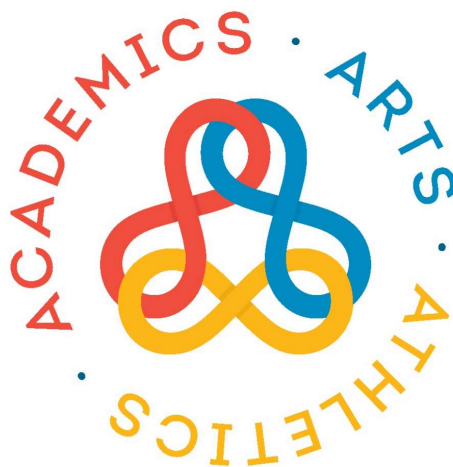


# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year ending June 30th, 2021



## DISTRICT 196

*One District. Infinite Possibilities.*

Rosemount-Apple Valley-Eagan Public Schools  
Rosemount, Minnesota

*Educating our students to reach their full potential*



**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
DECEMBER 8, 2021  
ROSEMOUNT, MINNESOTA  
YEAR ENDED JUNE 30, 2021**

**PREPARED BY THE  
FINANCE DEPARTMENT**

**MARK STOTTS  
DIRECTOR OF FINANCE AND OPERATIONS**

**CHRISTOPHER P. ONYANGO-ROBSHAW  
COORDINATOR OF FINANCE**

**ADAM LLOYD  
CONTROLLER**

**DANIEL DUCHENE  
MANAGER – FINANCIAL SYSTEMS / REPORTING / COMPLIANCE**



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
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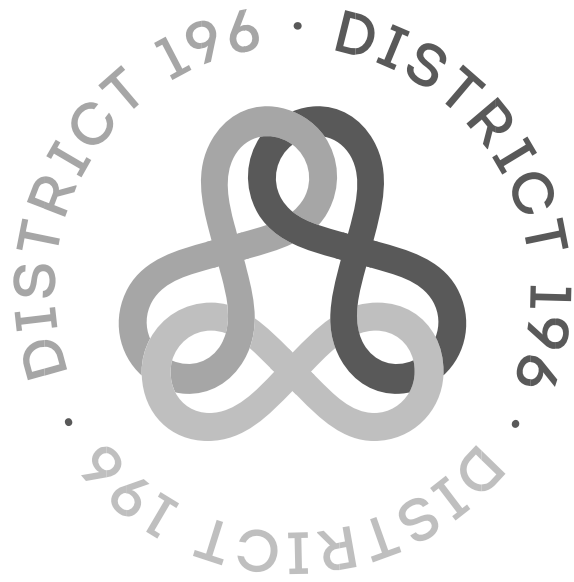
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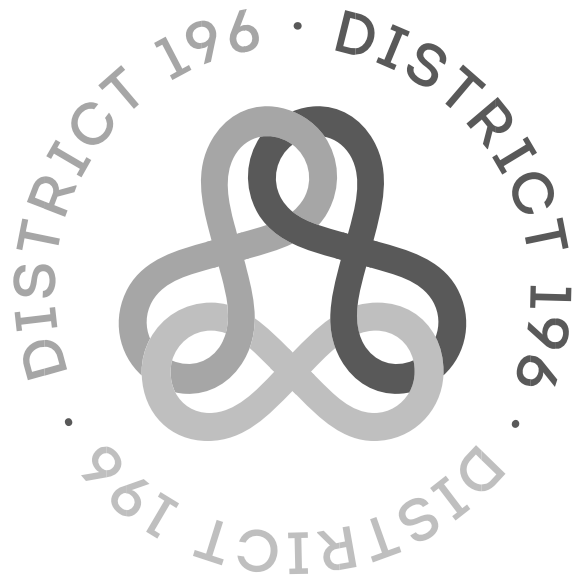
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## **INTRODUCTORY SECTION**





**Christopher Onyango-Robshaw**  
Coordinator of Finance

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December 8, 2021

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

## **INTRODUCTION**

We are submitting the Annual Comprehensive Financial Report (ACFR) of Independent School District No. 196, Rosemount – Apple Valley – Eagan (the District) for the fiscal year ended June 30, 2021. This report fairly presents the District's financial position and results of operations and cash flows in accordance with accounting principles generally accepted in the United States of America. The District's administration accepts total responsibility for the accuracy, completeness, and fairness in presentation.

The District's financial statements have been audited by CliftonLarsonAllen LLP (CLA), a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

In addition to the independent audit of the District's financial statements, the District is required to undergo an annual Single Audit in conformity with the provisions of the Federal Single Audit Act Amendments of 1996 and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The District is also required to undergo an annual Minnesota State legal compliance audit under Minnesota Statutes § 6.65. The standards governing Single Audit engagements require the independent auditor to report on not only the fair presentation of the financial statements, but also the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued "Schedule of Expenditures of Federal Awards and Other Required Reports."

**DISTRICT196.ORG**

Rosemount-Apple Valley-Eagan Public Schools  
3455 153rd Street West • Rosemount, MN 55068

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

## **REPORT FORMAT**

The ACFR is presented in three sections:

- **Introductory Section** – The introductory section contains this transmittal letter, an organizational chart, a list of School Board members and the Superintendent's Cabinet members, a map of the District, and a copy of the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for the District's 2019–2020 ACFR.
- **Financial Section** – The financial section begins with the independent auditors' report. This section includes the MD&A; basic financial statements; required supplementary information; and combining and individual fund statements and schedules presented as supplementary information.
- **Statistical Section** – The statistical section, which is not audited, includes selected financial, demographic, and economic data, generally presented on a multi-year comparative basis.

## **REPORTING ENTITY AND ITS SERVICES**

The financial reporting entity includes all the funds of the primary government (the District). Component units are legally separate entities for which the District (primary government) is financially accountable. There are no organizations considered to be component units of the District.

The District was incorporated in 1950 and serves a portion of 10 suburban communities within Dakota County located on the southeastern edge of the Minneapolis/St. Paul metropolitan area. The District encompasses all or part of the communities of Apple Valley, Burnsville, Coates, Eagan, Empire Township, Farmington, Inver Grove Heights, Lakeville, Rosemount, and Vermillion Township.

### **Programs and Services**

The District provides a full range of public education services appropriate to grade levels ranging from pre-Kindergarten through Grade 12. These include regular and enriched academic education, special education for exceptional children, and career/vocational education. Food service and transportation are provided as supporting programs. The District's community education program includes early childhood family education and adult basic education programs, and a myriad of classes for lifelong learning experiences for children and adults.

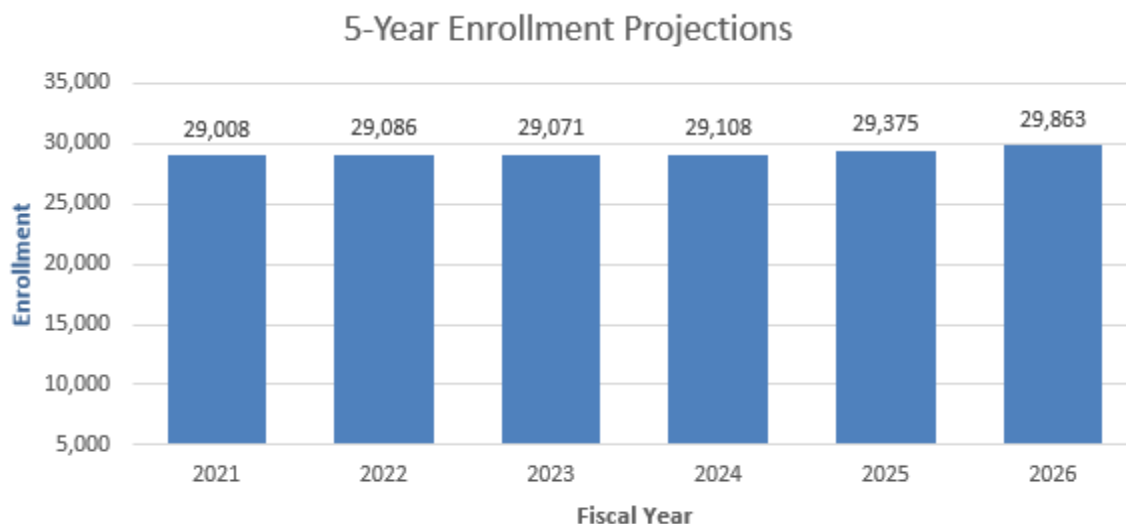
### **Student Enrollment**

The District enrolled 29,008 students (or average daily membership totaling 28,551) in 2019–2020 from a population of 153,390 people residing in a 108.6 square mile area. In terms of the number of students, the District is Minnesota's fourth largest school district.

The District has an increasingly diverse population of students with a variety of needs. For the 2020-2021 school year, 60% of our students were white, 14% of the District's student population were black, students of Asian descent comprised 9%, Hispanic students totaled 11%, 1% were American Indian, while other races accounted for 6%.

In 2020-2021, 16.7% of our students qualified to receive free or reduced-price meals; this compared to a fall 2020 Minnesota average of 32.2%.

The District enrollment is projected to increase slightly over the next five years.



### **District Schools and Facilities**

During the 2020-2021 school year, the District operated 35 school buildings: an Early Childhood Learning Center, 4 comprehensive (Grades 9–12) high schools, 1 optional (Grades 11–12) high school, 6 middle schools (Grades 6–8), 19 elementary schools (kindergarten through Grade 5), 1 area learning center, 1 school (kindergarten through Grade 12) for students with special needs, and 2 learning centers dedicated to adult basic education and early childhood education students. The District also purchased an additional facility in the summer of 2021, currently used by the alternative learning program and childhood screening. The early childhood program will begin offering classes in the facility at the beginning of the 2022 calendar year.

The average age of the District's facilities is over 34 years; the District qualifies for Long Term Facilities Maintenance funding and has been able to keep up with routine repairs, maintenance, and other major improvements.

### **LOCAL ECONOMIC CONDITION AND OUTLOOK**

According to the Minnesota Department of Management and Budget, the economic data has been somewhat positive, despite the effects of the COVID-19 pandemic. Minnesota's overall economy has been affected negatively by the effects of the virus, including supply chain disruptions. The forecasted GDP growth for 2021 was projected at 5.4%, in the released October report, which is down from the 5.7% growth forecast in the February outlook report. Generally, growth is expected to decelerate moving into 2022 with a forecasted GDP growth of 4.3%.

According to the October economic update, unemployment across the U.S. in September was at 4.8%, down from 14.8% at the peak of the pandemic. The unemployment rate is still 1.3% higher than the pre-pandemic level in February 2020. This unemployment rate does not take into consideration the 3.1 million people who have exited the labor force since the beginning of the pandemic.

The state's February 2021 budget forecast indicated an increase in anticipated revenue collections. The \$463 million (1.0%) increase in revenues for fiscal year 2021, would result in a budgetary balance of \$940 million.

The state of Minnesota assumes major responsibility for funding public education. Following the passage of the 2019 operating referendum, approximately 24% of our General Fund revenues are generated locally from property taxes, 70% from state aids, close to 5% from federal aids, and miscellaneous income made up the remaining 1%. The increase in the federal portion of the receipts is a result of the three rounds of emergency funds appropriated to combat the effects of the COVID19 pandemic.

Reliance on the state for the majority of its operating revenues places the District in the position of being dependent on state-wide economic conditions that drive state tax collections. The 2017 Legislature has provided some increase to the basic general education formula allowance and other categorical funding for the 2020-2021 school year. This funding level was again increased by the 2021 legislature for the coming biennium. Across the state, school boards and administrators continue to adjust instructional and related services delivery in an effort to maintain adequate programming buffeted by funding imbalances. The 2% formula allowance increase has not kept pace with general inflations and rising cost of providing quality education to all our students. The District will continue to respond to this challenge by curtailing expenditures when possible and is committed to engage staff and community members in future budget discussions and to consider other options for increasing revenues and containing growth.

## **DISTRICT MISSION AND STRATEGIC PLAN**

In spring 2011, the District convened a 60-member task force to develop a vision for education that will guide district goals for the next five years. The task force included parents, staff, School Board members, and a variety of leaders from the business, civic, and faith communities. Task force members attended four informational meetings to establish a shared base of knowledge about district enrollment and demographics, school finance, teaching and learning, community and partnerships, educational trends, and innovation. These informational meetings, led by a facilitator, were followed by four planning meetings where the task force members developed revised belief statements for the District and four strategies for the future. The School Board approved the plan in December 2011. A brief summary of the plan is listed below.

**Mission Statement:** *Educating our students to reach their full potential.*

### **Belief Statements:**

- Students come first
- All students can learn
- High expectations inspire students and staff to excel
- Learning is maximized in a safe, respectful, and inclusive environment
- A well-rounded education includes opportunities in academics, the arts, and athletics
- Learning is a lifelong pursuit
- Effective management of resources is critical
- Partnerships and collaboration enhance educational programming
- A culture of innovation and continuous improvement prepares students to be college and/or career ready
- An informed and engaged community guides effective decision-making

## **Strategies and Goals:**

- **Strategy One – Teaching and Learning**
  - Deliver a high-quality instructional program that anticipates and meets the needs of all learners
- **Strategy Two – Early Learning**
  - Provide a well-aligned continuum of high-quality, culturally responsive, early learning (birth to Grade 3) services to meet the needs of all students
- **Strategy Three – Educational Equity**
  - Implement a systemic process that increases achievement for all students by addressing equitable access to opportunities in our schools and programs
- **Strategy Four – Partnerships**
  - Develop and implement sustainable strategies to increase collaboration between the District and community partners

## **STUDENT ASSESSMENT AND TESTING**

The District uses a variety of state and national tests to measure student achievement, determine student ability, and evaluate curriculum.

### **Minnesota Comprehensive Assessments (MCAs)**

Due to the COVID19 pandemic, a number of standardized tests were not administered, as such the MCA the results included herein are for fiscal year 2019.

According to the results of the Standards-Based Accountability Assessments released by the Minnesota Department of Education in July 2019, the percentage of the District's students who scored proficient on the state reading, math, and science tests exceeded the state-wide averages for all grades tested in the spring of 2019.

The Standards-Based Accountability Assessments include the MCAs and the Minnesota Test of Academic Skills (MTAS) for students receiving special education services who qualify. These tests are given annually in reading (Grades 3–8 and 10), math (Grades 3–8 and 11), and science (Grades 5, 8 and high schools, after completion of the life science curriculum). More than 14,000 district students took the MCAs or MTAS last spring.

The MCAs and MTAS measure student performance on the Minnesota Academic Standards, which define what students should know and be able to do in a particular grade. Students earn a score that falls into one of four achievement levels: 1) does not meet the standards; 2) partially meets the standards; 3) meets the standards, and 4) exceeds the standards. Students who meet or exceed the standards are considered to be proficient in the subject areas.

Compared to 2018 results, the percentage of district students who scored proficient on the MCAs or MTAS reading, math, and science tests stayed about the same for all levels tested.

### **American College Test (ACT)**

In 2020-2021, the District's high school students continued to score higher than the state and national average composite scores on the ACT college-entrance exam.

The ACT average composite score for the District's students in 2021 was 22.9 points out of a possible score of 36. The District average remained the same from the year before but is still 2.6 points higher than the national average of 20.3 points and 1.3 points higher than the state average of 21.6 points, which was highest among the 17 states where more than 90% of all students took the test.

The ACT is the primary admissions test for students attending college in the Midwest; the Scholastic Aptitude Test is the primary test for colleges located in the eastern and western states.

### **Advanced Placement (AP)**

In August 2021, 646 of the District's high school students were recognized as AP Scholars by the College Board for earning a score of 3 or higher (on a scale of 1-to-5) on at least three or more exams. An AP exam score of 3 or higher earns credit at many of the nation's colleges and universities.

### **National Merit Scholars**

In 2020-2021, 17 of the District's high school seniors were named National Merit Scholarship semifinalists (top 1% of seniors nation-wide), another 32 students were named commended students (top 5%).

## **ACHIEVEMENTS AND AWARDS**

### **National Speech and Debate Association – Top 10 Schools of Outstanding Distinction**

In 2020-2021, Eastview, Apple Valley and Eagan high schools were each in the top 10 Schools of Outstanding Distinction at the June 13-19, 2021 Virtual National Speech and Debate Association tournament.

The tournament's top 10 schools are selected based on the number of rounds of competition their students compete in both speech and debate events. A total of 45 District 196 students qualified for this year's national tournament, 14 from Eastview, 16 from Eagan, 11 from Apple Valley and four from Rosemount High School.

## **FINANCIAL AND BUDGETARY CONTROL**

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from theft, misuse, or losses and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and Minnesota Uniform Financial Accounting and Reporting Standards.

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of the costs and benefits requires estimates and judgments by management.



In addition, the District has also adopted the following policies to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board:

- **Fund Balance Policy** – Requires the District to maintain an operating fund balance of 5% of the expenditure budget.
- **Budget Policy** – Establishes a guideline for allocation of district resources.
- **Personnel Staffing Guidelines** – Personnel costs represent over 85% of General Fund expenditures. These guidelines, which set the staffing allocation for every allocated position in the District, are updated each February by the administration and the School Board.

The District's budget process is based, first, on development of a budget projection model that attempts to project resources and expenses over a multiple year period. The budget projection is used by the School Board and the administration to determine budget parameters and staffing guidelines. Second, the budget, adopted in June, is based on the personnel staffing guidelines and building allocations approved by the School Board in February of the preceding budget year. School and department administrators develop expenditure plans in accordance with School Board-approved budget parameters. The School Board resolution adopting the budget in June also includes a provision directing the administration to update the budget in October. This final budget reflects the District's actual enrollment count on October 1, the actual staff hired, and other dynamics such as employee contract settlements and legislative changes not included in the preliminary budget process.

The level of budgetary control is at the fund level. However, in the General Fund, operating, special education, pupil transportation, capital expenditure, and quality compensation are maintained as separate internal accounts for budgeting purposes. The District also maintains an encumbrance accounting system as one method of maintaining budgetary control. Encumbered amounts lapse at year-end. However, outstanding encumbrances generally are re-appropriated as part of the following year's budget.

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

### **CERTIFICATE OF EXCELLENCE**

This report will be submitted to the ASBO International for consideration for the Certificate of Excellence in Financial Reporting.

The District received the Certificate of Excellence in Financial Reporting from ASBO International for excellence in the preparation and issuance of the District's ACFR for the year ended June 30, 2020. It is the 18th consecutive year the District has received the award, which was earned by fewer than 10% of all school districts in the state.

The District expects to continue to earn the recognition that accompanies national standards of accuracy and thoroughness of the Certificate of Excellence program.

## **MERITORIOUS BUDGET AWARD**

The District's Finance Department has submitted its 2021-2022 budget for the ASBO international Meritorious Budget Award (MBA). The receipt of this award is pending as of the audit conclusion.

The MBA program promotes and recognizes excellence in school budget presentation. The award is awarded to school districts that have met or exceeded the program's stringent criteria, following a rigorous review by professional auditors.

The District has submitted its 2021–2022 budget document for ASBO International's review.

## **FINANCIAL PROSPECTS FOR FUTURE YEARS**

With the exception of the voter-approved operating referendum and building bond referendum, the District is dependent on the state of Minnesota for its revenue authority.

The state's budget outlook has improved steadily since 2012 and the Minnesota Department of Management and Budget's February 2021 forecast calls for the continual improvement over the next several years. This positive outlook incorporates the infusion of federal aid in response to the COVID19 pandemic.

The table below summarizes the per pupil unit funding amounts and percentage change over the past five school years:

<b>School Year</b>	<b>Formula Allowance</b>	<b>Percentage Change</b>
2016-17	\$6,067	2.00%
2017-18	\$6,188	2.00%
2018-19	\$6,312	2.00%
2019-20	\$6,438	2.00%
2020-21	\$6,567	2.00%

The District appreciates and welcomes the additional funding to meet the growing needs of today's learners. The District continues to engage parents, staff, the business community, and legislative members to proactively find ways to align resources with areas of greatest need within our community. The most recently approved operating levy helps the district address class size and mental health needs, among other areas of need.

## **MAJOR INITIATIVES**

### **Referendum Improvements**

On November 3, 2015, district voters approved a referendum question for \$180 million in capital improvements and technology funding. The approved referendum provided the District with \$130 million in bonding authority to make safety and security improvements at all schools, provide additional space for learning, including a new elementary school, and upgrades to technology infrastructure district-wide.

The referendum questions also include a capital project levy that will provide approximately \$5.0 million per year for 10 years to increase access to technology for all students and maintain that access over the life of the levy.

The improvements that will be supported by the referendum are summarized below.

### **Safety and Security**

- Modify entrances at all schools to better control visitor access
- Upgrade security equipment at all schools
- Site improvements at 16 sites with identified need to improve pedestrian and traffic safety

### **Space for Learning**

- New elementary school in the southern part of the District
- Additions to five elementary magnet schools and Parkview Elementary
- STEM improvements at all six middle schools, Cedar Park Elementary STEM School and Apple Valley High School
- Improvements to meet district standards for space at Rosemount High School and elementary schools with identified need
- Replacement of worn-out student furniture at middle schools and high schools

### **Technology for Learning**

- Infrastructure upgrades
- Mobile learning device for each student in Grades 4–12, phased in over three years
- 3-to-1 ratio of students-to-mobile learning device for Grades pre-K–3

### **Operating Referendum**

On November 5, 2019, district voters approved an operating referendum question for the district. The referendum question revoked and replaced the previous authority and will provide \$19 million in additional levy authority beginning in the fiscal year 2020-2021. These funds will be used to reverse the reductions of previous years and provide additional support for areas of great need including mental health support and after school activity busses, which allow more students to participate in enrichment activities beyond the school day.

### **ACKNOWLEDGMENTS**

The preparation of this ACFR in a timely manner would not be possible without the assistance of the entire Finance Department staff. We would like to particularly thank our manager of financial systems, reporting, and compliance, Daniel Duchene; finance department supervisors and staff for their work.

Sincerely,

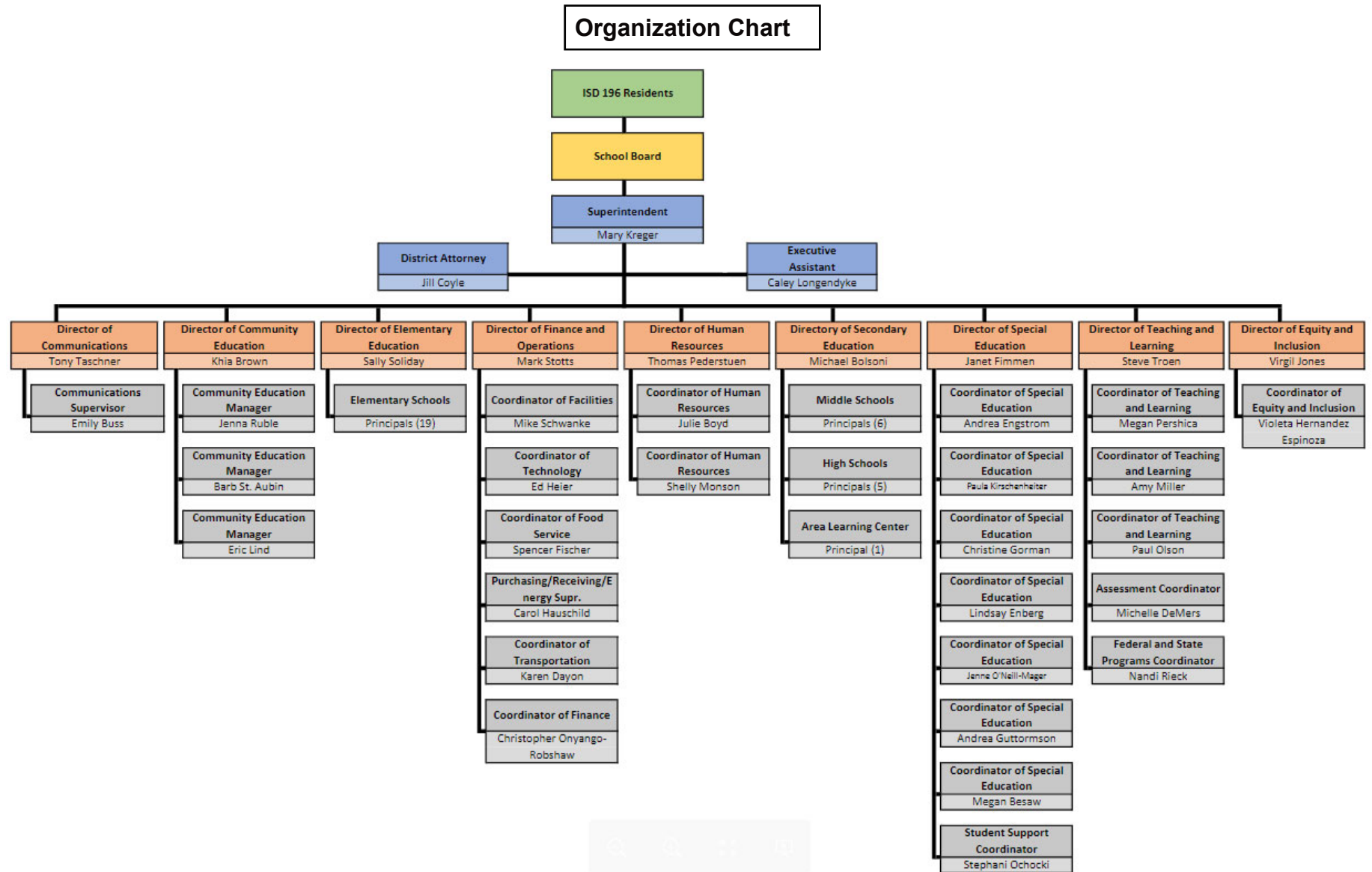
A blue ink signature of Adam Lloyd, CPA, written in a cursive style.

Adam Lloyd, CPA  
Controller

A blue ink signature of Christopher Onyango-Robshaw, CPA, written in a cursive style.

Christopher Onyango-Robshaw, CPA  
Coordinator of Finance

Independent School District No. 196  
Rosemount-Apple Valley-Eagan Public Schools  
*Educating our students to reach their full potential*



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2021**

**SCHOOL BOARD**

Jackie Magnuson	Chairperson
Joel Albright	Vice-Chairperson
Sachin Isaacs	Clerk
Art Coulson	Treasurer
Craig Angrimson	Director
Mike Roseen	Director
Cory Johnson	Director

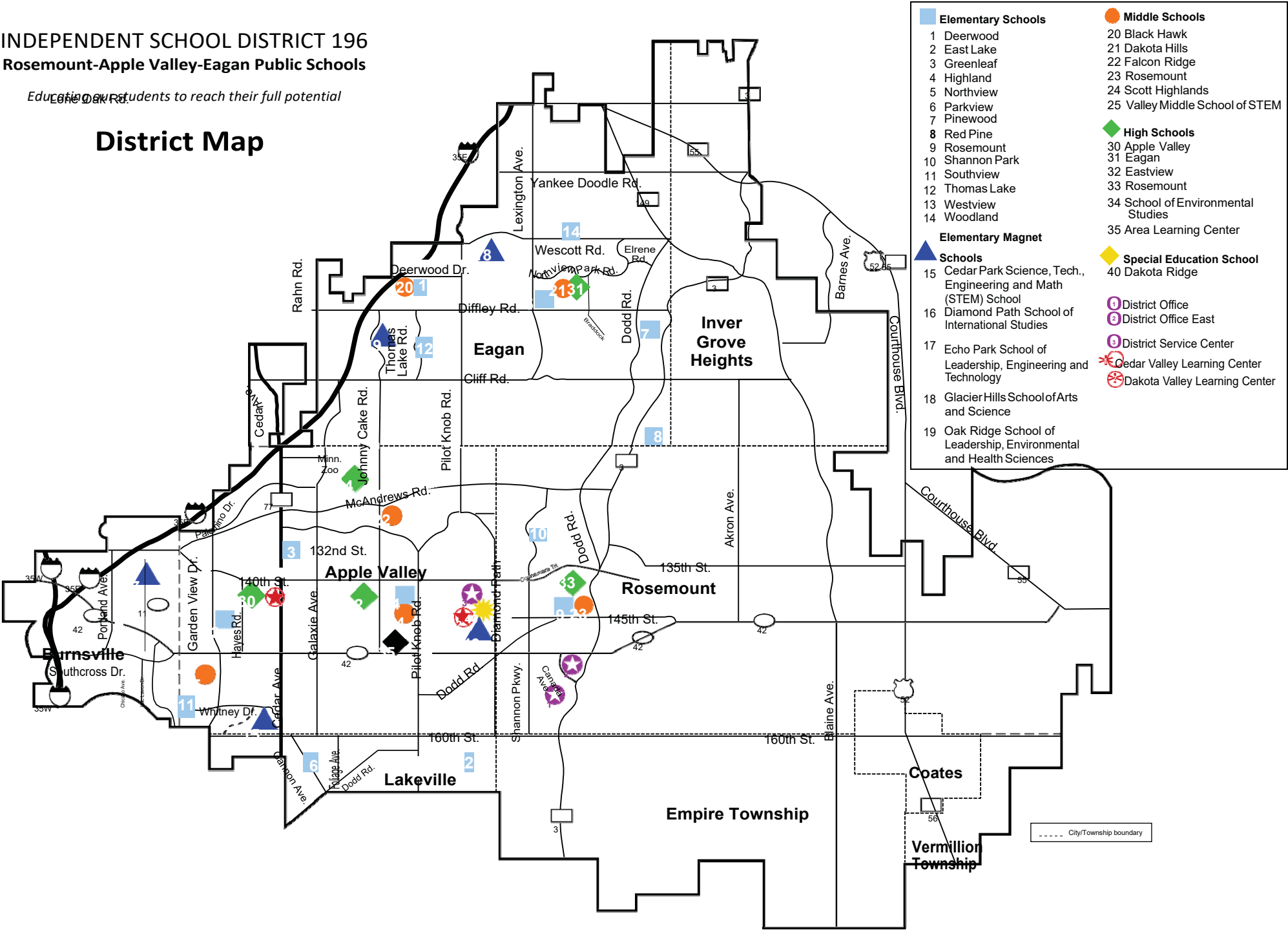
**SUPERINTENDENT'S CABINET**

Mary Kreger	Superintendent
Khia Brown	Director of Community Education
Jill Coyle	School District Attorney
Caley Longendyke	Administrative Assistant to the Superintendent
Janet Fimmen	Director of Special Education
Sally Soliday	Director of Elementary Education
Michael Bolsoni	Director of Secondary Education
Thomas Pederstuen	Director of Human Resources
Mark Stotts	Director of Finance and Operations
Tony Taschner	Director of Communications
Steve Troen	Director of Teaching and Learning
Virgil Jones	Director of Equity and Inclusion

INDEPENDENT SCHOOL DISTRICT 196  
Rosemount-Apple Valley-Eagan Public Schools

Educating our students to reach their full potential

District Map





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ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Independent School District 196 - Rosemount-  
Apple Valley-Eagan  
Public Schools**

**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**





## INDEPENDENT AUDITORS' REPORT

School Board  
December 8, 2021  
Independent School District No. 196  
Rosemount, Minnesota

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 196 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Independent School District No. 196's basic financial statements as listed in the table of contents.

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

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

### ***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 Independent School District No. 196 as of June 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended and budgetary comparison for the General, Food Service, and Community Service Funds, in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the District's 2020 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and we expressed unmodified audit opinions on those audited financial statements in our report dated November 30, 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 the District's net OPEB liability (asset) and related ratios, schedule of money-weighted rate of return on plan assets, schedules of District's proportionate share of net pension liability and schedules of District's pension contributions, 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 Independent School District No. 196's basic financial statements. The introductory section, individual fund financial statements, Uniform Financial Accounting and Reporting Standards table, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and Uniform Financial Accounting and Reporting Standards 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Information (Continued)*

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Independent School District No. 196 as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated November 30, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements for the year ended June 30, 2020 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 2020 financial statements. The individual fund financial statements have been subjected to the auditing procedures applied to the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

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 8, 2021, on our consideration of Independent School District No. 196's 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 results of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 196's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Independent School District No. 196's internal control over financial reporting and compliance.

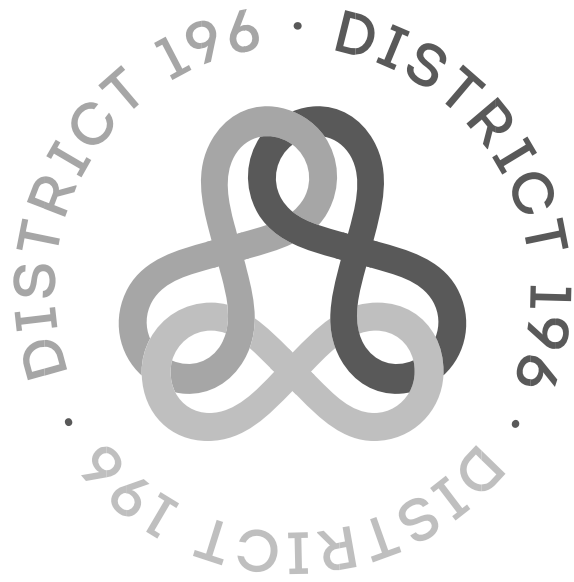


**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 8, 2021



## **REQUIRED SUPPLEMENTARY INFORMATION**





**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

This section of Independent School District No. 196's Annual Comprehensive Financial Report (ACFR) presents the management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the district's financial statements, which immediately follow this letter. The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Government Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

**FINANCIAL HIGHLIGHTS**

For the year ended June 30, 2021, the District showed an increase in total net position of \$21.70 million. Many factors contributed to this change. A few key financial highlights from the District's basic financial statements for the 2020–2021 fiscal year are listed below:

- The liabilities and deferred inflows of resources of the District exceed its assets and deferred outflows of resources at the close of the 2020–2021 fiscal year by \$111.56 million. This amount includes a net investment in capital assets of \$153.11 million, \$31.47 million net position restricted for specific uses, and a negative unrestricted net position of \$296.15 million.
- The District's total net position increased by \$21.70 million in the current year. Restricted net position increased by \$11.11 million. The unrestricted portion of the District's net position decreased \$3.52 million. A more detailed analysis of these changes can be found later in this document.
- As of June 30, 2021, the District's governmental funds reported combined ending fund balances of \$104.39 million, a net increase of \$26.36 million in comparison with the prior year. Approximately 61.29% of the total fund balance amount, or \$63.99 million, is unassigned.
- At the close of the 2020–2021 fiscal year, unassigned fund balance for the General Fund was \$63.98 million, or 16.00%, of total General Fund expenditures.
- The District's long-term liabilities increased by \$23.35 million, or 5.4%, during the current fiscal year. This was partially due to a \$30.8 million net increase in the District's proportionate share of the net pension liability related to the statewide pension plans administered by the Teachers Retirement Association (TRA) and the Public Employees Retirement Association (PERA). This increase was offset by a \$6.33 million decrease in the District's liabilities for bonds, COPs, and capital leases. The liability for severance benefits and compensated absences payables also decreased \$1.17 million.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts: Independent Auditors' Report, Required Supplementary Information which includes MD&A (this section), the basic financial statements, single and supplementary information. The basic financial statements include several statements that present different views of the District:

- The **government-wide financial statements**, including the *Statement of Net Position* and the *Statement of Activities*, 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 district-wide statements.
- **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.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

### **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 they have changed. Net position – the difference between the District's assets and deferred outflows of resources and 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.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**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 may establish 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.
- *Proprietary Fund* – The District maintains one type of proprietary fund. The Internal Service Funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its Internal Service Funds to account for its dental and health self-insurance programs as well as contributions and benefit payments for the District's severance benefits. These services have been included within the governmental activities in the government-wide financial statements.
- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. 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 and governmental fund statements because the District cannot use these assets to finance its operations.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

Figure 1 depicts how the various parts of this ACFR are arranged and their relationship to one another:

**Figure 1  
Organization of  
Annual Comprehensive Financial Report**

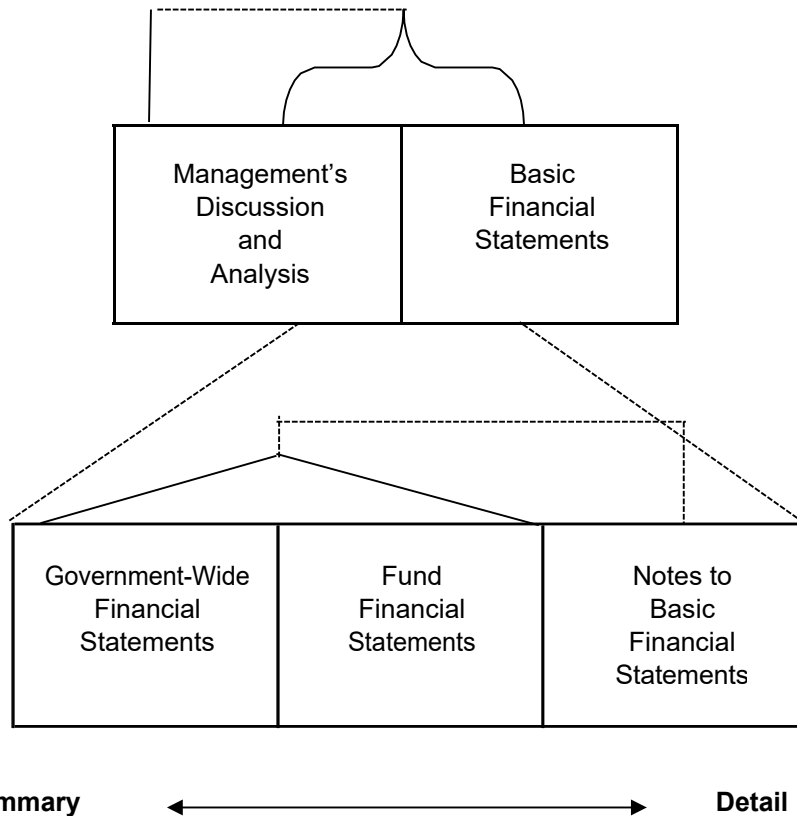


Figure 2, at the top of the next page, summarizes the major features of the District's financial statements, including portions of the District's activities covered and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

Figure 2, below, summarizes the major features of the District's financial statements, including portions of the District's activities covered and the types of information they contain.

<p style="text-align: center;"><b>Figure 2</b> <b>Major Features of the Government-Wide and Fund Financial Statements</b></p>				
	<b>Government-Wide Financial Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as building maintenance, food service, and community education	Activities of the District that operate similar to private businesses: internal service funds	Instances in which the District administers resources on behalf of someone else, such as the OPEB Trust
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>– Statement of NetPosition</li> <li>– Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>– Balance Sheet</li> <li>– Statement of Revenue, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>– Statement of NetPosition</li> <li>– Statement of Revenue, Expenses, and Changes in Fund Net Position</li> <li>– Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>– Statement of Fiduciary Net Position</li> <li>– Statement of Changes in Fiduciary NetPosition</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset/deferred outflow of resources/ liability/deferred inflow of resources information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources; both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources; both financial and capital, short-term and long-term	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources; both short-term and long-term. Funds do not currently contain capital assets, although they can
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position**

The District's financial position is the product of many factors. As indicated earlier, net position may serve over time as a useful indicator of the District's financial position. The reader needs to understand that the determination of net position includes significant assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, may produce a significant difference in the calculation of the District's net investment in capital assets.

The District's *combined* net position was a deficit of \$111,562,008 on June 30, 2021 (see Table A-1).

The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2021 reducing the District's net position to a deficit of \$111,562,008. The District's total net position was significantly impacted in fiscal 2020 by the required actuarial calculation changes included in GASB Statements related to statewide pension plans. The District had \$31,474,245 of net position that was available to meet its ongoing obligations but restricted for specific uses.

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

	Governmental Activities as of June 30,		Percentage Change
	2021	2020	
Current and Other Assets	\$ 329,895,036	\$ 281,892,612	17.03 %
Capital Assets	298,284,299	293,507,195	1.63
Total Assets	<u>628,179,335</u>	<u>575,399,807</u>	9.17
Deferred Outflows of Resources	127,843,974	213,797,893	(40.20)
Current Liabilities	67,905,584	62,065,023	9.41
Long-Term Liabilities	459,459,119	436,105,769	5.35
Total Liabilities	<u>527,364,703</u>	<u>498,170,792</u>	5.86
Deferred Inflows of Resources	<u>340,220,614</u>	<u>424,285,297</u>	(19.81)
Net Position:			
Net Investment in Capital Assets	153,112,125	136,635,071	12.06
Restricted	31,474,245	22,731,361	38.46
Unrestricted	(296,148,378)	(292,624,821)	1.20
Total Net Position	<u>\$ (111,562,008)</u>	<u>\$ (133,258,389)</u>	(16.28)

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Changes in Net Position**

In Table A-2, Change in Net Position, operations are reported on a governmental-wide basis with no reference to funds.

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

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2021	2020	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 6,059,337	\$ 13,727,898	(55.86)%
Operating Grants and Contributions	120,151,777	98,694,653	21.74
Capital Grants and Contributions	5,014,416	5,176,740	(3.14)
<u>General Revenues</u>			
Property Taxes	116,483,109	95,593,616	21.85
Unrestricted State Aid	214,852,352	213,963,522	0.42
Investment Earnings	137,477	1,892,813	(92.74)
Other	142,331	841,115	(83.08)
Total Revenues	462,840,799	429,890,357	7.66
<b>Expenses</b>			
Administration	17,679,393	18,232,212	(3.03)
District Support Services	16,663,789	13,408,956	24.27
Regular Instruction	216,373,592	211,435,239	2.34
Vocational Education Instruction	5,430,687	5,653,997	(3.95)
Special Education Instruction	76,596,038	75,482,535	1.48
Instructional Support Services	22,568,796	24,594,800	(8.24)
Pupil Support Services	31,273,851	29,792,252	4.97
Sites and Buildings	30,109,325	34,725,496	(13.29)
Fiscal and Other Fixed Cost Programs	1,237,889	671,312	84.40
Food Service	10,711,362	10,922,877	(1.94)
Community Service	8,367,921	9,010,785	(7.13)
Interest and Fiscal Charges on			
Long-Term Liabilities	4,131,775	4,540,835	(9.01)
Total Expenses	441,144,418	438,471,296	0.61
<b>Change in Net Position</b>	21,696,381	(8,580,939)	
Beginning Net Position	(133,258,389)	(124,677,450)	
Ending Net Position	\$ (111,562,008)	\$ (133,258,389)	

The District's total revenues were \$462,840,799 for the year ended June 30, 2021, an increase of \$32,950,442 (7.66%) from 2019-2020 actual revenues of \$429,890,357.

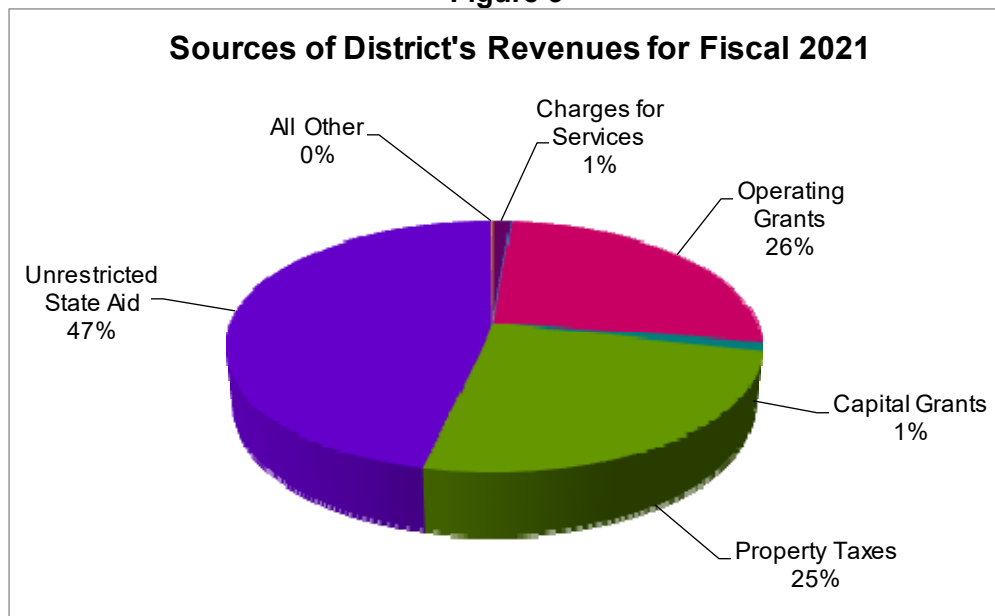
For 2020-2021, property taxes and general grants and aids accounted for 71.32% of total revenue for the year. About 27.04% of the District's revenue came from operating and capital grants. Fees and charges for services accounted for 1.31% of the total revenue, while the remaining .06% came from other general revenue, including investment income.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

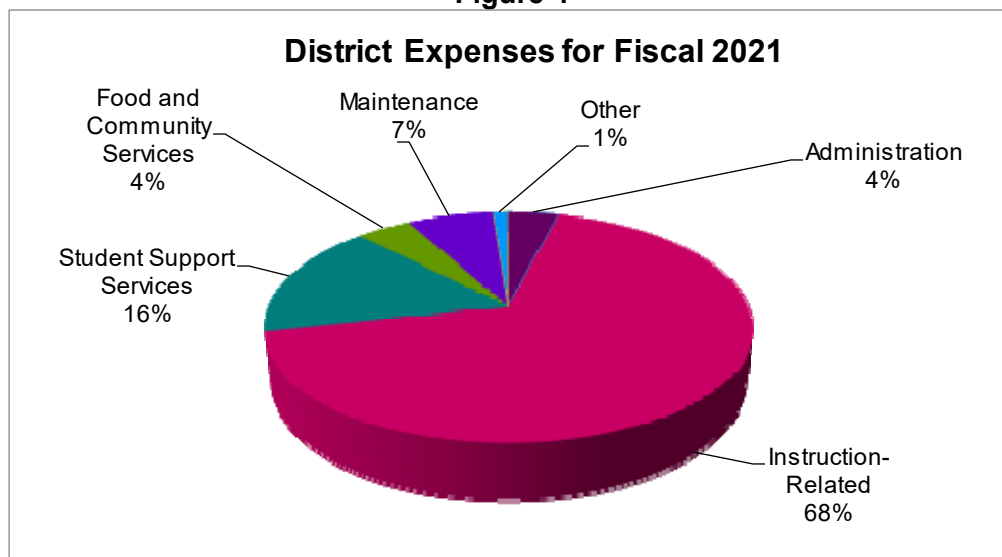
For 2020-2021, the cost of all *governmental* programs and services was \$441,144,418. This was an increase of \$2,673,122 (0.61%) from the 2019-2020 total cost of \$438,471,296.

As in past years, the bulk of the District's resources (64%) were directed to providing instructional services to our students enrolled in regular education, special education, and vocational education programs (including instructional and pupil support). The administrative activities of the District accounted for 4% of total costs for the year. Total revenues exceeded expenses, increasing the District's net position by \$21.70 million.

**Figure 3**



**Figure 4**





**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

The cost of all *governmental* activities for 2020–2021 was \$441.14 million. Of this amount, \$131.23 million was supported by “charges for services, operating grants, or capital grants” received by the schools.

- A majority of the District’s costs were paid for by state taxpayers based on the statewide education aid formula, and property taxes paid by district taxpayers.
- The federal and state governments, and other local sources, subsidized certain programs with grants and contributions totaling \$126.93 million, or 28.68%, of the total costs for 2020–2021. In addition, state and local sources subsidized general district operations with grants and contributions of \$214.85 million, or 49.23%, of the total costs for 2020–2021.
- About 1.39%, or \$6.06 million, of costs were paid by the users of the District’s programs.
- Finally, \$0.28 million of the district revenue came from investment earnings and other general revenue.

**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	\$ 17,679,393	\$ 18,232,212	(3.03)%	\$ 8,846,619	\$ 15,905,660	(44.38)%
District Support Services	16,663,789	13,408,956	24.27	8,857,724	11,415,544	(22.41)
Regular Instruction	216,373,592	211,435,239	2.34	199,445,571	193,070,343	3.30
Vocational Education Instruction	5,430,687	5,653,997	(3.95)	4,221,575	4,403,863	(4.14)
Special Education Instruction	76,596,038	75,482,535	1.48	25,357,425	27,902,995	(9.12)
Instructional Support Services	22,568,796	24,594,800	(8.24)	22,323,338	23,155,067	(3.59)
Pupil Support Services	31,273,851	29,792,252	4.97	10,778,709	9,939,495	8.44
Sites and Buildings	30,109,325	34,725,496	(13.29)	22,532,944	27,511,771	(18.10)
Fiscal and Other Fixed Cost Programs	1,237,889	671,312	84.40	1,237,889	671,312	84.40
Food Service	10,711,362	10,922,877	(1.94)	541,612	(91,351)	(692.89)
Community Service	8,367,921	9,010,785	(7.13)	1,643,707	2,446,471	(32.81)
Interest and Fiscal Charges on Long-Term Liabilities	4,131,775	4,540,835	(9.01)	4,131,775	4,540,835	(9.01)
Total	<u>\$ 441,144,418</u>	<u>\$ 438,471,296</u>	0.61	<u>\$ 309,918,888</u>	<u>\$ 320,872,005</u>	(3.41)

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is also reflected in its governmental funds. As of June 30, 2021, the District's governmental funds reported total fund balances of \$104.39 million, an increase of \$26.36 million, or 33.78%, from last year's ending total fund balances of \$78.03 million. This net increase is chiefly due to the following factors:

- In 2020-2021, actual revenues and other financing sources were \$26.36 million more than actual expenditures and other financing uses in the General Fund. This is primarily a result of the district utilizing one-time federal funds to meet evolving pandemic related needs.
- The district also issued Certificates of Participation to finance the construction of athletic turf fields at two high schools. Most of the expenditures related to the debt issuance will take place in the coming school year.

Table A-4 below shows the total fund balances of each of the District's governmental funds:

**Table A-4  
Fund Balance - All Governmental Funds**

	Year Ended		Change
	June 30, 2021	June 30, 2020	
General Fund	\$ 84,858,577	\$ 58,364,327	\$ 26,494,250
Food Service Fund	4,014,131	4,652,190	(638,059)
Community Service Fund	3,244,071	2,875,090	368,981
Capital Projects Fund	8,639,338	9,469,385	(830,047)
Debt Service Fund	3,636,775	2,669,765	967,010
Total	<u>\$ 104,392,892</u>	<u>\$ 78,030,757</u>	<u>\$ 26,362,135</u>

**GENERAL FUND**

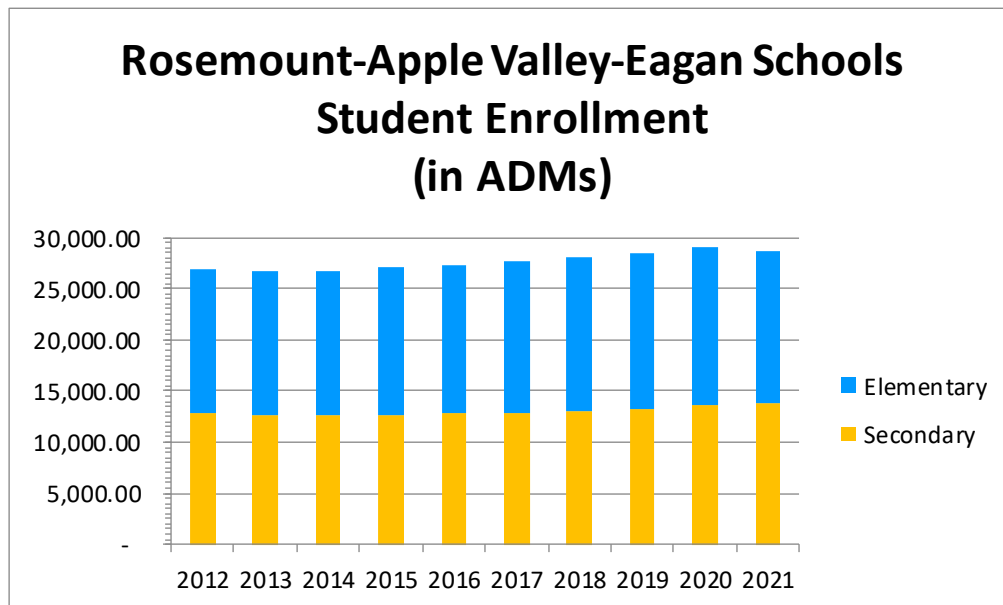
The General Fund is used by the District to record the primary operations of providing education services to students from kindergarten through Grade 12. Pupil transportation activities and capital and major maintenance projects are also included in the General Fund.

Funding for Minnesota school districts is largely driven by enrollment. Over the last five years, the District's enrollment has increased year over year. Based on the results of an updated enrollment projection reviewed by the School Board in February 2021, enrollment was projected to increase slightly over the next few years.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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YEAR ENDED JUNE 30, 2021**

The graph below (Figure 5) shows the District's actual average daily membership (ADM) over the last 10 years. ADM for 2020–2021 increased from the previous year at the kindergarten through elementary levels, as well as at the secondary level. Preliminary enrollment data for the 2021–2022 fiscal year shows an increase of 78 ADMs over the 2020–2021 total of 28,662.

**Figure 5  
Average Daily Membership (ADM)**



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre-K & KH	399	399	402	498	505	537	571	577	572	478
Reg K	1,691	1,684	1,596	1,749	1,720	1,745	1,826	1,827	1,874	1,598
Elementary	11,941	11,919	12,114	12,231	12,418	12,716	12,832	12,865	12,950	12,758
Secondary	12,856	12,639	12,658	12,570	12,735	12,792	12,949	13,294	13,570	13,827
Total Students for Aid	26,887	26,641	26,770	27,048	27,379	27,790	28,178	28,563	28,967	28,662
Percentage Change	-0.05%	-0.91%	0.48%	1.04%	1.23%	1.50%	1.40%	1.37%	1.41%	-1.05%

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The following schedule presents a summary of General Fund Revenues and Other Financing Sources.

**Table A-5  
General Fund Revenues and Other Financing Sources**

	Year Ended		Change	
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percent Change
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 96,675,912	\$ 76,087,494	\$ 20,588,418	27.1 %
Earnings on Investments	88,250	1,263,501	(1,175,251)	(93.0)
Other	6,493,442	9,608,187	(3,114,745)	(32.4)
State Sources	297,108,482	292,415,624	4,692,858	1.6
Federal Sources	24,595,310	11,229,529	13,365,781	119.0
Total Revenues	424,961,396	390,604,335	34,357,061	
<b>OTHER FINANCING SOURCES</b>				
Sale of Equipment	191,868	206,637	(14,769)	(7.1)
Capital Leases	-	649,234	(649,234)	(100.0)
Judgments for School District	46,259	25,413	20,846	82.0
Total Other Financing Sources	238,127	881,284	(643,157)	(73.0)
Total General Fund Revenues and Other Financing Sources	<u>\$ 425,199,523</u>	<u>\$ 391,485,619</u>	<u>\$ 33,713,904</u>	8.6

During 2020–2021, the District's total General Fund revenues and other financing sources increased \$34.36 million, or 8.7%, from the previous year. The increase was due to the following factors:

- An increase of \$20.588 million in property taxes due to the voter approved increase in the operating levy
- State aids for 2020-2021 were \$4.69 million more than the previous year. This increase was mainly due to the following factors:
  - 1) An increase of \$4.1 million in special education aid.
  - 2) The rest of the increase is a result of increases in the per pupil formula amount in state aid and other categorical aids.
- Federal aids for 2020-2021 were \$13.36 million more than the previous year. This increase was mainly due to \$15.73 million in federal revenue related to programs which were new in fiscal year 2021 as part of efforts to mitigate the effects of the pandemic on local education agencies.

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YEAR ENDED JUNE 30, 2021**

The following schedule presents a summary of General Fund Expenditures and Other Financing Uses.

**Table A-6  
General Fund Expenditures and Other Financing Uses**

	Year Ended		Change	
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percent Change
<b>EXPENDITURES</b>				
Salaries	\$ 249,928,248	\$ 238,237,891	\$ 11,690,357	4.9 %
Employee Benefits	89,646,395	89,318,372	328,023	0.4
Purchased Services	25,241,225	28,273,059	(3,031,834)	(10.7)
Supplies and Materials	17,886,749	15,530,854	2,355,895	15.2
Capital Expenditures	11,415,954	8,844,348	2,571,606	29.1
Debt Service	3,651,804	2,496,203	1,155,601	46.3
Other Expenditures	900,135	948,349	(48,214)	(5.1)
Total Expenditures	398,670,510	383,649,076	15,021,434	3.9
<b>OTHER FINANCING USES</b>				
Transfers Out	34,763	399,229	(364,466)	(91.3)
Total General Fund Expenditures and Other Financing Uses	<u>\$ 398,705,273</u>	<u>\$ 384,048,305</u>	<u>\$ 14,656,968</u>	3.8

Total General Fund expenditures and other financing uses increased \$16.37 million or 4.3% from the previous year. The changes in the major expenditure categories include:

Overall salaries increased by \$11.69 million which was primarily due to wage increases based on salary settlements and additional staff hired to meet students' educational needs exacerbated by the pandemic and transitions between in-person and remote learning.

Employee benefits increased \$0.33 million or 0.4% over the previous year due to the additional costs of increased staff coupled with the cost of related benefits associated with the wage settlements. The district drew funds from the Other Post Employment Benefits (OPEB) trust to cover the implicit and subsidized insurance costs during the year.

Purchased Services consist of expenditures for fees for service including transportation contracts, postage, utilities, property insurance, maintenance repairs, leases, travel, telephone, and tuition. The District's decrease of \$3.03 million or 10.7% in purchased services was partially due to a slowing of the contracted repairs and maintenance in the Long-Term Facilities Maintenance program in 2021.

Supplies and Materials increased by \$2.36 million, or 15.2%, from the previous year. This was due to reduced use of funds for discretionary supplies.

Capital expenditures increased \$2.57 million, or 29.1% from the previous year.

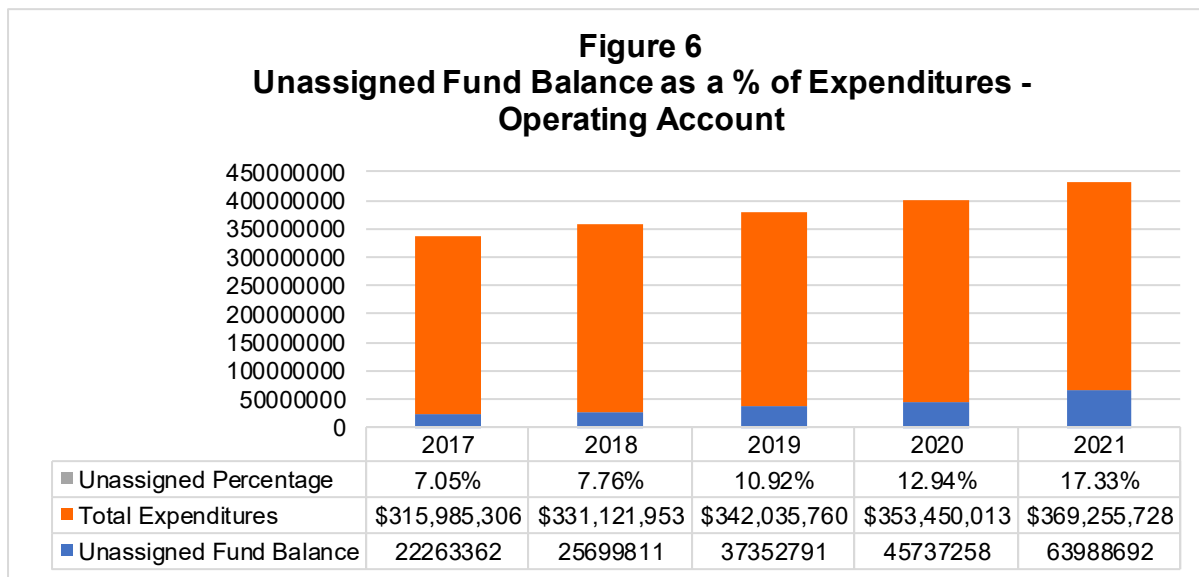
Debt service expenditures increased \$1.16 million, or 46.3% from the previous year per the debt redemption schedule.

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Other expenditures decreased \$0.05 million or 5.1%, from the previous year.

In summary, 2020-2021 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$26.36 million. After deducting statutory restrictions and internal assignments, the unassigned fund balance increased to \$63.99 million.

Figure 6 shows the General Fund – Operating Account unassigned fund balance as a percentage of expenditures.



The graph, as shown in Figure 6 above, is the single best measure of the District's overall financial health. The unassigned fund balance of \$63.99 million in the Operating Account of the General Fund at June 30, 2021 represents 17.33% of annual Operating Account expenditures, or almost nine weeks of operations, assuming level spending throughout the year.

The District is committed to continuing to provide quality instructional services to our students; the administration and School Board will continue to monitor expenditures and maintain fund balance as prescribed in School Board policy.

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YEAR ENDED JUNE 30, 2021**

**General Fund Budgetary Highlights**

The District is required to adopt an operating budget prior to the beginning of its fiscal year (July 1) and is referred to as the original budget. Over the course of the year, the District revised its annual operating budget to the appropriate levels. The budget amendments fall into two categories:

- 1) Implementing budgets for specially funded projects, which include both federal and state grants, adjusting staffing and various instructional allocations to the schools based on actual enrollment and unspent funds carried over from fiscal year 2019-2020.
- 2) Increase in appropriations for significant unbudgeted costs.

The final budget amounts, as shown in Table 7 below, include all of these adjustments and represent the District's revised estimates for 2020-2021:

**Table A-7  
General Fund Budget**

	<u>Preliminary Budget</u>	<u>Final Budget</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Revenue and Other Financing Sources	\$ 410,079,728	\$ 419,875,107	\$ 9,795,379	2.4 %
Expenditures and Other Financing Uses	<u>407,818,959</u>	<u>420,134,917</u>	<u>12,315,958</u>	3.0 %
Net Change in Fund Balance	<u>\$ 2,260,769</u>	<u>\$ (259,810)</u>	<u>\$ (2,520,579)</u>	(111.5)%

While the District's final budget for the General Fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by \$0.26 million (net loss), the actual results for the year show a net gain of \$26.49 million.

- Actual revenues and other financing sources were about \$5.08 million, or 1.21%, more than expected. The major factors that had contributed to this variance are as follows:
  - 1) State aids received during the year exceeded budget by \$1.03 million, primarily from Special education aid, which was \$4.1 million higher than anticipated. Special education aid factors in actual expenditures and prorated state appropriation, which provides a good challenge when budgeting, especially in non-normal school year.
  - 2) Federal aids received and expended after the budget cycle also contributed to the higher than budget receipts for the year.

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- Actual expenditures and other financing uses were \$21.38 million, or 5.09% less than budget. There are many factors, both positive and negative, that have contributed to the variance.
  - 1) Actual employee benefits were \$4.43 million less than budget. This was mainly due to the lower than anticipated salary expenditures.
  - 2) In 2020-2021, actual salaries were \$8.91 less than budget.
  - 3) The District spent \$8.12 million less than budgeted in the areas of purchased services and supplies and materials, and capital related expenditures. Reductions in contracted services were due to decreased in-person interactions beginning in the fall of 2020, while anticipated capital expenditures were also curtailed as a consequence of the transition to remote learning.

**Food Service Fund**

The Food Service Special Revenue Fund revenues for 2020-2021 totaled \$10.17 million and expenditures were \$10.81 million, resulting in a decrease in fund balance of \$0.64 million. The June 30, 2021 Food Service Special Revenue Fund balance was at \$4.01 million.

The 2020-2021 actual revenues were \$2.95 million, or 40.9%, more than the budgeted amount. Significant federal funding targeted at providing meals to all students was provided to the district in 2021. These revenues were not foreseen when revenue budgets were finalized.

The actual 2020-2021 Food Service Special Revenue Fund expenditures were \$3.21 million, or 42.2%, more than the budgeted amount. The variance was caused by the increase in federal aid, leading to an increased demand for meals.

Consistent with the food service comprehensive capital projects plan, the District will continue to use the accumulated fund balance to fund routine equipment purchases and major capital projects.

**Community Service Fund**

In 2020–2021, the total revenues and other financing sources for the Community Service Special Revenue Fund were \$8.53 million and the total expenditures were \$8.17 million, resulting in an increase to fund balance of \$0.37 million. The Community Service Special Revenue Fund balance as of June 30, 2021 is \$3.24 million. Of this amount, \$0.54 million is restricted for community education programs, \$1.07 million is restricted for the Early Childhood Family Education Program, \$1.12 million is restricted for the School Readiness Program, \$0.42 million is restricted for the Adult Basic Education Program, and \$.10 million is restricted for community service programs.



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YEAR ENDED JUNE 30, 2021**

**Capital Projects – Building Construction Fund**

The Capital Projects – Building Construction Fund expenditures exceeded revenues by \$10.37 million for the year ended June 30, 2021. After other financing sources of \$9.5 million from the issuance of certificates of participation, the fund had a decrease in fund balance of \$0.83 million.

**Debt Service Fund**

Revenues and expenditures for the District's Debt Service Fund are directly tied to the District's bond principal and interest payment needs. For 2020–2021, approximately 99.51% of the District's debt service revenues came from property taxes. The remaining balance came from the state in the form of agricultural market value property tax credits and interest income from short-term investments.

In 2020–2021, the District's total Debt Service Fund revenues exceeded expenditures by \$967 thousand.

The June 30, 2021 Debt Service Fund balance totaled \$3.64 million. The general debt service account had an ending balance of \$1.37 million, while the reserve for Other Post Employment Benefits (OPEB) at year-end was \$2.26 million.

**INTERNAL SERVICE FUNDS**

The District maintains three internal service funds at year-end. The Severance Benefits Internal Service Fund is used to fund severance or retirement pay for eligible retirees. For 2020–2021, the revenues for this fund include interest income from short-term investments and contributions paid from the District's governmental funds. The severance payable liabilities for the District on June 30, 2021 totaled \$14.33 million, and the net position of the fund was a deficit \$3.72 million.

The Self-Insured Dental Benefits Internal Service Fund was established to report all activities related to the District's self-insured dental benefits plan. This plan covers all nonbargained staff, as well as principals, building chiefs, and vehicle technicians. The total contributions (both district and employee) for 2020–2021 totaled \$0.46 million, and claims paid or accrued totaled \$0.44 million, resulting in net position increasing \$0.016 million to \$0.30 million at year-end.

The Self-Insured Health Benefits Internal Service Fund was established to report all activities related to the District's self-insured health benefits plan, which covers all district employees. The total contributions (both district and employee) to the plan for 2020–2021 totaled \$58.33 million, and claims paid or accrued totaled \$55.33 million, resulting in net position increasing \$3.00 million to \$21.07 million at year-end.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At year-end, the District has net capital assets of \$298.99 million representing a broad range of capital assets, including school buildings; athletic facilities; and computer, audio-visual, and other equipment for instructional programs (see Table 8). Total depreciation expense for the year was \$15.38 million.

During 2020–2021, the District invested a total of \$2.53 million in furniture and equipment and \$18.53 million in buildings and construction in progress. The majority of the capital investment can be attributed to major maintenance and building improvement projects funded by proceeds from the Series 2016A General Obligation Building Construction Bond, which were used to fund several projects across the district.

**Table A-8  
Capital Assets**

	2021	2020	Percentage Change
Land	\$ 11,966,353	\$ 11,966,353	- %
Construction in Progress	16,033,473	31,226,033	(48.7)
Land Improvements	16,545,781	15,808,864	4.7
Buildings and Improvements	477,658,761	451,547,981	5.8
Equipment	59,819,727	59,275,451	0.9
Less: Accumulated Depreciation	(283,739,796)	(276,317,487)	2.7
Total General Fund Expenditures	<u>\$ 298,284,299</u>	<u>\$ 293,507,195</u>	1.6

**Long-Term Liabilities**

At year-end, the District had \$151.93 million in bonds, refunding bonds, and certificates of participation outstanding, including unamortized premiums and discounts. This is a decrease of \$5.89 million from the previous year, as shown in Table A-9.

- Outstanding bonds and certificates of participation show a decrease of \$4.7 million, due to the District continuing to make required scheduled payments.
- Premiums and discounts on bonds show a net decrease of \$1.21 million, mostly due to amortization.
- During 2020-2021, the District also retired \$0.4 million of existing capital lease principal.
- The District's liabilities for various long-term employee benefits, including pensions, severance, and compensated absences, increased \$29.7 million during 2020-2021, mainly due to the increase in the District's proportionate share of two statewide pension plan liabilities.

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YEAR ENDED JUNE 30, 2021**

**Table A-9  
The District's Long-Term Liabilities**

	2021	2020	Percentage Change
General Obligation Bonds	\$ 110,985,000	\$ 122,785,000	(9.6)%
Net Bond Premium and Discount	14,748,892	15,961,911	(7.6)
Certificates of Participation Payable	26,200,000	19,075,000	37.4
Capital Leases Payable	5,711,406	6,149,919	(7.1)
Net Pension Liability	284,083,636	253,237,916	12.2
Severance Benefits Payable	14,331,501	15,598,386	(8.1)
Compensated Absences Payable	3,398,684	3,297,637	3.1
Total Long-Term Liabilities	<u>\$ 459,459,119</u>	<u>\$ 436,105,769</u>	5.4
Long-Term Liabilities:			
Due Within One Year	\$ 14,813,682	\$ 14,375,901	
Due in More Than One Year	444,645,437	421,729,868	
Total	<u>\$ 459,459,119</u>	<u>\$ 436,105,769</u>	

### **Bond Ratings**

The District's general obligation bonds carry a rating of Aa1, upgraded by Moody's Investors Services in April 2010, and reconfirmed in March 2021 during the preparation for the sale of the 2021 Certificates of Participation.

### **Limitation on Debt**

The state limits the amount of general obligation debt the District can issue up to 15% of actual market value of all taxable property within the District's boundaries. The estimated market value of all taxable property is \$20.35 billion for calendar year 2021 and the District's debt limit is \$3.05 billion.

The District's outstanding debt is significantly below this limit. The District's outstanding debt as of June 30, 2021 is \$124.63 million. The amount that is applicable to the debt limit calculation is \$120.99 million (total outstanding debt less Debt Service Fund balance).

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

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

With the exception of the voter-approved operating referendum and building bond referendum, the District is dependent on the state of Minnesota for a majority of its revenue. District voters approved an operating levy increase in the 2019 election, providing additional funding to the district beginning in the fiscal year 2020-2021.

Since 2011–2012 school year, the state has provided annual increases to the per pupil unit funding for basic general education aid. The basic general education formula allowance for the 2020-2021 school year was \$6,567, representing a 2% increase from the 2019-2020 fiscal year.

The District welcomes additional funding to meet the growing needs of students in the district. Education communities across the state note the imbalance in the funding levels in comparison to the changes in inflationary, hence the growing requests for additional property tax increases through operating referenda across the state.

The administration appreciates the continued support from the community and is committed to continuing to monitor its spending and striving to maintain sustainable operations while delivering a high standard of education and engagement in academics, athletics, and the arts.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Independent School District No. 196, Rosemount – Apple Valley – Eagan Public Schools, 3455 – 153rd Street West, Rosemount, Minnesota 55068.

## **BASIC FINANCIAL STATEMENTS**



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Governmental Activities <u>2021</u>
<b>ASSETS</b>	
Cash and Investments	\$ 195,582,486
Cash with Fiscal Agent	14,017,920
Receivables:	
Current Taxes	65,226,763
Delinquent Taxes	502,664
Other Governments	39,800,750
Accounts and Interest	4,000,083
Prepaid Items	82,497
Inventories	1,038,330
Net OPEB Prepaid Asset	9,643,543
Capital Assets:	
Capital Assets Not Being Depreciated	27,999,826
Other Capital Assets, Net of Depreciation	<u>270,284,473</u>
Total Assets	628,179,335
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Pensions	126,788,108
Deferred Outflows - OPEB	<u>1,055,866</u>
Total Deferred Outflows	127,843,974
<b>LIABILITIES</b>	
Salaries Payable	42,762,494
Accounts and Contracts Payable	11,293,819
Accrued Interest	2,254,098
Due to Other Governmental Units	633,761
Unearned Revenue	10,961,412
Long-Term Liabilities:	
Net Pension Liability	284,083,636
Portion Due Within One Year	14,813,682
Portion Due in More Than One Year	<u>160,561,801</u>
Total Liabilities	527,364,703
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	117,725,665
Deferred Inflows - Pensions	214,271,069
Deferred Inflows - Other Postemployment Benefits	<u>8,223,880</u>
Total Deferred Inflows of Resources	<u>340,220,614</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	153,112,125
Restricted for:	
General Fund Operating Capital Purposes	3,908,082
State-Mandated Restrictions	9,185,398
Food Service	4,014,131
Community Service	3,252,791
Debt Service	1,470,300
Other Postemployment Benefits	9,643,543
Unrestricted	<u>(296,148,378)</u>
Total Net Position	<u><u>\$ (111,562,008)</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

2021					Net (Expense)
					Revenue and
					Change in
					Net Position
Functions	Expenses	Program Revenues			Total
		Charges for	Operating	Capital	Governmental
		Services	Grants and	Grants and	Activities
			Contributions	Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					
Administration	\$ 17,679,393	\$ 25	\$ 8,809,820	\$ 22,929	\$ (8,846,619)
District Support Services	16,663,789	10,911	7,161,075	634,079	(8,857,724)
Regular Instruction	216,373,592	2,220,978	13,431,165	1,275,878	(199,445,571)
Vocational Education Instruction	5,430,687	-	1,168,400	40,712	(4,221,575)
Special Education Instruction	76,596,038	1,333,551	49,903,776	1,286	(25,357,425)
Instructional Support Services	22,568,796	7,812	231,954	5,692	(22,323,338)
Pupil Support Services	31,273,851	139,857	20,178,179	177,106	(10,778,709)
Sites and Buildings	30,109,325	-	4,719,647	2,856,734	(22,532,944)
Fiscal and Other Fixed Cost Programs	1,237,889	-	-	-	(1,237,889)
Food Service	10,711,362	95,744	10,074,006	-	(541,612)
Community Service	8,367,921	2,250,459	4,473,755	-	(1,643,707)
Interest and Fiscal Charges on					
Long-Term Liabilities	4,131,775	-	-	-	(4,131,775)
Total School District	<u>\$ 441,144,418</u>	<u>\$ 6,059,337</u>	<u>\$ 120,151,777</u>	<u>\$ 5,014,416</u>	<u>(309,918,888)</u>
<b>GENERAL REVENUES</b>					
Property Taxes Levied for:					
General Purposes					96,748,853
Community Service					1,785,616
Debt Service					17,948,640
State Aid Not Restricted to Specific Purposes					214,852,352
Earnings on Investments					137,477
Miscellaneous					142,331
Total General Revenues					<u>331,615,269</u>
<b>CHANGE IN NET POSITION</b>					<u>21,696,381</u>
Net Position - Beginning					<u>(133,258,389)</u>
<b>NET POSITION - ENDING</b>					<u><u>\$ (111,562,008)</u></u>

See accompanying Notes to Basic Financial Statements.



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**  
**(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)**

	Major Funds					Total Governmental	
	General	Food Service	Community Service	Capital Projects	Debt Service	Funds	
						2021	2020
<b>ASSETS</b>							
Cash and Investments	\$ 128,406,068	\$ 4,389,440	\$ 5,110,085	\$ -	\$ 11,657,318	\$ 149,562,911	\$ 125,605,298
Cash with Fiscal Agent	180	-	-	14,017,740	-	14,017,920	9,331,094
Receivables:							
Current Property Taxes	54,751,764	-	927,977	-	9,547,022	65,226,763	63,494,879
Delinquent Property Taxes	406,321	-	8,720	-	87,623	502,664	414,845
Due from Minnesota Department of Education	28,813,163	-	351,187	-	8,158	29,172,508	29,509,256
Due from Federal through Minnesota Department of Education	9,320,206	531,501	145,443	-	-	9,997,150	6,767,004
Due from Federal Government Received Directly	64,062	-	-	-	-	64,062	333,560
Due from Other Governmental Units	342,236	-	20,156	-	204,638	567,030	356,826
Accounts and Interest Receivable	259,683	111	38,881	-	-	298,675	204,709
Due from Other Funds	7,433,788	34,018	69,888	-	-	7,537,694	-
Prepays	73,767	6,230	-	2,500	-	82,497	518,194
Inventory	573,890	464,440	-	-	-	1,038,330	1,261,964
Total Assets	<u>\$ 230,445,128</u>	<u>\$ 5,425,740</u>	<u>\$ 6,672,337</u>	<u>\$ 14,020,240</u>	<u>\$ 21,504,759</u>	<u>\$ 278,068,204</u>	<u>\$ 237,797,629</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
Liabilities:							
Salaries and Wages Payable	\$ 29,005,537	\$ 280,880	\$ 450,783	\$ -	\$ -	\$ 29,737,200	\$ 17,956,806
Payroll Deductions and Employer	12,640,262	92,005	293,027	-	-	13,025,294	19,957,483
Accounts and Contracts Payable	4,607,861	188,448	125,564	1,544,616	-	6,466,489	7,375,330
Due to Other Governmental Units	627,068	-	6,693	-	-	633,761	763,983
Due to Other Funds	-	-	-	3,836,286	-	3,836,286	-
Unearned Revenue	80,763	850,276	816,914	-	-	1,747,953	853,836
Total Liabilities	<u>46,961,491</u>	<u>1,411,609</u>	<u>1,692,981</u>	<u>5,380,902</u>	<u>-</u>	<u>55,446,983</u>	<u>46,907,438</u>
Deferred Inflows of Resources:							
Unavailable Revenue - Property Taxes Levied for Subsequent Year	98,218,739	-	1,726,565	-	17,780,361	117,725,665	112,444,589
Unavailable Revenue - Delinquent Property Taxes	406,321	-	8,720	-	87,623	502,664	414,845
Total Deferred Inflows of Resources	<u>98,625,060</u>	<u>-</u>	<u>1,735,285</u>	<u>-</u>	<u>17,867,984</u>	<u>118,228,329</u>	<u>112,859,434</u>
Fund Balance:							
Nonspendable:							
Prepays	73,767	6,230	-	2,500	-	82,497	518,194
Inventory	573,890	464,440	-	-	-	1,038,330	1,261,964
Restricted for:							
Student Activities	349,773	-	-	-	-	349,773	345,787
Adult Basic Education	-	-	415,002	-	-	415,002	452,742
Capital Projects Levy	4,964,616	-	-	-	-	4,964,616	1,742,257
Community Education	-	-	540,174	-	-	540,174	411,311
Early Childhood and Family Education	-	-	1,069,608	-	-	1,069,608	680,237
Long-Term Facility Maintenance	1,851,995	-	-	-	-	1,851,995	1,239,486
Medical Assistance	2,019,014	-	-	-	-	2,019,014	1,301,555
Operating Capital	3,908,082	-	-	-	-	3,908,082	5,443,273
Projects Funded by Certificates of Participation	-	-	-	7,056,154	-	7,056,154	6,020,489
School Readiness	-	-	1,116,243	-	-	1,116,243	1,136,511
Other Purposes	-	3,543,461	103,044	1,580,684	3,636,775	8,863,964	11,022,437
Assigned for:							
Site Carry-Over	7,128,748	-	-	-	-	7,128,748	1,271,880
Subsequent Year Budget Deficit	-	-	-	-	-	-	1,311,999
Unassigned for:							
Unassigned	63,988,692	-	-	-	-	63,988,692	43,870,635
Total Fund Balance	<u>84,858,577</u>	<u>4,014,131</u>	<u>3,244,071</u>	<u>8,639,338</u>	<u>3,636,775</u>	<u>104,392,892</u>	<u>78,030,757</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 230,445,128</u>	<u>\$ 5,425,740</u>	<u>\$ 6,672,337</u>	<u>\$ 14,020,240</u>	<u>\$ 21,504,759</u>	<u>\$ 278,068,204</u>	<u>\$ 237,797,629</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

	2021
<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 104,392,892</b>
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	11,966,353
Construction in Progress	16,033,473
Land Improvements, Net of Accumulated Depreciation	5,144,208
Buildings and Improvements, Net of Accumulated Depreciation	252,535,052
Equipment, Net of Accumulated Depreciation	12,605,213
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.	502,664
The District's net other postemployment benefits asset and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:	
Net Other Postemployment Benefits Asset	9,643,543
Deferred Inflows of Resources - Other Postemployment Benefits	(8,223,880)
Deferred Outflows of Resources - Other Postemployment Benefits	1,055,866
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(2,254,098)
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	(284,083,636)
Deferred Inflows of Resources - Pensions	(214,271,069)
Deferred Outflows of Resources - Pensions	126,788,108
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	(110,985,000)
Unamortized Premiums	(14,748,892)
Certificates of Participation Payable	(26,200,000)
Obligations Under Capital Leases	(5,711,406)
Compensated Absences Payable	(3,398,684)
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:	17,647,285
<b>Total Net Position of Governmental Activities</b>	<b>\$ (111,562,008)</b>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2021	2020
REVENUES							
Local Sources:							
Property Taxes	\$ 96,675,912	\$ -	\$ 1,784,270	\$ -	\$ 17,935,108	\$ 116,395,290	\$ 95,664,211
Earnings and Investments	88,250	3,254	3,374	4,649	7,091	106,618	1,595,266
Other	6,493,442	112,953	2,334,043	247,280	-	9,187,718	17,975,164
State Sources	297,108,482	-	3,507,924	-	81,581	300,697,987	296,520,589
Federal Sources	24,595,310	10,054,372	870,521	-	-	35,520,203	16,894,745
Total Revenues	424,961,396	10,170,579	8,500,132	251,929	18,023,780	461,907,816	428,649,975
EXPENDITURES							
Current:							
Administration	17,240,096	-	-	-	-	17,240,096	16,978,484
District Support Services	12,338,544	-	-	-	-	12,338,544	13,024,402
Elementary and Secondary Regular Instruction	189,442,516	-	-	-	-	189,442,516	179,117,976
Vocational Education Instruction	5,052,494	-	-	-	-	5,052,494	5,104,823
Special Education Instruction	77,148,300	-	-	-	-	77,148,300	76,516,745
Instructional Support Services	21,506,153	-	-	-	-	21,506,153	23,078,098
Pupil Support Services	29,228,298	-	-	-	-	29,228,298	27,564,639
Sites and Buildings	30,408,462	-	-	-	-	30,408,462	30,069,134
Fiscal and Other Fixed Cost Programs	1,237,889	-	-	-	-	1,237,889	671,312
Food Service	-	10,538,159	-	-	-	10,538,159	10,890,508
Community Service	-	-	8,164,705	-	-	8,164,705	8,606,173
Capital Outlay	11,415,954	270,479	1,209	10,623,533	-	22,311,175	15,348,232
Debt Service:							
Principal	2,903,513	-	-	-	11,800,000	14,703,513	13,251,596
Interest and Fiscal Charges	748,291	-	-	-	5,256,770	6,005,061	6,347,201
Total Expenditures	398,670,510	10,808,638	8,165,914	10,623,533	17,056,770	445,325,365	426,569,323
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES							
	26,290,886	(638,059)	334,218	(10,371,604)	967,010	16,582,451	2,080,652
OTHER FINANCING SOURCES (USES)							
Sale of Real Property	-	-	-	-	-	-	206,637
Sale of Equipment	191,868	-	-	-	-	191,868	649,234
Insurance Recovery	46,259	-	-	-	-	46,259	25,413
Issuance of Certificates of Participation	-	-	-	9,005,000	-	9,005,000	8,960,000
Premiums on Certificates of Participation	-	-	-	536,557	-	536,557	544,202
Transfers In	-	-	34,763	-	-	34,763	399,229
Transfers Out	(34,763)	-	-	-	-	(34,763)	(399,229)
Total Other Financing Sources (Uses)	203,364	-	34,763	9,541,557	-	9,779,684	10,385,486
NET CHANGE IN FUND BALANCES							
	26,494,250	(638,059)	368,981	(830,047)	967,010	26,362,135	12,466,138
FUND BALANCE							
Beginning of Year	58,364,327	4,652,190	2,875,090	9,469,385	2,669,765	78,030,757	65,564,619
End of Year	\$ 84,858,577	\$ 4,014,131	\$ 3,244,071	\$ 8,639,338	\$ 3,636,775	\$ 104,392,892	\$ 78,030,757

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	2021
<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 26,362,135</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is:	
Capital Outlays	21,066,866
Gain (Loss) on Disposal of Capital Assets	(750,863)
Proceeds from the Sales of Capital Assets	(155,600)
Depreciation Expense	(15,383,299)
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.	87,819
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.	
Principal Payments - Capital Leases	1,023,513
Capital Lease Proceeds	(585,000)
Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expense in the statement of activities is measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	(18,944,120)
In the statement of activities, certain operating expenses - compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).	(101,047)
OPEB expense in the statement of activities is measured by the change in the net OPEB liability or asset and the related deferred inflows and outflows of resources.	(1,246,476)
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 Bonds and Certificates of Participation Issued	(9,005,000)
Premium or Discount on Issued Debt	(536,557)
Repayment of Bond Principal	11,800,000
Repayment of Certificates of Participation Payable	1,880,000
Change in Accrued Interest	123,710
Amortization of Bond Premium	1,749,576
Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.	4,310,724
Total	<u><u>\$ 21,696,381</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL 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>
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 96,348,803	\$ 96,397,724	\$ 96,675,912	\$ 278,188
Earnings and Investments	4,000	4,000	88,250	84,250
Other	6,472,370	6,643,903	6,493,442	(150,461)
State Sources	297,048,264	296,074,146	297,108,482	1,034,336
Federal Sources	10,206,291	20,755,334	24,595,310	3,839,976
Total Revenues	<u>410,079,728</u>	<u>419,875,107</u>	<u>424,961,396</u>	<u>5,086,289</u>
<b>EXPENDITURES</b>				
Current:				
Administration	17,108,491	17,290,543	17,240,096	(50,447)
District Support Services	14,883,569	16,051,674	12,338,544	(3,713,130)
Elementary and Secondary				
Regular Instruction	195,180,196	200,211,124	189,442,516	(10,768,608)
Vocational Education Instruction	5,448,336	5,303,500	5,052,494	(251,006)
Special Education Instruction	81,569,593	80,793,379	77,148,300	(3,645,079)
Community Service	500	-	-	-
Instructional Support Services	20,879,960	21,745,487	21,506,153	(239,334)
Pupil Support Services	31,059,801	32,197,795	29,228,298	(2,969,497)
Sites and Buildings	23,325,410	24,997,421	30,408,462	5,411,041
Fiscal and Other Fixed Cost Programs	870,948	1,255,000	1,237,889	(17,111)
Capital Outlay	15,096,058	17,805,752	11,415,954	(6,389,798)
Debt Service:				
Principal	1,872,121	1,872,121	2,903,513	1,031,392
Interest and Fiscal Charges	523,976	523,976	748,291	224,315
Total Expenditures	<u>407,818,959</u>	<u>420,047,772</u>	<u>398,670,510</u>	<u>(21,377,262)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,260,769	(172,665)	26,290,886	26,463,551
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	-	191,868	191,868
Insurance Recovery	-	-	46,259	46,259
Transfers Out	-	(87,145)	(34,763)	52,382
Total Other Financing Sources (Uses)	<u>-</u>	<u>(87,145)</u>	<u>203,364</u>	<u>290,509</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 2,260,769</u>	<u>\$ (259,810)</u>	26,494,250	<u>\$ 26,754,060</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>58,364,327</u>	
End of Year			<u>\$ 84,858,577</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
FOOD 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>
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ 45,955	\$ 45,955	\$ 3,254	\$ (42,701)
Other - Primarily Meal Sales	6,578,065	2,960,126	112,953	(2,847,173)
State Sources	813,296	365,982	-	(365,982)
Federal Sources	5,301,241	3,846,247	10,054,372	6,208,125
Total Revenues	<u>12,738,557</u>	<u>7,218,310</u>	<u>10,170,579</u>	<u>2,952,269</u>
<b>EXPENDITURES</b>				
Current:				
Food Service	12,883,430	7,400,772	10,538,159	3,137,387
Capital Outlay	<u>300,000</u>	<u>200,000</u>	<u>270,479</u>	<u>70,479</u>
Total Expenditures	<u>13,183,430</u>	<u>7,600,772</u>	<u>10,808,638</u>	<u>3,207,866</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (444,873)</u>	<u>\$ (382,462)</u>	(638,059)	<u>\$ (255,597)</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>4,652,190</u>	
End of Year			<u>\$ 4,014,131</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,949,222	\$ 1,949,068	\$ 1,784,270	\$ (164,798)
Earnings and Investments	45,000	45,000	3,374	(41,626)
Other - Primarily Tuition and Fees	3,848,736	2,801,886	2,334,043	(467,843)
State Sources	3,423,417	3,422,561	3,507,924	85,363
Federal Sources	58,779	64,326	870,521	806,195
Total Revenues	<u>9,325,154</u>	<u>8,282,841</u>	<u>8,500,132</u>	<u>217,291</u>
<b>EXPENDITURES</b>				
Current:				
Community Service	8,928,878	8,562,303	8,164,705	(397,598)
Capital Outlay	<u>14,550</u>	<u>14,500</u>	<u>1,209</u>	<u>(13,291)</u>
Total Expenditures	<u>8,943,428</u>	<u>8,576,803</u>	<u>8,165,914</u>	<u>(410,889)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	381,726	(293,962)	334,218	628,180
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>87,145</u>	<u>87,145</u>	<u>34,763</u>	<u>(52,382)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 468,871</u>	<u>\$ (206,817)</u>	368,981	<u>\$ 575,798</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>2,875,090</u>	
End of Year			<u>\$ 3,244,071</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**INTERNAL SERVICE FUND**  
**JUNE 30, 2021**

	Governmental Activities - Internal Service Funds
	<u>2021</u>
<b>ASSETS</b>	
Cash and Investments	\$ 46,019,575
<b>LIABILITIES</b>	
Current Liabilities:	
Claims Payable - Medical	4,827,330
Severance Benefits Payable	1,564,029
Unearned Revenue	<u>9,213,459</u>
Total Current Liabilities	15,604,818
Long-Term Liabilities:	
Severance Benefits Payable	<u>12,767,472</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ 17,647,285</u></u>

See accompanying Notes to Basic Financial Statements.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2021**

	Governmental Activities - Internal Service Funds
	<u>2021</u>
<b>OPERATING REVENUES</b>	
Local Sources:	
Contributions from Governmental Funds	\$ 52,178,313
Contributions from Employees	7,724,447
Total Operating Revenues	<u>59,902,760</u>
<b>OPERATING EXPENSES</b>	
Severance Benefits	(149,674)
Self-Insured Benefits	55,772,569
Total Operating Expenses	<u>55,622,895</u>
<b>OPERATING INCOME</b>	4,279,865
<b>NONOPERATING REVENUE</b>	
Earnings on Investments	<u>30,859</u>
<b>CHANGE IN NET POSITION</b>	4,310,724
Net Position - Beginning	<u>13,336,561</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 17,647,285</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2021**

	Governmental Activities - Internal Service Funds
	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Assessments Made to Other Funds	\$ 52,178,313
Receipts from Employee Contributions	8,089,194
Payments for Severance, OPEB, and Self-Insured Claims	<u>(55,993,515)</u>
Net Cash Provided by Operating Activities	4,273,992
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>30,859</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,304,851
Cash and Cash Equivalents - Beginning	<u>41,714,724</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u><u>\$ 46,019,575</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 4,279,865
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Increase in Claims Payable	896,265
Increase in Unearned Revenue	364,747
Increase (Decrease) in Severance Benefits Payable	<u>(1,266,885)</u>
Total Adjustments	<u>(5,873)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 4,273,992</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021**

	<u>Trust Funds</u> <u>OPEB Trust</u>
<b>ASSETS</b>	
Investments	\$ 67,052,768
<b>LIABILITIES</b>	
Due to Governmental Funds	<u>3,701,408</u>
<b>NET POSITION</b>	
Restricted for Employee Benefits and OPEB	<u><u>\$ 63,351,360</u></u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2021**

	<u>Trust Funds</u> <u>OPEB Trust</u>
<b>ADDITIONS</b>	
Earnings on Investments	\$ 9,663,992
<b>DEDUCTIONS</b>	
Benefits Paid to Plan Members	<u>3,701,408</u>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	5,962,584
Net Position - Beginning of Year	<u>57,388,776</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 63,351,360</u></u>

See accompanying Notes to Basic Financial Statements.



## **NOTES TO BASIC FINANCIAL STATEMENTS**



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**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. 196 have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. 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.

**B. Financial Reporting Entity**

Independent School District No. 196 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes and is an instrumentality of the state of Minnesota established to function as an educational institution. The District is governed by a seven-member School Board elected by voters of the District to serve four-year terms.

U.S. GAAP require 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.

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

Extracurricular 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. Accordingly, the accounts and transactions for the Student Activity funds are included in these financial statements within the General Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
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 statements 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. The District has one type of fiduciary fund: the OPEB irrevocable trust. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide statements.

The Internal Service Funds are 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 funds are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service funds is charges for services in the form of health and dental insurance premiums, early retirement incentive costs, and sick pay.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**C. Basic Financial Statement Presentation (Continued)**

Operating expenses for the internal service funds include the cost of services (claims and admin costs). All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**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 the proprietary 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 U.S. GAAP. 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. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
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. The District maintains three accounts within the General Fund:

Operating Account – The Operating Account is used to account for the general operations of the District.

Pupil Transportation Account – The Pupil Transportation Account is used to account for pupil transportation activities of the District.

Capital Expenditures Accounts – The Capital Expenditures Account is used to account for the maintenance of facilities, equipment purchases, and disabled accessibility projects.

**Food Service Special Revenue Fund**

The Food Service Fund is used to account for food service revenues and expenditures, with revenue primarily coming from meal sales to students and state and federal meal reimbursements.

**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, adult or early childhood programs, or other similar services. The primary source of revenue is user fees related to these programs.

**Capital Projects – Building Construction Fund**

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
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 (Continued)**

*Major Governmental Funds (Continued)*

**Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general obligation bond principal, interest, and related costs. The District maintains a separate Other Postemployment Benefits (OPEB) account within the Debt Service Fund to account for OPEB-related debt activity. All other debt is recorded in the General Debt Service Account.

*Proprietary Fund*

**Internal Service Funds**

Internal Service Funds are used to account for the financial resources used for the District's self-insurance of the employee dental and health insurance programs as well as the District's severance benefits. As proprietary funds the internal service funds employ the economic resources measurement focus and are accounted for on the accrual basis.

*Fiduciary Funds*

**Other Postemployment Benefit Trust**

The Other Postemployment Benefit Trust Fund is used to account for resources set aside and held in an irrevocable trust arrangement for postemployment benefits.

E. Budgeting

The School Board adopted annual budgets for the General Fund (including separate budgets for the Operating, Pupil Transportation, and Capital Expenditure Accounts), Food Service Special Revenue, Community Service Special Revenue, Capital Projects – Building Construction, and Debt Service Funds (including separate budgets for the General Account and OPEB Account). The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. All appropriations lapse at year-end. Actual expenditures for the year ended June 30, 2021 exceeded budgeted amounts in the following funds:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Food Service Fund	\$ 7,600,772	\$ 10,808,638	\$ 3,207,866
Capital Projects Fund	9,000,000	10,623,533	1,623,533

Management and the School Board determined these budget overages to be necessary to the operations of the School District.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**F. Cash and Investments**

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Earnings from the investments of the Capital Projects – Building Construction Fund, the Debt Service Fund, and all trust funds are allocated directly to those funds/accounts.

Cash and investments include balances held in segregated accounts established for specific purposes. In the Capital Projects – Building Construction Fund, this represents capital lease proceeds held by a trustee available for the renovation of an elementary school.

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 equivalent. The proprietary funds' equity in the government-wide cash and investment management pool is considered to be cash equivalent.

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

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

**G. Accounts Receivable**

Accounts receivable represent amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. The only receivables not expected to be fully collected within one year are delinquent property taxes receivable.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method, 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. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

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.

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$3,739,750 of the property tax levy collectible in 2022 as revenue to the District in fiscal year 2020–2021. The remaining portion of the taxes collectible in 2022 is recorded as a deferred inflow of resources (property taxes levied for the subsequent year).

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

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

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since assets are generally sold for an immaterial amount or scrapped when no longer fit or needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for furniture and equipment. Land and construction in progress are not depreciated.

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

**L. Long-Term Obligations**

In the government-wide 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 as a component of interest expense over the life of the bonds using the straight-line 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.

**M. Compensated Absences**

Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation upon termination. Unused sick leave enters into the calculation of certain termination payments for some employees. Compensated absences are accrued in governmental fund financial statements only when used or matured prior to year-end due to employee termination or similar circumstances and are paid by the General Fund and special revenue funds. Unused vacation pay is accrued when incurred in the government-wide financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**N. Severance Benefits**

The District provides lump sum severance benefits to eligible employees in accordance with provisions of certain collectively bargained contracts. Eligibility is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. Severance benefits for any individual cannot exceed one year's salary.

Members of certain employee groups may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan established under Internal Revenue Code (IRC) Section 403(b). The amount of any severance benefits due to an individual is reduced by the total matching contributions made by the District to such a plan over the course of that individual's employment. If the District's 403(b) matching contributions for an individual employee exceed the severance benefits due that individual, the excess would then reduce any OPEB (described later in these notes) earned by that individual.

Severance benefits are required to be paid out within 30 days following the effective date of retirement. Severance benefits for eligible teachers are paid into a post-retirement, healthcare savings plan administered by the Minnesota State Retirement System. For other employees, severance benefits are paid into a pay deferral plan or healthcare savings plan as directed by the individual retirees.

The District has established a separate Internal Service Fund to account for its severance benefits liability. Severance benefits payable, along with any related benefit costs, are accrued in the government-wide and proprietary fund financial statements as they are earned, and it becomes probable they will vest at some point in the future.

**O. 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.

TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Minneapolis School District. This direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association (DTRFA) in 2015. PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into PERA. Additional information can be found in Note 6.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**P. Other Postemployment Benefits Payable**

The District operates and administers a single employer defined benefit other postemployment benefit plan (the Plan) that provides health insurance to eligible employees and their spouses through the District's self-insured health insurance plan. There are 3,536 active participants and 217 retired participants. Benefit and eligibility provisions are established through contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The Plan does not issue a publicly available financial report. See Note 7 for further information.

**Q. Risk Management**

1. General Insurance – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which it carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage in fiscal year 2021.
2. Self-Insurance – The District has established two internal service funds to account for and finance its uninsured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plan.

The District made premium payments to the internal service funds on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

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

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

Fiscal Year Ended June 30,	Claims Payable Beginning of Year	Current Year Claims	Claim Payments	Claims Payable End of Year
2020	\$ 10,309	\$ 373,204	\$ 359,607	\$ 23,906
2021	23,906	443,112	445,956	21,062



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Q. Risk Management (Continued)**

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

Fiscal Year Ended June 30,	Claims Payable Beginning of Year	Current Year Claims	Claim Payments	Claims Payable End of Year
2020	\$ 3,799,872	\$ 49,922,050	\$ 49,814,763	\$ 3,907,159
2021	3,907,159	55,329,457	54,430,348	4,806,268

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

In addition to assets, the statement of financial position and balance sheet 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 then. The District has two types of items that qualify for reporting in this category as deferred outflows of resources related to pensions and other postemployment benefits. See Notes 6 and 7 for details.

In addition to liabilities, the statement of financial position and balance sheet 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 deferred inflows, two of which are related to revenue recognition. The first is property taxes levied for subsequent year. As an imposed nonexchange revenue transaction, property taxes received or reported as a receivable before the period for which the property taxes are levied are reported as a deferred inflow of resources in the government-wide financial statements and in the governmental fund financial statements. The second type of deferred inflow of resources is delinquent property taxes. Governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. Delinquent taxes not collected within 60 days after the District's year-end are considered unavailable and reported as a deferred inflow of resources in the governmental fund financial statements. The District also has deferred inflows of resources related to pensions and other postemployment benefits. See Notes 6 and 7 for details.

**S. Unearned Revenue**

Unearned revenues are those in which resources are received by the District before it has a legal claim to them. The District has reported unearned revenues for prepaid General Fund and Community Service Fund revenues and school lunch balances for students in the Food Service Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**T. 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 School Board. Those committed amounts cannot be used for any other purposes unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. The School Board passed a resolution authorizing the Superintendent or other authorized designee to establish assignments of fund balance.

*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 target of 5% of annual operating expenditures.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**U. Net Position**

Net position represents the difference between assets, deferred outflow of resources and liabilities, and deferred inflows of resources in the government-wide, Proprietary and Fiduciary Fund financial statements. Net investment in capital assets, consists of capital assets, net of accumulated 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 its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. All other net position that does not meet the definition of restricted or net investment in capital assets is presented as unrestricted.

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

**V. 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 U.S. GAAP. 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.

**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 not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. 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.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

A. Deposits (Continued)

**Custodial Credit Risk (Continued)**

The carrying value and bank balance of the District's deposits in banks at June 30, 2021 is \$43,317,484 and \$44,370,665, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

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
- Investments related to the OPEB Irrevocable Trust Fund may be invested in accordance with Minnesota Statute 356A.06.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

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

	Amortized Cost
Money Markets	\$ 14,017,920
MSDLAF+ Liquid Class	34,200
MSDLAF+ Max Class	52,487,906
MN Trust Investment Shares	67,149,822
Commercial Paper	32,577,336
Total Investments at Amortized Cost	<u>\$ 166,267,184</u>

The Minnesota School District Liquid Asset Fund is an external investment pool not registered with the Securities Exchange Commission (SEC). The Liquid Class has no redemption requirements while the Max Class may not be redeemed for at least 14 days and a 24-hour hold is placed on redemption requests. The MN Trust Investment Shares portfolio is an external investment pool, and its investments are valued at amortized cost.

**Investments Held in Other Postemployment Benefit Trust**

The following investments are held within the other postemployment benefit trust. The funds are invested in accordance with the investment policy adopted by the District for the OPEB Trust. State statute does not limit the allowable investments for OPEB trust assets.

	Fair Value
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 8,653,008
Federal Home Loan Bank	257,933
Federal Home Loan Mortgage Corp.	1,403,696
Federal National Mortgage Association	149,815
Corporate Bonds	19,827,953
Equities	31,994,879
Real Estate Investment Trusts (REITs)	222,073
Real Asset Funds	3,504,024
Total	<u>\$ 66,013,381</u>

	Amortized Cost
Money Markets	<u>\$ 1,039,387</u>

***Credit Risk and Interest Rate 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.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

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. 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 2	2 to 5		
MSDLAF+ Liquid Class	\$ 34,200	\$ -	\$ -	\$ -	\$ 34,200	AA
MSDLAF+ Max Class	52,487,906	-	-	-	52,487,906	A-1
Commercial Paper	32,577,336	32,577,336	-	-	-	P1/A1
MN Trust Investment Shares	67,149,822	-	-	-	67,149,822	AAAm
Money Markets	14,017,920	-	-	-	14,017,920	N/A
Total	<u>\$ 166,267,184</u>	<u>\$ 32,577,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,689,848</u>	

**Investments Held in Other Postemployment Benefit Trust (Continued)**

***Credit Risk and Interest Rate Risk (Continued)***

The credit ratings and average duration for the OPEB Trust assets are as follows:

Type	Total	Maturity Duration in Years			No Maturities	Rating
		Less Than 1	1 to 5	6 to 10		
U.S. Treasury Notes	\$ 8,653,008	\$ -	\$ 8,653,008	\$ -	\$ -	N/A
Federal Home Loan Bank	257,933	-	257,933	-	-	AAA/AA+
Federal Home Loan Mortgage Corp.	1,403,696	-	1,403,696	-	-	AAA/AA+
Federal National Mortgage Association	149,815	-	149,815	-	-	AAA/AA+
Corporate Bonds	19,827,953	1,315,566	18,512,387	-	-	Baa2/BBB
Equities	31,994,879	-	-	-	31,994,879	N/A
Real Estate Investment Trusts (REITs)	222,073	-	-	-	222,073	N/A
Real Asset Funds	3,504,024	-	-	-	3,504,024	N/A
Money Markets	1,039,387	-	-	-	1,039,387	N/A
Total	<u>\$ 67,052,768</u>	<u>\$ 1,315,566</u>	<u>\$ 28,976,839</u>	<u>\$ -</u>	<u>\$ 36,760,363</u>	N/A

**Custodial Credit Risk**

For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The School District's investment policy requires that brokers provide insurance to cover balances held in each investment account. As of June 30, 2021, the investment balances were fully covered by insurance for each brokerage firm.

***Concentration of Credit Risk***

The District places no limit on the amount that the District may invest in any one issuer. Currently, the District did not have investments with any issuer 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	\$ 209,600,406
Cash and Cash Equivalents - Statement of Fiduciary Net Position	67,052,768
Total Cash and Investments	<u>\$ 276,653,174</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**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 that 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 quoted 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.

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 and would use in pricing the asset.

All of the District's \$166,267,184 in investments are measured at amortized cost and are therefore not subject to fair value leveling. However, the District's OPEB Trust consists of assets measured at both fair value and amortized cost.

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

	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ 8,653,008	\$ -	\$ -	\$ 8,653,008
Federal Home Loan Bank	-	257,933	-	257,933
Federal Home Loan Mortgage Corp.	-	1,403,696	-	1,403,696
Federal National Mortgage Association	-	149,815	-	149,815
Corporate Bonds	19,827,953	-	-	19,827,953
Equities	31,994,879	-	-	31,994,879
Real Estate Investment Trusts (REITs)	-	222,073	-	222,073
Real Asset Funds	-	3,504,024	-	3,504,024
Total	<u>\$ 60,475,840</u>	<u>\$ 5,537,541</u>	<u>\$ -</u>	<u>66,013,381</u>
Investments Measured at Amortized Cost				1,039,387
Total				<u>\$ 67,052,768</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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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
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,966,353	\$ -	\$ -	\$ 11,966,353
Construction in Progress	31,226,033	18,532,030	(33,724,590)	16,033,473
Total Capital Assets, Not Being Depreciated	43,192,386	18,532,030	(33,724,590)	27,999,826
Capital Assets, Being Depreciated:				
Land Improvements	15,808,864	736,917	-	16,545,781
Buildings and Improvements	451,547,981	32,987,674	(6,876,894)	477,658,761
Furniture and Equipment	59,275,451	2,534,835	(1,990,559)	59,819,727
Total Capital Assets, Being Depreciated	526,632,296	36,259,426	(8,867,453)	554,024,269
Accumulated Depreciation for:				
Land Improvements	(11,050,439)	(351,134)	-	(11,401,573)
Buildings and Improvements	(219,431,077)	(11,855,322)	6,162,690	(225,123,709)
Furniture and Equipment	(45,835,971)	(3,176,843)	1,798,300	(47,214,514)
Total Accumulated Depreciation	(276,317,487)	(15,383,299)	7,960,990	(283,739,796)
Total Capital Assets, Being Depreciated, Net	250,314,809	20,876,127	(906,463)	270,284,473
Governmental Activities Capital Assets, Net	<u>\$ 293,507,195</u>	<u>\$ 39,408,157</u>	<u>\$ (34,631,053)</u>	<u>\$ 298,284,299</u>

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

<b>Governmental Activities</b>	
Administration	\$ 6,624
District Support Services	59,471
Regular Instruction	11,287,525
Vocational Education Instruction	2,251
Special Education Instruction	12,325
Instructional Support Services	1,258
Pupil Support Services	1,792,485
Sites and Buildings	2,088,465
Food Service	132,895
Total Depreciation Expense, Governmental Activities	<u>\$ 15,383,299</u>



**INDEPENDENT SCHOOL DISTRICT NO. 196  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 LONG-TERM LIABILITIES**

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

Issue	Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
					Due Within One Year	Total
2012C Refunding Bonds	6/7/2012	3.00% - 4.50%	\$ 24,210,000	2/1/2025	\$ 2,440,000	\$ 10,205,000
2013A Refunding Bonds	6/15/2013	2.00% - 3.00%	12,100,000	2/1/2025	1,325,000	5,670,000
2016A School Building Bonds	2/16/2016	1.00% - 5.00%	112,150,000	2/1/2030	8,440,000	95,110,000
Total General Obligation Bonds					12,205,000	110,985,000
Bond Premiums					-	14,748,892
Certificates of Participation					2,655,000	26,200,000
Capital Lease Payable					949,213	5,711,406
Severance Benefits Payable					1,564,029	14,331,501
Compensated Absences Payable					95,440	3,398,684
Total					<u>\$ 14,813,682</u>	<u>\$ 175,375,483</u>

**B. Descriptions of Long-Term Liabilities**

**General Obligation Bonds Payable**

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

**Certificates of Participation**

The District issued certificates of participation of \$2,705,000 in October 2010 to finance the purchase and renovation of a building. This debt requires semiannual principal and interest payments of varying amounts (at rates ranging from 2.0% to 3.5%) for 15 years, maturing in April 2026. These certificates are being repaid from the General Fund.

The District issued certificates of participation of \$13,710,000 in December 2013 to finance the construction of a new Early Childhood/Adult Education facility. This debt requires semiannual principal and interest payments of varying amounts (at rates ranging from 2.0% to 4.0%) for 15 years, maturing in February 2029. These certificates are being repaid from the General Fund.

The District issued certificates of participation of \$8,960,000 in May 2020 to finance the construction of artificial turf athletic fields at Eagan and Rosemount High Schools. This debt requires semiannual principal and interest payments of varying amounts (at rates ranging from 2.0% to 4.0%) for 10 years, maturing in February 2030. These certificates are being repaid from the General Fund.

The District issued certificates of participation of \$9,005,000 in March 2021 to finance the construction of artificial turf athletic fields at Apple Valley and Eastview High Schools. This debt requires semiannual principal and interest payments of varying amounts (at rates ranging from 1.4% to 3.0%) for 10 years, maturing in April 2031. These certificates are being repaid from the General Fund.

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

**B. Descriptions of Long-Term Liabilities (Continued)**

**Capital Leases**

The District has purchased various assets through capitalized lease-purchase agreements. Annual principal and interest on these leases will be paid from the General Fund.

Asset Leased	Asset Value Capitalized	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
ATP - Building	\$ 5,028,875	4.54%	6/2/2012	6/1/2027	\$ 2,275,245
Parkview Elementary School Instruments	4,200,000 140,157	2.91% 2.95%	11/25/2014 6/1/2018	2/1/2030 7/1/2021	2,759,297 28,844
Special Education Bus	903,052	2.56%	7/25/2017	7/25/2021	185,114
Equipment and Vehicles	585,000	2.18%	8/8/2020	8/1/2024	462,906

Amortization of the assets capitalized through these lease agreements is included in depreciation expense in the government-wide financial statements. The amount charged to depreciation for the year ended June 30, 2021 was \$370,096.

The assets acquired through these capital leases are reported as follows:

	Building	Furniture and Equipment	Total
Assets	\$ 9,447,320	\$ 1,546,889	\$ 10,994,209
Less: Accumulated Depreciation	(1,492,512)	(633,797)	(2,126,309)
Total	<u>\$ 7,954,808</u>	<u>\$ 913,092</u>	<u>\$ 8,867,900</u>

**C. Minimum Debt Payments**

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

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable	
	Principal	Interest	Principal	Interest
2022	\$ 12,205,000	\$ 4,713,970	\$ 2,655,000	\$ 800,131
2023	12,765,000	4,154,623	2,745,000	712,244
2024	13,350,000	3,570,620	2,830,000	621,094
2025	13,955,000	2,959,270	2,930,000	525,838
2026	10,695,000	2,318,400	3,025,000	425,713
2027-2031	48,015,000	4,132,800	12,015,000	720,128
Total	<u>\$ 110,985,000</u>	<u>\$ 21,849,683</u>	<u>\$ 26,200,000</u>	<u>\$ 3,805,148</u>

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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

C. Minimum Debt Payments (Continued)

Year Ending June 30,	Capital Lease Payable		Total	
	Principal	Interest	Principal	Interest
2022	\$ 949,213	\$ 156,955	\$ 15,809,213	\$ 5,671,056
2023	756,143	130,468	16,266,143	4,997,335
2024	777,630	108,980	16,957,630	4,300,694
2025	799,731	86,877	17,684,731	3,571,985
2026	700,378	64,139	14,420,378	2,808,252
2027-2031	1,728,311	94,776	61,758,311	4,947,704
Total	<u>\$ 5,711,406</u>	<u>\$ 642,195</u>	<u>\$ 142,896,406</u>	<u>\$ 26,297,026</u>

D. Changes in Long-Term Debt

	June 30, 2020	Additions	Retirements	June 30, 2021
Bonds Payable	\$ 122,785,000	\$ -	\$ 11,800,000	\$ 110,985,000
Unamortized Premiums	15,961,911	536,557	1,749,576	14,748,892
Certificates of Participations	19,075,000	9,005,000	1,880,000	26,200,000
Capital Lease Payable	6,149,919	585,000	1,023,513	5,711,406
Severance Benefits Payable	15,598,386	851,802	2,118,687	14,331,501
Compensated Absences Payable	3,297,637	2,695,713	2,594,666	3,398,684
Total	<u>\$ 182,867,853</u>	<u>\$ 13,674,072</u>	<u>\$ 21,166,442</u>	<u>\$ 175,375,483</u>

Governmental compensated absences and severance benefits are typically liquidated (paid) by the operating funds.

**NOTE 5 FUND BALANCES AND NET POSITION**

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 reserves is included herein since the District has specific statutory authority to levy taxes for such deficits.

Restricted and Assigned fund balances at year-end are as follows:

*Restricted for Student Activities* – Represents the resources available for the extracurricular activity funds raised by students.

*Restricted for Adult Basic Education* – Represents available resources available for activities involving Adult Basic Education.

*Restricted for Capital Projects Levy* – Represents available resources dedicated for capital projects.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 FUND BALANCES AND NET POSITION (CONTINUED)**

*Restricted for Community Education Programs* – Represents accumulated resources available to provide general community education programming.

*Restricted for Early Childhood and Family Education Programs* – Represents accumulated resources available to provide services for early childhood and family education programming.

*Restricted for Long-Term Facility Maintenance* – Represents resources available to be used for long-term facilities maintenance projects in accordance with the District's 10-year plan.

*Restricted for Medical Assistance* – Represents resources available to be used for Medical Assistance expenditures.

*Restricted for Operating Capital* – The District levies taxes and receives state aid to be used for the purchase of equipment, books, and vehicles and to purchase, rent, improve and repair school facilities as allowed by state statute. The cumulative excess of such revenues over equipment and facilities expenditures is reported as a restriction of fund balance in the General Fund.

*Restricted for Projects Funded by Certificates of Participation* – Represents resources remaining for projects funded by certificates of participation with related lease levy authority.

*Restricted for School Readiness* – Represents accumulated resources available to provide school readiness programming.

*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.

*Assigned for Site Carryover* – Represents dollars assigned for unspent site supply allocations.

*Assigned for Subsequent Year Budget Deficit* – Represents dollars assigned to fund budgeted deficits in the subsequent year.

On the statement of net position, the District presents net position representing the District's net investment in capital assets. This amount is calculated as follows:

Capital Assets, Net of Accumulated Depreciation	\$ 298,284,299
Bonds Payable at June 30	(110,985,000)
COPs Payable at June 30	(26,200,000)
Capital Leases Payable at June 30	(5,711,406)
Premiums/Discounts	(14,748,892)
Capital Related Payables	(1,544,616)
Add Back: Unspent Bond Proceeds	14,017,740
Net Investment in Capital Assets	<u><u>\$ 153,112,125</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6    DEFINED BENEFIT PENSION PLANS**

**A. Plan Description**

The District participates in the following cost-sharing multiple-employer, defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (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 IRC.

**1. General Employees Retirement Plan**

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

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

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

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

**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.

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JUNE 30, 2021**

**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

**1. General Employees Plan Benefits (Continued)**

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.

**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

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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

**2. TRA Benefits (Continued)**

*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 Statutes. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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

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

The benefit provisions state 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 Plan 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 2021 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 \$3,901,512. The District's contributions were equal to the required contributions as set by state statute.

**2. TRA Contributions**

Per Minnesota Statutes, Chapter 354 rates for the fiscal year for coordinated were 7.5% for the employee and 8.13% for the employer. Basic rates were 11.00% for the employee and 12.13% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2021 were \$15,987,210. The District's contributions were equal to the required contributions for each year as set by state statute.

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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs

**1. General Employees Fund Pension Costs**

At June 30, 2021, the District reported a liability of \$45,853,255 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$1,413,980, for a total liability of \$47,267,235 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 proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.7648% at the end of the measurement period and 0.7483% for the beginning of the period.

For the year ended June 30, 2021, the District recognized pension expense of \$1,883,212 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized \$122,370 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

At June 30, 2021, the District reported its proportionate share of the 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	\$ 418,068	\$ 173,487
Changes in Actuarial Assumptions	-	1,699,959
Net Difference Between Projected and Actual		
Earnings on Plan Investments	792,147	-
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	822,165	392,038
District Contributions Subsequent to the		
Measurement Date	3,901,512	-
Total	<u>\$ 5,933,892</u>	<u>\$ 2,265,484</u>



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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

**1. General Employees Fund Pension Costs (Continued)**

A total of \$3,901,512 reported as deferred outflows of resources related to pensions resulting from District contributions to General Employees Plan 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 General Employees Plan pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2022	\$ (2,499,404)
2023	23,908
2024	1,134,565
2025	1,107,827
2026	-
Thereafter	-

**2. TRA Pension Costs**

At June 30, 2021, the District reported a liability of \$238,230,381 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 3.2245% at the end of the measurement period and 3.3239% 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	\$ 238,230,381
State's Proportionate Share of the Net Pension	
Liability Associated with the District	19,964,267
Total	<u>\$ 258,194,648</u>

For the year ended June 30, 2021, the District recognized pension expense of \$36,909,091. It also recognized \$1,828,873 as pension expense and grant revenue for the support provided by direct aid.

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**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

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

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	\$ 4,777,473	\$ 3,611,016
Changes in Actuarial Assumptions	85,477,249	199,988,571
Net Difference Between Projected and Actual		
Earnings on Plan Investments	3,688,819	-
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	10,923,465	8,405,998
District Contributions Subsequent to the		
Measurement Date	15,987,210	-
Total	<u>\$ 120,854,216</u>	<u>\$ 212,005,585</u>

A total of \$15,987,210 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	\$ 6,203,199
2023	(70,613,197)
2024	(47,806,666)
2025	5,767,929
2026	(689,844)
Thereafter	-

The District recognized \$40,743,546 in pension expense for all of the pension plans in which it participates.

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**NOTE 6 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	General Employees Plan	TRA
Inflation	2.25% per Year	2.50%
Salary Growth	3.00% per Year	2.85% before July 1, 2028 and 3.25% thereafter
Investment Rate of Return	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan for males or females, as appropriate, with slight adjustments to fit PERA's experience. 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 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 6 years and female rates set back 5 years. Generational projection uses the MP-2015 scale. Postretirement mortality rates were based on the RP-2014 white collar annuitant table, male rates set back 3 years and female rates set back 3 years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

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NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions and plan provisions 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 2-5 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.

The following changes 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 MP-2015 scale.
- Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

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**NOTE 6 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	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 positions of the General Employees Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the TRA pension liability was 7.50%. There was no change from the prior measurement date. 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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**NOTE 6    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**G. Pension Liability Sensitivity**

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

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
General Employees Plan Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability at Different Discount Rates	\$ 73,486,863	\$ 45,853,255	\$ 23,057,749
TRA Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability at Different Discount Rates	\$ 364,728,193	\$ 238,230,381	\$ 134,002,578

**H. Pension Plan Fiduciary Net Position**

Detailed information about the General Employees Fund fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN**

**A. Plan Description**

The District operates and administers a single employer defined benefit other postemployment benefit plan (the Plan) that provides health insurance to eligible employees and their spouses through the District's self-insured health insurance plan. There are 3,453 active participants and 182 retired participants. Benefit and eligibility provisions are established through contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The Plan does not issue a publicly available financial report.

Teachers' Postemployment Health Care Savings Benefits – Eligible teachers receive at retirement an amount equal to 25 days of pay multiplied by their daily rate of pay at retirement, plus an additional \$12,000. Teachers may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan established under IRC Section 403(b). The amount of any postemployment healthcare savings plan benefits due to an individual is reduced by the total matching contributions made by the District to such a plan over the course of that individual's employment, to the extent that such 403(b) contributions exceed any severance (as described earlier in these notes) earned by the individual.

Postemployment Insurance Benefits – all retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical, dental, and/or life insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit, with some contracts specifying a certain dollar amount per month (ranging from \$182 to \$1,290), and some covering the full monthly premium costs. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**B. Funding Policy**

The District has assets designated for OPEB. These assets are in a qualified irrevocable trust which is included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 2. The District is assumed to make no future contributions to the trust. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust.

Contribution requirements are also established through contractual agreements with employee groups. 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.

**C. Net OPEB Liability (Asset) of the District**

The components of the net OPEB liability (asset) of the District at June 30, 2021 were as follows:

Total OPEB Liability	\$ 53,707,817
Plan Fiduciary Net Position	63,351,360
District's Net OPEB Liability (Asset)	<u>\$ (9,643,543)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	117.96%

**D. Actuarial Methods and Assumptions**

The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return, and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions above are not met.

The District's net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as 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.



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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**D. 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	Vary by contract group
Investment Rate of Return	5.60%
20-Year Municipal Bond Yield	2.40%
Medical Trend Rate	6.50% decreasing to 5.00% over 6 years and then to 4.00% over the next 48 year
Dental Trend Rate	4.00%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (or target allocation, if available) and by adding expected inflation (2.50%).

Best estimates of geometric real and nominal rates of return for each major asset class included in the OPEB plan's asset allocation as of the measurement date are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Fixed Income	40.00 %	2.00 %
Domestic Equity	20.00	8.00
International Equity	20.00	8.00
Real Estate	10.00	8.00
Other	10.00	8.00
Total	100.00 %	5.60
Reduced for Assumed Investment Expense		-
Net Assumed Investment Return (Weighted Avg, Rounded to 1/4%)		5.60 %

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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

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

The discount rate used to measure the total OPEB liability was 5.20%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trust's long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate of 2.40% was applied to the remaining expected benefit payments.

The expected employer asset return is based on the long-term expected return on short-term/cash-equivalent assets using our capital market assumption model.

Since the most recent GASB 75 valuation, the following changes have been made:

**Plan Changes:**

- The number of years of service required for the Superintendent and Directors/Cabinet to be eligible for direct subsidized benefits changed from 15 years to 10 years.
- The employer contributions to the Tax-Deferred Matching Plan increased for Teachers. This benefit is not included in the GASB 75 liability but is an offset to their health care savings plan lump sum under GASB 75.

**Assumption Changes:**

- 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.

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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

E. Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2019	\$ 55,008,517	\$ 57,388,776	\$ (2,380,259)
Changes for the Year:			
Service Cost	3,150,709	-	3,150,709
Interest Cost	2,929,263	-	2,929,263
Changes of Assumptions	(1,376,215)	-	(1,376,215)
Plan Changes	(183,686)	-	(183,686)
Differences Between Expected and Actual Experience	(2,119,363)	6,450,221	(8,569,584)
Contributions-Employer	-	-	-
Projected Investment Return	-	3,213,771	(3,213,771)
Net Investment Income	-	-	-
Benefit Payments	(3,701,408)	(3,701,408)	-
Administrative Expense	-	-	-
Net Changes	<u>(1,300,700)</u>	<u>5,962,584</u>	<u>(7,263,284)</u>
Balances at June 30, 2019	<u>\$ 53,707,817</u>	<u>\$ 63,351,360</u>	<u>\$ (9,643,543)</u>

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

	1% Decrease (4.6%)	Discount Rate (5.6%)	1% Increase (6.6%)
Net OPEB Liability (Asset)	\$ (6,475,828)	\$ (9,643,543)	\$ (12,650,225)

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**E. Changes in the Net OPEB Liability (Asset) (Continued)**

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% point lower (Medical 5.25% decreasing to 4.0% over six years, and Dental 3.0%) or 1% point higher (Medical 7.25% decreasing to 6.0% over six years, and Dental 5.0%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (Medical 5.50% Decreasing to 4% over 5 Years, Dental 3.00%)	Current (Medical 6.50% Decreasing to 5% over 4 Years, Dental 4.00%)	1% Increase (Medical 7.50% Decreasing to 6% over 5 Years, Dental 5.00%)
Net OPEB Liability (Asset)	\$ (6,299,637)	\$ (9,643,543)	\$ 2,144,171

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,216,963. At June 30, 2021, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	\$ -	\$ 1,910,976
Change of Assumptions	1,055,866	1,238,594
Net Difference Between Projected and Actual Investment Earnings	-	5,074,310
Contributions Between Measurement Date and Reporting Date	N/A	N/A
Total	<u>\$ 1,055,866</u>	<u>\$ 8,223,880</u>

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

<u>Year Ending June 30,</u>	<u>Future Recognition</u>
2022	\$ (1,436,039)
2023	(1,436,039)
2024	(1,434,703)
2025	(1,464,216)
2026	(174,172)
Thereafter	(1,222,845)
Total	<u>\$ (7,168,014)</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
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**NOTE 8 FLEXIBLE BENEFIT PLAN**

The District offers its employees a flexible benefit plan which is classified as a “cafeteria plan” (the Plan) under § 125 of the IRC (which includes pretax insurance premiums, unreimbursed medical expenses, and dependent care expenses). All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

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

The Plan is being administered by an independent contract administrator. The unreimbursed medical expense and dependent care expense portions of the Plan were recorded in the Employee Benefit Trust Fund. However, the health insurance premium reimbursements were accounted for in the District’s operating funds.

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

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**A. Legal Claims**

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

**B. Federal and State Receivables**

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

**C. Contract Commitments**

At June 30, 2021, the District had approximately \$7.57 million in commitments related to capital-related contracts.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 10 INTERFUND BALANCES**

The District had the following interfund transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 34,763
Special Revenue Funds:		
Community Service Fund	34,763	-
Total	<u>\$ 34,763</u>	<u>\$ 34,763</u>

The District transferred \$34,763 to the Community Service Fund to fund a shortfall in preschool screening.

In addition, the District had the following interfund balances at year-end:

	<u>Due from Other Fund</u>	<u>Due to Other Fund</u>
General Fund	\$ 7,433,788	\$ -
Special Revenue Funds:		
Food Service Fund	34,018	-
Community Service Fund	69,888	-
Capital Projects Fund	-	3,836,286
Fiduciary Funds:		
OPEB Irrevocable Trust Fund	-	3,701,408
Total	<u>\$ 7,537,694</u>	<u>\$ 7,537,694</u>

The OPEB Irrevocable Trust Fund owed \$3,597,502 to the General Fund, \$34,018 to the Food Service Fund, and \$69,888 to the Community Service Fund for other postemployment benefits paid by each respective fund. In addition, the Capital Projects fund owes the General fund \$3,836,286 for eliminating the negative cash balance in the Capital Projects Fund.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET)  
AND RELATED RATIOS  
JUNE 30, 2021**

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service Cost	\$ 3,150,709	\$ 3,167,572	\$ 3,075,313	\$ 2,665,745
Interest	2,929,263	2,810,239	2,847,687	2,777,088
Changes of Benefit Terms	(183,686)	-	(179,505)	-
Differences Between Expected and Actual Experience	(2,119,363)	-	(5,324)	-
Changes of Assumptions	(1,376,215)	-	1,583,799	-
Benefit Payments	(3,701,408)	(3,643,391)	(4,783,071)	(4,405,513)
<b>Net Change in Total OPEB Liability</b>	<b>(1,300,700)</b>	<b>2,334,420</b>	<b>2,538,899</b>	<b>1,037,320</b>
Total OPEB Liability - Beginning	55,008,517	52,674,097	50,135,198	49,097,878
<b>Total OPEB (Asset)Liability - Ending (a)</b>	<b>\$ 53,707,817</b>	<b>\$ 55,008,517</b>	<b>\$ 52,674,097</b>	<b>\$ 50,135,198</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ -	\$ 3,643,391	\$ 2,283,071	\$ 58,362,417
Net Investment Income	9,663,992	2,903,606	3,028,266	-
Benefit Payments	(3,701,408)	(3,643,391)	(4,783,071)	(4,405,513)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>5,962,584</b>	<b>2,903,606</b>	<b>528,266</b>	<b>53,956,904</b>
Plan Fiduciary Net Position - Beginning	57,388,776	54,485,170	53,956,904	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 63,351,360</b>	<b>\$ 57,388,776</b>	<b>\$ 54,485,170</b>	<b>\$ 53,956,904</b>
<b>District's Net OPEB Liability - Ending (a) - (b)</b>	<b>\$ (9,643,543)</b>	<b>\$ (2,380,259)</b>	<b>\$ (1,811,073)</b>	<b>\$ (3,821,706)</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	117.96%	104.33%	103.44%	107.62%
Covered-Employee Payroll	\$ 235,401,395	\$ 221,133,728	\$ 214,673,522	\$ 207,060,884
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	(4.10)%	(1.08)%	(0.84)%	(1.85)%
	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	N/A	N/A	N/A	N/A
Contributions in Relation to the ADC	N/A	N/A	N/A	N/A
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A
Covered-Employee Payroll	\$ 235,401,395	\$ 221,133,728	\$ 214,673,522	\$ 207,060,884
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

\* The District implemented GASB Statement Nos. 74 and 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN  
ON PLAN ASSETS – OPEB  
JUNE 30, 2021**

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2018	8.50%
2019	5.60%
2020	5.60%
2021	5.60%

\* The District implemented GASB Statement Nos. 74 and 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
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	3.2245%	3.3239%	3.1910%	3.1521%	3.1503%	3.1326%	3.3358%
District's Proportionate Share of the Net Pension Liability	\$ 238,230,381	\$ 211,866,085	\$ 200,421,836	\$ 629,216,339	\$ 751,421,716	\$ 193,782,291	\$ 153,711,262
State's Proportionate Share of the Net Pension Liability							
Associated with District	19,964,267	18,749,509	18,830,184	60,824,265	75,422,961	23,768,953	10,813,476
Total	<u>\$ 258,194,648</u>	<u>\$ 230,615,594</u>	<u>\$ 219,252,020</u>	<u>\$ 690,040,604</u>	<u>\$ 826,844,677</u>	<u>\$ 217,551,244</u>	<u>\$ 164,524,738</u>
District's Covered Payroll	\$ 187,364,672	\$ 188,698,314	\$ 178,260,773	\$ 169,205,267	\$ 164,204,850	\$ 159,010,347	\$ 152,270,353
District's Proportionate Share of the Net Pension Liability (Asset)							
as a Percentage of its Covered Payroll	127.15%	112.28%	112.43%	371.87%	457.61%	121.87%	100.95%
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%

\* The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
TRA SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
LAST SEVEN FISCAL YEARS\***

	Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 15,987,210	\$ 14,839,282	\$ 14,548,640	\$ 13,369,558	\$ 12,690,395	\$ 12,315,364	\$ 11,925,776
Contributions in Relation to the Statutorily Required Contribution	(15,987,210)	(14,839,282)	(14,548,640)	(13,369,558)	(12,690,395)	(12,315,364)	(11,925,776)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 196,644,649	\$ 187,364,672	\$ 188,698,314	\$ 178,260,773	\$ 169,205,267	\$ 164,204,850	\$ 159,010,347
Contributions as a Percentage of Covered Payroll	8.13%	7.92%	7.71%	7.50%	7.50%	7.50%	7.50%

\* The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GERF 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	0.7648%	0.7483%	0.7609%	0.7588%	0.7610%	0.7836%	0.8558%
District's Proportionate Share of the Net Pension Liability	\$ 45,853,255	\$ 41,371,831	\$ 42,211,612	\$ 48,441,291	\$ 61,789,425	\$ 40,610,219	\$ 40,201,196
State's Proportionate Share of the Net Pension Liability Associated with the District	1,413,980	1,285,874	1,384,512	609,138	806,952	-	-
Total	<u>\$ 47,267,235</u>	<u>\$ 42,657,705</u>	<u>\$ 43,596,124</u>	<u>\$ 49,050,429</u>	<u>\$ 62,596,377</u>	<u>\$ 40,610,219</u>	<u>\$ 40,201,196</u>
District's Covered Payroll	\$ 54,420,467	\$ 52,812,080	\$ 51,294,453	\$ 48,849,901	\$ 47,231,887	\$ 46,021,245	\$ 44,913,931
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	84.26%	78.34%	82.29%	99.16%	130.82%	88.24%	89.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.10%	80.23%	78.07%	75.90%	68.90%	78.20%	78.70%

\* The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GERF SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
LAST SEVEN FISCAL YEARS\***

	Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 3,901,512	\$ 4,081,535	\$ 3,960,906	\$ 3,847,084	\$ 3,663,743	\$ 3,542,392	\$ 3,394,067
Contributions in Relation to the Statutorily Required Contribution	(3,901,512)	(4,081,535)	(3,960,906)	(3,847,084)	(3,663,743)	(3,542,392)	(3,394,067)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 52,020,160	\$ 54,420,467	\$ 52,812,080	\$ 51,294,453	\$ 48,849,901	\$ 47,231,887	\$ 46,021,245
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.38%

\* The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO SUPPLEMENTARY INFORMATION**

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

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

**2020**

Changes in Actuarial Assumptions

- 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 2-5 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.

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.

**2019**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreased 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.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND  
ASSUMPTIONS (CONTINUED)**

**2018**

Changes in Actuarial Assumption

- 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 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50% beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017**

Changes in Actuarial Assumption

- 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.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**2016**

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- 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.

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

**2015**

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

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

**2020**

Changes in Actuarial Assumptions

- 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 5 years and female rates set back 7 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**2019**

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2018**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 8.5% to 7.5%.
- The price inflation assumption was lowered from 3.0% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the Unfunded Actuarial Accrual Liability (UAAL) was reset to June 30, 2048 (30 years).
- The mechanism in the law that provided the TRA Board with some authority is set contribution rates was eliminated.

Changes in Plan Provisions

- 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 5 years, (7.92% in 2019, 8.13% in 2020, 8.34% 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.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND  
ASSUMPTIONS (CONTINUED)**

**2017**

Changes in Actuarial Assumptions

- The cost-of-living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the nonvested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2016**

Changes in Actuarial Assumptions

- The cost-of-living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 6 years, and female rates set back 5 years. Generational projection uses the MP-2015 scale.
- The postretirement mortality assumption was changed to the RP-2014 white collar annuitant table, male rates set back 3 years and female rates set back 3 years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustments.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NOTES TO SUPPLEMENTARY INFORMATION**

**CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND  
ASSUMPTIONS (CONTINUED)**

**2015**

Changes in Actuarial Assumptions

- The cost-of-living adjustment was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2037.
- The investment return assumption was changed from 8.25% to 8.0%.

Changes in Plan Provisions

- The Duluth Teachers Retirement Fund Association was merged into TRA on June 30, 2015. This also resulted in a state-provided contribution stream of \$14.377 million until the System becomes fully funded.

**2014**

Changes in Actuarial Assumptions

- The cost-of-living adjustment was assumed to increase from 2.0% annually to 2.5% annually once the legally specified criteria was met. This was estimated to occur July 1, 2031.

Changes in Plan Provisions

- The increase in the postretirement benefit adjustment (COLA) will be made once the System is 90% funded (on a market value basis) in two consecutive years, rather than just one year.



## **SUPPLEMENTARY INFORMATION**



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2021  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)**

	2021	2020
<b>ASSETS</b>		
Cash and Investments	\$ 128,406,068	\$ 104,097,109
Cash with Fiscal Agent	180	-
Receivables:		
Current Taxes	54,751,764	52,747,419
Delinquent Taxes	406,321	325,017
Accounts and Interest Receivable	259,683	202,754
Due from Minnesota Department of Education	28,813,163	29,044,271
Due from Federal Through the Minnesota Department of Education	9,320,206	6,341,401
Due from Federal Government Received Directly	64,062	333,560
Due from Other Governmental Units	342,236	262,698
Due from Other Funds	7,433,788	-
Inventory	573,890	765,137
Prepaid Items	73,767	517,694
	<hr/>	<hr/>
Total Assets	\$ 230,445,128	\$ 194,637,060
	<hr/>	<hr/>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Wages Payable	\$ 29,005,537	\$ 17,912,156
Payroll Deductions and Employer Contributions Payable	12,640,262	19,577,506
Accounts and Contracts Payable	4,607,861	4,897,049
Due to Other Minnesota School Districts	405,792	689,249
Due to Other Governmental Units	221,276	68,197
Unearned Revenue	80,763	5,385
Total Liabilities	<hr/> 46,961,491	<hr/> 43,149,542
Deferred Inflows:		
Unavailable Revenue - Property Taxes Levied for Subsequent Year	98,218,739	92,798,174
Unavailable Revenue - Delinquent Taxes	406,321	325,017
Total Deferred Inflows of Resources	<hr/> 98,625,060	<hr/> 93,123,191
Fund Balance:		
Nonspendable:		
Inventory	573,890	765,137
Prepaid Items	73,767	517,694
Restricted for:		
Student Activities	349,773	345,787
Capital Projects Levy	4,964,616	1,742,257
Long-Term Facility Maintenance	1,851,995	1,239,486
Medical Assistance	2,019,014	1,301,555
Operating Capital	3,908,082	5,443,273
Assigned for:		
Site Carry-Over	7,128,748	1,271,880
Subsequent Year Budget Deficit	-	1,311,999
Unassigned	63,988,692	44,425,259
Total Fund Balance	<hr/> 84,858,577	<hr/> 58,364,327
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 230,445,128	\$ 194,637,060
	<hr/>	<hr/>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**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 JUNE 30, 2020)**

	2021		2020	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 96,397,724	\$ 96,675,912	\$ 278,188	\$ 76,087,494
Earnings and Investments	4,000	88,250	84,250	1,263,501
Other	6,643,903	6,493,442	(150,461)	9,608,187
State Sources	296,074,146	297,108,482	1,034,336	292,415,624
Federal Sources	20,755,334	24,595,310	3,839,976	11,229,529
Total Revenues	419,875,107	424,961,396	5,086,289	390,604,335
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	11,810,328	12,114,024	303,696	11,753,768
Employee Benefits	4,451,751	4,649,289	197,538	4,588,780
Purchased Services	539,687	193,548	(346,139)	314,989
Supplies and Materials	345,254	154,694	(190,560)	135,847
Capital Expenditures	93,824	6,310	(87,514)	19,473
Other Expenditures	143,523	128,541	(14,982)	185,100
Total Administration	17,384,367	17,246,406	(137,961)	16,997,957
District Support Services:				
Salaries	7,114,078	6,425,253	(688,825)	6,438,412
Employee Benefits	3,823,419	3,234,697	(588,722)	3,123,019
Purchased Services	2,928,932	1,873,533	(1,055,399)	2,616,215
Supplies and Materials	2,135,125	1,255,055	(880,070)	1,455,077
Capital Expenditures	228,700	3,896,075	3,667,375	374,321
Other Expenditures	50,120	(449,994)	(500,114)	(608,321)
Total District Support Services	16,280,374	16,234,619	(45,755)	13,398,723
Elementary and Secondary Regular Instruction:				
Salaries	138,357,885	132,442,164	(5,915,721)	124,789,923
Employee Benefits	44,320,150	43,273,642	(1,046,508)	42,886,409
Purchased Services	5,473,584	4,592,524	(881,060)	5,695,788
Supplies and Materials	11,887,560	7,627,924	(4,259,636)	4,651,999
Capital Expenditures	3,455,794	1,936,903	(1,518,891)	1,288,630
Other Expenditures	171,945	1,506,262	1,334,317	1,093,857
Total Elementary and Secondary Regular Instruction	203,666,918	191,379,419	(12,287,499)	180,406,606



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**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 JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 3,652,933	\$ 3,585,391	\$ (67,542)	\$ 3,597,444
Employee Benefits	1,116,263	1,153,192	36,929	1,147,193
Purchased Services	336,382	132,303	(204,079)	208,085
Supplies and Materials	180,865	172,890	(7,975)	116,515
Capital Expenditures	61,160	42,133	(19,027)	83,152
Other Expenditures	17,057	8,718	(8,339)	35,586
Total Vocational Education Instruction	5,364,660	5,094,627	(270,033)	5,187,975
Special Education Instruction:				
Salaries	56,306,383	54,329,151	(1,977,232)	53,004,793
Employee Benefits	22,063,918	20,924,075	(1,139,843)	21,308,449
Purchased Services	1,406,557	901,947	(504,610)	1,273,122
Supplies and Materials	1,001,521	985,791	(15,730)	918,453
Capital Expenditures	332,482	241,393	(91,089)	232,454
Other Expenditures	15,000	7,336	(7,664)	11,928
Total Special Education Instruction	81,125,861	77,389,693	(3,736,168)	76,749,199
Community Service:				
Salaries	-	-	-	61,422
Employee Benefits	-	-	-	28,834
Purchased Services	-	-	-	68,530
Supplies and Materials	-	-	-	24,126
Total Community Service	-	-	-	182,912
Instructional Support Services:				
Salaries	11,804,710	14,259,172	2,454,462	13,766,518
Employee Benefits	4,132,911	4,394,647	261,736	4,432,149
Purchased Services	826,852	406,035	(420,817)	437,458
Supplies and Materials	4,876,770	2,354,549	(2,522,221)	4,267,226
Capital Expenditures	3,650	4,097	447	19,264
Other Expenditures	104,244	91,750	(12,494)	174,747
Total Instructional Support Services	21,749,137	21,510,250	(238,887)	23,097,362

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**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 JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Salaries	\$ 16,586,300	\$ 16,499,901	\$ (86,399)	\$ 14,634,814
Employee Benefits	8,561,333	7,748,249	(813,084)	7,277,084
Purchased Services	4,255,410	3,065,352	(1,190,058)	3,688,756
Supplies and Materials	2,788,552	1,913,119	(875,433)	1,913,800
Capital Expenditures	1,649,415	1,649,256	(159)	1,601,719
Other Expenditures	6,200	1,677	(4,523)	50,185
Total Pupil Support Services	33,847,210	30,877,554	(2,969,656)	29,166,358
Sites and Buildings:				
Salaries	10,155,227	10,273,192	117,965	10,190,797
Employee Benefits	4,926,403	4,268,604	(657,799)	4,526,455
Purchased Services	7,134,601	12,838,094	5,703,493	13,298,804
Supplies and Materials	2,781,190	3,422,727	641,537	2,047,811
Capital Expenditures	11,980,727	3,639,787	(8,340,940)	5,225,335
Other Expenditures	-	(394,155)	(394,155)	5,267
Total Sites and Buildings	36,978,148	34,048,249	(2,929,899)	35,294,469
Fiscal and Other Fixed Costs:				
Purchased Services	1,255,000	1,237,889	(17,111)	671,312
Debt Service:				
Principal	1,872,121	2,903,513	1,031,392	1,921,596
Interest and Fiscal Charges	523,976	748,291	224,315	574,607
Total Debt Service	2,396,097	3,651,804	1,255,707	2,496,203
Total Expenditures	420,047,772	398,670,510	(21,377,262)	383,649,076
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	(172,665)	26,290,886	26,463,551	6,955,259

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**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 JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Real Property	\$ -	\$ -	\$ -	\$ 206,637
Sale of Equipment	-	191,868	191,868	649,234
Insurance Recovery	-	46,259	46,259	25,413
Transfers Out	(87,145)	(34,763)	52,382	(399,229)
Total Other Financing Sources (Uses)	(87,145)	203,364	290,509	482,055
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (259,810)</u>	26,494,250	<u>\$ 26,754,060</u>	7,437,314
<b>FUND BALANCE</b>				
Beginning of Year		58,364,327		50,927,013
End of Year		<u>\$ 84,858,577</u>		<u>\$ 58,364,327</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BY ACCOUNT  
YEAR ENDED JUNE 30, 2021**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 93,131,276	\$ -	\$ 3,544,636	\$ 96,675,912
Earnings and Investments	88,250	-	-	88,250
Other	6,410,770	76,672	6,000	6,493,442
State Sources	271,454,195	20,645,871	5,008,416	297,108,482
Federal Sources	24,595,310	-	-	24,595,310
Total Revenues	395,679,801	20,722,543	8,559,052	424,961,396
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	12,114,024	-	-	12,114,024
Employee Benefits	4,649,289	-	-	4,649,289
Purchased Services	187,104	-	6,444	193,548
Supplies and Materials	131,527	-	23,167	154,694
Capital Expenditures	810	-	5,500	6,310
Other Expenditures	128,541	-	-	128,541
Total Administration	17,211,295	-	35,111	17,246,406
District Support Services:				
Salaries	5,357,257	-	1,067,996	6,425,253
Employee Benefits	2,710,395	-	524,302	3,234,697
Purchased Services	1,585,338	-	288,195	1,873,533
Supplies and Materials	740,496	-	514,559	1,255,055
Capital Expenditures	3,853,976	-	42,099	3,896,075
Other Expenditures	(449,994)	-	-	(449,994)
Total District Support Services	13,797,468	-	2,437,151	16,234,619
Elementary and Secondary Regular Instruction:				
Salaries	132,442,164	-	-	132,442,164
Employee Benefits	43,273,642	-	-	43,273,642
Purchased Services	4,484,822	-	107,702	4,592,524
Supplies and Materials	6,318,976	-	1,308,948	7,627,924
Capital Expenditures	1,409,700	-	527,203	1,936,903
Other Expenditures	1,506,262	-	-	1,506,262
Total Elementary and Secondary Regular Instruction	189,435,566	-	1,943,853	191,379,419

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BY ACCOUNT (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 3,585,391	\$ -	\$ -	\$ 3,585,391
Employee Benefits	1,153,192	-	-	1,153,192
Purchased Services	132,303	-	-	132,303
Supplies and Materials	162,431	-	10,459	172,890
Capital Expenditures	20,926	-	21,207	42,133
Other Expenditures	8,718	-	-	8,718
Total Vocational Education Instruction	5,062,961	-	31,666	5,094,627
Special Education Instruction:				
Salaries	54,329,151	-	-	54,329,151
Employee Benefits	20,924,075	-	-	20,924,075
Purchased Services	901,947	-	-	901,947
Supplies and Materials	985,791	-	-	985,791
Capital Expenditures	241,393	-	-	241,393
Other Expenditures	7,336	-	-	7,336
Total Special Education Instruction	77,389,693	-	-	77,389,693
Instructional Support Services:				
Salaries	14,047,935	-	211,237	14,259,172
Employee Benefits	4,284,527	-	110,120	4,394,647
Purchased Services	406,035	-	-	406,035
Supplies and Materials	1,716,429	-	638,120	2,354,549
Capital Expenditures	1,132	-	2,965	4,097
Other Expenditures	91,750	-	-	91,750
Total Instructional Support Services	20,547,808	-	962,442	21,510,250

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BY ACCOUNT (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Salaries	\$ 7,788,933	\$ 8,710,968	\$ -	\$ 16,499,901
Employee Benefits	2,905,173	4,843,076	-	7,748,249
Purchased Services	317,913	2,747,439	-	3,065,352
Supplies and Materials	65,975	1,847,144	-	1,913,119
Capital Expenditures	224,614	1,422,852	1,790	1,649,256
Other Expenditures	1,120	557	-	1,677
Total Pupil Support Services	11,303,728	19,572,036	1,790	30,877,554
 Sites and Buildings:				
Salaries	10,273,192	-	-	10,273,192
Employee Benefits	4,268,604	-	-	4,268,604
Purchased Services	12,631,961	-	206,133	12,838,094
Supplies and Materials	3,422,727	-	-	3,422,727
Capital Expenditures	2,886,571	-	753,216	3,639,787
Other Expenditures	(403,586)	-	9,431	(394,155)
Total Sites and Buildings	33,079,469	-	968,780	34,048,249
 Fiscal and Other Fixed Costs:				
Purchased Services	1,237,889	-	-	1,237,889
Debt Service:				
Principal	180,495	-	2,723,018	2,903,513
Interest and Fiscal Charges	9,356	-	738,935	748,291
Total Debt Service	189,851	-	3,461,953	3,651,804
 Total Expenditures	369,255,728	19,572,036	9,842,746	398,670,510
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	26,424,073	1,150,507	(1,283,694)	26,290,886

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BY ACCOUNT (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	\$ 191,868	\$ -	\$ -	\$ 191,868
Insurance Recovery	-	46,259	-	46,259
Transfers Out	(34,763)	-	-	(34,763)
Total Other Financing Sources (Uses)	157,105	46,259	-	203,364
<b>NET CHANGE IN FUND BALANCE</b>	26,581,178	1,196,766	(1,283,694)	26,494,250
<b>FUND BALANCE</b>				
Beginning of Year	48,304,267	3,811,824	6,248,236	58,364,327
End of Year	<u>\$ 74,885,445</u>	<u>\$ 5,008,590</u>	<u>\$ 4,964,542</u>	<u>\$ 84,858,577</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**GENERAL FUND – OPERATING ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGE IN FUND BALANCES – BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 93,088,260	\$ 93,131,276	\$ 43,016	\$ 71,415,153
Earnings and Investments	4,000	88,250	84,250	1,263,501
Other	5,752,966	6,410,770	657,804	9,473,686
State Sources	228,009,790	271,454,195	43,444,405	267,720,896
Federal Sources	13,835,286	24,595,310	10,760,024	11,229,529
Total Revenues	340,690,302	395,679,801	54,989,499	361,102,765
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	11,810,328	12,114,024	303,696	11,753,768
Employee Benefits	4,451,751	4,649,289	197,538	4,588,780
Purchased Services	511,099	187,104	(323,995)	310,077
Supplies and Materials	326,397	131,527	(194,870)	111,096
Capital Expenditures	35,379	810	(34,569)	-
Other Expenditures	143,523	128,541	(14,982)	185,100
Total Administration	17,278,477	17,211,295	(67,182)	16,948,821
District Support Services:				
Salaries	6,051,220	5,357,257	(693,963)	5,555,073
Employee Benefits	3,313,295	2,710,395	(602,900)	2,712,759
Purchased Services	2,295,782	1,585,338	(710,444)	1,447,052
Supplies and Materials	1,912,125	740,496	(1,171,629)	1,305,575
Capital Expenditures	14,000	3,853,976	3,839,976	5,075
Other Expenditures	50,120	(449,994)	(500,114)	(608,321)
Total District Support Services	13,636,542	13,797,468	160,926	10,417,213
Elementary and Secondary Regular Instruction:				
Salaries	138,357,885	132,442,164	(5,915,721)	124,789,923
Employee Benefits	44,320,150	43,273,642	(1,046,508)	42,886,409
Purchased Services	5,378,346	4,484,822	(893,524)	5,592,690
Supplies and Materials	9,568,329	6,318,976	(3,249,353)	4,001,843
Capital Expenditures	1,437,242	1,409,700	(27,542)	415,320
Other Expenditures	171,945	1,506,262	1,334,317	1,093,857
Total Elementary and Secondary Regular Instruction	199,233,897	189,435,566	(9,798,331)	178,780,042



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**GENERAL FUND – OPERATING ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGE IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 3,652,933	\$ 3,585,391	\$ (67,542)	\$ 3,597,444
Employee Benefits	1,116,263	1,153,192	36,929	1,147,193
Purchased Services	336,382	132,303	(204,079)	208,085
Supplies and Materials	153,965	162,431	8,466	116,515
Capital Expenditures	11,760	20,926	9,166	48,152
Other Expenditures	17,057	8,718	(8,339)	35,586
Total Vocational Education Instruction	5,288,360	5,062,961	(225,399)	5,152,975
Special Education Instruction:				
Salaries	56,306,383	54,329,151	(1,977,232)	53,004,793
Employee Benefits	22,063,918	20,924,075	(1,139,843)	21,308,449
Purchased Services	1,406,557	901,947	(504,610)	1,273,122
Supplies and Materials	1,001,521	985,791	(15,730)	918,453
Capital Expenditures	332,482	241,393	(91,089)	232,454
Other Expenditures	15,000	7,336	(7,664)	11,928
Total Special Education Instruction	81,125,861	77,389,693	(3,736,168)	76,749,199
Community Service:				
Salaries	-	-	-	61,422
Employee Benefits	-	-	-	28,834
Purchased Services	-	-	-	68,530
Supplies and Materials	-	-	-	24,126
Total Community Service	-	-	-	182,912
Instructional Support Services:				
Salaries	11,548,101	14,047,935	2,499,834	13,237,195
Employee Benefits	4,028,885	4,284,527	255,642	4,236,737
Purchased Services	826,852	406,035	(420,817)	437,458
Supplies and Materials	4,181,779	1,716,429	(2,465,350)	3,879,758
Capital Expenditures	700	1,132	432	16,339
Other Expenditures	104,244	91,750	(12,494)	174,747
Total Instructional Support Services	20,690,561	20,547,808	(142,753)	21,982,234

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**GENERAL FUND – OPERATING ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGE IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Salaries	\$ 7,502,866	\$ 7,788,933	\$ 286,067	\$ 5,736,813
Employee Benefits	2,708,766	2,905,173	196,407	2,153,582
Purchased Services	401,641	317,913	(83,728)	380,980
Supplies and Materials	101,852	65,975	(35,877)	55,292
Capital Expenditures	86,000	224,614	138,614	-
Other Expenditures	1,500	1,120	(380)	43,874
Total Pupil Support Services	10,802,625	11,303,728	501,103	8,370,541
Sites and Buildings:				
Salaries	10,155,227	10,273,192	117,965	10,190,797
Employee Benefits	4,926,403	4,268,604	(657,799)	4,526,455
Purchased Services	6,899,429	12,631,961	5,732,532	13,011,835
Supplies and Materials	2,781,190	3,422,727	641,537	2,047,811
Capital Expenditures	10,188,020	2,886,571	(7,301,449)	4,217,414
Other Expenditures	-	(403,586)	(403,586)	1,030
Total Sites and Buildings	34,950,269	33,079,469	(1,870,800)	33,995,342
Fiscal and Other Fixed Costs:				
Purchased Services	1,255,000	1,237,889	(17,111)	671,312
Debt Service:				
Principal	200,000	180,495	(19,505)	185,363
Interest and Fiscal Charges	-	9,356	9,356	14,059
Total Debt Service	200,000	189,851	(10,149)	199,422
Total Expenditures	384,461,592	369,255,728	(15,205,864)	353,450,013
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	(43,771,290)	26,424,073	70,195,363	7,652,752

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GENERAL FUND – OPERATING ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGE IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2021  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	\$ -	\$ 191,868	\$ 191,868	\$ 649,234
Insurance Recovery	-	-	-	6,944
Transfers Out	(87,145)	(34,763)	52,382	(399,229)
Total Other Financing Sources (Uses)	<u>(87,145)</u>	<u>157,105</u>	<u>244,250</u>	<u>256,949</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (43,858,435)</u>	26,581,178	<u>\$ 70,439,613</u>	7,909,701
<b>FUND BALANCE</b>				
Beginning of Year		<u>48,304,267</u>		<u>40,394,566</u>
End of Year		<u>\$ 74,885,445</u>		<u>\$ 48,304,267</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GENERAL FUND – PUPIL TRANSPORTATION ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2021  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	2021		2020	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Other	\$ -	\$ 76,672	\$ 76,672	\$ 134,501
State Sources	20,566,261	20,645,871	79,610	19,517,988
Total Revenues	20,566,261	20,722,543	156,282	19,652,489
<b>EXPENDITURES</b>				
Current:				
Pupil Support Services:				
Salaries	9,083,434	8,710,968	(372,466)	8,898,001
Employee Benefits	5,852,567	4,843,076	(1,009,491)	5,123,502
Purchased Services	3,853,769	2,747,439	(1,106,330)	3,307,776
Supplies and Materials	2,686,700	1,847,144	(839,556)	1,858,508
Capital Expenditures	1,561,700	1,422,852	(138,848)	1,601,719
Other Expenditures	4,700	557	(4,143)	6,311
Total Pupil Support Services	23,042,870	19,572,036	(3,470,834)	20,795,817
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(2,476,609)	1,150,507	3,627,116	(1,143,328)
<b>OTHER FINANCING SOURCES</b>				
Insurance Recovery	-	46,259	46,259	18,469
<b>NET CHANGE IN FUND BALANCE</b>				
	\$ (2,476,609)	1,196,766	\$ 3,627,116	(1,124,859)
<b>FUND BALANCE</b>				
Beginning of Year		3,811,824		4,936,683
End of Year		\$ 5,008,590		\$ 3,811,824

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**GENERAL FUND – CAPITAL EXPENDITURE ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	2021		2020	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 3,309,464	\$ 3,544,636	\$ 235,172	\$ 4,672,341
Other	-	6,000	6,000	-
State Sources	5,130,515	5,008,416	(122,099)	5,176,740
Total Revenues	8,439,979	8,559,052	119,073	9,849,081
<b>EXPENDITURES</b>				
Current:				
Administration:				
Purchased Services	28,588	6,444	(22,144)	4,912
Supplies and Materials	18,857	23,167	4,310	24,751
Capital Expenditures	58,445	5,500	(52,945)	19,473
Total Administration	105,890	35,111	(70,779)	49,136
District Support Services:				
Salaries	1,062,858	1,067,996	5,138	883,339
Employee Benefits	510,124	524,302	14,178	410,260
Purchased Services	633,150	288,195	(344,955)	1,169,163
Supplies and Materials	223,000	514,559	291,559	149,502
Capital Expenditures	214,700	42,099	(172,601)	369,246
Total District Support Services	2,643,832	2,437,151	(206,681)	2,981,510
Elementary and Secondary Regular Instruction:				
Purchased Services	95,238	107,702	12,464	103,098
Supplies and Materials	2,319,231	1,308,948	(1,010,283)	650,156
Capital Expenditures	2,018,552	527,203	(1,491,349)	873,310
Total Elementary and Secondary Regular Instruction	4,433,021	1,943,853	(2,489,168)	1,626,564
Vocational Education Instruction:				
Supplies and Materials	26,900	10,459	(16,441)	-
Capital Expenditures	49,400	21,207	(28,193)	35,000
Total Vocational Education Instruction	76,300	31,666	(44,634)	35,000
Instructional Support Services:				
Salaries	256,609	211,237	(45,372)	529,323
Employee Benefits	104,026	110,120	6,094	195,412
Supplies and Materials	694,991	638,120	(56,871)	387,468
Capital Expenditures	2,950	2,965	15	2,925
Total Instructional Support Services	1,058,576	962,442	(96,134)	1,115,128

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GENERAL FUND – CAPITAL EXPENDITURE ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2021  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Capital Expenditures	\$ -	\$ 1,790	\$ 1,790	\$ -
Sites and Buildings:				
Purchased Services	235,172	206,133	(29,039)	286,969
Capital Expenditures	1,792,707	753,216	(1,039,491)	1,007,921
Other Expenditures	-	9,431	9,431	4,237
Total Sites and Buildings	2,027,879	968,780	(1,059,099)	1,299,127
Debt Service:				
Principal	1,672,121	2,723,018	1,050,897	1,736,233
Interest and Fiscal Charges	505,976	738,935	232,959	560,548
Total Debt Service	2,178,097	3,461,953	1,283,856	2,296,781
Total Expenditures	12,523,595	9,842,746	(2,680,849)	9,403,246
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,083,616)	(1,283,694)	2,799,922	445,835
<b>OTHER FINANCING SOURCES</b>				
Sale of Real Property	-	-	-	206,637
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (4,083,616)</u>	<u>(1,283,694)</u>	<u>\$ 2,799,922</u>	652,472
<b>FUND BALANCE</b>				
Beginning of Year		6,248,236		5,595,764
End of Year		<u>\$ 4,964,542</u>		<u>\$ 6,248,236</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**GENERAL FUND**  
**SCHEDULE OF SPECIAL EDUCATION REVENUE AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ -	\$ 1,142,053	\$ 1,142,053	\$ 750,635
Other	850,151	1,346,903	496,752	1,146,404
State Sources	42,367,580	44,384,518	2,016,938	40,020,915
Federal Sources	6,920,048	5,995,358	(924,690)	6,734,173
Total Revenues	50,137,779	52,868,832	2,731,053	48,652,127
<b>EXPENDITURES</b>				
Current:				
Special Education Instruction:				
Salaries	56,306,383	54,329,151	(1,977,232)	53,004,793
Employee Benefits	22,063,918	20,924,075	(1,139,843)	21,308,449
Purchased Services	1,406,557	901,947	(504,610)	1,273,122
Supplies and Materials	1,001,521	985,791	(15,730)	918,453
Capital Expenditures	332,482	241,393	(91,089)	232,454
Other Expenditures	15,000	7,336	(7,664)	11,928
Debt Service:				
Principal	200,000	180,495	(19,505)	175,991
Interest and Fiscal Charges	18,000	9,356	(8,644)	13,860
Total Expenditures	81,343,861	77,579,544	(3,764,317)	76,939,050
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (31,206,082)</u>	<u>\$ (24,710,713)</u>	<u>\$ 6,495,370</u>	<u>\$ (28,286,923)</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
FOOD SERVICE  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2021  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and Investments	\$ 4,389,440	\$ 4,472,683
Receivables:		
Accounts and Interest Receivable	111	111
Due from Minnesota Department of Education	-	117,760
Due from Federal through Minnesota Department of Education	531,501	414,347
Due from Other Funds	34,018	-
Inventory	464,440	496,827
Prepaid Items	6,230	-
Total Assets	<u>\$ 5,425,740</u>	<u>\$ 5,501,728</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Wages Payable	\$ 280,880	\$ 169
Payroll Deductions and Employer Contributions Payable	92,005	126,274
Accounts and Contracts Payable	188,448	213,076
Unearned Revenue	850,276	510,019
Total Liabilities	<u>1,411,609</u>	<u>849,538</u>
Fund Balance:		
Nonspendable:		
Inventory	464,440	496,827
Prepaid Items	6,230	-
Restricted for:		
Food Service	3,543,461	4,155,363
Total Fund Balance	<u>4,014,131</u>	<u>4,652,190</u>
Total Liabilities and Fund Balance	<u>\$ 5,425,740</u>	<u>\$ 5,501,728</u>



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**FOOD SERVICE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ 45,955	\$ 3,254	\$ (42,701)	\$ 53,826
Other - Primarily Meal Sales	2,960,126	112,953	(2,847,173)	5,016,162
State Sources	365,982	-	(365,982)	690,118
Federal Sources	3,846,247	10,054,372	6,208,125	5,606,437
Total Revenues	<u>7,218,310</u>	<u>10,170,579</u>	<u>2,952,269</u>	<u>11,366,543</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	3,271,713	3,671,047	399,334	3,701,409
Employee Benefits	1,150,436	1,071,510	(78,926)	1,058,746
Purchased Services	359,419	569,466	210,047	507,825
Supplies and Materials	2,596,447	4,734,648	2,138,201	5,308,535
Other Expenditures	22,757	491,488	468,731	313,993
Capital Outlay	200,000	270,479	70,479	202,042
Total Expenditures	<u>7,600,772</u>	<u>10,808,638</u>	<u>3,207,866</u>	<u>11,092,550</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(382,462)	(638,059)	(255,597)	273,993
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	-	-	262,358
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (382,462)</u>	(638,059)	<u>\$ (255,597)</u>	536,351
<b>FUND BALANCE</b>				
Beginning of Year		4,652,190		4,115,839
End of Year		<u>\$ 4,014,131</u>		<u>\$ 4,652,190</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
COMMUNITY SERVICE FUND  
BALANCE SHEET  
BUDGET AND ACTUAL  
JUNE 30, 2021  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	2021	2020
<b>ASSETS</b>		
Cash and Investments	\$ 5,110,085	\$ 3,976,993
Receivables:		
Current Taxes	927,977	941,365
Delinquent Taxes	8,720	7,859
Accounts and Interest Receivable	38,881	1,844
Due from Minnesota Department of Education	351,187	332,715
Due from Federal Through the Minnesota Department of Education	145,443	11,256
Due from Other Governmental Units	20,156	8,207
Due from Other Funds	69,888	-
Prepaid Items	-	500
	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 6,672,337</u>	<u>\$ 5,280,739</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Wages Payable	\$ 450,783	\$ 44,481
Payroll Deductions and Employer Contributions Payable	293,027	253,703
Accounts and Contracts Payable	125,564	33,817
Due to Other Minnesota School Districts	944	1,385
Due to Other Governmental Units	5,749	5,152
Unearned Revenue	816,914	338,432
Total Liabilities	<u>1,692,981</u>	<u>676,970</u>
Deferred Inflows:		
Property Taxes Levied for Subsequent Year	1,726,565	1,720,820
Unavailable Revenue - Delinquent Taxes	8,720	7,859
Total Deferred Inflows of Resources	<u>1,735,285</u>	<u>1,728,679</u>
Fund Balance:		
Nonspendable:		
Prepaid Items	-	500
Restricted for:		
Community Education	540,174	411,311
Early Childhood and Family Education	1,069,608	680,237
School Readiness	1,116,243	1,136,511
Adult Basic Education	415,002	452,742
Other Purposes	103,044	193,789
Total Fund Balance	<u>3,244,071</u>	<u>2,875,090</u>
	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 6,672,337</u>	<u>\$ 5,280,739</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**COMMUNITY SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,949,068	\$ 1,784,270	\$ (164,798)	\$ 1,754,513
Earnings and Investments	45,000	3,374	(41,626)	64,990
Other - Primarily Tuition and Fees	2,801,886	2,334,043	(467,843)	3,230,815
State Sources	3,422,561	3,507,924	85,363	3,269,753
Federal Sources	64,326	870,521	806,195	58,779
Total Revenues	<u>8,282,841</u>	<u>8,500,132</u>	<u>217,291</u>	<u>8,378,850</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	6,246,184	5,664,284	(581,900)	5,352,276
Employee Benefits	2,011,973	1,908,210	(103,763)	1,662,649
Purchased Services	(5,277)	108,019	113,296	905,310
Supplies and Materials	296,465	213,436	(83,029)	245,411
Other Expenditures	12,958	270,756	257,798	257,615
Capital Outlay	14,500	1,209	(13,291)	11,459
Total Expenditures	<u>8,576,803</u>	<u>8,165,914</u>	<u>(410,889)</u>	<u>8,434,720</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(293,962)	334,218	628,180	(55,870)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>87,145</u>	<u>34,763</u>	<u>(52,382)</u>	<u>136,871</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (206,817)</u>	368,981	<u>\$ 575,798</u>	81,001
<b>FUND BALANCE</b>				
Beginning of Year		2,875,090		2,794,089
End of Year		<u>\$ 3,244,071</u>		<u>\$ 2,875,090</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
CAPITAL PROJECTS FUND – BUILDING CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2021  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and Investments	\$ -	\$ 2,369,679
Cash with Fiscal Agent	14,017,740	9,331,094
Prepaid Items	<u>2,500</u>	<u>-</u>
Total Assets	<u><u>\$ 14,020,240</u></u>	<u><u>\$ 11,700,773</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts and Contracts Payable	\$ 1,544,616	\$ 2,231,388
Due to Other Funds	<u>3,836,286</u>	<u>-</u>
Total Liabilities	5,380,902	2,231,388
Fund Balance:		
Nonspendable:		
Prepaid Items	2,500	-
Restricted for:		
Projects Funded by Certificates of Participation	7,056,154	6,020,489
Restricted for Capital Projects	<u>1,580,684</u>	<u>3,448,896</u>
Total Fund Balance	<u><u>8,639,338</u></u>	<u><u>9,469,385</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 14,020,240</u></u>	<u><u>\$ 11,700,773</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**CAPITAL PROJECTS FUND – BUILDING CONSTRUCTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ -	\$ 4,649	\$ 4,649	\$ 107,879
Other	-	247,280	247,280	120,000
Total Revenues	-	251,929	251,929	227,879
<b>EXPENDITURES</b>				
Current:				
Purchased Services	-	343,042	343,042	201,499
Supplies and Materials	-	62,019	62,019	211,199
Capital Outlay	9,000,000	10,218,472	1,218,472	5,704,538
Debt Service:				
Other Debt Service Expenditures	-	-	-	173,147
Total Expenditures	9,000,000	10,623,533	1,623,533	6,290,383
<b>DEFICIENCY OF REVENUES</b>				
<b>UNDER EXPENDITURES</b>	(9,000,000)	(10,371,604)	(1,371,604)	(6,062,504)
<b>OTHER FINANCING SOURCES</b>				
Issuance of Certificates of Participation	8,900,000	9,005,000	105,000	8,960,000
Certificates of Participation Premium	-	536,557	536,557	544,202
Total Other Financing Sources	8,900,000	9,541,557	641,557	9,504,202
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (100,000)</u>	(830,047)	<u>\$ (730,047)</u>	3,441,698
<b>FUND BALANCE</b>				
Beginning of Year		9,469,385		6,027,687
End of Year		<u>\$ 8,639,338</u>		<u>\$ 9,469,385</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)

	Regular Debt Service	OPEB Debt Service	Totals	
			2021	2020
<b>ASSETS</b>				
Cash and Investments	\$ 9,398,735	\$ 2,258,583	\$ 11,657,318	\$ 10,688,834
Receivables:				
Current Taxes	9,547,022	-	9,547,022	9,806,095
Delinquent Taxes	63,580	24,043	87,623	81,969
Due from Minnesota Department of Education	8,158	-	8,158	14,510
Due from Other Governmental Units	199,588	5,050	204,638	85,921
	<u>\$ 19,217,083</u>	<u>\$ 2,287,676</u>	<u>\$ 21,504,759</u>	<u>\$ 20,677,329</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
Deferred Inflows:				
Property Taxes Levied for Subsequent Year	\$ 17,780,361	\$ -	\$ 17,780,361	\$ 17,925,595
Unavailable Revenue - Delinquent Taxes	63,580	24,043	87,623	81,969
Total Deferred Inflows of Resources	<u>17,843,941</u>	<u>24,043</u>	<u>17,867,984</u>	<u>18,007,564</u>
Fund Balance:				
Restricted for Debt Service	1,373,142	2,263,633	3,636,775	3,224,389
Unassigned	-	-	-	(554,624)
Total Fund Balance	<u>1,373,142</u>	<u>2,263,633</u>	<u>3,636,775</u>	<u>2,669,765</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 19,217,083</u>	<u>\$ 2,287,676</u>	<u>\$ 21,504,759</u>	<u>\$ 20,677,329</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)

	2021				2020	
	Final Budgeted Amounts	Actual			Over (Under) Final Budget	Actual Amounts
		Regular Debt Service	OPEB Debt Service	Total Actual Amounts		
<b>REVENUES</b>						
Local Sources:						
Property Taxes	\$ 17,844,867	\$ 17,935,108	\$ -	\$ 17,935,108	\$ 90,241	\$ 17,822,204
Earnings and Investments	2,000	7,091	-	7,091	5,091	105,070
State Sources	-	81,581	-	81,581	81,581	145,094
Total Revenues	17,846,867	18,023,780	-	18,023,780	176,913	18,072,368
<b>EXPENDITURES</b>						
Debt Service:						
Bond Principal	11,800,000	11,800,000	-	11,800,000	-	11,330,000
Bond Interest	5,254,920	5,254,920	-	5,254,920	-	5,771,170
Paying Agent Fees and Other	10,000	1,850	-	1,850	(8,150)	1,424
Total Expenditures	17,064,920	17,056,770	-	17,056,770	(8,150)	17,102,594
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 781,947</u>	967,010	-	967,010	<u>\$ 185,063</u>	969,774
<b>FUND BALANCE</b>						
Beginning of Year		406,132	2,263,633	2,669,765		1,699,991
End of Year		<u>\$ 1,373,142</u>	<u>\$ 2,263,633</u>	<u>\$ 3,636,775</u>		<u>\$ 2,669,765</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**DEBT SERVICE FUND – GENERAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)

	2021		2020
	Actual	Over (Under)	Actual
	Amounts	Final Budget	Amounts
<b>REVENUES</b>	<u>Final Budget</u>	<u>Final Budget</u>	<u>Final Budget</u>
Local Sources:			
Property Taxes	\$ 17,844,867	\$ 17,935,108	\$ 90,241
Earnings and Investments	2,000	7,091	5,091
State Sources		81,581	81,581
Total Revenues	<u>17,846,867</u>	<u>18,023,780</u>	<u>176,913</u>
		176,913	18,063,350
<b>EXPENDITURES</b>			
Debt Service:			
Principal	11,800,000	11,800,000	-
Interest	5,254,920	5,254,920	-
Fiscal Charges and Other	10,000	1,850	(8,150)
Total Expenditures	<u>17,064,920</u>	<u>17,056,770</u>	<u>(8,150)</u>
		(8,150)	17,102,594
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 781,947</u></u>	967,010	<u><u>\$ 185,063</u></u>
			960,756
<b>FUND BALANCE</b>			
Beginning of Year		406,132	(554,624)
End of Year		<u><u>\$ 1,373,142</u></u>	<u><u>\$ 406,132</u></u>



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**DEBT SERVICE FUND – OPEB ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)

	2021			2020
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ -	\$ -	\$ -	\$ 9,018
<b>EXPENDITURES</b>				
Total Expenditures	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	9,018
<b>FUND BALANCE</b>				
Beginning of Year		2,263,633		2,254,615
End of Year		<u>\$ 2,263,633</u>		<u>\$ 2,263,633</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2021  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	Severance Benefits	Self-Insured Dental Benefits	Self-Insured Health Benefits	Totals	
				2021	2020
<b>ASSETS</b>					
Cash and Investments	\$ 10,604,551	\$ 323,122	\$ 35,091,902	\$ 46,019,575	\$ 41,714,724
<b>LIABILITIES</b>					
Current Liabilities:					
Claims Payable	-	21,062	4,806,268	4,827,330	3,931,065
Severance Benefits Payable	1,564,029	-	-	1,564,029	1,429,535
Unearned Revenue	-	-	9,213,459	9,213,459	8,848,712
Total Current Liabilities	1,564,029	21,062	14,019,727	15,604,818	14,209,312
Long-Term Liabilities:					
Severance Benefits Payable	12,767,472	-	-	12,767,472	14,168,851
<b>NET POSITION</b>					
Unrestricted	\$ (3,726,950)	\$ 302,060	\$ 21,072,175	\$ 17,647,285	\$ 13,336,561

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**INTERNAL SERVICE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	Severance Benefits	Self-Insured Dental Benefits	Self-Insured Health Benefits	Totals	
				2021	2020
<b>OPERATING REVENUES</b>					
Local Sources:					
Contributions from Governmental Funds	\$ 1,117,211	\$ 452,385	\$ 50,608,717	\$ 52,178,313	\$ 50,325,527
Contributions from Employees	-	6,938	7,717,509	7,724,447	7,106,652
Total Operating Revenues	1,117,211	459,323	58,326,226	59,902,760	57,432,179
<b>OPERATING EXPENSES</b>					
Severance Benefits	(149,674)	-	-	(149,674)	2,367,729
Self-Insured Benefits	-	443,112	55,329,457	55,772,569	50,295,254
Total Operating Expenses	(149,674)	443,112	55,329,457	55,622,895	52,662,983
<b>OPERATING INCOME</b>	1,266,885	16,211	2,996,769	4,279,865	4,769,196
<b>NONOPERATING REVENUE</b>					
Earnings on Investments	23,244	108	7,507	30,859	297,547
<b>CHANGE IN NET POSITION</b>	1,290,129	16,319	3,004,276	4,310,724	5,066,743
Net Position - Beginning	(5,017,079)	285,741	18,067,899	13,336,561	8,269,818
<b>NET POSITION - ENDING</b>	<u>\$ (3,726,950)</u>	<u>\$ 302,060</u>	<u>\$ 21,072,175</u>	<u>\$ 17,647,285</u>	<u>\$ 13,336,561</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR JUNE 30, 2020)**

	Severance Benefits	Self Insured Dental Benefits	Self-Insured Health Benefits	Totals	
				2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Assessments Made to Other Funds	\$ 1,117,211	\$ 452,385	\$ 50,608,717	\$ 52,178,313	\$ 50,325,527
Receipts from Employee Contributions	-	6,938	8,082,256	8,089,194	7,289,817
Payments for Severance, OPEB, and Self-Insurance Claims	(1,117,211)	(445,956)	(54,430,348)	(55,993,515)	(51,602,593)
Net Cash Provided by Operating Activities	-	13,367	4,260,625	4,273,992	6,012,751
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	23,244	108	7,507	30,859	297,547
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	23,244	13,475	4,268,132	4,304,851	6,310,298
Cash and Cash Equivalents - Beginning	10,581,307	309,647	30,823,770	41,714,724	35,404,426
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 10,604,551</u>	<u>\$ 323,122</u>	<u>\$ 35,091,902</u>	<u>\$ 46,019,575</u>	<u>\$ 41,714,724</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income	\$ 1,266,885	\$ 16,211	\$ 2,996,769	\$ 4,279,865	\$ 4,769,196
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Increase (Decrease) in Claims Payable	-	(2,844)	899,109	896,265	120,884
Increase in Unearned Revenue	-	-	364,747	364,747	183,165
Increase (Decrease) in Severance Benefits Payable	(1,266,885)	-	-	(1,266,885)	939,506
Total Adjustments	(1,266,885)	(2,844)	1,263,856	(5,873)	1,243,555
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ 13,367</u>	<u>\$ 4,260,625</u>	<u>\$ 4,273,992</u>	<u>\$ 6,012,751</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
YEAR ENDED JUNE 30, 2021**

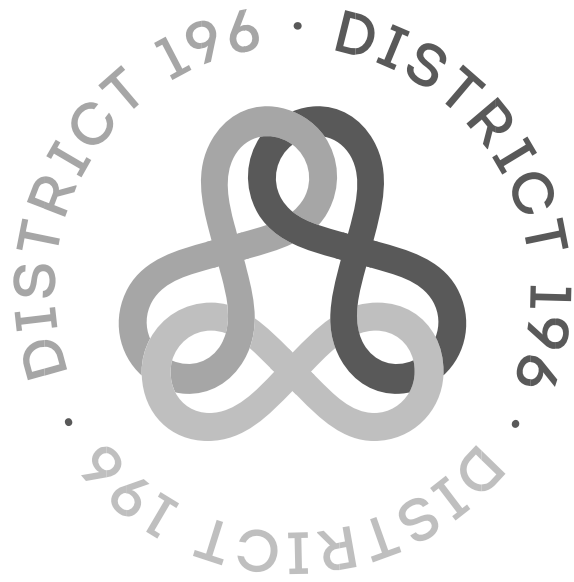
	AUDIT	UFARS	DIFFERENCE
<b>01 GENERAL FUND</b>			
Total Revenue	\$ 425,007,655	\$ 425,007,655	\$ -
Total Expenditures	399,255,510	399,255,509	1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	647,657	647,657	-
<i>Restricted:</i>			
401 Student Activities	349,773	349,773	-
403 Staff Development	-	-	-
406 Health and Safety	-	-	-
407 Capital Project Levy	4,964,616	4,964,616	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	3,908,082	3,908,082	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	-	-	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Safe Schools Crime Levy	(535,471)	(535,471)	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
467 LTFM	1,851,995	1,851,995	-
472 Medical Assistance	2,019,014	2,019,014	-
464 Restricted Fund Balance	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	7,128,748	7,128,748	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	64,524,163	64,524,163	-
<b>02 FOOD SERVICE</b>			
Total Revenue	10,170,579	10,170,580	(1)
Total Expenditures	10,808,638	10,808,638	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	470,670	470,670	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	3,543,461	3,543,463	(2)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>04 COMMUNITY SERVICE</b>			
Total Revenue	8,500,132	8,500,132	-
Total Expenditures	8,165,914	8,165,916	(2)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	540,174	540,173	1
432 E.C.F.E.	1,069,608	1,069,608	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	1,116,243	1,116,243	-
447 Adult Basic Education	415,002	415,002	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	103,044	103,045	(1)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	AUDIT	UFARS	DIFFERENCE
<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$ 251,929	\$ 251,928	\$ 1
Total Expenditures	10,623,533	10,623,533	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	2,500	2,500	-
<i>Restricted:</i>			
407 Capital Projects Levy	-	-	-
409 Alternative Facility Program	-	-	-
413 Projects Funded by COPs	7,056,154	7,056,154	-
467 LTFM	-	-	-
464 Restricted Fund Balance	1,580,684	1,580,684	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>07 DEBT SERVICE</b>			
Total Revenue	18,023,780	18,023,780	-
Total Expenditures	17,056,770	17,056,769	1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
464 Restricted Fund Balance	1,373,142	1,373,143	(1)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>08 TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Restricted:</i>			
401 Student Activities	-	-	-
402 Scholarships	-	-	-
422 Unassigned Net Position	-	-	-
<b>18 CUSTODIAL FUND</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Restricted:</i>			
401 Student Activities	-	-	-
402 Scholarships	-	-	-
448 Achievement and Integration	-	-	-
464 Restricted Fund Balance	\$ -	-	-
<b>20 INTERNAL SERVICE</b>			
Total Revenue	59,933,619	59,933,620	(1)
Total Expenditures	55,622,895	55,622,895	-
<i>Net Position:</i>			
422 Net Position	17,647,285	17,647,285	-
<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
<b>45 OPEB IRREVOCABLE TRUST</b>			
Total Revenue	9,663,992	9,663,992	-
Total Expenditures	3,701,408	3,701,408	-
<i>Net Position:</i>			
422 Net Position	63,351,360	63,351,360	-
<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	2,263,633	2,263,632	1
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

\*Variance is due to an adjustment made after the deadline to make UFARS adjustments.

**STATISTICAL SECTION (UNAUDITED)**





## STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 196's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	134
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.	141
<b>Debt Capacity</b>	
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.	148
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	153
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to services the District provides and the activities it performs.	156

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net Investment in Capital Assets	\$ 132,049,464	\$ 140,892,970	\$ 148,790,976	\$ 158,918,349	\$ 154,681,937	\$ 149,036,967	\$ 112,909,002	\$ 116,725,381	\$ 136,635,071	\$ 153,112,125
Restricted for:										-
Capital Asset Acquisition	1,195,907	1,546,791	3,109,569	3,017,560	2,551,987	7,056,555	19,609,902	7,507,409	2,404,496	-
Debt Service	3,478,996	3,048,044	3,146,047	2,521,510	4,332,306	2,320,162	1,028,372	-	373,926	1,470,300
Other Postemployment Benefits	-	-	-	-	10,112	9,646,093	3,821,706	1,811,073	2,178,119	9,643,543
Other Purposes	3,796,239	3,899,144	3,665,502	3,223,691	3,083,262	7,378,316	14,634,189	17,760,294	17,614,349	20,360,402
Unrestricted:	25,951,166	29,225,638	27,764,005	(191,421,788)	(186,199,312)	(286,586,292)	(384,314,650)	(279,452,776)	(292,504,778)	(296,148,378)
Total Governmental Activities										
Net Position	\$ 166,471,772	\$ 178,612,587	\$ 186,476,099	\$ (23,740,678)	\$ (21,539,708)	\$ (111,148,199)	\$ (232,311,479)	\$ (135,648,619)	\$ (133,298,817)	\$ (111,562,008)

Note: The District implemented GASB Statement No. 68 in 2015, which resulted in a \$222,722,907 reduction of beginning net position. In 2018 the District implemented GASB Statement No. 75, which resulted in a \$24,200,608 reduction of beginning net position. Prior year information has not been restated for the effects of either of these standards. .

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
Governmental Activities:				
Expenses:				
Administration	\$ 11,137,222	\$ 11,433,970	\$ 12,788,255	\$ 12,801,745
District Support Services	8,400,776	8,309,187	8,478,285	9,142,598
Elementary and Secondary Regular Instruction	148,397,275	147,547,387	150,639,805	160,761,078
Vocational Education Instruction	3,867,848	3,878,014	3,894,552	4,089,165
Special Education Instruction	56,495,369	57,500,259	60,005,088	61,805,761
Instructional Support Services	13,764,619	16,280,078	16,554,014	18,302,791
Pupil Support Services	21,828,053	22,089,783	22,561,249	22,639,915
Sites and Buildings	25,949,814	23,639,275	25,311,941	24,878,718
Fiscal and Other Fixed Cost Programs	539,813	598,093	697,917	651,864
Food Service	11,381,527	10,942,769	11,359,961	11,787,045
Community Service	9,361,591	9,754,914	9,802,212	7,954,502
Unallocated Depreciation	9,957,859	10,385,661	9,805,568	10,322,952
Interest and Fiscal Charges on Debt	6,718,174	5,894,160	4,601,447	4,033,890
Total Expenses	327,799,940	328,253,550	336,500,294	349,172,024
Program Revenues:				
Charges for Services:				
Administration	-	-	-	-
District Support Services	134,773	130,907	112,285	141,218
Elementary and Secondary Regular Instruction	6,256,482	6,294,929	6,289,085	5,966,969
Vocational Education Instruction	12,633	14,197	17,675	17,997
Special Education Instruction	286,617	313,960	271,959	978,884
Instructional Support Services	34,718	53,566	44,434	24,389
Pupil Support Services	1,121,369	1,124,840	1,190,359	1,249,628
Sites and Buildings	128,841	93,836	123,572	245,482
Food Service	7,026,043	6,547,387	6,519,363	6,376,625
Community Service	5,349,086	5,441,560	5,759,982	3,373,200
Operating Grants and Contributions	45,572,463	47,069,459	48,096,296	54,043,906
Capital Grants and Contributions	23,875	41,520	103,677	62,540
Total Program Revenues	65,946,900	67,126,161	68,528,687	72,480,838
Net (Expense) Revenue	(261,853,040)	(261,127,389)	(267,971,607)	(276,691,186)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes	48,125,441	47,579,360	24,660,338	51,982,775
Property Taxes, Levied for Community Service	1,591,757	1,658,474	850,036	1,678,863
Property Taxes, Levied for Facility Improvements	7,703,130	6,637,900	6,020,570	6,220,053
Property Taxes, Levied for Debt Service	18,497,035	19,463,752	18,533,559	19,185,246
General Grants and Aids	192,639,683	191,800,239	218,035,675	208,882,436
Other General Revenues	2,280,965	2,841,805	2,329,934	383,544
Investment Earnings (Loss)	(876,475)	3,286,674	5,405,007	864,399
Total General Revenues	269,961,536	273,268,204	275,835,119	289,197,316
Change in Net Position	\$ 8,108,496	\$ 12,140,815	\$ 7,863,512	\$ 12,506,130

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 15,493,748	\$ 19,813,397	\$ 19,849,495	\$ 12,051,588	\$ 18,233,295	\$ 17,679,393
9,058,209	9,785,816	11,304,721	11,702,181	13,429,650	16,663,789
166,000,943	238,876,726	237,331,260	121,251,866	211,444,602	216,373,592
5,237,887	7,252,774	6,971,224	3,561,099	5,654,203	5,430,687
65,647,768	90,835,750	92,821,199	73,220,623	75,487,437	76,596,038
19,753,852	27,432,668	27,761,713	16,663,894	24,595,643	22,568,796
23,523,058	27,520,644	28,187,078	24,625,849	29,794,651	31,273,851
27,849,964	30,156,308	44,032,340	34,429,780	34,726,544	30,109,325
650,603	613,851	582,782	1,182,069	671,312	1,237,889
12,302,155	12,468,780	11,440,841	12,227,206	10,922,877	10,711,362
8,211,003	10,479,888	10,362,136	7,301,923	9,011,068	8,367,921
10,580,519	10,454,449	10,559,793	10,310,511	-	-
4,760,111	6,031,917	4,880,487	5,145,850	4,540,835	4,131,775
369,069,820	491,722,968	506,085,069	333,674,439	438,512,117	441,144,418
-	4,392	435,369	429,722	2,950	25
203,086	111,607	191,466	258,441	248,479	10,911
6,205,284	3,440,568	3,866,135	3,810,261	3,688,825	2,220,978
3,343	-	-	940	-	-
961,972	1,044,883	796,072	1,082,057	1,135,866	1,333,551
143,290	-	16,158	17,965	13,440	7,812
231,078	148,992	267,920	242,342	552,186	139,857
118,028	-	-	-	-	-
6,390,305	6,663,041	6,479,339	7,049,877	4,968,821	95,744
3,325,681	3,768,615	3,646,054	3,663,168	3,117,331	2,250,459
58,170,271	64,488,748	85,003,445	101,343,381	98,694,661	120,151,777
8,105	334,716	4,963,687	5,300,870	5,176,740	5,014,416
75,760,443	80,005,562	105,665,645	123,199,024	117,599,299	131,225,530
(293,309,377)	(411,717,406)	(400,419,424)	(210,475,415)	(320,912,818)	(309,918,888)
53,871,623	66,731,765	71,069,187	72,968,496	76,031,346	96,748,853
1,662,796	1,671,770	1,670,006	1,675,955	1,753,218	1,785,616
8,535,237	-	-	-	-	-
14,584,470	17,426,213	16,767,998	16,632,558	17,809,052	17,948,640
215,880,510	229,657,806	208,324,498	212,253,653	213,963,522	214,852,352
563,633	258,267	465,747	3,014,218	841,500	142,331
412,078	6,363,094	5,159,316	362,703	1,892,813	137,477
295,510,347	322,108,915	303,456,752	306,907,583	312,291,451	331,615,269
\$ 2,200,970	\$ (89,608,491)	\$ (96,962,672)	\$ 96,432,168	\$ (8,621,367)	\$ 21,696,381

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
General Fund:				
Nonspendable	\$ 843,827	\$ 854,963	\$ 940,209	\$ 924,736
Restricted	1,195,907	1,714,690	3,010,821	3,296,572
Assigned	9,487,053	20,341,273	8,451,360	6,636,835
Unassigned	29,847,225	16,844,900	18,728,496	21,074,506
Total General Fund	<u>\$ 41,374,012</u>	<u>\$ 39,755,826</u>	<u>\$ 31,130,886</u>	<u>\$ 31,932,649</u>
All Other Governmental Funds:				
Nonspendable	\$ 196,015	\$ 249,138	\$ 172,385	\$ 132,289
Restricted	36,826,306	49,345,541	30,575,969	19,888,229
Unassigned, Reported in:				
Capital Projects – Building Construction Fund	-	-	-	(279,012)
Debt Service Funds	-	-	-	-
Total All Other Governmental Funds	<u>\$ 37,022,321</u>	<u>\$ 49,594,679</u>	<u>\$ 30,748,354</u>	<u>\$ 19,741,506</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 967,324	\$ 1,061,586	\$ 1,050,944	\$ 1,421,379	\$ 1,282,831	\$ 647,657
2,454,724	5,838,313	9,318,698	10,840,842	10,072,358	13,093,480
10,790,390	7,472,160	8,399,254	1,311,999	1,271,880	7,128,748
16,839,773	22,263,362	25,699,811	37,352,793	45,737,258	63,988,692
<u>\$ 31,052,211</u>	<u>\$ 36,635,421</u>	<u>\$ 44,468,707</u>	<u>\$ 50,927,013</u>	<u>\$ 58,364,327</u>	<u>\$ 84,858,577</u>
\$ 136,641	\$ 163,619	\$ 208,298	\$ 244,503	\$ 497,327	\$ 473,170
138,407,574	104,910,947	45,393,559	14,947,727	16,169,103	19,061,145
-	-	-	-	-	-
-	-	-	(554,624)	-	-
<u>\$ 138,544,215</u>	<u>\$ 105,074,566</u>	<u>\$ 45,601,857</u>	<u>\$ 14,637,606</u>	<u>\$ 16,666,430</u>	<u>\$ 19,534,315</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
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:				
Taxes	\$ 75,872,335	\$ 75,534,830	\$ 50,312,679	\$ 79,262,313
Investment Earnings	62,715	183,896	254,245	197,264
Other	24,616,940	24,762,575	24,827,075	21,183,365
State Sources	218,969,312	224,715,822	251,943,911	247,270,824
Federal Sources	17,281,296	12,289,808	12,123,310	12,820,914
Total Revenues	336,802,598	337,486,931	339,461,220	360,734,680
Expenditures:				
Current:				
Administration	10,884,027	11,685,219	12,662,675	13,188,527
District Support Services	8,390,674	8,303,655	8,245,964	8,802,535
Elementary and Secondary				
Regular Instruction	146,550,850	146,884,786	151,453,547	160,442,599
Vocational Education Instruction	3,820,177	3,860,595	3,899,432	4,161,539
Special Education Instruction	55,821,234	57,700,284	60,749,987	62,011,436
Instructional Support Services	13,446,242	16,120,814	16,734,739	18,361,748
Pupil Support Services	20,036,358	22,686,884	23,318,080	22,991,342
Sites and Buildings	26,073,195	22,380,519	22,906,580	21,468,077
Fiscal and Other Fixed Cost Programs	539,813	598,093	697,917	651,864
Food Service	11,130,758	10,707,855	11,253,357	11,509,963
Community Service	9,230,564	9,772,281	9,784,435	7,739,627
Capital Outlay	8,609,979	6,200,964	13,388,239	19,028,484
Debt Service:				
Principal	17,203,854	16,871,223	16,460,404	17,880,544
Interest and Fiscal Charges	5,470,324	5,368,621	4,897,774	4,586,660
Total Expenditures	337,208,049	339,141,793	356,453,130	372,824,945
Excess of Revenues Over (Under) Expenditures	(405,451)	(1,654,862)	(16,991,910)	(12,090,265)
Other Financing Sources (Uses):				
Transfers in	7,813,886	6,749,505	6,128,424	6,225,838
Transfers out	(7,813,886)	(7,456,023)	(6,128,424)	(6,225,838)
Refunding Debt Issued	34,800,000	12,100,000	2,230,000	-
Debt Issued	-	-	13,710,000	-
Premium on Debt Issued	4,406,816	811,026	325,933	-
Bond Refunding Payments	(11,185,000)	-	(26,850,000)	(2,325,000)
Capital Leases and Other Loans	5,478,812	-	96,569	4,200,000
Insurance Recovery	-	-	-	-
Judgments for the School District	-	-	-	-
Sale of Capital Assets	180,821	404,526	8,143	10,180
Total Other Financing Sources (Uses)	33,681,449	12,609,034	(10,479,355)	1,885,180
Net Change in Fund Balances	\$ 33,275,998	\$ 10,954,172	\$ (27,471,265)	\$ (10,205,085)
Debt Service as a Percentage of Noncapital Expenditures	6.9%	6.7%	6.2%	6.3%



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**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
\$ 78,828,084	\$ 85,651,484	\$ 89,682,487	\$ 91,158,991	\$ 95,664,211	\$ 116,395,290
990,686	1,525,963	1,720,017	2,390,487	1,595,266	106,618
20,303,840	21,655,777	21,241,570	21,450,041	17,975,172	9,187,718
258,200,427	264,144,986	275,878,205	285,746,486	296,520,589	300,697,987
13,700,319	14,628,580	15,834,368	16,232,102	16,894,745	35,520,203
372,023,356	387,606,790	404,356,647	416,978,107	428,649,983	461,907,816
14,846,637	14,931,628	15,599,003	16,342,073	16,978,484	17,240,096
9,360,367	9,807,545	10,694,868	12,008,717	13,024,402	12,338,544
165,181,027	169,848,898	173,672,800	177,357,744	179,118,369	189,442,516
5,198,949	5,013,173	5,137,316	5,396,017	5,104,823	5,052,494
65,226,216	68,020,953	71,133,191	72,650,167	76,516,745	77,148,300
19,695,766	20,664,400	21,616,857	22,489,640	23,078,098	21,506,153
23,694,661	24,615,829	25,550,001	26,181,738	27,564,639	29,228,298
21,979,790	25,390,808	23,681,891	25,398,051	30,069,134	30,408,462
650,603	613,851	582,782	1,182,069	671,312	1,237,889
11,757,651	11,992,184	11,258,394	12,113,867	10,890,508	10,538,159
8,044,250	8,822,111	8,751,046	8,933,712	8,606,173	8,164,705
11,640,890	33,546,532	68,021,071	40,050,087	15,362,092	22,311,175
13,326,884	14,394,446	14,079,855	14,694,828	13,251,596	14,703,513
4,384,850	7,911,158	7,595,387	6,992,089	6,333,341	6,005,061
374,988,541	415,573,516	457,374,462	441,790,799	426,569,716	445,325,365
(2,965,185)	(27,966,726)	(53,017,815)	(24,812,692)	2,080,267	16,582,451
8,554,099	20,122	-	135,509	399,229	34,763
(8,554,099)	(20,122)	-	(135,509)	(399,229)	(34,763)
-	-	-	-	-	-
112,150,000	-	-	-	8,960,000	9,005,000
20,355,238	-	-	-	544,202	536,557
(12,125,000)	-	-	-	-	-
480,000	-	1,043,209	-	-	-
-	-	311,212	56,303	25,413	46,259
-	-	-	369	-	-
27,218	80,287	23,971	19,383	856,256	191,868
120,887,456	80,287	1,378,392	76,055	10,385,871	9,779,684
\$ 117,922,271	\$ (27,886,439)	\$ (51,639,423)	\$ (24,736,637)	\$ 12,466,138	\$ 26,362,135
4.8%	5.8%	5.3%	5.3%	4.7%	4.9%



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES AND LEVY TYPE  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year	Property Tax				
	General Purposes	Community Service	Capital Projects – Facility Improvement	Debt Service	Total
2012	\$ 48,125,441	\$ 1,591,757	\$ 7,703,130	\$ 18,497,035	\$ 75,917,363
2013	47,579,360	1,658,474	6,637,900	19,463,752	75,339,486
2014	24,660,338	850,036	6,020,570	18,533,559	50,064,503
2015	51,982,775	1,678,863	6,220,053	19,185,246	79,066,937
2016	53,871,623	1,662,796	8,535,237	14,584,470	78,654,126
2017	66,731,765	1,671,770	-	17,426,213	85,829,748
2018	71,069,187	1,670,006	-	16,767,998	89,507,191
2019	72,968,496	1,675,955	-	212,253,653	286,898,104
2020	76,033,997	1,752,848	-	17,806,771	95,593,616
2021	96,748,853	1,785,616	-	17,948,640	116,483,109

Note: Legislative changes in the “tax shift” impacted the amount of tax revenue recognized in fiscal years 2011 and 2014. These changes were offset by an adjustment to state aid payments of an equal amount.

Per ACFR Statement of Activities.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
TAX CAPACITY AND ESTIMATED MARKET VALUE OF PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Tax Collection Calendar Year	Tax Capacity (1)				Tax Rate Determining Value Subtotal	
	Real and Personal Property	Fiscal Disparities Contribution	Tax Increment	Amount	Percent Increase (Decrease)	
2012	\$ 148,173,078	\$ (15,228,004)	\$ (3,364,482)	\$ 129,580,592	(6.9)	
2013	140,967,953	(15,126,445)	(1,921,746)	123,919,762	(4.4)	
2014	145,202,900	(14,651,943)	(2,002,926)	128,548,031	3.7	
2015	158,041,081	(14,673,865)	(2,150,890)	141,216,326	9.9	
2016	166,440,791	(14,921,393)	(1,904,735)	149,614,663	5.9	
2017	173,554,906	(15,383,669)	(2,471,521)	155,699,716	4.1	
2018	186,318,358	(15,403,001)	(3,128,406)	167,786,951	7.8	
2019	201,428,701	(15,818,379)	(3,731,389)	181,878,933	8.4	
2020	215,880,510	(16,477,982)	(4,312,949)	195,089,579	7.3	
2021	228,617,628	(17,313,550)	(4,486,386)	206,817,692	6.0	

(1) Tax capacity is calculated by applying class rates (for specific property classifications such as residential, commercial, etc.) to the assessed market value. Class rates are periodically changed by the state.

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
TAX CAPACITY AND ESTIMATED MARKET VALUE OF PROPERTY (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Tax Capacity (1)</u>				
Fiscal Disparities Distribution	Total Tax Capacity	Referendum Market Value		Percent Increase
		Amount		
\$ 19,083,897	\$ 148,664,489	\$ 13,379,616,185		(2.3)
17,944,344	141,864,106	12,717,603,775		(4.9)
17,217,872	145,765,903	13,089,930,995		2.9
17,375,325	158,591,651	14,246,590,466		8.8
17,855,260	167,469,923	14,984,685,831		5.2
19,309,802	175,009,518	15,593,078,470		4.1
20,713,134	188,500,085	16,705,743,318		7.1
22,023,827	203,902,760	18,061,396,485		8.1
23,476,576	218,566,155	19,320,498,352		7.0
24,920,887	231,738,579	20,353,002,736		5.3

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Rate	Year Collectible	Independent School District No. 196				Overlapping Rates, Municipalities, and Townships					
		General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total	Apple Valley	Burnsville	Coates	Eagan	Farmington	Inver Grove Heights
Tax Capacity Rate	2012	14.102	1.116	13.222	28.440	44.110	43.213	18.984	34.553	63.093	44.883
Market Value Rate	2012	0.221	-	-	0.221	0.042	-	-	0.016	-	-
Tax Capacity Rate	2013	13.627	1.182	13.147	27.956	49.210	47.021	22.842	38.272	66.821	46.312
Market Value Rate	2013	0.235	-	-	0.235	0.021	-	-	0.017	-	-
Tax Capacity Rate	2014	13.325	1.149	13.132	27.606	47.891	46.670	19.507	38.250	65.876	46.128
Market Value Rate	2014	0.258	-	-	0.258	0.021	-	-	0.017	-	-
Tax Capacity Rate	2015	12.859	1.032	9.380	23.271	45.274	44.790	20.081	36.525	61.455	48.131
Market Value Rate	2015	0.255	-	-	0.255	0.020	-	-	0.016	-	-
Tax Capacity Rate	2016	12.843	1.004	10.470	24.317	44.721	46.525	17.482	37.097	59.239	49.266
Market Value Rate	2016	0.270	-	-	0.270	0.020	-	-	0.015	-	-
Tax Capacity Rate	2017	13.000	0.915	9.421	23.336	44.473	46.557	17.490	37.385	58.760	51.644
Market Value Rate	2017	0.274	-	-	0.274	0.020	-	-	0.015	-	-
Tax Capacity Rate	2018	11.728	0.880	8.744	21.352	42.475	43.552	17.399	36.378	57.161	51.112
Market Value Rate	2018	0.267	-	-	0.267	0.018	-	-	0.013	-	-
Tax Capacity Rate	2019	12.511	0.860	7.242	20.613	39.603	43.595	15.688	35.227	54.372	53.537
Market Value Rate	2019	0.261	-	-	0.261	0.017	-	-	0.012	-	-
Tax Capacity Rate	2020	11.758	0.860	7.242	19.860	39.782	43.148	17.196	35.262	50.971	51.037
Market Value Rate	2020	0.344	-	-	0.344	0.016	-	-	0.012	-	-
Tax Capacity Rate	2021	11.619	0.746	7.681	20.046	38.192	42.853	13.838	36.333	49.251	50.590
Market Value Rate	2021	0.343	-	-	0.343	0.016	-	-	-	-	-

- (1) Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all the District's property owners (e.g., the rates for special districts apply only to the proportion of the District's property owners whose property is located within the geographic boundaries of the special district).
- (2) The miscellaneous other levy includes the Metropolitan Council, Mosquito Abatement, Transit District, Dakota County CDA, and Light Rail. These miscellaneous levies vary slightly between municipalities.

Source: Dakota County Department of Property and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Rate	Year Collectible	Overlapping Rates, Municipalities, and Townships (continued)						Total Direct and Overlapping Rates		
		Lakeville	Rosemount	Empire Township	Vermillion Township	Dakota County	Miscellaneous Other (2)	Apple Valley Resident	Eagan Resident	Rosemount Resident
Tax Capacity Rate	2012	39.051	46.994	30.845	18.664	31.426	5.021	108.997	99.440	111.881
Market Value Rate	2012	0.008	-	-	-	0.006	-	0.269	0.244	0.227
Tax Capacity Rate	2013	41.234	48.862	31.746	19.555	33.421	5.341	115.928	104.990	115.580
Market Value Rate	2013	0.008	-	-	-	-	-	0.256	0.252	0.235
Tax Capacity Rate	2014	40.696	47.676	31.164	17.466	31.827	4.993	112.317	102.676	112.102
Market Value Rate	2014	0.007	-	-	-	-	-	0.279	0.275	0.258
Tax Capacity Rate	2015	38.948	45.152	29.823	17.214	29.633	4.567	102.745	93.996	102.623
Market Value Rate	2015	-	-	-	-	-	-	0.275	0.270	0.255
Tax Capacity Rate	2016	38.669	43.149	29.445	16.724	28.570	5.063	102.671	95.047	101.099
Market Value Rate	2016	-	-	-	-	-	-	0.290	0.285	0.270
Tax Capacity Rate	2017	37.510	41.832	29.642	16.279	28.004	4.458	100.271	93.183	97.630
Market Value Rate	2017	-	-	-	-	-	-	0.293	0.288	0.274
Tax Capacity Rate	2018	36.419	40.961	29.892	16.282	26.580	4.458	94.865	88.768	93.351
Market Value Rate	2018	-	-	-	-	-	-	0.285	0.280	0.267
Tax Capacity Rate	2019	35.607	39.355	25.386	15.723	-	-	60.216	55.840	59.968
Market Value Rate	2019	-	-	-	-	25.386	-	25.664	25.659	25.647
Tax Capacity Rate	2020	34.615	38.580	29.131	14.728	24.133	4.030	87.805	83.285	86.603
Market Value Rate	2020	-	-	-	-	-	-	0.360	0.356	0.344
Tax Capacity Rate	2021	34.351	36.954	27.250	14.070	22.716	3.432	84.386	82.527	83.148
Market Value Rate	2021	-	-	-	-	-	-	0.359	0.343	0.343

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	Levy Year Collectible December 31,					
	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
West Publishing Company	\$ 81,952,000	1	0.4 %	\$ 73,474,900	2	0.5 %
Flint Hills Resources Pine Bend LLC	70,790,900	2	0.3	54,072,800	4	0.4
Northern States Power Co/Xcel Energy	65,722,000	3	0.3	-	-	-
Kingston Green Limited Partnership	56,512,500	4	0.3	-	-	-
RRE Woods Holdings LLC	54,750,000	5	0.3	-	-	-
Continental 313 Fund LLC	53,700,000	6	0.3	-	-	-
RRE Nicollet Ridge Holdings LLC	52,634,600	7	0.3	-	-	-
Dakota Electric Association	52,023,100	8	0.3	49,149,800	5	0.4
Burnsville Center SPE LLC	48,943,900	9	0.2	104,000,000	1	0.8
Eagan Promenade Inc	39,406,100	10	0.2	33,075,200	7	0.2
Xcel Energy	-	-	-	57,932,400	3	0.4
Promenade Village Townhomes, LLC	-	-	-	34,939,100	6	0.3
Individual	-	-	-	32,971,700	8	0.2
Principal Life Insurance Company	-	-	-	26,165,100	9	0.2
Aimco Woods of Burnsville, LLC	-	-	-	28,760,500	10	0.2
Total	<u>\$ 576,435,100</u>		<u>2.8 %</u>	<u>\$ 494,541,500</u>		<u>3.7 %</u>

Source: Dakota County Department of Property Tax and Public Records



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Levy Year Collectible December 31,	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 75,939,060	\$ 75,216,046	99.05	\$ 723,014	\$ 75,939,060	100.00
2013	73,876,495	73,303,172	99.22	573,323	73,876,495	100.00
2014	78,338,055	77,887,178	99.42	450,877	78,338,055	100.00
2015	78,627,184	78,236,512	99.50	319,916	78,556,428	99.91
2016	85,688,567	85,298,846	99.55	368,158	85,667,004	99.97
2017	89,051,368	88,689,493	99.59	330,821	89,020,314	99.97
2018	90,961,693	90,579,847	99.58	297,064	90,876,911	99.91
2019	95,260,090	94,911,727	99.63	251,474	95,163,201	99.90
2020	116,080,843	115,337,462	99.36	545,761	115,337,462	99.36
2021 (1)	108,037,417	56,238,652	52.05	N/A	56,238,652	52.05

N/A – Not Applicable

(1) Only a portion of the calendar year 2021 taxes are collected by June 30, 2021.

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
RATIOS AND OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Refunding Bonds</u>	<u>Capital Notes</u>	<u>State Energy Loans</u>	<u>Capital Leases</u>	<u>Certificates of Participation</u>	<u>Total</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
2012	\$ 101,765,000	\$ 41,070,000	\$ -	\$ -	\$ 9,909,921	\$ 2,555,000	\$ 155,299,921	0.01	\$ 1,015
2013	90,175,000	49,230,000	-	-	8,726,698	2,400,000	150,531,698	0.01	1,019
2014	51,730,000	47,975,000	-	-	7,594,863	15,955,000	123,254,863	0.01	831
2015	46,180,000	35,595,000	-	-	10,519,317	14,955,000	107,249,317	0.01	717
2016	138,270,000	32,660,000	-	-	9,467,435	14,030,000	194,427,435	0.01	1,270
2017	128,940,000	29,530,000	-	-	8,477,989	13,085,000	180,032,989	0.01	1,175
2018	139,238,317	26,310,000	-	-	8,286,343	12,125,000	185,959,660	0.01	1,203
2019	126,537,591	24,776,622	-	-	7,046,515	11,140,000	169,500,728	0.01	1,076
2020	117,208,645	20,998,759	-	-	6,149,919	19,614,507	163,971,830	N/A	1,029
2021	107,589,699	17,038,465	-	-	5,711,406	27,305,728	157,645,298	N/A	989

N/A – Not Available

(1) See the Schedule of Demographic and Economic Statistics for Dakota County personal income and the District's population data.

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>General Obligation Bonds and Capital Notes</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Market Value of Property (1)</u>	<u>Per Capita (2)</u>
2012	\$ 142,835,000	\$ 32,238,524	\$ 110,596,476	0.83	\$ 723
2013	139,405,000	44,234,187	95,170,813	0.75	644
2014	99,705,000	18,831,629	80,873,371	0.62	545
2015	81,775,000	16,385,721	65,389,279	0.46	437
2016	170,930,000	7,362,951	163,567,049	1.09	1,069
2017	158,470,000	5,338,811	153,131,189	0.98	1,000
2018	146,585,000	3,592,701	142,992,299	0.86	925
2019	151,314,213	1,699,991	149,614,222	0.83	950
2020	138,207,404	2,669,765	135,537,639	0.70	850
2021	124,628,164	3,636,775	120,991,389	0.59	759

(1) See the Schedule of Tax Capacity and Estimated Market Value of Property for information on the market value of the District's property.

(2) See the Schedule of Demographic and Economic Statistics for the District's population data.

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

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2021**  
**(UNAUDITED)**

Taxing Unit	Tax Collection Calendar Year 2020-2021 Taxable Net Tax Capacity	General Obligation Bonded Debt (1)	Debt Applicable to Tax Capacity in ISD No. 196	
			Percent	Amount
Direct Debt:				
ISD No. 196	\$ 206,817,692	\$ 110,985,000	100.00 %	\$ 110,985,000
Overlapping Debt:				
Dakota County	565,917,055	-	36.55	-
Cities:				
Apple Valley	63,190,564	11,620,000	99.14	11,520,312
Burnsville	80,596,439	49,620,000	23.76	11,790,109
Eagan	104,844,980	38,265,000	64.54	24,696,767
Farmington	22,879,829	9,260,000	0.03	3,065
Inver Grove Heights	46,032,753	29,245,000	23.90	6,988,356
Lakeville	89,127,471	94,280,000	17.17	16,184,011
Rosemount	32,375,072	6,070,000	93.30	5,663,607
Town of Empire	4,469,321	2,225,000	14.13	314,444
Other:				
Metropolitan Council	4,884,505,255	193,320,000	4.23	8,185,475
Total Overlapping Debt				<u>85,346,146</u>
Total Direct and Overlapping Debt Outstanding				<u><u>\$ 196,331,146</u></u>

(1) Includes that portion of debt which is secured by the authority to levy taxes on real estate.

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year			
	2012	2013	2014	2015
Debt Limit	\$ 2,006,942,428	\$ 1,907,640,566	\$ 1,963,489,649	\$ 2,136,988,570
Total Net Debt Applicable to Limit	110,596,476	95,170,813	80,873,371	65,389,279
Legal Debt Margin	<u>\$ 1,896,345,952</u>	<u>\$ 1,812,469,753</u>	<u>\$ 1,882,616,278</u>	<u>\$ 2,071,599,291</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	5.51%	4.99%	4.12%	3.06%

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

Source: Dakota County Department of Property Tax and Public Records.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
LEGAL AND DEBT MARGIN INFORMATION (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 2,247,702,875	\$ 2,338,961,771	\$ 2,505,861,498	\$ 2,709,209,473	\$ 2,898,074,753	\$ 3,052,950,410
163,567,049	153,131,189	142,992,299	149,614,222	135,537,639	120,991,389
<u>\$ 2,084,135,826</u>	<u>\$ 2,185,830,581</u>	<u>\$ 2,362,869,199</u>	<u>\$ 2,559,595,251</u>	<u>\$ 2,762,537,114</u>	<u>\$ 2,931,959,021</u>
7.28%	6.55%	5.71%	5.52%	4.68%	3.96%

Legal Debt Margin Calculation for Fiscal Year 2021

Estimated Market Value – 2020	\$ 20,353,002,736
Debt Limit (15% of Market Value)	3,052,950,410
Debt Applicable to Limit:	
General Obligation Bonds	124,628,164
Less Amount Set Aside for Repayment of	
General Obligation Debt	<u>(3,636,775)</u>
Total Net Debt Applicable to Limit	<u>120,991,389</u>
Legal Debt Margin	<u>\$ 2,931,959,021</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Calendar Year	ISD No. 196 Population (1)	Dakota County						
		Population (2)	Personal Income (Thousands) (2)	Per Capita Personal Income (2)	Median Age (2)	Education Level in Years of Formal Schooling (3)	School Enrollment (4)	Unemployment Rate (2)
2011	153,051	400,480	\$ 18,612,486	\$ 46,475	36.5	95.0	27,404	6.1
2012	147,703	405,088	20,192,381	49,847	36.7	95.0	27,168	5.2
2013	148,392	408,509	20,706,256	50,687	37.4	94.0	27,202	4.5
2014	149,616	412,529	21,524,339	52,177	36.8	94.0	27,204	3.8
2015	153,051	414,686	22,272,614	53,710	37.3	95.0	27,790	3.3
2016	153,174	417,486	22,951,451	54,975	37.6	94.0	28,182	3.4
2017	154,620	421,751	24,308,945	57,638	38.0	94.0	28,644	2.5
2018	157,475	425,423	25,802,276	60,651	38.2	95.2	29,196	2.5
2019	159,390	429,021	26,562,417	61,914	38.3	N/A	N/A	2.9
2020	159,390	431,807	N/A	N/A	N/A	N/A	N/A	5.9

N/A – Not Available

Data sources:

- (1) District population is based upon an annual school district census and U.S. census. This information is certified to the state and is subsequently used in determining community education revenue.
- (2) 2020 annual comprehensive financial report for Dakota County, Minnesota
- (3) Dakota County Demographics Report.
- (4) Actual number of students enrolled in the District on October 1 of each school year, based on the District's official October 1 enrollment reports.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Employer	2020 (1)			2011 (1)		
	Employees	Rank	Percentage of Total District Population	Employees	Rank	Percentage of Total District Population
Total District Population			240,319			231,267
Thomson West	6,000	1	2.50 %	7,500	1	3.24 %
ISD No. 196	4,500	2	1.87	4,160	2	1.80
Blue Cross-Blue Shield	3,000	3	1.25	3,500	3	1.51
Burnsville Center	3,000	3	1.25	-	-	-
Dakota County	1,912	7	0.80	1,706	5	0.74
CHS Incorporated	2,000	6	0.83	-	-	-
U.S. Postal Service	2,400	5	1.00	1,570	7	0.68
UTC Aerospace	1,800	8	0.75	1,600	6	1
Prime Therapeutics	1,591	9	0.66	-	-	-
ISD No. 194	1,555	10	0.65	-	-	-
ISD No. 191	-	-	-	1,500	8	0.65
Fairview Ridges Hospital	-	-	-	1,400	9	0.61
Red-D-Arc Welderentals	-	-	-	2,000	4	0.86
State Farm Opoerations Ctr	-	-	-	1,300	10	0.56

(1) Calendar Year

Source: 2020 Dakota County CAFR



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
EMPLOYEES BY CLASSIFICATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administrators/Principals (1)	106	109	104	135	117	117	136	140	138	136
Supervisors/Special Staff	56	58	59	71	69	68	81	85	82	84
Teachers/Nurses	2,386	2,542	2,537	2,769	2,812	2,815	2,624	2,356	2,378	2,479
Clerical	875	928	950	982	1,096	1,087	930	939	863	885
Building Chiefs and Custodians	207	204	203	199	201	203	206	215	185	185
Food Service	188	189	181	194	196	202	193	199	172	184
Truck Drivers/Mechanics/Bus Drivers	258	266	255	257	245	256	253	312	292	290
Nonlicensed Specialists	44	46	52	56	56	53	62	62	48	37
Total	<u>4,120</u>	<u>4,342</u>	<u>4,341</u>	<u>4,663</u>	<u>4,792</u>	<u>4,801</u>	<u>4,485</u>	<u>4,308</u>	<u>4,158</u>	<u>4,280</u>

(1) District office cabinet, principals, secondary school building assistant principals, and principals on special assignment.

Note: This schedule is a headcount based on assignment—if an employee has multiple assignments, they are reflected multiple times.

Source: ISD No. 196 – Human

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
OPERATING INDICATORS  
STANDARDIZED TESTING AND GRADUATION RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Standardized tests</b>										
<b>MCA Reading (1)</b>										
Grade 3	87 %	64 %	63 %	63 %	59 %	65 %	64 %	61 %	N/A %	54 %
Grade 4	83	63	61	65	65	62	66	60	N/A	52
Grade 5	86	74	76	72	73	72	70	73	N/A	63
Grade 6	85	67	68	71	66	69	69	66	N/A	60
Grade 7	81	65	65	63	65	64	63	62	N/A	56
Grade 8	79	65	66	67	66	69	66	63	N/A	57
Grade 10	87	75	72	71	74	73	73	73	N/A	73
<b>MCA Math (1)</b>										
Grade 3	77	76	76	76	74	75	73	71	N/A	65
Grade 4	76	77	77	77	73	73	74	70	N/A	56
Grade 5	68	68	70	69	65	64	62	62	N/A	47
Grade 6	64	66	67	66	66	65	64	59	N/A	42
Grade 7	61	67	67	64	63	62	61	59	N/A	43
Grade 8	65	63	66	64	66	66	66	65	N/A	42
Grade 11	54	68	65	63	64	68	64	62	N/A	60
<b>MCA Science (1)</b>										
Grade 5	61	66	71	67	70	68	67	66	N/A	54
Grade 8	46	51	56	57	63	61	59	55	N/A	38
High school	68	68	69	69	73	74	70	74	N/A	59
<b>MAP (Measures of Academic Progress) (2)</b>										
<b>Reading</b>										
Grade 2–5	63.1	64.3	72.3	72.8	N/A	N/A	N/A	N/A	N/A	N/A
Grade 6–7	61.3	62.5	61.0	63.2	56.6	55.3	56.4	54.5	49.6	57.9
<b>Math</b>										
Grade 2–5	72.9	66.3	65.0	71.9	55.0	54.6	51.2	48.3	51.7	N/A
Grade 6–7	67.8	55.5	60.3	63.2	58.4	60.4	60.8	58.8	56.4	42.5
<b>ACT</b>										
Average composite score	24.1	24.0	24.1	24.4	23.0	23.1	23.1	23	N/A	22.9
<b>National Merit Scholars</b>										
Commended	36	36	29	41	32	47.0	47.0	26.0	56.0	49.0
Finalists and semifinalists	16	16	15	15	15	15.0	7.0	16.0	12.0	17.0

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
OPERATING INDICATORS  
STANDARDIZED TESTING AND GRADUATION RATES (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Attendance percentages</b>										
Kindergarten	96.20	95.80	96.40	95.70	95.80	95.90	96.00	95.70	95.80	97.00
1st grade	96.20	96.00	96.10	95.70	95.80	95.90	96.00	96.00	95.80	96.90
2nd grade	96.60	96.20	96.30	95.80	96.10	95.80	96.20	96.00	96.10	97.10
3rd grade	96.60	96.40	96.50	96.00	96.00	96.10	96.10	96.10	95.90	97.20
4th grade	96.40	96.30	96.40	96.00	96.00	95.70	96.10	95.90	96.00	96.90
5th grade	96.50	96.20	96.30	95.90	95.90	95.80	95.80	96.00	95.90	96.80
6th grade	96.10	95.80	95.50	95.90	95.70	95.40	95.20	95.50	96.00	94.60
7th grade	95.80	95.40	95.60	95.40	95.40	95.30	94.90	95.50	95.60	94.10
8th grade	95.80	95.00	95.40	95.30	95.20	95.00	94.80	95.40	95.30	93.20
9th grade	96.20	96.10	96.10	99.00	95.70	95.20	95.20	96.30	97.00	96.20
10th grade	95.50	95.30	95.50	98.70	95.00	94.20	93.80	95.30	96.10	95.90
11th grade	94.20	94.90	94.60	98.40	93.20	93.10	92.30	95.10	95.30	94.60
12th grade	91.50	91.70	92.10	95.60	90.20	89.40	89.40	92.00	93.30	92.40
All grades	95.68 %	95.47 %	95.10 %	95.80 %	94.60 %	94.40 %	94.30 %	95.00 %	95.30 %	— %
<b>Graduation data (3)</b>										
District graduation rates	91 %	92 %	92 %	90 %	92 %	90 %	91 %	91.2	N/A	N/A
State graduation rate	78 %	80 %	81 %	82 %	82 %	83 %	83 %	83.7	N/A	N/A

N/A – Not Available

- (1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessments (MCA).
- (2) Percent of students who met or exceeded their mean growth projection.
- (3) To comply with U.S. Department of Education reporting requirements, calculations for high school graduation rates have changed. The state graduation rates shown for fiscal 2008 and thereafter, and the District rates shown for fiscal year 2012, are percentages of students graduating from high school within four years after they enrolled in Grade 9. Students who took an additional year to meet graduation requirements are not included in this calculation.

Source: Standardized testing results for the District are from the "Annual Report on Curriculum, Instruction, and Student Achievement," prepared by the District's Teaching and Learning Department.

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL**  
**CAPITAL ASSETS STATISTICS BY PROGRAM AND CLASSIFICATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program:										
Administration	\$ 198,717	\$ 190,127	\$ 190,908	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608
District Support Services	862,520	1,010,232	1,052,752	1,081,139	1,209,990	1,313,895	1,417,800	1,497,800	1,434,713	1,431,913
Elementary and Secondary										
Regular Instruction	9,005,469	9,019,255	9,156,130	9,310,499	9,498,719	10,298,063	10,356,373	10,413,270	10,541,161	10,628,195
Vocational Education	140,590	166,854	166,854	166,854	153,059	156,601	164,106	164,106	164,106	153,841
Special Education	319,752	324,676	345,565	358,609	387,351	392,500	392,500	392,500	385,920	385,920
Community Education	48,020	42,437	42,437	36,225	36,225	36,225	36,225	36,225	36,225	33,625
Instructional Support	181,009	175,634	158,389	154,527	159,917	159,917	159,917	159,917	159,917	159,917
Transportation	13,199,928	14,019,124	14,931,523	15,355,534	15,966,253	16,873,062	18,213,195	18,517,122	20,733,236	20,996,459
Food Service	2,110,819	2,164,109	2,296,422	2,392,865	2,486,240	2,662,531	2,746,826	2,982,509	3,161,792	3,185,003
Sites and Buildings	3,596,095	3,711,558	4,766,294	5,049,084	6,418,617	6,666,365	6,993,094	10,600,927	11,966,353	11,966,353
Sites and Buildings – Unallocated	380,961,031	385,485,390	395,222,661	410,215,923	412,984,267	442,192,955	486,431,295	509,995,795	520,991,650	532,833,261
Total Program	<u>\$ 410,623,949</u>	<u>\$ 416,309,396</u>	<u>\$ 428,329,935</u>	<u>\$ 444,370,867</u>	<u>\$ 449,550,246</u>	<u>\$ 481,001,722</u>	<u>\$ 527,160,939</u>	<u>555,009,779</u>	<u>569,824,681</u>	<u>582,024,095</u>
Classification:										
Land	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 11,966,353	\$ 11,966,353	\$ 11,966,353
Land Improvements	11,327,871	11,616,641	12,841,906	12,948,913	12,976,413	12,976,413	12,976,413	14,812,196	15,808,864	16,545,781
Building	329,828,810	332,834,757	334,572,452	336,821,378	357,940,976	362,591,261	374,845,921	376,147,361	437,802,664	463,331,698
Equipment	27,191,998	28,391,134	29,075,405	30,760,757	32,852,222	36,720,661	37,117,841	38,409,410	37,086,444	37,084,708
Eligible Pupil Transportation Vehicle	13,541,853	14,358,205	15,409,291	15,330,093	14,480,477	15,334,693	17,925,049	18,517,122	18,587,679	19,110,481
Food Service Equipment	2,552,543	2,605,833	2,712,415	2,357,122	2,450,498	2,626,789	2,711,084	2,982,509	3,601,327	3,624,538
Property and Equipment under										
Capital Leases	17,310,162	17,207,107	17,227,800	17,227,800	17,336,653	14,315,371	15,358,580	13,745,317	13,745,317	14,327,063
Total Classification	<u>410,623,949</u>	<u>415,884,389</u>	<u>420,709,981</u>	<u>424,316,775</u>	<u>446,907,951</u>	<u>453,435,900</u>	<u>469,805,600</u>	<u>476,580,268</u>	<u>538,598,648</u>	<u>565,990,622</u>
Construction in Progress	<u>271,931</u>	<u>425,007</u>	<u>7,619,954</u>	<u>20,054,092</u>	<u>2,642,295</u>	<u>27,565,822</u>	<u>57,355,339</u>	<u>78,429,511</u>	<u>31,226,033</u>	<u>16,033,473</u>
Total Classification and										
Construction in Progress	<u>\$ 410,895,880</u>	<u>\$ 416,309,396</u>	<u>\$ 428,329,935</u>	<u>\$ 444,370,867</u>	<u>\$ 449,550,246</u>	<u>\$ 481,001,722</u>	<u>\$ 527,160,939</u>	<u>\$ 555,009,779</u>	<u>\$ 569,824,681</u>	<u>\$ 582,024,095</u>

Source: The District's Finance Department

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
EXPENDITURES PER STUDENT (AVERAGE DAILY MEMBERSHIP  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	\$ 402	\$ 436	\$ 470	\$ 485	\$ 539	\$ 537	\$ 553	\$ 575	\$ 589	\$ 604
District Support Services	310	310	306	324	340	353	379	423	464	716
Elementary and Secondary Regular Instruction	5,417	5,482	5,626	5,897	6,001	6,110	6,177	6,241	6,250	6,619
Vocational Education Instruction	141	144	145	153	189	180	182	190	180	178
Special Education Instruction	2,063	2,154	2,257	2,279	2,370	2,447	2,516	2,556	2,663	2,715
Instructional Support Services	497	602	622	675	716	743	767	791	806	759
Pupil Support Services	741	847	866	845	861	886	905	921	1,010	1,079
Sites and Buildings	964	835	851	789	799	913	839	894	1,301	1,312
Fiscal and Other Fixed Cost Programs	20	22	26	24	24	22	21	42	37	45
Food Service	411	400	418	423	427	431	400	426	384	372
Community Service	341	365	363	284	292	317	310	314	292	287
Capital Outlay	318	231	497	699	423	1,207	263	1,409	218	372
Debt Service	838	830	793	826	643	802	767	763	592	597
Total Expenditures	<u>\$ 12,465</u>	<u>\$ 12,658</u>	<u>\$ 13,242</u>	<u>\$ 13,704</u>	<u>\$ 13,623</u>	<u>\$ 14,950</u>	<u>\$ 14,078</u>	<u>\$ 15,546</u>	<u>\$ 14,787</u>	<u>\$ 15,656</u>
Average Daily Membership	<u>27,053</u>	<u>26,793</u>	<u>26,918</u>	<u>27,206</u>	<u>27,526</u>	<u>27,797</u>	<u>28,178</u>	<u>28,418</u>	<u>28,870</u>	<u>28,551</u>

Note 1: Includes all governmental fund expenditures.

Source: Average daily membership from the Minnesota Department of Education

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
FOOD SERVICE SCHOOL LUNCH PROGRAM DATA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Ended June 30,	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percentage of Average Daily Attendance	Free Lunch		Reduced Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2012	23,868	2,633,781	174	15,137	63.4	625,915	23.8	168,576	6.4
2013	23,602	2,398,031	170	14,106	59.8	606,438	25.3	170,748	7.1
2014	24,571	2,385,935	165	14,460	58.9	643,503	27.0	165,163	6.9
2015	24,853	2,528,744	169	14,963	60.2	676,947	26.8	195,960	7.7
2016	25,198	2,561,285	169	15,156	60.1	694,018	27.1	207,102	8.1
2017	26,416	2,585,768	169	15,300	57.9	667,303	25.8	227,423	8.8
2018	25,296	2,598,724	165	15,750	62.3	671,874	25.9	227,855	8.8
2019	28,418	2,603,191	165	15,777	55.5	622,877	23.9	238,377	9.2
2020	28,870	1,924,112	116	16,587	57.5	438,784	22.8	171,961	8.9
2021	27,117	1,182,438	190	6,223	23.0	197,467	16.7	197,467	16.7

(1) Attendance is deemed to be 95 percent of enrollment.

Source: ISD No. 196 Summary: Food Service Statistics Reports

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
SCHOOL FACILITIES  
AS OF JUNE 30, 2021  
(UNAUDITED)**

Facility	Use	Constructed	Acres	Classrooms (1)	Square Footage	Capacity	Enrollment (2)
<b>Elementary Schools:</b>							
Cedar Park	School	1977	16.64	29	79,178	595	698
Deerwood	School	1987	(3a)	35	80,741	595	612
Diamond Path	School	1970	40.00	39	83,780	725	704
East Lake	School	2017	22.40	38	84,600	750	742
Echo Park	School	1979	16.29	45	94,876	790	757
Glacier Hills	School	1993	15.01	39	85,167	680	684
Greenleaf	School	1975	30.40	50	88,130	835	787
Highland	School	1986	(3b)	43	85,497	725	717
Northview	School	1960	39.50	37	67,743	705	454
Oak Ridge	School	1991	9.95	45	86,896	680	546
Parkview	School	1970	13.00	39	95,430	680	791
Pinewood	School	1990	17.31	44	85,328	815	564
Red Pine	School	1995	13.09	47	88,784	815	692
Rosemount	School	1960	(3c)	38	76,251	660	758
Shannon Park	School	1990	13.50	47	83,936	770	580
Southview	School	1967	(3d)	46	75,391	790	634
Thomas Lake	School	1979	15.00	34	69,912	595	550
Westview	School	1964	18.00	41	71,678	725	447
Woodland	School	1988	18.43	37	83,724	680	697
<b>Middle Schools:</b>							
Black Hawk	School	1994	38.81	71	198,534	1,200	852
Dakota Hills	School	1989	(3e)	64	223,560	1,300	1,235
Falcon Ridge	School	1996	32.46	73	197,534	1,200	1,045
Rosemount	School	1918	(3c)	61	173,796	1,055	1,260
Scott Highlands	School	1979	40.00	60	165,735	1,030	1,234
Valley	School	1972	32.74	60	192,198	1,165	1,069
<b>High Schools:</b>							
Apple Valley	School	1976	80.00	83	370,234	1,990	1,741
Eagan	School	1990	94.00	87	382,970	2,040	2,043
Eastview	School	1997	54.00	97	338,242	2,015	2,233
Rosemount	School	1963	120.13	91	414,998	2,015	2,462
School of Environmental Studies	School	1995	12.25	53	71,171	400	314
Area Learning Center and Transition Plus	School	2006	N/A	18	27,659	310	282
Dakota Ridge	School	1997	(3f)	26	50,338	160	108
Cedar Valley Learning Center	School	1993	1.59	6	13,730	309	18
Dakota Valley Learning Center	Special/Early Child/ Adult Education	2014	(3f)	22	54,000	529	226
District Office	Office	2006	2.10	N/A	25,900	368	—
District Service Center	Office	1972	40.00	N/A	23,937	N/A	—
Facilities	Office/Maintenance/Warehouse	1972	(3f)	N/A	28,964	N/A	—
District Office East	Office	1984	9.50	N/A	18,677	N/A	—

N/A – Not Available

- (1) All rooms dedicated for instructional purposes, including regular classrooms, portable classrooms, computer labs, art rooms, band/choir/music rooms, special services rooms, science rooms, F.A.C.S. rooms, and industrial technology rooms.
- (2) Enrollment is defined as the adjusted ADMs served excluding resident students tuitioned out to other Minnesota school districts. Students served by the school of environmental studies are included in the students' home high school.
- (3) Joint sites  
 (a) with Black Hawk Middle School (d) with Valley Middle School  
 (b) with Scott Highlands Middle School (e) with Eagan High School  
 (c) with Rosemount High School (f) with District Service Center/Facilities/Dakota Ridge/Dakota Valley Learning Center

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
BUILDING PERMITS ISSUED BY MAJOR CITIES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Calendar Year	Total Permits		New Residential Permits (1)	
	Number	Value	Number	Value
City of Rosemount				
2011	2,359	\$ 28,753,846	16	\$ 4,834,000
2012	2,251	38,804,214	59	16,832,849
2013	2,471	42,084,362	93	26,136,626
2014	2,879	75,168,593	180	45,310,000
2015	2,677	63,330,428	173	39,739,000
2016	3,033	82,205,630	136	38,723,900
2017	3,136	74,717,882	135	37,709,343
2018	3,503	87,287,106	256	57,601,704
2019	3,997	90,278,793	274	65,796,011
2020	4,426	105,548,812	389	67,676,504
City of Apple Valley				
2010	2,995	59,290,047	61	35,346,000
2011	4,248	21,248,500	31	7,929,000
2012	4,438	41,228,000	47	12,284,000
2013	4,426	49,921,500	63	19,317,000
2014	5,430	90,423,600	71	22,147,000
2015	5,755	90,870,178	120	34,525,000
2016	6,573	92,352,609	140	42,385,000
2017	6,932	202,481,522	177	42,973,000
2018	5,698	141,378,881	125	33,552,000
2019	6,534	81,344,499	29	9,899,000
2020	6,006	44,873,377	5	1,368,000
City of Eagan				
2010	2,616	56,977,150	32	9,481,442
2011	2,259	59,743,157	73	20,912,987
2012	2,699	109,835,569	154	37,114,705
2013	7,455	218,669,781	188	70,828,088
2014	5,044	158,991,311	177	57,043,757
2015	2,470	101,187,211	49	17,047,341
2016	2,426	152,547,456	84	29,123,360
2017	3,145	428,078,165	72	26,208,327
2018	2,641	139,726,902	40	14,790,119
2019	2,555	245,770,779	35	14,486,797
2020	3,351	212,030,440	15	6,025,197

(1) Includes single family homes, duplexes, quad homes, townhomes, multi-unit, and condominiums.

Note: The District includes portions of nine municipalities. The above table includes the three main municipalities within the District and is representative of growth in the area. These cities maintain building permit information on a calendar year.

Source: City of Rosemount, City of Apple Valley, and City of Eagan



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOL  
STUDENTS – AVERAGE DAILY MEMBERSHIP  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Ended June 30,	ADM (for Students Served or Tuition Paid)						Total Pupil Units	
	Early Childhood and Kindergarten – Handicapped	Kindergarten	Elementary	Secondary	Total		Number	Percent Increase (Decrease)
					Number	Percent Increase (Decrease)		
2012	401.43	1,690.94	11,948.37	13,012.52	27,053.26	(0.2)	31,406.83	(0.3)
2013	402.20	1,683.94	11,926.58	12,780.09	26,792.81	(1.0)	31,079.22	(1.0)
2014	405.36	1,596.02	12,116.23	12,800.68	26,918.29	0.5	31,261.97	0.6
2015	501.42	1,749.62	12,235.89	12,718.96	27,205.89	1.1	29,748.93	(4.8)
2016	500.75	1,721.13	12,421.88	12,869.63	27,513.39	1.1	30,087.31	1.1
2017	536.81	1,745.10	12,728.02	12,901.49	27,911.42	1.4	30,347.56	0.9
2018	570.62	1,826.07	12,831.89	12,949.34	28,177.92	1.0	30,766.98	1.4
2019	598.22	1,827.47	12,859.96	13,132.63	28,418.28	0.9	31,045.11	0.9
2020	611.78	1,875.46	12,953.75	13,428.55	28,869.54	1.6	31,452.21	1.3
2021	516.21	1,598.46	12,754.60	13,674.79	28,544.06	(1.1)	31,279.02	(0.6)

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

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

	Early Childhood and Kindergarten – Handicapped	Kindergarten		Elementary		Secondary
		Part-Time	All-Day	1–3	4–6	
Fiscal 2009 through 2014	Various	0.612	0.061	1.115	1.060	1.300
Fiscal 2015 through 2018	Various	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education

