



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



INDEPENDENT SCHOOL DISTRICT 270 HOPKINS PUBLIC SCHOOLS

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

EDUCATIONAL SERVICES CENTER

1001 Highway 7
Hopkins, Minnesota 55305

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT OF

HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
HOPKINS, MINNESOTA

YEAR ENDED JUNE 30, 2021**

**PREPARED BY THE
FINANCE DEPARTMENT

TARIRO CHAPINDUKA
DIRECTOR OF BUSINESS SERVICES**

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INTRODUCTORY SECTION

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

Date: December 13, 2021

INTRODUCTION

The Annual Comprehensive Financial Report (ACFR) of Independent School District No. 270, Hopkins, Minnesota (the District) for the fiscal year ended June 30, 2021 is presented for your information and review. The ACFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. The District administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. Questions and comments are solicited and welcome.

REPORT FORMAT

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

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

DISTRICT ORGANIZATION

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

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

The District enrolled 6,860 students from a population of over 65,000 citizens residing in a 29.5 square mile area. During 2019 - 2020 the District operated 12 buildings: 1 high school, 2 junior high schools, 6 elementary schools serving students in kindergarten through Grade 6, junior highs serving Grades 7-9, and the high school serving Grades 10-12.

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

An equal opportunity/affirmative action educator and employer.

REPORTING ENTITY

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

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable. Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit included whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or is fiscally depended upon the potential component unit.

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

DISTRICT FISCAL FRAMEWORK

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

- Declining enrollment;
- Insufficient increases in state funding;
- COVID-19 Pandemic;
- Inflationary pressures on key expenditure areas.

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

- Present and future outlook for revenue increases is pessimistic;
- District's cost structure is tied roughly 82% to people, with building operating costs coming next.

On a positive note, the District has seen a slight increase in enrollment projected to continue for the next five years. The district received one-time federal funding to mitigate some of the COVID 19 pandemic challenges.

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

FISCAL YEAR 2021 ANALYSIS

The District adopted a Fiscal Year 2021 (July 1-June 30) budget totaling \$102.6 million as of June 30, 2020 in the middle of a pandemic. The district's fiscal outlook has improved considerably due Federal stimulus packages which provided relief to school districts.

With COVID case numbers continuing to increase this led to a suspension of in person learning. As the pace of vaccination increased through the winter and into the spring, enrollment rebounded aided by the infusion of federal stimulus.

The different variants of the COVID 19 virus remains the greatest threat to a full fiscus recovery. A resurgent of the virus has the potential to complicate the return to full-time in-person learning for Hopkins Public Schools' scholars, impacting both their full educational attainment. This is true for younger students, who are not yet eligible for vaccination.

FINANCIAL STATEMENTS

The financial statements contained in this report disclose the financial position of the District as of June 30, 2021, and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The accounting firm of CliftonLarsonAllen LLP performed the audit for the 2019 - 2020 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT

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

ACCOUNTING AND BUDGETING

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

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

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

FINANCIAL PROSPECTS FOR FUTURE YEARS

The District's finances are largely dependent on student enrollment. Revenue increases to the per pupil formula allowance are then offset by the fewer numbers of students attending, resulting in even smaller actual gross revenue increases. Hopkins had been experiencing declining enrollment from FY10 to FY19 to the magnitude of 547 students or about an 7.4% decrease over this 10-year period. State funding on average is equal to about \$6,438 per student for FY21.

The Hopkins School Board has focused on rebuilding the unassigned fund balance of the General Fund from its FY05 low point of -\$4.2 million, or -5.34% to its current level at June 30, 2021 of \$10.4 million, or 10% of its General Fund expenditures. This turnaround is a reflection of tough decisions that the School Board and administration have had to make to bring the District back to fiscal health.

DISTRICT FACILITIES

District educational facilities consist of 10 educational buildings originally constructed from 1948 to 1990. Each building has had numerous additions over the years. In spite of the age of the facilities, all school buildings are maintained in a state of good repair, with building components modernized and updated on a systematic basis through the District's long-term maintenance plan. Because of this continual improvement, all educational facilities should be able to effectively serve the District for a minimum of 50-60 additional years. The total District square footage, including administrative buildings, is 1,896,495.

ECONOMIC FACTORS

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

The taxable market value of property within the District continued to grow until 2009. Previous growth was due to new construction and valuation increases for existing property. Market values have rebounded from \$9,052,017,600 in 2011 to \$13,000,922,000 in 2021. While the District is essentially fully developed residentially, commercial development and redevelopment is clearly evident throughout the community.

MAJOR INITIATIVES

Strategic Plan

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

What is Hopkins Vision 2031?

Vision 2031 is a vision of innovation to reimagine Hopkins Public Schools starting from the ground up. The strategic "why" behind it is that every student deserves a brilliant future. These key points will help explain more:

- At Hopkins, we believe in educating learners ages 0-21, self-directed learning, teaching holistically, job market connections, and creating a student of the world.
- Our students are ready to leave traditional classrooms behind and engage in change that includes their voice.
- The future of employment in our volatile, uncertain, complex, and ambiguous (VUCA) world demands we prepare a different kind of student.
- Hopkins 2031 graduates will be: confident in their voice, critical and holistic thinkers, well-traveled and global-minded, and cultivators of empathy.
- We are proud to look like the real world, with a 46% nonwhite student body — it is our quest to permanently disrupt gender and racial disparities.
- Our Six Pillars of Innovation are: Innovation Teams that are not afraid to fail, digital tools to help students and educators succeed, reimagining what school could be, crowdsourcing new ideas, strategic partnerships, and an open mindset.

Core Values

In Hopkins, our core values represent how we show up to work every day. The more we are able to embody and embrace our core values, the more successful we will be in our goal of reaching Vision 2031 and truly moving from Great to World Class.

The values that define us are:

- Authentic Inclusivity
- Intentionally Adventurous
- Optimistic Innovation
- Humility of Heart
- Vigilant Equity
- Love

Beliefs

World class does not mean elite or exclusive. It means, the best. And every child in Hopkins deserves the best. In Hopkins we believe in:

- Educating learners 0-21
- Self-directed learning
- Educators evolving roles
- Teaching holistically
- Increasing job market connections
- Creating students of the world

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

As we progress in our Great to World Class work, there are some traits about Hopkins that we are determined to hold onto. In Hopkins we will continue to:

- Put students first
- Be vigilantly focused on equity
- Build and sustain authentic relationships
- Value community engagement and partnership

INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE

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

This report has been prepared following the guidelines provided by the Association of School Business Officials International (ASBO) for their Certificate of Excellence in Financial Reporting Program. In 2020, the District received recognition from this program by receiving the Certificate of Excellence. Continuing to achieve recognition is a goal of the District's Business Office and provides a clear indication of the District's high standards for financial reporting. The District intends to submit this Annual Comprehensive Financial Report to the ASBO Certificate Program for consideration.

ACKNOWLEDGMENTS

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

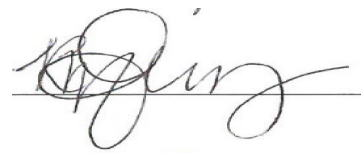
Sincerely,



Tariro Chapinduka
Director of Business Services



Jason Stegeman
Controller



Dr. Rhoda Mhiripiri-Reed
Superintendent

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2021**

The Hopkins School Board — comprised of seven members elected at large by District residents — is the governing authority of Hopkins Public Schools. The responsibilities of the Board are primarily focused on three areas:

- Budget adoption, revenue management, and expenditure authorization
- Superintendent selection, contract, and evaluation
- Establishing District policy

The District Superintendent serves as an ex officio, non-voting member of the Board.



Hopkins School Board members (from top to bottom, left to right): Jen Bouchard, Chair; Shannon Andreson, Vice Chair; Katie Pederson, Clerk; Steve Adams, Treasurer; Fartun Ahmed, Director; Tanya Khan, Director; John Kuhl, Director; Chris LaTondresse; Former Vice Chair

ADMINISTRATION

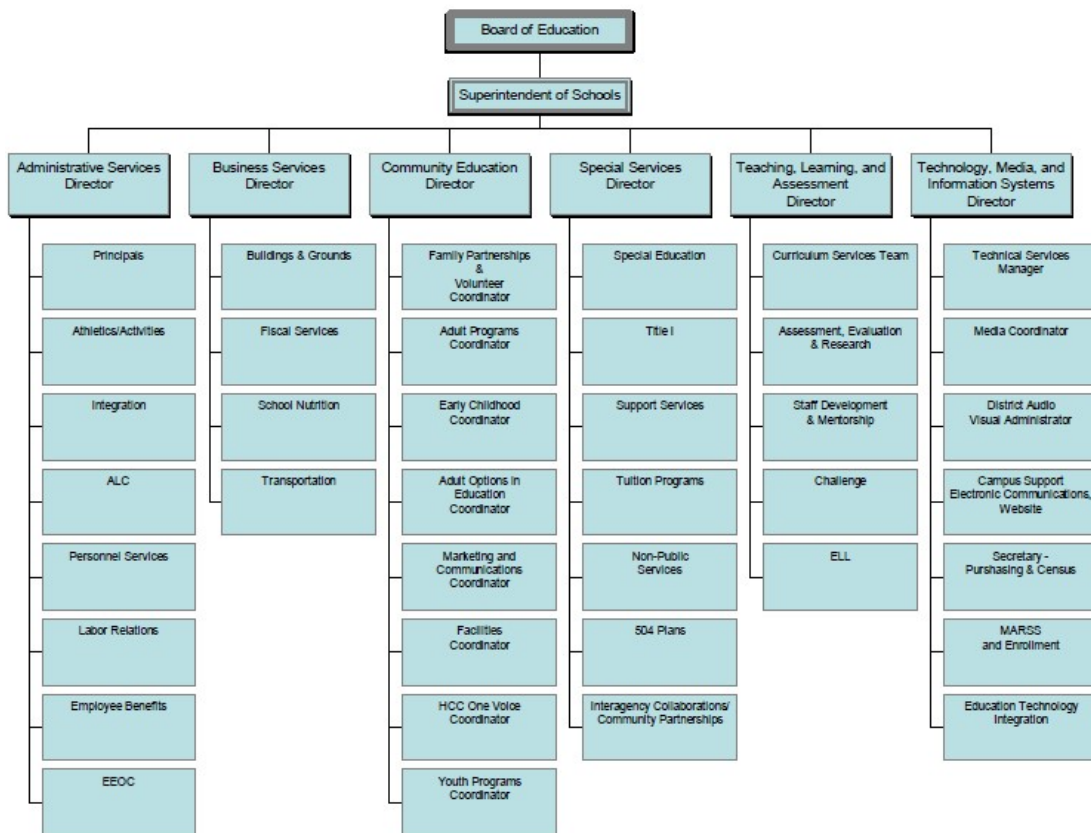
Dr. Rhoda Mhiripiri-Reed
Tariro Chapinduka

Superintendent
Director of Business Services

District Offices:

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
ORGANIZATIONAL STRUCTURE
JUNE 30, 2021**



HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING
JUNE 30, 2021



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Hopkins Public Schools ISD 270

**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

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Hopkins Public Schools, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Hopkins Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Report on Summarized Prior Year Information

We have previously audited Hopkins Public Schools' 2020 financial statements of the governmental activities, each major fund and the aggregate remaining fund information, and we expressed an unmodified opinion on those audited financial statements in our report dated December 1, 2020. In our opinion, the summarized 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 Matters

Required Supplementary Information

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

Other Information

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

Other Matters (Continued)

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2019, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The individual fund financial statements for the year ended June 30, 2019, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021, on our consideration of Hopkins Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hopkins Public Schools' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 13, 2021

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REQUIRED SUPPLEMENTARY INFORMATION

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**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

This section of Hopkins Public Schools – Independent School District No. 270's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the District's basic financial statements, which immediately follows this section. The Management's Discussion and Analysis (MD&A) is a required element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year include the following:

- Net position of the District in total increased by \$10,373,620, from June 2020 resulting in an ending net position deficit of \$48,887,858.
- Overall General Fund revenues were \$111,385,664 as compared to \$104,818,387 of expenditures.
- Total fund balance of the General Fund increased by \$6,567,277 from the prior year resulting from revenues increasing over \$7.5 million while expenditures increased about \$2.3 million.
- The District had \$156,770,000 in General Obligation Bonds outstanding at year-end.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Government-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

- The District uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The District currently has an internal service fund for self-insurance of health and dental benefits, for its OPEB Revocable Trust and for a Retiree Severance Fund.
- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the Government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's *combined* net position was \$(48,887,858) on June 30, 2021.

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

| | Governmental Activities as of June 30, | | Percentage Change |
|----------------------------------|---|-----------------|----------------------|
| | 2021 | 2020 | |
| Current and Other Assets | \$ 135,523,858 | \$ 112,780,075 | 20.17 % |
| Capital Assets | 186,241,686 | 190,688,871 | (2.33) |
| Total Assets | 321,765,544 | 303,468,946 | 6.03 |
| Deferred Outflows of Resources | 38,465,069 | 54,747,735 | (29.74) |
| Current Liabilities | 9,843,180 | 8,967,469 | 9.77 |
| Long-Term Liabilities | 285,701,561 | 272,475,521 | 4.85 |
| Total Liabilities | 295,544,741 | 281,442,990 | 5.01 |
| Deferred Inflows of Resources | 113,617,992 | 136,035,169 | (16.48) |
| Net Position: | | | |
| Net Investment in Capital Assets | 16,737,405 | 179,206,759 | (90.66) |
| Restricted | 23,347,531 | 8,366,016 | 179.08 |
| Unrestricted | (89,017,056) | (246,834,253) | (63.94) |
| Total Net Position | \$ (48,932,120) | \$ (59,261,478) | (17.43) |

Net position of the District increased by \$10,373,620 from the June 2020 amount primarily due to an increase in the restricted fund component due to management's plan for use of the resources in the future. Due to the COVID-19 pandemic, the use of restricted revenue decreased, and the funds improved the net position.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Changes in Net Position

The District's total revenues were \$146,763,827 for the year ended June 30, 2021. Property taxes and state formula aid accounted for 80% of total revenue for the year (see Figure A-1). Another 0.3% came from other general revenues combined with investment earnings and the remaining 19.7% from program revenues.

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

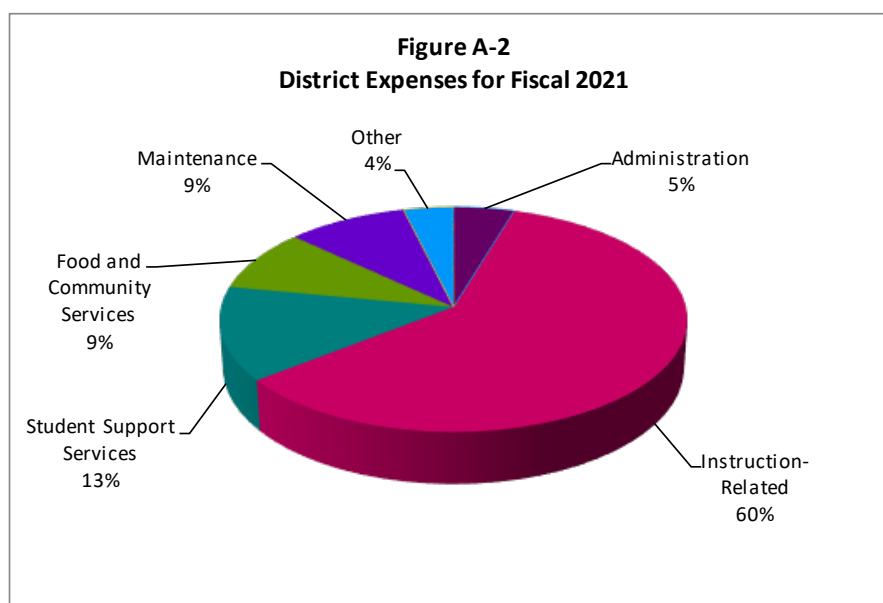
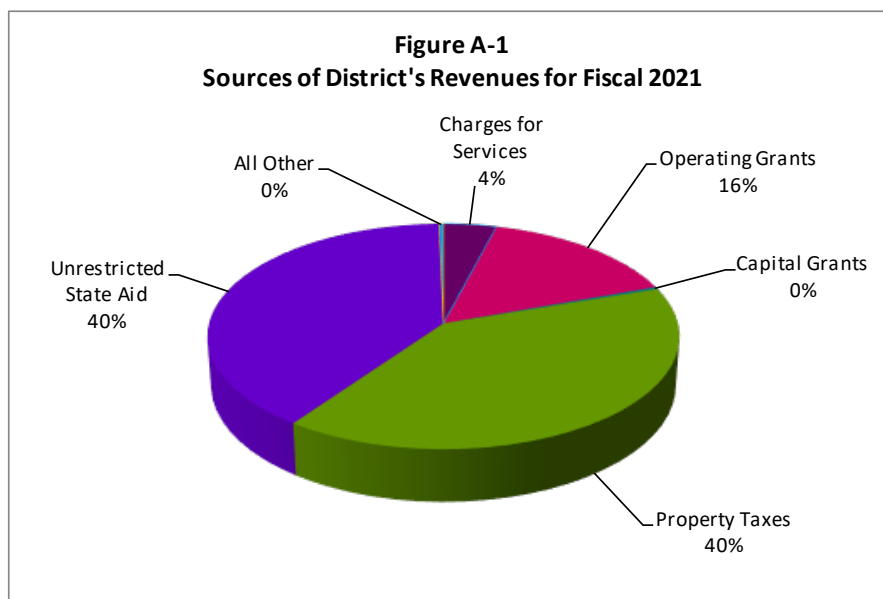
| | Governmental Activities for the Fiscal Year Ended June 30, | | Percentage Change |
|--------------------------------------|---|------------------------|----------------------|
| | 2021 | 2020 | |
| Revenues | | | |
| <u>Program Revenues</u> | | | |
| Charges for Services | \$ 5,933,691 | \$ 10,180,804 | (41.72)% |
| Operating Grants and Contributions | 22,665,143 | 19,191,748 | 18.10 |
| Capital Grants and Contributions | 464,464 | 530,435 | (12.44) |
| <u>General Revenues</u> | | | |
| Property Taxes | 58,778,410 | 52,674,308 | 11.59 |
| Unrestricted State Aid | 58,417,002 | 57,939,346 | 0.82 |
| Earnings on Investments | 186,963 | 2,290,672 | (91.84) |
| Other | 318,154 | 585,415 | (45.65) |
| Total Revenues | <u>146,763,827</u> | <u>143,392,728</u> | 2.35 |
| Expenses | | | |
| Administration | 6,359,322 | 5,187,577 | 22.59 |
| District Support Services | 5,390,708 | 4,973,713 | 8.38 |
| Regular Instruction | 62,819,452 | 62,335,841 | 0.78 |
| Vocational Education Instruction | 1,035,229 | 1,351,171 | (23.38) |
| Special Education Instruction | 17,711,213 | 17,524,989 | 1.06 |
| Instructional Support Services | 5,321,288 | 6,493,756 | (18.06) |
| Pupil Support Services | 7,747,188 | 10,270,877 | (24.57) |
| Sites and Buildings | 12,670,008 | 11,804,890 | 7.33 |
| Fiscal and Other Fixed Cost Programs | 410,860 | 245,185 | 67.57 |
| Food Service | 3,511,681 | 4,598,575 | (23.64) |
| Community Service | 8,616,516 | 10,978,332 | (21.51) |
| Interest and Fiscal Charges on | | | |
| Long-Term Liabilities | 4,841,004 | 5,063,825 | (4.40) |
| Total Expenses | <u>136,434,469</u> | <u>140,828,731</u> | (3.12) |
| Change in Net Position | 10,329,358 | 2,563,997 | |
| Beginning Net Position | <u>(59,261,478)</u> | <u>(61,825,475)</u> | |
| Ending Net Position | <u>\$ (48,932,120)</u> | <u>\$ (59,261,478)</u> | |

The total cost of all programs and services was \$136,390,207. Total revenues exceeded expenses increasing net position by \$10,373,620 from the prior year net position.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The total revenues of all *governmental* activities this year was \$146,763,827.

- Some of the cost was paid by the users of the District's programs (\$5,933,691).
- The federal and state governments subsidized certain programs with grants and contributions (\$23,129,607).
- Most of the District's costs (\$117,195,412), however, were paid for by District taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with \$58,778,410 in property taxes, and \$58,417,002 of unrestricted state aid based on the statewide education aid formula.



**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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

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

| | Total Cost of Services | | Percentage Change | Net Cost of Services | | Percentage Change |
|---|------------------------|-----------------------|----------------------|-----------------------|-----------------------|----------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Administration | \$ 6,359,322 | \$ 5,187,577 | 22.59 % | \$ 6,273,196 | \$ 5,009,731 | 25.22 % |
| District Support Services | 5,390,708 | 4,973,713 | 8.38 | 5,285,633 | 4,966,450 | 6.43 |
| Regular Instruction | 62,819,452 | 62,335,841 | 0.78 | 57,676,720 | 58,898,691 | (2.07) |
| Vocational Education Instruction | 1,035,229 | 1,351,171 | (23.38) | 1,012,943 | 1,312,928 | (22.85) |
| Special Education Instruction | 17,711,213 | 17,524,989 | 1.06 | 5,319,276 | 6,222,269 | (14.51) |
| Instructional Support Services | 5,321,288 | 6,493,756 | (18.06) | 5,153,931 | 5,692,550 | (9.46) |
| Pupil Support Services | 7,747,188 | 10,270,877 | (24.57) | 7,714,347 | 9,921,467 | (22.25) |
| Sites and Buildings | 12,670,008 | 11,804,890 | 7.33 | 11,244,786 | 10,317,445 | 8.99 |
| Fiscal and Other Fixed Cost Programs | 410,860 | 245,185 | 67.57 | 410,860 | 245,185 | 67.57 |
| Food Service | 3,511,681 | 4,598,575 | (23.64) | 19,294 | (210,856) | (109.15) |
| Community Service | 8,616,516 | 10,978,332 | (21.51) | 2,419,181 | 3,486,059 | (30.60) |
| Interest and Fiscal Charges on Long-Term Liabilities | 4,841,004 | 5,063,825 | (4.40) | 4,841,004 | 5,063,825 | (4.40) |
| Total | <u>\$ 136,434,469</u> | <u>\$ 140,828,731</u> | (3.12) | <u>\$ 107,371,171</u> | <u>\$ 110,925,744</u> | (3.20) |

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$40,451,340, or \$21,045,797 more than last year's ending fund balance of \$19,405,543.

Total revenues and other financing sources for the District's governmental funds were \$146,649,502 while total expenditures and other financing uses were \$141,534,007.

GENERAL FUND

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

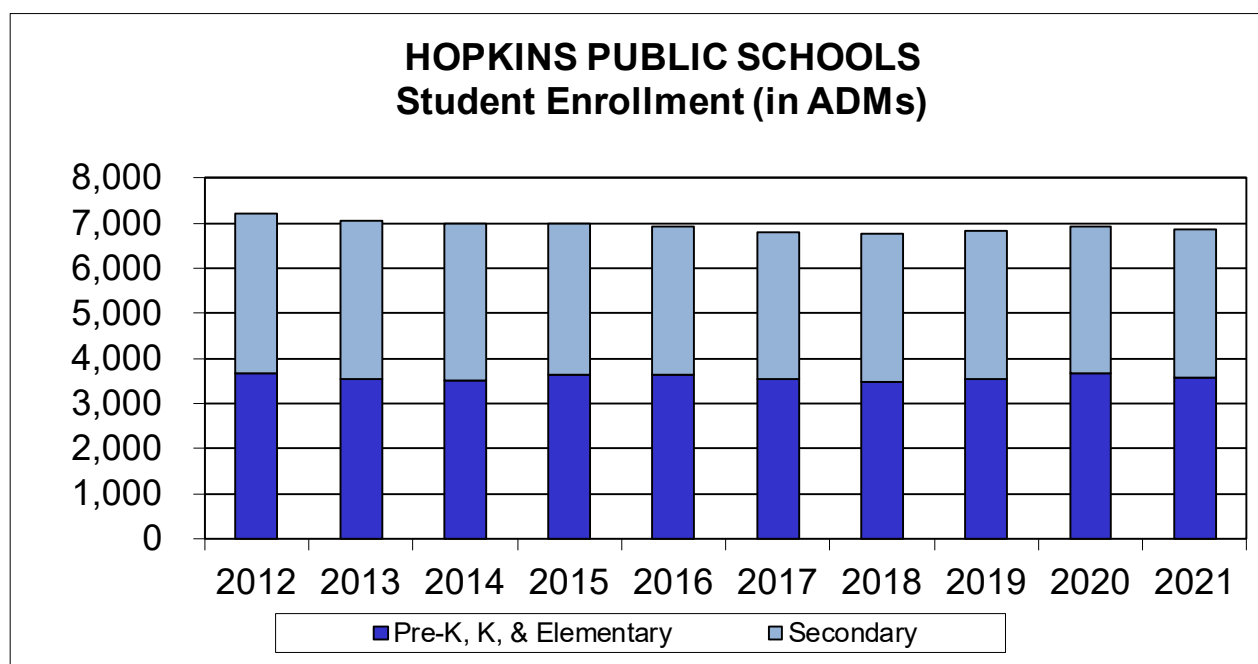
Approximately 67% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model providing approximately 68% of personnel expenditures. Other state formulas then determine what portion of the revenue will be provided by property taxes and what portion will come from state aid.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

ENROLLMENT

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

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



| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Pre-K & KH | 72.74 | 67.19 | 74.35 | 91.51 | 101.71 | 110.70 | 120.03 | 133.02 | 176.14 | 151.59 |
| Reg K | 452.81 | 450.86 | 494.96 | 505.31 | 504.80 | 425.27 | 448.38 | 455.36 | 495.58 | 460.46 |
| Pre-K, K, & Elementary | 3,674.93 | 3,550.96 | 3,498.80 | 3,622.42 | 3,622.66 | 3,527.87 | 3,477.67 | 3,540.91 | 3,663.52 | 3,561.87 |
| Secondary | 3,517.28 | 3,486.77 | 3,473.61 | 3,370.47 | 3,302.99 | 3,251.02 | 3,292.46 | 3,286.16 | 3,250.18 | 3,296.99 |
| Total Students for Aid | 7,717.76 | 7,555.78 | 7,541.72 | 7,589.71 | 7,532.16 | 7,314.86 | 7,338.54 | 7,415.45 | 7,585.42 | 7,470.91 |
| Percent Change | -2.01% | -2.10% | -0.19% | 0.64% | -0.76% | -2.88% | 0.32% | 1.05% | 2.29% | -1.51% |

Over the last 10 years, the District has experienced a decline in average daily membership by 247 students or 3.3%. It is anticipated that enrollment will slightly increase in the next five years, due to the expansion of the immersion programs. The District continues to market and accept open enrollment students to mitigate some of this natural decline.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

| | Year Ended | | Change | |
|----------------------------|-----------------------|-----------------------|------------------------|-------------------|
| | June 30, 2021 | June 30, 2020 | Increase (Decrease) | Percent Change |
| Local Sources: | | | | |
| Property Taxes | \$ 34,065,164 | \$ 28,680,573 | \$ 5,384,591 | 18.8 % |
| Earnings on Investments | (7,302) | 222,378 | (229,680) | (103.3) |
| Other | 3,033,327 | 4,143,574 | (1,110,247) | (26.8) |
| State Sources | 68,989,978 | 66,790,032 | 2,199,946 | 3.3 |
| Federal Sources | 5,304,497 | 3,983,390 | 1,321,107 | 33.2 |
| Total General Fund Revenue | <u>\$ 111,385,664</u> | <u>\$ 103,819,947</u> | <u>\$ 7,565,717</u> | 7.3 |

Total General Fund Revenue increased by \$7,565,717 or 7.3% from the previous year. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue. Other state-authorized revenue may also involve an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year to year without any net change on total revenue.

For 2020-2021, local property tax revenue increased by \$5,384,591, or 18.8%. Earnings on investments decreased by \$229,680.

State Sources increased by \$2,199,946, or 3.3%, Federal Sources increased by \$1,321,107, or 33.2%, and Other revenue decreased by \$1,110,247, or 26.8%.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

| | Year Ended | | Change | |
|---------------------------------|-----------------------|-----------------------|------------------------|-------------------|
| | June 30, 2021 | June 30, 2020 | Increase (Decrease) | Percent Change |
| Salaries | \$ 63,195,290 | \$ 63,745,378 | \$ (550,088) | (0.9)% |
| Employee Benefits | 21,546,152 | 19,221,707 | 2,324,445 | 12.1 |
| Purchased Services | 12,430,903 | 15,114,712 | (2,683,809) | (17.8) |
| Supplies and Materials | 2,403,923 | 2,224,856 | 179,067 | 8.0 |
| Capital Expenditures | 4,131,076 | 1,288,277 | 2,842,799 | 220.7 |
| Debt Service | 414,467 | 414,467 | - | - |
| Other Expenditures | 696,576 | 490,479 | 206,097 | 42.0 |
| Total General Fund Expenditures | <u>\$ 104,818,387</u> | <u>\$ 102,499,876</u> | <u>\$ 2,318,511</u> | 2.3 |

Total General Fund Expenditures increased \$2,318,511 or 2.3% from the previous year. The major factor driving the increase from 2019-2020 to 2020-2021 were significant increases in employee benefits due to increased expenditures in Other Post Employee Benefits and other fringe benefits. Capital Expenditure saw a significant increase due to purchase of digital technology and ventilation devices to aid in distance learning and curb the spread of COVID 19. Purchased Services including contract expenses decreased due to significant reductions in transportation expenses driven by the effect of the COVID-19 pandemic. Supplies and Other Expenditures increases were driven by the effects of the COVID-19 pandemic. All other expenditures decreased due to cost saving measures the district implemented as well as reduction in operating expenditure due to the pandemic.

In fiscal 2020-2021, General Fund revenues were more than expenditures by \$6,567,277 including other financing sources and uses. Therefore, total fund balance increased from \$13,524,012 in the prior year to \$20,091,289 as of June 30, 2021. After deducting statutory categories of fund balance and District commitments and assignments, the General Fund Unassigned fund balance increased from \$8,004,529 at June 30, 2020 to \$10,481,837 at June 30, 2021. This represents about 10% of fiscal year 2020-2021 total general fund expenditures. The School Board fund balance policy states that the administration shall plan and manage annual revenue and expenditure budgets that provide a General Fund unassigned fund balance of no less than 6% of annual expenditures and treats any excess above 6% as a contingency reserve to be utilized for nonrecurring costs.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

General Fund Budgetary Highlights

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

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

Actual revenues were \$1,254,748 or 1.1% more than budgeted, while expenditures were \$2,248,762 or 2.1% less than budgeted.

While the District's final budget for the General Fund anticipated that fund balance would increase by \$2,058,367, the actual results for the year show that fund balance increased in total by \$6,567,277.

CAPITAL PROJECTS AND DEBT SERVICE FUNDS

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

In the Debt Service Fund, expenditures exceeded revenues and other financing sources and uses by \$221,670 in 2019-2020. The ending Debt Service fund balance at June 30, 2020 of \$3,159,566 includes \$2,208,519 for meeting future regular debt service obligations and \$991,189 available for meeting future OPEB debt service obligations.

OTHER MAJOR FUNDS

Expenditures exceeded revenue and other financing sources by \$130,823, resulting in the fund balance of the Food Service Fund ending at \$852,871 for 2020-2021. In the Community Service Fund revenue and other financing sources exceeded expenditures by \$248,033 and resulted in the fund balance of the Community Service Fund ending at \$1,387,304, with \$1,084,669 restricted for community education programs.

From the standpoint of maintaining current operating expenditures within the range of annual revenue and maintaining a sound fund balance, the Food Service and Community Service funds have respective budgets for 2020-21 that allow them to continue to operate on a sound financial basis. We have taken mitigating measures to align our Community Services expenditures to the revenues generated to avoid excess use of fund balance in the future.

INTERNAL SERVICE FUND

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021, the District had invested approximately \$337 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). More detailed information about capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year was about \$11.6 million.

**Table A-7
Capital Assets**

| | 2021 | 2020 | Percentage Change |
|--------------------------------|-----------------------|-----------------------|----------------------|
| Land | \$ 2,867,600 | \$ 2,867,600 | - |
| Construction in Progress | 11,649,164 | 15,578,107 | (25.2) |
| Land Improvements | 26,028,036 | 24,617,126 | 5.7 |
| Buildings and Improvements | 267,807,385 | 257,608,954 | 4.0 |
| Equipment | 37,229,710 | 36,687,823 | 1.5 |
| Less: Accumulated Depreciation | (159,340,209) | (146,670,739) | 8.6 |
| Total Capital Assets | <u>\$ 186,241,686</u> | <u>\$ 190,688,871</u> | (2.3) |

Construction – Next Five Years

In fiscal 2021, the District continued its 16-year (16th construction year) of a rolling 10-year program to address in excess of \$70 million in deferred maintenance needs, with an emphasis on improving indoor air quality and roof, parking lot and window replacement. The revised 10-year facilities management plan identified \$18 million in projects for Phase VIII. The District bonded for \$15 million in the fall of 2020. The program name has also changed from the Alternative Facilities Bonding and Levy program to the Long-Term Facilities Maintenance Revenue (LTFMR) program.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Long-Term Liabilities

At year-end, the District had \$156,770,000 in general obligation bonds outstanding – a decrease of 2.4% from last year – as shown in Note 4 to the financial statements. Pension Benefits Payable represents the District's proportionate share of the Public Employees' Retirement Association of Minnesota General Employees' Retirement Fund's net pension liability, the District's portion of the Teacher's Retirement Association's Coordinated and Basic Plan net pension liability, as well as the net pension liability of the District's supplemental pension plan. The District's pension benefits payable related to these net pension liabilities increased \$12,022,935, or 12.8%. The District also increased its postemployment severance and health benefits payable at June 30, 2021 by a net of \$1,347,514.

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

| | 2021 | 2020 | Percentage Change |
|---------------------------------------|-----------------------|-----------------------|----------------------|
| Net Pension Liability | \$ 93,858,460 | \$ 81,835,525 | 14.7 % |
| Other Postemployment Benefits Payable | 24,047,362 | 25,394,876 | (5.3) |
| Other Long-Term Liabilities: | | | |
| General Obligation Bonds | 156,770,000 | 153,095,000 | 2.4 |
| General Obligation OPEB Bonds | - | 3,730,000 | (100.0) |
| Net Bond Premium and Discount | 8,718,890 | 5,759,266 | 51.4 |
| Capital Leases Payable | 2,306,849 | 2,660,854 | (13.3) |
| Total Long-Term Liabilities | <u>\$ 285,701,561</u> | <u>\$ 272,475,521</u> | 4.9 |
| Long-Term Liabilities: | | | |
| Due Within One Year | \$ 15,233,939 | \$ 12,927,837 | 17.8 % |
| Due in More Than One Year | 270,467,622 | 259,547,684 | 4.2 |
| Total | <u>\$ 285,701,561</u> | <u>\$ 272,475,521</u> | 4.9 |

FACTORS BEARING ON THE DISTRICT'S FUTURE

Hopkins Public Schools remained financially stable as of June 30, 2021. The economy of the district is robust and the enrollment trend is positive. Resident income is healthy at 117% of the US median. The three year enrollment trend is increasing at 0.7%. Audited results for 2020-2021 will result in a revised General Fund balance that will keep the General Fund Unassigned fund balance as of June 30, 2021 at slightly higher than the previous year. This will keep Hopkins Public Schools Unassigned fund balance in the range of 7-15%, an amount that will keep it in line with financially strong neighboring districts. The district benefited from Federal funds which were allocated to mitigate the spread of COVID 19 pandemic. The funds were used to supplement the budget which left the district in a positive financial outlook. The state legislature set the budget for an increase in per pupil funding for 2021-22 and 2022-23. No increase in per pupil funding was assumed when creating the FY2021-22 budgets. Hopkins Public Schools remains in a strong fiscal position assuming conservative increases for education funding in the future.

Hopkins Public Schools will need to continue to look at possible ways to increase other nonstate revenue and continue to identify efficiencies to control expenditures for fiscal year 2021-22 and beyond.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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

Outlook Due to the COVID-19 Pandemic

The COVID-19 pandemic has had an unparalleled impact on the entire world, and devastating impacts on school districts. Aggressive measures have contained the virus for now, but as Minnesota progresses through a cautious reopening, great uncertainty remains about how much and how quickly the economy will recover. Hopkins Public Schools has safely reopened to full-time in-person learning and has also established an online academy for scholars who cannot attend in person learning. There is a likelihood of a pandemic resurgence in Hopkins and Minnesota in general and this may impact district operations. This risk may be mitigated by testing and contact tracing, which requires testing capacity that is currently under strain at the state and national level. On the other hand, the development of effective treatments and an effective vaccine, has allowed for a quicker return to normal. The State's health guidelines remain in effect for indoor events and Public School settings.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District 270, 1001 Highway 7, Hopkins, Minnesota 55305.

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BASIC FINANCIAL STATEMENTS

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**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

| | Governmental Activities | |
|---|-------------------------|------------------------|
| | 2021 | 2020 |
| ASSETS | | |
| Cash and Investments | \$ 94,180,782 | \$ 70,557,286 |
| Cash with Fiscal Agent | 59,000 | 59,000 |
| Receivables: | | |
| Property Taxes | 29,477,531 | 30,675,522 |
| Other Governments | 10,537,611 | 10,375,356 |
| Other | 511,399 | 416,628 |
| Prepaid Items | 503,675 | 431,474 |
| Inventories | 253,860 | 264,809 |
| Capital Assets: | | |
| Land and Construction in Progress | 14,516,764 | 18,445,707 |
| Other Capital Assets, Net of Depreciation | 171,724,922 | 172,243,164 |
| Total Assets | <u>321,765,544</u> | <u>303,468,946</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Outflows - Other Postemployment Benefits | 3,738,383 | 3,114,864 |
| Deferred Outflows - Pensions | 34,726,686 | 51,632,871 |
| Total Deferred Outflows | <u>38,465,069</u> | <u>54,747,735</u> |
| LIABILITIES | | |
| Salaries Payable | 1,192,288 | 1,058,327 |
| Accounts and Contracts Payable | 3,710,978 | 3,095,965 |
| Accrued Interest | 2,578,328 | 2,443,312 |
| Due to Other Governmental Units | 774,723 | 901,834 |
| Unearned Revenue | 1,586,863 | 1,468,031 |
| Long-Term Liabilities: | | |
| Net Pension Liability | 93,858,460 | 81,835,525 |
| Other Postemployment Benefits Due Within One Year | 2,931,566 | 2,253,223 |
| Other Postemployment Benefits Payable | 21,115,796 | 23,141,653 |
| Bonds and Other Liabilities Due Within One Year | 12,302,373 | 10,674,614 |
| Bonds and Other Liabilities Due in More Than One Year | 155,493,366 | 154,570,506 |
| Total Liabilities | <u>295,544,741</u> | <u>281,442,990</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property Taxes Levied for Subsequent Year | 53,777,862 | 53,675,469 |
| Gains on Debt Refunding | 339,256 | 136,002 |
| Deferred Inflows - Other Postemployment Benefits | 542,563 | - |
| Deferred Inflows - Pensions | 58,958,311 | 82,223,698 |
| Total Deferred Inflows of Resources | <u>113,617,992</u> | <u>136,035,169</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 16,737,405 | 179,206,759 |
| Restricted for: | | |
| General Fund Operating Capital Purposes | 1,806,381 | 1,233,050 |
| General Fund State-Mandated Reserves | 11,730,629 | 2,094,365 |
| Food Service | 852,871 | 975,725 |
| Community Service | 1,393,680 | 1,152,259 |
| Debt Service | 1,606,535 | 869,759 |
| Capital Projects - Building Construction | 5,699,468 | 2,040,858 |
| Other Purposes | 257,967 | - |
| Unrestricted | <u>(89,017,056)</u> | <u>(246,834,253)</u> |
| Total Net Position | <u>\$ (48,932,120)</u> | <u>\$ (59,261,478)</u> |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | | 2021 | | | 2020 | |
|---|-----------------------|-------------------------|--|--|--|--|
| Functions | Expenses | Program Revenues | | | Net (Expense) | Net (Expense) |
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Change in Net Position | Revenue and Change in Net Position |
| | | | | | Total Governmental Activities | Total Governmental Activities |
| GOVERNMENTAL ACTIVITIES | | | | | | |
| Administration | \$ 6,359,322 | \$ 13,656 | \$ 71,123 | \$ 1,347 | \$ (6,273,196) | \$ (5,009,731) |
| District Support Services | 5,390,708 | 2,302 | 102,773 | - | (5,285,633) | (4,966,450) |
| Regular Instruction | 62,819,452 | 847,526 | 4,293,681 | 1,525 | (57,676,720) | (58,898,691) |
| Vocational Education Instruction | 1,035,229 | 598 | 21,688 | - | (1,012,943) | (1,312,928) |
| Special Education Instruction | 17,711,213 | 133,787 | 12,258,150 | - | (5,319,276) | (6,222,269) |
| Instructional Support Services | 5,321,288 | 36,181 | 131,176 | - | (5,153,931) | (5,692,550) |
| Pupil Support Services | 7,747,188 | 1,088 | 31,753 | - | (7,714,347) | (9,921,467) |
| Sites and Buildings | 12,670,008 | 675,318 | 288,312 | 461,592 | (11,244,786) | (10,317,445) |
| Fiscal and Other Fixed Cost Programs | 410,860 | - | - | - | (410,860) | (245,185) |
| Food Service | 3,511,681 | 76,878 | 3,415,509 | - | (19,294) | 210,856 |
| Community Service | 8,616,516 | 4,146,357 | 2,050,978 | - | (2,419,181) | (3,486,059) |
| Interest and Fiscal Charges on Long-Term Liabilities | 4,841,004 | - | - | - | (4,841,004) | (5,063,825) |
| Total School District | <u>\$ 136,434,469</u> | <u>\$ 5,933,691</u> | <u>\$ 22,665,143</u> | <u>\$ 464,464</u> | (107,371,171) | (110,925,744) |
| GENERAL REVENUES | | | | | | |
| Property Taxes Levied for: | | | | | | |
| General Purposes | | | | | 33,929,675 | 28,741,194 |
| Community Service | | | | | 1,370,361 | 1,497,177 |
| Debt Service | | | | | 17,969,097 | 17,086,760 |
| Capital Projects | | | | | 5,509,277 | 5,349,177 |
| State Aid Not Restricted to Specific Purposes | | | | | 58,417,002 | 57,939,346 |
| Earnings on Investments | | | | | 186,963 | 2,290,672 |
| Miscellaneous | | | | | 313,654 | 234,260 |
| Gain on Sale of Capital Assets | | | | | 4,500 | 351,155 |
| Total General Revenues | | | | | <u>117,700,529</u> | <u>113,489,741</u> |
| CHANGE IN NET POSITION | | | | | 10,329,358 | 2,563,997 |
| Net Position - Beginning | | | | | <u>(59,261,478)</u> | <u>(61,825,475)</u> |
| NET POSITION - ENDING | | | | | <u>\$ (48,932,120)</u> | <u>\$ (59,261,478)</u> |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

| | Major Funds | | | | | Total Governmental Funds | |
|---|----------------------|-------------------|---------------------|----------------------|----------------------|--------------------------|----------------------|
| | General | Food Service | Community Service | Capital Projects | Debt Service | 2021 | 2020 |
| ASSETS | | | | | | | |
| Cash and Investments | \$ 26,561,225 | \$ 741,875 | \$ 2,601,478 | \$ 15,017,826 | \$ 13,001,410 | \$ 57,923,814 | \$ 36,344,502 |
| Cash with Fiscal Agent | - | - | - | 59,000 | - | 59,000 | 59,000 |
| Receivables: | | | | | | | |
| Current Property Taxes | 19,613,419 | - | 711,189 | - | 8,901,708 | 29,226,316 | 30,208,460 |
| Delinquent Property Taxes | 165,080 | - | 6,376 | - | 79,759 | 251,215 | 467,062 |
| Accounts and Interest Receivable | 266,897 | 1,042 | 500 | - | - | 268,439 | 176,772 |
| Due from Other Minnesota School Districts | 304,877 | - | 5,597 | - | - | 310,474 | 302,616 |
| Due from Minnesota Department of Education | 7,551,123 | - | (17,078) | - | - | 7,534,045 | 7,174,951 |
| Due from Federal through Minnesota Department of Education | 1,127,456 | 79,987 | 199,840 | - | - | 1,407,283 | 2,539,005 |
| Due from Other Governmental Units | 1,199,577 | - | 86,232 | - | - | 1,285,809 | 358,784 |
| Inventory | 120,021 | 133,839 | - | - | - | 253,860 | 264,809 |
| Prepays | 141,470 | - | - | 357,238 | - | 498,708 | 431,474 |
| Total Assets | <u>\$ 57,051,145</u> | <u>\$ 956,743</u> | <u>\$ 3,594,134</u> | <u>\$ 15,434,064</u> | <u>\$ 21,982,877</u> | <u>\$ 99,018,963</u> | <u>\$ 78,327,435</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | | | |
| Liabilities: | | | | | | | |
| Salaries and Compensated Absences Payable | \$ 217,273 | \$ 15,604 | 113,503 | \$ - | \$ - | \$ 346,380 | \$ 317,335 |
| Payroll Deductions and Employer Contributions Payable | 544,635 | 77,445 | 229,224 | 35,268 | - | 886,572 | 768,807 |
| Accounts and Contracts Payable | 870,008 | 10,823 | 52,708 | 1,428,286 | 2,613 | 2,364,438 | 2,639,258 |
| Due to Other Governmental Units | 539,611 | - | 235,112 | - | - | 774,723 | 901,834 |
| Unearned Revenue | 62,525 | - | 148,170 | - | - | 210,695 | 152,127 |
| Total Liabilities | <u>2,234,052</u> | <u>103,872</u> | <u>778,717</u> | <u>1,463,554</u> | <u>2,613</u> | <u>4,582,808</u> | <u>4,779,361</u> |
| Deferred Inflows of Resources: | | | | | | | |
| Unavailable Revenue - Property Taxes Levied for Subsequent Year | 34,560,724 | - | 1,421,737 | - | 17,795,401 | 53,777,862 | 53,675,469 |
| Unavailable Revenue - Delinquent Property Taxes | 165,080 | - | 6,376 | - | 79,759 | 251,215 | 467,062 |
| Total Deferred Inflows of Resources | <u>34,725,804</u> | <u>-</u> | <u>1,428,113</u> | <u>-</u> | <u>17,875,160</u> | <u>54,029,077</u> | <u>54,142,531</u> |
| Fund Balance: | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventory | 120,021 | 133,839 | - | - | - | 253,860 | 264,809 |
| Prepays | 141,470 | - | - | 357,238 | - | 498,708 | 431,474 |
| Restricted for: | | | | | | | |
| Student Activities | 229,048 | - | - | - | - | 229,048 | 233,191 |
| Scholarships | 28,919 | - | - | - | - | 28,919 | - |
| Staff Development | 781,917 | - | - | - | - | 781,917 | 243,566 |
| Capital Projects Levy | - | - | - | 3,972,944 | - | 3,972,944 | 294,356 |
| Operating Capital | 1,806,381 | - | - | - | - | 1,806,381 | 1,233,050 |
| Medical Assistance | 1,070,045 | - | - | - | - | 1,070,045 | 839,879 |
| Learning and Development | 18,468 | - | - | - | - | 18,468 | 18,468 |
| Community Education | - | - | 970,504 | - | - | 970,504 | 810,808 |
| Early Childhood and Family Education | - | - | 260,697 | - | - | 260,697 | 297,551 |
| School Readiness | - | - | 41,938 | - | - | 41,938 | 27,990 |
| Adult Basic Education | - | - | 89,961 | - | - | 89,961 | 736 |
| Safe Schools Levy | 219,871 | - | - | - | - | 219,871 | 119,933 |
| Long-Term Facilities Maintenance | - | - | - | 9,640,328 | - | 9,640,328 | 639,328 |
| Restricted for Other Purposes | - | 719,032 | 24,204 | - | 4,105,104 | 4,848,340 | 4,007,198 |
| Assigned for: | | | | | | | |
| Enrollment Contingency | 2,000,000 | - | - | - | - | 2,000,000 | 1,000,000 |
| Strategic Visioning 2031 | 1,600,000 | - | - | - | - | 1,600,000 | 235,676 |
| Building Fund Cleanup | 1,000,000 | - | - | - | - | 1,000,000 | - |
| Building Renovation | 814,024 | - | - | - | - | 814,024 | 482,899 |
| Special Projects | - | - | - | - | - | - | 220,102 |
| Unassigned | 10,261,125 | - | - | - | - | 10,261,125 | 8,004,529 |
| Total Fund Balance | <u>20,091,289</u> | <u>852,871</u> | <u>1,387,304</u> | <u>13,970,510</u> | <u>4,105,104</u> | <u>40,407,078</u> | <u>19,405,543</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u>\$ 57,051,145</u> | <u>\$ 956,743</u> | <u>\$ 3,594,134</u> | <u>\$ 15,434,064</u> | <u>\$ 21,982,877</u> | <u>\$ 99,018,963</u> | <u>\$ 78,327,435</u> |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

| | 2021 | 2020 |
|--|------------------------|------------------------|
| Total Fund Balance for Governmental Funds | \$ 40,407,078 | \$ 19,405,543 |
| Total net position reported for governmental activities in the statement of net position is different because: | | |
| Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of: | | |
| Land | 2,867,600 | 2,867,600 |
| Construction in Progress | 11,649,164 | 15,578,107 |
| Land Improvements, Net of Accumulated Depreciation | 12,363,924 | 12,181,904 |
| Buildings and Improvements, Net of Accumulated Depreciation | 145,070,007 | 143,500,409 |
| Equipment, Net of Accumulated Depreciation | 14,290,991 | 16,560,851 |
| Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds. | | |
| | 251,215 | 467,062 |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. | | |
| | (2,578,328) | (2,443,312) |
| The District's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are: | | |
| Net Pension Liability | (93,858,460) | (81,835,525) |
| Deferred Inflows of Resources - Pensions | (58,958,311) | (82,223,698) |
| Deferred Outflows of Resources - Pensions | 34,726,686 | 51,632,871 |
| Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long term - are reported in the statement of net position. Balances at year-end are: | | |
| Bonds Payable | (156,770,000) | (156,825,000) |
| Unamortized Premiums | (8,718,890) | (5,759,266) |
| Unamortized Deferred Gains on Refunding | (339,256) | (136,002) |
| Obligations Under Capital Leases | (2,306,849) | (2,660,854) |
| The District's other postemployment benefits liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are: | | |
| Other Postemployment Benefits Payable | (24,047,362) | (25,394,876) |
| Deferred Inflows of Resources - Other Postemployment Benefits | (542,563) | - |
| Deferred Outflows of Resources - Other Postemployment Benefits | 3,738,383 | 3,114,864 |
| Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is: | | |
| | 33,822,851 | 32,707,844 |
| Total Net Position of Governmental Activities | \$ (48,932,120) | \$ (59,261,478) |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | Major Funds | | | | | Total Governmental Funds | |
|--|---------------|--------------|-------------------|------------------|---------------|--------------------------|---------------|
| | General | Food Service | Community Service | Capital Projects | Debt Service | 2021 | 2020 |
| REVENUES | | | | | | | |
| Local Sources: | | | | | | | |
| Property Taxes | \$ 34,065,164 | \$ - | \$ 1,376,973 | \$ 5,509,277 | \$ 18,042,843 | \$ 58,994,257 | \$ 52,575,255 |
| Earnings on Investments | (7,302) | 2,569 | 8,856 | 10,150 | 9,836 | 24,109 | 625,081 |
| Other | 3,033,327 | 79,097 | 4,415,346 | - | - | 7,527,770 | 11,431,682 |
| State Sources | 68,989,978 | 14,604 | 2,161,548 | - | - | 71,166,130 | 69,413,862 |
| Federal Sources | 5,304,497 | 3,397,497 | 235,242 | - | - | 8,937,236 | 7,171,289 |
| Total Revenues | 111,385,664 | 3,493,767 | 8,197,965 | 5,519,427 | 18,052,679 | 146,649,502 | 141,217,169 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| Administration | 4,657,568 | - | - | - | - | 4,657,568 | 4,379,882 |
| District Support Services | 5,453,766 | - | - | - | - | 5,453,766 | 4,796,570 |
| Elementary and Secondary Regular Instruction | 49,511,174 | - | - | - | - | 49,511,174 | 46,990,453 |
| Vocational Education Instruction | 971,954 | - | - | - | - | 971,954 | 1,316,860 |
| Special Education Instruction | 16,923,828 | - | - | - | - | 16,923,828 | 16,639,136 |
| Instructional Support Services | 4,612,424 | - | - | - | - | 4,612,424 | 6,236,585 |
| Pupil Support Services | 7,186,826 | - | - | - | - | 7,186,826 | 9,947,366 |
| Sites and Buildings | 10,360,119 | - | - | - | - | 10,360,119 | 10,245,095 |
| Fiscal and Other Fixed Cost Programs | 410,860 | - | - | - | - | 410,860 | 245,185 |
| Food Service | - | 3,554,977 | - | - | - | 3,554,977 | 4,363,230 |
| Community Service | 184,325 | - | 7,936,957 | - | - | 8,121,282 | 10,500,338 |
| Capital Outlay | 4,131,076 | 69,613 | 12,975 | 7,513,216 | - | 11,726,880 | 25,880,879 |
| Debt Service: | | | | | | | |
| Principal | 354,005 | - | - | - | 11,295,000 | 11,649,005 | 11,260,830 |
| Interest and Fiscal Charges | 60,462 | - | - | 212,163 | 6,164,981 | 6,437,606 | 6,474,814 |
| Total Expenditures | 104,818,387 | 3,624,590 | 7,949,932 | 7,725,379 | 17,459,981 | 141,578,269 | 159,277,223 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 6,567,277 | (130,823) | 248,033 | (2,205,952) | 592,698 | 5,071,233 | (18,060,054) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Sale of Equipment | - | 4,500 | - | - | - | 4,500 | 351,155 |
| Insurance Recovery | - | 3,469 | - | - | - | 3,469 | - |
| Issuance of Bonds | - | - | - | 15,350,000 | - | 15,350,000 | - |
| Issuance of Refunding Bonds | - | - | - | - | 25,300,000 | 25,300,000 | - |
| Bond Premium | - | - | - | 219,493 | 4,459,255 | 4,678,748 | - |
| Payment to Refunded Bond Escrow Agent | - | - | - | - | (29,406,415) | (29,406,415) | - |
| Transfers In | - | - | - | - | 951,047 | 951,047 | 1,042,509 |
| Transfers Out | - | - | - | - | (951,047) | (951,047) | - |
| Total Other Financing Sources (Uses) | - | 7,969 | - | 15,569,493 | 352,840 | 15,930,302 | 1,393,664 |
| NET CHANGE IN FUND BALANCE | 6,567,277 | (122,854) | 248,033 | 13,363,541 | 945,538 | 21,001,535 | (16,666,390) |
| FUND BALANCES | | | | | | | |
| Beginning of Year | 13,524,012 | 975,725 | 1,139,271 | 606,969 | 3,159,566 | 19,405,543 | 36,071,933 |
| End of Year | \$ 20,091,289 | \$ 852,871 | \$ 1,387,304 | \$ 13,970,510 | \$ 4,105,104 | \$ 40,407,078 | \$ 19,405,543 |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2021)**

| | 2021 | 2020 |
|---|----------------------|------------------------|
| Net Change in Fund Balance - Total Governmental Funds | \$ 21,001,535 | \$ (16,666,390) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is: | | |
| Capital Outlays | 8,222,285 | 23,073,448 |
| Depreciation Expense | (12,669,470) | (11,591,336) |
| Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds. | (215,847) | 99,053 |
| Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position. | | |
| Change in Accrued Interest - Capital Leases | 3,466 | 3,386 |
| Principal Payments - Capital Leases | 354,005 | 345,830 |
| Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources. | | |
| | (4,776,176) | (4,293,124) |
| In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts paid). | | |
| | (887,557) | (196,237) |
| Other postemployment benefit (OPEB) expenditures in the governmental funds are measured by current year employer contributions. OPEB expenses on the statement of activities are measured by the change in the net OPEB liability and the related deferred inflows and outflows of resources. | | |
| | 1,428,470 | (82,863) |
| The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows: | | |
| General Obligation and Certificates of Participation Bond Proceeds | (40,650,000) | - |
| Bond Premium or Discount | (4,678,748) | - |
| Payment to Refunded Bond Escrow Agent | 29,406,415 | - |
| Repayment of Bond Principal | 11,295,000 | 10,915,000 |
| Change in Deferred Gain on Bond Refunding | 46,790 | 20,923 |
| Change in Accrued Interest | (138,482) | 303,510 |
| Amortization of Bond Premium | 1,472,665 | 1,083,170 |
| Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The change in net position of the internal service funds is reported with governmental activities. | | |
| | 1,115,007 | (450,373) |
| Change in Net Position of Governmental Activities | \$ 10,329,358 | \$ 2,563,997 |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

| | Budgeted Amounts | | Actual | Over (Under) |
|---|-------------------|---------------------|----------------------|---------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES | | | | |
| Local Sources: | | | | |
| Property Taxes | \$ 31,493,256 | \$ 32,763,417 | \$ 34,065,164 | \$ 1,301,747 |
| Earnings on Investments | 318,137 | 318,137 | (7,302) | (325,439) |
| Other | 3,562,686 | 2,851,810 | 3,033,327 | 181,517 |
| State Sources | 68,495,572 | 68,784,563 | 68,989,978 | 205,415 |
| Federal Sources | 3,225,673 | 5,412,989 | 5,304,497 | (108,492) |
| Total Revenues | 107,095,324 | 110,130,916 | 111,385,664 | 1,254,748 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration | 4,091,185 | 4,757,790 | 4,657,568 | (100,222) |
| District Support Services | 5,607,782 | 6,220,510 | 5,453,766 | (766,744) |
| Elementary and Secondary Regular Instruction | 48,840,240 | 50,891,954 | 49,511,174 | (1,380,780) |
| Vocational Education Instruction | 1,377,268 | 1,322,821 | 971,954 | (350,867) |
| Special Education Instruction | 16,727,588 | 17,739,983 | 16,923,828 | (816,155) |
| Community Education | - | - | 184,325 | 184,325 |
| Instructional Support Services | 5,958,225 | 5,501,489 | 4,612,424 | (889,065) |
| Pupil Support Services | 10,146,372 | 7,818,372 | 7,186,826 | (631,546) |
| Sites and Buildings | 9,899,385 | 10,409,030 | 10,360,119 | (48,911) |
| Fiscal and Other Fixed Cost Programs | 438,519 | 441,713 | 410,860 | (30,853) |
| Capital Outlay | 2,080,228 | 1,549,020 | 4,131,076 | 2,582,056 |
| Debt Service: | | | | |
| Principal | 683,032 | 354,005 | 354,005 | - |
| Interest and Fiscal Charges | 135,562 | 60,462 | 60,462 | - |
| Total Expenditures | 105,985,386 | 107,067,149 | 104,818,387 | (2,248,762) |
| EXCESS OF REVENUES OVER EXPENDITURES | 1,109,938 | 3,063,767 | 6,567,277 | 3,503,510 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (923,493) | (1,005,400) | - | 1,005,400 |
| NET CHANGE IN FUND BALANCE | <u>\$ 186,445</u> | <u>\$ 2,058,367</u> | 6,567,277 | <u>\$ 4,508,910</u> |
| FUND BALANCE | | | | |
| Beginning of Year | | | 13,524,012 | |
| End of Year | | | <u>\$ 20,091,289</u> | |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2021**

| | Budgeted Amounts | | Actual | Over (Under) |
|--|---------------------|--------------------|-------------------|--------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES | | | | |
| Local Sources: | | | | |
| Earnings and Investments | \$ - | \$ - | \$ 2,569 | \$ 2,569 |
| Other - Primarily Meal Sales | 2,218,054 | 90,673 | 79,097 | (11,576) |
| State Sources | 139,658 | 9,249 | 14,604 | 5,355 |
| Federal Sources | 2,029,694 | 3,138,864 | 3,397,497 | 258,633 |
| Total Revenues | 4,387,406 | 3,238,786 | 3,493,767 | 254,981 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Food Service | 4,442,439 | 3,253,400 | 3,554,977 | 301,577 |
| Capital Outlay | 68,500 | 25,977 | 69,613 | 43,636 |
| Total Expenditures | 4,510,939 | 3,279,377 | 3,624,590 | 345,213 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (123,533) | (40,591) | (130,823) | (90,232) |
| OTHER FINANCING SOURCES | | | | |
| Sale of Equipment | - | 5,407 | 4,500 | (907) |
| Insurance Recovery | | 4,169 | 3,469 | (700) |
| Total Other Financing Sources | - | 9,576 | 7,969 | (1,607) |
| NET CHANGE IN FUND BALANCE | <u>\$ (123,533)</u> | <u>\$ (31,015)</u> | (122,854) | <u>\$ (91,839)</u> |
| FUND BALANCE | | | | |
| Beginning of Year | | | 975,725 | |
| End of Year | | | <u>\$ 852,871</u> | |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2021**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Over (Under)</u> |
|------------------------------------|-------------------------|------------------|---------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget</u> |
| REVENUES | | | | |
| Local Sources: | | | | |
| Property Taxes | \$ 1,375,693 | \$ 1,375,693 | \$ 1,376,973 | \$ 1,280 |
| Earnings and Investments | - | - | 8,856 | 8,856 |
| Other - Primarily Tuition and Fees | 6,811,477 | 4,118,119 | 4,415,346 | 297,227 |
| State Sources | 2,015,350 | 2,381,611 | 2,161,548 | (220,063) |
| Federal Sources | 113,000 | - | 235,242 | 235,242 |
| Total Revenues | <u>10,315,520</u> | <u>7,875,423</u> | <u>8,197,965</u> | <u>322,542</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community Service | 11,089,231 | 7,859,733 | 7,936,957 | 77,224 |
| Capital Outlay | 68,500 | 12,860 | 12,975 | 115 |
| Total Expenditures | <u>11,157,731</u> | <u>7,872,593</u> | <u>7,949,932</u> | <u>77,339</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (842,211)</u> | <u>\$ 2,830</u> | 248,033 | <u>\$ 245,203</u> |
| FUND BALANCE | | | | |
| Beginning of Year | | | <u>1,139,271</u> | |
| End of Year | | | <u>\$ 1,387,304</u> | |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

| | Governmental Activities - Internal Service Funds | |
|--------------------------|---|----------------------|
| | 2021 | 2020 |
| ASSETS | | |
| Current Assets: | | |
| Cash and Investments | \$ 36,219,365 | \$ 34,212,784 |
| Prepaid Items | 4,967 | - |
| Accounts Receivable | 115,902 | 112,798 |
| Interest Receivable | 127,058 | 127,058 |
| Total Assets | <u>36,467,292</u> | <u>34,452,640</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 273,574 | (19,855) |
| Claims Payable - Medical | 994,699 | 448,747 |
| Unearned Revenue | 1,376,168 | 1,315,904 |
| Total Liabilities | <u>2,644,441</u> | <u>1,744,796</u> |
| NET POSITION | | |
| Unrestricted | <u>\$ 33,822,851</u> | <u>\$ 32,707,844</u> |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | Governmental Activities - Internal Service Funds | |
|---------------------------------------|---|----------------------|
| | 2021 | 2020 |
| OPERATING REVENUES | | |
| Charges for Services: | | |
| Health Insurance Premiums | \$ 11,418,178 | \$ 11,157,168 |
| OPEB Contributions | 1,846,986 | - |
| Total Operating Revenues | <u>13,265,164</u> | <u>11,157,168</u> |
| OPERATING EXPENSES | | |
| Health Insurance Claim Payments | 12,187,046 | 11,224,682 |
| Severance Payments | - | 884,964 |
| OPEB Payments | 125,965 | 120,977 |
| Total Operating Expenses | <u>12,313,011</u> | <u>12,230,623</u> |
| OPERATING INCOME (LOSS) | 952,153 | (1,073,455) |
| NONOPERATING INCOME | | |
| Earnings on Investments | <u>162,854</u> | <u>1,665,591</u> |
| INCOME BEFORE TRANSFERS | 1,115,007 | 592,136 |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers Out | <u>-</u> | <u>(1,042,509)</u> |
| CHANGE IN NET POSITION | 1,115,007 | (450,373) |
| Net Position - Beginning | <u>32,707,844</u> | <u>33,158,217</u> |
| NET POSITION - ENDING | <u>\$ 33,822,851</u> | <u>\$ 32,707,844</u> |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | Governmental Activities - Internal Service Funds | |
|--|---|-----------------------|
| | 2021 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from Interfund Services Provided | \$ 13,322,324 | \$ 11,258,043 |
| Payments for Medical Fees and Insurance Claims | (11,352,632) | (11,514,220) |
| Payments for Other Postemployment Benefits | (125,965) | (120,977) |
| Payments for Severance Benefits | - | (884,964) |
| Net Cash Provided (Used) by Operating Activities | 1,843,727 | (1,262,118) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers to Other Funds | - | (1,042,509) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest Received | 141,601 | 285,098 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 1,985,328 | (2,019,529) |
| Cash and Cash Equivalents - Beginning | 15,294,744 | 17,314,273 |
| CASH AND CASH EQUIVALENTS - ENDING | <u>\$ 17,280,072</u> | <u>\$ 15,294,744</u> |
| DISPLAYED ON STATEMENT OF FUND NET POSITION AS: | | |
| Cash and Cash Equivalents | \$ 17,280,072 | \$ 15,294,744 |
| Investments | 18,939,293 | 18,918,040 |
| Total Cash and Investments on the Statement of Net Position | <u>\$ 36,219,365</u> | <u>\$ 34,212,784</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | |
| Operating Income (Loss) | \$ 952,153 | \$ (1,073,455) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | |
| Increase in Prepaids | (4,967) | - |
| (Increase) Decrease in Accounts Receivable | (3,104) | 24,359 |
| Increase (Decrease) in Accounts Payable | 293,429 | (26,907) |
| Increase (Decrease) in Claims Payable | 545,952 | (262,631) |
| Increase in Unearned Revenue | 60,264 | 76,516 |
| Total Adjustments | 891,574 | (188,663) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,843,727</u> | <u>\$ (1,262,118)</u> |

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Financial Reporting Entity

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

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

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

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. In accordance with Minnesota state statutes, the District's student activity accounts are included in these financial statements. As part of the implementation of GASB Statement No. 84 in the fiscal year ended June 30, 2020, the District's student activity funds were moved into the District's General Fund.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation

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

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

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

Separate Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: a custodial fund. Since by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the Government-wide statements.

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

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is charges for service in the form of insurance premiums and OPEB contributions. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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

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

1. Revenue Recognition

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

2. Recording of Expenditures

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds

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

Major Governmental Funds

General Fund

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

Food Service Special Revenue Fund

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

Community Service Special Revenue Fund

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

Capital Projects Fund

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

Debt Service Fund

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Proprietary Fund

Internal Service Fund

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

E. Budgeting

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

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

Budgeted amounts include mid-year budget amendments as follows:

| | Original Budget | Amendments | Amended Budget |
|------------------------|--------------------|--------------|-------------------|
| <u>Revenues</u> | | | |
| General Fund | \$ 107,095,324 | \$ 3,035,592 | \$ 110,130,916 |
| Special Revenue Funds: | | | |
| Food Service Fund | 4,387,406 | (1,148,620) | 3,238,786 |
| Community Service Fund | 10,315,520 | (2,440,097) | 7,875,423 |
| Capital Projects Fund | 16,674,317 | (11,165,040) | 5,509,277 |
| Debt Service Fund | 17,096,420 | - | 17,096,420 |
| <u>Expenditures</u> | | | |
| General Fund | \$ 105,985,386 | \$ 1,081,763 | \$ 107,067,149 |
| Special Revenue Funds: | | | |
| Food Service Fund | 4,510,939 | (1,231,562) | 3,279,377 |
| Community Service Fund | 11,157,731 | (3,285,138) | 7,872,593 |
| Capital Projects Fund | 16,585,433 | - | 16,585,433 |
| Debt Service Fund | 17,096,420 | 29,767,363 | 46,863,783 |

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

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

F. Cash and Investments

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments (Continued)

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

G. Accounts Receivable

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

H. Inventories

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

I. Prepaid Items

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

J. Property Taxes

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

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

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$4,134,655) advance recognized as revenue in fiscal 2020 with no corresponding state aid adjustment. Certain other portions of the District's 2020 pay 2021 levy, normally revenue for the 2021-22 fiscal year, are also advance recognized at June 30, 2021, as required by state statute to match revenue with the same fiscal year as the related expenditures.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is a deferred inflow because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2021, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

K. Capital Assets

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

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

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

L. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the District's year-end) under the modified accrual basis of accounting. The third type of deferred inflows reports is related to pensions. The last type of deferred inflows relates to funds needed to defease the carrying value of debt being less than the carrying value itself and thus a deferred gain on bond refunding is recorded. See Notes 7 and Note 8 for additional detail on deferred inflows related to pensions.

M. Long-Term Obligations

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Pensions

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

O. Accrued Employee Benefits

Sick Pay

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

Pension and Health Benefits

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

1. Early Retirement Incentive and Convertible Sick Leave

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

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

At June 30, 2021, the long-term portion of the estimated early retirement incentive and convertible sick leave liability is included as part of the net pension liability on the statement of net position. See Note 8 for further information.

2. Postemployment Health Care Benefits

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments with an original maturity from the time of purchase by the District of three months or less to be cash equivalents. The Internal Service Fund's equity in the Government-wide cash and investment management pool is considered to be cash equivalents.

Q. Fund Balance

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

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

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

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

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

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

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

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Risk Management

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

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

S. Net Position

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

T. Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with 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.

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does have a deposit policy that will minimize Custodial Credit Risk by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository. All of the District's deposits were fully insured during the year ended June 30, 2021.

B. Investments

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

At June 30, 2021, the District's investment balances were as follows:

| Investments Measured at Fair Value | Fair Value |
|--|-----------------------|
| U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year | \$ 1,674,319 |
| Federal Home Loan Bank | 1,906,462 |
| Federal National Mortgage Association | 2,145,042 |
| Federal Farm Credit Bank | 1,094,665 |
| Municipal Bonds | 9,234,744 |
| Corporate Bonds | 839,620 |
| Mutual Funds | 1,822,025 |
| Total Investments Measured at Fair Value | <u>\$ 18,716,877</u> |
| Investments Measured at Amortized Cost | Amortized Cost |
| Money Markets | \$ 222,414 |
| MSDLAF+ Liquid Class | 31,746,593 |
| MSDLAF+ Max Class | 43,494,898 |
| Total Investments Measured at Amortized Cost | <u>\$ 75,463,905</u> |
| Total District Investments | <u>\$ 94,180,782</u> |

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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

| Type | Total | Maturity Duration in Years | | | | No Maturities | Rating |
|---------------------------------------|----------------------|----------------------------|---------------------|----------------------|-------------------|----------------------|----------|
| | | Less Than 1 | 1 to 5 | 6 to 10 | > 10 | | |
| U.S. Treasury Notes | \$ 1,674,319 | \$ - | \$ 1,002,698 | \$ 480,126 | \$ 191,495 | \$ - | N/A |
| Federal Home Loan Bank | 1,906,462 | - | - | 1,906,462 | - | - | AAA - AA |
| Federal National Mortgage Association | 2,145,042 | - | 551,121 | 1,593,921 | - | - | AAA - AA |
| Federal Farm Credit Bank | 1,094,665 | - | - | 1,094,665 | - | - | AAA - AA |
| Municipal Bonds | 9,234,744 | 411,471 | 2,552,548 | 6,270,725 | - | - | AAA - A |
| Corporate Bonds | 839,620 | - | 137,873 | 701,747 | - | - | A - BB+ |
| Mutual Funds | 1,822,025 | 1,822,025 | - | - | - | - | AAA |
| Money Markets | 222,414 | - | - | - | - | 222,414 | AAA |
| MSDLAF+ | 75,241,491 | - | - | - | - | 75,241,491 | N/A |
| Total | <u>\$ 94,180,782</u> | <u>\$ 2,233,496</u> | <u>\$ 4,244,240</u> | <u>\$ 12,047,646</u> | <u>\$ 191,495</u> | <u>\$ 75,463,905</u> | |

Concentration of Credit Risk – The District places no limit on the amount that the District may invest in any one issuer. The District had no investments at June 30, 2021 which individually comprised more than 5% of total investments.

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

| | |
|--|----------------------|
| Cash and Investments - Statement of Net Position | \$ 94,180,782 |
| Cash and Investments with Fiscal Agent - Statement of Net Position | 59,000 |
| Total Cash and Investments | <u>\$ 94,239,782</u> |

C. Fair Value Measurements

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

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

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

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

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

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

| Investment | Level 1 | Level 2 | Level 3 | Total |
|---|---------------------|----------------------|-------------|----------------------|
| U.S. Treasuries with Maturities at Purchase of Greater Than One Year | \$ 1,674,319 | \$ - | \$ - | \$ 1,674,319 |
| Federal Home Loan Bank | - | 1,906,462 | - | 1,906,462 |
| Federal National Mortgage Association | - | 2,145,042 | - | 2,145,042 |
| Federal Farm Credit Bank | - | 1,094,665 | - | 1,094,665 |
| Municipal Bonds | - | 9,234,744 | - | 9,234,744 |
| Corporate Bonds | - | 839,620 | - | 839,620 |
| Mutual Funds | 1,822,025 | - | - | 1,822,025 |
| Total | <u>\$ 3,496,344</u> | <u>\$ 15,220,533</u> | <u>\$ -</u> | 18,716,877 |
| Investments Measured at Amortized Cost | | | | 75,463,905 |
| Total | | | | <u>\$ 94,180,782</u> |

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities as well as governmental agencies securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-----------------------|---------------------|-----------------------|-----------------------|
| Governmental Activities | | | | |
| Capital Assets, Not Being Depreciated | | | | |
| Land | \$ 2,867,600 | \$ - | \$ - | \$ 2,867,600 |
| Construction in Progress | 15,578,107 | - | (3,928,943) | 11,649,164 |
| Total Capital Assets, Not Being Depreciated | 18,445,707 | - | (3,928,943) | 14,516,764 |
| Capital Assets, Being Depreciated | | | | |
| Land Improvements | 24,617,126 | 1,410,910 | - | 26,028,036 |
| Buildings and Improvements | 257,608,954 | 10,198,431 | - | 267,807,385 |
| Equipment | 36,687,823 | 541,887 | - | 37,229,710 |
| Total Capital Assets, Being Depreciated | 318,913,903 | 12,151,228 | - | 331,065,131 |
| Accumulated Depreciation for: | | | | |
| Land Improvements | (12,435,222) | (1,228,890) | - | (13,664,112) |
| Buildings and Improvements | (114,108,545) | (8,628,833) | - | (122,737,378) |
| Equipment | (20,126,972) | (2,811,747) | - | (22,938,719) |
| Total Accumulated Depreciation | (146,670,739) | (12,669,470) | - | (159,340,209) |
| Total Capital Assets, Being Depreciated, Net | 172,243,164 | (518,242) | - | 171,724,922 |
| Governmental Activities Capital Assets, Net | <u>\$ 190,688,871</u> | <u>\$ (518,242)</u> | <u>\$ (3,928,943)</u> | <u>\$ 186,241,686</u> |

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

| | |
|---|----------------------|
| Governmental Activities | |
| Administration | \$ 1,500,681 |
| District Support Services | 1,467 |
| Regular Instruction | 10,395,102 |
| Pupil Support Services | 104,412 |
| Sites and Buildings | 10,489 |
| Community Service | 111,309 |
| Total Depreciation Expense, Governmental Activities | <u>\$ 12,669,470</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 LONG-TERM LIABILITIES

A. Components of Long-Term Debt

| Issue Date | Net Interest Rate | Original Issue | Final Maturity | Principal Outstanding | |
|--------------------------------|-------------------|----------------|----------------|-----------------------|-----------------------|
| | | | | Due Within One Year | Total |
| 6/27/2012 | 0.45% - 1.80% | 6,120,000 | 2/1/2022 | \$ 720,000 | \$ 720,000 |
| 5/16/2013 | 3.00% - 3.25% | 16,090,000 | 2/1/2030 | - | 15,890,000 |
| 5/15/2013 | 1.50% - 4.00% | 18,940,000 | 2/1/2026 | 1,770,000 | 9,620,000 |
| 5/21/2015 | 2.00% - 3.00% | 10,120,000 | 2/1/2023 | 4,225,000 | 6,500,000 |
| 5/21/2015 | 2.00% - 4.00% | 4,425,000 | 2/1/2030 | 250,000 | 3,115,000 |
| 11/12/2015 | 2.00% - 5.00% | 18,305,000 | 2/1/2022 | 3,425,000 | 3,425,000 |
| 1/25/2017 | 3.00% - 4.00% | 14,140,000 | 2/1/2032 | - | 14,140,000 |
| 2/21/2018 | 3.00% - 5.00% | 29,030,000 | 2/1/2034 | 850,000 | 27,075,000 |
| 11/8/2018 | 3.25% - 5.00% | 18,835,000 | 2/1/2027 | 700,000 | 17,740,000 |
| 3/14/2019 | 3.00% - 4.00% | 17,895,000 | 2/1/2035 | - | 17,895,000 |
| 11/4/2020 | 2.00% - 4.00% | 40,650,000 | 2/1/2037 | - | 40,650,000 |
| Total General Obligation Bonds | | | | 11,940,000 | 156,770,000 |
| Bond Premiums | | | | - | 8,718,890 |
| Capital Lease Payable | | | | 362,373 | 2,306,849 |
| Total | | | | <u>\$ 12,302,373</u> | <u>\$ 167,795,739</u> |

B. Minimum Debt Payments

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

| Year Ending June 30, | General Obligation Bonds Payable | | Capital Lease Obligation Payable | |
|----------------------|----------------------------------|----------------------|----------------------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 2022 | \$ 11,940,000 | \$ 5,815,018 | \$ 362,373 | \$ 52,094 |
| 2023 | 11,440,000 | 5,087,750 | 370,939 | 43,529 |
| 2024 | 9,515,000 | 4,611,850 | 379,707 | 34,760 |
| 2025 | 9,460,000 | 4,191,750 | 388,683 | 25,785 |
| 2026 | 10,235,000 | 3,784,000 | 397,871 | 23,789 |
| 2027-2031 | 54,045,000 | 12,743,013 | 407,276 | - |
| 2032-2036 | 47,540,000 | 3,699,975 | - | - |
| 2037 | 2,595,000 | 51,900 | - | - |
| Total | <u>\$ 156,770,000</u> | <u>\$ 39,985,256</u> | <u>\$ 2,306,849</u> | <u>\$ 179,957</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt

General Obligation School Building Bonds

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

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

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

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

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

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

On February 21, 2018, the District issued \$29,030,000 General Obligation School Building Bonds, Series 2018A, to provide funds for the acquisition and betterment of school sites and facilities, and to prepay the District's \$4,273,000 Lease Purchase, Series 2013, and the District's \$4,215,000 Lease Purchase, Series 2014. The refunding resulted in cash flow savings of \$5,115,335 and net present value cash flow savings of \$4,915,838.

General Obligation Alternative Facilities Bonds

On April 13, 2011, the District issued \$29,410,000 of General Obligation Alternative Facilities Bonds, Series 2011A. The proceeds of this issue were used to finance the acquisition and betterment of projects included in the District's 10-year facility plan. These bonds were refunded in FY21 with the General Obligation Facilities Maintenance Bonds, Series 2020A.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

General Obligation Alternative Facilities Bonds (Continued)

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

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

General Obligation Facilities Maintenance Bonds

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

On November 8, 2018, the District issued \$18,835,000 General Obligation Alternative Facilities Refunding Bonds, Series 2018B, to call and prepay the 2020 through 2027 maturities of the District's outstanding 2009B Alternative Facilities Bonds.

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

On November 4, 2020, the District issued \$40,650,000 of General Obligation Facilities Maintenance Bonds, Series 2020A. The proceeds of this issue will be used to finance facility maintenance projects included in the 10-year facility plan of the District as well as to finance an advance refunding of the 2022 through 2028 maturities of the District's \$29,410,000 General Obligation School Building Refunding Bonds, Series 2011A.

Capital Leases Payable

On December 29, 2016, the District entered into a lease-purchase financing agreement with First Resource Bank to finance the construction, installation, and equipping of synthetic turf fields at Hopkins High School. The total financed was \$3,667,000, with an interest rate of 2.50% and requires the District to make semi-annual principal and interest payments through February 1, 2027. The athletic fields acquired through the lease proceeds, as well as additional District funds, were completed in 2019 for a total cost of \$5,482,339 and had accumulated depreciation of \$685,292 at June 30, 2021.

D. Changes in Long-Term Debt

| | June 30, 2020 | Additions | Retirements | June 30, 2021 |
|-----------------------|-----------------------|----------------------|----------------------|-----------------------|
| Bonds Payable | \$ 156,825,000 | \$ 40,650,000 | \$ 40,705,000 | \$ 156,770,000 |
| Bond Premiums | 5,759,266 | 4,678,748 | 1,719,124 | 8,718,890 |
| Capital Lease Payable | 2,660,854 | - | 354,005 | 2,306,849 |
| Total | <u>\$ 165,245,120</u> | <u>\$ 45,328,748</u> | <u>\$ 42,778,129</u> | <u>\$ 167,795,739</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 FUND BALANCES

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

A. Restricted for Student Activities

Represents the resources available for the extracurricular activity funds raised by students.

B. Restricted for Scholarships

Represents the resources received from donors to use for scholarships.

C. Restricted for Staff Development

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

D. Restricted for Capital Projects Levy

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

E. Restricted for Operating Capital

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

F. Restricted for Medical Assistance

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

G. Restricted for Learning and Development

Represents resources available for reducing the pupil-to-staff ratio.

H. Restricted for Community Education Programs

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

I. Restricted for Early Childhood and Family Education Programs

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

**HOPKINS PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 FUND BALANCES (CONTINUED)

J. Restricted for School Readiness

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

K. Restricted for Adult Basic Education Programs

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

L. Restricted for Safe Schools Levy

Represents the unspent resources available from the safe schools' levy.

M. Restricted for Long-Term Facilities Maintenance

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

N. Restricted for Other Purposes

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

NOTE 6 INTERFUND BALANCES AND TRANSFERS

The District had no interfund receivables and payables at June 30, 2021. The District had the following interfund transfers during the year ended June 30, 2021:

| | Transfers In | Transfers Out |
|------------------------|--------------|---------------|
| Debt Service Fund | \$ 951,047 | \$ - |
| OPEB Debt Service Fund | | 951,047 |
| Total | \$ 951,047 | \$ 951,047 |

The purpose of these interfund transfers was as follows:

The OPEB Debt Service Fund transferred \$951,047 to the Debt Service Fund to transfer the fund balance out and close the fund.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS

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

A. Plan Description

The School participates in the following defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and Teachers Retirement Fund (TRA). PERA's and TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's and TRA's defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

All full-time and certain part-time employees of the District, other than teachers, are covered by the General Employees Plan. The General Employees Plan is a multiple employer cost sharing defined benefit pension plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Teachers Retirement Fund (TRA)

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided

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

1. General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. 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. 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.

**HOPKINS PUBLIC SCHOOLS
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JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

or

Tier II Benefits

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

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

1. General Employees Fund Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2021 were \$1,407,866. The District's contributions were equal to the required contributions as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for fiscal year 2021 were:

| | 2021 | |
|-------------|----------|----------|
| | Employee | Employer |
| Basic | 11.00% | 12.13% |
| Coordinated | 7.50% | 8.13% |

The District's contributions to TRA for the plan's fiscal year ended June 30, 2021 were \$3,944,159. The District's contributions were equal to the required contributions for each year as set by state statute.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs

1. General Employees Plan Pension Costs

At June 30, 2021, the District reported a liability of \$17,021,102 for its proportionate share of the General Employees Plan's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. 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 \$524,773, for a total net pension liability of \$17,545,875 associated with the District. 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 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.

At June 30, 2021, the District's proportion was 0.2839%, which was a decrease of 0.0111% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the District recognized pension expense of \$184,344 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$45,671 as pension expense (and corresponding grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2021, the District reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual | | |
| Economic Experience | \$ 155,190 | \$ 64,399 |
| Changes in Actuarial Assumptions | - | 631,038 |
| Net Difference Between Projected and Actual | | |
| Earnings on Plan Investments | 294,052 | - |
| Changes in Proportion and Differences Between | | |
| District Contributions and Proportionate | | |
| Share of Contributions | 413,818 | 1,428,772 |
| District Contributions Subsequent to the | | |
| Measurement Date | 1,407,866 | - |
| Total | <u>\$ 2,270,926</u> | <u>\$ 2,124,209</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. GERS Pension Costs (Continued)

A total of \$1,407,866 reported as deferred outflows of resources related to pensions resulting from District contributions to GERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to GERS pensions will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Pension Expense Amount</u> |
|-----------------------------|-----------------------------------|
| 2022 | \$ (1,348,264) |
| 2023 | (228,367) |
| 2024 | (95,755) |
| 2025 | 411,237 |
| 2026 | - |
| Thereafter | - |

2. TRA Pension Costs

At June 30, 2021, the District reported a liability of \$62,363,239 for its proportionate share of 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 TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.8441% at the end of the measurement period and 0.8198% for the beginning of the period.

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

| <u>Description</u> | <u>Amount</u> |
|---|--------------------------------|
| District's Proportionate Share of the TRA Net Pension Liability | \$ 62,363,239 |
| State's Proportionate Share of the Net Pension Liability Associated with the District | 5,226,003 |
| Total | <u><u>\$ 67,589,242</u></u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$8,953,665. It also recognized \$478,757 as pension expense and grant revenue for the support provided by direct aid.

At June 30, 2021, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual | | |
| Economic Experience | \$ 1,250,632 | \$ 945,285 |
| Changes in Actuarial Assumptions | 22,375,980 | 52,352,426 |
| Net Difference Between Projected and Actual | | |
| Earnings on Plan Investments | 965,658 | - |
| Changes in Proportion and Differences Between | | |
| District Contributions and Proportionate | | |
| Share of Contributions | 2,068,746 | 1,956,665 |
| District Contributions Subsequent to the | | |
| Measurement Date | 3,944,159 | - |
| Total | <u>\$ 30,605,175</u> | <u>\$ 55,254,376</u> |

A total of \$3,944,159 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

| Year Ending June 30, | Pension Expense Amount |
|----------------------|---------------------------|
| 2022 | \$ 915,568 |
| 2023 | (19,152,747) |
| 2024 | (12,843,062) |
| 2025 | 1,816,372 |
| 2026 | 670,509 |
| Thereafter | - |

The District's total pension expense for all plans for the year ended June 30, 2021 was \$9,138,009. In addition, the school recognized pension expense of \$524,428 for indirect aid.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions:

| Assumptions | GERF | TRA |
|------------------------------|----------------|--|
| Inflation | 2.25% per Year | 2.50% |
| Active Member Payroll Growth | 3.00% per Year | 2.85% Before July 1, 2028 and 3.25% after June 30, 2028 |
| Investment Rate of Return | 7.50% | 7.50% |

PERA Salary increases were based on a service-related table. PERA mortality rates for active members, retirees, survivors, and disabilities for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. PERA cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

Actuarial assumptions used in the PERA June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

TRA pre-retirement mortality rates were based on the RP-2014 white-collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale. Post-retirement mortality rates were based on the RP-2014 white-collar annuitant table, male rates set back three years, and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

The following changes in actuarial assumptions for PERA occurred in 2020:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- 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% 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 to five and slightly higher thereafter.

**HOPKINS PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions for PERA occurred in 2020 (Continued):

- 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 Scale MP-2018 to Scale 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% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. 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 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

The following changes in actuarial assumptions for TRA occurred in 2020:

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years.
- Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

**HOPKINS PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| Domestic Equity | 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 | 0.00% |
| Totals | 100.00 % | |

F. Discount Rate

The discount rate used to measure the PERA General Employees Plan liability in 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund 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.

The discount rate used to measure the TRA pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contribution 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).

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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

The following presents the School'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 School's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

| Description | 1% Decrease in Discount Rate | Current Discount Rate | 1% Increase in Discount Rate |
|---|---------------------------------|--------------------------|---------------------------------|
| <u>GERF Discount Rate</u> | 6.50% | 7.50% | 8.50% |
| District's Proportionate Share of the GERF Net Pension Liability | \$ 27,278,923 | \$ 17,021,102 | \$ 8,559,224 |
| <u>TRA Discount Rate</u> | 6.50% | 7.50% | 8.50% |
| District's Proportionate Share of the TRA Net Pension Liability | \$ 95,477,459 | \$ 62,363,239 | \$ 35,078,795 |

H. Pension Plan Fiduciary Net Position

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

Detailed information about TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-4000; or by calling (651) 296-2409 or 1-800-657-3669.

NOTE 8 SUPPLEMENTAL PENSION PLAN

A. Plan Description

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

Currently, there are 1,060 active employees who are eligible to receive benefits under the plan as of July 1, 2020.

**HOPKINS PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

B. Funding Policy

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

C. Total Pension Liability

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

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

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

The District's total pension liability was determined by an actuarial valuation dated July 1, 2018 with a measurement date of July 1, 2020. At June 30, 2021, the District reported a total pension liability of \$14,474,119. Changes in the District's total pension liability were as follows:

| | |
|--|-----------------------------|
| Total Pension Liability - Beginning Balance | \$ 13,271,412 |
| Changes for the Year | |
| Service Cost | 996,490 |
| Interest | 428,693 |
| Changes in Benefit Terms | 1,012,410 |
| Differences Between Expected and Actual Experience | (569,816) |
| Changes of Assumptions and Other Inputs | 219,894 |
| Benefit Payments | (884,964) |
| Other Changes | - |
| Net Changes | <u>1,202,707</u> |
| Total Pension Liability - Ending Balance | <u><u>\$ 14,474,119</u></u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

D. Pension Costs

For the year ended June 30, 2021, the District recognized pension expense of \$887,557. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ - | \$ 1,206,176 |
| Changes of Assumptions of Other Inputs | 443,256 | 373,550 |
| Benefit Payments Subsequent to the Measurement Date | 1,407,329 | - |
| Pension Administrative Expenses Incurred Subsequent to the Measurement Date | - | - |
| Total | <u>\$ 1,850,585</u> | <u>\$ 1,579,726</u> |

The District's benefit payments and amounts incurred by the District for pension administrative expenses subsequent to the measurement date of \$1,407,329 reported as deferred outflows of resources will be recognized as a reduction of the total pension liability in the year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------|
| 2021 | \$ (142,707) |
| 2022 | (142,707) |
| 2023 | (142,707) |
| 2024 | (142,707) |
| 2025 | (142,707) |
| Thereafter | (422,935) |

E. Actuarial Methods and Assumptions

The actuarial total pension liability was determined as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------------|---|
| Valuation Date: | July 1, 2020 |
| Measurement Date: | July 1, 2020 |
| Actuarial Cost Method: | Entry Age, Level Percentage of Pay |
| Discount Rate: | 2.40% |
| Inflation: | 2.50% |
| Salary Increases: | Service graded tables |
| Retirement Age: | 55 |
| Mortality: | Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2019 Generational Improvement Scale |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)

F. Discount Rate

The discount rate used to measure the total pension liability was 3.10%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds. The discount rate was changed from 3.50% in the prior measurement period to 3.10%.

G. Total Pension Liability Sensitivity

The following presents the District's total pension liability, calculated using the discount rate of 3.10%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.10%) or one percentage point higher (4.10%) than the current rate:

| | 1% Decrease (1.40%) | Current Discount Rate (2.40%) | 1% Increase (3.40%) |
|-------------------------|------------------------|----------------------------------|------------------------|
| Total Pension Liability | <u>\$ 15,328,840</u> | <u>\$ 14,474,119</u> | <u>\$ 13,647,213</u> |

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE

A. Plan Description

The District operates a single-employer retiree benefit plan (the Plan) that provides health and dental insurance to eligible employees and their spouses through the District's health insurance plan. There are 1,098 active participants, 92 retired participants, and 22 spouses. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

B. Funding Policy

The District has assets designated for OPEB. These assets are in a revocable trust which is included as an internal service fund in these financial statements. Contribution requirements are also negotiated between the District and union representatives. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. For fiscal year 2021, the District contributed \$2,253,223 to the plan.

C. Actuarial Methods and Assumptions

The District's total OPEB liability was determined by an actuarial valuation with a valuation date of July 1, 2020 and a measurement date of July 1, 2020. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

C. Actuarial Methods and Assumptions (Continued)

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

| | |
|------------------------------|--|
| Inflation | 2.50% |
| Salary Increases | Service graded tables |
| 20-Year Municipal Bond Yield | 2.40% |
| Health Care Trend Rates | 6.50% Decreasing to 5.00% Over 6 Years and Then to 4.00% Over the Next 48 Years |

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

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2008 through June 30, 2014 and a study of economic assumptions dated November 2017. The rates for other employees are based on the Public Employees Retirement Association of Minnesota most recent six-year experience study for the General Employees Plan completed in 2015 and a review of the inflation assumption dated September 11, 2017. The retirement and withdrawal assumptions used to value GASB 75 liabilities are similar to those used to value pension liabilities for Minnesota school district employees. The rates are based on the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2008 through June 30, 2014.

The discount rate used to measure the total OPEB liability was 2.40%. The discount rate is based on the estimated yield of 20-year AA-rated bonds.

D. Actuarial Methods and Assumptions

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

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.10% to 2.40%.
- These changes increased the liability \$52,216.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

D. Changes in the total OPEB Liability

| | Total OPEB Liability |
|---|-------------------------|
| Beginning Balance | \$ 25,394,876 |
| Changes for the Year: | |
| Service Cost | 1,591,130 |
| Interest Cost | 801,908 |
| Differences Between Expected and Actual Experience | (610,383) |
| Changes of Assumptions | 52,216 |
| Contributions-Employer | - |
| Net Investment income | - |
| Benefit Payments | (2,253,223) |
| Plan Changes | (929,162) |
| Net Changes | <u>(1,347,514)</u> |
| Ending Balance | <u>\$ 24,047,362</u> |

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

| | 1% Decrease (1.40%) | Discount Rate (2.40%) | 1% Increase (3.40%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB Liability | \$ 25,401,844 | \$ 24,047,362 | \$ 22,722,044 |

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.25% decreasing to 4.00% over five years) or 1% point higher (7.25% decreasing to 6.00% over five years) than the current healthcare cost trend rates:

| | Healthcare Cost | | |
|----------------------|--|--|--|
| | 1% Decrease (5.50% Decreasing to 4.00% Then 3.00%) | Current Trend Rates (6.50% Decreasing to 5.00% Then 4.00%) | 1% Increase (7.50% Decreasing to 6.00% Then 5.00%) |
| Total OPEB Liability | \$ 23,059,483 | \$ 24,047,362 | \$ 25,205,171 |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

E. OPEB Liability Costs

For the year ended June 30, 2021, the District recognized negative OPEB expense of \$1,572,548. At June 30, 2021, the District reported \$542,563 of deferred inflows of resources and \$3,738,383 of deferred outflows of resources related to OPEB from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience | \$ 43,301 | \$ 542,563 |
| Change of Assumptions | 763,516 | - |
| Contributions Between Measurement Date and Reporting Date | 2,931,566 | - |
| Total | <u>\$ 3,738,383</u> | <u>\$ 542,563</u> |

The contributions subsequent to the measurement date will reduce the District's total OPEB liability in the District's fiscal year ended June 30, 2022.

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

| Year Ending June 30, | Expense |
|----------------------|-----------|
| 2021 | \$ 39,220 |
| 2022 | 39,220 |
| 2023 | 39,220 |
| 2024 | 39,220 |
| 2025 | 39,220 |
| Thereafter | 68,154 |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 FLEXIBLE BENEFIT PLAN

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

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

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 HEALTH AND DENTAL SELF-INSURANCE PLAN

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

Participants in the program make premium payments to the fund based on the insurance premium. The District contributes a portion of premiums to the plan based on employment contracts. The excess amount received above current year claims is used to establish a reserve for future claims. At June 30, 2021, there is a reserve of \$3,109,812.

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

There were no liabilities in excess of claims paid at June 30, 2021. There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$5,633,384 in cash and investments at June 30, 2021 for payment of claims.

Changes in the balances of claim liabilities during fiscal years 2021 and 2020 were as follows:

| | 2021 | 2020 |
|---|-------------------|-------------------|
| Beginning of Fiscal Year Liability - July 1, | \$ 448,747 | \$ 711,378 |
| Current Year Claims, Changes in Estimates, and Other Charges | 12,187,046 | 11,224,682 |
| Current Year Claims Paid, Including an Estimate of Claims Incurred But Not Reported (IBNR) | (11,641,094) | (11,487,313) |
| End of Fiscal Year Liability - June 30, | <u>\$ 994,699</u> | <u>\$ 448,747</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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

B. Operating Leases

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

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

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

| <u>Year Ending June 30.</u> | <u>Amount</u> |
|-------------------------------------|-------------------|
| 2022 | \$ 158,232 |
| 2023 | 162,093 |
| 2024 | 139,510 |
| 2025 | 138,235 |
| 2026 | 142,382 |
| 2027-2028 | 196,018 |
| Total Future Minimum Lease Payments | <u>\$ 936,470</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Joint Powers Agreement

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

Operating results of the Lindbergh Center for fiscal 2020-2021 are as follows:

| | <u>School District</u> | <u>City</u> |
|--|------------------------|------------------|
| Total Expenditures | \$ 254,707 | \$ 104,035 |
| Total Revenue | (103,305) | (42,195) |
| Final Operating Costs to Respective Government | <u>\$ 151,402</u> | <u>\$ 61,840</u> |

D. Construction Commitments

At June 30, 2021, the District is committed to approximately \$0.1 million in contracts in progress.

NOTE 13 STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2021:

| | <u>Budget</u> | <u>Expenditures</u> | <u>Excess</u> |
|------------------------|---------------|---------------------|---------------|
| Special Revenue Funds: | | | |
| Food Service Fund | \$ 3,279,377 | \$ 3,624,590 | \$ 345,213 |
| Community Service Fund | 7,872,593 | 7,949,932 | 77,339 |

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

NOTE 14 DEFINED CONTRIBUTION PLAN

The District provides eligible employees future retirement benefits through the District's 403(b) Plan (the Plan). Employees of the District are eligible to participate in the Plan commencing on the date of their employment. Eligible employees may elect to have a percentage of their pay contributed to the Plan. Some employees are eligible to receive a District match of employee contributions up to the qualifying amount set forth in their respective bargaining agreements. Contributions are invested in tax-deferred annuities selected and owned by Plan participants. Contributions to the plan for the fiscal year ended June 30, 2021 totaled \$178,281.

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 15 NET INVESTMENT IN CAPITAL ASSETS

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

| | |
|--|----------------------|
| Net Investment in Capital Assets | |
| Capital Assets, Net of Accumulated Depreciation | \$ 186,241,686 |
| Less: General Obligation Bonds Outstanding | (156,770,000) |
| Less: Capital Leases Payable | (2,306,849) |
| Less: Unamortized Premium on Capital-Related Bonds | (8,718,890) |
| Less: Deferred Gain on Bond Refundings | (339,256) |
| Less: Capital-Related Accounts and Contracts Payable | (1,428,286) |
| Plus: Capital Projects Fund Unspent Bond Proceeds | 59,000 |
| Total Net Investment in Capital Assets | \$ 16,737,405 |

REQUIRED SUPPLEMENTARY INFORMATION

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

| | Measurement Date | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | July 1, 2020 | July 1, 2019 | July 1, 2018 | July 1, 2017 |
| Service Cost | \$ 1,591,130 | \$ 1,415,894 | \$ 1,285,813 | \$ 1,344,733 |
| Interest | 801,908 | 874,625 | 829,379 | 799,678 |
| Changes in Benefit Terms | (929,162) | - | - | - |
| Differences Between Expected and Actual Experience | (610,383) | - | 61,858 | - |
| Changes of Assumptions of Other Inputs | 52,216 | 517,304 | 433,227 | - |
| Benefit Payments | (2,253,223) | (1,955,835) | (1,254,410) | (1,170,163) |
| Other Changes | - | - | (542,630) | - |
| Net Changes | (1,347,514) | 851,988 | 813,237 | 974,248 |
| Total OPEB Liability - Beginning | 25,394,876 | 24,542,888 | 23,729,651 | 22,755,403 |
| Total OPEB Liability - Ending | \$ 24,047,362 | \$ 25,394,876 | \$ 24,542,888 | \$ 23,729,651 |
| Covered Employee Payroll | \$ 62,531,689 | \$ 62,285,759 | \$ 60,471,611 | \$ 53,977,701 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 38.46% | 40.77% | 40.59% | 43.96% |

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

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

| | Measurement Date June 30, | | | | | | |
|--|---------------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| District's Proportion of the Net Pension Liability | 0.8441% | 0.8198% | 0.8197% | 0.8411% | 0.8633% | 0.8628% | 0.9324% |
| District's Proportionate Share of the Net Pension Liability | \$ 62,363,239 | \$ 52,254,224 | \$ 51,482,236 | \$ 167,898,818 | \$ 205,917,648 | \$ 53,372,713 | \$ 42,964,321 |
| State's Proportionate Share of the Net Pension Liability Associated with District | 5,226,003 | 4,624,083 | 4,837,086 | 16,230,127 | 20,669,786 | 6,546,465 | 3,022,504 |
| Total | <u>\$ 67,589,242</u> | <u>\$ 56,878,307</u> | <u>\$ 56,319,322</u> | <u>\$ 184,128,945</u> | <u>\$ 226,587,434</u> | <u>\$ 59,919,178</u> | <u>\$ 45,986,825</u> |
| District's Covered Payroll | \$ 49,047,790 | \$ 44,824,280 | \$ 45,207,213 | \$ 45,321,333 | \$ 44,803,453 | \$ 43,789,520 | \$ 42,563,629 |
| District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 127.15% | 116.58% | 113.88% | 370.46% | 459.60% | 121.88% | 100.94% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 75.48% | 78.21% | 78.07% | 51.57% | 44.88% | 76.80% | 81.50% |

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

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

| | Measurement Date June 30, | | | | | | |
|--|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| District's Proportion of the Net Pension Liability | 0.2839% | 0.2950% | 0.2817% | 0.2923% | 0.2993% | 0.3135% | 0.3326% |
| District's Proportionate Share of the Net Pension Liability | \$ 17,021,102 | \$ 16,309,889 | \$ 15,627,561 | \$ 18,660,239 | \$ 24,301,675 | \$ 16,247,197 | \$ 15,623,882 |
| State's Proportionate Share of the Net Pension Liability Associated with District | 524,773 | 506,978 | 512,717 | 234,649 | 317,389 | - | - |
| Total | <u>\$ 17,545,875</u> | <u>\$ 16,816,867</u> | <u>\$ 16,140,278</u> | <u>\$ 18,894,888</u> | <u>\$ 24,619,064</u> | <u>\$ 16,247,197</u> | <u>\$ 15,623,882</u> |
| District's Covered Payroll | \$ 20,236,880 | \$ 20,802,413 | \$ 18,956,667 | \$ 20,876,400 | \$ 18,755,067 | \$ 18,427,268 | \$ 17,458,331 |
| District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 84.11% | 78.40% | 82.44% | 89.38% | 129.57% | 88.17% | 89.49% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 79.10% | 80.23% | 79.50% | 75.90% | 68.90% | 78.20% | 78.70% |

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

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

| | Fiscal Year Ended June 30, | | | | | | | |
|--|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Statutorily Required Contribution | \$ 3,944,159 | \$ 3,884,585 | \$ 3,455,952 | \$ 3,390,541 | \$ 3,399,100 | \$ 3,360,259 | \$ 3,284,214 | \$ 2,979,454 |
| Contributions in Relation to the Statutorily Required Contribution | (3,944,159) | (3,884,585) | (3,455,952) | (3,390,541) | (3,399,100) | (3,360,259) | (3,284,214) | (2,979,454) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered Payroll | \$ 48,513,641 | \$ 49,047,790 | \$ 44,824,280 | \$ 45,207,213 | \$ 45,321,333 | \$ 44,803,453 | \$ 43,789,520 | \$ 42,563,629 |
| Contributions as a Percentage of Covered Payroll | 8.13% | 7.92% | 7.71% | 7.50% | 7.50% | 7.50% | 7.50% | 7.00% |

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

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

| | Fiscal Year Ended June 30, | | | | | | | |
|--|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Statutorily Required Contribution | \$ 1,407,866 | \$ 1,517,766 | \$ 1,560,181 | \$ 1,421,750 | \$ 1,565,730 | \$ 1,406,630 | \$ 1,359,011 | \$ 1,265,729 |
| Contributions in Relation to the Statutorily Required Contribution | (1,407,866) | (1,517,766) | (1,560,181) | (1,421,750) | (1,565,730) | (1,406,630) | (1,359,011) | (1,265,729) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's Covered Payroll | \$ 18,771,547 | \$ 20,236,880 | \$ 20,802,413 | \$ 18,956,667 | \$ 20,876,400 | \$ 18,755,067 | \$ 18,427,268 | \$ 17,458,331 |
| Contributions as a Percentage of Covered Payroll | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.38% | 7.25% |

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL PENSION LIABILITY AND RELATED RATIOS
SUPPLEMENTAL PENSION PLAN
LAST FOUR MEASUREMENT DATES**

| | Measurement Date | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | July 1, 2020 | July 1, 2019 | July 1, 2018 | July 1, 2017 |
| Service Cost | \$ 996,490 | \$ 732,001 | \$ 664,771 | \$ 689,485 |
| Interest | 428,693 | 460,096 | 473,190 | 296,170 |
| Changes in Benefit Terms | 1,012,410 | - | - | 4,153,716 |
| Differences Between Expected and Actual Experience | (569,816) | - | (946,225) | - |
| Changes of Assumptions of Other Inputs | 219,894 | 297,433 | (111,774) | (459,274) |
| Benefit Payments | (884,964) | (1,252,641) | (967,459) | (935,517) |
| Other Changes | - | - | 189,756 | - |
| Net Changes | 1,202,707 | 236,889 | (697,741) | 3,744,580 |
| Total Pension Liability - Beginning | 13,271,412 | 13,034,523 | 13,732,264 | 9,987,684 |
| Total Pension Liability - Ending | \$ 14,474,119 | \$ 13,271,412 | \$ 13,034,523 | \$ 13,732,264 |
| Covered Employee Payroll | \$ 58,614,287 | \$ 54,656,357 | \$ 53,064,424 | \$ 53,977,701 |
| Total Pension Liability as a Percentage of Covered Employee Payroll | 24.69% | 24.28% | 24.56% | 25.44% |

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

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

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

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

A. General Employees Fund

2020

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- 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% 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 to 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 Scale MP-2018 to Scale 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% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

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

2018

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

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

2017

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

2016

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

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

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

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

A. Coordinated Plan

2020

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.
- There have been no changes since the prior valuation.

2019

- No changes.

2018

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

2017

- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.

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

- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate was changed from 4.66% to 5.12%.

2016

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

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

2020

- The healthcare trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.10% to 2.40%.

2019

- The discount rate was changed from 3.50% to 3.10%

2018

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

2017

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

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

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

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

2020

- A GASB 73 benefit was added for the Superintendent.
- The Administrator's eligibility to receive the full GASB 73 retirement benefit was changed from age 55 with 15 years of service (10 in the district) and 120 unused sick days to age 55 with 15 years of service (10 in the district) and 80 unused sick days.
- ABE/ECFE Teachers no longer receive prorated benefits at age 55 with 15 years of service. They still receive their full GASB 73 benefits at age 55 with 20 years of service.
- Clerical employees' severance benefits are now paid 100% to a 403(b) (GASB 73) and -% to a VEBA (GASB 75). Previously, 100% of the benefit was payable to a VEBA.
- The mortality tables and salary increase rates were updated.
- The discount rate was changed from 3.10% to 2.40%.

2019

- The discount rate was changed from 3.50% to 3.10%

2018

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40% to 3.50%.
- Paraprofessionals' severance benefits are now paid 100% to a 403(b) (GASB 73) and 0% to a VEBA (GASB 75) instead of 75% to a 403(b) and 25% to a VEBA. Also, the annual cap for all Paraprofessionals retiring in the same year increased from \$120,000 to \$150,000.
- Administrators need 120 unused sick days to be eligible to receive 50% of annual salary and 60 unused sick days to be eligible for 37.50% of annual salary. Previously 80 and 40 unused sick days were needed.

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SUPPLEMENTARY INFORMATION

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**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
GENERAL FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

| | 2021 | 2020 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and Investments | \$ 26,561,225 | \$ 20,087,653 |
| Receivables: | | |
| Current Property Taxes | 19,613,419 | 20,097,132 |
| Delinquent Property Taxes | 165,080 | 300,569 |
| Accounts and Interest Receivable | 266,897 | 171,572 |
| Due from Other Minnesota School Districts | 304,877 | 300,806 |
| Due from Minnesota Department of Education | 7,551,123 | 7,072,174 |
| Due from Federal Through the Minnesota Department of Education | 1,127,456 | 1,818,343 |
| Due from Other Governmental Units | 1,199,577 | 260,126 |
| Inventory | 120,021 | 87,108 |
| Prepays | 141,470 | 166,283 |
| Total Assets | <u>\$ 57,051,145</u> | <u>\$ 50,361,766</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | |
| Liabilities: | | |
| Salaries and Compensated Absences Payable | \$ 217,273 | \$ 136,235 |
| Payroll Deductions and Employer Contributions Payable | 544,635 | 484,005 |
| Accounts and Contracts Payable | 870,008 | 948,958 |
| Due to Other Minnesota School Districts | 539,385 | 582,362 |
| Due to Other Governmental Units | 226 | 1,024 |
| Unearned Revenue | 62,525 | 125,633 |
| Total Liabilities | <u>2,234,052</u> | <u>2,278,217</u> |
| Deferred Inflows: | | |
| Unavailable Revenue - Property Taxes Levied for Subsequent Year | 34,560,724 | 34,258,968 |
| Unavailable Revenue - Delinquent Property Taxes | 165,080 | 300,569 |
| Total Deferred Inflows of Resources | <u>34,725,804</u> | <u>34,559,537</u> |
| Fund Balance: | | |
| Nonspendable: | | |
| Inventory | 120,021 | 166,283 |
| Prepays | 141,470 | 87,108 |
| Restricted for: | | |
| Student Activities | 229,048 | 233,191 |
| Staff Development | 28,919 | - |
| Operating Capital | 781,917 | 243,566 |
| Learning and Development | 1,806,381 | 1,233,050 |
| Safe Schools Levy | 18,468 | 18,468 |
| Long-Term Facilities Maintenance | 219,871 | 119,933 |
| Medical Assistance | - | 639,328 |
| Assigned for: | 1,070,045 | 839,879 |
| Enrollment Contingency | 2,000,000 | 1,000,000 |
| Strategic Visioning | 1,600,000 | 235,676 |
| Transportation - Start Times | 1,000,000 | - |
| Building Renovation | 814,024 | 482,899 |
| Special Projects | - | 220,102 |
| Unassigned | 10,261,125 | 8,939,814 |
| Total Fund Balance | <u>20,091,289</u> | <u>13,524,012</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u>\$ 57,051,145</u> | <u>\$ 50,361,766</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | 2021 | | | 2020 |
|--|---------------|----------------|---------------------------|----------------|
| | Final Budget | Actual Amounts | Over (Under) Final Budget | Actual Amounts |
| REVENUES | | | | |
| Local Sources: | | | | |
| Property Taxes | \$ 32,763,417 | \$ 34,065,164 | \$ 1,301,747 | \$ 28,680,573 |
| Earnings on Investments | 318,137 | (7,302) | (325,439) | 222,378 |
| Other | 2,851,810 | 3,033,327 | 181,517 | 4,143,574 |
| State Sources | 68,784,563 | 68,989,978 | 205,415 | 66,790,032 |
| Federal Sources | 5,412,989 | 5,304,497 | (108,492) | 3,983,390 |
| Total Revenues | 110,130,916 | 111,385,664 | 1,254,748 | 103,819,947 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration: | | | | |
| Salaries | 3,512,529 | 3,401,167 | (111,362) | 3,093,257 |
| Employee Benefits | 1,038,571 | 1,054,037 | 15,466 | 904,105 |
| Purchased Services | 91,391 | 89,496 | (1,895) | 247,781 |
| Supplies and Materials | 55,735 | 31,321 | (24,414) | 62,767 |
| Capital Expenditures | 3,923 | 4,430 | 507 | 60,261 |
| Other Expenditures | 59,564 | 81,547 | 21,983 | 71,972 |
| Total Administration | 4,761,713 | 4,661,998 | (99,715) | 4,440,143 |
| District Support Services: | | | | |
| Salaries | 3,785,910 | 3,367,746 | (418,164) | 3,309,178 |
| Employee Benefits | 1,208,041 | 1,069,147 | (138,894) | 1,047,528 |
| Purchased Services | 416,239 | 417,179 | 940 | 439,272 |
| Supplies and Materials | 713,544 | 581,610 | (131,934) | 182,471 |
| Capital Expenditures | 584 | 10,462 | 9,878 | 6,399 |
| Other Expenditures | 96,776 | 18,084 | (78,692) | (181,879) |
| Total District Support Services | 6,221,094 | 5,464,228 | (756,866) | 4,802,969 |
| Elementary and Secondary Regular Instruction: | | | | |
| Salaries | 36,220,662 | 34,144,762 | (2,075,900) | 33,438,428 |
| Employee Benefits | 12,239,927 | 12,212,566 | (27,361) | 9,840,935 |
| Purchased Services | 1,407,545 | 1,863,895 | 456,350 | 2,339,727 |
| Supplies and Materials | 921,434 | 873,236 | (48,198) | 1,044,763 |
| Capital Expenditures | 793,037 | 718,851 | (74,186) | 919,358 |
| Other Expenditures | 102,386 | 416,715 | 314,329 | 326,600 |
| Total Elementary and Secondary Regular Instruction | 51,684,991 | 50,230,025 | (1,454,966) | 47,909,811 |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | | 2021 | | 2020 |
|--|--------------|-------------------|------------------------------|-------------------|
| | Final Budget | Actual Amounts | Over (Under) Final Budget | Actual Amounts |
| EXPENDITURES (CONTINUED) | | | | |
| Current (Continued): | | | | |
| Vocational Education Instruction: | | | | |
| Salaries | \$ 769,946 | \$ 649,707 | \$ (120,239) | \$ 759,470 |
| Employee Benefits | 211,340 | 179,069 | (32,271) | 198,054 |
| Purchased Services | 322,989 | 117,291 | (205,698) | 313,823 |
| Supplies and Materials | 10,389 | 13,854 | 3,465 | 35,281 |
| Other Expenditures | 8,157 | 12,033 | 3,876 | 10,232 |
| Total Vocational Education Instruction | 1,322,821 | 971,954 | (350,867) | 1,316,860 |
| Special Education Instruction: | | | | |
| Salaries | 12,755,616 | 11,856,789 | (898,827) | 11,950,604 |
| Employee Benefits | 4,107,765 | 3,846,593 | (261,172) | 3,777,225 |
| Purchased Services | 737,437 | 1,101,742 | 364,305 | 696,123 |
| Supplies and Materials | 60,618 | 36,443 | (24,175) | 48,298 |
| Capital Expenditures | 7,206 | 8,346 | 1,140 | 11,004 |
| Other Expenditures | 78,547 | 82,261 | 3,714 | 166,886 |
| Total Special Education Instruction | 17,747,189 | 16,932,174 | (815,015) | 16,650,140 |
| Community Education: | | | | |
| Salaries | - | 122,090 | 122,090 | - |
| Employee Benefits | - | 62,235 | 62,235 | - |
| Total Community Education | - | 184,325 | 184,325 | - |
| Instructional Support Services: | | | | |
| Salaries | 4,026,487 | 3,301,115 | (725,372) | 4,547,184 |
| Employee Benefits | 1,172,493 | 969,065 | (203,428) | 1,291,965 |
| Purchased Services | 142,395 | 139,894 | (2,501) | 211,863 |
| Supplies and Materials | 139,532 | 163,362 | 23,830 | 153,186 |
| Capital Expenditures | 35,875 | 26,777 | (9,098) | - |
| Other Expenditures | 20,582 | 38,988 | 18,406 | 32,387 |
| Total Instructional Support Services | 5,537,364 | 4,639,201 | (898,163) | 6,236,585 |
| Pupil Support Services: | | | | |
| Salaries | 2,905,888 | 2,684,838 | (221,050) | 2,786,995 |
| Employee Benefits | 1,038,308 | 926,781 | (111,527) | 901,391 |
| Purchased Services | 3,845,510 | 3,547,035 | (298,475) | 6,210,238 |
| Supplies and Materials | 10,793 | 11,714 | 921 | 20,214 |
| Capital Expenditures | 572,023 | 535,901 | (36,122) | 17,494 |
| Other Expenditures | 17,873 | 16,458 | (1,415) | 28,528 |
| Total Pupil Support Services | 8,390,395 | 7,722,727 | (667,668) | 9,964,860 |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | 2021 | | 2020 | |
|---|---------------------|----------------------|---------------------------|----------------------|
| | Final Budget | Actual Amounts | Over (Under) Final Budget | Actual Amounts |
| EXPENDITURES (CONTINUED) | | | | |
| Current (Continued): | | | | |
| Sites and Buildings: | | | | |
| Salaries | \$ 3,913,558 | \$ 3,667,076 | \$ (246,482) | \$ 3,860,262 |
| Employee Benefits | 1,311,544 | 1,226,659 | (84,885) | 1,260,504 |
| Purchased Services | 4,548,577 | 4,762,520 | 213,943 | 4,410,700 |
| Supplies and Materials | 632,864 | 692,383 | 59,519 | 677,876 |
| Capital Expenditures | 136,372 | 2,826,309 | 2,689,937 | 273,761 |
| Other Expenditures | 2,487 | 11,481 | 8,994 | 35,753 |
| Total Sites and Buildings | 10,545,402 | 13,186,428 | 2,641,026 | 10,518,856 |
| Fiscal and Other Fixed Costs: | | | | |
| Employee Benefits | 4,865 | - | (4,865) | - |
| Purchased Services | 391,848 | 391,851 | 3 | 245,185 |
| Other Expenditures | 45,000 | 19,009 | (25,991) | - |
| Total Fiscal and Other Fixed Costs | 441,713 | 410,860 | (30,853) | 245,185 |
| Debt Service: | | | | |
| Principal | 354,005 | 354,005 | - | 345,830 |
| Interest and Fiscal Charges | 60,462 | 60,462 | - | 68,637 |
| Total Debt Service | 414,467 | 414,467 | - | 414,467 |
| Total Expenditures | 107,067,149 | 104,818,387 | (2,433,087) | 102,499,876 |
| EXCESS OF REVENUES OVER EXPENDITURES | 3,063,767 | 6,567,277 | 3,687,835 | 1,320,071 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Equipment | - | - | - | 200 |
| Transfers In | - | - | - | 1,042,509 |
| Transfers Out | (1,005,400) | - | 1,005,400 | - |
| Total Other Financing Sources (Uses) | (1,005,400) | - | 1,005,400 | 1,042,709 |
| NET CHANGE IN FUND BALANCE | <u>\$ 2,058,367</u> | 6,567,277 | <u>\$ 4,693,235</u> | 2,362,780 |
| FUND BALANCE | | | | |
| Beginning of Year | | 13,524,012 | | 11,161,232 |
| End of Year | | <u>\$ 20,091,289</u> | | <u>\$ 13,524,012</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

| | <u>2021</u> | <u>2020</u> |
|--|--------------------------|----------------------------|
| ASSETS | | |
| Cash and Investments | \$ 741,875 | \$ 234,096 |
| Receivables: | | |
| Accounts and Interest Receivable | 1,042 | 1,074 |
| Due from Minnesota Department of Education | - | 130,444 |
| Due from Federal Through the Minnesota Department of Education | 79,987 | 606,192 |
| Due from Other Governmental Units | - | 25 |
| Inventory | 133,839 | 177,701 |
| Prepays | <u>-</u> | <u>312</u> |
| Total Assets | <u><u>\$ 956,743</u></u> | <u><u>\$ 1,149,844</u></u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Salaries and Compensated Absences Payable | \$ 15,604 | \$ 21,829 |
| Payroll Deductions and Employer Contributions Payable | 77,445 | 57,040 |
| Accounts and Contracts Payable | 10,823 | 95,197 |
| Due to Other Governmental Units | <u>-</u> | <u>53</u> |
| Total Liabilities | 103,872 | 174,119 |
| Fund Balance: | | |
| Nonspendable: | | |
| Inventory | 133,839 | 177,701 |
| Prepays | - | 312 |
| Restricted for: | | |
| Other Purposes | <u>719,032</u> | <u>797,712</u> |
| Total Fund Balance | <u>852,871</u> | <u>975,725</u> |
| Total Liabilities and Fund Balance | <u><u>\$ 956,743</u></u> | <u><u>\$ 1,149,844</u></u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
FOOD SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | 2021 | | | 2020 |
|--|--------------------|-------------------|---------------------------|-------------------|
| | Final Budget | Actual Amounts | Over (Under) Final Budget | Actual Amounts |
| REVENUES | | | | |
| Local Sources: | | | | |
| Earnings on Investments | \$ - | \$ 2,569 | \$ 2,569 | \$ 7,054 |
| Other - Primarily Meal Sales | 90,673 | 79,097 | (11,576) | 1,591,371 |
| State Sources | 9,249 | 14,604 | 5,355 | 301,701 |
| Federal Sources | 3,138,864 | 3,397,497 | 258,633 | 3,073,429 |
| Total Revenues | <u>3,238,786</u> | <u>3,493,767</u> | <u>254,981</u> | <u>4,973,555</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries | 1,594,212 | 1,585,155 | (9,057) | 1,895,631 |
| Employee Benefits | 613,668 | 619,438 | 5,770 | 652,133 |
| Purchased Services | 39,603 | 36,140 | (3,463) | (1,138) |
| Supplies and Materials | 999,151 | 1,308,229 | 309,078 | 1,811,613 |
| Other Expenditures | 6,766 | 6,015 | (751) | 4,991 |
| Capital Outlay | 25,977 | 69,613 | 43,636 | 230,059 |
| Total Expenditures | <u>3,279,377</u> | <u>3,624,590</u> | <u>345,213</u> | <u>4,593,289</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (40,591) | (130,823) | (90,232) | 380,266 |
| OTHER FINANCING SOURCES | | | | |
| Sale of Equipment | 5,407 | 4,500 | (907) | 1,800 |
| Insurance Recovery | 4,169 | 3,469 | (700) | - |
| Total Other Financing Sources | <u>9,576</u> | <u>7,969</u> | <u>(1,607)</u> | <u>1,800</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (31,015)</u> | <u>(122,854)</u> | <u>\$ (91,839)</u> | 382,066 |
| FUND BALANCE | | | | |
| Beginning of Year | | 975,725 | | 593,659 |
| End of Year | | <u>\$ 852,871</u> | | <u>\$ 975,725</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

| | <u>2021</u> | <u>2020</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Cash and Investments | \$ 2,601,478 | \$ 2,399,376 |
| Receivables: | | |
| Current Property Taxes | 711,189 | 716,092 |
| Delinquent Property Taxes | 6,376 | 12,988 |
| Accounts and Interest Receivable | 500 | 4,111 |
| Due from Other Minnesota School Districts | 5,597 | 1,810 |
| Due from Minnesota Department of Education | (17,078) | (27,667) |
| Due from Federal Through the Minnesota Department of Education | 199,840 | 114,470 |
| Due from Other Governmental Units | 86,232 | 98,633 |
| Prepays | <u>-</u> | <u>2,186</u> |
| Total Assets | <u><u>\$ 3,594,134</u></u> | <u><u>\$ 3,321,999</u></u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | |
| Liabilities: | | |
| Salaries and Compensated Absences Payable | \$ 113,503 | \$ 159,271 |
| Payroll Deductions and Employer Contributions Payable | 229,224 | 195,149 |
| Accounts and Contracts Payable | 52,708 | 95,339 |
| Due to Other Minnesota School Districts | 235,112 | 318,395 |
| Unearned Revenue | <u>148,170</u> | <u>26,494</u> |
| Total Liabilities | 778,717 | 794,648 |
| Deferred Inflows: | | |
| Property Taxes Levied for Subsequent Year | 1,421,737 | 1,375,092 |
| Unavailable Revenue - Delinquent Taxes | <u>6,376</u> | <u>12,988</u> |
| Total Deferred Inflows of Resources | 1,428,113 | 1,388,080 |
| Fund Balance: | | |
| Nonspendable: | | |
| Prepays | - | 2,186 |
| Restricted for: | | |
| Community Education | 970,504 | 810,808 |
| Early Childhood and Family Education | 260,697 | 297,551 |
| School Readiness | 41,938 | 27,990 |
| Adult Basic Education | 89,961 | 736 |
| Other Purposes | <u>24,204</u> | <u>-</u> |
| Total Fund Balance | <u>1,387,304</u> | <u>1,139,271</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u><u>\$ 3,594,134</u></u> | <u><u>\$ 3,321,999</u></u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
COMMUNITY SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | | 2021 | | 2020 |
|------------------------------------|-----------------|---------------------|------------------------------|---------------------|
| | Final Budget | Actual Amounts | Over (Under) Final Budget | Actual Amounts |
| REVENUES | | | | |
| Local Sources: | | | | |
| Property Taxes | \$ 1,375,693 | \$ 1,376,973 | \$ 1,280 | \$ 1,495,097 |
| Earnings on Investments | - | 8,856 | 8,856 | 41,051 |
| Other - Primarily Tuition and Fees | 4,118,119 | 4,415,346 | 297,227 | 5,624,073 |
| State Sources | 2,381,611 | 2,161,548 | (220,063) | 2,322,129 |
| Federal Sources | - | 235,242 | 235,242 | 114,470 |
| Total Revenues | 7,875,423 | 8,197,965 | 322,542 | 9,596,820 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries | 5,091,137 | 5,122,668 | 31,531 | 6,626,859 |
| Employee Benefits | 1,545,975 | 1,504,876 | (41,099) | 1,902,611 |
| Purchased Services | 665,692 | 981,423 | 315,731 | 1,288,903 |
| Supplies and Materials | 552,039 | 299,365 | (252,674) | 461,179 |
| Other Expenditures | 4,890 | 28,625 | 23,735 | 220,786 |
| Capital Outlay | 12,860 | 12,975 | 115 | 162,576 |
| Total Expenditures | 7,872,593 | 7,949,932 | 77,339 | 10,662,914 |
| NET CHANGE IN FUND BALANCE | <u>\$ 2,830</u> | 248,033 | <u>\$ 245,203</u> | (1,066,094) |
| FUND BALANCE | | | | |
| Beginning of Year | | 1,139,271 | | 2,205,365 |
| End of Year | | <u>\$ 1,387,304</u> | | <u>\$ 1,139,271</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

| | <u>2021</u> | <u>2020</u> |
|---|-----------------------------|----------------------------|
| ASSETS | | |
| Cash and Investments | \$ 15,017,826 | \$ 1,810,763 |
| Cash with Fiscal Agent | 59,000 | 59,000 |
| Receivables: | | |
| Accounts and Interest Receivable | - | 15 |
| Prepays | <u>357,238</u> | <u>262,693</u> |
| Total Assets | <u><u>\$ 15,434,064</u></u> | <u><u>\$ 2,132,471</u></u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Payroll Deductions and Employer Contributions Payable | \$ 35,268 | \$ 32,613 |
| Accounts and Contracts Payable | <u>1,428,286</u> | <u>1,492,889</u> |
| Total Liabilities | <u>1,463,554</u> | <u>1,525,502</u> |
| Fund Balance: | | |
| Nonspendable: | | |
| Prepays | 357,238 | 262,693 |
| Restricted for: | | |
| Capital Projects Levy | 3,972,944 | 294,356 |
| Long-Term Facilities Maintenance | 9,640,328 | - |
| Restricted for Other Purposes | <u>-</u> | <u>49,920</u> |
| Total Fund Balance | <u>13,970,510</u> | <u>606,969</u> |
| Total Liabilities and Fund Balance | <u><u>\$ 15,434,064</u></u> | <u><u>\$ 2,132,471</u></u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | 2021 | | | 2020 |
|--|------------------|----------------------|---------------------------|-------------------|
| | Final Budget | Actual Amounts | Over (Under) Final Budget | Actual Amounts |
| REVENUES | | | | |
| Local Sources: | | | | |
| Property Taxes | \$ 5,509,277 | \$ 5,509,277 | \$ - | \$ 5,349,177 |
| Earnings on Investments | - | 10,150 | 10,150 | 305,499 |
| Other | - | - | - | 72,664 |
| Total Revenues | 5,509,277 | 5,519,427 | 10,150 | 5,727,340 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries | 214,532 | 130,101 | (84,431) | 321,763 |
| Employee Benefits | 61,121 | 39,580 | (21,541) | 88,987 |
| Purchased Services | 691,660 | 817,498 | 125,838 | 1,214,654 |
| Capital Outlay | 15,618,120 | 6,439,290 | (9,178,830) | 22,574,563 |
| Debt Service: | | | | |
| Interest and Fiscal Charges | - | 212,163 | 212,163 | - |
| Total Expenditures | 16,585,433 | 7,725,379 | (8,860,054) | 24,199,967 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (11,076,156) | (2,205,952) | 8,870,204 | (18,472,627) |
| OTHER FINANCING SOURCES | | | | |
| Sale of Equipment | - | - | - | 349,155 |
| Issuance of Bonds | 11,165,040 | 15,350,000 | 4,184,960 | - |
| Bond Premium | - | 219,493 | 219,493 | - |
| Total Other Financing Sources | 11,165,040 | 15,569,493 | 4,404,453 | 349,155 |
| NET CHANGE IN FUND BALANCE | <u>\$ 88,884</u> | 13,363,541 | <u>\$ 13,274,657</u> | (18,123,472) |
| FUND BALANCE | | | | |
| Beginning of Year | | 606,969 | | 18,730,441 |
| End of Year | | <u>\$ 13,970,510</u> | | <u>\$ 606,969</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

| | Regular Debt Service | OPEB Debt Service | Totals | |
|---|-------------------------|----------------------|----------------------|----------------------|
| | | | 2021 | 2020 |
| ASSETS | | | | |
| Cash and Investments | \$ 13,001,410 | \$ - | \$ 13,001,410 | \$ 11,812,614 |
| Receivables: | | | | |
| Current Property Taxes | 8,901,708 | - | 8,901,708 | 9,395,236 |
| Delinquent Property Taxes | 71,474 | 8,285 | 79,759 | 153,505 |
| | | | | |
| Total Assets | <u>\$ 21,974,592</u> | <u>\$ 8,285</u> | <u>\$ 21,982,877</u> | <u>\$ 21,361,355</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts and Contracts Payable | \$ 2,613 | \$ - | \$ 2,613 | \$ 6,875 |
| Deferred Inflows: | | | | |
| Property Taxes Levied for Subsequent Year | 17,795,401 | - | 17,795,401 | 18,041,409 |
| Unavailable Revenue - Delinquent Taxes | 71,474 | 8,285 | 79,759 | 153,505 |
| Total Deferred Inflows of Resources | <u>17,866,875</u> | <u>8,285</u> | <u>17,875,160</u> | <u>18,194,914</u> |
| Fund Balance: | | | | |
| Restricted for: | | | | |
| Debt Service | <u>4,105,104</u> | <u>-</u> | <u>4,105,104</u> | <u>3,159,566</u> |
| | | | | |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u>\$ 21,974,592</u> | <u>\$ 8,285</u> | <u>\$ 21,982,877</u> | <u>\$ 21,361,355</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | 2021 | | | | 2020 | |
|--|------------------------------|----------------------------|-------------------------|----------------------------|---------------------------------|---------------------|
| | Final Budgeted Amounts | Regular Debt Service | OPEB Debt Service | Total Actual Amounts | Over (Under) Final Budget | Actual Amounts |
| REVENUES | | | | | | |
| Local Sources: | | | | | | |
| Property Taxes | \$ 17,096,420 | \$ 18,042,843 | \$ - | \$ 18,042,843 | \$ 946,423 | \$ 17,050,408 |
| Earnings on Investments | - | 9,836 | - | 9,836 | 9,836 | 49,099 |
| Total Revenues | 17,096,420 | 18,052,679 | - | 18,052,679 | 956,259 | 17,099,507 |
| EXPENDITURES | | | | | | |
| Debt Service: | | | | | | |
| Bond Principal | 40,705,000 | 11,295,000 | - | 11,295,000 | (29,410,000) | 10,915,000 |
| Bond Interest | 5,801,420 | 5,805,005 | - | 5,805,005 | 3,585 | 6,393,364 |
| Paying Agent Fees and Other | 357,363 | 359,976 | - | 359,976 | 2,613 | 12,813 |
| Total Expenditures | 46,863,783 | 17,459,981 | - | 17,459,981 | (29,403,802) | 17,321,177 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (29,767,363) | 592,698 | - | 592,698 | 30,360,061 | (221,670) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Refunding Bonds Issued | 29,759,255 | 25,300,000 | - | 25,300,000 | (4,459,255) | - |
| Bond Premium | - | 4,459,255 | - | 4,459,255 | 4,459,255 | - |
| Bond Refunding Payment | - | (29,406,415) | - | (29,406,415) | (29,406,415) | - |
| Transfers In | - | 951,047 | - | 951,047 | 951,047 | - |
| Transfers Out | - | - | (951,047) | (951,047) | (951,047) | - |
| Total Other Financing Sources (Uses) | 29,759,255 | 1,303,887 | (951,047) | 352,840 | (29,406,415) | - |
| NET CHANGE IN FUND BALANCE | <u>\$ (8,108)</u> | 1,896,585 | (951,047) | 945,538 | <u>\$ 953,646</u> | (221,670) |
| FUND BALANCE | | | | | | |
| Beginning of Year | | 2,208,519 | 951,047 | 3,159,566 | | 3,381,236 |
| End of Year | | <u>\$ 4,105,104</u> | <u>\$ -</u> | <u>\$ 4,105,104</u> | | <u>\$ 3,159,566</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

| | Self- Insurance Accounts | OPEB Revocable Trust | Severance | Totals | |
|------------------------------------|--------------------------------|----------------------------|----------------------|----------------------|----------------------|
| | | | | 2021 | 2020 |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and Investments | \$ 5,633,384 | \$ 18,953,918 | \$ 11,632,063 | \$ 36,219,365 | \$ 34,212,784 |
| Prepaid Items | 4,967 | - | - | 4,967 | - |
| Accounts Receivable | 115,902 | - | - | 115,902 | 112,798 |
| Interest Receivable | - | 127,058 | - | 127,058 | 127,058 |
| Total Assets | <u>5,754,253</u> | <u>19,080,976</u> | <u>11,632,063</u> | <u>36,467,292</u> | <u>34,452,640</u> |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable | 273,574 | - | - | 273,574 | (19,855) |
| Claims Payable - Medical | 994,699 | - | - | 994,699 | 448,747 |
| Unearned Revenue | 1,376,168 | - | - | 1,376,168 | 1,315,904 |
| Total Liabilities | <u>2,644,441</u> | <u>-</u> | <u>-</u> | <u>2,644,441</u> | <u>1,744,796</u> |
| NET POSITION | | | | | |
| Unrestricted | <u>3,109,812</u> | <u>19,080,976</u> | <u>11,632,063</u> | <u>33,822,851</u> | <u>32,707,844</u> |
| Total Liabilities and Net Position | <u>\$ 5,754,253</u> | <u>\$ 19,080,976</u> | <u>\$ 11,632,063</u> | <u>\$ 36,467,292</u> | <u>\$ 34,452,640</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | Self- Insurance Accounts | OPEB Revocable Trust | Severance | Totals | |
|---|--------------------------------|----------------------------|----------------------|----------------------|----------------------|
| | | | | 2021 | 2020 |
| OPERATING REVENUES | | | | | |
| Charges for Services: | | | | | |
| Health Insurance Premiums | \$ 11,418,178 | \$ - | \$ - | \$ 11,418,178 | \$ 11,157,168 |
| OPEB Contributions | - | - | 1,846,986 | 1,846,986 | - |
| Total Operating Revenues | 11,418,178 | - | 1,846,986 | 13,265,164 | 11,157,168 |
| OPERATING EXPENSES | | | | | |
| Health Insurance Claim Payments | 12,187,046 | - | - | 12,187,046 | 11,224,682 |
| Severance Payments | - | - | - | - | 884,964 |
| OPEB Payments | - | 125,965 | - | 125,965 | 120,977 |
| Total Operating Expenses | 12,187,046 | 125,965 | - | 12,313,011 | 12,230,623 |
| OPERATING INCOME (LOSS) | (768,868) | (125,965) | 1,846,986 | 952,153 | (1,073,455) |
| NONOPERATING INCOME | | | | | |
| Earnings on Investments | 5,263 | 147,218 | 10,373 | 162,854 | 1,665,591 |
| NET INCOME (LOSS) BEFORE TRANSFERS | (763,605) | 21,253 | 1,857,359 | 1,115,007 | 592,136 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfer Out | - | - | - | - | (1,042,509) |
| CHANGE IN NET POSITION | (763,605) | 21,253 | 1,857,359 | 1,115,007 | (450,373) |
| Net Position - Beginning | 3,873,417 | 19,059,723 | 9,774,704 | 32,707,844 | 33,158,217 |
| NET POSITION - ENDING | <u>\$ 3,109,812</u> | <u>\$ 19,080,976</u> | <u>\$ 11,632,063</u> | <u>\$ 33,822,851</u> | <u>\$ 32,707,844</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2020)**

| | Self- Insurance Accounts | OPEB Revocable Trust | Severance | Totals | |
|--|--------------------------------|----------------------------|----------------------|----------------------|-----------------------|
| | | | | 2021 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from Interfund Services Provided | \$ 11,475,338 | \$ - | \$ 1,846,986 | \$ 13,322,324 | \$ 11,258,043 |
| Payments for Medical Fees and Insurance Claims | (11,352,632) | - | - | (11,352,632) | (11,514,220) |
| Payments for Other Postemployment Benefits | - | (125,965) | - | (125,965) | (120,977) |
| Payments for Severance Benefits | - | - | - | - | (884,964) |
| Net Cash Provided (Used) by Operating Activities | 122,706 | (125,965) | 1,846,986 | 1,843,727 | (1,262,118) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers to Other Funds | - | - | - | - | (1,042,509) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest Received | 5,263 | 125,965 | 10,373 | 141,601 | 285,098 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 127,969 | - | 1,857,359 | 1,985,328 | (2,019,529) |
| Cash and Cash Equivalents - Beginning | 5,505,415 | 14,625 | 9,774,704 | 15,294,744 | 17,314,273 |
| CASH AND CASH EQUIVALENTS - ENDING | <u>\$ 5,633,384</u> | <u>\$ 14,625</u> | <u>\$ 11,632,063</u> | <u>\$ 17,280,072</u> | <u>\$ 15,294,744</u> |
| DISPLAYED ON STATEMENT OF FUND NET POSITION AS: | | | | | |
| Cash and Cash Equivalents | \$ 5,633,384 | \$ 14,625 | \$ 11,632,063 | \$ 17,280,072 | \$ 15,294,744 |
| Investments | - | 18,939,293 | - | 18,939,293 | 18,918,040 |
| Total Cash and Investments on the Statement of Net Position | <u>\$ 5,633,384</u> | <u>\$ 18,953,918</u> | <u>\$ 11,632,063</u> | <u>\$ 36,219,365</u> | <u>\$ 34,212,784</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Operating Income (Loss) | \$ (768,868) | \$ (125,965) | \$ 1,846,986 | \$ 952,153 | \$ (1,073,455) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities | | | | | |
| Increase in Prepaids | (4,967) | - | - | (4,967) | - |
| (Increase) Decrease in Accounts Receivable | (3,104) | - | - | (3,104) | 24,359 |
| Increase (Decrease) in Accounts Payable | 293,429 | - | - | 293,429 | (26,907) |
| Increase (Decrease) in Claims Payable | 545,952 | - | - | 545,952 | (262,631) |
| Increase in Unearned Revenue | 60,264 | - | - | 60,264 | 76,516 |
| Total Adjustments | 891,574 | - | - | 891,574 | (188,663) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 122,706</u> | <u>\$ (125,965)</u> | <u>\$ 1,846,986</u> | <u>\$ 1,843,727</u> | <u>\$ (1,262,118)</u> |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
JUNE 30, 2021**

| | AUDIT | UFARS | DIFFERENCE |
|--|----------------|----------------|------------|
| 01 GENERAL FUND | | | |
| Total Revenue | \$ 111,360,298 | \$ 111,360,298 | \$ - |
| Total Expenditures | 104,818,387 | 104,818,388 | (1) |
| <i>Nonspendable:</i> | | | |
| 460 Nonspendable Fund Balance | 261,491 | 261,491 | - |
| <i>Restricted:</i> | | | |
| 401 Student Activities | 229,048 | 229,048 | - |
| 402 Scholarship | 28,919 | 28,919 | - |
| 403 Staff Development | 781,917 | 781,917 | - |
| 405 Deferred Maintenance | - | - | - |
| 406 Health and Safety | - | - | - |
| 407 Capital Project Levy | (311,776) | (311,776) | - |
| 408 Cooperative Programs | - | - | - |
| 413 Projects Funded by COP | - | - | - |
| 414 Operating Debt | - | - | - |
| 416 Levy Reduction | - | - | - |
| 417 Taconite Building Maintenance | - | - | - |
| 424 Operating Capital | 1,806,381 | 1,806,381 | - |
| 426 \$25 Taconite | - | - | - |
| 427 Disabled Accessibility | - | - | - |
| 428 Learning and Development | 18,468 | 18,468 | - |
| 434 Area Learning Center | - | - | - |
| 435 Contracted Alternative Programs | - | - | - |
| 436 State-Approved Alternative Programs | - | - | - |
| 438 Gifted and Talented | - | - | - |
| 440 Teacher Development and Evaluations | - | - | - |
| 441 Basic Skills Programs | - | - | - |
| 445 Career and Technical Programs | - | - | - |
| 448 Achievement and Integration | - | - | - |
| 449 Safe Schools Crime Levy | 219,871 | 219,871 | - |
| 451 QZAB Payments | - | - | - |
| 452 OPEB Liability Not Held in Trust | - | - | - |
| 453 Unfunded Severance & Retirement Levy | - | - | - |
| 464 Restricted Fund Balance | - | - | - |
| 467 Long-Term Facilities Maintenance | (22,821) | (22,821) | - |
| 472 Medical Assistance | 1,070,045 | 1,070,045 | - |
| <i>Committed:</i> | | | |
| 418 Committed for Separation | - | - | - |
| 461 Committed Fund Balance | - | - | - |
| <i>Assigned:</i> | | | |
| 462 Assigned Fund Balance | 5,414,024 | 5,414,024 | - |
| <i>Unassigned:</i> | | | |
| 422 Unassigned Fund Balance | 10,595,722 | 10,595,720 | 2 |
| 02 FOOD SERVICE | | | |
| Total Revenue | 3,497,236 | 3,497,237 | (1) |
| Total Expenditures | 3,624,590 | 3,624,591 | (1) |
| <i>Nonspendable:</i> | | | |
| 460 Nonspendable Fund Balance | 133,839 | 133,840 | (1) |
| <i>Restricted:</i> | | | |
| 452 OPEB Liability Not Held in Trust | - | - | - |
| 464 Restricted Fund Balance | 719,032 | 719,032 | - |
| <i>Unassigned:</i> | | | |
| 463 Unassigned Fund Balance | - | - | - |
| 04 COMMUNITY SERVICE | | | |
| Total Revenue | 8,197,965 | 8,197,967 | (2) |
| Total Expenditures | 7,949,932 | 7,949,932 | - |
| <i>Nonspendable:</i> | | | |
| 460 Nonspendable Fund Balance | - | - | - |
| <i>Restricted:</i> | | | |
| 426 \$25 Taconite | - | - | - |
| 431 Community Education | 970,504 | 970,505 | (1) |
| 432 E.C.F.E. | 260,697 | 260,697 | - |
| 440 Teacher Development and Evaluations | - | - | - |
| 444 School Readiness | 41,938 | 41,938 | - |
| 447 Adult Basic Education | 89,961 | 89,961 | - |
| 452 OPEB Liability Not Held in Trust | - | - | - |
| 464 Restricted Fund Balance | 24,204 | 24,204 | - |
| <i>Unassigned:</i> | | | |
| 463 Unassigned Fund Balance | - | - | - |

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE (CONTINUED)
JUNE 30, 2021**

| | AUDIT | UFARS | DIFFERENCE |
|--------------------------------------|--------------|--------------|------------|
| 06 BUILDING CONSTRUCTION | | | |
| Total Revenue | \$ 5,519,427 | \$ 5,519,426 | \$ 1 |
| Total Expenditures | 7,725,379 | 7,725,377 | 2 |
| <i>Nonspendable:</i> | | | |
| 460 Nonspendable Fund Balance | 357,238 | 357,238 | - |
| <i>Restricted:</i> | | | |
| 407 Capital Projects Levy | 3,972,944 | 3,972,947 | (3) |
| 409 Alternative Facility Program | - | - | - |
| 413 Projects Funded by COP | - | - | - |
| 467 Long-Term Facilities Maintenance | 9,640,328 | 9,640,326 | 2 |
| 464 Restricted Fund Balance | - | - | - |
| <i>Unassigned:</i> | | | |
| 463 Unassigned Fund Balance | - | - | - |
| 07 DEBT SERVICE | | | |
| Total Revenue | 18,052,679 | 18,052,679 | - |
| Total Expenditures | 17,459,981 | 17,459,981 | - |
| <i>Nonspendable:</i> | | | |
| 460 Nonspendable Fund Balance | - | - | - |
| <i>Restricted:</i> | | | |
| 425 Bond Refunding | - | - | - |
| 451 QZAB and QSCB Payments | - | - | - |
| 464 Restricted Fund Balance | 4,105,104 | 4,105,105 | (1) |
| <i>Unassigned:</i> | | | |
| 463 Unassigned Fund Balance | - | - | - |
| 08 TRUST | | | |
| Total Revenue | - | - | - |
| Total Expenditures | - | - | - |
| <i>Net Position:</i> | | | |
| 401 Student Activities | - | - | - |
| 402 Scholarships | - | - | - |
| 422 Net Position | - | - | - |
| 18 CUSTODIAL | | | |
| Total Revenue | - | - | - |
| Total Expenditures | - | - | - |
| <i>Net Position:</i> | | | |
| 401 Student Activities | - | - | - |
| 402 Scholarships | - | - | - |
| 422 Net Position | - | - | - |
| 20 INTERNAL SERVICE | | | |
| Total Revenue | 13,280,800 | 13,280,801 | (1) |
| Total Expenditures | 12,187,046 | 12,187,047 | (1) |
| <i>Net Position:</i> | | | |
| 422 Net Position | 14,741,875 | 14,741,875 | - |
| 25 OPEB REVOCABLE TRUST | | | |
| Total Revenue | 147,218 | 147,219 | (1) |
| Total Expenditures | 125,965 | 125,965 | - |
| <i>Net Position:</i> | | | |
| 422 Net Position | 19,080,976 | 19,080,976 | - |
| 45 OPEB IRREVOCABLE TRUST | | | |
| Total Revenue | - | - | - |
| Total Expenditures | - | - | - |
| <i>Net Position:</i> | | | |
| 422 Net Position | - | - | - |
| 47 OPEB DEBT SERVICE | | | |
| Total Revenue | - | - | - |
| Total Expenditures | - | - | - |
| <i>Nonspendable:</i> | | | |
| 460 Nonspendable Fund Balance | - | - | - |
| <i>Restricted:</i> | | | |
| 425 Bond Refunding | - | - | - |
| 464 Restricted Fund Balance | - | - | - |
| <i>Unassigned:</i> | | | |

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STATISTICAL SECTION (UNAUDITED)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

| | Fiscal Year | | | |
|--|----------------------|----------------------|----------------------|------------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$ 9,944,518 | \$ 11,711,667 | \$ 15,885,515 | \$ 18,582,850 |
| Restricted | 2,268,838 | 4,217,295 | 2,397,149 | 3,049,717 |
| Unrestricted | 14,777,335 | 15,398,309 | 11,286,030 | (55,274,101) |
| Total Governmental Activities Net Position | <u>\$ 26,990,691</u> | <u>\$ 31,327,271</u> | <u>\$ 29,568,694</u> | <u>\$ (33,641,534)</u> |

Source: District's financial records.

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

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

| Fiscal Year | | | | | |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 23,952,842 | \$ 28,641,741 | \$ 12,896,090 | \$ 22,915,255 | \$ 23,873,860 | \$ 16,737,405 |
| 4,471,490 | 10,098,439 | 5,905,911 | 5,457,499 | 8,366,016 | 23,347,531 |
| <u>(55,395,516)</u> | <u>(94,121,420)</u> | <u>(107,061,513)</u> | <u>(90,198,229)</u> | <u>(91,501,354)</u> | <u>(89,017,056)</u> |
| <u>\$ (26,971,184)</u> | <u>\$ (55,381,240)</u> | <u>\$ (88,259,512)</u> | <u>\$ (61,825,475)</u> | <u>\$ (59,261,478)</u> | <u>\$ (48,932,120)</u> |

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

| | Fiscal Year | | | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | |
| Governmental Activities: | | | | |
| Administration | \$ 4,234,800 | \$ 3,909,891 | \$ 3,710,664 | \$ 4,050,926 |
| District Support Services | 1,876,871 | 1,884,001 | 2,156,481 | 2,163,267 |
| Regular Instruction | 34,553,785 | 42,600,108 | 43,536,297 | 43,781,953 |
| Vocational Education Instruction | 1,030,780 | 1,097,780 | 1,005,928 | 1,076,456 |
| Special Education Instruction | 14,713,589 | 14,648,982 | 14,944,211 | 15,257,689 |
| Instructional Support Services | 3,949,700 | 3,901,694 | 4,186,084 | 4,246,721 |
| Pupil Support Services | 7,520,723 | 7,346,843 | 7,771,228 | 8,041,111 |
| Sites and Buildings | 30,964,522 | 19,153,416 | 20,911,495 | 22,516,225 |
| Fiscal and Other Fixed Cost Programs | 224,935 | 237,032 | 271,000 | 424,278 |
| Food Service | 4,067,566 | 4,167,355 | 4,092,596 | 4,351,770 |
| Community Service | 9,307,748 | 9,944,797 | 10,667,163 | 9,904,238 |
| Interest on Long-Term Debt | 6,279,986 | 5,794,867 | 6,600,072 | 6,261,412 |
| Total Governmental Activities Expenses | <u>\$ 118,725,005</u> | <u>\$ 114,686,766</u> | <u>\$ 119,853,219</u> | <u>\$ 122,076,046</u> |
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| Administration | \$ - | \$ - | \$ - | \$ - |
| District Support Services | - | - | - | 8,762 |
| Regular Instruction | 1,179,082 | 1,190,669 | 1,155,272 | 1,579,157 |
| Vocational Education Instruction | - | - | - | 3,072 |
| Special Education Instruction | 275,136 | 249,875 | 154,534 | 124,495 |
| Instructional Support Services | 17,633 | 19,716 | 19,217 | 19,461 |
| Pupil Support Services | 17,523 | 28,341 | 36,707 | 500,283 |
| Sites and Buildings | 759,659 | 1,033,210 | 362,545 | 1,015,622 |
| Food Service | 2,335,055 | 2,412,791 | 2,200,394 | 2,281,440 |
| Community Service | 5,986,755 | 6,342,528 | 5,783,082 | 5,951,842 |
| Operating Grants and Contributions | 15,711,241 | 16,474,776 | 17,066,386 | 16,173,852 |
| Capital Grants and Contributions | 2,843,901 | 1,744,474 | 1,721,420 | 318,408 |
| Total Governmental Activities Program Revenue | <u>\$ 29,125,985</u> | <u>\$ 29,496,380</u> | <u>\$ 28,499,557</u> | <u>\$ 27,976,394</u> |
| Net Expense | | | | |
| Governmental Activities | <u>\$ (89,599,020)</u> | <u>\$ (85,190,386)</u> | <u>\$ (91,353,662)</u> | <u>\$ (94,099,652)</u> |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental Activities: | | | | |
| Property Taxes: | | | | |
| General Purposes and Capital Projects | \$ 19,088,953 | \$ 19,938,887 | \$ 11,257,068 | \$ 23,818,768 |
| Community Service | 1,301,537 | 1,361,145 | 700,646 | 1,594,199 |
| Debt Service | 12,780,282 | 14,571,791 | 14,043,788 | 14,205,042 |
| Capital Projects | 6,654,459 | 6,514,220 | 6,372,556 | 8,331,369 |
| Unrestricted State Aid | 44,893,616 | 45,886,955 | 55,326,174 | 50,310,068 |
| Unrestricted Investment Earnings | 2,243,690 | (102,744) | 830,633 | 522,972 |
| Gain on Sale of Capital Assets | - | - | 42,650 | - |
| Miscellaneous | 1,789,333 | 1,356,712 | 1,648,539 | 558,333 |
| Total Governmental Activities | <u>\$ 88,751,870</u> | <u>\$ 89,526,966</u> | <u>\$ 90,222,054</u> | <u>\$ 99,340,751</u> |
| Change in Net Position | \$ (847,150) | \$ 4,336,580 | \$ (1,131,608) | \$ 5,241,099 |
| Net Position - Beginning | 28,165,174 | 26,990,691 | 31,327,271 | 29,568,694 |
| Prior Period Adjustment | (327,333) | - | (626,969) | (68,451,327) |
| Net Position - Ending | <u>\$ 26,990,691</u> | <u>\$ 31,327,271</u> | <u>\$ 29,568,694</u> | <u>\$ (33,641,534)</u> |

Source: District's financial records.

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

| Fiscal Year | | | | | |
|------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 4,147,904 | \$ 5,604,111 | \$ 5,361,601 | \$ 3,084,800 | \$ 5,187,577 | \$ 6,359,322 |
| 2,088,225 | 2,188,737 | 4,041,454 | 5,099,790 | 4,973,713 | 5,390,708 |
| 54,063,008 | 75,020,531 | 74,082,770 | 39,578,619 | 62,335,841 | 62,819,452 |
| 1,423,789 | 1,859,183 | 1,703,900 | 870,422 | 1,351,171 | 1,035,229 |
| 15,989,709 | 21,314,677 | 20,349,472 | 11,152,732 | 17,524,989 | 17,711,213 |
| 4,243,960 | 5,781,370 | 5,457,785 | 5,197,523 | 6,493,756 | 5,321,288 |
| 7,986,832 | 9,878,519 | 9,296,987 | 8,576,359 | 10,270,877 | 7,747,188 |
| 14,326,242 | 15,927,872 | 19,194,948 | 16,545,796 | 11,804,890 | 12,670,008 |
| 269,926 | 254,518 | 235,254 | 278,697 | 245,185 | 410,860 |
| 4,437,815 | 4,240,342 | 4,194,963 | 4,244,581 | 4,598,575 | 3,511,681 |
| 10,169,469 | 10,425,140 | 10,571,316 | 10,186,680 | 10,978,332 | 8,616,516 |
| 4,504,285 | 5,027,855 | 5,110,476 | 5,573,114 | 5,063,825 | 4,841,004 |
| <u>\$ 123,651,164</u> | <u>\$ 157,522,855</u> | <u>\$ 159,600,926</u> | <u>\$ 110,389,113</u> | <u>\$ 140,828,731</u> | <u>\$ 136,434,469</u> |
| | | | | | |
| \$ 137,637 | \$ 168,396 | \$ 170,571 | \$ 169,329 | \$ 149,858 | \$ 13,656 |
| 7,348 | 10,052 | 8,562 | 5,535 | 6,408 | 2,302 |
| 1,242,316 | 1,275,414 | 1,556,008 | 1,191,671 | 1,136,831 | 847,526 |
| 5,939 | 2,395 | 3,058 | 2,109 | 1,173 | 598 |
| 153,476 | 182,696 | 123,283 | 138,753 | 129,532 | 133,787 |
| 17,100 | 16,441 | 19,029 | 741,637 | 783,190 | 36,181 |
| 114,353 | 126,673 | 117,347 | 110,698 | 296,076 | 1,088 |
| 921,007 | 889,773 | 805,232 | 821,089 | 741,833 | 675,318 |
| 2,266,293 | 2,249,463 | 2,125,603 | 2,109,801 | 1,568,840 | 76,878 |
| 5,533,474 | 5,785,685 | 5,695,608 | 6,222,316 | 5,367,063 | 4,146,357 |
| 15,459,603 | 19,149,940 | 15,972,054 | 13,765,249 | 19,191,748 | 22,665,143 |
| 218,425 | 80,061 | 427,504 | 580,583 | 530,435 | 464,464 |
| <u>\$ 26,076,971</u> | <u>\$ 29,936,989</u> | <u>\$ 27,023,859</u> | <u>\$ 25,858,770</u> | <u>\$ 29,902,987</u> | <u>\$ 29,063,298</u> |
| | | | | | |
| <u>\$ (97,574,193)</u> | <u>\$ (127,585,866)</u> | <u>\$ (132,577,067)</u> | <u>\$ (84,530,343)</u> | <u>\$ (110,925,744)</u> | <u>\$ (107,371,171)</u> |
| | | | | | |
| \$ 23,624,265 | \$ 25,613,722 | \$ 27,056,370 | \$ 27,722,523 | \$ 28,741,194 | \$ 33,929,675 |
| 1,437,522 | 1,454,956 | 1,390,148 | 1,715,341 | 1,497,177 | 1,370,361 |
| 14,861,215 | 14,616,054 | 14,822,188 | 17,200,345 | 17,086,760 | 17,969,097 |
| 8,436,720 | 8,418,538 | 7,580,309 | 5,356,546 | 5,349,177 | 5,509,277 |
| 54,554,759 | 53,665,184 | 54,358,728 | 55,800,925 | 57,939,346 | 58,417,002 |
| 1,186,057 | 990,135 | 843,281 | 2,847,023 | 2,290,672 | 186,963 |
| - | - | 133,043 | - | 350,955 | 4,500 |
| 144,005 | 401,744 | 128,963 | 321,677 | 234,460 | 313,654 |
| <u>\$ 104,244,543</u> | <u>\$ 105,160,333</u> | <u>\$ 106,313,030</u> | <u>\$ 110,964,380</u> | <u>\$ 113,489,741</u> | <u>\$ 117,700,529</u> |
| | | | | | |
| \$ 6,670,350 | \$ (22,425,533) | \$ (26,264,037) | \$ 26,434,037 | \$ 2,563,997 | \$ 10,329,358 |
| (33,641,534) | (26,971,184) | (55,381,240) | (88,259,512) | (61,825,475) | (59,261,478) |
| - | (5,984,523) | (6,614,235) | - | - | - |
| <u>\$ (26,971,184)</u> | <u>\$ (55,381,240)</u> | <u>\$ (88,259,512)</u> | <u>\$ (61,825,475)</u> | <u>\$ (59,261,478)</u> | <u>\$ (48,932,120)</u> |

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

| | Fiscal Year | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | |
| Nonspendable | \$ 242,902 | \$ 246,984 | \$ 235,207 | \$ 227,406 |
| Restricted | 941,882 | 777,092 | 689,370 | 1,106,251 |
| Committed | - | 6,041,951 | 6,041,951 | 5,735,000 |
| Assigned | 1,592,271 | 2,442,348 | 1,233,735 | 1,318,370 |
| Unassigned | 12,750,788 | 8,088,001 | 8,834,090 | 9,793,489 |
| Total General Fund | 15,527,843 | 17,596,376 | 17,034,353 | 18,180,516 |
| All Other Governmental Funds | | | | |
| Nonspendable, Reported in: | | | | |
| Food Service Fund | 49,011 | 57,661 | 52,927 | 55,135 |
| Community Service Fund | 8,833 | 10,461 | 997 | 9,886 |
| Capital Projects Fund | 132,807 | 304,099 | 285,856 | 185,365 |
| Restricted, Reported in: | | | | |
| Food Service Fund | 7,823 | 148,995 | 202,161 | 232,199 |
| Community Service Fund | 1,005,385 | 1,256,159 | 1,157,784 | 1,446,265 |
| Capital Projects Fund | 618,171 | 11,931,839 | 7,365,897 | 7,057,691 |
| Debt Service Funds | 7,775,293 | 23,677,796 | 22,937,517 | 2,266,113 |
| Unassigned, Reported in: | | | | |
| Capital Projects Fund | (511,507) | - | - | - |
| Community Service Fund | - | - | - | - |
| All Other Governmental Funds | 9,085,816 | 37,387,010 | 32,003,139 | 11,252,654 |
| Total All Funds | \$ 24,613,659 | \$ 54,983,386 | \$ 49,037,492 | \$ 29,433,170 |

Source: District's financial records

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

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 300,955 | \$ 559,320 | \$ 241,888 | \$ 284,935 | \$ 253,391 | \$ 261,491 |
| 1,678,394 | 2,881,612 | 1,474,618 | 1,721,160 | 3,327,415 | 4,154,649 |
| 2,428,627 | - | - | - | - | - |
| 666,960 | 2,041,810 | 1,407,061 | 779,561 | 1,938,677 | 5,414,024 |
| 8,269,162 | 8,540,982 | 8,373,311 | 7,748,076 | 8,004,529 | 10,261,125 |
| 13,344,098 | 14,023,724 | 11,496,878 | 10,533,732 | 13,524,012 | 20,091,289 |
| 64,422 | 65,866 | 80,250 | 58,206 | 178,013 | 133,839 |
| - | 4,047 | - | - | 2,186 | - |
| 232,123 | 210,061 | 228,493 | 178,226 | 262,693 | 357,238 |
| 377,063 | 656,390 | 658,864 | 535,453 | 797,712 | 719,032 |
| 1,713,069 | 2,123,067 | 2,216,581 | 2,205,365 | 1,137,085 | 1,387,304 |
| - | 11,456,791 | 22,696,272 | 18,552,215 | 344,276 | 13,613,272 |
| 2,838,356 | 2,978,438 | 2,580,649 | 3,381,236 | 3,159,566 | 4,105,104 |
| (3,154,049) | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,070,984 | 17,494,660 | 28,461,109 | 24,910,701 | 5,881,531 | 20,315,789 |
| \$ 15,415,082 | \$ 31,518,384 | \$ 39,957,987 | \$ 35,444,433 | \$ 19,405,543 | \$ 40,407,078 |

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

| | Fiscal Year | | | |
|--|------------------------|----------------------|-----------------------|------------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Revenues | | | | |
| Local Sources: | | | | |
| Property Taxes | \$ 39,798,547 | \$ 42,099,659 | \$ 32,904,587 | \$ 47,751,576 |
| Earnings on Investments | 824,803 | 13,649 | 41,037 | 52,324 |
| Other | 11,938,608 | 12,624,153 | 12,676,441 | 12,106,279 |
| State Sources | 58,469,704 | 59,335,727 | 68,092,504 | 61,936,703 |
| Federal Sources | 5,383,247 | 4,746,783 | 4,676,489 | 4,800,700 |
| Total Revenues | <u>116,414,909</u> | <u>118,819,971</u> | <u>118,391,058</u> | <u>126,647,582</u> |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 3,652,025 | 3,702,143 | 3,457,551 | 3,800,920 |
| District Support Services | 1,648,725 | 1,753,551 | 1,960,920 | 2,176,186 |
| Regular Instruction | 38,978,437 | 39,772,620 | 40,454,347 | 42,182,408 |
| Vocational Education Instruction | 1,016,099 | 1,061,807 | 972,508 | 1,082,007 |
| Special Education Instruction | 14,227,674 | 14,068,452 | 14,399,228 | 14,820,763 |
| Instructional Support Services | 3,777,992 | 3,674,819 | 3,969,721 | 4,181,973 |
| Pupil Support Services | 7,306,760 | 7,030,543 | 7,507,772 | 7,824,549 |
| Sites and Buildings | 7,253,963 | 8,108,678 | 8,087,321 | 8,257,340 |
| Fiscal and Other Fixed Cost Programs | 224,935 | 237,032 | 271,000 | 424,278 |
| Food Service | 4,015,583 | 4,033,197 | 3,952,468 | 4,328,328 |
| Community Service Fund | 9,208,143 | 9,734,396 | 10,451,595 | 9,787,057 |
| Capital Outlay | 24,779,167 | 11,808,102 | 20,920,610 | 27,329,925 |
| Debt Service: | | | | |
| Principal | 8,577,199 | 8,338,313 | 9,899,521 | 8,106,513 |
| Interest and Fiscal Charges | 8,204,899 | 6,531,412 | 6,595,604 | 6,558,113 |
| Total Expenditures | <u>132,871,601</u> | <u>119,855,065</u> | <u>132,900,166</u> | <u>140,860,360</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (16,456,692) | (1,035,094) | (14,509,108) | (14,212,778) |
| Other Financing Sources (Uses) | | | | |
| Sale of Equipment | 17,375 | 43,404 | 44,378 | 49,321 |
| Insurance Recovery | - | - | 28,836 | 1,113 |
| Sale of Bonds | 6,120,000 | 35,030,000 | 8,490,000 | 14,545,000 |
| Bond Premium | - | 2,831,417 | - | 763,022 |
| Capital Lease Proceeds | 257,817 | - | - | - |
| Payment to Refunded Bond Escrow Agent | (32,385,000) | (6,000,000) | - | (20,250,000) |
| Transfers In | - | 356,840 | 1,650,000 | 1,773,113 |
| Transfers Out | (8,688,384) | (856,840) | (1,650,000) | (2,273,113) |
| Total Other Financing Sources (Uses) | <u>(34,678,192)</u> | <u>31,404,821</u> | <u>8,563,214</u> | <u>(5,391,544)</u> |
| Net Change in Fund Balances | <u>\$ (51,134,884)</u> | <u>\$ 30,369,727</u> | <u>\$ (5,945,894)</u> | <u>\$ (19,604,322)</u> |
| Debt Service as a Percentage of | | | | |
| Noncapital Expenditures | 15.50% | 13.80% | 13.70% | 11.50% |

Sources: District's financial records

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

| Fiscal Year | | | | | |
|-----------------|---------------|---------------|-----------------|-----------------|---------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 48,467,153 | \$ 50,107,678 | \$ 50,851,355 | \$ 51,946,767 | \$ 52,575,255 | \$ 58,994,257 |
| 96,136 | 276,671 | 703,945 | 1,251,613 | 625,081 | 24,109 |
| 12,302,244 | 12,963,957 | 12,215,175 | 13,206,269 | 11,431,682 | 7,527,770 |
| 63,949,812 | 63,170,425 | 64,379,818 | 66,395,240 | 69,413,862 | 71,166,130 |
| 4,523,206 | 4,888,848 | 4,886,735 | 5,734,246 | 7,171,289 | 8,937,236 |
| 129,338,551 | 131,407,579 | 133,037,028 | 138,534,135 | 141,217,169 | 146,649,502 |
| 4,012,660 | 4,138,586 | 4,179,572 | 4,158,956 | 4,379,882 | 4,657,568 |
| 2,078,586 | 1,846,598 | 2,311,373 | 5,215,768 | 4,796,570 | 5,453,766 |
| 43,614,720 | 43,862,824 | 46,274,076 | 45,690,309 | 46,990,453 | 49,511,174 |
| 1,405,443 | 1,314,391 | 1,279,959 | 1,297,841 | 1,316,860 | 971,954 |
| 15,225,594 | 14,606,775 | 14,992,720 | 16,240,938 | 16,639,136 | 16,923,828 |
| 4,140,524 | 3,599,280 | 3,604,288 | 6,476,852 | 6,236,585 | 4,612,424 |
| 7,824,324 | 8,585,842 | 8,310,271 | 9,352,041 | 9,947,366 | 7,186,826 |
| 8,536,324 | 8,740,145 | 9,746,626 | 10,008,457 | 10,245,095 | 10,360,119 |
| 269,926 | 254,518 | 235,254 | 278,697 | 245,185 | 410,860 |
| 4,249,996 | 4,134,538 | 4,131,427 | 4,172,181 | 4,363,230 | 3,554,977 |
| 10,001,398 | 9,379,018 | 9,658,501 | 10,715,045 | 10,500,338 | 8,121,282 |
| 20,706,852 | 15,144,738 | 25,156,231 | 31,474,896 | 25,880,879 | 11,726,880 |
| 9,521,735 | 9,530,064 | 17,355,346 | 31,757,844 | 11,260,830 | 11,649,005 |
| 6,019,346 | 5,739,368 | 5,761,105 | 6,408,304 | 6,474,814 | 6,437,606 |
| 137,607,428 | 130,876,685 | 152,996,749 | 183,248,129 | 159,277,223 | 141,578,269 |
| (8,268,877) | 530,894 | (19,959,721) | (44,713,994) | (18,060,054) | 5,071,233 |
| 63,124 | - | 134,343 | 138,802 | 351,155 | 4,500 |
| 473 | - | 17,862 | 48,693 | - | 3,469 |
| 18,305,000 | 14,140,000 | 29,030,000 | 17,859,000 | - | 40,650,000 |
| 2,163,565 | 877,020 | 1,104,294 | 2,110,029 | - | 4,678,748 |
| - | 3,667,000 | - | - | - | - |
| (20,375,000) | - | - | - | - | (29,406,415) |
| 815,000 | 250,000 | 250,000 | 2,850,416 | 1,042,509 | 951,047 |
| (6,721,373) | (3,361,612) | (2,137,175) | (1,050,000) | - | (951,047) |
| (5,749,211) | 15,572,408 | 28,399,324 | 21,956,940 | 1,393,664 | 15,930,302 |
| \$ (14,018,088) | \$ 16,103,302 | \$ 8,439,603 | \$ (22,757,054) | \$ (16,666,390) | \$ 21,001,535 |
| 12.60% | 12.40% | 17.10% | 17.10% | 13.02% | 13.56% |

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

| Payable Year | (1) Residential Property | (2) Commercial Property | Total Assessed Value | Total Direct School Tax Rate |
|-----------------|--------------------------------|-------------------------------|----------------------------|------------------------------------|
| 2012 | \$ 6,068,959,262 | \$ 2,486,074,800 | \$ 8,555,034,062 | 29.270% |
| 2013 | 5,852,199,127 | 2,521,418,100 | 8,373,617,227 | 29.730% |
| 2014 | 5,853,960,954 | 2,585,214,200 | 8,439,175,154 | 32.358% |
| 2015 | 6,722,136,651 | 2,857,098,000 | 9,579,234,651 | 30.340% |
| 2016 | 6,717,731,163 | 2,858,753,300 | 9,576,484,463 | 28.514% |
| 2017 | 6,987,222,057 | 3,051,045,950 | 10,038,268,007 | 25.611% |
| 2018 | 7,511,299,258 | 3,007,028,100 | 10,518,327,358 | 29.035% |
| 2019 | 8,265,407,905 | 3,060,481,589 | 11,325,889,494 | 27.022% |
| 2020 | 8,852,174,603 | 3,274,091,977 | 12,126,266,580 | 27.190% |
| 2021 | 9,491,235,665 | 3,418,146,105 | 12,909,381,770 | 26.478% |

Source: Hennepin County

Notes:

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

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

| Fiscal Year Ended June 30, | ISD No. 270 Direct Rate (1) | | | | | Overlapping Rates | | |
|----------------------------------|-----------------------------|----------------------|---------------------------------------|-------|------------------------------------|-------------------------|------------------|-----------------------------|
| | General Fund Basic Rate | Community Service | General Obligation Debt Service | OPEB | Total Direct School Tax Rate | City of Eden Prairie | City of Edina | City of Golden Valley |
| 2012 | 11.871 | 1.453 | 14.910 | 1.036 | 29.270 | 33.250 | 26.247 | 55.796 |
| 2013 | 12.423 | 1.553 | 14.677 | 1.077 | 29.730 | 34.617 | 27.216 | 58.204 |
| 2014 | 14.970 | 1.771 | 12.780 | 2.837 | 32.358 | 34.709 | 27.920 | 61.839 |
| 2015 | 13.906 | 1.423 | 10.564 | 4.134 | 30.027 | 33.954 | 26.605 | 54.626 |
| 2016 | 13.530 | 1.357 | 9.547 | 4.080 | 28.514 | 32.327 | 27.137 | 54.452 |
| 2017 | 11.121 | 1.243 | 9.169 | 4.078 | 25.611 | 32.667 | 28.271 | 56.109 |
| 2018 | 13.145 | 1.361 | 11.207 | 3.322 | 29.035 | 32.526 | 27.849 | 55.152 |
| 2019 | 12.481 | 1.097 | 10.291 | 3.153 | 27.022 | 31.690 | 27.499 | 53.780 |
| 2020 | 12.936 | 1.010 | 13.244 | - | 27.190 | 31.676 | 28.082 | 53.400 |
| 2021 | 13.298 | 0.975 | 12.205 | - | 26.478 | 31.432 | 28.779 | 52.444 |

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

Notes:

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

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

| Overlapping Rates | | | | | | | | Total Direct and Overlapping Tax Rate City of Hopkins |
|--------------------|-----------------------|---------------------|---------------------------|-----------------------------|--------------------|-------------------|-------|---|
| City of Hopkins | City of Minnetonka | City of Plymouth | City of St. Louis Park | Special Districts (2) | Hennepin County | Hennepin Parks | Other | |
| 59.718 | 35.595 | 28.716 | 45.672 | 3.084 | 48.231 | 3.943 | 0.799 | 370.321 |
| 63.819 | 37.567 | 29.816 | 48.228 | 3.242 | 49.461 | 4.054 | 4.562 | 390.516 |
| 64.290 | 37.865 | 30.114 | 50.378 | 3.335 | 49.959 | 4.169 | 4.863 | 401.799 |
| 62.503 | 37.089 | 28.374 | 49.433 | 3.006 | 46.398 | 4.491 | 2.371 | 378.877 |
| 65.581 | 35.863 | 27.838 | 47.829 | 2.899 | 45.356 | 3.601 | 4.263 | 375.660 |
| 64.485 | 36.564 | 26.959 | 47.861 | 2.821 | 44.087 | 3.365 | 4.390 | 373.190 |
| 67.833 | 35.965 | 26.804 | 48.101 | 2.683 | 42.808 | 3.161 | 4.333 | 376.250 |
| 71.697 | 34.960 | 26.355 | 46.373 | 2.542 | 41.861 | 2.961 | 4.211 | 370.951 |
| 70.748 | 36.772 | 26.206 | 45.066 | 2.461 | 41.084 | 2.859 | 4.392 | 369.936 |
| 66.252 | 35.556 | 26.119 | 42.855 | 2.268 | 38.210 | 2.793 | 3.772 | 356.958 |

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

| Taxpayer | 2021 | | | 2012 | | |
|---|----------------------|------|---|---------------------|------|---|
| | Tax Capacity | Rank | Percentage of Total Tax Capacity | Tax Capacity | Rank | Percentage of Total Tax Capacity |
| United Healthcare Srv, Inc. | \$946,790 | 10 | 7.426% | \$914,000 | 3 | 9.933% |
| 394 Associates LLC | 959,750 | 9 | 7.528% | | | |
| General Mills, Inc. | 1,607,250 | 2 | 12.607% | 1,359,250 | 1 | 14.771% |
| Allianz Life Insurance Co., North America | 1,719,650 | 1 | 13.489% | 1,281,790 | 2 | 13.929% |
| SOF-XI Colonnade Owner L L | 1,477,250 | 4 | 11.587% | | | |
| Thomson Reuters Property Tax Service | 1,212,030 | 6 | 9.507% | 769,250 | 9 | 8.360% |
| Wells Real Estate Funds | 1,003,370 | 8 | 7.870% | 817,250 | 8 | 8.881% |
| EP Campus II LLC | 1,303,680 | 5 | 10.226% | | | |
| Property Reserve, Inc. | | | | 719,250 | 10 | 7.816% |
| RE Capital Partners | | | | 871,830 | 4 | 9.474% |
| United Center LLC | | | | 829,250 | 5 | 9.012% |
| DRA Advisors LLC | | | | 820,770 | 6 | 8.919% |
| Excelsior Crossings Investment LLC | | | | 819,450 | 7 | 8.905% |
| Cargill Incorporated | 1,023,630 | 7 | 8.029% | | | |
| EP Campus I LLC | 1,495,570 | 3 | 11.731% | | | |
| Total | \$ 12,748,970 | | 100.000% | \$ 9,202,090 | | 100.000% |

Source:

Hennepin County

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

| Taxes Levied for the Fiscal Year | | | | | |
|----------------------------------|-------------------------|------------------------|------------------------|------------|--------------------|
| Fiscal Year | General Fund Basic Levy | Community Service Levy | Debt Service Fund Levy | OPEB Levy | Total Tax Levy (1) |
| 2012 | \$ 24,511,272 | \$ 1,275,332 | \$ 13,086,549 | \$ 908,599 | \$ 39,781,752 (2) |
| 2013 | 24,764,374 | 1,344,996 | 12,714,884 | 932,646 | 39,756,900 (2) |
| 2014 | 30,222,527 | 1,549,967 | 11,185,763 | 2,482,634 | 45,440,891 (2) |
| 2015 | 30,196,834 | 1,368,801 | 10,166,837 | 3,978,289 | 45,710,761 (2) |
| 2016 | 32,306,985 | 1,407,728 | 9,904,838 | 4,232,984 | 47,852,535 (2) |
| 2017 | 30,396,539 | 1,338,598 | 9,873,590 | 4,391,320 | 46,000,047 (2) |
| 2018 | 30,995,500 | 1,536,214 | 12,651,147 | 3,749,775 | 48,932,636 (2) |
| 2019 | 31,916,090 | 1,324,036 | 12,425,008 | 3,806,672 | 49,471,806 (2) |
| 2020 | 36,445,291 | 1,298,603 | 17,037,857 | - | 54,781,751 (2) |
| 2021 | 39,209,178 | 1,421,737 | 17,795,401 | - | 58,426,316 (2) |

Notes:

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

(2) Original Gross Levy

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

| Collected within the Fiscal Year of Levy | | Collections in Subsequent Years | Total Collections to Date | | Outstanding Delinquent Taxes | Percentage of Levy Outstanding |
|---|--------------------------|---------------------------------------|----------------------------|--------------------------|------------------------------------|--------------------------------------|
| Current Tax Collection | Percentage of Levy | | Total Tax Collection | Percentage of Levy | | |
| \$ 19,943,659 | 50.1% | \$ 19,838,093 | \$ 39,781,752 | 100.0% | \$ - | 0.0% |
| 21,239,387 | 53.4% | 18,517,513 | 39,756,900 | 100.0% | - | 0.0% |
| 21,122,800 | 46.5% | 24,404,271 | 45,527,071 | 100.2% | (86,180) | -0.2% |
| 24,167,808 | 52.9% | 21,530,320 | 45,698,128 | 100.0% | 12,633 | 0.0% |
| 24,505,786 | 51.2% | 23,321,788 | 47,827,574 | 99.9% | 24,961 | 0.1% |
| 25,766,512 | 56.0% | 20,183,340 | 45,949,852 | 99.9% | 50,195 | 0.1% |
| 24,569,651 | 50.2% | 24,329,289 | 48,898,940 | 99.9% | 33,696 | 0.1% |
| 27,400,000 | 55.4% | 22,005,492 | 49,405,492 | 99.9% | 66,314 | 0.1% |
| 27,800,000 | 50.7% | 26,832,156 | 54,632,156 | 99.7% | 149,595 | 0.3% |
| 29,200,000 | 50.0% | - | 29,200,000 | 50.0% | | 0.0% |

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

| Fiscal Year | Governmental Activities | | | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|----------------|--------------------------------|---------------------------------|------------------------------|----------------------------|--|--------------------------------|-------------------------------------|---------------|
| | General Obligation Bonds | Capital Improvement Loans | Capital Leases Payable | Other Long-Term Debt | Resources Restricted for Repayment | | | |
| | | | | | | | (1) | |
| 2012 | \$ 150,345,000 | \$ 1,892,834 | \$ 202,893 | \$ - | \$ (7,775,293) | \$ 144,665,434 | - | \$ 2,336 |
| 2013 | 171,505,000 | 1,424,521 | 154,590 | - | (23,662,321) | 149,421,790 | - | 2,417 |
| 2014 | 163,030,000 | - | 8,594,661 | - | (22,937,517) | 148,687,144 | - | 2,405 |
| 2015 | 149,270,000 | - | 8,144,672 | - | (2,266,113) | 155,148,559 | - | 2,510 |
| 2016 | 138,185,000 | - | 7,637,937 | - | (2,838,356) | 142,984,581 | - | 2,313 |
| 2017 | 148,695,075 | - | 10,834,873 | - | (2,978,438) | 156,551,510 | - | 2,533 |
| 2018 | 148,695,075 | - | 3,344,528 | - | (2,580,649) | 149,458,954 | - | 2,750 |
| 2019 | 167,740,000 | - | 3,006,684 | - | (3,381,236) | 167,365,448 | - | 2,567 |
| 2020 | 156,825,000 | - | 2,660,853 | - | (3,361,447) | 156,124,406 | - | 2,395 |
| 2021 | 165,488,890 | - | 2,306,848 | - | (4,105,105) | 163,690,633 | - | 2,511 |

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

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

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2021
(UNAUDITED)**

| | 2019/20 Adjusted Taxable Net Tax Capacity | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|---|--|-----------------------------|--|--|
| Overlapping: | | | | |
| Hennepin County | \$ 2,112,707,400 | \$ 1,070,610,000 | 6.4628% | \$ 69,191,349 |
| Cities: | | | | |
| Eden Prairie | 123,047,160 | 26,647,000 | 5.2204% | 1,391,076 |
| Edina | 141,311,302 | 40,650,000 | 7.3407% | 2,984,006 |
| Golden Valley | 46,939,314 | 46,195,000 | 54.9666% | 25,391,831 |
| Hopkins | 25,252,707 | 68,335,000 | 98.1534% | 67,073,125 |
| Minnetonka | 111,515,652 | 26,805,000 | 53.7703% | 14,413,123 |
| Plymouth | 146,534,687 | 44,785,000 | 3.2142% | 1,439,472 |
| St. Louis Park | 79,948,547 | 57,325,000 | 5.6082% | 3,214,888 |
| Metropolitan Council | 4,576,187,142 | 230,225,000 | 2.9837% | 6,869,238 |
| Three Rivers Park District | 1,487,545,247 | 53,830,000 | 9.1789% | 4,940,991 |
| Total Overlapping | | | | 196,909,099 |
| Direct: | | | | |
| Hopkins ISD No. 270 | 136,539,987 | 169,765,000 | | 169,765,000 |
| Total Direct and Overlapping Bonded Debt: | | | | <u>\$ 366,674,099</u> |

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

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

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

| | | Fiscal Year | | | |
|---|-----|---------------------|---------------------|---------------------|---------------------|
| | | 2012 | 2013 | 2014 | 2015 |
| Debt Limit | (1) | \$ 1,283,255 | \$ 1,348,492 | \$ 1,438,581 | \$ 1,514,087 |
| Total Net Debt Applicable to Limit | (2) | 130,910 | 131,820 | 142,780 | 149,520 |
| Legal Debt Margin | | <u>\$ 1,152,345</u> | <u>\$ 1,216,672</u> | <u>\$ 1,295,801</u> | <u>\$ 1,364,567</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | | 10.20% | 9.78% | 9.93% | 9.88% |

Source:

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

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

Legal Debt Margin Calculation for Fiscal Year 2021

| | |
|------------------------------------|----------------------------|
| Economic Market Value (3) | \$ 13,836,014,886 |
| Debt Limit (15% of Assessed Value) | 2,075,402 |
| Debt Applicable to Limit | 156,770 |
| Legal Debt Margin | <u><u>\$ 1,918,632</u></u> |

| Fiscal Year | | | | | |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 1,572,658 | \$ 1,505,740 | \$ 1,552,148 | \$ 1,652,886 | 1,950,138 | 2,075,402 |
| <u>138,185</u> | <u>148,695</u> | <u>148,695</u> | <u>164,010</u> | <u>172,250</u> | <u>156,770</u> |
| <u><u>\$ 1,434,473</u></u> | <u><u>\$ 1,357,045</u></u> | <u><u>\$ 1,403,453</u></u> | <u><u>\$ 1,488,876</u></u> | <u><u>\$ 1,777,888</u></u> | <u><u>1,918,632</u></u> |
| 8.79% | 9.88% | 9.58% | 9.92% | 8.83% | 7.55% |

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

| <u>Fiscal Year</u> | <u>Population</u> | <u>Personal Income (thousands of dollars)</u> | <u>Per Capita Personal Income</u> | <u>Enrollment</u> | <u>City of Hopkins Unemployment Rate</u> | |
|------------------------|-------------------|---|---|-------------------|--|-----|
| | | (1) | (1) | | | |
| 2012 | 61,931 | - | - | 7,192 | 5.1% | |
| 2013 | 61,813 | - | - | 7,038 | 4.3% | |
| 2014 | 61,813 | - | - | 6,972 | 3.8% | |
| 2015 | 61,813 | - | - | 6,993 | 3.1% | |
| 2016 | 61,813 | - | - | 6,926 | 3.8% | |
| 2017 | 61,813 | - | - | 6,779 | 3.6% | |
| 2018 | 54,340 | - | - | 6,770 | 3.4% | |
| 2019 | 65,197 | - | - | 6,827 | 3.2% | |
| 2020 | 65,199 | - | - | 6,913 | 5.0% | |
| 2021 | 65,199 | - | - | 6,860 | 3.5% | (2) |

Source: Minnesota Department of Education

Notes:

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

(2) Not available at this time

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

| Employer | 2021 | | 2011 | |
|---|---------------|------|---------------|------|
| | (1) | | (2) | |
| | Employees | Rank | Employees | Rank |
| General Mills | 5,000 | 2 | 5,000 | 1 |
| Cargill | 3,500 | 3 | 2,500 | 3 |
| United Healthcare/Optum Health | 5,000 | 1 | 2,800 | 2 |
| Micro-Tech Hearing Instruments | 2,000 | 4 | 2,000 | 4 |
| Polaroid | 2,000 | 5 | 2,000 | 5 |
| I.S.D. No. 270 (Hopkins Public Schools) | 1,345 | 7 | 1,534 | 6 |
| Abbott Labs (Previously St. Jude Medic | 800 | 9 | 1,500 | 7 |
| UNFI (previously SuperValu, Inc.) | 1,400 | 6 | 1,495 | 8 |
| MTS Systems Corporation | 1,000 | 8 | - | - |
| SUEZ Water Tech Solutions (previously | 700 | 10 | - | - |
| Aimia | - | - | 1,100 | 9 |
| Intrepid USA Healthcare Service | - | - | 1,000 | 10 |
| Total | <u>22,745</u> | | <u>20,929</u> | |

Source:

(1) 2021 information provided by the District's financial advisor Ehlers.

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

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

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

| | Full-Time Equivalent Employees as of June 30, | | | |
|--|---|--------------|--------------|--------------|
| | 2012 | 2013 | 2014 | 2015 |
| Administrative Staff | | | | |
| Superintendent | 1.0 | 1.0 | 1.0 | 1.0 |
| Principals | 9.0 | 9.0 | 9.0 | 9.0 |
| Administrative Assistants (Asst. Principals and Asst. Superintendent) | 7.0 | 7.0 | 7.3 | 8.0 |
| Supervisory Coordinator | 4.0 | 3.0 | 6.5 | 8.7 |
| Total Administrative Staff | 21.0 | 20.0 | 23.8 | 26.7 |
| Support Service Staff | | | | |
| Other Non-Instructional Staff | | | | |
| Counselors | 17.0 | 17.0 | 16.6 | 15.8 |
| Media/Librarian | 10.0 | 10.0 | 9.6 | 11.4 |
| Nurse | 9.7 | 9.8 | 9.3 | 9.5 |
| Social Worker | 10.7 | 9.8 | 9.6 | 9.7 |
| Psychologists | 3.9 | 4.9 | 4.5 | 5.0 |
| Total Support Service Staff | 51.3 | 51.5 | 49.6 | 51.4 |
| Special Education Teachers | | | | |
| Speech Language | 15.1 | 13.8 | 13.3 | 14.9 |
| Other Special Education Teachers | 66.7 | 62.4 | 64.5 | 67.7 |
| Total Special Education Teachers | 81.8 | 76.2 | 77.8 | 82.6 |
| Classroom Teachers | | | | |
| K-12 Teacher | 377.7 | 398.6 | 390.4 | 397.3 |
| Vocational Education Teacher | 0.0 | 0.0 | 0.0 | 0.0 |
| Pre-K, ECFE, and Other Teacher | 17.2 | 21.8 | 19.2 | 20.5 |
| Total Classroom Teachers | 394.9 | 420.4 | 409.6 | 417.8 |
| Total | 549.0 | 568.1 | 560.8 | 578.5 |

Source: Minnesota Department of Education STARS data.

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

| Full-Time Equivalent Employees as of June 30, | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.6 |
| 7.0 | 7.0 | 8.0 | 8.0 | 9.0 | 9.9 |
| 7.0 | 7.0 | 10.0 | 10.0 | 5.0 | 6.0 |
| 24.0 | 24.0 | 28.0 | 28.0 | 24.0 | 26.5 |
| 11.4 | 12.0 | 17.0 | 17.0 | 20.0 | 22.5 |
| 7.7 | 10.0 | 9.0 | 10.0 | 10.0 | 10.0 |
| 10.2 | 9.5 | 8.7 | 8.7 | 9.6 | 9.7 |
| 9.2 | 9.5 | 9.0 | 9.5 | 14.5 | 14.3 |
| 7.6 | 6.2 | 4.5 | 5.0 | 5.0 | 5.0 |
| 46.1 | 47.2 | 48.2 | 50.2 | 59.1 | 61.5 |
| 13.6 | 15.0 | 12.5 | 12.2 | 15.0 | 14.4 |
| 70.6 | 66.3 | 58.2 | 68.1 | 63.4 | 61.9 |
| 84.2 | 81.3 | 70.7 | 80.3 | 78.4 | 76.3 |
| 412.4 | 420.3 | 408.3 | 392.5 | 405.2 | 385.7 |
| 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| 17.3 | 20.6 | 23.0 | 20.2 | 23.8 | 17.0 |
| 429.7 | 441.0 | 431.3 | 412.7 | 429.0 | 402.7 |
| 584.0 | 593.5 | 578.2 | 571.2 | 590.5 | 567.1 |

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

| Fiscal Year | Enrollment | Operating Expenditures | Cost per Pupil | Percentage Change | Governmental Activities | Cost per Pupil | Percentage Change | Teaching Staff | Pupil-Teacher Ratio |
|-------------|------------|------------------------|----------------|-------------------|-------------------------|----------------|-------------------|----------------|---------------------|
| 2012 | 7,192 | 93,319,183 | 12,975 | 1.59 | 132,871,601 | 18,475 | 2.62 | 476.7 | 15.1 |
| 2013 | 7,038 | 94,802,603 | 13,470 | 3.81 | 119,855,065 | 17,030 | (7.82) | 496.6 | 14.2 |
| 2014 | 6,972 | 96,950,951 | 13,906 | 3.23 | 132,900,166 | 19,062 | 11.93 | 487.4 | 14.3 |
| 2015 | 6,993 | 100,723,553 | 14,403 | 3.58 | 140,860,360 | 20,143 | 5.67 | 500.4 | 14.0 |
| 2016 | 6,926 | 103,880,868 | 14,992 | 4.09 | 137,607,428 | 19,868 | (1.36) | 513.9 | 13.5 |
| 2017 | 6,779 | 103,496,582 | 15,267 | 1.84 | 130,876,685 | 19,306 | (2.83) | 522.2 | 12.9 |
| 2018 | 6,770 | 110,762,532 | 16,361 | 7.16 | 152,996,749 | 22,599 | 17.06 | 502.0 | 13.5 |
| 2019 | 6,827 | 116,249,617 | 17,028 | 4.08 | 183,248,129 | 26,842 | 18.77 | 493.1 | 13.8 |
| 2020 | 6,913 | 117,756,079 | 17,034 | 0.04 | 159,277,223 | 23,040 | (14.16) | 507.4 | 13.6 |
| 2021 | 6,859 | 116,392,909 | 16,969 | (0.38) | 141,578,269 | 20,641 | (10.41) | 479.1 | 14.3 |

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

Notes: Operating expenditures are total expenditures less debt service and capital projects.

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

| School | Fiscal Year | | | | | | | | | |
|--------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Elementary | | | | | | | | | | |
| Alice Smith (1951) | | | | | | | | | | |
| Square feet | 81,526 | 81,526 | 81,526 | 84,998 | 84,998 | 84,998 | 84,998 | 84,998 | 84,998 | 84,998 |
| Capacity | 592 | 592 | 592 | 629 | 629 | 629 | 629 | 629 | 629 | 629 |
| Enrollment (1) | 569 | 557 | 548 | 565 | 564 | 552 | 494 | 490 | 490 | 490 |
| Eisenhower (1954) | | | | | | | | | | |
| Square feet | 121,173 | 121,173 | 121,173 | 121,173 | 121,173 | 121,173 | 121,048 | 121,048 | 121,048 | 121,048 |
| Capacity | 792 | 792 | 792 | 898 | 898 | 898 | 898 | 898 | 898 | 898 |
| Enrollment (1) | 774 | 776 | 760 | 734 | 703 | 672 | 687 | 681 | 681 | 681 |
| Gatewood (1958) | | | | | | | | | | |
| Square feet | 75,039 | 75,759 | 75,793 | 75,793 | 75,793 | 75,793 | 75,793 | 75,793 | 75,793 | 75,793 |
| Capacity | 692 | 692 | 692 | 561 | 561 | 561 | 561 | 561 | 561 | 561 |
| Enrollment (1) | 530 | 530 | 501 | 511 | 485 | 435 | 428 | 383 | 383 | 383 |
| Glen Lake (1956) | | | | | | | | | | |
| Square feet | 84,916 | 84,916 | 84,916 | 87,816 | 87,816 | 87,816 | 87,816 | 87,816 | 87,816 | 87,816 |
| Capacity | 566 | 566 | 566 | 650 | 650 | 650 | 650 | 650 | 650 | 650 |
| Enrollment (1) | 524 | 489 | 474 | 477 | 500 | 487 | 469 | 484 | 484 | 484 |
| Tanglen (1966) | | | | | | | | | | |
| Square feet | 74,332 | 74,332 | 83,593 | 85,458 | 85,458 | 87,369 | 87,369 | 87,369 | 87,369 | 87,369 |
| Capacity | 592 | 592 | 592 | 633 | 633 | 633 | 633 | 633 | 633 | 633 |
| Enrollment (1) | 538 | 469 | 467 | 504 | 534 | 520 | 520 | 553 | 553 | 553 |
| Meadowbrook (1948) | | | | | | | | | | |
| Square feet | 111,200 | 111,200 | 125,200 | 125,200 | 125,200 | 129,830 | 129,830 | 129,830 | 129,830 | 129,830 |
| Capacity | 616 | 616 | 616 | 927 | 927 | 927 | 927 | 927 | 927 | 927 |
| Enrollment (1) | 633 | 632 | 647 | 726 | 758 | 752 | 788 | 832 | 832 | 832 |
| Middle | | | | | | | | | | |
| North Junior High (1958) | | | | | | | | | | |
| Square feet | 193,671 | 193,671 | 193,671 | 193,671 | 193,671 | 193,671 | 193,671 | 193,671 | 193,671 | 193,671 |
| Capacity | 896 | 896 | 896 | 1,019 | 1,019 | 1,019 | 1,019 | 1,019 | 1,019 | 1,019 |
| Enrollment (1) | 842 | 859 | 950 | 929 | 941 | 875 | 917 | 884 | 884 | 884 |
| West Junior High (1959) | | | | | | | | | | |
| Square feet | 202,474 | 202,474 | 202,474 | 202,474 | 202,474 | 197,474 | 197,474 | 197,474 | 197,474 | 197,474 |
| Capacity | 873 | 873 | 873 | 1,065 | 1,065 | 1,065 | 1,065 | 1,065 | 1,065 | 1,065 |
| Enrollment (1) | 750 | 727 | 714 | 708 | 702 | 687 | 689 | 684 | 684 | 684 |

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

| <u>School</u> | Fiscal Year | | | | | | | | | |
|-------------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| High | | | | | | | | | | |
| Hopkins High School (1970) | | | | | | | | | | |
| Square feet | 478,834 | 478,834 | 479,426 | 479,426 | 479,426 | 479,426 | 479,426 | 479,426 | 479,426 | 479,426 |
| Capacity | 2,166 | 2,166 | 2,166 | 2,179 | 2,179 | 2,179 | 2,179 | 2,179 | 2,179 | 2,179 |
| Enrollment (1) | 1,681 | 1,765 | 1,693 | 1,609 | 1,556 | 1,584 | 1,536 | 1,543 | 1,543 | 1,543 |
| Other | | | | | | | | | | |
| Katherine Curren (1948) | | | | | | | | | | |
| Square feet | 65,593 | 65,593 | 65,593 | 65,593 | 65,593 | 65,593 | 65,791 | 65,791 | 65,791 | 65,791 |
| Capacity | 380 | 380 | 380 | 423 | 423 | 423 | 423 | 423 | 423 | 423 |
| Enrollment (1) | - | - | - | - | - | - | - | - | - | - |
| Community Center (1954) | | | | | | | | | | |
| Square feet | 160,311 | 160,311 | 160,311 | 245,309 | 245,309 | 245,309 | 245,309 | 245,309 | 245,309 | 245,309 |
| Capacity | 745 | 745 | 745 | 745 | 745 | 745 | 745 | 745 | 745 | 745 |
| Enrollment (1) | - | - | - | - | - | - | - | - | - | - |
| Harley Hopkins Family Center (1990) | | | | | | | | | | |
| Square feet | 40,930 | 40,930 | 40,930 | 40,930 | 40,930 | 40,930 | 40,930 | 40,930 | 40,930 | 40,930 |
| Capacity | 360 | 360 | 360 | 303 | 303 | 303 | 303 | 303 | 303 | 303 |
| Enrollment (1) | 54 | 57 | 45 | 57 | 63 | 64 | 71 | 71 | 71 | 71 |
| Bus Depot (1978) | | | | | | | | | | |
| Square feet | 87,040 | 87,040 | 87,040 | 87,040 | 87,040 | 87,040 | 87,040 | 87,040 | 87,040 | 87,040 |
| Total | | | | | | | | | | |
| Square feet | 1,777,039 | 1,777,759 | 1,801,646 | 1,894,881 | 1,894,881 | 1,896,297 | 1,896,495 | 1,896,495 | 1,896,495 | 1,896,495 |
| Capacity | 9,270 | 9,270 | 9,270 | 10,032 | 10,032 | 10,032 | 10,032 | 10,032 | 10,032 | 10,032 |
| Enrollment | 6,895 | 6,861 | 6,799 | 6,820 | 6,806 | 6,640 | 6,598 | 1,614 | 1,614 | 1,614 |
| Athletics | | | | | | | | | | |
| Football fields | 4 | 4 | 4 | 10 | 10 | 4 | 3 | 3 | 3 (3) | 3 |
| Soccer fields | 7 | 7 | 7 | 8 | 8 | 7 | 11 | 11 | 11 (3) | 11 |
| Running tracks | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Baseball/softball | 14 | 16 | 16 | 17 | 17 | 16 | 16 | 16 | 16 | 16 |
| Swimming pools | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Playgrounds | 9 | 9 | 9 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |

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

Notes:

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

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

| | Fiscal Year | | | | | | | | | |
|---------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|-------|--------|
| Standardized Tests | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| MCA Reading (See Note 1) | | | | | | | | | | |
| Grade 3 | 78.00% | 59.10% | 62.20% | 57.50% | 56.30% | 61.00% | 60.60% | 55.00% | NA | 50.00% |
| Grade 5 | 82.70 | 69.50 | 70.80 | 66.60 | 69.80 | 67.00 | 69.90 | 69.90 | NA | 59.10 |
| Grade 7 | 77.80 | 60.60 | 59.80 | 62.30 | 65.90 | 65.80 | 66.80 | 51.70 | NA | 61.20 |
| Grade 10 | 84.30 | 68.30 | 69.10 | 60.60 | 51.60 | 53.80 | 55.80 | 59.20 | NA | 63.00 |
| MCA Math (See Note 1) | | | | | | | | | | |
| Grade 3 | 73.20 | 68.90 | 72.50 | 67.09 | 67.10 | 73.00 | 70.60 | 62.60 | NA | 55.50 |
| Grade 5 | 64.10 | 61.90 | 65.20 | 59.08 | 62.50 | 58.20 | 59.70 | 53.70 | NA | 42.10 |
| Grade 7 | 58.70 | 50.70 | 57.10 | 56.24 | 59.90 | 56.20 | 57.80 | 42.90 | NA | 43.50 |
| Grade 11 (See Note 3) | 61.10 | 56.60 | 61.10 | 50.67 | 36.80 | 48.00 | 55.30 | 54.70 | NA | 51.90 |
| ACT (See Note 4) | | | | | | | | | | |
| Hopkins Average Composite Score | 23.70 | 23.80 | 23.10 | 21.00 | 21.60 | 21.50 | 21.60 | 21.10 | 21.90 | 21.60 |
| State Average Composite Score | 22.80 | 23.00 | 22.90 | 20.50 | N/A | N/A | NA | NA | NA | NA |

N/A - Not Available

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

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

Note 3: The Grade 11 MCA Math results are not representative of Hopkins students due to low participation rates. In 2021, none of the secondary results are representative due to low participation rates.

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

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

| Year Ended June 30, | Non-Program Adult Meals | Total Meals Served Students | Regular Price Meals | Free Meals Served | Reduced Price Meals Served |
|------------------------|-------------------------------|-----------------------------------|---------------------------|----------------------------|----------------------------------|
| 2012 | 28,945 | 726,562 | 373,695 | 293,117 | 59,750 |
| 2013 | 24,540 | 687,771 | 356,759 | 274,374 | 56,637 |
| 2014 | 24,021 | 645,548 | 322,019 | 268,358 | 55,171 |
| 2015 | 27,542 | 712,577 | 359,816 | 287,122 | 65,639 |
| 2016 | 27,811 | 717,272 | 364,345 | 293,604 | 59,323 |
| 2017 | 22,299 | 690,115 | 359,609 | 266,457 | 64,049 |
| 2018 | 25,155 | 648,854 | 338,736 | 244,588 | 65,530 |
| 2019 | 23,912 | 593,778 | 310,102 | 225,811 | 57,865 |
| 2020 | 18,612 | 437,799 | 233,046 | 160,986 | 43,767 |
| 2021 | 10,769 ⁽²⁾ | 485,273 | - | - | - ⁽³⁾ |
| | June 30, | Elementary | Middle | High School ⁽¹⁾ | |
| | 2012 | \$ 2.55 | \$ 2.80 | \$ 3.05 | |
| | 2013 | 2.65 | 2.90 | 3.15 | |
| | 2014 | 2.70 | 2.95 | 3.20 | |
| | 2015 | 2.70 | 2.95 | 3.20 | |
| | 2016 | 2.75 | 3.00 | 3.25 | |
| | 2017 | 2.85 | 3.10 | 3.35 | |
| | 2018 | 2.85 | 3.10 | 3.35 | |
| | 2019 | 2.95 | 3.20 | 3.45 | |
| | 2020 | 3.00 | 3.25 | 3.50 | |
| | 2021 | 3.00 | 3.25 | 3.50 | |

⁽¹⁾ Includes New Generation and Ethnic Food Options.

⁽²⁾ Estimate

⁽³⁾ All Meals Free to Students in 2021

Source: District Food Service Department

**HOPKINS PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 270
SCHEDULE OF INSURANCE COVERAGE
JUNE 30, 2021
(UNAUDITED)**

| Type of Coverage | Amount of Coverage |
|--|--------------------|
| Property Loss limit per occurrence | \$501,000,000 |
| Property Coverage: | |
| Real and Personal Property (Blanketed) | \$ 391,243,450 |
| Blanket Valuable Papers and Records | 500,000 |
| Accounts Receivables | 3,886,000 |
| Fine Arts | 2,500,000 |
| Blanket Computer Hardware/Software | 35,607,455 |
| Miscellaneous Mobile Equipment | 5,000,000 |
| Audio Visual Equipment | 250,000 |
| Musical Instruments | 500,000 |
| Extra Expense | 2,500,000 |
| Artificial Turf | 1,000,000 |
| Auto Physical Damage | 22,371,571 |
| Miscellaneous Property | 2,500,000 |
| Business Income/Extra Expense | 2,500,000 |
| Expediting Expense | n/a |
| Liability Coverages: | |
| General Liability, including sexual misconduct | |
| Each Occurrence | 2,000,000 |
| General Aggregate Limit | 4,000,000 |
| Sexual Misconduct Aggregate per member | 2,000,000 |
| Policy Aggregate limit for Sexual Misconduct | 10,000,000 |
| | 25,000 |
| Law Enforcement Liability | |
| Each Occurrence | Included in GL |
| Aggregate Limit | Included in GL |
| Employee Benefits Liability | |
| Each Occurrence | 2,000,000 |
| Aggregate Limit | 4,000,000 |
| Professional Liability (Nurses, Occupational Therapists, Psychologists) | |
| Limit Each Claim | Included in GL |
| Aggregate | Included in GL |
| Crime Coverage | |
| Employee Dishonesty | 500,000 |
| Forgery or Alteration | Included |
| Money and Securities (Inside and Outside Premises) | Included |
| Social Engineering fraud | 100,000 |
| General Aggregate | 500,000 |
| Business Automobile Coverage | |
| Each Occurrence | 2,000,000 |
| Aggregate Limit | N/A |
| Uninsured/Underinsured Motorists | 1,000,000 |
| No Fault | 40,000 |
| School Leaders Errors and Omissions: | |
| Each Occurrence | 4,000,000 |
| Aggregate | 8,000,000 |
| Excess Liability | |
| Each Occurrence | 2,000,000 |
| Aggregate | 2,000,000 |
| Sexual Misconduct Policy aggregate | 5,000,000 |
| Boiler and Machinery Coverage: | |
| Property Damage | 200,000,000 |
| Pollution Legal Liability | |
| First Party Clean-up | 2,000,000 |
| Emergency Response Expense | 2,000,000 |
| Business Interruption | 1,000,000 |
| Disinfection Event Expenses | 500,000 |
| Policy Aggregate | 10,000,000 |