about 15 miles northeast of St. Paul, Minnesota, the state capital, was officially formed in its current structure through legislative action in 1957. The governing body consists of a seven-member Board of Education elected from within the District's boundaries. The District serves about 8,447 students in pre-kindergarten through Grade 12. Geographically, the District's boundaries include portions of Anoka, Ramsey, and Washington counties, and serves all or part of the following municipalities: Birchwood, Gem Lake, Hugo, Lino Lakes, Little Canada, North Oaks, Vadnais Heights, White Bear Lake, and White Bear Township.

The District provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through Grade 12. This includes regular and enriched academic education and special education for exceptional children. Nutrition services and transportation are provided as support programs. The District's community education program includes early childhood and extended day programs, along with a myriad of classes for lifelong learning experiences for children and adults.

During 2020–2021, the District operated 21 buildings. A list of school facilities as of June 30, 2021 is included in the statistical section of this report.

Based on legislative authority, the Board of Education:

- a. has the corporate power to sue and be sued in all courts;
- b. has the power to levy and collect taxes and to issue bonds;
- c. can contract for appointed administrators, teachers, and other personnel as well as for goods and services;
- d. holds title to all district property; and
- e. appoints the treasurer who serves as legal custodian of all of the District's funds.

The mission of the White Bear Lake Area School District, the community at the forefront of educational excellence, honoring our legacy and courageously building the future, is to ensure each student realizes their unique talents and abilities, and makes meaningful contributions with local and global impact through a vital system distinguished by:

- Students who design and create their own future
- A culture that respects diverse people and ideas
- Safe, nurturing and inspiring experiences
- Exceptional staff and families committed to student success
- Abundant and engaged community partners

The District has adopted the following equity commitment: to nurture the whole student, we disrupt systemic inequities by recognizing, honoring, and embracing all cultures with humility and respect. The District has adopted a 4-way equity decision making protocol:

1. How does this help to provide opportunities to students who have been marginalized within the system in the past?
2. How does this help to ensure equitable access for all?

3. How does this help to eliminate barriers based on race/ethnicity, gender, disability, age, or other protected groups?
4. How does this ensure that the same rigorous standards for academic performance exist for all students?

The District enjoys the atmosphere of a close-knit community and the learning opportunities of a major metropolitan center. The District is proud of its reputation for excellence in every part of a student's career and of its teacher training. In comparison with other school districts in the state, the District ranks high in its educational programs and scholastic abilities of its graduates. Because of the foresight of its early settlers, the District has one of the finest educational systems in the state.

Economic Conditions

The various communities that comprise the District participate in the deep and diverse Twin Cities metropolitan area economy and enjoy strong market value growth [Source: Standard & Poor's (S&P)]. The communities are all committed to careful planning and thoughtful community renewal, range from partially to nearly fully developed, and are diverse and independent. After declining for several years as a result of the Great Recession, the market value of property within the District has increased over the past several years, to an estimated current value of \$9.1 billion. The U.S. Census Bureau estimated that as of 2020, the District had approximately 65,782 residents.

Current Financial Conditions

The District will continue to closely monitor its General Fund reserve. As of June 30, 2021, the District's unassigned fund balance was \$10.2 million. Adequate fund balances are critical during difficult financial times. For example, in order to mitigate its cash flow problems in recent years, the state of Minnesota twice postponed aid payments to school districts. While the vast majority of Minnesota school districts resorted to borrowing funds to ensure an appropriate level of liquidity, the District's fund balance was sufficient so that it did not need to borrow funds to meet its financial obligations and avoided the costs associated with borrowing.

In December 2021, S&P's Rating Services assigned a rating of AA- in association with the issuance of its 2021B General Obligation Alternative Facilities Refunding Bonds. The District's credit rating reflects S&P's opinion that the District's economy should continue to support conditions going forward, supporting stable finances and a stable overall credit profile. While the COVID-19 pandemic has drastically changed the way that the District operates, the District is well-positioned to navigate the possible negative effect of COVID-19 on finances.

Financial Future of the District

District residents have supported the District as evidenced by recent elections that have resulted in increased resources for the District.

In November 2019, White Bear Lake Area Public Schools voters approved a \$326 million building bond request to address building needs across the district by a 57–43 percent margin. The bond funding will be used to address projected enrollment growth throughout the District; provide safe, secure and healthy learning environments for all students through investments in our aging facilities and infrastructure; increase opportunities for students by creating a single unified Grades 9–12 high school; and create flexibly-designed learning spaces to support student-centered instruction.

In November 2017, an operating levy renewal passed by an 80–20 percent margin. This operating levy will be in place through the 2027–2028 school year. In November 2013, a capital projects referendum passed by a 61–39 percent margin and will be in effect for 10 years. These successful elections have brought increased financial stability to the District and will allow for continued efforts to improve and expand program offerings, maintain class sizes, and to make necessary capital investments, such as in the areas of musical instruments, technology, science labs, and curricular materials.

Minnesota’s 2013–2021 legislative sessions brought welcome resources to school districts across the state. The long-term prospects for education funding at the state level remain a concern, as K–12 funding increases have typically been around 1.0–2.0 percent annually, which is outpaced by the rate of inflation.

The District has a Finance Committee that reviews pertinent finance-related topics and serves in an advisory capacity to the District’s administrative team. The committee is comprised of two Board of Education members, the Superintendent, the Director of Finance, the Accounting Coordinator, and the Assistant Superintendent for Finance and Operations, who serves as the District’s Chief Financial Officer.

Financial Reporting Awards

For the 21st consecutive year, the District has received both the Government Finance Officers Association of the United States and Canada and the Association of School Business Officials International awards for excellence in financial reporting. The Board of Education is proud to have received these awards, which provide evidence to the community, financial institutions, and the general public that the District is committed to sound financial reporting.

Internal Accounting

Minnesota Statutes § 123B.77, which became law in 1976, requires all school districts within the state to comply with the Uniform Financial Accounting and Reporting Standards.

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse; and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit – As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

Budgeting Controls – In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Projected financial plans are adopted for capital expenditures.

The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Each June, the Board of Education adopts an annual budget for the following fiscal year for all governmental funds, except the Capital Projects – Building Construction Fund. This fund relies on bond issue project budgets for budgetary controls. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end.

Budgetary control is maintained at line item levels and built up into program and/or cost centers before being combined to form totals by fund. All actual activity compared to budget is reported to the District's management on a regular basis. This report compares each line item account balance to the annual budget with accumulation to the cost center, fund, and total district levels. For example, the District maintains an encumbered accounting system as one technique in accomplishing budgetary control. Encumbered amounts lapse at year-end.

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

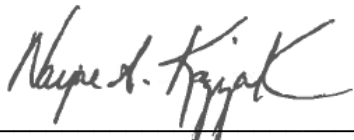
Independent Audit – Minnesota Statutes and the District's adopted policy require an annual audit of the books of accounts, financial records, and transactions of all funds of the District. The audit is done by independent certified public accountants selected by the District's Board of Education. This requirement has been complied with and the accountant's report has been included in this report.

Closing Statement – It is the goal of this ACFR to provide the District's management, outside investors, and interested local citizens with a meaningful financial presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2021.

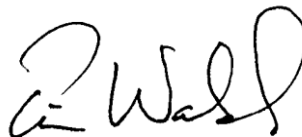
The preparation of this report on a timely basis could not be accomplished without the efforts of Seth Mader, our Accounting Coordinator; Andi Johnson, our Director of Finance; and the dedicated members of the Finance Office who assisted in the closing of the District's financial records and the preparation of this report.

We would like to extend our appreciation to the members of the District's Finance Committee and the Board of Education for their commitment of time and support in planning and conducting the financial matters of the District in a responsible and progressive manner.

Respectfully submitted,

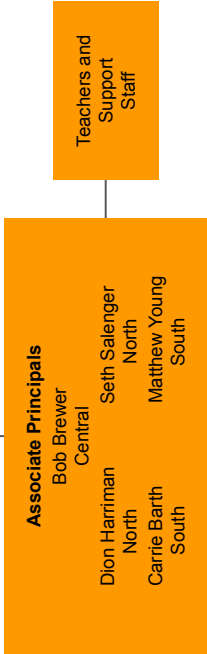


Wayne A. Kazmierczak, Ph.D.
Superintendent of Schools



Timothy Wald
Assistant Superintendent for Finance and Operations

Citizens of the White Bear Lake Area School District



INDEPENDENT SCHOOL DISTRICT NO. 624

Principal Officials
as of June 30, 2021

BOARD OF EDUCATION

	<u>Term Expires</u>	<u>Position</u>
Don Mullin	December 31, 2021	Chairperson
Kim Chapman	December 31, 2021	Vice Chairperson
Deb Beloyed	December 31, 2021	Treasurer
Jessica Ellison	December 31, 2021	Clerk
Scott Arcand	December 31, 2023	Member
Marge Newmaster	December 31, 2023	Member
Angela Thompson	December 31, 2023	Member

ADMINISTRATION OFFICIALS

Wayne Kazmierczak, Ph.D.	Superintendent of Schools
Tim Wald	Assistant Superintendent for Finance and Operations
Alison Gillespie, Ph.D.	Assistant Superintendent for Teaching and Learning
Marisa Vette	Director of Communications and Community Relations
Timothy Maurer	Director of Community Services and Recreation
Matthew Mons	Director of Human Resources and General Counsel
Lisa Ouren	Director of Student Support Services
Steve Asper	Director of Technology
Jennifer Babiash	Director of Curriculum and Instruction
Andi Johnson	Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**White Bear Lake Area Schools
Independent School District #624
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

**White Bear Lake Area Schools
Independent School District 624**

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

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



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

W. Edward Chabal
President

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

David J. Lewis
Executive Director

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FINANCIAL SECTION



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 Board of Education and Management of
Independent School District No. 624
White Bear Lake, 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 Independent School District No. 624 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

OPINIONS

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

OTHER MATTERS

Required Supplementary Information

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

Other Information

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

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

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

(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 22, 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 15, 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 15, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 624

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

This section of Independent School District No. 624's (the District) Annual Comprehensive Financial Report (ACFR) presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the other components of the District's ACFR. The MD&A is a narrative overview and analysis presented as required supplementary information.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources were less than its liabilities and deferred inflows of resources at June 30, 2021 by \$56,403,866 (net position deficit). The District's total net position increased by \$16,805,090 during the fiscal year ended June 30, 2021. Part of this increase relates to growth in the District's net other post-employment benefits (OPEB) plan assets and positive operating results in the internal service fund, General Fund, Debt Service Fund, and nonmajor funds. The change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in unrestricted net position in the current year. The District's net investment in capital assets increased \$10,224,348 in 2021. This change in net position relates to 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.
- The General Fund's total fund balance (under the governmental fund presentation) increased \$1,021,098 from the prior year, compared to an increase of \$160,086 planned in the budget. This was the result of higher than anticipated state aid revenue, offset by higher than expected expenditures, mainly for special education and sites and buildings.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Independent Auditor's Report;
- MD&A;
- 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, which includes 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 they have changed. Net position—the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are 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, transportation, administration, food service, and community education, are primarily financed with state aids and property taxes.

FUND FINANCIAL STATEMENTS

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

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District may establish other funds to control and manage money for particular purposes.

The District maintains the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1 Summary Statement of Net Position as of June 30, 2021 and 2020		
	2021	2020
Assets		
Current and other assets	\$ 340,339,404	\$ 361,326,749
Capital assets, net of depreciation	110,890,706	73,710,745
Total assets	<u>\$ 451,230,110</u>	<u>\$ 435,037,494</u>
Deferred outflows of resources		
Pension plan deferments	\$ 38,832,538	\$ 61,944,625
OPEB plan deferments	674,652	843,316
Total deferred outflows of resources	<u>\$ 39,507,190</u>	<u>\$ 62,787,941</u>
Liabilities		
Current and other liabilities	\$ 18,275,350	\$ 8,919,391
Long-term liabilities, including due within one year	407,412,379	415,782,614
Total liabilities	<u>\$ 425,687,729</u>	<u>\$ 424,702,005</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 55,108,851	\$ 53,959,030
Pension plan deferments	60,593,313	89,015,115
Deferred charges on refunding	242,845	168,277
OPEB plan deferments	5,508,428	3,189,964
Total deferred inflows of resources	<u>\$ 121,453,437</u>	<u>\$ 146,332,386</u>
Net position		
Net investment in capital assets	\$ 15,910,496	\$ 5,686,148
Restricted	6,712,941	7,836,207
Unrestricted	(79,027,303)	(86,731,311)
Total net position	<u>\$ (56,403,866)</u>	<u>\$ (73,208,956)</u>

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. The other major factor in determining net position as compared to fund balances is the liability for severance benefits, OPEB, and pensions. This impacts the unrestricted portion of net position.

The improvements in the operating results of the internal service fund, the payments on OPEB-related outstanding bonds, and the change in the District's share of the PERA and TRA pension plans contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position. The issuance of the 2020A General Obligation School Building Bonds, along with the resulting capital spending resulted in a large change in capital assets, net of depreciation and net investment in capital assets.

The rate at which the District is adding additional capital assets, the rate capital assets are being depreciated, and how this compares to the rate at which the District is repaying the debt issued to purchase or construct those assets is having a positive impact on net investment in capital assets. Restricted net position mainly declined in restricted for future capital asset acquisition.

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

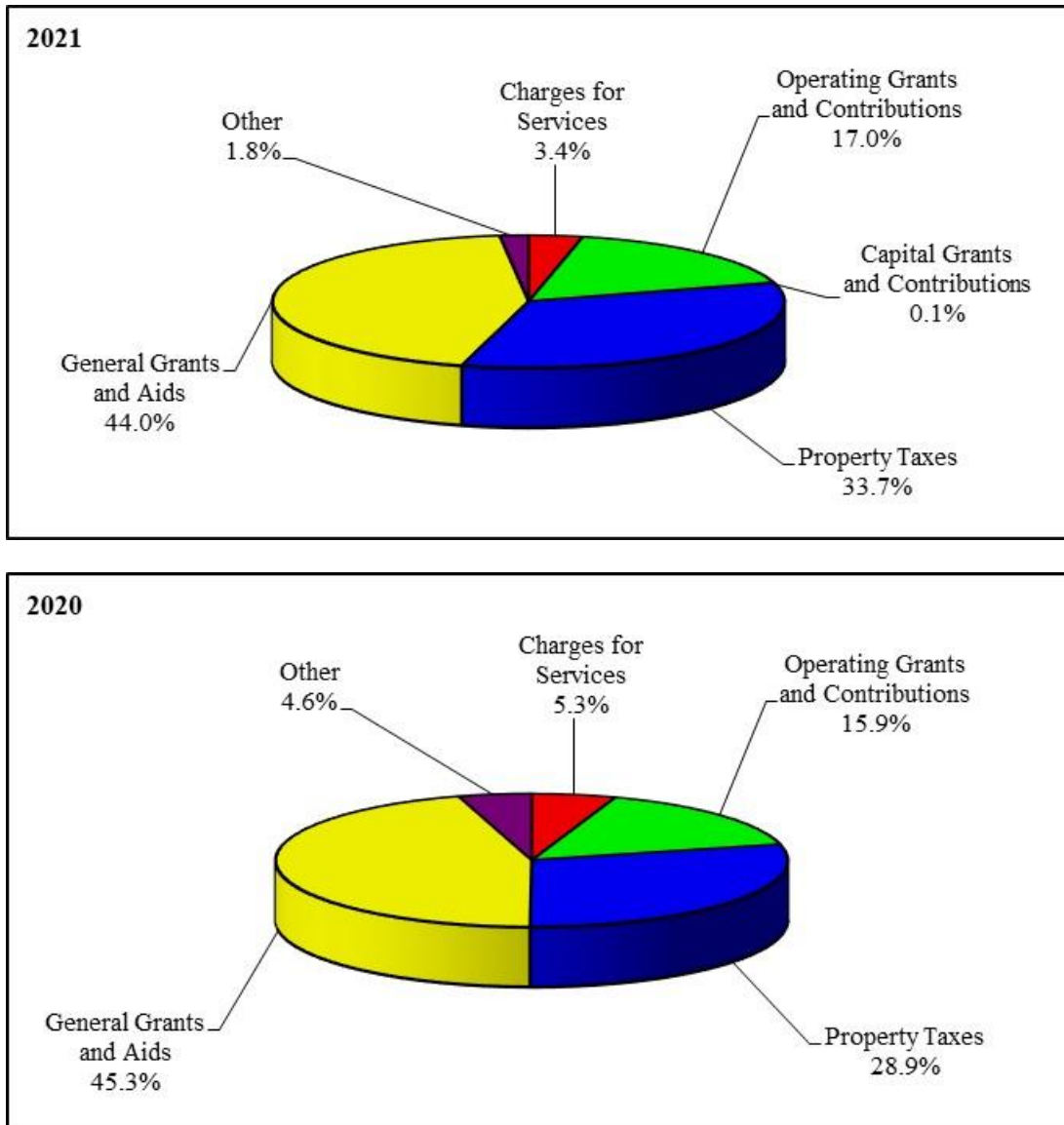
Table 2 Summary Statement of Activities for the Years Ended June 30, 2021 and 2020		
	2021	2020
Revenues		
Program revenues		
Charges for services	\$ 5,649,777	\$ 7,751,708
Operating grants and contributions	28,132,055	23,418,865
Capital grants and contributions	185,354	98,464
General revenues		
Property taxes	55,746,309	42,471,448
General grants and aids	72,606,053	66,568,401
Other	2,964,788	6,723,430
Total revenues	165,284,336	147,032,316
Expenses		
Administration	4,919,742	5,070,472
District support services	2,237,564	2,577,725
Elementary and secondary regular instruction	58,447,015	56,797,734
Vocational education instruction	1,178,880	1,685,647
Special education instruction	27,336,918	25,958,489
Instructional support services	9,300,831	10,911,975
Pupil support services	12,777,966	13,412,477
Sites and buildings	9,870,490	9,038,418
Fiscal and other fixed cost programs	489,542	326,531
Food service	4,536,347	4,220,848
Community service	6,480,611	7,108,410
Depreciation not allocated to other functions	2,676,851	2,562,513
Interest and fiscal charges	8,226,489	4,267,078
Total expenses	148,479,246	143,938,317
Change in net position	16,805,090	3,093,999
Net position – beginning of year	(73,208,956)	(76,302,955)
Net position – end of year	\$ (56,403,866)	\$ (73,208,956)

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

Revenues increased with the funding from federal stimulus-related grants for COVID-19 throughout the year. The increase in property taxes includes an increase to the debt service levy, mainly from the issuance of the 2020A bonds in fiscal 2020. Other general revenues decreased related to investment earnings from building bonds mentioned earlier. The decline in charges for services in the current year is the result of less programming related to the movement toward distance learning related to the COVID-19 pandemic. The increases in expenses reflects the change in the PERA and the TRA multiple-employer defined benefit pension plans mentioned earlier. Expenses also increased in elementary and secondary regular instruction related to contractual increases and stimulus grant related spending for salaries and benefits. Special education expenses increased in purchased services for tuition payments. Interest payments also increased related to the referendum related bond issued in the prior year.

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

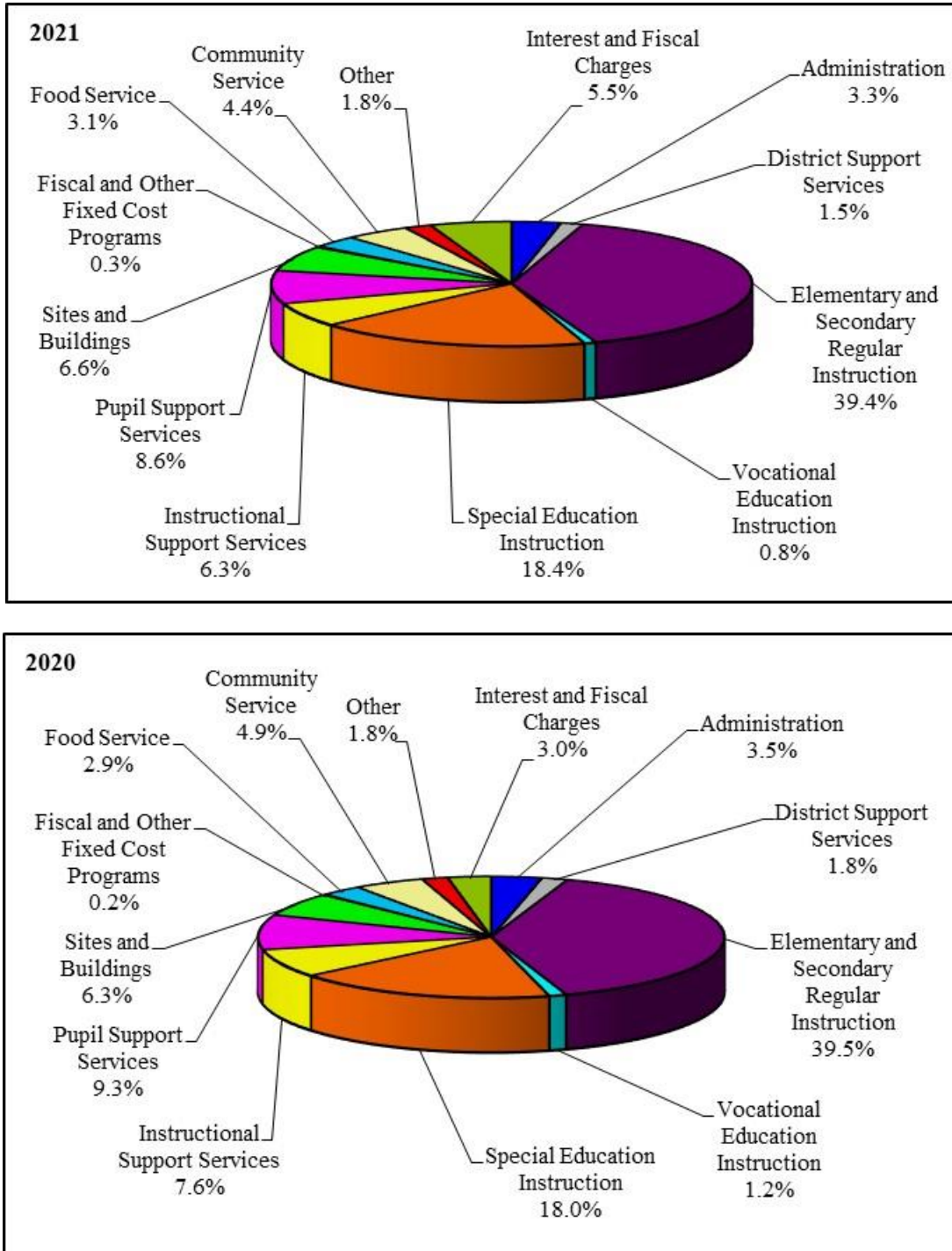
Figure A – Sources of Revenues for Fiscal Years 2021 and 2020



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

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

Figure B – Expenses for Fiscal Years 2021 and 2020



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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in its governmental and internal service 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	\$ 16,804,504	\$ 15,783,406	\$ 1,021,098
Capital Projects – Building Construction	224,512,987	261,314,543	(36,801,556)
Debt Service	3,712,552	2,929,739	782,813
Nonmajor funds			
Food Service Special Revenue	1,405,150	580,211	824,939
Community Service Special Revenue	795,176	703,417	91,759
Total governmental funds	<u>\$ 247,230,369</u>	<u>\$ 281,311,316</u>	<u>\$ (34,080,947)</u>

The significant decrease in fund balance in the Capital Projects – Building Construction Fund is related to spending of bond proceeds issued in the prior year.

Analysis of the General Fund

Table 4 summarizes the amendments to the General Fund budget:

Table 4 General Fund Budget				
	Original Budget	Final Budget	Change	Percent Change
Revenue and other financing sources	<u>\$ 124,008,055</u>	<u>\$ 123,115,564</u>	<u>\$ (892,491)</u>	<u>(0.7) %</u>
Expenditures and other financing uses	<u>\$ 123,679,505</u>	<u>\$ 122,955,478</u>	<u>\$ (724,027)</u>	<u>(0.6) %</u>

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to previously as the original budget. During the year, the District might amend that budget for known changes in circumstances, such as enrollment levels, legislative funding, and employee contract settlements.

Table 5 summarizes the operating results of the General Fund:

Table 5 General Fund Operating Results					
	2021 Actual	Over (Under) Final Budget		Over (Under) Prior Year	
		Amount	Percent	Amount	Percent
Revenues and other financing sources	\$ 125,285,517	\$ 2,169,953	1.8%	\$ 9,355,121	8.1%
Expenditures and other financing uses	<u>124,264,419</u>	\$ 1,308,941	1.1%	\$ 7,038,919	6.0%
Net change in fund balances	<u>\$ 1,021,098</u>				

State aids were above budgeted amounts by \$1,609,298, due to increased special education aid as a result of a shift in the method of payment of tuition invoices for resident special education students attending programming located in other public school districts. In previous years, tuition payments were subtracted from state special education aid; during the current year, the first \$1,000,000 of tuition expenses were shifted to federal special education.

Revenue increases included \$5,227,859 of federal aid related to stimulus related grants and aids, due to the COVID-19 pandemic. State aid increased \$2,153,844, mainly in special education aid for similar reasons previously discussed. Property tax revenue increased \$2,547,185 from a change in the reporting of flow-through levies in the current year.

Expenditures were over budgeted amounts by \$1,308,941, including \$2,996,833 over budget in purchased services in sites and buildings. Amounts were over budget, mainly related to increased expenditures for long-term facilities maintenance in the current year. They were also over budget for the change of reporting of flow-through levies as previously discussed. Special education purchased service costs exceeded projections for similar reasons as previously discussed. This was offset by supplies and materials and capital expenditures being under budget, mainly in elementary and secondary regular instruction totaling \$2,631,594, mainly related to the change to distance learning in the current year in response to the pandemic.

Expenditures increased \$7,038,919 from the prior year. Salary and benefits increased in regular instruction related to contractual increases and spending on the District's Distance Learning Academy. Special education purchased services increased as previously discussed. Lastly, spending for long-term facility maintenance was significantly higher than the prior year.

Analysis of Other Major Governmental Funds

The Capital Projects – Building Construction Fund accounts for the costs of capital projects related to long-term facilities maintenance bonds and voter-approved general obligation school building bonds. In 2019, White Bear Lake Area School District voters approved a \$326 million building bond request to address building needs across the District. The bond funding will be used to address projected enrollment growth throughout the District; provide safe, secure, and healthy learning environments for all students through investments in our aging facilities and infrastructure; increase opportunities for students by creating a single unified Grades 9–12 high school; and create flexibly-designed learning spaces to support student-centered instruction. In 2020, the District issued the 2020A General Obligation School Building Bonds for \$250,000,000 for the first phase of projects.

Total Debt Service Fund revenue reflects the full levy for repayment of bonds, less a mandated reduction in the levy to reduce fund balance. Expenditures reflect the debt repayment schedule. During the year, the District issued Certificates of Participation for \$6,485,000 refunding all outstanding capital leases. The District also issued refunding bonds of \$8,675,000 in an effort to lower overall interest payments in the future.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with revenues greater than expenditures, increasing fund balance by \$824,939, compared to a planned fund balance decrease of \$895,859. The revised revenue budget was created while district students were learning in a distance learning model and school meal participation was low; participation increased when students began to return to in-person learning in January 2021, resulting in revenues exceeding projections by \$1,494,509.

The Community Service Special Revenue Fund had a budgeted decrease of \$270,155, but ended the year with revenues exceeding expenditures by \$91,759. Revenues exceeded budgeted amounts by \$887,482 both in program tuition and fees and federal aid from stimulus-related grants and aids.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains two internal service funds. These funds are used to account for the District's self-insured health insurance and self-insured dental insurance. The net position balance for all internal service funds as of June 30, 2021, was a balance of \$4,352,081, which represents a \$1,098,735 increase from operations.

During fiscal 2021, the remaining assets of the severance benefits fund were utilized. As a result, the remaining severance obligations of the District will be financed by the governmental funds and reported in the related government-wide financial statements.

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	\$ 4,843,452	\$ 4,162,252	\$ 681,200
Land improvements	3,896,224	3,704,156	192,068
Buildings	127,561,274	121,105,489	6,455,785
Equipment	7,766,824	7,115,974	650,850
Pupil transportation vehicles	5,494,114	5,414,085	80,029
Construction in progress	37,614,073	5,427,422	32,186,651
Less accumulated depreciation	<u>(76,285,255)</u>	<u>(73,218,633)</u>	<u>(3,066,622)</u>
Total	<u>\$ 110,890,706</u>	<u>\$ 73,710,745</u>	<u>\$ 37,179,961</u>
Depreciation expense	<u>\$ 3,066,622</u>	<u>\$ 3,020,365</u>	<u>\$ 46,257</u>

By the end of 2021, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2021, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

Long-Term Liabilities

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

Table 7 Outstanding Long-Term Liabilities			
	2021	2020	Change
General obligation bonds payable	\$ 298,760,000	\$ 315,530,000	\$ (16,770,000)
Certificates of participation	6,150,000	–	6,150,000
Capital leases payable	–	7,822,497	(7,822,497)
Premiums (discounts) on bonds payable	14,340,352	14,538,405	(198,053)
Net pension liability	87,065,078	76,397,730	10,667,348
Severance benefits payable	<u>1,096,949</u>	<u>1,493,982</u>	<u>(397,033)</u>
Total	<u>\$ 407,412,379</u>	<u>\$ 415,782,614</u>	<u>\$ (8,370,235)</u>

The decrease in general obligation bonds payable is due to regularly scheduled payments during fiscal 2021. The increase in certificates of participation (COP) and reduction in capital leases payable is due to the issuance of COP's, which refunded the three outstanding lease obligations in an effort to lower overall interest costs. The differences in the net pension liabilities reflects the change in the District's proportionate share of these state-wide pension obligations.

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	\$9,058,861,658
Limit rate	<u>15.0%</u>
Legal debt limit	<u><u>\$ 1,358,829,249</u></u>

Additional details of the District's capital assets and long-term debt activity can be found in Notes 3 and 4 of 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 and \$135, or 2.45 and 2.00 percent, respectively, per pupil to the basic general education funding formula for fiscal year 2022 and 2023.

The COVID-19 pandemic has had and will continue to have a significant impact on budgets and expenditures at the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 624, 4855 Bloom Avenue, White Bear Lake, Minnesota 55110-2731.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 624

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	\$ 260,700,571	\$ 299,910,624
Receivables		
Current taxes	40,009,548	31,017,100
Delinquent taxes	440,567	443,296
Accounts and interest	2,022,779	2,483,649
Due from other governmental units	15,387,374	9,037,601
Due from Post-Employment Benefits Trust Fund	2,528,534	1,250,051
Inventory	198,607	261,435
Prepaid items	65,079	14,573
Net OPEB plan asset	18,924,345	16,908,420
Restricted assets – temporarily restricted		
Cash and investments held for capital projects	62,000	–
Capital assets		
Not depreciated	42,457,525	9,589,674
Depreciated, net of accumulated depreciation	68,433,181	64,121,071
Total capital assets, net of accumulated depreciation	<u>110,890,706</u>	<u>73,710,745</u>
Total assets	451,230,110	435,037,494
Deferred outflows of resources		
Pension plan deferments	38,832,538	61,944,625
OPEB plan deferments	674,652	843,316
Total deferred outflows of resources	<u>39,507,190</u>	<u>62,787,941</u>
Total assets and deferred outflows of resources	<u>\$ 490,737,300</u>	<u>\$ 497,825,435</u>
Liabilities		
Salaries payable	\$ 397,556	\$ 268,044
Accounts and contracts payable	11,679,713	2,752,161
Accrued interest payable	3,848,183	3,482,719
Due to other governmental units	194,046	271,461
Unearned revenue	1,363,676	1,188,618
Claims incurred, but not reported	792,176	956,388
Long-term liabilities		
Due within one year	15,011,407	17,408,066
Due in more than one year	392,400,972	398,374,548
Total long-term liabilities	<u>407,412,379</u>	<u>415,782,614</u>
Total liabilities	425,687,729	424,702,005
Deferred inflows of resources		
Property taxes levied for subsequent year	55,108,851	53,959,030
Pension plan deferments	60,593,313	89,015,115
Deferred charges on refunding	242,845	168,277
OPEB plan deferments	5,508,428	3,189,964
Total deferred inflows of resources	<u>121,453,437</u>	<u>146,332,386</u>
Net position		
Net investment in capital assets	15,910,496	5,686,148
Restricted for		
Capital asset acquisition	3,309,528	5,515,112
Community service	802,009	715,451
Food service	1,405,150	580,211
Other purposes	1,196,254	1,025,433
Unrestricted	<u>(79,027,303)</u>	<u>(86,731,311)</u>
Total net position	<u>(56,403,866)</u>	<u>(73,208,956)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 490,737,300</u>	<u>\$ 497,825,435</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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

		2021				2020	
					Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position	
		Program Revenues					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Governmental Activities	
Functions/Programs	Expenses						
Governmental activities							
Administration	\$ 4,919,742	\$ —	\$ —	\$ —	\$ (4,919,742)	\$ (5,010,996)	
District support services	2,237,564	—	—	—	(2,237,564)	(2,577,725)	
Elementary and secondary regular instruction	58,447,015	1,026,602	2,359,781	185,354	(54,875,278)	(52,138,160)	
Vocational education instruction	1,178,880	—	—	—	(1,178,880)	(1,685,647)	
Special education instruction	27,336,918	449,053	19,801,315	—	(7,086,550)	(9,093,013)	
Instructional support services	9,300,831	102,759	—	—	(9,198,072)	(10,905,423)	
Pupil support services	12,777,966	77,567	133,824	—	(12,566,575)	(13,013,342)	
Sites and buildings	9,870,490	181,282	5,000	—	(9,684,208)	(8,982,394)	
Fiscal and other fixed cost programs	489,542	—	—	—	(489,542)	(326,531)	
Food service	4,536,347	45,569	4,661,738	—	170,960	(245,994)	
Community service	6,480,611	3,766,945	1,170,397	—	(1,543,269)	(1,860,464)	
Depreciation not allocated to other functions	2,676,851	—	—	—	(2,676,851)	(2,562,513)	
Interest and fiscal charges	8,226,489	—	—	—	(8,226,489)	(4,267,078)	
Total governmental activities	<u>\$ 148,479,246</u>	<u>\$ 5,649,777</u>	<u>\$ 28,132,055</u>	<u>\$ 185,354</u>	(114,512,060)	(112,669,280)	
General revenues							
Taxes							
Property taxes, levied for general purposes					23,131,500	21,711,186	
Property taxes, levied for community service					1,087,949	1,122,545	
Property taxes, levied for capital projects					5,636,562	4,729,951	
Property taxes, levied for debt service					25,890,298	14,907,766	
General grants and aids					72,606,053	66,568,401	
Other general revenues					974,436	1,255,513	
Gain on sale of assets					—	4,600	
Investment earnings					1,990,352	5,463,317	
Total general revenues					<u>131,317,150</u>	<u>115,763,279</u>	
Change in net position					16,805,090	3,093,999	
Net position – beginning of year					<u>(73,208,956)</u>	<u>(76,302,955)</u>	
Net position – end of year					\$ (56,403,866)	\$ (73,208,956)	

INDEPENDENT SCHOOL DISTRICT NO. 624

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	\$ 11,205,708	\$ 229,849,496	\$ 10,824,021
Cash and investments held by trustee	–	62,000	–
Receivables			
Current taxes	22,416,172	–	16,798,526
Delinquent taxes	250,642	–	180,181
Accounts and interest	15,237	2,007,523	–
Due from other governmental units	14,770,225	–	21,469
Due from other funds	2,528,534	–	–
Inventory	–	–	–
Prepaid items	62,849	–	–
Total assets	<u>\$ 51,249,367</u>	<u>\$ 231,919,019</u>	<u>\$ 27,824,197</u>
Liabilities			
Salaries payable	\$ 311,675	\$ 960	\$ –
Accounts and contracts payable	3,778,479	7,405,072	–
Due to other governmental units	192,300	–	–
Unearned revenue	10,880	–	–
Total liabilities	<u>4,293,334</u>	<u>7,406,032</u>	<u>–</u>
Deferred inflows of resources			
Unavailable revenue – delinquent taxes	174,640	–	115,118
Property taxes levied for subsequent year	29,976,889	–	23,996,527
Total deferred inflows of resources	<u>30,151,529</u>	<u>–</u>	<u>24,111,645</u>
Fund balances			
Nonspendable	62,849	–	–
Restricted	4,505,782	224,512,987	3,712,552
Assigned	2,000,000	–	–
Unassigned	10,235,873	–	–
Total fund balances	<u>16,804,504</u>	<u>224,512,987</u>	<u>3,712,552</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,249,367</u>	<u>\$ 231,919,019</u>	<u>\$ 27,824,197</u>

Nonmajor Funds	Total Governmental Funds	
	2021	2020
\$ 2,359,552	\$ 254,238,777	\$ 294,237,840
—	62,000	—
794,850	40,009,548	31,017,100
9,744	440,567	443,296
19	2,022,779	2,483,649
595,680	15,387,374	9,037,601
—	2,528,534	1,250,051
198,607	198,607	261,435
2,230	65,079	14,573
<u>\$ 3,960,682</u>	<u>\$ 314,953,265</u>	<u>\$ 338,745,545</u>
\$ 84,921	\$ 397,556	\$ 268,044
248,009	11,431,560	2,293,882
1,746	194,046	271,461
283,412	294,292	183,847
<u>618,088</u>	<u>12,317,454</u>	<u>3,017,234</u>
6,833	296,591	457,965
1,135,435	55,108,851	53,959,030
<u>1,142,268</u>	<u>55,405,442</u>	<u>54,416,995</u>
200,837	263,686	276,008
2,038,557	234,769,878	271,807,020
—	2,000,000	2,000,000
(39,068)	10,196,805	7,228,288
<u>2,200,326</u>	<u>247,230,369</u>	<u>281,311,316</u>
<u>\$ 3,960,682</u>	<u>\$ 314,953,265</u>	<u>\$ 338,745,545</u>

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INDEPENDENT SCHOOL DISTRICT NO. 624

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	\$ 247,230,369	\$ 281,311,316
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	187,175,961	146,929,378
Accumulated depreciation	(76,285,255)	(73,218,633)
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 as other financing sources and uses.		
General obligation bonds payable	(298,760,000)	(315,530,000)
Certificates of participation payable	(6,150,000)	–
Capital leases payable	–	(7,822,497)
Premium (discount) on bonds payable	(14,340,352)	(14,538,405)
Net pension liability	(87,065,078)	(76,397,730)
Severance benefits payable	(1,096,949)	(1,493,982)
Net OPEB plan assets reported in the Statement of Net Position do not require the use of current financial resources and are not reported as assets in governmental funds until actually due.		
	18,924,345	16,908,420
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.		
	4,352,081	3,253,346
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.		
	(3,848,183)	(3,482,719)
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	38,832,538	61,944,625
Deferred inflows of resources – pension plan deferments	(60,593,313)	(89,015,115)
Deferred outflows of resources – OPEB plan deferments	674,652	843,316
Deferred inflows of resources – OPEB plan deferments	(5,508,428)	(3,189,964)
Deferred inflows of resources – deferred charges on refunding	(242,845)	(168,277)
Deferred inflows of resources – delinquent property taxes	296,591	457,965
Total net position – governmental activities	<u>\$ (56,403,866)</u>	<u>\$ (73,208,956)</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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	\$ 28,893,600	\$ –	\$ 25,920,933
Investment earnings	24,595	1,948,136	9,048
Other	2,811,276	423	–
State sources	85,036,779	–	212,609
Federal sources	8,519,267	–	–
Total revenue	125,285,517	1,948,559	26,142,590
Expenditures			
Current			
Administration	4,680,935	–	–
District support services	2,259,769	–	–
Elementary and secondary regular instruction	55,688,571	–	–
Vocational education instruction	1,101,205	–	–
Special education instruction	25,963,933	–	–
Instructional support services	7,883,565	–	–
Pupil support services	12,694,704	–	–
Sites and buildings	12,434,965	–	–
Fiscal and other fixed cost programs	489,542	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	38,750,115	–
Debt service			
Principal	717,911	–	16,445,000
Interest and fiscal charges	349,319	–	9,105,130
Total expenditures	124,264,419	38,750,115	25,550,130
Excess (deficiency) of revenue over expenditures	1,021,098	(36,801,556)	592,460
Other financing sources (uses)			
Refunding debt issued	–	–	15,160,000
Premium on issuance of debt	–	–	1,469,939
Proceeds from sale of assets	–	–	–
Refunding debt payment	–	–	(16,439,586)
Total other financing sources (uses)	–	–	190,353
Net change in fund balances	1,021,098	(36,801,556)	782,813
Fund balances			
Beginning of year	15,783,406	261,314,543	2,929,739
End of year	\$ 16,804,504	\$ 224,512,987	\$ 3,712,552

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2021	2020
\$ 1,093,150	\$ 55,907,683	\$ 42,318,235
862	1,982,641	5,387,019
3,812,514	6,624,213	9,007,221
1,217,034	86,466,422	84,285,721
5,765,279	14,284,546	5,353,084
11,888,839	165,265,505	146,351,280
—	4,680,935	4,754,277
—	2,259,769	2,482,463
—	55,688,571	52,869,123
—	1,101,205	1,571,515
—	25,963,933	24,453,211
—	7,883,565	8,398,544
—	12,694,704	12,929,240
—	12,434,965	8,369,840
—	489,542	326,531
4,113,935	4,113,935	3,991,746
6,394,672	6,394,672	6,888,649
463,534	39,213,649	19,649,016
—	17,162,911	12,775,262
—	9,454,449	3,108,548
10,972,141	199,536,805	162,567,965
916,698	(34,271,300)	(16,216,685)
—	15,160,000	250,000,000
—	1,469,939	13,257,479
—	—	4,600
—	(16,439,586)	—
—	190,353	263,262,079
916,698	(34,080,947)	247,045,394
1,283,628	281,311,316	34,265,922
\$ 2,200,326	\$ 247,230,369	\$ 281,311,316

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INDEPENDENT SCHOOL DISTRICT NO. 624

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	\$ (34,080,947)	\$ 247,045,394
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	40,246,583	16,859,718
Depreciation expense	(3,066,622)	(3,020,365)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	1,098,735	821,564
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not resources in the Statement of Activities, but rather constitutes long-term liabilities.		
General obligation bonds payable	(8,675,000)	(250,000,000)
Certificates of participation payable	(6,485,000)	–
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	25,445,000	12,030,000
Certificates of participation payable	335,000	–
Capital leases payable	7,822,497	745,262
Net OPEB plan assets reported in the Statement of Activities do not require the use of current financial resources and are not reported until actually due.	2,015,925	1,763,847
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.	(365,464)	(1,906,317)
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	198,053	(12,551,761)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	(10,667,348)	(1,868,407)
Severance benefits payable	397,033	578,860
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	(23,112,087)	(28,089,625)
Deferred inflows of resources – pension plan deferments	28,421,802	21,920,590
Deferred outflows of resources – OPEB plan deferments	(168,664)	(168,664)
Deferred inflows of resources – OPEB plan deferments	(2,318,464)	(1,261,379)
Deferred inflows of resources – deferred charges on refunding	(74,568)	42,069
Deferred inflows of resources – delinquent property taxes	(161,374)	153,213
Change in net position – governmental activities	<u>\$ 16,805,090</u>	<u>\$ 3,093,999</u>

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INDEPENDENT SCHOOL DISTRICT NO. 624

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue				
Local sources				
Property taxes	\$ 28,738,956	\$ 28,939,823	\$ 28,893,600	\$ (46,223)
Investment earnings	192,500	10,000	24,595	14,595
Other	3,400,000	2,420,831	2,811,276	390,445
State sources	88,672,876	83,427,481	85,036,779	1,609,298
Federal sources	<u>3,003,723</u>	<u>8,317,429</u>	<u>8,519,267</u>	<u>201,838</u>
Total revenue	124,008,055	123,115,564	125,285,517	2,169,953
Expenditures				
Current				
Administration	4,921,460	4,894,337	4,680,935	(213,402)
District support services	2,344,321	2,626,613	2,259,769	(366,844)
Elementary and secondary regular instruction	57,220,053	56,913,403	55,688,571	(1,224,832)
Vocational education instruction	1,601,029	1,453,089	1,101,205	(351,884)
Special education instruction	25,252,659	24,584,184	25,963,933	1,379,749
Instructional support services	8,748,593	7,790,041	7,883,565	93,524
Pupil support services	13,210,619	13,249,320	12,694,704	(554,616)
Sites and buildings	8,994,971	9,887,720	12,434,965	2,547,245
Fiscal and other fixed cost programs	314,750	489,541	489,542	1
Debt service				
Principal	745,270	915,382	717,911	(197,471)
Interest and fiscal charges	<u>325,780</u>	<u>151,848</u>	<u>349,319</u>	<u>197,471</u>
Total expenditures	<u>123,679,505</u>	<u>122,955,478</u>	<u>124,264,419</u>	<u>1,308,941</u>
Net change in fund balances	<u>\$ 328,550</u>	<u>\$ 160,086</u>	1,021,098	<u>\$ 861,012</u>
Fund balances				
Beginning of year			<u>15,783,406</u>	
End of year			<u>\$ 16,804,504</u>	

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and temporary investments	\$ 6,461,794	\$ 5,672,784
Liabilities		
Current liabilities		
Accounts and contracts payable	248,153	458,279
Claims incurred, but not reported	792,176	956,388
Unearned revenue	<u>1,069,384</u>	<u>1,004,771</u>
Total liabilities	<u>2,109,713</u>	<u>2,419,438</u>
Net position		
Unrestricted	<u>\$ 4,352,081</u>	<u>\$ 3,253,346</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	<u>2021</u>	<u>2020</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 16,178,327	\$ 16,328,497
Operating expenses		
Severance benefits	168,821	1,036,088
Health benefit claims	12,999,742	12,776,302
Dental benefit claims	1,114,587	943,053
Administrative costs	804,153	827,788
Total operating expenses	<u>15,087,303</u>	<u>15,583,231</u>
Operating income	1,091,024	745,266
Nonoperating revenue		
Investment earnings	<u>7,711</u>	<u>76,298</u>
Change in net position	1,098,735	821,564
Net position		
Beginning of year	<u>3,253,346</u>	<u>2,431,782</u>
End of year	<u><u>\$ 4,352,081</u></u>	<u><u>\$ 3,253,346</u></u>

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INDEPENDENT SCHOOL DISTRICT NO. 624

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

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Received from assessments made to other funds	\$ 16,242,940	\$ 16,138,134
Severance and self-insurance claims and payments	<u>(15,461,641)</u>	<u>(15,608,081)</u>
Net cash flows from operating activities	781,299	530,053
Cash flows from investing activities		
Investment income received	<u>7,711</u>	<u>76,298</u>
Net change in cash and cash equivalents	789,010	606,351
Cash and cash equivalents		
Beginning of year	<u>5,672,784</u>	<u>5,066,433</u>
End of year	<u><u>\$ 6,461,794</u></u>	<u><u>\$ 5,672,784</u></u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 1,091,024	\$ 745,266
Adjustments to reconcile operating income to cash flows from operating activities		
Changes in assets and liabilities		
Accounts and interest receivable	—	143,928
Accounts and contracts payable	(210,126)	(49,751)
Claims incurred, but not reported	(164,212)	24,901
Unearned revenue	<u>64,613</u>	<u>(334,291)</u>
Net cash flows from operating activities	<u><u>\$ 781,299</u></u>	<u><u>\$ 530,053</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 624

Statement of Fiduciary Net Position
as of June 30, 2021

	Post-Employment Benefits Trust Fund	Custodial Fund
Assets		
Deposits	\$ —	\$ 232,500
Investments held by trustee		
Money market mutual fund	71,787	—
Domestic equity mutual fund	8,045,458	—
Convertible securities mutual fund	3,228,849	—
International mutual fund	4,154,354	—
Fixed income mutual fund	23,377,943	—
Receivables		
Accounts and interest	—	1,000
Total assets	38,878,391	233,500
Liabilities		
Accounts and contracts payable	—	58,804
Due to other governmental units	—	20,850
Due to governmental funds	2,528,534	—
Total liabilities	2,528,534	79,654
Net position		
Restricted for scholarships	—	11,221
Restricted for other purposes	—	142,625
Restricted for OPEB	36,349,857	—
Total net position	\$ 36,349,857	\$ 153,846

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

	Post-Employment Benefits Trust Fund	Custodial Fund
Additions		
Contributions		
Private donations	\$ —	\$ 63,960
Investment earnings	4,979,378	125
Total additions	4,979,378	64,085
Deductions		
Benefits	2,528,532	—
Other private-purpose expenses	—	130,401
Total deductions	2,528,532	130,401
Change in net position	2,450,846	(66,316)
Net position		
Beginning of year	33,899,011	220,162
End of year	\$ 36,349,857	\$ 153,846

INDEPENDENT SCHOOL DISTRICT NO. 624

Notes to Basic Financial Statements June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 624 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. It is governed by a seven-member Board of Education elected by the voters of the District to four-year terms. The accounting policies of the District conform to accounting principles generally accepted in the United States of America. 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 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)

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. For capital assets that can be specifically identified with, or allocated to functional areas, depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. For capital assets that essentially serve all functional areas, depreciation expense is reported as “depreciation expense not allocated to other functions.” 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. The proprietary fund (Internal Service Fund) is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District’s governmental activities, the financial statement of the proprietary fund (Internal Service Fund) is consolidated into the governmental activities in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity. Fiduciary funds are presented in the fiduciary fund financial statements by type: pension (or other benefit) trust and custodial. 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.

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered to be available if collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Federal revenue is recorded in the year in which the related expenditure is made. State revenue is recognized in the year to which it applies according to Minnesota Statutes (which include state aid funding formulas for specific years) and accounting principles generally accepted in the United States of America. Other revenue is considered available if collected within 60 days. 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, severance benefits, and net pension liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds

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

Major Governmental Funds

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

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.

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

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is used primarily to record financial activities of 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 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. The District's internal service funds include financing for health and dental insurance benefits offered by the District to its employees as a self-insured plan.

Fiduciary Funds

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

Custodial Fund – The Custodial Fund is used as a flow through mechanism in which the District receives funds and distributes these funds to other organizations, with no financial benefit to the District.

E. Budgetary Information

The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Each June, the Board of Education adopts an annual budget for the following fiscal year for all governmental funds except the Capital Projects – Building Construction Fund. This fund relies on bond issue project budgets for budgetary controls. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end.

Expenditures exceeded budgeted amounts in the General Fund, Community Service Special Revenue Fund, and the Debt Service Fund by \$1,308,941, \$525,568, and \$1,809,364, respectively.

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.

Cash and investments include balances held in segregated accounts that are established for specific purposes. In the Capital Projects – Building Construction Fund cash and investments are held by trustee for future capital projects. In the Post-Employment Benefits Trust Fund, this represents assets deposited by the District in an irrevocable trust account, the use of which is restricted to paying other post-employment benefits (OPEB) as specified in the trust agreement. Interest earned on these investments was allocated directly to those accounts.

Investments are generally stated at fair value, except for investments in guaranteed investment contracts and 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 be reported at amortized cost. Investment income is accrued at the balance sheet date.

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

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; 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 delinquent property taxes receivable.

Due from governmental units at June 30, 2021 consist of the following:

MDE	\$ 14,587,724
Minnesota school districts	225,551
Other governmental units	<u>574,099</u>
Total	<u>\$ 15,387,374</u>

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. 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 in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recoded as expenditures/expenses at the time of consumption.

J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the “tax shift,” which periodically changes the District’s recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year’s levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the tax shift, as mandated by legislation, recognizes \$1,856,789 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 deferred inflow of resources (property taxes levied for subsequent year).

Property tax levies are certified by 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 current operations of the District. No allowance for uncollectible taxes is considered necessary.

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. The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 and pupil transportation vehicles. 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. Long-Term Obligations

In the government-wide and proprietary fund 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, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

M. Deferred Outflows/Inflows of Resources

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

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

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

The District also reports deferred inflows 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

1. **Vacation Pay** – Since teachers are not eligible for vacation pay and amounts accrued to other employees are insignificant, no liability for vacation pay is recorded in the financial statements.
2. **Sick Pay** – Substantially all district employees are entitled to sick leave at various rates. Unused sick leave enters into the calculation of severance and health benefit payments for some employees upon termination.

O. Severance Benefits

Severance benefits consist of lump sum early retirement incentive payments, including provisions for salary-related payments and convertible sick leave. The District maintains various early retirement incentive payment plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. No employee can receive early retirement incentive payments exceeding one year's salary. In addition, certain bargaining unit members are eligible to be compensated for unused accumulated sick leave upon termination subject to certain conditions. These benefits are paid to a tax-sheltered annuity plan on behalf of the employee. These benefits are offset in certain instances by the amount of matching contributions made by the District to retirement plans of the employee during the years of employment of each individual.

Severance benefits are recorded as a liability in the government-wide financial statements as it is earned and when it becomes probable that it will vest at some point in the future. Severance benefits are accrued in the appropriate governmental fund (General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund) only when it becomes due and payable.

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.

Q. Other Post-Employment Benefits (OPEB) Plan

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Risk Management and Self-Insurance

- 1. General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was several changes in insurance coverages in the current fiscal year to better reflect the size and appropriate risks of loss of the District at the current time.
- 2. Self-Insurance** – The District has established two internal service funds to account for and finance its self-insured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plans.

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

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

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

	Balance – Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance – End of Year
2020	\$ 37,817	\$ 982,066	\$ 979,869	\$ 40,014
2021	\$ 40,014	\$ 1,163,088	\$ 1,171,242	\$ 31,860

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

	Balance – Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance – End of Year
2020	\$ 893,670	\$ 13,614,828	\$ 13,592,124	\$ 916,374
2021	\$ 916,374	\$ 13,755,394	\$ 13,911,452	\$ 760,316

S. Restricted Assets

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Net Position

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

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

U. 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 Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education 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 Board of Education resolution, the District’s superintendent and assistant superintendent for finance and operations are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

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)

V. 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.

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.

X. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2021 consist of the following:

Capital assets, net of depreciation	\$ 110,890,706
Bonds used for capital asset purposes	(298,760,000)
Certificates of participation	(6,150,000)
Premiums (discounts) on bonds (capital related)	(14,340,352)
Deferred charges on refundings	(242,845)
Unused bond proceeds	<u>224,512,987</u>
Total	<u><u>\$ 15,910,496</u></u>

Y. Reclassification

During the year ended June 30, 2021, the District utilized the remaining assets of the District's Severance Benefits Internal Service Fund and, as a result, this fund was closed. As a result of this fund closure, the remaining severance benefits payable will be paid by the District's governmental funds and as such are now being reclassified and reported on the District's government-wide financial statements. As a result of this reclassification, the District's government-wide and internal service fund financial statements are being reported as described above in the current year. Also, prior year comparative information is also being restated at all levels to make affected accounts and amounts comparable. This change resulted in the beginning net position of the Severance Benefits Internal Service Fund to be adjusted from a deficit net position of (\$1,329,963) to a net position of \$164,019, due to \$1,493,982 of severance benefits payable being shifted during the year to the government-wide financial statements as part of this reclassification.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$ 9,473,730
Investments	290,393,182
Cash on hand	<u>6,550</u>
Total	<u><u>\$ 299,873,462</u></u>

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

Statement of Net Position	
Cash and temporary investments	\$ 260,700,571
Cash and investments held for capital projects	62,000
Statement of Fiduciary Net Position	
Cash and temporary investments – Custodial Fund	232,500
Investments held by trustee – Post-Employment Benefits Trust Fund	
Money market mutual fund	71,787
Domestic equity mutual fund	11,274,307
International mutual fund	4,154,354
Fixed income mutual fund	<u>23,377,943</u>
Total	<u><u>\$ 299,873,462</u></u>

B. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the Board of Education, 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 investment policy does not further limit depository choices.

At year-end, the carrying amount of the District’s deposits was \$9,473,730, while the balance on the bank records was \$9,417,730. 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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District had the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk – Maturity Duration in Years			Total
	Rating	Agency		No Maturity	Less Than 1	1 to 5	
U.S. agency securities	AAA	S&P	Level 2	\$ –	\$ –	\$ 6,074,254	\$ 6,074,254
U.S. agency securities	AA	S&P	Level 2	\$ –	\$ 1,434,575	\$ 1,034,780	2,469,355
State and local bonds	AAA	S&P	Level 2	\$ –	\$ 17,782,585	\$ 9,717,420	27,500,005
State and local bonds	Aaa	Moody's	Level 2	\$ –	\$ 141,674	\$ 8,690,079	8,831,753
State and local bonds	AAA	Fitch	Level 2	\$ –	\$ –	\$ 119,499	119,499
State and local bonds	AA	S&P	Level 2	\$ –	\$ 26,530,429	\$ 26,108,712	52,639,141
State and local bonds	Aa	Moody's	Level 2	\$ –	\$ 8,287,719	\$ 38,692,871	46,980,590
State and local bonds	AA	Fitch	Level 2	\$ –	\$ 1,028,139	\$ 4,536,568	5,564,707
State and local bonds	A	S&P	Level 2	\$ –	\$ –	\$ 14,136,024	14,136,024
State and local bonds	A	Moody's	Level 2	\$ –	\$ 570,706	\$ 14,128,684	14,699,390
State and local bonds	A	Fitch	Level 2	\$ –	\$ –	\$ 4,622,794	4,622,794
State and local bonds	Baa	Moody's	Level 2	\$ –	\$ –	\$ 273,958	273,958
Negotiable certificates of deposit	N/R	N/A	Level 2	\$ –	\$ 3,770,291	\$ 2,592,140	6,362,431
Commercial paper	P-1	Moody's	Level 2	\$ –	\$ 27,996,195	\$ –	27,996,195
Investment pools/mutual funds							
Money market mutual funds	AAA	S&P	Level 1	\$ 71,787	\$ –	\$ –	71,787
Money market mutual funds	N/R	N/A	Level 2	\$ 1,340,107	\$ –	\$ –	1,340,107
Domestic equity mutual fund	N/R	N/A	Level 1	\$ 8,045,458	\$ –	\$ –	8,045,458
International mutual fund	N/R	N/A	Level 1	\$ 4,154,354	\$ –	\$ –	4,154,354
Fixed income mutual fund	N/R	N/A	Level 1	\$ 23,377,942	\$ –	\$ –	23,377,942
Convertible securities mutual fund	N/R	N/A	Level 1	\$ 3,228,849	\$ –	\$ –	3,228,849
Investment pools/mutual funds	AAA	S&P	Level 1	\$ 7,464,000	\$ –	\$ –	7,464,000
MSDLAF Liquid Class	AAA	S&P	A/C	\$ 17,742,123	\$ –	\$ –	17,742,123
MSDLAF MAX Class	AAA	S&P	A/C	\$ 6,698,466	\$ –	\$ –	6,698,466
Total investments							<u>\$290,393,182</u>

A/C – Amortized Cost

N/R – Not Rated

N/A – Not Applicable

The Minnesota School District Liquid Asset Fund (MSDLAF) is regulated by Minnesota Statutes and is an external investment pool not registered with the Securities and Exchange Commission. The District's investments in the MSDLAF are measured at the net asset value per share provided by the pool, which is based on amortized cost methods that approximate fair value.

For this investment pool, there is no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the MSDLAF Liquid Class; redemption notice period is 14 days for the MSDLAF MAX Class with the exception of direct investments of funds distributed by the state of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty, and there is a 24-hour hold on all requests for redemptions.

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. The District's investment policy does 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.

Post-Employment Benefits Trust Fund – This fund represents investments administered by the District's OPEB Trust Fund investment managers. The District's investment policy, discussed previously, extends to the OPEB Trust Fund investments.

Minnesota Statutes authorize the OPEB Trust Fund to invest in obligations of the U.S. treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the state of Minnesota or its municipalities, bankers' acceptances, future contracts, corporate bonds, common stock and foreign stock of the highest quality, mutual funds, repurchase and reverse agreements, and commercial paper if issued by a United States corporation or its Canadian subsidiary and if rated in the highest two quality categories by a nationally recognized rating agency; and in the State Board of Investments. Investments are stated at fair value.

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

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

NOTE 3 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 4,162,252	\$ 681,200	\$ –	\$ –	\$ 4,843,452
Construction in progress	5,427,422	37,090,713	–	(4,904,062)	37,614,073
Total capital assets, not depreciated	9,589,674	37,771,913	–	(4,904,062)	42,457,525
Capital assets, depreciated					
Land improvements	3,704,156	–	–	192,068	3,896,224
Buildings	121,105,489	1,743,791	–	4,711,994	127,561,274
Equipment	7,115,974	650,850	–	–	7,766,824
Pupil transportation vehicles	5,414,085	80,029	–	–	5,494,114
Total capital assets, depreciated	137,339,704	2,474,670	–	4,904,062	144,718,436
Less accumulated depreciation for					
Land improvements	(2,277,998)	(100,971)	–	–	(2,378,969)
Buildings	(60,953,068)	(2,467,614)	–	–	(63,420,682)
Equipment	(5,699,950)	(288,054)	–	–	(5,988,004)
Pupil transportation vehicles	(4,287,617)	(209,983)	–	–	(4,497,600)
Total accumulated depreciation	(73,218,633)	(3,066,622)	–	–	(76,285,255)
Net capital assets, depreciated	64,121,071	(591,952)	–	4,904,062	68,433,181
Total capital assets, net	\$ 73,710,745	\$ 37,179,961	\$ –	\$ –	\$ 110,890,706

Depreciation expense was charged to the following governmental functions:

District support services	\$ 3,540
Elementary and secondary regular instruction	73,615
Vocational education instruction	650
Special education instruction	34,813
Instructional support services	14,804
Pupil support services	199,067
Depreciation not allocated to other functions	2,676,851
Community service	10,630
Food service	52,652
Total depreciation expense	\$ 3,066,622

NOTE 4 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2012A Alternative Facilities Bonds	05/16/2012	3.000%	\$ 8,850,000	02/01/2024	\$ 8,850,000
2014A Alternative Facilities Bonds	09/10/2014	2.000–2.150%	\$ 5,900,000	02/01/2025	5,900,000
2015A Alternative Facilities Bonds	06/04/2015	2.000–2.125%	\$ 9,370,000	02/01/2026	9,370,000
2017A Alternative Facilities Refunding Bonds	10/25/2017	3.000–5.000%	\$ 10,275,000	02/01/2022	3,820,000
2018A Facilities Maintenance Bonds	03/29/2018	3.000%	\$ 15,970,000	02/01/2032	15,970,000
2020A School Building Bonds	03/05/2020	2.250–4.000%	\$ 250,000,000	02/01/2045	246,175,000
2020C School Building Refunding Bonds	11/05/2020	4.000%	\$ 8,675,000	02/01/2022	8,675,000
Total general obligation bonds payable					\$ 298,760,000

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

B. Description of Long-Term Liabilities

General Obligation School Building, Refunding, Alternative Facilities, and Facilities Maintenance Bonds – These bonds were issued to finance acquisition and/or construction of capital facilities or to refinance the retirement (refund) of prior bond issues. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. The annual future debt service levies authorized 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.

On November 5, 2020, the District issued \$8,675,000 General Obligation School Building Refunding Bonds, Series 2020C. These bonds were issued to refund the remaining outstanding obligations of the 2012B General Obligation School Building Refunding Bonds totaling \$9,000,000. This refunding reduced the District's total future debt service payments by \$211,160 and resulted in present value savings of \$211,202.

C. Certificates of Participation Payable

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2020B Certificates of Participation	07/30/2020	3.0–5.0%	\$ 6,485,000	04/01/2029	<u>\$ 6,150,000</u>

On July 30, 2020, the District issued \$6,485,000 of Certificates of Participation, Series 2020B. The certificates were issued for the purpose of refunding three outstanding capital leases totaling \$7,439,586. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificates. This refunding reduced the District's total future debt service payments by \$890,211, and resulted in present value savings of \$878,894.

D. Legal Debt Limit

The state of Minnesota sets the amount of general obligation debt the District can issue to 15 percent of market value of all taxable property with the District. At June 30, 2021, the District's legal debt limit is \$1,358,829,249.

E. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including pensions, severance benefits, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund. The District has also established a Post-Employment Benefits Trust Fund to finance OPEB obligations.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

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

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	\$ 16,397,576	\$ 2,164,918	\$ 745,234	\$ 894,771
State-wide, multiple-employer – TRA	70,667,502	36,667,620	59,848,079	11,125,452
Total	<u>\$ 87,065,078</u>	<u>\$ 38,832,538</u>	<u>\$ 60,593,313</u>	<u>\$ 12,020,223</u>

F. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
2022	\$ 14,005,000	\$ 8,952,148	\$ 680,000	\$ 277,350
2023	10,585,000	8,270,854	715,000	243,350
2024	11,190,000	7,923,904	745,000	207,600
2025	11,040,000	7,549,054	790,000	170,350
2026	11,835,000	7,227,356	830,000	130,850
2027–2031	50,360,000	30,804,425	2,390,000	162,850
2032–2036	54,925,000	22,475,675	–	–
2037–2041	68,885,000	14,818,700	–	–
2042–2045	65,935,000	4,673,750	–	–
	<u>\$ 298,760,000</u>	<u>\$ 112,695,866</u>	<u>\$ 6,150,000</u>	<u>\$ 1,192,350</u>

G. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Retirements	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 315,530,000	\$ 8,675,000	\$ 25,445,000	\$ 298,760,000	\$ 14,005,000
Certificates of participation	–	6,485,000	335,000	6,150,000	680,000
Capital leases payable	7,822,497	–	7,822,497	–	–
Premiums (discounts) on bonds payable	14,538,405	1,469,939	1,667,992	14,340,352	–
Total bonds and leases payable	<u>337,890,902</u>	<u>16,629,939</u>	<u>35,270,489</u>	<u>319,250,352</u>	<u>14,685,000</u>
Net pension liability	76,397,730	17,275,664	6,608,316	87,065,078	–
Severance benefits payable	<u>1,493,982</u>	<u>94,138</u>	<u>491,171</u>	<u>1,096,949</u>	<u>326,407</u>
	<u>\$ 415,782,614</u>	<u>\$ 33,999,741</u>	<u>\$ 42,369,976</u>	<u>\$ 407,412,379</u>	<u>\$ 15,011,407</u>

NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds, which are defined earlier in the report. Any such restrictions which have an accumulated deficit rather than positive 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 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	\$ –	\$ –	\$ –	\$ 198,607	\$ 198,607
Prepaid items	62,849	–	–	2,230	65,079
Total nonspendable	62,849	–	–	200,837	263,686
Restricted					
Student activities	358,880	–	–	–	358,880
Operating capital	3,065,789	–	–	–	3,065,789
Capital projects levy	243,739	–	–	–	243,739
Achievement and integration	106,821	–	–	–	106,821
Food service	–	–	–	1,204,313	1,204,313
School readiness	–	–	–	416,710	416,710
Community education	–	–	–	262,516	262,516
Early childhood family education	–	–	–	155,018	155,018
Long-term facilities maintenance	–	4,348,120	–	–	4,348,120
Capital projects	–	220,164,867	–	–	220,164,867
General debt service	–	–	3,712,552	–	3,712,552
Medical Assistance	730,553	–	–	–	730,553
Total restricted	4,505,782	224,512,987	3,712,552	2,038,557	234,769,878
Assigned					
Contingency for self-funded insurance	2,000,000	–	–	–	2,000,000
Unassigned	10,235,873	–	–	(39,068)	10,196,805
Total	\$ 16,804,504	\$ 224,512,987	\$ 3,712,552	\$ 2,200,326	\$ 247,230,369

B. Minimum Unassigned Fund Balance Policy

The Board of Education has formally adopted a fund balance policy regarding the unassigned fund balance for the General Fund. The policy states that the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent, which equates to one month of operating expenditures. This policy shall also apply to the administration of the Food Service Special Revenue Fund and the Community Service Special Revenue Fund, with proper consideration and adjustment to conform with reserve limits established by state statutes. At June 30, 2021, the unassigned fund balance of the General Fund was 8.2 percent of total fiscal 2021 expenditures, or 4.3 weeks of operating expenditures.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul Public Schools or Minnesota State Colleges and Universities (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage or coverage through the Defined Contribution Plan (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 of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7 percent for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

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

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

2. TRA Benefits

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

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

Tier I Benefits

Step-Rate Formula	Percentage per Year
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).

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

Tier II Benefits

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

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2021, were \$1,417,454. 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 \$4,682,353. The District's contributions were equal to the required contributions for each year as set by state statutes.

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

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

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

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2021, the District reported a liability of \$16,397,576 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 \$505,762. 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 0.2735 percent at the end of the measurement period and 0.2754 percent for the beginning of the period.

District's proportionate share of the net pension liability	\$ 16,397,576
State's proportionate share of the net pension liability associated with the District	\$ 505,762

For the year ended June 30, 2021, the District recognized pension expense of \$850,770 for its proportionate share of the GERF's pension expense. In addition, the District recognized \$44,001 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

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

At June 30, 2021, the District reported its proportionate share of the GERS'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	\$ 150,346	\$ 62,041
Changes in actuarial assumptions	–	604,408
Net collective difference between projected and actual investment earnings	323,537	–
Changes in proportion	273,581	78,785
District's contributions to the GERS subsequent to the measurement date	1,417,454	–
Total	<u>\$ 2,164,918</u>	<u>\$ 745,234</u>

The \$1,417,454 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	\$ (771,158)
2023	\$ 91,551
2024	\$ 285,665
2025	\$ 396,172

2. TRA Pension Costs

At June 30, 2021, the District reported a liability of \$70,667,502 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 0.9565 percent at the end of the measurement period and 0.9597 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	\$ 70,667,502
State's proportionate share of the net pension liability associated with the District	\$ 5,922,384

For the year ended June 30, 2021, the District recognized pension expense of \$10,582,922. It also recognized \$542,530 as an increase to pension expense for the support provided by direct aid.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,417,170	\$ 1,050,565
Changes in actuarial assumptions	23,707,530	58,627,540
Net difference between projected and actual investment earnings earnings on pension plan investments	1,211,486	–
Changes in proportion	5,649,081	169,974
District’s contributions to the TRA subsequent to the measurement date	4,682,353	–
Total	<u>\$ 36,667,620</u>	<u>\$ 59,848,079</u>

A total of \$4,682,353 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	\$ 2,391,881
2023	\$ (18,878,223)
2024	\$ (13,280,131)
2025	\$ 1,643,586
2026	\$ 260,075

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 GERP 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. GERP

CHANGES IN ACTUARIAL ASSUMPTIONS

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

CHANGES IN PLAN PROVISIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

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

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

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

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

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

F. Discount Rate

1. GERP

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 GERP 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	\$ 26,279,625	\$ 16,397,576	\$ 8,245,678
TRA discount rate	6.50%	7.50%	8.50%
District's proportionate share of the TRA net pension liability	\$ 108,191,198	\$ 70,667,502	\$ 39,749,873

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 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

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

Under the terms of certain collectively bargained employment contracts, the District is required to pay the health insurance premiums for retired employees until they reach certain age levels. For employees meeting certain length of service experience requirements, the amount to be paid is equal to the same insurance premium benefit as a full-time employee in the retiring employee's respective bargaining unit.

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. These contributions are not actuarially determined, statutorily mandated, or contractually established.

D. Membership

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

Retirees and beneficiaries receiving benefits	121
Active plan members	<u>1,176</u>
Total members	<u><u>1,297</u></u>

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

E. Net OPEB Liability (Asset) of the District

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

Total OPEB liability	\$ 17,425,512
Plan fiduciary net position	<u>36,349,857</u>
District's net OPEB Plan asset	<u>\$ (18,924,345)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>208.6%</u>

F. Actuarial Methods and Assumptions

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

Discount rate	5.20%
Expected long-term investment return	5.20% (net of investment expenses)
20-year municipal bond yield	2.10%
Inflation rate	2.00%
Salary increases	Service graded table
Healthcare trend rate	6.25% grading to 5.00% over 5 years
Dental trend rate	3.00%

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.

The District's policy in regard to the allocation of invested assets is established and may be amended by the Board of Education by a majority vote of its members. It is the policy of the Board of Education 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
Domestic equity	20.00 %	7.65 %
International equity	10.00	8.00 %
Fixed income	<u>70.00</u>	4.10 %
Total	<u>100.00 %</u>	5.20 %

NOTE 7 – 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 14.90 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 5.20 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 considered.

I. Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Beginning balance – July 1, 2020	\$ 16,990,591	\$ 33,899,011	\$ (16,908,420)
Changes for the year			
Service cost	799,784	–	799,784
Interest	777,409	–	777,409
Assumption changes	(405,326)	–	(405,326)
Plan changes	1,791,586	–	1,791,586
Net investment income	–	5,045,592	(5,045,592)
Benefit payments	(2,528,532)	(2,528,532)	–
Administrative expenses	–	(66,214)	66,214
Total net changes	<u>434,921</u>	<u>2,450,846</u>	<u>(2,015,925)</u>
Ending balance – June 30, 2021	<u>\$ 17,425,512</u>	<u>\$ 36,349,857</u>	<u>\$ (18,924,345)</u>

Plan changes since the prior measurement date include the following:

- Twenty-three teachers each received \$50,000 and fourteen other employees received \$10,000 paid to a Health Reimbursement Account (HRA) from a severance incentive program.
- One employee received a lump sum payment to an HRA instead of five years of district-paid health insurance premiums.

Assumption changes since the prior measurement date include the following:

- The inflation rate was changed from 2.50 percent to 2.00 percent.
- The expected long-term investment return and discount rate was changed from 4.70 percent to 5.20 percent.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	4.20%	5.20%	6.20%
Net OPEB liability (asset)	\$ (18,104,423)	\$ (18,924,345)	\$ (19,705,297)

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

	<u>1% Decrease in Medical Cost Trend Rate</u>	<u>Medical Cost Trend Rate</u>	<u>1% Increase in Medical Cost Trend Rate</u>
Healthcare 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	2.00%	3.00%	4.00%
Net OPEB liability (asset)	\$ (20,434,672)	\$ (18,924,345)	\$ (17,196,203)

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

For the current year ended, the District recognized OPEB expense of \$2,999,738. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual investment experience	\$ —	\$ 3,324,188
Differences between expected and actual economic experience	—	1,196,645
Changes in actuarial assumptions	674,652	987,595
Total	<u>\$ 674,652</u>	<u>\$ 5,508,428</u>

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2022	\$ (1,333,965)
2023	\$ (1,309,059)
2024	\$ (1,161,234)
2025	\$ (729,763)
2026	\$ (241,853)
Thereafter	\$ (57,902)

NOTE 8 – FLEXIBLE BENEFIT PLAN

The District has a flexible benefit plan, which is classified as a “cafeteria plan” (the Plan) under § 125 of the IRC. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pretax dollars to the Plan for health insurance, medical care, and dependent care benefits.

Before the beginning of the Plan year, which is from October 1 to September 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 contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

Payments of insurance premiums (health and dental) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the District’s Self-Insured Health Benefits Internal Service Fund.

Amounts withheld for medical reimbursement and dependent care are held in the District’s cash account. Payments are made by the District to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the employee. The medical reimbursement and dependent care activity is included in the financial statements in the General Fund.

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

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Funding

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.

B. Legal Claims

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

C. Construction Commitments

At June 30, 2021, the District has contract commitments on outstanding capital projects totaling \$187,176,732.

NOTE 10 – INTERFUND BALANCES AND TRANSFERS

A. Interfund Balances

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

	Due From Other Funds	Due To Other Funds
General Fund	\$ 2,528,534	\$ –
Post-Employment Benefits Trust Fund	–	2,528,534
	<u>\$ 2,528,534</u>	<u>\$ 2,528,534</u>

These balances represent interfund amounts due to the General Fund relating to post-employment benefit costs to be reimbursed as of June 30, 2021.

B. Interfund Transfers

During the year, the District transferred \$1,851,390 from the District's OPEB Debt Service account to the Regular Debt Service account. This transfer was eliminated and not reflected on the fund based financial statements.

NOTE 11 – SUBSEQUENT EVENTS

General Obligation Bonds

On December 2, 2021, the District issued \$8,280,000 of General Obligation Alternative Facilities Refunding Bonds, Series 2021B. The proceeds of this refunding will be used to redeem the remaining maturities of the District's General Obligation Alternative Facilities Bonds, Series 2012A. This refunding will result in a present value savings of \$284,384. The new bonds bear an interest rate of 5.00 percent and mature on February 1, 2024.

On July 6, 2021, the District issued \$27,865,000 of General Obligation Facilities Maintenance Bonds, Series 2021A. These bonds bear interest rates ranging from 2.00 percent to 4.00 percent and mature on February 1, 2030.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 624

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	0.2881%	\$ 13,533,495	\$ —	\$ 13,533,495	\$ 15,141,559	89.38%	78.70%
06/30/2016	06/30/2015	0.2621%	\$ 13,593,383	\$ —	\$ 13,593,383	\$ 15,392,229	88.31%	78.20%
06/30/2017	06/30/2016	0.2617%	\$ 21,248,742	\$ 277,498	\$ 21,526,240	\$ 16,247,523	130.78%	68.90%
06/30/2018	06/30/2017	0.2649%	\$ 16,911,041	\$ 212,658	\$ 17,123,699	\$ 17,079,232	99.02%	75.90%
06/30/2019	06/30/2018	0.2664%	\$ 14,778,779	\$ 484,879	\$ 15,263,658	\$ 17,884,311	82.64%	79.50%
06/30/2020	06/30/2019	0.2754%	\$ 15,226,250	\$ 473,146	\$ 15,699,396	\$ 19,464,670	78.23%	80.20%
06/30/2021	06/30/2020	0.2735%	\$ 16,397,576	\$ 505,762	\$ 16,903,338	\$ 19,502,696	84.08%	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	\$ 1,136,075	\$ 1,136,075	\$ —	\$ 15,392,229	7.38%
06/30/2016	\$ 1,217,164	\$ 1,217,164	\$ —	\$ 16,247,523	7.49%
06/30/2017	\$ 1,279,881	\$ 1,279,881	\$ —	\$ 17,079,232	7.49%
06/30/2018	\$ 1,308,024	\$ 1,308,024	\$ —	\$ 17,884,311	7.31%
06/30/2019	\$ 1,461,462	\$ 1,461,462	\$ —	\$ 19,464,670	7.51%
06/30/2020	\$ 1,461,838	\$ 1,461,838	\$ —	\$ 19,502,696	7.50%
06/30/2021	\$ 1,417,454	\$ 1,417,454	\$ —	\$ 18,890,240	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. 624

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	0.9397%	\$ 43,300,699	\$ 3,046,126	\$ 46,346,825	\$ 42,893,740	100.95%	81.50%
06/30/2016	06/30/2015	0.8865%	\$ 54,838,792	\$ 6,726,246	\$ 61,565,038	\$ 45,042,877	121.75%	76.80%
06/30/2017	06/30/2016	0.8942%	\$213,288,036	\$ 21,409,547	\$234,697,583	\$ 46,555,078	458.14%	44.88%
06/30/2018	06/30/2017	0.9179%	\$183,229,491	\$ 17,711,671	\$200,941,162	\$ 49,460,864	370.45%	51.57%
06/30/2019	06/30/2018	0.9513%	\$ 59,750,544	\$ 5,613,868	\$ 65,364,412	\$ 52,725,107	113.32%	78.07%
06/30/2020	06/30/2019	0.9597%	\$ 61,171,480	\$ 5,413,333	\$ 66,584,813	\$ 54,458,685	112.33%	78.21%
06/30/2021	06/30/2020	0.9565%	\$ 70,667,502	\$ 5,922,384	\$ 76,589,886	\$ 55,665,004	126.95%	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	\$ 3,354,309	\$ 3,354,309	\$ —	\$ 45,042,877	7.45%
06/30/2016	\$ 3,470,600	\$ 3,470,600	\$ —	\$ 46,555,078	7.45%
06/30/2017	\$ 3,705,834	\$ 3,705,834	\$ —	\$ 49,460,864	7.49%
06/30/2018	\$ 3,909,984	\$ 3,909,984	\$ —	\$ 52,725,107	7.42%
06/30/2019	\$ 4,204,342	\$ 4,204,342	\$ —	\$ 54,458,685	7.72%
06/30/2020	\$ 4,402,820	\$ 4,402,820	\$ —	\$ 55,665,004	7.91%
06/30/2021	\$ 4,682,353	\$ 4,682,353	\$ —	\$ 57,587,737	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. 624

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

	Fiscal Year				
	2017	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$ 623,228	\$ 588,099	\$ 798,772	\$ 777,702	\$ 799,784
Interest	1,017,110	1,020,084	952,900	848,893	777,409
Plan changes	–	770,441	869,885	–	1,791,586
Benefit payments	(1,890,826)	(1,210,527)	(1,938,530)	(1,250,051)	(2,528,532)
Assumption changes	–	(173,787)	1,180,644	(791,972)	(405,326)
Difference between expected and actual experience	–	(1,966,026)	–	(495,690)	–
Net change in total OPEB liability	(250,488)	(971,716)	1,863,671	(911,118)	434,921
Total OPEB liability – beginning of year	17,260,242	17,009,754	16,038,038	17,901,709	16,990,591
Total OPEB liability – end of year	17,009,754	16,038,038	17,901,709	16,990,591	17,425,512
Plan fiduciary net position					
Net investment income	2,955,759	2,047,451	2,279,203	2,182,122	5,045,592
Benefit payments	(1,890,826)	(1,210,527)	(1,938,530)	(1,250,051)	(2,528,532)
Administrative expenses	(121,014)	(117,870)	(62,189)	(79,342)	(66,214)
Net change in plan fiduciary net position	943,919	719,054	278,484	852,729	2,450,846
Plan fiduciary net position – beginning of year	31,104,825	32,048,744	32,767,798	33,046,282	33,899,011
Plan fiduciary net position – end of year	32,048,744	32,767,798	33,046,282	33,899,011	36,349,857
Net OPEB liability (asset)	<u><u>\$ (15,038,990)</u></u>	<u><u>\$ (16,729,760)</u></u>	<u><u>\$ (15,144,573)</u></u>	<u><u>\$ (16,908,420)</u></u>	<u><u>\$ (18,924,345)</u></u>
Fiduciary net position as a percentage of the total OPEB liability	<u><u>188.41%</u></u>	<u><u>204.31%</u></u>	<u><u>184.60%</u></u>	<u><u>199.52%</u></u>	<u><u>208.60%</u></u>
Covered-employee payroll	<u><u>\$ 56,513,934</u></u>	<u><u>\$ 63,541,808</u></u>	<u><u>\$ 65,488,063</u></u>	<u><u>\$ 72,403,729</u></u>	<u><u>\$ 74,575,841</u></u>
Net OPEB liability (asset) as a percentage of covered-employee payroll	<u><u>(26.61%)</u></u>	<u><u>(26.33%)</u></u>	<u><u>(23.13%)</u></u>	<u><u>(23.35%)</u></u>	<u><u>(25.38%)</u></u>

Note 1: The 2017 information has been updated to reflect the prior period adjustment reported in the year ended June 30, 2018.

Note 2: The District implemented GASB Statement Nos. 74 and 75 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 624

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

<u>Fiscal Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	9.5 %
2018	6.4 %
2019	7.0 %
2020	6.6 %
2021	14.9 %

Note: The District implemented GASB Statement Nos. 74 and 75 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

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INDEPENDENT SCHOOL DISTRICT NO. 624

Notes to Required Supplementary Information
June 30, 2021

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

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.

INDEPENDENT SCHOOL DISTRICT NO. 624

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

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.

INDEPENDENT SCHOOL DISTRICT NO. 624

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

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.

INDEPENDENT SCHOOL DISTRICT NO. 624

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

2021 CHANGES IN PLAN PROVISIONS

- Twenty-three teachers each received \$50,000 and fourteen other employees received \$10,000 paid to a Health Reimbursement Account (HRA) from a severance incentive program.
- One employee received a lump sum payment to an HRA instead of five years of district-paid health insurance premiums.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The inflation rate was changed from 2.50 percent to 2.00 percent.
- The expected long-term investment return and discount rate was changed from 4.70 percent to 5.20 percent.

INDEPENDENT SCHOOL DISTRICT NO. 624

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

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables 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.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.00 percent to 4.70 percent.
- The discount rate was changed from 6.00 percent to 4.70 percent.

2019 CHANGES IN PLAN PROVISIONS

- Twenty-three teachers received \$30,000 in contributions during the 2018–2019 plan year from a severance incentive program. The retirement rates for these teachers were adjusted to reflect their actual retirement dates.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The medical trend rate was changed from 7.00 percent grading to 5.00 percent over eight years, to 6.50 percent grading to 5.00 percent over six years.
- 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

- Administrators added a sunset date of January 1, 2016. Employees hired after this date are no longer eligible for subsidized post-employment medical, dental, and life insurance benefits.
- After January 1, 2017, teachers who are eligible for subsidized post-employment medical and dental benefits, but who elect to waive coverage at retirement, will receive lump sum payments. The lump sum amount will equal the medical and dental premiums at the time of retirement, multiplied by the lesser of eight years or the number of years to Medicare eligibility.
- Teachers hired between 1985 and 2003, who are not eligible for subsidized post-employment insurance benefits, will receive a contribution to an HRA upon retirement. The amount of the contribution varies by hire year, multiplied by the number of years of service after July 1, 2017.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 4.50 percent to 6.00 percent.

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SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	\$ 1,099,873	\$ 1,259,679	\$ 2,359,552
Receivables			
Current taxes	–	794,850	794,850
Delinquent taxes	–	9,744	9,744
Accounts and interest	19	–	19
Due from other governmental units	325,568	270,112	595,680
Inventory	198,607	–	198,607
Prepaid items	2,230	–	2,230
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,626,297</u>	<u>\$ 2,334,385</u>	<u>\$ 3,960,682</u>
Liabilities			
Salaries payable	\$ 14,210	\$ 70,711	\$ 84,921
Accounts and contracts payable	133,946	114,063	248,009
Due to other governmental units	–	1,746	1,746
Unearned revenue	72,991	210,421	283,412
Total liabilities	<u>221,147</u>	<u>396,941</u>	<u>618,088</u>
Deferred inflows of resources			
Unavailable revenue – delinquent taxes	–	6,833	6,833
Property taxes levied for subsequent year	–	1,135,435	1,135,435
Total deferred inflows of resources	<u>–</u>	<u>1,142,268</u>	<u>1,142,268</u>
Fund balances			
Nonspendable for inventory	198,607	–	198,607
Nonspendable for prepaid items	2,230	–	2,230
Restricted	1,204,313	834,244	2,038,557
Unassigned – community services restricted account deficit	–	(39,068)	(39,068)
Total fund balances	<u>1,405,150</u>	<u>795,176</u>	<u>2,200,326</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,626,297</u>	<u>\$ 2,334,385</u>	<u>\$ 3,960,682</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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	\$ —	\$ 1,093,150	\$ 1,093,150
Investment earnings	198	664	862
Other	45,569	3,766,945	3,812,514
State sources	46,637	1,170,397	1,217,034
Federal sources	5,304,884	460,395	5,765,279
Total revenue	5,397,288	6,491,551	11,888,839
Expenditures			
Current			
Food service	4,113,935	—	4,113,935
Community service	—	6,394,672	6,394,672
Capital outlay	458,414	5,120	463,534
Total expenditures	4,572,349	6,399,792	10,972,141
Net change in fund balances	824,939	91,759	916,698
Fund balances			
Beginning of year	580,211	703,417	1,283,628
End of year	\$ 1,405,150	\$ 795,176	\$ 2,200,326

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	2021	2020
Assets		
Cash and temporary investments	\$ 11,205,708	\$ 18,163,217
Receivables		
Current taxes	22,416,172	15,944,165
Delinquent taxes	250,642	287,712
Accounts and interest	15,237	65,082
Due from other governmental units	14,770,225	8,646,729
Due from other funds	2,528,534	1,250,051
Prepaid items	62,849	14,573
Total assets	<u>\$ 51,249,367</u>	<u>\$ 44,371,529</u>
Liabilities		
Salaries payable	\$ 311,675	\$ 176,473
Accounts and contracts payable	3,778,479	1,033,061
Due to other governmental units	192,300	271,461
Unearned revenue	10,880	3,350
Total liabilities	<u>4,293,334</u>	<u>1,484,345</u>
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	174,640	300,178
Property taxes levied for subsequent year	29,976,889	26,803,600
Total deferred inflows of resources	<u>30,151,529</u>	<u>27,103,778</u>
Fund balances		
Nonspendable for prepaid items	62,849	14,573
Restricted for capital projects levy	243,739	243,739
Restricted for operating capital	3,065,789	3,065,789
Restricted for long-term facilities maintenance	–	2,205,584
Restricted for Medical Assistance	730,553	730,553
Restricted for student activities	358,880	294,880
Restricted for achievement and integration	106,821	–
Assigned for contingency for self-funded insurance	2,000,000	2,000,000
Unassigned	10,235,873	7,228,288
Total fund balances	<u>16,804,504</u>	<u>15,783,406</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,249,367</u>	<u>\$ 44,371,529</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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	\$ 28,939,823	\$ 28,893,600	\$ (46,223)	\$ 26,346,415
Investment earnings	10,000	24,595	14,595	260,057
Other	2,420,831	2,811,276	390,445	3,144,981
State sources	83,427,481	85,036,779	1,609,298	82,882,935
Federal sources	8,317,429	8,519,267	201,838	3,291,408
Total revenue	123,115,564	125,285,517	2,169,953	115,925,796
Expenditures				
Current				
Administration				
Salaries	3,372,088	3,374,702	2,614	3,298,410
Employee benefits	1,180,603	1,118,731	(61,872)	1,032,364
Purchased services	262,081	103,061	(159,020)	217,652
Supplies and materials	17,341	27,627	10,286	116,338
Other expenditures	62,224	56,814	(5,410)	89,513
Total administration	4,894,337	4,680,935	(213,402)	4,754,277
District support services				
Salaries	1,346,382	1,343,518	(2,864)	1,450,752
Employee benefits	544,306	467,733	(76,573)	507,658
Purchased services	592,652	406,588	(186,064)	428,608
Supplies and materials	117,730	19,997	(97,733)	59,635
Capital expenditures	—	2,764	2,764	39,334
Other expenditures	25,543	19,169	(6,374)	(3,524)
Total district support services	2,626,613	2,259,769	(366,844)	2,482,463
Elementary and secondary regular instruction				
Salaries	37,566,868	37,816,381	249,513	35,255,387
Employee benefits	14,140,199	14,034,935	(105,264)	13,001,841
Purchased services	1,339,228	1,478,500	139,272	1,683,903
Supplies and materials	2,906,732	1,690,521	(1,216,211)	2,173,761
Capital expenditures	685,358	179,975	(505,383)	291,403
Other expenditures	275,018	488,259	213,241	462,828
Total elementary and secondary regular instruction	56,913,403	55,688,571	(1,224,832)	52,869,123

INDEPENDENT SCHOOL DISTRICT NO. 624

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	705,905	594,459	(111,446)
Employee benefits	353,315	235,895	(117,420)
Purchased services	361,954	238,728	(123,226)
Supplies and materials	31,915	26,945	(4,970)
Capital expenditures	—	—	—
Other expenditures	—	5,178	5,178
Total vocational education instruction	1,453,089	1,101,205	(351,884)
Special education instruction			
Salaries	16,841,550	17,092,770	251,220
Employee benefits	6,901,157	6,763,380	(137,777)
Purchased services	612,519	1,899,078	1,286,559
Supplies and materials	145,803	107,788	(38,015)
Capital expenditures	50,000	2,244	(47,756)
Other expenditures	33,155	98,673	65,518
Total special education instruction	24,584,184	25,963,933	1,379,749
Instructional support services			
Salaries	3,698,023	4,322,235	624,212
Employee benefits	1,533,543	1,441,330	(92,213)
Purchased services	397,564	263,940	(133,624)
Supplies and materials	393,845	636,395	242,550
Capital expenditures	1,767,066	1,193,781	(573,285)
Other expenditures	—	25,884	25,884
Total instructional support services	7,790,041	7,883,565	93,524
Pupil support services			
Salaries	5,312,651	4,853,303	(459,348)
Employee benefits	1,854,703	1,734,347	(120,356)
Purchased services	5,231,493	5,526,539	295,046
Supplies and materials	524,683	473,709	(50,974)
Capital expenditures	230,000	81,454	(148,546)
Other expenditures	95,790	25,352	(70,438)
Total pupil support services	13,249,320	12,694,704	(554,616)

INDEPENDENT SCHOOL DISTRICT NO. 624

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	3,429,797	3,549,403	119,606	3,347,067
Employee benefits	1,363,442	1,323,077	(40,365)	1,236,025
Purchased services	2,623,999	5,620,832	2,996,833	2,396,482
Supplies and materials	1,812,959	1,561,724	(251,235)	990,050
Capital expenditures	641,174	349,673	(291,501)	364,911
Other expenditures	16,349	30,256	13,907	35,305
Total sites and buildings	9,887,720	12,434,965	2,547,245	8,369,840
Fiscal and other fixed cost programs				
Purchased services	489,541	489,542	1	326,531
Debt service				
Principal	915,382	717,911	(197,471)	745,262
Interest and fiscal charges	151,848	349,319	197,471	325,494
Total debt service	1,067,230	1,067,230	—	1,070,756
Total expenditures	122,955,478	124,264,419	1,308,941	117,225,500
Excess (deficiency) of revenue over expenditures	160,086	1,021,098	861,012	(1,299,704)
Other financing sources				
Sale of capital assets	—	—	—	4,600
Net change in fund balances	\$ 160,086	1,021,098	\$ 861,012	(1,295,104)
Fund balances				
Beginning of year		15,783,406		17,078,510
End of year		\$ 16,804,504		\$ 15,783,406

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 1,099,873	\$ 285,169
Receivables		
Accounts and interest	19	1,631
Due from other governmental units	325,568	204,069
Inventory	198,607	261,435
Prepaid items	<u>2,230</u>	<u>—</u>
Total assets	<u><u>\$ 1,626,297</u></u>	<u><u>\$ 752,304</u></u>
Liabilities		
Salaries payable	\$ 14,210	\$ 16,520
Accounts and contracts payable	133,946	86,538
Unearned revenue	<u>72,991</u>	<u>69,035</u>
Total liabilities	221,147	172,093
Fund balances		
Nonspendable for inventory	198,607	261,435
Nonspendable for prepaid items	2,230	—
Restricted for food service	<u>1,204,313</u>	<u>318,776</u>
Total fund balances	<u><u>1,405,150</u></u>	<u><u>580,211</u></u>
Total liabilities and fund balances	<u><u>\$ 1,626,297</u></u>	<u><u>\$ 752,304</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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	\$ 198	\$ (302)	\$ 7,194
Other – primarily meal sales	10,000	45,569	35,569	1,729,584
State sources	–	46,637	46,637	183,594
Federal sources	3,892,279	5,304,884	1,412,605	2,061,676
Total revenue	<u>3,902,779</u>	<u>5,397,288</u>	<u>1,494,509</u>	<u>3,982,048</u>
Expenditures				
Current				
Salaries	1,837,419	1,523,817	(313,602)	1,424,536
Employee benefits	–	538,132	538,132	504,242
Purchased services	310,730	238,018	(72,712)	316,732
Supplies and materials	2,159,190	1,802,586	(356,604)	1,733,601
Other expenditures	13,100	11,382	(1,718)	12,635
Capital outlay	478,199	458,414	(19,785)	157,001
Total expenditures	<u>4,798,638</u>	<u>4,572,349</u>	<u>(226,289)</u>	<u>4,148,747</u>
Net change in fund balances	<u>\$ (895,859)</u>	824,939	<u>\$ 1,720,798</u>	(166,699)
Fund balances				
Beginning of year		<u>580,211</u>		<u>746,910</u>
End of year		<u>\$ 1,405,150</u>		<u>\$ 580,211</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 1,259,679	\$ 1,307,493
Receivables		
Current taxes	794,850	610,649
Delinquent taxes	9,744	11,583
Due from other governmental units	<u>270,112</u>	<u>176,514</u>
Total assets	<u>\$ 2,334,385</u>	<u>\$ 2,106,239</u>
Liabilities		
Salaries payable	\$ 70,711	\$ 72,804
Accounts and contracts payable	114,063	108,495
Due to other governmental units	1,746	–
Unearned revenue	<u>210,421</u>	<u>111,462</u>
Total liabilities	396,941	292,761
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	6,833	12,034
Property taxes levied for subsequent year	<u>1,135,435</u>	<u>1,098,027</u>
Total deferred inflows of resources	1,142,268	1,110,061
Fund balances		
Restricted for community education	262,516	201,413
Restricted for early childhood family education	155,018	77,443
Restricted for school readiness	416,710	407,677
Restricted for community services	–	16,884
Unassigned – community services restricted account deficit	<u>(39,068)</u>	<u>–</u>
Total fund balances	<u>795,176</u>	<u>703,417</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,334,385</u>	<u>\$ 2,106,239</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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	\$ 1,228,738	\$ 1,093,150	\$ (135,588)	\$ 1,118,903
Investment earnings	12,000	664	(11,336)	23,791
Other – primarily tuition and fees	3,378,916	3,766,945	388,029	4,131,639
State sources	984,415	1,170,397	185,982	1,116,307
Federal sources	–	460,395	460,395	–
Total revenue	<u>5,604,069</u>	<u>6,491,551</u>	<u>887,482</u>	<u>6,390,640</u>
Expenditures				
Current				
Salaries	3,663,870	3,839,865	175,995	4,122,828
Employee benefits	1,273,430	1,272,064	(1,366)	1,331,092
Purchased services	781,754	1,008,608	226,854	1,123,384
Supplies and materials	138,829	251,767	112,938	297,421
Other expenditures	7,766	22,368	14,602	13,924
Capital outlay	8,575	5,120	(3,455)	20,000
Total expenditures	<u>5,874,224</u>	<u>6,399,792</u>	<u>525,568</u>	<u>6,908,649</u>
Net change in fund balances	<u>\$ (270,155)</u>	91,759	<u>\$ 361,914</u>	(518,009)
Fund balances				
Beginning of year		<u>703,417</u>		<u>1,221,426</u>
End of year		<u>\$ 795,176</u>		<u>\$ 703,417</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 229,849,496	\$ 259,965,642
Cash and investments held by trustee	62,000	–
Receivables		
Accounts and interest	<u>2,007,523</u>	<u>2,416,936</u>
Total assets	<u><u>\$ 231,919,019</u></u>	<u><u>\$ 262,382,578</u></u>
Liabilities		
Salaries payable	\$ 960	\$ 2,247
Accounts and contracts payable	<u>7,405,072</u>	<u>1,065,788</u>
Total liabilities	<u>7,406,032</u>	<u>1,068,035</u>
Fund balances		
Restricted for long-term facilities maintenance	4,348,120	5,738,455
Restricted for capital projects	<u>220,164,867</u>	<u>255,576,088</u>
Total fund balances	<u>224,512,987</u>	<u>261,314,543</u>
Total liabilities and fund balances	<u><u>\$ 231,919,019</u></u>	<u><u>\$ 262,382,578</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 624

Capital Projects – Building Construction Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue		
Local sources		
Investment earnings	\$ 1,948,136	\$ 4,971,144
Other	423	1,017
Total revenue	<u>1,948,559</u>	<u>4,972,161</u>
Expenditures		
Capital outlay		
Salaries	211,070	176,632
Employee benefits	66,916	51,172
Purchased services	16,090,060	10,149,552
Supplies and materials	25,811	–
Capital expenditures	22,329,206	7,637,210
Other expenditures	27,052	33,506
Debt service		
Fiscal charges and other	–	1,423,943
Total expenditures	<u>38,750,115</u>	<u>19,472,015</u>
Excess (deficiency) of revenues over expenditures	(36,801,556)	(14,499,854)
Other financing sources		
Bond issuance	–	250,000,000
Premium on issuance of bonds	–	13,257,479
Total other financing sources	<u>–</u>	<u>263,257,479</u>
Net change in fund balances	(36,801,556)	248,757,625
Fund balances		
Beginning of year	<u>261,314,543</u>	<u>12,556,918</u>
End of year	<u>\$ 224,512,987</u>	<u>\$ 261,314,543</u>

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INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Regular Debt Service Account	OPEB Debt Service Account	Totals	
			2021	2020
Assets				
Cash and temporary investments	\$ 10,824,021	\$ —	\$ 10,824,021	\$ 14,516,319
Receivables				
Current taxes	16,798,526	—	16,798,526	14,462,286
Delinquent taxes	180,181	—	180,181	144,001
Due from other governmental units	21,469	—	21,469	10,289
Total assets	<u>\$ 27,824,197</u>	<u>\$ —</u>	<u>\$ 27,824,197</u>	<u>\$ 29,132,895</u>
Deferred inflows of resources				
Unavailable revenue – delinquent taxes	\$ 115,118	\$ —	\$ 115,118	\$ 145,753
Property taxes levied for subsequent year	23,996,527	—	23,996,527	26,057,403
Total deferred inflows of resources	24,111,645	—	24,111,645	26,203,156
Fund balances				
Restricted for general debt service	3,712,552	—	3,712,552	1,105,276
Restricted for OPEB bonds debt service	—	—	—	1,824,463
Total fund balances	<u>3,712,552</u>	<u>—</u>	<u>3,712,552</u>	<u>2,929,739</u>
Total deferred inflows of resources and fund balances	<u>\$ 27,824,197</u>	<u>\$ —</u>	<u>\$ 27,824,197</u>	<u>\$ 29,132,895</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	2021			
		Actual		
	Budget	Regular Debt Service Account	OPEB Debt Service Account	Total
Revenue				
Local sources				
Property taxes	\$ 26,057,403	\$ 16,751,462	\$ 9,169,471	\$ 25,920,933
Investment earnings	–	6,294	2,754	9,048
State sources	186,177	211,932	677	212,609
Total revenue	26,243,580	16,969,688	9,172,902	26,142,590
Expenditures				
Debt service				
Principal	21,615,000	7,735,000	8,710,000	16,445,000
Interest	2,125,766	8,474,766	435,500	8,910,266
Fiscal charges and other	–	194,389	475	194,864
Total expenditures	23,740,766	16,404,155	9,145,975	25,550,130
Excess (deficiency) of revenues over expenditures	2,502,814	565,533	26,927	592,460
Other financing sources (uses)				
Refunding debt issued	–	15,160,000	–	15,160,000
Premium on issuance of debt	–	1,469,939	–	1,469,939
Refunding debt payment	–	(16,439,586)	–	(16,439,586)
Transfers in	–	1,851,390	–	1,851,390
Transfers(out)	–	–	(1,851,390)	(1,851,390)
Total other financing sources (uses)	–	2,041,743	(1,851,390)	190,353
Net change in fund balances	\$ 2,502,814	2,607,276	(1,824,463)	782,813
Fund balances				
Beginning of year		1,105,276	1,824,463	2,929,739
End of year		\$ 3,712,552	\$ –	\$ 3,712,552

	2020
Over (Under) Budget	Actual
\$ (136,470)	\$ 14,852,917
9,048	124,833
26,432	102,885
(100,990)	15,080,635
(5,170,000)	12,030,000
6,784,500	2,779,729
194,864	3,325
1,809,364	14,813,054
(1,910,354)	267,581
15,160,000	—
1,469,939	—
(16,439,586)	—
1,851,390	—
(1,851,390)	—
190,353	—
\$ (1,720,001)	267,581
	2,662,158
	\$ 2,929,739

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Severance Benefits	Self-Insured Health Benefits	Self-Insured Dental Benefits	Totals	
				2021	2020
Assets					
Current assets					
Cash and temporary investments	\$ —	\$ 6,260,901	\$ 200,893	\$ 6,461,794	\$ 5,672,784
Liabilities					
Current liabilities					
Accounts and contracts payable	—	225,066	23,087	248,153	458,279
Claims incurred, but not reported	—	760,316	31,860	792,176	956,388
Unearned revenue	—	998,174	71,210	1,069,384	1,004,771
Total liabilities	—	1,983,556	126,157	2,109,713	2,419,438
Net position					
Unrestricted	\$ —	\$ 4,277,345	\$ 74,736	\$ 4,352,081	\$ 3,253,346

INDEPENDENT SCHOOL DISTRICT NO. 624

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)

	Severance Benefits	Self-Insured Health Benefits	Self-Insured Dental Benefits	Totals	
				2021	2020
Operating revenue					
Charges for services					
Contributions from governmental funds	\$ —	\$ 15,124,354	\$ 1,053,973	\$ 16,178,327	\$ 16,328,497
Operating expenses					
Severance benefits	168,821	—	—	168,821	1,036,088
Health benefit claims	—	12,999,742	—	12,999,742	12,776,302
Dental benefit claims	—	—	1,114,587	1,114,587	943,053
Administrative costs	—	755,652	48,501	804,153	827,788
Total operating expenses	<u>168,821</u>	<u>13,755,394</u>	<u>1,163,088</u>	<u>15,087,303</u>	<u>15,583,231</u>
Operating income (loss)	(168,821)	1,368,960	(109,115)	1,091,024	745,266
Nonoperating revenue					
Investment earnings	<u>4,802</u>	<u>2,786</u>	<u>123</u>	<u>7,711</u>	<u>76,298</u>
Change in net position	(164,019)	1,371,746	(108,992)	1,098,735	821,564
Net position					
Beginning of year	<u>164,019</u>	<u>2,905,599</u>	<u>183,728</u>	<u>3,253,346</u>	<u>2,431,782</u>
End of year	<u>\$ —</u>	<u>\$ 4,277,345</u>	<u>\$ 74,736</u>	<u>\$ 4,352,081</u>	<u>\$ 3,253,346</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Severance Benefits	Self-Insured Health Benefits	Self-Insured Dental Benefits	Total	
				2021	2020
Cash flows from operating activities					
Received from assessments made to other funds	\$ —	\$ 15,193,356	\$ 1,049,584	\$ 16,242,940	\$ 16,138,134
Severance and self-insurance claims and payments	(168,821)	(14,120,926)	(1,171,894)	(15,461,641)	(15,608,081)
Net cash flows from operating activities	(168,821)	1,072,430	(122,310)	781,299	530,053
Cash flows from investing activities					
Investment income received	4,802	2,786	123	7,711	76,298
Net change in cash and cash equivalents	(164,019)	1,075,216	(122,187)	789,010	606,351
Cash and cash equivalents					
Beginning of year	164,019	5,185,685	323,080	5,672,784	5,066,433
End of year	\$ —	\$ 6,260,901	\$ 200,893	\$ 6,461,794	\$ 5,672,784
Reconciliation of operating income (loss) to net cash flows from operating activities					
Operating income (loss)	\$ (168,821)	\$ 1,368,960	\$ (109,115)	\$ 1,091,024	\$ 745,266
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Changes in assets and liabilities					
Accounts and interest receivable	—	—	—	—	143,928
Accounts and contracts payable	—	(209,474)	(652)	(210,126)	(49,751)
Claims incurred, but not reported	—	(156,058)	(8,154)	(164,212)	24,901
Unearned revenue	—	69,002	(4,389)	64,613	(334,291)
Net cash flows from operating activities	\$ (168,821)	\$ 1,072,430	\$ (122,310)	\$ 781,299	\$ 530,053

STATISTICAL SECTION

III. STATISTICAL SECTION

This part of Independent School District No. 624's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

	<u>Pages</u>
Contents	
Financial Trends	102
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	121
These schedules contain information to help the reader assess the District's most significant revenue source, including property tax revenue.	
Debt Capacity	132
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	138
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Indicators	140
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 1,630,228	\$ 2,130,306	\$ 5,813,967	\$ 4,292,291
Restricted	2,601,876	1,132,318	3,061,846	2,649,603
Unrestricted	20,515,031	21,045,132	29,521,587	(31,643,658)
Total governmental activities net position	<u>\$ 24,747,135</u>	<u>\$ 24,307,756</u>	<u>\$ 38,397,400</u>	<u>\$ (24,701,764)</u>

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately \$64.1 million. Prior years were not restated.

Note 2: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased unrestricted net position by approximately \$20.4 million. Prior years were not restated.

Note 3: The District reported a prior period adjustment in fiscal 2018, increasing unrestricted net position by \$1,754,117. Prior fiscal years were not adjusted to reflect the impact of this adjustment.

2016	2017	2018	2019	2020	2021
\$ 2,724,245	\$ 392,746	\$ 1,189,216	\$ 1,586,630	\$ 5,686,148	\$ 15,910,496
4,232,013	5,311,541	5,107,192	6,877,281	7,836,207	6,712,941
<u>(34,024,878)</u>	<u>(83,723,241)</u>	<u>(110,887,928)</u>	<u>(84,766,866)</u>	<u>(86,731,311)</u>	<u>(79,027,303)</u>
<u>\$ (27,068,620)</u>	<u>\$ (78,018,954)</u>	<u>\$(104,591,520)</u>	<u>\$ (76,302,955)</u>	<u>\$ (73,208,956)</u>	<u>\$ (56,403,866)</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities				
Administration	\$ 4,029,515	\$ 4,089,720	\$ 4,437,389	\$ 4,380,829
District support services	2,243,148	2,365,545	1,788,239	1,857,194
Elementary and secondary regular instruction	38,815,035	39,527,587	42,224,883	42,172,822
Vocational education instruction	923,529	816,566	827,110	940,178
Special education instruction	17,311,207	18,619,906	18,836,586	18,775,086
Instructional support services	4,857,506	4,475,571	6,108,809	7,743,691
Pupil support services	7,538,799	7,975,301	7,805,215	8,819,920
Sites and buildings	12,188,020	13,991,384	9,853,039	11,930,720
Fiscal and other fixed cost programs	336,468	366,519	383,556	181,837
Food service	4,007,239	3,939,335	4,141,595	4,581,519
Community service	5,294,255	5,294,575	4,446,087	4,416,271
Depreciation not included in other functions	2,200,859	2,077,872	2,083,157	2,092,437
Interest and fiscal charges	4,297,853	4,380,407	3,596,704	4,164,980
Total governmental activities expenses	104,043,433	107,920,288	106,532,369	112,057,484
Program revenues				
Governmental activities				
Charges for services				
Food service	2,371,288	2,342,824	2,389,877	2,270,735
Community service	3,535,129	3,649,837	3,124,923	3,194,068
All other	733,792	799,849	704,208	615,122
Operating grants and contributions	12,739,695	13,773,555	14,830,987	17,665,380
Capital grants and contributions	383,367	512,391	624,834	1,079,463
Total governmental activities program revenues	19,763,271	21,078,456	21,674,829	24,824,768
Net (expense) revenue	(84,280,162)	(86,841,832)	(84,857,540)	(87,232,716)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	17,775,348	18,659,789	19,064,752	19,366,999
Property taxes, levied for capital projects	2,920,342	1,111,426	2,672,002	4,217,786
Property taxes, levied for community service	796,039	2,765,087	1,074,426	1,080,401
Property taxes, levied for debt service	10,432,599	11,578,651	11,540,345	10,484,106
Unrestricted grants and contributions	51,474,590	51,989,567	53,164,405	52,807,290
Other general revenues	372,001	130,330	898,484	704,250
Investment earnings	129,556	167,603	126,850	133,233
Total general revenues and other changes in net position	83,900,475	86,402,453	88,541,264	88,794,065
Change in net position	\$ (379,687)	\$ (439,379)	\$ 3,683,724	\$ 1,561,349

Note: The District reported a prior period adjustment in fiscal 2018, increasing unrestricted net position by \$1,754,117. Prior fiscal years were not adjusted to reflect the impact of this adjustment.

2016	2017	2018	2019	2020	2021
\$ 4,643,864	\$ 5,928,267	\$ 5,769,605	\$ 3,526,940	\$ 5,070,472	\$ 4,919,742
2,019,904	2,253,207	2,402,738	2,359,021	2,577,725	2,237,564
46,747,667	68,377,262	68,598,151	33,989,388	56,797,734	58,447,015
881,627	1,762,643	1,920,274	1,393,443	1,685,647	1,178,880
21,078,601	27,522,420	28,707,069	17,297,032	25,958,489	27,336,918
8,681,086	9,556,148	10,287,078	7,151,776	10,911,975	9,300,831
10,551,058	13,297,720	13,988,252	11,771,090	13,412,477	12,777,966
13,350,160	12,714,729	8,519,866	10,487,501	9,038,418	9,870,490
318,315	318,782	295,206	293,113	326,531	489,542
4,192,500	4,482,465	4,421,186	4,510,000	4,220,848	4,536,347
5,250,991	6,111,162	6,661,744	6,357,060	7,108,410	6,480,611
2,585,565	2,550,231	2,460,982	2,492,595	2,562,513	2,676,851
3,637,370	3,271,662	3,510,445	3,063,233	4,267,078	8,226,489
123,938,708	158,146,698	157,542,596	104,692,192	143,938,317	148,479,246
2,258,254	2,326,238	2,297,045	2,345,752	1,729,584	45,569
3,681,104	3,882,256	4,390,909	4,562,874	4,131,639	3,766,945
1,880,192	2,197,083	2,507,761	2,696,667	1,890,485	1,837,263
18,447,942	19,931,774	20,164,119	22,617,917	23,418,865	28,132,055
1,030,957	—	—	—	98,464	185,354
27,298,449	28,337,351	29,359,834	32,223,210	31,269,037	33,967,186
(96,640,259)	(129,809,347)	(128,182,762)	(72,468,982)	(112,669,280)	(114,512,060)
20,142,501	20,854,762	20,018,385	21,329,896	21,711,186	23,131,500
3,040,084	2,827,643	3,806,093	4,586,658	4,729,951	5,636,562
1,043,053	994,784	897,666	979,104	1,122,545	1,087,949
11,013,828	10,930,437	10,748,427	11,068,394	14,907,766	25,890,298
57,107,216	62,299,098	62,758,162	60,829,833	66,568,401	72,606,053
1,773,329	1,036,621	1,020,920	912,726	1,260,113	974,436
153,392	346,582	606,426	1,050,936	5,463,317	1,990,352
94,273,403	99,289,927	99,856,079	100,757,547	115,763,279	131,317,150
\$ (2,366,856)	\$ (30,519,420)	\$ (28,326,683)	\$ 28,288,565	\$ 3,093,999	\$ 16,805,090

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Local sources				
Taxes	\$ 31,960,613	\$ 33,880,314	\$ 25,198,444	\$ 35,162,695
Investment earnings	16,764	54,066	23,377	52,864
Other	6,928,698	7,190,760	7,116,605	6,774,268
State sources	59,575,217	61,640,043	73,689,305	67,092,392
Federal sources	5,105,947	4,367,550	4,507,931	4,459,741
Total revenues	103,587,239	107,132,733	110,535,662	113,541,960
Expenditures				
Current				
Administration	3,958,852	4,015,982	4,360,452	4,368,076
District support services	2,078,268	2,193,489	1,642,913	1,662,845
Elementary and secondary regular instruction	38,650,289	39,629,298	41,901,372	41,958,720
Vocational education instruction	923,529	816,566	827,110	951,749
Special education instruction	17,125,287	18,408,949	18,603,528	18,802,623
Instructional support services	4,913,086	4,478,937	5,682,729	7,784,273
Pupil support services	7,538,799	7,975,301	7,805,215	8,879,865
Sites and buildings	9,049,142	13,539,510	16,559,644	9,129,257
Fiscal and other fixed cost programs	336,468	366,519	383,556	181,837
Food service	3,975,684	3,987,832	4,129,395	4,193,228
Community service	5,272,053	5,426,854	4,418,517	4,499,492
Capital outlay	3,288,376	4,487,482	2,120,214	3,618,237
Debt service				
Principal	6,721,237	7,304,839	7,413,817	7,409,918
Interest and fiscal charges	4,709,258	4,978,113	4,170,299	4,449,776
Total expenditures	108,540,328	117,609,671	120,018,761	117,889,896
Excess of revenues over (under) expenditures	(4,953,089)	(10,476,938)	(9,483,099)	(4,347,936)
Other financing sources (uses)				
Debt issued	41,765,000	—	—	15,270,000
Premium on bonds issued	3,280,108	—	—	61,778
Payments to refunded bond escrow agent	(9,070,000)	(26,190,000)	—	—
Capital lease issued	—	3,900,000	8,000,000	—
Sales of capital assets	4,095	9,850	630	13,129
Transfers in	388,000	388,000	388,000	250,000
Transfers out	(388,000)	(388,000)	(388,000)	(250,000)
Total other financing sources (uses)	35,979,203	(22,280,150)	8,000,630	15,344,907
Net change in fund balances	\$ 31,026,114	\$ (32,757,088)	\$ (1,482,469)	\$ 10,996,971
Debt service as a percentage of noncapital expenditures	10.6%	10.9%	10.4%	10.2%

2016	2017	2018	2019	2020	2021
\$ 35,221,900	\$ 35,802,955	\$ 35,528,658	\$ 37,919,198	\$ 42,318,235	\$ 55,907,683
103,638	311,131	573,551	972,085	5,387,019	1,982,641
9,576,917	9,442,198	10,211,671	10,518,019	9,007,221	6,624,213
72,091,177	74,746,927	78,253,127	82,296,921	84,285,721	86,466,422
4,494,938	4,777,798	4,697,630	5,370,277	5,353,084	14,284,546
121,488,570	125,081,009	129,264,637	137,076,500	146,351,280	165,265,505
4,319,876	4,428,948	4,439,908	4,767,244	4,754,277	4,680,935
1,927,834	2,150,921	2,294,145	2,486,960	2,482,463	2,259,769
46,242,132	47,911,170	50,957,061	51,578,338	52,869,123	55,688,571
880,860	1,534,004	1,466,872	1,781,712	1,571,515	1,101,205
19,818,791	20,846,113	22,539,239	23,855,666	24,453,211	25,963,933
8,247,943	7,901,076	8,699,660	8,842,082	8,398,544	7,883,565
10,489,544	11,625,539	12,723,412	13,093,273	12,929,240	12,694,704
8,619,133	8,382,462	8,271,678	9,332,455	8,369,840	12,434,965
318,315	318,782	295,206	293,113	326,531	489,542
4,201,804	4,382,438	4,335,235	4,515,036	3,991,746	4,113,935
5,223,576	5,450,159	6,122,643	6,888,584	6,888,649	6,394,672
5,587,987	4,848,594	1,232,886	4,202,130	19,649,016	39,213,649
7,956,156	8,219,137	8,705,181	8,962,193	12,775,262	17,162,911
4,094,070	3,800,779	3,776,909	3,464,192	3,108,548	9,454,449
127,928,021	131,800,122	135,860,035	144,062,978	162,567,965	199,536,805
(6,439,451)	(6,719,113)	(6,595,398)	(6,986,478)	(16,216,685)	(34,271,300)
—	—	26,245,000	—	250,000,000	15,160,000
—	—	1,425,751	—	13,257,479	1,469,939
—	—	(11,065,000)	—	—	(16,439,586)
—	—	—	—	—	—
29,540	2,387	4,964	—	4,600	—
1,340,000	—	—	—	—	—
—	—	—	—	—	—
1,369,540	2,387	16,610,715	—	263,262,079	190,353
\$ (5,069,911)	\$ (6,716,726)	\$ 10,015,317	\$ (6,986,478)	\$ 247,045,394	\$ (34,080,947)
9.6%	9.2%	9.3%	8.8%	10.9%	16.7%

INDEPENDENT SCHOOL DISTRICT NO. 624

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

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 219,984	\$ 1,255,743	\$ 188,940	\$ 156,537
Restricted	2,106,435	1,022,955	1,063,801	457,932
Assigned	6,697,066	8,955,687	15,588,049	12,917,616
Unassigned	<u>11,115,223</u>	<u>7,295,063</u>	<u>11,526,750</u>	<u>13,959,257</u>
Total General Fund	<u>\$ 20,138,708</u>	<u>\$ 18,529,448</u>	<u>\$ 28,367,540</u>	<u>\$ 27,491,342</u>
All other governmental funds				
Nonspendable	\$ 108,758	\$ 100,371	\$ 81,257	\$ 101,040
Restricted				
Special revenue funds	469,850	484,528	1,118,414	1,532,307
Capital Projects – Building				
Construction Fund	6,629,267	2,271,497	255,422	11,834,116
Debt service funds	28,513,803	1,717,454	2,255,307	2,079,253
Unassigned	<u>–</u>	<u>–</u>	<u>(51,191)</u>	<u>(14,338)</u>
Total all other governmental funds	<u>\$ 35,721,678</u>	<u>\$ 4,573,850</u>	<u>\$ 3,659,209</u>	<u>\$ 15,532,378</u>

2016	2017	2018	2019	2020	2021
\$ 97,470	\$ 315,203	\$ 515,138	\$ 407,677	\$ 14,573	\$ 62,849
1,638,862	2,117,835	1,360,676	3,723,893	6,540,545	4,505,782
10,494,185	10,458,808	5,572,835	3,344,748	2,000,000	2,000,000
15,274,627	12,147,758	12,426,576	9,602,192	7,228,288	10,235,873
<u>\$ 27,505,144</u>	<u>\$ 25,039,604</u>	<u>\$ 19,875,225</u>	<u>\$ 17,078,510</u>	<u>\$ 15,783,406</u>	<u>\$ 16,804,504</u>
\$ 105,040	\$ 128,309	\$ 136,834	\$ 118,871	\$ 261,435	\$ 200,837
1,694,251	2,029,228	2,133,818	1,849,465	1,022,193	2,038,557
6,439,036	1,675,062	16,397,271	12,556,918	261,314,543	224,512,987
2,210,338	2,364,880	2,709,252	2,662,158	2,929,739	3,712,552
—	—	—	—	—	(39,068)
<u>\$ 10,448,665</u>	<u>\$ 6,197,479</u>	<u>\$ 21,377,175</u>	<u>\$ 17,187,412</u>	<u>\$ 265,527,910</u>	<u>\$ 230,425,865</u>

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INDEPENDENT SCHOOL DISTRICT NO. 624

General Fund Revenue by Source
Last Ten Fiscal Years

Year Ended June 30,	Local Property Tax Revenue	State Revenue	Federal Revenue	Other Local and Miscellaneous	Total
2012	\$ 20,720,513 25%	\$ 58,534,326 70%	\$ 3,624,916 4%	\$ 1,036,788 1%	\$ 83,916,543 100%
2013	21,280,073 25%	61,146,075 71%	2,798,778 3%	1,219,431 1%	86,444,357 100%
2014	12,956,296 14%	72,599,880 81%	2,844,272 3%	1,621,936 2%	90,022,384 100%
2015	23,587,670 25%	66,390,402 71%	2,725,971 3%	1,358,971 1%	94,063,014 100%
2016	23,170,610 23%	71,248,577 70%	2,544,801 3%	3,713,551 4%	100,677,539 100%
2017	23,808,740 23%	73,684,350 71%	2,732,657 3%	3,475,642 3%	103,701,389 100%
2018	23,936,695 22%	77,099,110 71%	2,693,184 3%	3,864,518 4%	107,593,507 100%
2019	25,808,561 23%	81,061,081 70%	3,378,693 3%	4,056,534 4%	114,304,869 100%
2020	26,346,415 23%	82,882,935 71%	3,291,408 3%	3,405,038 3%	115,925,796 100%
2021	28,893,600 23%	85,036,779 68%	8,519,267 7%	2,835,871 2%	125,285,517 100%

Note: The change in “tax shift,” as approved in legislation, impacted the amount of tax revenue recognized in fiscal year 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount.

INDEPENDENT SCHOOL DISTRICT NO. 624

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	\$ 3,958,852 5%	\$ 2,078,268 2%	\$ 38,650,289 46%	\$ 923,529 1%	\$ 17,125,287 20%
2013	4,015,982 4%	2,193,489 2%	39,629,298 43%	816,566 1%	18,408,949 20%
2014	4,360,452 4%	1,642,913 2%	41,901,372 43%	827,110 1%	18,603,528 19%
2015	4,368,076 5%	1,662,845 2%	41,958,720 44%	951,749 1%	18,802,623 20%
2016	4,319,876 4%	1,927,834 2%	46,242,132 46%	880,860 1%	19,818,791 20%
2017	4,428,948 5%	2,150,921 2%	47,911,170 45%	1,534,004 1%	20,846,113 20%
2018	4,439,908 4%	2,294,145 2%	50,957,061 45%	1,466,872 1%	22,539,239 20%
2019	4,767,244 4%	2,486,960 2%	51,578,338 44%	1,781,712 2%	23,855,666 20%
2020	4,754,277 4%	2,482,463 2%	52,869,123 45%	1,571,515 1%	24,453,211 21%
2021	4,680,935 4%	2,259,769 2%	55,688,571 45%	1,101,205 1%	25,963,933 21%

Instructional Support Services	Pupil Support Services	Sites and Buildings	Fiscal, Other Fixed Cost Programs, and Debt Service	Total
\$ 4,913,086 6%	\$ 7,538,799 9%	\$ 9,049,142 11%	\$ 543,216 1%	\$ 84,780,468 100%
4,478,937 5%	7,975,301 9%	13,539,510 15%	517,435 1%	91,575,467 100%
5,682,729 6%	7,805,215 8%	16,559,644 17%	819,879 1%	98,202,843 100%
7,784,273 8%	8,879,865 9%	9,129,257 10%	1,164,933 1%	94,702,341 100%
8,247,943 8%	10,489,544 10%	8,619,133 8%	1,484,470 1%	102,030,583 100%
7,901,076 7%	11,625,539 11%	8,382,462 8%	1,389,083 1%	106,169,316 100%
8,699,660 8%	12,723,412 11%	8,271,678 8%	1,365,911 1%	112,757,886 100%
8,842,082 8%	13,093,273 11%	9,332,455 8%	1,363,854 1%	117,101,584 100%
8,398,544 7%	12,929,240 11%	8,369,840 7%	1,397,287 1%	117,225,500 100%
7,883,565 6%	12,694,704 10%	12,434,965 10%	1,556,772 1%	124,264,419 100%

INDEPENDENT SCHOOL DISTRICT NO. 624

Summary of Revenues and Expenditures
for Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
General Fund	\$ 83,916,543	\$ 86,444,357	\$ 90,022,384	\$ 94,063,014
Special revenue funds				
Food Service	3,995,104	4,060,843	4,204,291	4,208,560
Community Service	4,702,090	5,097,513	4,621,755	4,772,075
Capital Projects – Building				
Construction Fund	469	4,333	1,586	1,821
Debt Service Fund	10,973,033	11,525,687	11,685,646	10,496,490
Total revenues	<u>\$ 103,587,239</u>	<u>\$ 107,132,733</u>	<u>\$ 110,535,662</u>	<u>\$ 113,541,960</u>
Expenditures				
General Fund	\$ 84,780,468	\$ 91,575,467	\$ 98,202,842	\$ 94,702,341
Special revenue funds				
Food Service	4,008,114	4,098,121	4,205,461	4,245,505
Community Service	5,293,731	5,443,742	4,445,004	4,515,800
Capital Projects – Building				
Construction Fund	3,234,268	4,360,305	2,017,661	3,549,652
Debt Service Fund	11,223,747	12,132,036	11,147,793	10,876,598
Total expenditures	<u>\$ 108,540,328</u>	<u>\$ 117,609,671</u>	<u>\$ 120,018,761</u>	<u>\$ 117,889,896</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 100,677,539	\$ 103,701,389	\$ 107,593,507	\$ 114,304,869	\$ 115,925,796	\$ 125,285,517
4,432,336	4,607,261	4,558,208	4,610,762	3,982,048	5,397,288
5,343,584	5,647,653	6,081,836	6,544,785	6,390,640	6,491,551
19,955	20,549	129,387	307,534	4,972,161	1,948,559
<u>11,015,156</u>	<u>11,104,157</u>	<u>10,901,699</u>	<u>11,308,550</u>	<u>15,080,635</u>	<u>26,142,590</u>
<u>\$ 121,488,570</u>	<u>\$ 125,081,009</u>	<u>\$ 129,264,637</u>	<u>\$ 137,076,500</u>	<u>\$ 146,351,280</u>	<u>\$ 165,265,505</u>
\$ 102,030,583	\$ 106,169,316	\$ 112,757,886	\$ 117,101,584	\$ 117,225,500	\$ 124,264,419
4,347,742	4,426,363	4,375,549	4,552,813	4,148,747	4,572,349
5,250,818	5,470,711	6,147,818	6,905,050	6,908,649	6,399,792
5,414,807	4,784,117	1,167,397	4,147,887	19,472,015	38,750,115
<u>10,884,071</u>	<u>10,949,615</u>	<u>11,411,385</u>	<u>11,355,644</u>	<u>14,813,054</u>	<u>25,550,130</u>
<u>\$ 127,928,021</u>	<u>\$ 131,800,122</u>	<u>\$ 135,860,035</u>	<u>\$ 144,062,978</u>	<u>\$ 162,567,965</u>	<u>\$ 199,536,805</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

Cash and Investments by Fund
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
General Fund	\$ 1,729,290	\$ 14,927,823	\$ 25,331,076	\$ 32,440,239
Special revenue funds				
Food Service	345,224	346,449	315,489	283,747
Community Service	231,772	363,895	1,389,406	1,901,557
Capital Projects – Building Construction Fund	7,435,706	2,647,272	278,236	13,136,829
Debt Service Fund	33,486,384	7,009,142	6,863,009	7,016,828
Internal service funds	3,805,021	3,864,013	3,557,696	5,565,947
Post-Employment Benefits Trust Fund	42,146,512	42,335,624	47,000,965	33,422,551
Scholarship Private-Purpose Trust Fund	33,145	30,617	40,658	80,964
Custodial Fund	—	—	—	—
	<u>\$ 89,213,054</u>	<u>\$ 71,524,835</u>	<u>\$ 84,776,535</u>	<u>\$ 93,848,662</u>

Note 1: The District implemented GASB Statement No. 84, *Fiduciary Fund*, in fiscal 2020. As a result of implementing this standard, the District started to report a Custodial Fund. Prior year amounts have not been restated.

Note 2: This table includes cash and investments held by trustee.

2016	2017	2018	2019	2020	2021
\$ 30,436,088	\$ 25,600,462	\$ 20,379,909	\$ 15,758,533	\$ 18,163,217	\$ 11,205,708
295,187	463,293	627,316	613,620	285,169	1,099,873
1,990,015	2,250,731	2,307,797	2,025,694	1,307,493	1,259,679
7,130,933	1,718,169	16,508,518	12,595,789	259,965,642	229,911,496
7,241,862	7,259,123	7,886,379	9,572,210	14,516,319	10,824,021
4,079,603	3,663,757	4,477,099	5,066,433	5,672,784	6,461,794
31,104,825	32,185,452	34,115,030	35,121,517	35,149,062	38,878,391
167,025	153,728	243,000	172,078	—	—
—	—	—	—	220,371	232,500
<u>\$ 82,445,538</u>	<u>\$ 73,294,715</u>	<u>\$ 86,545,048</u>	<u>\$ 80,925,874</u>	<u>\$335,280,057</u>	<u>\$299,873,462</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

Expenditures per Student
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Expenditures per student				
General Fund				
District-level administration	\$ 369	\$ 383	\$ 344	\$ 343
School-level administration	442	476	490	489
Regular instruction	4,528	4,730	4,826	4,921
Career and technical instruction	113	101	101	116
Special education	2,089	2,264	2,261	2,281
Student activities/athletics	156	138	157	152
Instructional support services	471	410	491	548
Pupil support services	312	339	483	473
Operations, maintenance, and other	860	920	935	911
Student transportation	540	594	604	606
Capital	527	474	350	663
Total General Fund expenditures per student	<u>\$ 10,407</u>	<u>\$ 10,829</u>	<u>\$ 11,042</u>	<u>\$ 11,503</u>
Food Service Special Revenue Fund	<u>\$ 492</u>	<u>\$ 506</u>	<u>\$ 515</u>	<u>\$ 516</u>

Source: Minnesota Department of Education

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 365	\$ 374	\$ 400	\$ 436	\$ 267	\$ 225
488	502	499	404	560	597
5,292	5,343	5,542	5,655	5,731	6,276
106	181	168	206	180	130
2,387	2,447	2,584	2,758	2,787	3,073
255	253	276	332	308	296
640	652	659	890	721	792
516	512	543	560	625	647
874	879	866	992	957	1,489
702	825	874	920	843	846
673	512	531	415	485	341
<u>\$ 12,300</u>	<u>\$ 12,479</u>	<u>\$ 12,943</u>	<u>\$ 13,568</u>	<u>\$ 13,464</u>	<u>\$ 14,712</u>
<u>\$ 524</u>	<u>\$ 522</u>	<u>\$ 719</u>	<u>\$ 557</u>	<u>\$ 476</u>	<u>\$ 541</u>

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INDEPENDENT SCHOOL DISTRICT NO. 624

Governmental Funds Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax				Total
	General Fund	Community Service Special Revenue Fund	Debt Service Fund		
2012	\$ 20,720,513	\$ 797,823	\$ 10,442,277	\$	31,960,613
2013	21,280,073	1,104,680	11,495,561		33,880,314
2014	12,956,296	559,095	11,683,053		25,198,444
2015	23,587,670	1,080,555	10,494,470		35,162,695
2016	23,170,610	1,042,443	11,008,847		35,221,900
2017	23,808,740	1,000,767	10,993,448		35,802,955
2018	23,936,695	851,605	10,740,358		35,528,658
2019	25,808,561	1,025,846	11,084,791		37,919,198
2020	26,346,415	1,118,903	14,852,917		42,318,235
2021	28,893,600	1,093,150	25,920,933		55,907,683

Note: The change in “tax shift,” as approved in legislation, impacted the amount of tax revenue recognized in fiscal year 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount.

INDEPENDENT SCHOOL DISTRICT NO. 624

Tax Capacities and Market Values
Last Ten Fiscal Years

For Taxes Collectible	Agricultural Net Tax Capacity	Personal Property	Nonagricultural Net Tax Capacity	Fiscal Disparities	
				Contribution Net Tax Capacity	Distribution Net Tax Capacity
2012	\$ 392,973	\$ 995,107	\$ 69,319,294	\$ (8,175,134)	\$ 7,388,803
2013	395,373	1,062,162	64,295,867	(7,513,017)	7,115,720
2014	401,085	1,065,271	65,266,991	(7,389,456)	6,898,176
2015	404,636	1,089,830	70,778,051	(7,525,888)	6,924,807
2016	414,264	1,186,977	72,619,763	(7,523,002)	7,099,529
2017	422,640	1,281,958	76,741,560	(7,795,352)	7,815,144
2018	430,930	1,362,746	84,067,538	(8,448,877)	8,337,120
2019	417,860	1,327,082	90,414,147	(9,221,744)	8,812,128
2020	407,075	1,346,317	96,683,531	(9,897,728)	9,482,997
2021	388,885	1,477,006	103,045,446	(9,770,932)	9,907,598

Note: The District has presented estimated market value, which is the best information available to represent estimated actual value of property.

Source: State of Minnesota School Tax Report

<u>Tax Increment Net Tax Capacity</u>	<u>Total Taxable Net Tax Capacity</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Market Value</u>	<u>Percentage Tax Capacity to Market Value</u>
\$ (3,467,832)	\$ 66,453,211	0.26101	\$ 6,236,751,100	1.07 %
(3,060,855)	62,295,250	0.28622	5,820,147,200	1.07
(3,005,643)	63,236,424	0.28562	5,914,824,800	1.07
(2,570,977)	69,100,459	0.26660	6,418,024,100	1.08
(1,418,213)	72,379,318	0.26236	6,573,881,600	1.10
(1,266,217)	77,199,733	0.23476	6,904,085,300	1.12
(1,221,355)	84,528,102	0.23685	7,484,891,300	1.13
(1,238,186)	90,511,287	0.26081	7,995,141,000	1.13
(1,182,453)	96,839,739	0.36777	8,549,395,400	1.13
(1,254,737)	103,793,266	0.37074	9,058,861,658	1.15

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INDEPENDENT SCHOOL DISTRICT NO. 624

School Tax Levies,
Tax Rates (1), and Market Value Rates by Fund
Last Ten Fiscal Years

	<u>Year Collectible</u>	<u>General Fund (2)</u>	<u>Community Service Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total All Funds</u>
Levies					
	2012	\$ 21,716,706	\$ 971,539	\$ 11,687,568	\$ 34,375,813
	2013	22,158,396	1,083,251	11,664,086	34,905,733
	2014	24,489,875	1,089,836	10,575,794	36,155,505
	2015	23,793,193	1,050,963	11,097,447	35,941,603
	2016	24,217,987	999,958	10,987,335	36,205,280
	2017	24,311,613	907,449	10,863,759	36,082,821
	2018	26,510,297	1,023,603	11,060,925	38,594,825
	2019	27,730,600	1,097,369	15,074,825	43,902,794
	2020	28,727,888	1,098,027	26,057,403	55,883,318
	2021	31,855,713	1,135,435	23,996,527	56,987,675
Tax rates					
	2012	0.06757	0.01485	0.17859	0.26101
	2013	0.07956	0.01756	0.18910	0.28622
	2014	0.10119	0.01723	0.16720	0.28562
	2015	0.09204	0.01510	0.15946	0.26660
	2016	0.09700	0.01379	0.15156	0.26236
	2017	0.08408	0.05446	0.09622	0.23476
	2018	0.09376	0.04893	0.09416	0.23685
	2019	0.08052	0.01223	0.16805	0.26081
	2020	0.07914	0.01167	0.27697	0.36777
	2021	0.12842	0.01095	0.23137	0.37074
Market value rates					
	2012	0.00248	—	—	0.00248
	2013	0.00264	—	—	0.00264
	2014	0.00273	—	—	0.00273
	2015	0.00240	—	—	0.00240
	2016	0.00235	—	—	0.00235
	2017	0.00230	—	—	0.00230
	2018	0.00230	—	—	0.00230
	2019	0.00232	—	—	0.00232
	2020	0.00224	—	—	0.00224
	2021	0.00181	—	—	0.00181

(1) Tax rates are expressed in terms of “net tax capacity.” A property’s tax capacity is determined by multiplying its taxable market value by a state determined class rate. Class rates vary by property type and change periodically based on state legislation.

(2) A tax rate based on market value is used for a portion of the District’s referendum levy.

Source: State of Minnesota School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 624

Direct and Overlapping Property Tax Rates (1)
Last Ten Fiscal Years

For Taxes Collectible	ISD No. 624		Counties			Special Taxing Districts		
	Total Direct Tax Rate (2)	Market Value Rate	Ramsey County	Washington County	Anoka County	Ramsey County	Washington County	Anoka County
2012	26.101	0.248	61.316	31.939	41.146	9.240	5.247	6.691
2013	28.622	0.264	65.240	34.225	44.411	9.954	3.164	6.940
2014	28.562	0.273	63.735	32.811	43.239	9.825	4.640	5.768
2015	26.660	0.240	58.922	30.186	38.123	9.179	4.183	5.327
2016	26.236	0.235	58.885	30.564	38.894	9.052	4.568	5.728
2017	23.476	0.230	55.850	30.448	37.273	8.558	4.345	5.087
2018	23.685	0.230	53.962	29.983	35.820	8.249	4.175	4.902
2019	26.081	0.232	52.879	29.682	34.908	8.265	3.994	2.015
2020	36.777	0.224	52.302	28.944	33.483	8.249	3.738	1.956
2021	37.074	0.181	N/A	27.435	31.316	N/A	3.593	1.883

N/A Not Available

(1) Tax rates are expressed in terms of “net tax capacity.” A property’s tax capacity is determined by multiplying its taxable market value by a state-determined class rate. Class rates vary by property type and change periodically, based on state legislation.

(2) Tax rates per \$100 of tax capacity.

Source: Anoka, Washington, and Ramsey counties

Municipalities					Average Total Rates by Area				
White Bear Lake	White Bear Township	Hugo	Lino Lakes	Vadnais Heights	White Bear Lake Resident	White Bear Township Resident	Hugo Resident	Vadnais Heights Resident	Lino Lakes Resident
19.940	23.767	36.498	42.894	27.840	116.845	120.672	100.033	124.745	117.080
21.496	25.246	36.512	46.774	29.051	125.576	129.326	102.787	133.131	127.011
21.102	24.014	36.417	46.683	29.269	123.497	126.409	102.703	131.664	124.525
20.368	22.031	36.318	43.770	26.904	115.369	117.032	97.586	121.905	114.120
19.690	22.875	36.323	46.019	26.820	114.098	117.283	97.926	121.228	117.113
18.969	21.976	36.356	45.140	26.845	107.083	110.090	94.854	114.959	111.206
19.058	21.623	36.330	42.826	24.872	105.184	107.749	94.402	110.998	107.463
20.190	21.722	36.274	41.817	24.127	107.647	109.179	96.263	111.584	105.053
20.629	21.760	39.279	39.870	24.583	118.181	119.312	108.962	122.135	112.310
N/A	N/A	39.294	39.437	N/A	N/A	N/A	107.577	N/A	109.891

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INDEPENDENT SCHOOL DISTRICT NO. 624

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Taxable Net Tax Capacity	Rank	Percentage of Taxable Net Tax Capacity	Taxable Net Tax Capacity	Rank	Percentage of Taxable Net Tax Capacity
Xcel Energy	\$ 1,291,591	1	1.24 %	\$ 257,948	3	0.39 %
White Bear Woods Apartments	559,129	2	0.54	—	—	—
H.B. Fuller	384,376	3	0.37	—	—	—
Dakota Upreit LP	354,868	4	0.34	—	—	—
White Bear Marketplace	320,388	5	0.31	—	—	—
MSP Vadnais, LLC	293,250	6	0.28	—	—	—
Buerkle Enterprises, LLC	284,632	7	0.27	—	—	—
VH Medical Partners, LLC	284,392	8	0.27	—	—	—
Walmart Real Estate Business Trust	279,804	9	0.27	—	—	—
Trane Corporation	272,946	10	0.26	266,172	2	0.40
Sam's Club	—	—	—	269,250	1	0.41
Specialty Manufacturing	—	—	—	243,976	4	0.37
Schwing America, Inc.	—	—	—	234,642	5	0.35
Wilson Tool International	—	—	—	211,040	6	0.32
K-Mart Corporation	—	—	—	209,250	7	0.31
White Bear Shopping Center	—	—	—	201,262	8	0.30
Wilbert Plastics, Inc.	—	—	—	190,570	9	0.29
Aspen Research	—	—	—	176,768	10	0.27
Total	<u>\$ 4,325,376</u>		<u>4.17 %</u>	<u>\$ 2,260,878</u>		<u>3.40 %</u>

Source: City of White Bear Lake, White Bear Township, City of Hugo, and City of Vadnais Heights

INDEPENDENT SCHOOL DISTRICT NO. 624

Property Tax Levies and Receivables
Last Ten Fiscal Years

For Taxes Collectible	Original Levy				Collections	
	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread	First Year Levy Recognized	Percentage of Levy
					Amount	
2012	\$ 30,927,409	\$ 3,447,088	\$ 1,316	\$ 34,375,813	\$ 33,926,689	98.7 %
2013	31,178,677	3,724,356	2,700	34,905,733	34,553,389	99.0
2014	32,257,126	3,897,020	1,359	36,155,505	35,747,852	98.9
2015	31,979,108	3,962,495	—	35,941,603	35,662,183	99.2
2016	32,555,594	3,649,686	—	36,205,280	35,980,466	99.4
2017	32,180,096	3,902,725	—	36,082,821	35,808,331	99.2
2018	34,729,868	3,864,957	—	38,594,825	38,347,361	99.4
2019	39,886,903	4,015,891	—	43,902,794	43,629,296	99.4
2020	51,253,317	4,630,001	—	55,883,318	24,866,218	44.5
2021	51,171,094	5,816,581	—	56,987,675	16,978,127	29.8

- (1) Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write-off of delinquent taxes receivable.

Source: State of Minnesota School Tax Report

Received in Subsequent Years		Total to Date		Uncollected Taxes Receivable as of June 30, 2021					
		Amount	Percentage of Levy	Delinquent (1)		Current		Amount	Percent
				Amount	Percent	Amount	Percent		
\$	449,124	\$ 34,375,813	100.0 %	\$	—	— %	\$	—	— %
	352,344	34,905,733	100.0		—	—		—	—
	407,653	36,155,505	100.0		—	—		—	—
	261,283	35,923,466	99.9		18,137	—		—	—
	209,119	36,189,585	100.0		15,695	—		—	—
	252,387	36,060,718	99.9		22,103	0.1		—	—
	210,170	38,557,531	99.9		37,294	0.1		—	—
	196,557	43,825,853	99.8		76,941	0.2		—	—
	30,746,703	55,612,921	100.0		270,397	0.5		—	—
	—	—	—		—	—		40,009,548	70.2
					\$ 440,567			\$ 40,009,548	

INDEPENDENT SCHOOL DISTRICT NO. 624

Ratio of Net Debt
to Net Tax Capacity and Market Value and
Net Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Outstanding Bonded Debt	Premium (Discount) on Debt	Balance on Hand Value	Net Debt	Net Tax Capacity	Percent of Net Debt to Net Tax Capacity Value
2012	\$ 125,540,000	\$ 3,519,477	\$ 28,513,803	\$ 100,545,674	\$ 66,453,211	151.30 %
2013	92,180,000	3,049,526	1,717,454	93,512,072	62,295,250	150.11
2014	85,060,000	2,635,931	2,255,307	85,440,624	63,236,424	135.11
2015	93,420,000	2,330,474	2,079,253	93,671,221	69,100,459	135.56
2016	86,195,000	1,958,524	2,210,338	85,943,186	72,379,318	118.74
2017	78,640,000	1,586,574	2,364,880	77,861,694	77,199,733	100.86
2018	85,805,000	2,515,596	2,709,252	85,611,344	84,528,102	101.28
2019	77,560,000	1,986,644	2,662,158	76,884,486	90,511,287	84.94
2020	315,530,000	14,538,405	2,929,739	327,138,666	96,839,739	337.81
2021	298,760,000	14,340,352	3,712,552	309,387,800	103,793,266	298.08

Note: Balance on hand values are restricted for the repayment of debt principal based on Minnesota Statutes.

Source: State of Minnesota School Tax Report and Metropolitan Council

Market Value	Percent of Net Debt to Market Value	Estimated Population	Net Debt per Capita	Total Debt per Capita	Percent of Net Debt to Personal Income	Percent of Total Debt to Personal Income
\$6,236,751,100	1.61 %	48,144	\$ 2,088	\$ 2,681	4.12 %	5.29 %
5,820,147,200	1.61	48,332	1,935	1,970	3.71	3.77
5,914,824,800	1.44	48,449	1,764	1,810	3.29	3.38
6,418,024,100	1.46	48,645	1,926	1,968	3.47	3.55
6,573,881,600	1.31	49,189	1,747	1,792	3.11	3.19
6,904,085,300	1.13	49,739	1,565	1,613	2.79	2.87
7,484,891,300	1.14	50,734	1,687	1,741	2.92	3.02
7,995,141,000	0.96	51,749	1,486	1,537	2.46	2.55
8,549,395,400	3.83	65,782	4,973	5,018	7.98	8.05
9,058,861,658	3.42	65,782	4,703	4,760	6.83	6.91

INDEPENDENT SCHOOL DISTRICT NO. 624

Ratio of Annual Debt Expenditures
to General Fund Expenditures
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Other Charges</u>	<u>Total Debt Service Expenditures</u>	<u>Total General Fund Expenditures</u>	<u>Percent of Debt Service to General Fund Expenditures</u>
2012	\$ 6,721,237	\$ 4,709,258	\$ 11,430,495	\$ 84,780,468	13.48 %
2013	7,304,839	4,978,113	12,282,952	91,575,467	13.41
2014	7,413,817	4,170,299	11,584,116	98,202,842	11.80
2015	7,409,918	4,449,776	11,859,694	94,702,341	12.52
2016	7,956,156	4,094,070	12,050,227	102,030,583	11.81
2017	8,219,137	3,800,779	12,019,916	106,169,316	11.32
2018	8,705,181	3,776,909	12,482,090	112,757,886	11.07
2019	8,962,193	3,464,192	12,426,385	117,101,584	10.61
2020	12,775,262	3,108,548	15,883,810	117,225,500	13.55
2021	17,162,911	9,454,449	26,617,360	124,264,419	21.42

INDEPENDENT SCHOOL DISTRICT NO. 624

Direct and Overlapping Debt
as of June 30, 2021

	General Obligation Debt	2021 Tax Capacity Value	Percent of Debt Applicable (1)	Amount of Debt Applicable
Taxing unit				
Overlapping debt				
Counties				
Ramsey	\$ 136,710,000	\$ 718,083,757	11.26 %	\$ 15,393,546
Washington	113,845,000	363,058,143	5.43 %	6,181,784
Cities				
White Bear Lake	19,075,000	36,149,264	97.64 %	18,624,830
White Bear Township	1,270,000	17,743,842	99.80 %	1,267,460
Hugo	8,335,000	18,980,868	90.52 %	7,544,842
Special districts				
Metropolitan Council	<u>187,200,000</u>	<u>4,884,505,255</u>	2.12 %	<u>3,968,640</u>
Total overlapping debt	466,435,000	6,038,521,129		52,981,102
Direct debt				
ISD No. 624	<u>313,100,352</u>	<u>103,793,266</u>	100.00 %	<u>313,100,352</u>
Total direct and overlapping debt	<u>\$ 779,535,352</u>	<u>\$ 6,142,314,395</u>		<u>\$ 366,081,454</u>

(1) The percent overlap is based on the percentage of tax capacity of the individual entities in ISD No. 624.

Source: The Official Statement associated with the District's 2021A G.O. Facilities Maintenance Bond (prepared by Ehlers)

INDEPENDENT SCHOOL DISTRICT NO. 624

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Debt limit	\$ 935,512,665	\$ 873,022,080	\$ 887,223,720	\$ 962,703,615
Total net debt applicable to the limit	97,109,281	90,462,546	82,804,693	91,340,747
Legal debt margin	<u>\$ 838,403,384</u>	<u>\$ 782,559,534</u>	<u>\$ 804,419,027</u>	<u>\$ 871,362,868</u>
Total net debt applicable to the limit as a percentage of debt limit	10.38%	10.36%	9.33%	9.49%

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

Source: State of Minnesota School Tax Report

2016	2017	2018	2019	2020	2021
\$ 986,082,240	\$ 1,035,612,795	\$ 1,122,733,695	\$ 1,199,271,150	\$ 1,282,409,310	\$ 1,358,829,249
83,984,662	81,004,880	88,514,252	80,222,158	312,600,261	295,047,448
<u>\$ 902,097,578</u>	<u>\$ 954,607,915</u>	<u>\$ 1,034,219,443</u>	<u>\$ 1,119,048,992</u>	<u>\$ 969,809,049</u>	<u>\$ 1,063,781,801</u>
8.52%	7.82%	7.88%	6.69%	24.38%	21.71%

Legal Debt Margin Calculation for Fiscal Year 2021

Market value	\$ 9,058,861,658
Debt limit (15% of market value)	1,358,829,249
Debt applicable to limit	
General obligation bonds	298,760,000
Less amount set aside for repayment	
of general obligation debt	<u>(3,712,552)</u>
Total net debt applicable to the limit	<u>295,047,448</u>
Legal debt margin	<u>\$ 1,063,781,801</u>

INDEPENDENT SCHOOL DISTRICT NO. 624

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (3)	Median Age (3)	School Enrollment (4)	Ramsey County Unemployment Rate (2)
2012	48,144	\$ 2,439,398,707	\$ 50,669	37.4	8,005	6.4 %
2013	48,332	2,523,752,044	52,217	37.4	8,035	5.3
2014	48,449	2,596,381,910	53,590	37.4	8,056	4.7
2015	48,645	2,697,851,700	55,460	41.2	8,043	3.8
2016	49,189	2,760,634,247	56,123	41.4	8,117	3.7
2017	49,739	2,790,556,856	56,104	44.1	8,312	3.6
2018	50,734	2,928,214,278	57,717	43.8	8,661	2.6
2019	51,749	3,120,516,449	60,301	44.2	8,765	3.1
2020	65,782	4,098,481,728	62,304	44.3	8,802	9.2
2021	65,782	4,530,472,122	68,871	44.1	8,612	4.1

Note: Population and median age information are based on surveys conducted during the last quarter of the calendar year.
 Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average.
 School enrollment is based on the census at the start of the school year.

Data sources:

- (1) Bureau of the Census/County Regional Planning Commission
- (2) Minnesota Department of Employment and Economic Development
- (3) Bureau of the Census
- (4) ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

Principal Employers
Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
ISD No. 624	1,221	1	4.42 %	1,133	1	N/A
Century College	813	2	2.95	1,000	2	N/A
H.B. Fuller	600	3	2.17	—	—	N/A
I.C. Systems	564	4	2.04	—	—	N/A
Bal Seal Engineering	500	5	1.81	—	—	N/A
Heraeus Medical Components	450	6	1.63	307	7	N/A
Walmart	410	7	1.49	410	5	N/A
Wilson Tool International	400	8	1.45	500	4	N/A
Schwing America, Inc.	317	9	1.15	—	—	N/A
Water Gremlin Company	255	10	0.92	250	8	N/A
Taymark Corporation	—	—	—	600	3	N/A
Festival Foods	—	—	—	325	6	N/A
Cerenity Care Center	—	—	—	250	8	N/A
Lifetime Fitness	—	—	—	200	10	N/A
	<u>5,530</u>		<u>20.03 %</u>	<u>4,975</u>		<u>N/A</u>
Total district employment	<u>27,606</u>			<u>N/A</u>		

N/A – Not Available

Note: This table includes the City of White Bear Lake, White Bear Township, City of Vadnais Heights, and the City of Hugo.

Source: State Department of Commerce

INDEPENDENT SCHOOL DISTRICT NO. 624

Employees by Classification
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Board of Education (1)	7	7	7	7
Cabinet/Administrators/Principals (2)	37	36	35	35
Nonaffiliated (3)	19	29	25	42
Teachers (4)	580	599	602	604
Support services (5)	110	101	103	103
Paraprofessionals (6)	152	153	158	158
Custodians (7)	67	63	65	65
Nutritional services (8)	75	75	73	71
Extended day (9)	43	47	48	31
Bus drivers (10)	43	40	38	40
Total	1,133	1,150	1,154	1,156

- (1) Board of Education consists of seven elected officials.
- (2) Cabinet/Administrators/Principals include the Cabinet, the White Bear Lake Principal's Association, and the White Bear Lake Administrator's Association.
- (3) Nonaffiliated includes positions that are not affiliated with any other listed group and are directed by individual compensation plans.
- (4) Teachers include members of the White Bear Lake Teachers Association.
- (5) Support services include members of the Service Employees International Union (SEIU) Local 284 and the Confidential Employee Group.
- (6) Paraprofessionals include members of the SEIU Local 284.
- (7) Custodians include members of the International Union of Operating Engineers (IUOE) Local 70.
- (8) Nutritional services include members of the White Bear Lake Nutrition Services Association.
- (9) Extended day includes members of the White Bear Lake Extended Day Program Association.
- (10) Bus drivers include members of the IUOE Local 70.

Source: ISD No. 624

2016	2017	2018	2019	2020	2021
7	7	7	7	7	7
33	34	30	31	29	30
62	72	80	88	86	91
620	607	616	636	606	597
101	103	99	111	112	116
163	164	174	197	182	174
67	71	70	76	64	64
71	76	70	76	60	49
34	39	43	73	65	62
48	46	44	43	33	31
1,206	1,219	1,233	1,338	1,244	1,221

INDEPENDENT SCHOOL DISTRICT NO. 624

Teacher Data
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Minimum Salary</u>		<u>Maximum Salary</u>		<u>Average Salary</u>		<u>Number of Teachers With</u>	
							<u>B.A. Degree</u>	<u>M.A. Degree</u>
2012	\$	36,850	\$	80,925	\$	58,888	167	413
2013		37,219		82,409		59,814	185	414
2014		38,391		84,628		61,510	199	392
2015		39,275		86,740		63,008	189	408
2016		40,350		88,615		64,483	184	457
2017		41,425		90,040		65,733	147	459
2018		42,357		92,590		67,474	175	434
2019		43,310		94,482		68,896	142	502
2020		44,720		97,213		70,967	122	484
2021		45,659		99,242		72,451	115	482

Source: ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

Student to Staff Ratios Last Ten Fiscal Years

Fiscal Year	ISD No. 624 Student to Teacher Ratios	Minnesota Department of Education Student to Staff Ratio		
		ISD No. 624	Ramsey County Average	State of Minnesota Average
2012	18.00	14.00	14.20	14.00
2013	17.00	14.00	14.00	13.00
2014	17.00	14.00	13.60	13.00
2015	16.00	14.00	13.40	13.00
2016	17.00	14.00	N/A	N/A
2017	17.00	13.00	N/A	N/A
2018	17.00	13.00	N/A	N/A
2019	16.00	13.00	N/A	N/A
2020	N/A	N/A	N/A	N/A
2021	16.00	13.00	N/A	N/A

N/A – Not Available

Source: Minnesota Department of Education

INDEPENDENT SCHOOL DISTRICT NO. 624

Operating Indicators by Function
Standardized Testing and Graduation Rates
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Standardized Tests				
MCA Reading (1) (2)				
Grade 3	83.70 %	60.80 %	66.00 %	63.90 %
Grade 4	80.60	59.60	60.00	63.20
Grade 5	82.20	68.90	73.60	69.60
Grade 6	78.70	63.90	64.60	68.40
Grade 7	78.30	60.80	59.90	61.90
Grade 8	72.70	64.60	66.90	57.30
Grade 10	78.80	66.80	59.70	68.30
MCA Math (1)				
Grade 3	84.60	76.60	80.40	78.10
Grade 4	81.00	77.20	74.40	79.80
Grade 5	69.10	66.90	62.60	61.30
Grade 6	61.60	57.10	61.80	54.70
Grade 7	60.80	60.40	58.00	59.20
Grade 8	66.00	68.20	70.40	64.20
Grade 11	51.80	62.10	68.00	56.70
MCA Science (1)				
Grade 5	64.00	69.00	63.80	63.50
Grade 7	52.00	57.50	58.10	52.50
Grade 11	56.00	60.60	56.20	65.40
ACT				
Average composite score	22.80	23.10	23.40	21.50
Graduation data				
ISD No. 624 rate	90.40	91.40	90.60	89.30
Post-graduation				
4-year college/university	58.00	62.00	60.00	66.00
2-year college	35.00	27.00	25.00	23.00
Other	7.00	11.00	15.00	11.00

N/A – Not Available

(1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test.

(2) New reading test in 2013 aligned with new standards.

(3) 2020 data not available due to COVID-19.

Source: Minnesota Department of Education

2016	2017	2018	2019	2020 (3)	2021
64.00 %	65.00 %	65.10 %	62.60 %	N/A	53.70 %
62.60	64.20	67.70	66.70	N/A	55.00
77.10	74.10	76.20	74.00	N/A	68.00
66.10	67.20	68.20	68.00	N/A	57.60
58.00	56.30	61.10	60.90	N/A	50.00
62.80	60.30	55.80	60.60	N/A	49.80
62.70	65.10	55.70	63.70	N/A	57.50
79.70	74.30	75.90	74.00	N/A	56.90
75.40	78.50	72.10	72.60	N/A	56.30
70.90	66.70	68.10	57.90	N/A	45.30
52.90	61.40	55.10	57.00	N/A	32.00
54.60	56.30	57.40	57.80	N/A	32.80
68.30	64.70	63.70	65.40	N/A	45.30
60.50	59.60	56.50	54.40	N/A	33.70
70.20	66.10	67.40	61.50	N/A	54.60
53.60	55.00	49.70	47.60	N/A	42.00
63.50	64.20	54.30	54.50	N/A	42.20
21.80	22.00	21.90	21.86	N/A	N/A
89.70	87.70	88.70	88.10	91.20	90.10
66.00	61.00	57.00	61.00	N/A	N/A
23.00	28.00	26.00	22.00	N/A	N/A
11.00	11.00	17.00	17.00	N/A	N/A

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INDEPENDENT SCHOOL DISTRICT NO. 624

Food Service
School Lunch Program
Last Ten Fiscal Years

Fiscal Year	Average Daily Attendance	Total Lunches Served	Days	Average Daily Participation (ADP)	Percent of ADP	Free Lunch		Reduced-Price Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2012	7,586	877,690	172	5,103	67.27 %	250,903	28.59 %	75,928	8.65 %
2013	7,382	831,414	172	4,834	65.48	246,535	29.65	80,519	9.68
2014	7,558	850,649	172	4,815	63.71	255,488	30.03	83,593	9.83
2015	7,563	864,918	172	5,029	66.49	257,473	29.77	85,632	9.90
2016	7,683	859,192	172	4,995	65.01	245,745	28.60	85,592	9.96
2017	7,821	870,053	172	5,058	65.00	242,242	27.84	84,705	10.05
2018	7,998	876,171	172	5,094	63.69	235,303	26.86	93,842	10.71
2019	8,286	898,412	172	5,223	63.04	223,814	24.91	97,003	10.80
2020	8,539	680,867	172	3,959	46.36	208,197	30.58	63,355	9.31
2021	8,204	553,614	172	3,219	39.23	553,614	100.00	—	—

Source: ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

School Facilities
as of June 30, 2021

Facility	Usage	Constructed
White Bear Lake High School South Campus	School – office – classrooms	1971
White Bear Lake High School North Campus	School – office – classrooms	1963
Central Middle/District Center	School – office – classrooms	1918
Sunrise Park Middle	School – office – classrooms	1959
Oneka Elementary	School – office – classrooms	2006
Otter Lake Elementary	School – office – classrooms	1987
Vadnais Heights Elementary	School – office – classrooms	1950
Lincoln Elementary	School – office – classrooms	1952
Birch Lake Elementary	School – office – classrooms	1966
Matoska International	School – office – classrooms	1962
Lakeaires Elementary	School – office – classrooms	1960
Bellaire Elementary	School – office – classrooms	1956
Hugo Elementary	School – office – classrooms	1961
Willow Lane Elementary	School – office – classrooms	1965
Golfview – ALC	School – office – classrooms	1964
Transition Plus	School – office – classrooms	2005
Normandy Park Center	School – office – classrooms	1960
Hippodrome	Community education – classrooms	1928
Bus garage	Shops/storage	1954
Grounds department	Shops/storage	1997
Maintenance department	Shops/storage	1974
N/A – Not Applicable		

Note: Design capacity calculated at 25 elementary students per kindergarten through Grade 6 classroom and 28 secondary students per classroom.

Source: ISD No. 624

Acres	Regular Classrooms	Square Feet	Capacity	2020–2021 Enrollment
57.04	53	289,953	1,270	1,095
51.24	58	280,906	1,270	1,205
25.00	48	266,386	1,095	1,159
25.30	49	126,979	837	907
44.00	22	119,955	624	539
20.00	33	104,739	580	479
16.75	25	69,256	420	267
11.00	26	59,928	468	384
10.00	26	61,781	280	201
10.00	23	71,485	580	468
9.00	23	86,969	396	338
10.00	24	55,433	400	–
9.70	17	58,801	328	266
13.00	23	86,723	420	267
12.00	19	46,872	134	146
–	4	7,258	50	47
1.00	11	31,389	275	228
1.00	1	22,295	N/A	–
–	–	3,899	N/A	–
–	–	3,160	N/A	–
–	–	3,317	N/A	–

INDEPENDENT SCHOOL DISTRICT NO. 624

Insurance Coverage
as of June 30, 2021

Type of Coverage	Amount of Coverage
Fire extended coverage/blanket real and personal property	\$200,000,000 on a replacement cost basis
Comprehensive general liability	\$2,000,000 each occurrence \$4,000,000 aggregate
Boiler and machinery liability	\$250,000,000 on a replacement cost basis
Automobile	\$2,000,000 each occurrence \$4,000,000 aggregate
Workers' compensation	Statutory liability \$1,000,000 per employee
Employee benefits liability	\$2,000,000 each occurrence \$4,000,000 aggregate
Employee dishonesty blanket bond	\$500,000 employee theft \$100,000 forgery or alteration \$100,000 money & securities
School Board legal liability and law enforcement activities (includes school leaders errors and omissions)	\$2,000,000 each occurrence \$4,000,000 aggregate
Cyber liability	\$1,000,000 each occurrence \$750,000 aggregate excess
Pollution liability	\$10,000,000 aggregate

Source: ISD No. 624

INDEPENDENT SCHOOL DISTRICT NO. 624

Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM)					Total Pupil Units
	Handicapped and Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2012	115	560	3,639	3,747	8,061	9,305
2013	118	580	3,662	3,668	8,028	9,242
2014	120	626	3,735	3,615	8,096	9,288
2015	166	589	3,756	3,625	8,136	8,861
2016	173	578	3,823	3,646	8,220	8,949
2017	181	564	4,007	3,653	8,405	9,136
2018	208	578	4,119	3,728	8,633	9,379
2019	241	585	4,137	3,744	8,707	9,456
2020	255	579	4,075	3,798	8,707	9,466
2021	227	543	3,853	3,824	8,447	9,212

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Beginning in fiscal 2015, changes in ADM weightings as noted below reduced the calculated pupil units.

Note 3: ADM is weighted as follows in computing pupil units:

	<u>Pre-Kindergarten</u>	<u>Handicapped Kindergarten</u>	<u>Half-Day Kindergarten</u>	<u>Full-Day Kindergarten</u>	<u>Elementary 1-3</u>	<u>Elementary 4-6</u>	<u>Secondary</u>
Fiscal 2012 through 2014	1.250	1.000	0.612	0.612	1.115	1.060	1.300
Fiscal 2015 through 2021	1.000	1.000	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

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