



MEETING AGENDA

*The mission of Eden Prairie Schools is to inspire each student to learn continuously so they are empowered
 To reach personal fulfillment and contribute purposefully to our ever-changing world.*

1. Convene: 6:00 PM (Roll Call)

Call to Order - Steven Bartz, Aaron Casper, Debjyoti "DD" Dwivedy, Kim Ross, Adam Seidel, Charles "CJ" Strehl, Dennis Stubbs

Board Member Debjyoti "DD" Dwivedy will be joining the meeting remotely in the office space main hallway of the Hilton Prague, Pobrezni 311/1, Prague, 186 00, Czech Republic

2. Pledge of Allegiance

3. Oath of Office - New School Board Member Dennis Stubbs

I swear/affirm that I will support the Constitution of the United States and of this State, and that I will discharge faithfully the duties of the office of School Board Member of Independent School District No. 272 to the best of my judgment and ability.

4. Agenda Review and Approval (Action)

Approval of the agenda for the Monday, November 28, 2022 School Board of Independent School District 272, Eden Prairie Schools.

Motion _____ Seconded _____

- 1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___
- 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
- 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
- 4. Debjyoti Dwivedy Yes___ No___

5. Approval of Previous Minutes (Action)

Approval of the UNOFFICIAL Minutes of the School Board Regular Business Meeting on October 24, 2022, Special Business Meeting on November 14, 2022, and Workshop Notes on November 14, 2022.

Motion _____ Seconded _____

- 1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___
- 2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___
- 3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___
- 4. Debjyoti Dwivedy Yes___ No___

- A. October 24, 2022 Regular Business Meeting 7
- B. November 14, 2022 Special Meeting 11
- C. November 14, 2022 Workshop Notes 12

6. Public Comment: 6:05 PM

7. Announcements 6:10 PM (Information)

8. Spotlight on Success 6:15 PM (Information)

- A. Eden Lake Elementary - Inspire Choice

9. Board Education & Required Reporting 6:25 PM (Information)

- A. Fiscal Year (FY) 2021-22 Audited Financial Presentation Information
 - 1) FY 2021-22 Executive Summary - Annual Financial Audit 13
 - 2) Audited Financial Presentation 14

3) Annual Comprehensive Financial Report (See Appendix "A")

4) Management Report (See Appendix "A")

5) Special Purpose Audit Reports (See Appendix "A")

10. **Board Work 6:55 PM (Action)**

A. Decision Preparation

1) School Board Treasurer's Report

25

B. Required Board Action

C. Policy Monitoring (Action)

1) Executive Limitations - EL 2.9 Communication and Support to the School Board - *The Superintendent shall not* cause or allow the School Board to be uninformed or unsupported in its work. (Action)

26

OI Motion _____ **Seconded** _____

1. Adam Seidel Yes ___ No ___ 5. Kim Ross Yes ___ No ___
2. Charles Strehl Yes ___ No ___ 6. Dennis Stubbs Yes ___ No ___
3. Aaron Casper Yes ___ No ___ 7. Steve Bartz Yes ___ No ___
4. Debjyoti Dwivedy Yes ___ No ___

Evidence Motion _____ **Seconded** _____

1. Adam Seidel Yes ___ No ___ 5. Kim Ross Yes ___ No ___
2. Charles Strehl Yes ___ No ___ 6. Dennis Stubbs Yes ___ No ___
3. Aaron Casper Yes ___ No ___ 7. Steve Bartz Yes ___ No ___
4. Debjyoti Dwivedy Yes ___ No ___

a. EL 2.9.1 *The Superintendent shall not*: Neglect to submit monitoring reports required by the School Board in a timely, accurate, and understandable fashion.

OI Motion _____ **Seconded** _____

1. Adam Seidel Yes ___ No ___ 5. Kim Ross Yes ___ No ___
2. Charles Strehl Yes ___ No ___ 6. Dennis Stubbs Yes ___ No ___
3. Aaron Casper Yes ___ No ___ 7. Steve Bartz Yes ___ No ___
4. Debjyoti Dwivedy Yes ___ No ___

Evidence Motion _____ **Seconded** _____

1. Adam Seidel Yes ___ No ___ 5. Kim Ross Yes ___ No ___
2. Charles Strehl Yes ___ No ___ 6. Dennis Stubbs Yes ___ No ___
3. Aaron Casper Yes ___ No ___ 7. Steve Bartz Yes ___ No ___
4. Debjyoti Dwivedy Yes ___ No ___

b. EL 2.9.2 *The Superintendent shall not*: Be untimely in reporting any actual or anticipated noncompliance with any policy of the School Board.

OI Motion _____ **Seconded** _____

1. Adam Seidel Yes ___ No ___ 5. Kim Ross Yes ___ No ___
2. Charles Strehl Yes ___ No ___ 6. Dennis Stubbs Yes ___ No ___
3. Aaron Casper Yes ___ No ___ 7. Steve Bartz Yes ___ No ___
4. Debjyoti Dwivedy Yes ___ No ___

Evidence Motion _____ **Seconded** _____

1. Adam Seidel Yes ___ No ___ 5. Kim Ross Yes ___ No ___
2. Charles Strehl Yes ___ No ___ 6. Dennis Stubbs Yes ___ No ___
3. Aaron Casper Yes ___ No ___ 7. Steve Bartz Yes ___ No ___
4. Debjyoti Dwivedy Yes ___ No ___

c. EL 2.9.3 *The Superintendent shall not*: Neglect to submit unbiased information required by the School Board or let the School Board be unaware of relevant trends.

OI Motion _____ **Seconded** _____

1. Adam Seidel Yes ___ No ___ 5. Kim Ross Yes ___ No ___
2. Charles Strehl Yes ___ No ___ 6. Dennis Stubbs Yes ___ No ___
3. Aaron Casper Yes ___ No ___ 7. Steve Bartz Yes ___ No ___
4. Debjyoti Dwivedy Yes ___ No ___

Evidence Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___
2. Charles Strehl Yes___ No___
3. Aaron Casper Yes___ No___
4. Debjyoti Dwivedy Yes___ No___
5. Kim Ross Yes___ No___
6. Dennis Stubbs Yes___ No___
7. Steve Bartz Yes___ No___

d. EL 2.9.4 *The Superintendent shall not:* Let the School Board be unaware of any significant incidental information it requires, including district press releases, anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.

OI Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___
2. Charles Strehl Yes___ No___
3. Aaron Casper Yes___ No___
4. Debjyoti Dwivedy Yes___ No___
5. Kim Ross Yes___ No___
6. Dennis Stubbs Yes___ No___
7. Steve Bartz Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___
2. Charles Strehl Yes___ No___
3. Aaron Casper Yes___ No___
4. Debjyoti Dwivedy Yes___ No___
5. Kim Ross Yes___ No___
6. Dennis Stubbs Yes___ No___
7. Steve Bartz Yes___ No___

e. EL 2.9.5 *The Superintendent shall not:* Fail to advise the School Board if, in the Superintendent's opinion, the School Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of School Board behavior that is detrimental to the working relationship between the School Board and the Superintendent.

OI Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___
2. Charles Strehl Yes___ No___
3. Aaron Casper Yes___ No___
4. Debjyoti Dwivedy Yes___ No___
5. Kim Ross Yes___ No___
6. Dennis Stubbs Yes___ No___
7. Steve Bartz Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___
2. Charles Strehl Yes___ No___
3. Aaron Casper Yes___ No___
4. Debjyoti Dwivedy Yes___ No___
5. Kim Ross Yes___ No___
6. Dennis Stubbs Yes___ No___
7. Steve Bartz Yes___ No___

f. EL 2.9.6 *The Superintendent shall not:* Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and incidental

OI Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___
2. Charles Strehl Yes___ No___
3. Aaron Casper Yes___ No___
4. Debjyoti Dwivedy Yes___ No___
5. Kim Ross Yes___ No___
6. Dennis Stubbs Yes___ No___
7. Steve Bartz Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___
2. Charles Strehl Yes___ No___
3. Aaron Casper Yes___ No___
4. Debjyoti Dwivedy Yes___ No___
5. Kim Ross Yes___ No___
6. Dennis Stubbs Yes___ No___
7. Steve Bartz Yes___ No___

g. EL 2.9.7 *The Superintendent shall not:* Provide a mechanism for official School Board, officer, or committee communications that is ineffective.

OI Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___
2. Charles Strehl Yes___ No___
3. Aaron Casper Yes___ No___
4. Debjyoti Dwivedy Yes___ No___
5. Kim Ross Yes___ No___
6. Dennis Stubbs Yes___ No___
7. Steve Bartz Yes___ No___

Evidence Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___
2. Charles Strehl Yes___ No___
3. Aaron Casper Yes___ No___
4. Debjyoti Dwivedy Yes___ No___
5. Kim Ross Yes___ No___
6. Dennis Stubbs Yes___ No___
7. Steve Bartz Yes___ No___

h. EL 2.9.8 *The Superintendent shall not:* Communicate with individual School Board members in addressing official School Board business except when responding to officers or committees duly charged by the School Board.

OI Motion _____ **Seconded** _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Adam Seidel | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

Evidence Motion _____ **Seconded** _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Adam Seidel | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

i. EL 2.9.9 *The Superintendent shall not:* Neglect to supply for the School Board's consent agenda, along with applicable supporting information, all decisions delegated to the Superintendent yet required by law, regulation, or contract to be School Board-approved.

OI Motion _____ **Seconded** _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Adam Seidel | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

Evidence Motion _____ **Seconded** _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Adam Seidel | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

j. EL 2.9.10 *The Superintendent shall not:* Allow the School Board to be unaware of potential consequences to the district posed by pending legislation or regulation.

OI Motion _____ **Seconded** _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Adam Seidel | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

Evidence Motion _____ **Seconded** _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Adam Seidel | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

k. EL 2.9.11 *The Superintendent shall not:* Send letters or surveys under the School Board's name or on behalf of the School Board without School Board approval.

OI Motion _____ **Seconded** _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Adam Seidel | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

Evidence Motion _____ **Seconded** _____

- | | | | |
|---------------------|--------------|------------------|--------------|
| 1. Adam Seidel | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |
| 3. Aaron Casper | Yes___ No___ | 7. Steve Bartz | Yes___ No___ |
| 4. Debjyoti Dwivedy | Yes___ No___ | | |

D. Record of Board Self-Evaluation **(Action)**

1) 2021-22 Record of Board Policy Monitoring - Governance Policies (GP's) **(Action)**

Motion _____ **Seconded** _____

- | | | | |
|-------------------|--------------|------------------|--------------|
| 1. Adam Seidel | Yes___ No___ | 5. Kim Ross | Yes___ No___ |
| 2. Charles Strehl | Yes___ No___ | 6. Dennis Stubbs | Yes___ No___ |

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

2) 2021-22 Record of Board Policy Monitoring - Executive Limitations (EL's) **(Action)**

48

Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

3) 2021-22 Record of Board Policy Monitoring - Ends (1.1 - 1.6) **(Action)**

49

Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

11. Superintendent Consent Agenda **7:10 PM (Action)**

Management items the Board would not act upon in Policy Governance, but require Board approval from outside entities.

Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

A. Monthly Reports

1) Resolution of Acceptance of Donations

51

2) Human Resources Report

52

3) Business Services Reports

a. Board Business

56

b. Financial Report - Monthly Revenue/Expenditure Report

57

B. Seek Bid - District-wide LED Lighting Upgrade

58

12. Superintendent's Incidental Information Report **7:15 PM (Information)**

Incidental Information is considered as "nice to know" information regarding district business. Monitoring and decision-making information are handled elsewhere on the agenda. These items are not open for debate, but rather for awareness and understanding. (Supports EL 2.9 in general and 2.9.6 specifically)

13. Board Action on Committee Reports & Minutes **7:20 PM (Action)**

A. Board Development Committee

B. Community Linkage Committee

1) Article for Inspiring News - **DRAFT (Action)**

59

Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

2) Listen & Learn Discussion

C. Negotiations Committee

D. Policy Committee **(Action)**

1) GP Policy 4.8.4 - Negotiations Committee

61

Motion _____ **Seconded** _____

1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

14. Other Board Updates (AMSD, ECSU, ISD 287, MSHSL) 7:50 PM (Information)

A. AMSD (Association of Metropolitan School) - *Kim Ross*

B. ECSU (Metropolitan Educational Cooperative Service Unit) - *Kim Ross*

C. ISD 287 (Intermediate School District 287)

D. MSHSL (Minnesota State High School League) - *Charles Strehl*

15. Board Work Plan 8:00 PM (Action)

A. Work Plan Changes Document (Action)

62

Motion _____ Seconded _____

1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

B. 2022-23 Board Annual Work Plan

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16. Closed Session: Security - Minn. Stat. 13D.05,Subd.3(d): 8:05 PM (Action)

Pursuant to MN Statute 13D.05, Subd.3(d): A school board may close a meeting to discuss issues, other than financial, related to security.

Motion by _____, Seconded by _____ to move into Closed Session at _____ p.m.

1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

Motion by _____, Seconded by _____ to move out of Closed Session and the resume regular Business Meeting at _____ p.m.

1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

17. Adjournment (Action)

Motion _____ Seconded _____ to adjourn at _____ PM.

1. Adam Seidel Yes___ No___ 5. Kim Ross Yes___ No___

2. Charles Strehl Yes___ No___ 6. Dennis Stubbs Yes___ No___

3. Aaron Casper Yes___ No___ 7. Steve Bartz Yes___ No___

4. Debjyoti Dwivedy Yes___ No___

18. Appendix "A" - Fiscal Year 2021-22 Audited Financial Presentation Information (Item #8)

A. Annual Comprehensive Financial Report

75

B. Management Report

244

C. Special Purpose Audit Reports

268

**INDEPENDENT SCHOOL DISTRICT 272 ~ EDEN PRAIRIE SCHOOLS
UNOFFICIAL MINUTES OF THE OCTOBER 24, 2022
SCHOOL BOARD MEETING**

A Regular Meeting of the Independent School District 272, Eden Prairie Schools, was held on October 24, 2022, in the Eden Prairie District Administrative Offices, 8100 School Road, Eden Prairie, MN 55344.

1. Convene: 6:00 PM – Call to Order

Present: Steve Bartz, Aaron Casper, Debjyoti "DD" Dwivedy, Francesca Pagan-Umar, Kim Ross, Adam Seidel, Charles "CJ" Strehl

Present: Superintendent Josh Swanson

2. Pledge of Allegiance

3. Agenda Review and Approval – Motion by A. Casper, **Seconded** by F. Pagan-Umar to approve agenda for October 24, 2022, meeting of the School Board of Independent School District 272, Eden Prairie Schools – Passed Unanimously

4. Approval of Previous Minutes – Motion by F. Pagan-Umar, **Seconded** by S. Bartz to approve the UNOFFICIAL Minutes of the School Board Regular Business Meetings for September 26, 2022 and the Workshop notes for October 10, 2022.

5. Public Comment – None to Report

6. Announcements – by Superintendent Swanson

- At the [2022 GIVE Gathering](#), organizations from across Eden Prairie came together at Central Middle School to share opportunities for community members to give back. Community Education partnered with the Eden Prairie Community Foundation and the City of Eden Prairie to make it possible!
- **Congratulations to 12th grader Khoi Nguyen**, who was recognized as a 2023 Horatio Alger Minnesota State Scholarship recipient! These scholarships honor the achievements of students who have faced and overcome great obstacles while exhibiting determination, integrity, and perseverance.
- **EP Director of Facilities, Safety and Grounds Honored by Minnesota – Educational Facilities Management Professionals Association**
We are proud to share that Kyle Fisher, Director of Facilities, Safety and Grounds, was awarded the 2022 Outstanding Contributor Award at the annual MASMS conference held on October 6, 2022. Mr. Fisher has been a valuable part of our district community since 2014. This award is in recognition of Mr. Fisher's outstanding dedication and commitment to educational facilities management. We are grateful for everything he does to keep our facilities and grounds clean, safe, and enjoyable for our community!
- **National Principals Month** - Employee Appreciation Week - Principals & Assistant Principals (October 2-6)
- **National School Lunch Week** - Employee Appreciation Week - Food & Nutrition Services: Managers, Food Assistants, Cashiers, Production Cooks (October 9-13)
- **National School Bus Safety Week** - Employee Appreciation Week - Transportation: Bus Drivers, Crossing Guards, Mechanics - October 16-20
- **Election Day is only 14 days away!**

7. Spotlight on Success – Eden Prairie Online/ Secondary Programming

8. Board Education & Required Reporting

A. 2022-23 Board Education & Workshop Topic: Sustainability

9. Board Work

A. Decision Preparation

B. Required Board Action

- 1) Superintendent Contract - **Motion** by A. Seidel, **Seconded** by D. Dwivedy to approve the Superintendent's Updated Contract for 2023-2023 – Passed Unanimously

C. Policy Monitoring

- 1) Ends 1.1 through 1.6 Evidence (FY 2021-22)

a. Ends Policy 1.1 – Each student graduates and is academically prepared to progress to multiple opportunities after high school.

Evidence Motion by A. Seidel, **Seconded** by K. Ross to accept the Superintendent's assertion of progress – Passed 6-1; Yes – 6 (SB, AC, DD, KR, AS, CS); No – 1 (FP-U)

- b. Ends Policy 1.2 – Each student is reading at grade level by the end of third grade.
Evidence Motion by K. Ross, **Seconded** by D. Dwivedy reject the Superintendent’s assertion that progress was not made, that progress was made – Passed Unanimously
- c. Ends Policy 1.3 – Each student achieves individual growth expectations and proficiency annually in, but not limited to, Language Arts, Math and Science.
Evidence Motion by F. Pagan-Umar, **Seconded** by A. Casper to accept Superintendent’s assertion that acceptable progress was not made – Passed Unanimously
- d. Ends Policy 1.4 – Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements
Evidence Motion by A. Casper, **Seconded** by S. Bartz to accept Superintendent’s assertion that progress was made – Passed Unanimously
- e. Ends Policy 1.5 – Each student has the 21st century skills needed to succeed in the global economy.
Evidence Motion by K. Ross, **Seconded** by A. Casper to reject the Superintendent’s assertion that reasonable progress was not made, progress was made – Passed 4-3; Yes 4 (AC, KR, AS, DD); No 3 (FP-U, CS, SB)

Motion by A. Seidel, **Seconded** by C. Strehl to recess at 9:02 p.m. Passed Unanimously; Resumed at 9:11 p.m.

- f. Ends Policy 1.6 – Each student demonstrates the knowledge that citizens and residents of the United States need to contribute positively to society.
Evidence Motion by S. Bartz, **Seconded** by F. Pagan-Umar to accept the Superintendent’s assertion that progress was not made – Passed 6-1; Yes 6 (SB, AC, DD, FP-U, AS, CS); No 1 (KR)

2) Executive Limitations (EL's)

- a. EL 2.4 - Treatment of Staff
OI Motion by A. Seidel, **Seconded** by D. Dwivedy that by exception, the overall Global Constraint and its child policies is reasonable as presented – Passed Unanimously
Evidence Motion by A. Seidel, **Seconded** by D. Dwivedy, that by exception, the Evidence for the overall Global Constraint and its child policies is compliant as presented – Passed Unanimously
- b. EL 2.8 - Compensation and Benefits
OI Motion by A. Seidel, **Seconded** by D. Dwivedy that by exception, the overall Global Constraint and its child policies is reasonable as presented – Passed Unanimously
Evidence Motion by A. Seidel, **Seconded** by D. Dwivedy, that by exception, the Evidence for the overall Global Constraint and its child policies is compliant as presented – Passed Unanimously

3) Governance Process (GP's)

- a. GP 4.0 - Global Governance Commitment
Motion by A. Seidel, **Seconded** by F. Pagan-Umar that Board is compliant – Passed Unanimously
- b. 4.1 - Governing Style
Motion by A. Seidel, **Seconded** by D. Dwivedy that Board is compliant – Passed Unanimously
- c. GP 4.2 - School Board Job Product
Motion by A. Seidel, **Seconded** by D. Dwivedy that Board is compliant – Passed Unanimously
- d. GP 4.3 - Annual Work Plan
Motion by A. Seidel, **Seconded** by F. Pagan-Umar that Board is compliant – Passed Unanimously
- e. GP 4.9 - Governance Investment
Motion by A. Seidel, **Seconded** by F. Pagan-Umar that Board is compliant – Passed Unanimously

D. Record of Board Self-Evaluation

- 1) 2021-22 Record of Board Policy Monitoring - Board Management Delegation Policies (BMD's) & Governance Policies (GP's) – **Motion** by K. Ross, **Seconded** by S. Bartz to approve record as presented
- 2) 2021-22 Record of Board Policy Monitoring - Executive Limitations (EL's) – **Motion** by K. Ross, **Seconded** by A. Casper to approve record as presentd – Passed Unanimously
- 3) 2021-22 Record of Board Policy Monitoring - Ends 1.1 - 1.6 (*No Updates*)

10. Superintendent Consent Agenda – Motion by A. Seidel, **Seconded** by A. Casper to approve Consent Agenda as presented – Passed Unanimously

- A. Monthly Reports

- 1) Resolution of Acceptance of Donations
- 2) Human Resources Report
- 3) Business Services Reports
 - a. Board Business
 - b. Financial Report - Monthly Revenue/Expenditure Report
- B. Minnesota State High School League (MSHSL Grant Application)
- 11. **Superintendent's Incidental Information Report**
 - A. Enrollment Report as of October 1, 2022
- 12. **Board Action on Committee Reports & Minutes**
 - A. Board Development Committee
 - B. Community Linkage Committee
 - C. Negotiations Committee
 - D. Policy Committee
 - 1) GP Policy 4.8.4 Discussion
- 13. **Other Board Updates (AMSD, ECSU, ISD 287, MSHSL): 9:20 PM (Information)**
 - A. AMSD – Updated
 - B. ECSU – No Updated
 - C. ISD 287 – Updated
 - D. MSHSL – Updated
- 14. **Board Work Plan**
 - A. Work Plan "Change" Document – **Motion** by A. Seidel, **Seconded** by D. Dwivedy to approve as presented – Passed Unanimously

Eden Prairie School Board
2022–23 WORK PLAN CHANGES
“Proposed” Changes – October 24, 2022

Date of Meeting/Workshop	Changes Requested
Monday, November 14, 2022 – Election Canvassing	
Monday, November 14, 2022 – Workshop	
Wednesday, November 16, 2022 – Community Linkage Event	- Removed Event
Monday, November 28, 2022	- Add: Closed Session – Debriefing High School Incident - Add: Policy GP 4.8.4
Monday, December 12, 2022	
Monday, January 9, 2023 – Annual Organization Meeting	
Monday, January 9, 2023 – Workshop	
Monday, January 23, 2023	
Monday, February 13, 2023 – Workshop	- Add: Community Linkage: Discuss Goals & Format for Community Engagement
Monday, February 27, 2023	
Monday, March 13, 2023 – Workshop	
Monday, March 27, 2023	
Monday, April 10, 2023 – Workshop	
Monday, April 24, 2023	

Placeholder – General Board Work

- 2022-23 Board Education & Workshop Topics:
 - Strategic Planning (and Spring 2023)
 - Board Education on Pathways (Spring 2023)
 - Types of Assessments (Spring 2023)

Placeholder – Policy Review

- GP 4.4.3 – Governance Process – Officer Roles: Clarification of fiscal year
- ~~GP 4.8.4 – Governance Process – School Board Committee Structure: Negotiations Committee~~ *Point of clarification (1st and 2nd Sentence – Sample Language Change)*

B. 2022-23 Board Annual Work Plan

15. **Adjournment – Motion** by A. Seidel, **Seconded** by A. Casper to adjourn at 10:15 PM – Passed Unanimously

Debjyoti Dwivedy – Board Clerk

UNOFFICIAL

INDEPENDENT SCHOOL DISTRICT 272 ~ EDEN PRAIRIE SCHOOLS
UNOFFICIAL MINUTES OF THE NOVEMBER 14, 2022
SPECIAL SCHOOL BOARD MEETING

A Special Meeting of the Independent School District 272, Eden Prairie Schools, was held on November 14, 2022, in the Eden Prairie District Administrative Offices, 8100 School Road, Eden Prairie, MN 55344.

1. CONVENE - 6:03 PM (Roll Call)

Present: Steve Bartz, Aaron Casper, Francesca Pagan-Umar, Kim Ross, Adam Seidel, Charles "CJ" Strehl

Not Present: Debjyoti "DD" Dwivedy

Present: Superintendent Josh Swanson

2. Agenda Review and Approval – Motion by A. Casper, **Seconded** by K. Ross to approve the agenda for the Monday, November 14, 2022 Special Meeting of the School Board of Independent School District 272, Eden Prairie Schools – Passed 6-0

3. Board Work

A. Required Board Action

1) Approve: *Resolution* Canvassing Returns of Votes of School District Special Elections - *Roll Call*

Motion by A. Casper, **Seconded** by K. Ross to approve the *Resolution* Canvassing Returns of Votes of School District Special Elections – Passed 6-0; Yes – 6 (SB, AC, FP-U, KR, AS, CS); No - 0

2) Approve: *Resolution* Canvassing Returns of Votes of School District General and Special Elections to Fill A Vacancy on the School Board - *Roll Call*

Motion by A. Casper, **Seconded** by K. Ross to approve the *Resolution* Canvassing Returns of Votes of School District General and Special Elections to Fill A Vacancy on the School Board – Passed 6-0; Yes – 6 (SB, AC, FP-U, KR, AS, CS); No – 0

3) Approve: *Resolution* Authorizing Issuance of Certificates of Election and Directing the School District Clerk to Perform other Election Related Duties - *Roll Call*

Motion by A. Casper, **Seconded** by K. Ross to approve the *Resolution* Authorizing Issuance of Certificates of Election and Directing the School District Clerk to Perform other Election Related Duties – Passed 6-0; Yes – 6 (SB, AC, FP-U, KR, AS, CS); No – 0

4. Adjournment – Motion by A. Casper, **Seconded** by F. Pagan-Umar to adjourn at 6:08 PM – Passed 6-0

Adam Seidel – Board Chair

School Board Workshop Notes – November 14, 2022

1. Convene – 6:00 p.m.
2. Board Education Presentation: Technology Use & Screen Time: Overview of Digital Practices & Digital Citizenship
 - a. Instruction Design with the Use of Technology
Reviewed rigor/authenticity matrix. Desire students to demonstrate extended thinking focused on solving real-world problem. Tools to support learning experiences that expose them and increase their skills around the 4 Cs. Discussion of the role technology plays for EP Online students.
 - b. Screen Time
Definition of screen time vs. screen media; looking at the screen vs. what you do when you are on the device. Physical impacts of prolonged screen time need to be considered. After the age of five (5) there really is no research-based recommendation, up to families. Absence of engagement is where negative impacts of screen time are seen (i.e., mindlessly scrolling or watching TV).
 - c. Students' Data Privacy
Ways to protect students and their privacy include filtering, application blocking, and numerous security mechanisms. Provide the least amount of data possible to third party vendors that need information to give students access.
3. Discussion of board process to discuss new policies.
4. Review of Board Treasurer's Report 2021-2022
5. Community Linkage Committee – Inspiring News Topic
Ideas – thank the community for supporting the referendum and discuss results of ends monitoring. What's next now that the referendum has passed. Strategic planning process – community involvement in the process.
6. Reviewed work plan changes document.
7. District 287 report from Francesca Pagan-Umar.
8. Chair Seidel and Superintendent Swanson expressed the board's gratitude for Francesca Pagan-Umar's service on the board.



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

November 28, 2022

To: Dr. Josh Swanson
From: Business Office
Re: Fiscal Year 2021-2022 Annual Financial Audit

We are pleased to present the year-end financial results for the fiscal year 2022. There are three documents included in this package: Management Report, Special Purpose Audit Report, and the Annual Comprehensive Financial Report. The financial reports will be available on the district website for the community following this board meeting.

The District hired Malloy Montague Karnowski Radosevich & Co., P.A. (MMKR), an independent audit firm, to conduct the financial audit. The auditors have issued a clean unmodified opinion on the audit report, the highest opinion they can provide, indicating the financial statements are fairly stated. The auditors identified one finding, which you can find on page 10 of the Special Purpose Audit Report.

The Annual Financial Statement contains the Management's Discussion and Analysis (pages 5-16) which provides a narrative overview and analysis of the financial activities during the fiscal year. The Management Report is designed to communicate information relevant to the financing of public education in Minnesota and to provide comments resulting from the audit process. I would encourage you to focus on these pages of the report which provide a great summary of the district's current financial condition.

This presentation also doubles as our year-end financial report to the school board. The general fund finished with an unassigned fund balance of \$17,640,453, which represents 14.9% of our annual expenditures and a decrease of \$856,885 from the prior year.

Here are some important takeaways from the audit presentation:

- The District utilized an additional \$2.7 million of coronavirus relief and education stabilization funds recognized in the 2021-22 fiscal year, which is down from the \$6.3 million utilized in the 2020-21 fiscal year.
- Food Service and Community Education funds experienced significant increases in participation during 2021-22, which drove increases to fund balance.
- The Other Post-Employment Benefits (OPEB) trust recognized investment losses of \$2,076,955 and paid \$2,341,026 in benefits in 2021-22, representing a total decrease of \$4,417,982. As of June 30, 2022, the District still holds a fund balance at 1.65 times that of the District's estimated OPEB Liability.

We are pleased with the year-end results in all funds across the district and continue to meet our financial targets as expected. The updated 5-year financial projection will be presented to the board in January 2023 and will reflect these audited financial numbers.

INDEPENDENT SCHOOL DISTRICT NO. 272

Audit Report for Year Ended June 30, 2022

AUDITOR'S ROLE



OPINION ON FINANCIAL STATEMENTS

- DISTRICT AUDIT
- SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

INTERNAL CONTROLS AND COMPLIANCE

- FINANCIAL STATEMENT AUDIT
- FEDERAL "SINGLE AUDIT"
- STATE LAWS AND REGULATIONS

AUDIT RESULTS



DISTRICT FINANCIAL AUDIT

- Unmodified Opinion on Basic Financial Statements

16

INTERNAL CONTROL AND COMPLIANCE – FINANCIAL AUDIT

- No material weaknesses or instances of noncompliance reported in the current year.

AUDIT RESULTS (CONTINUED)



MN LEGAL COMPLIANCE

- One instance of noncompliance
 - 2022-001 Payment of Invoices

17

SINGLE AUDIT of FEDERAL AWARDS

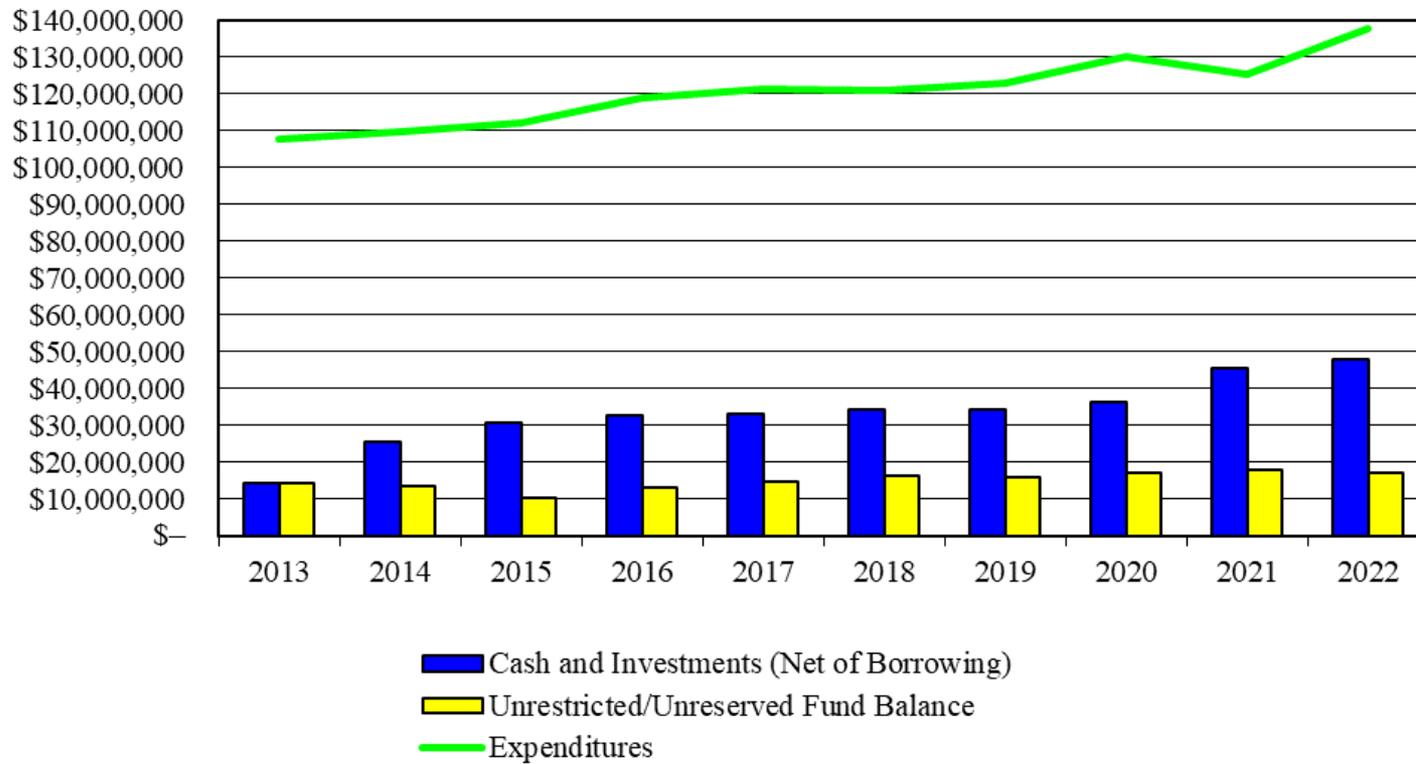
- Clean opinion on SEFA
- No material weaknesses or instances of noncompliance reported in the current year.

GENERAL FUND

FINANCIAL POSITION – TREND ANALYSIS



General Fund Financial Position
Year Ended June 30,



GENERAL FUND

FINANCIAL POSITION – TREND ANALYSIS

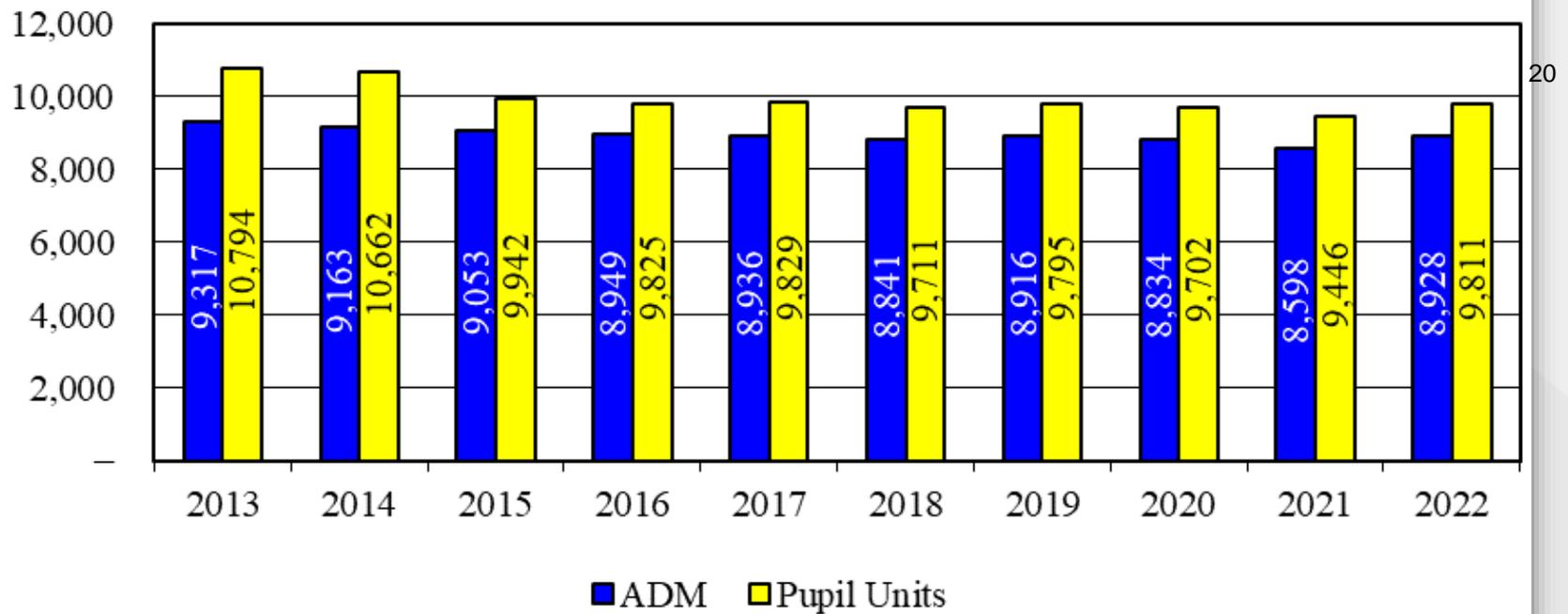
	June 30,				
	2018	2019	2020	2021	2022
Nonspendable fund balances	\$ 145,362	\$ 1,676,290	\$ 507,235	\$ 686,319	\$ 599,973
Restricted fund balances (1)	2,106,412	1,403,680	1,461,779	2,198,592	3,220,180
Unrestricted fund balances					
Assigned	1,685,452	2,826,715	4,320,382	11,053,757	9,997,353
Unassigned	16,349,250	15,751,476	17,207,918	17,811,019	17,040,479
 Total fund balance	<u>\$ 20,286,476</u>	<u>\$ 21,658,161</u>	<u>\$ 23,497,314</u>	<u>\$ 31,749,687</u>	<u>\$ 30,857,985</u>
 Total expenditures	<u>\$ 120,809,427</u>	<u>\$ 122,810,797</u>	<u>\$ 130,053,168</u>	<u>\$ 125,297,301</u>	<u>\$ 137,728,612</u>
 Unrestricted fund balances as a percentage of expenditures	<u>14.9%</u>	<u>15.1%</u>	<u>16.6%</u>	<u>23.0%</u>	<u>19.6%</u>
 Unassigned fund balances as a percentage of expenditures	<u>13.5%</u>	<u>12.8%</u>	<u>13.2%</u>	<u>14.2%</u>	<u>12.4%</u>

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

ADJUSTED ADM PUPIL UNITS SERVED



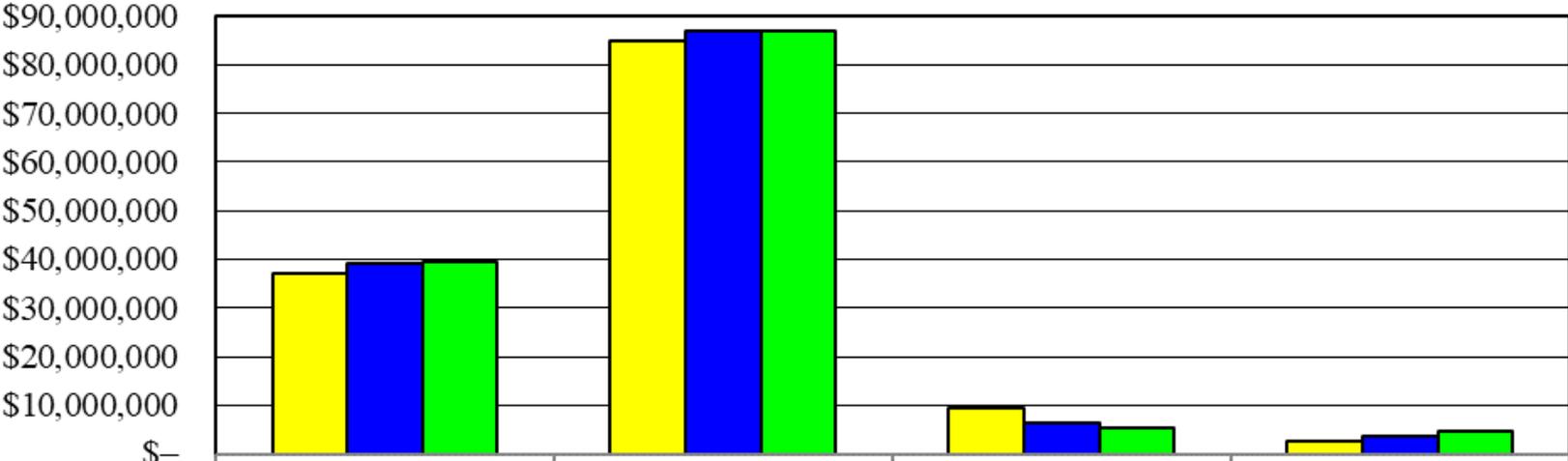
Adjusted ADM and Pupil Units Served



GENERAL FUND REVENUE



General Fund Revenue

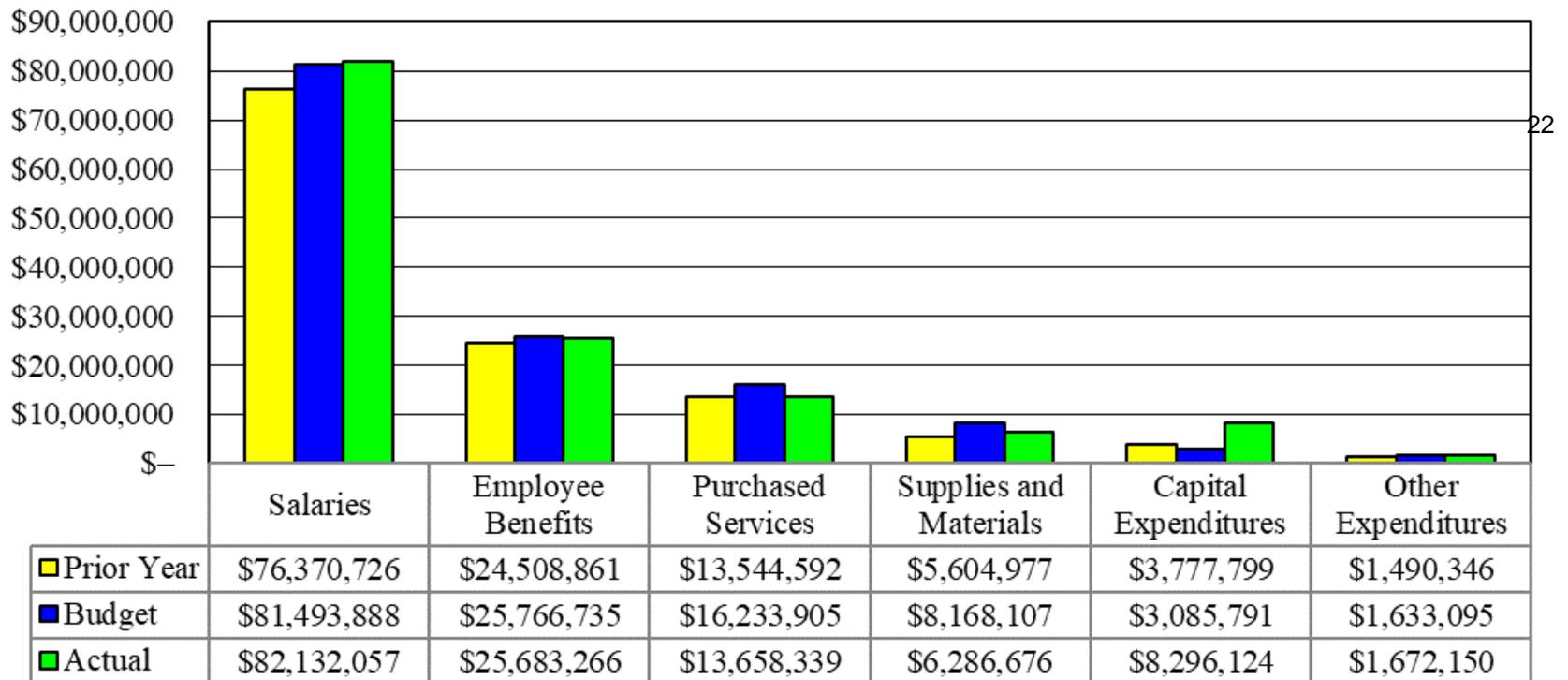


	Property Taxes	State Sources	Federal Sources	Other
■ Prior Year	\$37,156,080	\$84,756,787	\$9,439,879	\$2,618,528
■ Budget	\$39,123,179	\$86,972,909	\$6,287,625	\$3,546,799
■ Actual	\$39,318,935	\$86,913,358	\$5,358,285	\$4,530,840

GENERAL FUND EXPENDITURES



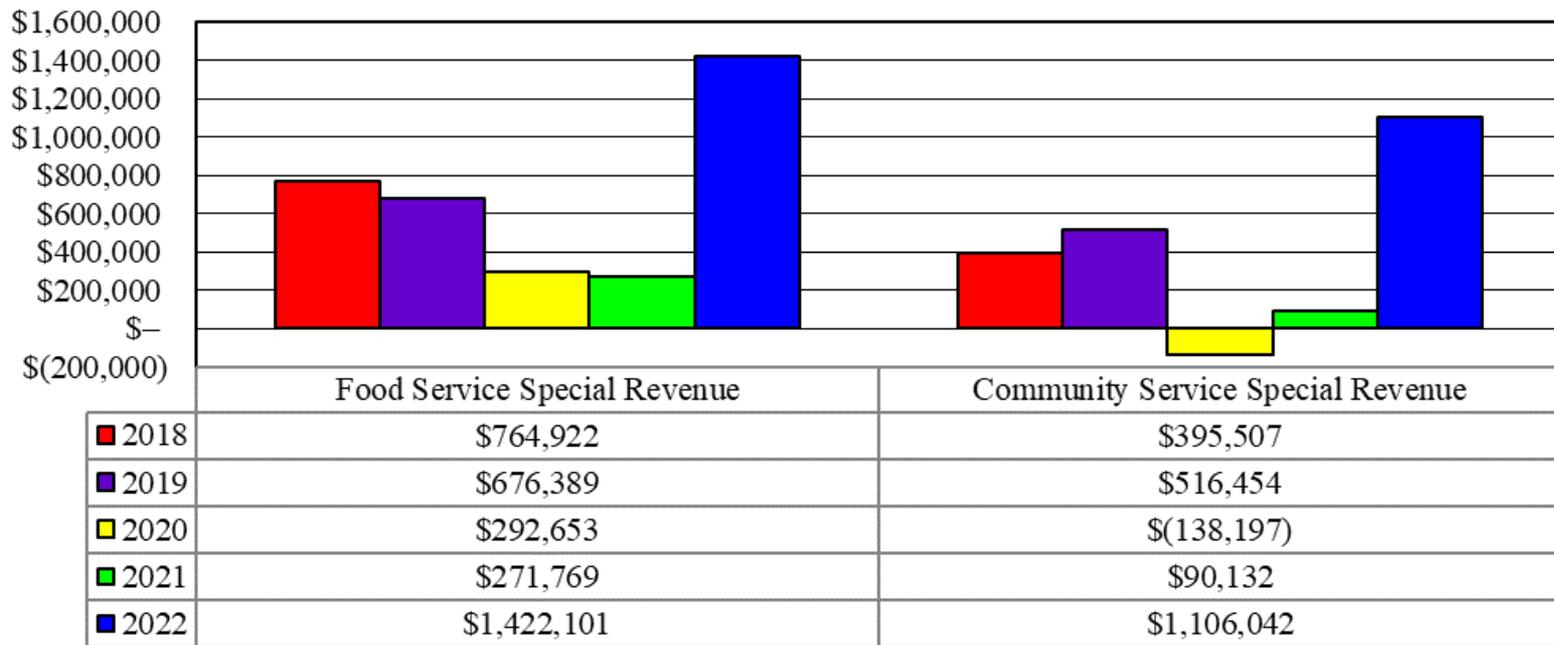
General Fund Expenditures



OTHER GOVERNMENTAL FUNDS



Other Operating Funds
Total Fund Balances



DISTRICT-WIDE

STATEMENT OF NET POSITION

	June 30,		Change
	2022	2021	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 38,555,213	\$ 49,355,823	\$ (10,800,610)
OPEB asset, net of deferments	3,680,654	4,774,746	(1,094,092)
Total capital assets, net of depreciation and amortization	136,536,679	126,728,543	9,808,136
Bonds, financed purchases, and leases payable	(101,822,320)	(105,193,590)	3,371,270
Pension liability, net of deferments	(118,217,004)	(125,596,093)	7,379,089
Other adjustments	7,749,748	6,016,387	1,733,361
Total net position – governmental activities	<u>\$ (33,517,030)</u>	<u>\$ (43,914,184)</u>	<u>\$ 10,397,154</u>
Net position			
Net investment in capital assets	\$ 41,428,049	\$ 38,298,795	\$ 3,129,254
Restricted	9,956,996	8,176,157	1,780,839
Unrestricted	<u>(84,902,075)</u>	<u>(90,389,136)</u>	<u>5,487,061</u>
Total net position	<u>\$ (33,517,030)</u>	<u>\$ (43,914,184)</u>	<u>\$ 10,397,154</u>

**2021-22 Eden Prairie School Board
Year-End Treasurer Report**

Budget Category	Description	Fiscal Year 2018-19 Actual	Fiscal Year 2019-20 Actual	Fiscal Year 2020-21 Actual	Approved 2021-22 Budget	Fiscal Year 2021-22 Expenses	Underspend (Overspend)	Approved 2022-23 Budget
109	Board Member Compensation	36,100.00	35,006.66	35,900.00	36,300.00	35,987.50	312.50	36,300.00
210	FICA (Fed Ins Contrib Act)	2,761.74	1,918.53	1,497.08	1,500.00	1,686.67	(186.67)	1,500.00
214	PERA (Pub Emp Ret Assoc)	1,135.12	1,125.08	1,007.56	1,300.00	860.00	440.00	1,300.00
305	Service Fees/Consulting	3,859.35	15,743.69	2,680.05	16,173.00	26,891.85	(10,718.85)	15,000.00
329	Postage	15.40	14.35	16.50	-	-	-	-
366	Travel/Conferences	2,115.00	1,687.52	4,945.00	2,500.00	2,485.00	15.00	4,750.00
398	Chargeback (Printing)	393.11	70.00	1,307.02	1,000.00	852.88	147.12	1,500.00
401	General Supplies	284.92	545.21	749.35	900.00	715.79	184.21	750.00
490	Food	456.58	11.24	316.17	1,200.00	1,071.15	128.85	500.00
820	Memberships/Dues	16,353.00	16,547.00	16,545.00	17,127.00	17,127.00	-	17,500.00
	Totals	63,474.22	72,669.28	64,963.73	78,000.00	87,677.84	(9,677.84)	79,100.00

Notes:

- 109 Slightly under budget by \$313 due to a vacant board member position before an appointment
- 210/214 Board members can choose between FICA and PERA, the combination of these line items is under budget by \$253
- 305 Over budget due to the timing of a payment to a consultant of \$12,860. This expense occurred in FY20-21, which ended under budget, but the consultant did not bill the district until November 2021. This line item also includes the cost of publishing the school board minutes.
- 366 Board members attending conferences/training was slightly under budget.
- 398 Printing was under budget by \$147
- 401 Supplies were under budget by \$184
- 490 Food for various meetings was under budget by \$129
- 820 Memberships were right on track for MSBA and the Board Book subscription

Overall budget was overbudget by \$9,678, but the timing of the one bill for \$12,860 accounts for this variance. Had this bill occurred in the correct fiscal year, the school board budget would be under budget by \$3,182 or 4.08%.

**Eden Prairie School District 272
Superintendent Monitoring Report**

Policy Name: EL 2.9 Communication and Support to the School Board	Monitoring Time Frame: July 1, 2020 – June 30, 2021 July 1, 2021 - June 30, 2022	Policy Monitoring Column FOR BOARD USE ONLY
Policy Quadrant: Executive Limitations	Date of School Board Monitoring: November 22, 2021 November 28, 2022	
		Compliance rating: <ul style="list-style-type: none"> ● OI is/is not reasonable ● Data does/does not provide adequate evidence of compliance Include specific evidence for rating conclusion and ²⁶ recommendations.
Global Constraint: The Superintendent shall not cause or allow the School Board to be uninformed or unsupported in its work.		Board member name: <i>(enter rating and reasoning when appropriate)</i>
<u>Operational Interpretation:</u> I interpret this policy to mean that I am ultimately responsible for arranging the logistical, informational and organizational systems necessary for the School Board to be an effective governing body with the support of the Superintendent’s Cabinet and Office Staff. I believe the Board’s subsequent policies 2.9.1 – 2.9.11 succinctly cover all areas of further interpretation of this global (“parent level”) policy leaving no other areas of concern to be addressed in this interpretation.		
<u>Justification:</u> This was developed through reflection and a study of operational interpretations of similar organizations that approached it in a similar fashion.		
<u>Measurement Plan:</u> The organization will be in compliance with EL 2.9 if the Board finds the organization to be in compliance with policies 2.9.1 – 2.9.11.		
<u>Evidence:</u> Evidence of compliance is demonstrated by supporting data presented throughout EL Policies 2.9.1-2.9.11.		

<p><u>Statement of Assertion:</u> EL 2.9 is reasonable and is in compliance.</p>	
<p>2.9.1 Further, the Superintendent shall not: Neglect to submit monitoring reports required by the School Board in a timely, accurate, and understandable fashion and with reasonably available disaggregated data.</p>	
<p><u>Operational Interpretation:</u> Our governance process dictates that the superintendent periodically report on whether the organization has (1) avoided conditions the Board has indicated as unacceptable, and (2) achieved certain end results. This policy requires that those reports, defined by Policy Governance as internal monitoring reports for Executive Limitation and Ends policies, be submitted with the following qualities:</p> <ol style="list-style-type: none"> 1. Timeliness – Timely information is information that is available when it is needed. I interpret this to mean that the reports will be made available to the Board twelve (12) days prior to the Board meeting at which the report will be monitored. 2. Accuracy – Accurate information provides a reliable and valid representation of reality. I interpret this to mean that all data provided will be fact-based and known to be true to the best of our ability. 3. Understandable – I interpret this to mean that the actual reports must be: <ol style="list-style-type: none"> a. Presented in a standardized format that clearly delineates each element of the report (Operational Interpretation, Justification, Measurement, Data, Statement of Compliance); b. Free of unnecessary material not directly related to demonstrating compliance with the policy interpretation; c. Carefully designed to express vast quantities of data that can be assimilated and absorbed by the reader quickly. 	27
<p><u>Justification:</u> My interpretation of monitoring reports is guided by our understanding of the Policy Governance model as learned during joint training sessions, documentation reviewed, and shared experience since 2013. My interpretation of timeliness being twelve (12) days prior to monitoring. My interpretation of accuracy and understandable is guided by our joint understanding of the Policy Governance model.</p>	
<p><u>Measurement Plan:</u> Compliance with this policy will be demonstrated by:</p> <ol style="list-style-type: none"> 1. Compliance is achieved when at least 90% of all reports are submitted no less than twelve (12) days before monitoring. 2. The operational interpretations, justifications and data provided are timely, accurate, and provide credibility to my assertions of compliance. 3. The format and content is not unnecessarily complicated as demonstrated by final board action on the report. 	

Evidence:

1. 100% of Monitoring reports have been submitted twelve or more days prior to monitoring. (Table 1)
2. The following tables and board action for each monitoring report from ~~July 2019 – June 2020~~ [July 2020 - June 2021](#) demonstrate alignment of my justifications, interpretations, and assertions as reasonable or credible as determined by the board. (Table 2)
3. The board was able to read, understand, and determine reasonableness and compliance on the executive limitations and Ends evidenced in the table below. (Table 2)

Table 1

Ends/Executive Limitations	Date Submitted	12 Days (Y/N)
Ends 1.1	October 15, 2020 and June 17, 2021 October 14, 2021	Yes
Ends 1.2	October 15, 2020 and June 17, 2021 October 14, 2021	Yes
Ends 1.3	October 15, 2020 and June 17, 2021 October 14, 2021	Yes
Ends 1.1	June 16, 2022	Yes
End 1.2	June 16, 2022	Yes
End 1.3	June 16, 2022	Yes
End 1.4	June 16, 2022	Yes
End 1.5	June 16, 2022	Yes
End 1.6	June 16, 2022	Yes
EL 2.0	December 3, 2020 December 2, 2021	Yes
EL 2.1	August 13, 2020 August 12, 2021	Yes
EL 2.2	August 13, 2020 August 12, 2021	Yes
EL 2.3	September 17, 2020 September 16, 2021	Yes
EL 2.4	October 15, 2020 October 14, 2021	Yes
EL 2.5	December 3, 2020 December 2, 2021	Yes
EL 2.6	September 17, 2020 September 16, 2021	Yes
EL 2.7	August 13, 2020 August 12, 2021	Yes
EL 2.8	October 15, 2020 October 14, 2021	Yes
EL 2.9	November 12, 2020 November 11, 2021	Yes

**Record of Board Policy Monitoring
Ends and Executive Limitations
July 1, 2020 – June 30, 2021**

Monitoring 2020-2021 School Year Data

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

Policy	School Year	Operational Interpretation – Reasonable or not?		Evidence – demonstrates expected progress?		Date to bring back the district’s plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							
1.1 Each student graduates and is academically prepared to progress to multiple opportunities after high school	2020-21	Yes 06/22/20	Yes 06/22/20	Yes 10/25/21	Yes 10/25/21		Yes 10/25/21
1.1.1 Each student is reading at grade level by the end of third grade	2020-21	Yes 06/22/20	Yes 06/22/20	No 10/25/21	No 10/25/21	Update: Feb. 28, 2022	Yes 2/28/22
1.1.2 Each student achieves individual growth expectations and proficiency annually in, but not limited to, Language Arts, Math and Science	2020-21	Yes 06/22/20	Yes 06/22/20	No 10/25/21	No 10/25/21	Update: Mar. 28, 2022	Yes 3/28/22

Table 2

Ends and Executive Limitations

July 1, 2020 – June 30, 2021

Monitoring 2020-2021 School Year Data

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

<p>1.1.3 Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements</p>	<p>2020-21</p>	<p>Yes 06/22/20</p>	<p>Yes 06/22/20</p>	<p>Yes 10/25/21</p>	<p>Yes 10/25/21</p>		<p>Yes 10/25/21</p>
<p>1.2 Each student demonstrates the 21st century skills needed to succeed in the global economy</p>	<p>2020-21</p>	<p>Yes 06/22/20</p>	<p>Yes 06/22/20</p>	<p>Yes 10/25/21</p>	<p>Yes 10/25/21</p>		<p>Yes 10/25/21</p>
<p>1.3 Each student demonstrates the knowledge that citizens and residents of the United States need to contribute positively to society</p>	<p>2020-21</p>	<p>Yes 06/22/20</p>	<p>Yes 06/22/20</p>	<p>Yes 10/25/21</p>	<p>Yes 10/25/21</p>		<p>Yes 10/25/21</p>

**Record of Board Policy Monitoring
Ends and Executive Limitations
July 1, 2020 – June 30, 2021**

Monitoring 2020-2021 School Year Data

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – supports Operational Interpretation or not?		Date to re-monitor if either the OI is Not Reasonable or if Evidence doesn't support OI	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
EXECUTIVE LIMITATIONS							
EL 2.0 Global Executive Constraint	12/13/21	Yes	Yes	Yes	Yes, with the exception of EL 2.9.11	Update of EL 2.9.22 on 1/24/22	Yes
EL 2.1 Emergency Superintendent Succession	08/23/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.2 Treatment of Students	08/23/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.3 Treatment of Parents	09/27/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.4 Treatment of Staff	10/25/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.5 Financial Planning and Budgeting	12/13/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.6 Financial Management and Operations	09/27/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.7 Asset Protection	08/23/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.8 Compensation and Benefits	10/25/21	Yes	Yes	Yes	Yes	Yes	Yes

EL 2.9 Communication and Support to the School Board	11/22/21	Yes	Yes	Yes	Yes (with the exception of EL 2.9.11)	Update of EL 2.9.11 on 1/24/22	Yes
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Statement of Assertion:

EL 2.9.1 is reasonable and is in compliance.

<p>2.9.2 Further, the Superintendent shall not: Be untimely in reporting any actual or anticipated noncompliance with any policy of the School Board.</p>	
<p><u>Operational Interpretation:</u> I interpret this policy to mean that it is my responsibility to inform the Board if the organization swings significantly out of compliance or is likely to go out of compliance with any Executive Limitation or Ends policy independent of the timing for internal monitoring reports. In other words, I will not wait until a monitoring report is due to inform the Board of a compliance issue but will alert the Board as soon as is prudent and possible.</p> <p>I interpret “any policy” to include Executive Limitation and Ends policies.</p>	
<p><u>Justification:</u> I submit this as a reasonable interpretation on the merit of its common sense approach. In a crisis, I must first “secure the situation” and then communicate. Therefore, alerting the Board at my first possible convenience is a logical approach.</p>	
<p><u>Measurement Plan:</u></p> <ol style="list-style-type: none"> 1. Compliance will be measured using three (3) benchmarks: <ol style="list-style-type: none"> a. Administration’s timely notification to the Board of any unanticipated non-compliance with any Board policy prior to the scheduled date of monitoring report review. b. Administration’s adherence to the Monitoring Schedule per the Board Work Plan. c. The Board’s request for additional monitoring. 	32
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. There were no instances of: <ol style="list-style-type: none"> a. Unanticipated non-compliance with any Board policy prior to the scheduled date of monitoring report review. b. See evidence presented for EL 2.9.1. c. See evidence presented for EL 2.9.1. 	
<p><u>Statement of Assertion:</u> EL 2.9.2 is reasonable and is in compliance.</p>	
<p>2.9.3 Further, the Superintendent shall not: Neglect to submit unbiased information required by the School Board or let the School Board be unaware of relevant trends.</p>	
<p><u>Operational Interpretation:</u> I interpret “unbiased information required by the School Board” to be data that:</p> <ol style="list-style-type: none"> 1. Seeks to provide facts, multiple perspectives, and the positive and/or negative consequences of any proposed action when the School Board requests such information for their deliberations (e.g. considering a new EL or Ends policy); 2. Neither promotes nor suppresses the true nature or logical outcomes that may result from the review of said data 	

<p>“Relevant trends” are interpreted as information that provides the School Board with key insights into emerging educational trends that might better inform the Board as they approach their governance responsibilities.</p>	
<p><u>Justification:</u> The reasonableness of this interpretation is based on my past experience supporting School Board process and an awareness of the key issues facing the School Board and organization.</p>	
<p><u>Measurement Plan:</u> Compliance shall be evidenced by:</p> <ol style="list-style-type: none"> 1. The operational interpretations, justifications and data provided are timely, accurate, and provide credibility to my assertions of compliance as evidenced by final board action on the report. 2. The Superintendent shall provide “Incidental Information” reports at the monthly business meetings; and 3. Assist the Board and Board Development Committee as they develop future focused workshop topics. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. See evidence for 2.9.1 2. See evidence for 2.9.4 3. Future focused topics presented during the monitoring period: <ol style="list-style-type: none"> a. Finance 101 b. Parent Survey Information c. Preliminary Enrollment Report d. Preliminary Financial Report e. School Board Website and Communication f. Workshop Proposals and Future Work g. Budget Guidelines Development h. Operating Levy Discussion i. Tools of Cultural Proficiency Training j. Tax Levy Information k. 5 Year Financial Forecasts l. Levy Schedules m. School Calendar Updates on Development and Multifaith Religious Calendar n. Safety and Security Updates o. Assessment 101: Reading, Understanding, and using Large Data Sets p. Referendum Survey Information q. Finance Overview r. Negotiations Strategy s. Capital Outlay t. Budget Assumptions u. Operating Levy and Capital Project Levy Community Survey 	33

<ul style="list-style-type: none"> v. Operating Levy Recommendations w. Ehlers Presentation on Debt Service and Levy Schedule x. General Fund Q&A Session y. Safe Learning Plan z. School Preparation aa. School Site Visit Design bb. EP Online Design cc. Preliminary Financial Report dd. Enrollment Update ee. 5 Year Financial Forecast ff. School Calendar Development Process gg. Budget Assumptions and Timelines hh. Finance 101 ii. Capital Budget Development jj. Negotiations Strategies Part 1 and 2 kk. Special Election Information ll. Community Survey mm. Meal Pricing nn. Multiple Readings During Budget Development oo. Discussion on Ends 1.1-1.6 Operational Interpretations and Measurement Plans 	34
<p><u>Statement of Assertion:</u> EL 2.9.3 is reasonable and is in compliance.</p>	
<p>2.9.4 Further, the Superintendent shall not: Let the School Board be unaware of any significant incidental information it requires, including district press releases, anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.</p>	
<p><u>Operational Interpretation:</u> I interpret this policy to mean that I must inform the School Board of:</p> <ol style="list-style-type: none"> 1. Incidental Information is interpreted as information that is significant to the organization but not information considered by the School Board to be educational or monitoring in nature. I think of it as “nice to know” items. Examples of this might range from the retirement of a staff member to an update on management’s strategic planning process. 2. A threatened or pending lawsuit will be interpreted as a situation where the District has been notified in writing that an individual or group has retained legal representation for purposes of legally challenging the District. 3. Material internal or external changes are interpreted to be situations or decisions that a reasonable person would consider to have a significant impact on the district. Examples might include potential changes in state funding, organizational restructuring or process changes, etc. 	

<p>4. The Superintendent is responsible for determining whether the change rises to the level of School Board notification. When in doubt, the Superintendent will consult with the School Board Chair to determine whether an issue is worthy of School Board notification and the proper course of notification.</p>	
<p><u>Justification:</u> The reasonableness of this interpretation is based on my past experience supporting the School Board process.</p>	
<p><u>Measurement Plan:</u> Compliance shall be evidenced by:</p> <ol style="list-style-type: none"> 1. The Superintendent shall provide “Incidental Information” reports at their monthly business meeting through superintendent, staff, or site and department level reports and spotlights. 2. The School Board’s comparison of my notifications of any real or threatened lawsuits against actuals during the period being monitored. 3. The Superintendent adequately informed the Board of material changes during the period being monitored. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. Incidental Information Reports <ol style="list-style-type: none"> a. Year 4 Strategic Plan Highlight b. Community Survey Data c. 5 Covid Updates on Programs, Layered Mitigation, Decision Making, and Staffing d. CMS Pathways Courses e. Student Voice and Leadership f. University Partnerships g. Characteristics of Student Mathematicians h. Virtual Instructional Practices i. Caring Schools Community and SEL j. Responsive School Supports (Tier 1, 2, and 3 Services) k. Student Clubs and Expansions l. Community Engagement Tools m. Re-Imagining Parent Nights n. World's Best Workforce o. Achievement Integration p. PBIS and Restorative Practices q. COVID 19 Updates Throughout 2020-21 r. Instructional Model Shifts Throughout 2020-21 s. Strategic Plan Update t. CMS Schedule u. Start Time Changes 	35

<ul style="list-style-type: none"> v. EP Online Updates w. CMS Construction Updates x. Schoolwide Enrichment Model Inspire Choice Programming y. Mid-Year Budget Update z. Secondary Instructional Models aa. District Communication Models/Strategies bb. Academic and Social Emotional Learning cc. EPS Program Partnerships dd. Community Education Year to Date Plan and Update ee. Tassel and Upstream Arts <ol style="list-style-type: none"> 2. The Superintendent notified the Board as needed during the period being monitored. 3. The Superintendent notified the Board as needed during the period being monitored. 	
<p><u>Statement of Assertion:</u> EL 2.9.4 is reasonable and is in compliance.</p>	
<p>2.9.5 Further, the Superintendent shall not: Fail to advise the School Board if, in the Superintendent's opinion, the School Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of School Board behavior that is detrimental to the working relationship between the School Board and the Superintendent.</p>	36
<p><u>Operational Interpretation:</u> The Superintendent, while subordinate to the School Board, is empowered to manage the business of the District (otherwise known as the Means) unless specifically directed to do otherwise via the Executive Limitations policies. This policy directs me to advise the School Board if the School Board attempts to guide or influence any management function not specifically entrusted to the School Board. The Policy Governance model will only be successful if both the School Board and Superintendent adhere to its policies and tenants.</p> <p>There is an inherent risk for the Superintendent in advising the School Board it is out of compliance. The Superintendent should be confident that any alleged violation of this policy can be brought forth without fear of retaliation or retribution from the School Board or one of its members.</p>	
<p><u>Justification:</u> In order for Policy Governance to function effectively, both the Superintendent and School Board must understand their roles and practice good governance.</p>	
<p><u>Measurement Plan:</u></p>	

<p>1. Compliance is measured by instances when the Superintendent is compelled to notify the School Board Chair and Vice Chair that one or more School Board members allegedly violated this policy. The Chair and Vice Chair will inform the School Board of any unresolved issues.</p>	
<p><u>Evidence:</u></p> <p>1. The Superintendent notified the Board Chair and Vice Chair as needed and appropriate during the period being monitored. During the monitoring period, the Board made no determinations that a violation of this policy has occurred.</p>	
<p><u>Statement of Assertion:</u></p> <p>EL 2.9.5 is reasonable and is in compliance.</p>	
<p>2.9.6 Further, the Superintendent shall not: Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and incidental.</p>	
<p><u>Operational Interpretation:</u></p> <ol style="list-style-type: none"> 1. Information that is unnecessarily complex and/or lengthy is characterized by a reporting style that provides more information than is required, or contains irrelevant information that hinders effective Board deliberation and decision-making. 2. Information provided to the School Board using the principles of Policy Governance should conform and be labeled per the three types indicated in this policy. 3. The following defines the three types of information: <ol style="list-style-type: none"> a. Monitoring information. This category includes internal monitoring reports, external monitoring reports (e.g. annual audit), and data and interpretations collected for direct inspections. b. Decision Preparation. This category is composed of information the School Board requests or the Superintendent proactively supplies (see 2.9.3) to support the School Board in its work. c. Incidental Information. This information covers the gamut...from the “nice to know” events that occur in an organization to updates on management processes. Its purpose is to inform the School Board and is not presented for discussion or input. 	37
<p><u>Justification:</u></p> <p>The interpretations for the types of information were provided during School Board training.</p>	
<p><u>Measurement Plan:</u></p> <ol style="list-style-type: none"> 1. Compliance regarding complexity or length of the information format is measured by compliance with EL 2.9.1. 2. The appropriate placement, discussion, and action (if appropriate) of informational items on the board business meeting and workshop agendas each month. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. See evidence presented for EL 2.9.1. 2. Evidence of compliance is demonstrated by Board action to approve meeting agendas during the period being monitored. 	

<p><u>Statement of Assertion:</u> EL 2.9.6 is reasonable and is in compliance.</p>	
<p>2.9.7 Further, the Superintendent shall not: Provide a mechanism for official School Board, officer, or committee communications that is ineffective.</p>	
<p><u>Operational Interpretation:</u></p> <ol style="list-style-type: none"> 1. An ineffective communication mechanism is interpreted as: <ol style="list-style-type: none"> a. Inefficient in reaching School Board members in a timely manner b. Unproductive in assisting School Board members in carrying out their duties c. Unsuccessful in clearly relaying the desired information and resulting actions for official School Board, officer, or committee communications are those defined as those mechanisms that provide timely, accurate, and understandable information that assists School Board members in carrying out their duties. <p>Therefore, I interpret this policy to mean that I must provide the School Board a system for connecting effectively to the organization and to necessary governing information (e.g. School Board meeting materials, past documents).</p>	
<p><u>Justification:</u> The operational interpretation is justified by the School Board’s own selection of BoardBook and MS Outlook as technology solutions and the District website as the repository for official public documents.</p>	38
<p><u>Measurement Plan:</u></p> <ol style="list-style-type: none"> 1. Compliance will be measured by the School Board’s use of BoardBook, MS Outlook, and the District website and feedback regarding their user experience. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. The Board has continued to use BoardBook, MS Outlook, and the District website as its main communication and information solutions. 	
<p><u>Statement of Assertion:</u> EL 2.9.7 is reasonable and is in compliance.</p>	
<p>2.9.8 Further, the Superintendent shall not: Communicate with individual School Board members in addressing official School Board business except when responding to officers or committees duly charged by the School Board.</p>	
<p><u>Operational Interpretation:</u> Elected members of the School Board have binding authority only when acting as a School Board legally in session except where specific authority is provided to School Board members or officers individually. Generally, the School Board is not bound by an action or</p>	

statement on the part of an individual School Board member unless the action is specifically directed or authorized by the School Board.	
<p><u>Justification:</u> Minnesota Law provides for the specific powers and function of elected School Board members. Minnesota Statute §123.33 School Board Powers Minnesota Statute §123.34 School District Officers Minnesota Statute §123.35 General Powers</p> <p>BMD 3.1.2 provides guidance and instruction outlining the authority that an individual School Board member can exert upon the Superintendent.</p>	
<p><u>Measurement Plan:</u> 1. Compliance is measured by the number of instances when the Superintendent is compelled to report to the School Board Chair and Vice Chair, School Board member non-compliance of BMD 3.1.1. The Chair and Vice Chair will inform the School Board of any unresolved issues.</p>	
<p><u>Evidence:</u> 1. The Superintendent notified the Board Chair and Vice Chair as needed and appropriate during the period being monitored. During the monitoring period, the Board made no determinations that a violation of this policy has occurred.</p>	39
<p><u>Statement of Assertion:</u> EL 2.9.8 is reasonable and is in compliance.</p>	
<p>2.9.9 Further, the Superintendent shall not: Neglect to supply for the School Board’s consent agenda, along with applicable supporting information, all decisions delegated to the Superintendent yet required by law, regulation, or contract to be School Board-approved.</p>	
<p><u>Operational Interpretation:</u> I interpret this policy to mean that the new School Board agenda template developed through our current governance process transition will include one “consent agenda” area and that I am responsible for bringing any items onto the agenda in this section. Items listed will include reference as to the reason School Board approval is required and any governance policies the item might reference. I interpret “consent agenda” items differently from “Required School Board Decision” items on the agenda template. “Required School Board Decisions” are items requiring School Board approval AND their deliberative involvement.</p>	
<p><u>Justification:</u> My interpretation of this policy is based on the Policy Governance model.</p>	
<p><u>Measurement Plan:</u></p>	

<p>1. Compliance with this policy shall be evidenced by the proper identification and placement of the items described in this policy on School Board agendas during the period being monitored.</p>	
<p><u>Evidence:</u> 1. Evidence of compliance is demonstrated by Board action to approve meeting agendas during the period being monitored.</p>	
<p><u>Statement of Assertion:</u> EL 2.9.9 is reasonable and is in compliance.</p>	
<p>2.9.10 Further, the Superintendent shall not: Allow the School Board to be unaware of potential consequences to the district posed by pending legislation or regulation.</p>	
<p><u>Operational Interpretation:</u> I interpret this policy to mean that potential consequences of pending or realized legislation can be positive or negative and are the result of actions of the state and/or federal government. Pending legislation are those items that are introduced to the legislature in the form of new bills or modification to existing legislation. Regulations are the interpretation of enacted legislation by government entities charged with the responsibility of operationalizing approved legislation. Legislation and regulations are imposed upon the District as a political entity. The District is a political entity that is responsible to the State of Minnesota and the Federal government, and therefore is required to conform to and implement either direct legislation or the interpretation of legislation by government agencies. Pending legislation and resulting changes to expectations or established practices at the local level need to be communicated to the Board of Education. Therefore, my job related to this policy is to make sure the School Board is made aware of legislative impact to this district. I will normally use my “Incidental Report” to make the School Board aware of such situations unless the legislation causes the organization to go out of compliance. In such cases, the School Board may be informed via an Out of Compliance Email Alert.</p>	40
<p><u>Justification:</u> I consider my interpretation to be justified based on a common understanding of public education regulation and legislation.</p>	
<p><u>Measurement Plan:</u> 1. Compliance with this policy is evidenced by the multiple means by which the Board is kept apprised of proposed state and federal legislation or regulation, as well as inquiries from individual board members seeking further understanding or clarification of pending legislation.</p>	
<p><u>Evidence:</u> 1. The Board is copied in on email updates from AMSD and MSBA on a regular basis. The Superintendent also forwards or provides a summary of additional information from MDE, MDH, MASA and AASA as needed and appropriate.</p>	
<p><u>Statement of Assertion:</u> EL 2.9.10 is reasonable and is in compliance.</p>	

<p>2.9.11 Further, the Superintendent shall not: Send letters or surveys under the School Board’s name or on behalf of the School Board without School Board approval.</p>	
<p><u>Operational Interpretation:</u> It is not uncommon for information to be disseminated or gathered on behalf of the District as a whole or “on behalf of” the School Board. Due to the separation of duties as evidenced by School Board Policy, it is inherent upon Administration to clearly identify the source of the request and to whom the information will be divulged when sharing, communicating, or collecting data.</p> <ol style="list-style-type: none"> 1. Neither Superintendent nor any school employee may represent the “School Board” in any letter sent to stakeholders without the express approval of the School Board via official School Board approval. 2. The Superintendent and designees shall clearly declare the origin and potential use of any survey seeking input from owners, and under no circumstance represent the request for information on behalf of the School Board without School Board approval. 	
<p><u>Justification:</u> Policy Governance theory and policy clearly indicates the roles of the School Board and Superintendent which is the driving rationale for this interpretation.</p>	
<p><u>Measurement Plan:</u> Compliance with this policy will be evidenced by:</p> <ol style="list-style-type: none"> 1. The existence of any formal requests by the Superintendent for School Board signoff of letters, etc. during the monitoring period. 2. Surveys undertaken by the Administration do not attribute the Board as requesters or recipients of the collected data. 3. No communication to the public on behalf of the board occurs without prior approval. 	41
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. There were no requests by the Superintendent to have the Board sign off on any letters. 2. There were no surveys undertaken that were attributed to the Board as requestors. 3. There were no circumstances during the monitoring period where communication was not in compliance with the policy. was one circumstance during the monitoring period where draft communication was sent to the public prior to final board approval via a district communication. Immediate corrective action was taken by the superintendent to ensure clear communication lines and timelines are followed in the future. 	
<p><u>Statement of Assertion:</u> EL 2.9.11 is reasonable and is in compliance.</p>	
<p>School Board member’s summarizing comments:</p>	

**Record of Board Self-Evaluation
Governance Policies**

Monitoring 2021-22 School Year Data: July 1, 2021 – June 30, 2022

The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
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BOARD-MANAGEMENT DELEGATION (BMD) POLICIES					
3.0					
Single Point of Connection	09.26.22	Yes			Yes
3.1 Unity of Control	09.26.22	Yes			Yes ⁴²
3.1.1	09.26.22	Yes			Yes
3.1.2	09.26.22	Yes			Yes
3.1.3	09.26.22	Yes			Yes
3.2					
Delegation to the Superintendent	09.26.22	Yes			Yes
3.2.1	09.26.22	Yes			Yes
3.2.2	09.26.22	Yes			Yes
3.2.3	09.26.22	Yes			Yes
3.2.4	09.26.22	Yes			Yes
3.3					
Superintendent Accountability and Performance	09.26.22	Yes			Yes
3.3.1	09.26.22	Yes			Yes
3.3.2	09.26.22	Yes			Yes
3.3.3	09.26.22	Yes			Yes
3.3.4	09.26.22	Yes			Yes
3.3.5	09.26.22	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies**

Monitoring 2021-22 School Year Data: July 1, 2021 – June 30, 2022

The purpose of this document is to demonstrate to the owners that the Board is accountable to our Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.0 Global Governance Commitment	10.24.22	Yes			Yes
4.0.1	10.24.22	Yes			Yes
4.0.2	10.24.22	Yes			Yes
4.1 Governing Style	10.24.22	Yes			Yes
4.1.1	10.24.22	Yes			Yes
4.1.2	10.24.22	Yes			Yes
4.1.3	10.24.22	Yes			Yes
4.1.4	10.24.22	Yes			Yes
4.1.5	10.24.22	Yes			Yes
4.1.6	10.24.22	Yes			Yes
4.2 School Board Job Products	10.24.22	Yes			Yes
4.2.1	10.24.22	Yes			Yes
4.2.2	10.24.22	Yes			Yes
4.2.2 - A	10.24.22	Yes			Yes
4.2.2 - B	10.24.22	Yes			Yes
4.2.2 - C	10.24.22	Yes			Yes
4.2.2 - D	10.24.22	Yes			Yes
4.2.3	10.24.22	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies**

Monitoring 2021-22 School Year Data: July 1, 2021 – June 30, 2022

The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.3 Annual Work Plan	10.24.22	Yes			Yes
4.3.1	10.24.22	Yes			Yes
4.3.2	10.24.22	Yes			Yes
4.3.3	10.24.22	Yes			Yes
4.4 Officer Roles	09.26.22	Yes			Yes
4.4.1	09.26.22	Yes			Yes
4.4.1.1	09.26.22	Yes			Yes
4.4.1.2	09.26.22	Yes			Yes
4.4.1.3	09.26.22	Yes			Yes
4.4.1.4	09.26.22	Yes			Yes
4.4.1.5	09.26.22	Yes			Yes
4.4.1.6	09.26.22	Yes			Yes
4.4.1.7	09.26.22	Yes			Yes
4.4.1.8	09.26.22	Yes			Yes
4.4.1.9	09.26.22	Yes			Yes
4.4.2	09.26.22	Yes			Yes
4.4.3	09.26.22	Yes			Yes
4.4.4	09.26.22	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies**

Monitoring 2021-22 School Year Data: July 1, 2021 – June 30, 2022

The purpose of this document is to demonstrate to the owners that the Board is accountable to our Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
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4.5 School Board Members' Code of Conduct	09.26.22	Yes			Yes
4.5.1	09.26.22	Yes			Yes
4.5.2	09.26.22	Yes			Yes
4.5.2.1	09.26.22	Yes			Yes
4.5.2.2	09.26.22	Yes			Yes
4.5.2.3	09.26.22	Yes			Yes
4.5.3	09.26.22	Yes			Yes
4.5.3.1	09.26.22	Yes			Yes
4.5.3.2	09.26.22	Yes			Yes
4.5.4	09.26.22	Yes			Yes
4.5.5	09.26.22	Yes			Yes
4.5.6	09.26.22	Yes			Yes
4.5.7	09.26.22	Yes			Yes
4.5.8	09.26.22	Yes			Yes
4.5.8.1	09.26.22	Yes			Yes
4.5.8.2	09.26.22	Yes			Yes
4.5.8.3	09.26.22	Yes			Yes
4.5.8.4	09.26.22	Yes			Yes
4.5.8.5	09.26.22	Yes			Yes
4.5.8.6	09.26.22	Yes			Yes
4.5.8.7	09.26.22	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies**

Monitoring 2021-22 School Year Data: July 1, 2021 – June 30, 2022

The purpose of this document is to demonstrate to the owners that the Board is accountable to our Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.6 Process for Addressing School Board Member Violations	09.26.22	Yes			Yes
4.6.1	09.26.22	Yes			Yes
4.6.2	09.26.22	Yes			Yes
4.6.3	09.26.22	Yes			Yes
4.6.4	09.26.22	Yes			Yes
4.6.4.1	09.26.22	Yes			Yes
4.6.4.2	09.26.22	Yes			Yes
4.7 School Board Committee Principles	09.26.22	Yes			Yes
4.7.1	09.26.22	Yes			Yes
4.7.2	09.26.22	Yes			Yes
4.7.3	09.26.22	Yes			Yes
4.7.4	09.26.22	Yes			Yes
4.8 School Board Committee Structure	09.26.22	Yes			Yes
4.8.1	09.26.22	Yes			Yes
4.8.2	09.26.22	Yes			Yes
4.8.3	09.26.22	Yes			Yes
4.8.4	09.26.22	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies**

Monitoring 2021-22 School Year Data: July 1, 2021 – June 30, 2022

The purpose of this document is to demonstrate to the owners that the Board is accountable to our
Board Management Delegation and Governance Process policies.

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.9 Governance Investment	10.24.22	Yes			Yes
4.9.1	10.24.22	Yes			Yes
4.9.1.1	10.24.22	Yes			Yes
4.9.1.2	10.24.22	Yes			Yes
4.9.1.3	10.24.22	Yes			Yes
4.9.2	10.24.22	Yes			Yes
4.9.3	10.24.22	Yes			Yes
4.10 Operation of the School Board Governing Rules	09.26.22	Yes			Yes
4.10.1	09.26.22	Yes			Yes
4.10.1.1	09.26.22	Yes			Yes
4.10.1.2	09.26.22	Yes			Yes
4.10.1.3	09.26.22	Yes			Yes

**Record of Board Policy Monitoring
Executive Limitations**

Monitoring 2021-2022 School Year Data : July 1, 2021 – June 30, 2022

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our ELs.

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – supports Operational Interpretation or not?		Date to re-monitor if either the OI is Not Reasonable or if Evidence does not support OI	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
EXECUTIVE LIMITATIONS							
EL 2.0 Global Executive Constraint	12/12/22						
EL 2.1 Emergency Superintendent Succession	08/22/22	Yes	Yes	Yes	Yes		Yes
EL 2.2 Treatment of Students	08/22/22	Yes	Yes	Yes	Yes		Yes ⁴⁸
EL 2.3 Treatment of Parents	09/26/22	Yes	Yes	Yes	Yes		Yes
EL 2.4 Treatment of Staff	10/24/22	Yes	Yes	Yes	Yes		Yes
EL 2.5 Financial Planning and Budgeting	12/12/22						
EL 2.6 Financial Management and Operations	09/26/22	Yes	Yes	Yes	Yes		Yes
EL 2.7 Asset Protection	08/22/22	Yes	Yes	Yes	Yes		Yes
EL 2.8 Compensation and Benefits	10/24/22	Yes	Yes	Yes	Yes		Yes
EL 2.9 Communication and Support to the School Board	11/28/22						

**Record of Board Policy Monitoring
ENDS**

Monitoring 2021-2022 School Year Data: July 1, 2021 – June 30, 2022

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

Policy	School Year	Operational Interpretation – Reasonable or not?		Evidence – demonstrates expected progress?		Date to bring back the district’s plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							

1.1 Each student graduates and is academically prepared to progress to multiple opportunities after high school	2021-22	Yes 6/28/21	Yes 6/28/21	Yes 10/24/22	Yes 10/24/22		Yes
	2022-23	Yes 6/27/22	Yes 6/27/22				49
1.2 Each student is reading at grade level by the end of third grade	2021-22	Yes 6/28/21	Yes 6/28/21	No 10/24/21	Yes 10/24/21		Yes
	2022-23	Yes 6/27/22	Yes 6/27/22				
1.3 Each student achieves individual growth expectations and proficiency annually in, but not limited to, Language Arts, Math and Science	2021-22	Yes 6/28/21	Yes 6/28/21	No 10/24/22	No 10/24/22	<i>Ends 1.3 Update on 3/27/23</i>	No
	2022-23	Yes 6/27/22	Yes 6/27/22				

Record of Board Policy Monitoring

ENDS

Monitoring 2021-2022 School Year Data: July 1, 2021 – June 30, 2022

The purpose of this document is to demonstrate to the owners that the board holds the superintendent accountable to our Ends and ELs.

Policy	School Year	Operational Interpretation – Reasonable or not?		Evidence – demonstrates expected progress?		Date to bring back the district’s plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							

1.4 Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements	2021-22	Yes 6/28/21	Yes 6/28/21	Yes 10/24/22	Yes 10/24/22		Yes
	2022-23	Yes 6/27/22	Yes 6/27/22				50
1.5 Each student demonstrates the 21 st century skills needed to succeed in the global economy	2021-22	Yes 6/28/21	Yes 6/28/21	No 10/24/22	Yes 10/24/22		Yes
	2022-23	Yes 6/27/22	Yes 6/27/22				
1.6 Each student demonstrates the knowledge that citizens and residents of the United States need to contribute positively to society	2021-22	Yes 6/28/21	Yes 6/28/21	No 10/24/22	No 10/24/22	<i>Ends 1.6 Update on 2/27/23</i>	No
	2022-23	Yes 6/27/22	Yes 6/27/22				

Resolution of Acceptance of Donations

BE IT RESOLVED by the School Board of Independent School District No. 272 that the School Board accepts with appreciation the following contributions and permits their use as designated by the donors:

Cedar Ridge Elementary:

- Donation of Post-its, Pens & Highlighters, Tape & Tape Dispensers, Mouse Pads, Noise Cancelling Headphones, Folders, Scissors from 3M/Naeir – to be used by Staff for their offices and classrooms.

Eden Lake Elementary:

- Donation of \$144.00 – CAF (Charities Aid Foundation America), Andover, MA – funds to be used for supplemental supplies.
- Donation of \$33.73 – Educational Products, Inc., Carrollton, TX – funds to be used for supplemental supplies.

Eden Prairie School District:

- Donation of \$11,032.00 – The district received another donation from FEPS through an anonymous donor to put towards upgrades in the boys' and girls' hockey locker rooms at the Eden Prairie Community Center. This generous donation will go towards a two-phase project, in conjunction with the EP Hockey Association, to update the boys' and girls' varsity and jr. varsity locker rooms and create an area honoring the tradition and legacy of EP High School and Youth Hockey.

Little Eagles Preschool:

- Donation of \$1,825.00 – PROP, Food, Support, Community/(Keosha Greenlaw, Case Manager, Eden Prairie, MN – funds to be used to cover the cost of Preschool Tuition.
- Donation of \$200.00 (Two donations of \$100.00/ea.) – Donors would like to remain anonymous – funds to be applied towards Little Eagles Preschool Tuition for Childcare.

SUPERINTENDENT CONSENT AGENDA

A. Semi-Monthly Reports

HUMAN RESOURCES

1. Human Resources – Principals
 - a. New Hires
 - b. Change in Assignment
 - c. Resignation/Retirements
2. Human Resources – Administrative/Supervisory/Technical (AST)
 - a. New Hires
 - b. Change in Assignment
 - c. Resignation/Retirements
3. Human Resources – Eden Prairie Supervisors & Specialists (EPSS)
 - a. New Hires

Kelley, Brenna - Staffing Coordinator, Administrative Services Center, 8 hours/day, 5 days/week, 260 days/year, effective 11/28/2022
 - b. Change in Assignment
 - c. Resignation/Retirements
4. Human Resources – Licensed Staff
 - a. New Hires/Rehires

De Santiago Contreras, Carlos - Move from Special Education and Kindergarten Paraprofessional to Special Education Teacher, 1.0 FTE, Eagle Heights Spanish Immersion, effective 11/2/2022

Edworthy, Staci - Elementary Teacher (Long Term Substitute), 1.0 FTE, Oak Point Elementary, effective 11/8/2022 to 2/17/2023

Ferri, Andrew - English/Language Arts Teacher (Long Term Substitute), 1.0 FTE, Central Middle School, effective 11/17/2022 to 2/16/2023

Harnack, Amy - Guidance Counselor, 1.0 FTE, Eden Prairie High School, effective 11/21/2022

Junkermeier, Tamara - Kindergarten Teacher (Long Term Substitute), 1.0 FTE, Cedar Ridge Elementary, effective 1/3/2023 to 3/16/2023

Klausler, Sydney - Kindergarten Teacher (Long Term Substitute), 1.0 FTE, Forest Hills Elementary, effective 11/15/2022 to 6/9/2023

Mohamoud, Iman - EL Teacher, 1.0 FTE, Districtwide, effective 11/9/2022

Schumacher, Jill - Grade 1 Teacher (Long Term Substitute), 1.0 FTE, Forest Hills Elementary, effective 12/19/2022 to 6/9/2023

Steensland, Dylan - Social Studies, 1.0 FTE, Central Middle School, effective 11/21/2022

Wiens, Margaret - Speech-Language Pathologist, 1.0 FTE, Districtwide, effective 12/1/2022
 - b. Change in Assignment
 - c. Resignation/Retirements

Cleveland, Geoffrey – Social Studies Teacher, Central Middle School, effective 11/16/2022

Leinen, Amy – Special Education Instructional Coach, District wide, effective 12/1/2022

Meier, Ellen – Music Teacher, Eden Prairie High School, effective 9/27/2022

Miller, Jeremy – Guidance Counselor, Eden Prairie High School, effective 10/28/2022

SUPERINTENDENT CONSENT AGENDA

Ortiz-Rivera, Melisa - Kindergarten Teacher, Eagle Heights Spanish Immersion, effective 11/18/2022

Stensrude, Rhett – Business Education Teacher, Eden Prairie High School, effective 11/16/2022

5. Human Resources – Classified Staff

a. New Hires/Rehires

BUILDING SERVICES

Stormoen, Steven - Custodian (Non-licensed, Night), Forest Hills Elementary, 8 hrs/day, 5 days/wk, 260 days/yr, effective 11/21/2022

CLASS

Izumi, Edite - From Little Eagles Preschool Paraprofessional to Office Professional - Media, Prairie View Elementary, 5 hrs/day, 5 days/wk, 185 days/yr, effective 10/31/2022

Kurtz, Elena - Receptionist, Cedar Ridge Elementary, 8 hrs/day, 5 days/wk, 191 days/yr, effective 11/28/2022

Morrow, Lynn - Receptionist, Central Middle School, 5 days/wk, 191 days/yr, effective 11/21/2022

Spry, Yolanda – Cultural Liaison - American Indian, District wide, 5 days/wk, 191 days/yr, effective 10/31/2022

FOOD SERVICE

Gilles, Marcella – Food Service Assistant I, Central Middle School, 4.4 hrs/day, 5 days/wk, 177 days/yr, effective 11/8/2022

Tollefson, Nicholas – Food Service Assistant I, Eden Lake Elementary, 6 hrs/day, 5 days/wk, 177 days/yr, effective 11/1/2022

MSEA

Ahmed, Lucky - Little Eagles Preschool Paraprofessional, Lower Campus, 3 hrs/day, 4 days/wk, 143 days/yr, effective 10/31/2022

Anderson, Connie -Lunchroom Paraprofessional, Eagle Heights Spanish Immersion, 3 hrs/day, 5 days/wk, 178 days/yr, effective 11/8/2022

Annamalai, Liviya Prabha - Little Eagles Preschool Paraprofessional, Oak Point Elementary, 4.5 hrs/day, 5 days/wk, 178 days/yr, effective 11/29/2022

Askar ali, Roshna bi - Eagle Zone Program Assistant, Oak Point Elementary, 3.5 hrs/day, 5 days/wk, 178 days/yr, effective 10/31/2022

Castellanos Delgadillo, Adriana – Special Education and Kindergarten Paraprofessional, Eagle Heights Spanish Immersion, 6 hrs/day, 5 days/wk, 178 days/yr, effective 11/01/2022

Dzimian, Cynthia - Special Education Paraprofessional, Eden Prairie High School, 6.5 hrs/day, 5 days/wk, 178 days/yr, effective 10/24/2022

Garza Garcia, Yesika - Special Education Paraprofessional, Oak Point Elementary, 4.25 hrs/day, 5 days/wk, 178 days/yr, effective 11/16/2022

Gould, Paula- Special Education Paraprofessional, Central Middle School, 6.25 hrs/day, 5 days/wk, 178 days/yr, effective 09/06/2022

Hoover, Heidi - From Eagle Zone Program Lead to Little Eagles Preschool Paraprofessional, Eden Lake Elementary, 6.5 hrs/day, 5 days/wk, 178 days/yr, effective 11/9/2022

Jethwa, Riddhi - Kindergarten Paraprofessional, Eden Lake Elementary, 2.5 hrs/day, 5 days/wk, 178 days/yr, effective 11/14/2022

Korrapati, Soujanya – Early Childhood Special Education Paraprofessional, Forest Hills Elementary, 6.17 hrs/day, 5 days/wk, 178 days/yr, effective 11/14/2022

SUPERINTENDENT CONSENT AGENDA

Mehta, Gurusha - Little Eagles Preschool Paraprofessional, Lower Campus, 3 hrs/day, 4 days/wk, 143 days/yr, effective 11/14/2022

Omar, Nasra - Special Education Paraprofessional, Oak Point Elementary, 6 hrs/day, 5 days/wk, 178 days/yr, effective 11/18/2022

Rauchman, Alyssa - Special Education Paraprofessional, Central Middle School, 6.25 hrs/day, 5 days/wk, 178 days/yr, effective 10/13/2022

Satyanarayana, Uma - Lunchroom Paraprofessional, Oak Point Elementary, 3 hrs/day, 5 days/wk, 178 days/yr, effective 11/21/2022

Thummalapally, Jyothi - Lunchroom Paraprofessional, Cedar Ridge Elementary, 2 hrs/day, 5 days/wk, 172 days/yr, effective 11/14/2022

Vennapusa, Akhila - Eagle Zone Program Assistant, Oak Point Elementary, 4 hrs/day, 5 days/wk, 178 days/yr, effective 10/26/2022

Withers, Gloria - Student Supervisor, Central Middle School, 7.5 hrs/day, 5 days/wk, 178 days/yr, effective 10/03/2022

PRESCHOOL TEACHERS

TRANSPORTATION

Compton, Larry – Bus Driver, Transportation, 3 hrs/day, 5 days/week, 172 days/yr, effective 9/28/2022

Gestach, Stephanie - Bus Driver, Transportation, 3 hrs/day, 5 days/week, 172 days/yr, effective 9/13/2022

Iyobhebhe, Iria – Bus Driver, Transportation, 3 hrs/day, 5 days/week, 172 days/yr, effective 9/20/2022

Knudsen, David – Bus Driver, Transportation, 6.19 hrs/day, 5 days/week, 178 days/yr, effective 11/3/2022 effective 9/26/2022

Larson, Tony – Bus Driver, Transportation, 5.6 hrs/day, 5 days/week, 178 days/yr, effective 9/26/2022

b. Change in Assignment

BUILDING SERVICES

CLASS

West, Brennan – From Receptionist, Cedar Ridge Elementary, to Administrative Assistant, Forest Hills Elementary, 8 hrs/day, 5 days/week, 235 days/yr, effective 11/16/2022

FOOD SERVICE

MSEA

PRESCHOOL TEACHERS

TRANSPORTATION

c. Resignation/Retirements

BUILDING SERVICES

CLASS

Basley-Nolen, Tiara – Facility Use Building Monitor, District wide, effective 11/12/2022

Jacobson, Kamla – Welcome Center Student Registrar, Administrative Services Center, effective 11/9/2022

McClendon, Ian - Special Education Paraprofessional, Forest Hills Elementary, effective 11/18/2022

SUPERINTENDENT CONSENT AGENDA

Nolen, Dominick – Facility Use Building Monitor, District wide, effective 11/12/2022

Shah, Shreyaben – Clerical Assistant, Eden Prairie High School, effective 10/28/2022

Zunker, Kimberly - Receptionist, Central Middle School, effective 11/2/2022
FOOD SERVICE

Lim, Joseph – Food Service Assistant, Eden Lake Elementary, effective 10/31/2022

Ricord, Sheri – Food Service Assistant, Prairie View Elementary, effective 11/14/2022

Thorsett, Gary – Food Service Assistant, Prairie View Elementary, effective 10/28/2022

MSEA

Aidrus, Hafsa - Special Education Paraprofessional, Oak Point Elementary, effective 11/22/2022

Berthiaume, Alicia - Kindergarten and Lunchroom Paraprofessional, Eden Lake Elementary, effective 11/8/2022

Burns, Grace - Eagle Zone Program Assistant, Cedar Ridge Elementary, effective 11/10/2022

Gummert, James - Special Education Paraprofessional, Eden Prairie High School, effective 11/22/2022

Haile, Shamsu - Special Education Paraprofessional, Eden Lake Elementary, effective 10/28/2022

LaPlante, Nadine - Special Education Paraprofessional, Eden Prairie High School, effective 11/10/2022

Madheswara, Subadhra Devi - Kindergarten and Lunchroom Paraprofessional, Cedar Ridge Elementary, effective 11/10/2022

Sanguinetti, Heather - Special Education Paraprofessional, Oak Point Elementary, effective 10/26/2022

Sathish, Subathiga - Little Eagles Preschool Paraprofessional, Oak Point Elementary, effective 11/30/2022

Smith, Karla - Special Education Paraprofessional, TASSEL, effective 11/18/2022

Steichen, Janet - Special Education Paraprofessional, Oak Point Elementary, effective 11/22/2022

Sunder, Brittany - Special Education Paraprofessional, TASSEL, effective 11/30/2022

Termination Employee A – Lunchroom Paraprofessional, Oak Point Elementary, effective 10/19/2022

PRESCHOOL TEACHERS

TRANSPORTATION

Flolid, Harold - Bus Driver, Transportation, effective 12/2/2022

Board Business

General Consent Agenda

Approval of Payments, all funds, October 2022

Check #414612-414932	\$4,021,999.89
Electronic Disbursements	\$4,976,958.86
TOTAL	\$9,322,864.12

Acknowledgment of Electronic Transfers October 2022

INVEST DATE	FROM	TO	INTEREST RATE	MATURITY DATE	PRINCIPAL
11/19/2021	PMA Financial	MNTrust	.120%	11/15/2022	\$1,001,186.85

**EDEN PRAIRIE SCHOOLS
GENERAL FUNDS
MONTHLY REVENUE/EXPENDITURE REPORT
FOR THE MONTH ENDING: Oct-22**

REVENUES/TRANSFERS IN (BY SOURCE CODE)					
SOURCE	DESCRIPTION	YEAR TO DATE RECEIVED	CURRENT FULL YEAR PROJECTION	THIS YEAR % RECEIVED	LAST YEAR % RECEIVED
001-020	TAXES	\$ 10,438,400	\$ 27,101,403	38.52%	32.75%
021-040	TUITION	7,977	50,000	15.95%	0.00%
041-089	FEES & ADMISSIONS	412,941	582,900	70.84%	87.99%
090-199	MISC REVENUE	15,318	946,000	1.62%	13.26%
200-399	STATE AID	24,457,020	87,821,541	27.85%	27.26%
400-499	FEDERAL PROGRAMS	1,403	5,981,097	0.02%	0.38%
600-649	SALES	49,128	50,000	98.26%	74.52%
		\$ 35,382,187	\$ 122,532,941	28.88%	27.42%
	CAPITAL OUTLAY	87,895	15,458,106	0.57%	2.20%
	STUDENT ACTIVITIES	1,174,754	1,580,000	74.35%	62.32%
	MEDICAL ASSISTANCE	4,718	150,000	3.15%	12.63%
	SCHOLARSHIPS	1,066	8,500	12.54%	0.00%
Revenue Notes:					

EXPENDITURES/TRANSFERS OUT (BY OBJECT CODE)					
OBJECT	DESCRIPTION	YEAR TO DATE EXPENDED	CURRENT FULL YEAR PROJECTION	THIS YEAR % EXPENDED	LAST YEAR % EXPENDED
100	SALARIES	\$ 16,747,243	\$ 81,017,597	20.67%	20.17%
200	BENEFITS	5,464,241	25,833,585	21.15%	19.17%
300	PURCHASED SVCS	2,828,925	11,116,297	25.45%	31.42%
400	SUPPLIES & EQUIPMENT	4,002,854	8,051,611	49.71%	21.57%
800	OTHER EXPENSES	132,253	621,896	21.27%	17.47%
900	TRANSFERS & CONTINGENCY	-	100,000	0.00%	0.00%
		\$ 29,175,515	\$ 126,740,986	23.02%	20.89%
	CAPITAL OUTLAY	5,880,141	15,616,285	37.65%	36.94%
	STUDENT ACTIVITIES	1,012,975	1,580,000	64.11%	53.94%
	MEDICAL ASSISTANCE	31,472	196,783	15.99%	16.55%
	SCHOLARSHIPS	-	11,000	0.00%	140.91%
Expenditure Notes:					
The % increase under 400 Supplies & Equipment is up significantly due to the spend down of assigned fund balances for Construction and Designing Pathways.					



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

November 28, 2022

To: Dr. Josh Swanson
From: Business Office
Re: Seek RFP District-Wide Lighting Replacement

The authorization to seek request for proposal (RFP) is requested by management and begins the process to make deferred maintenance upgrades. This project will be to replace existing lighting with high-efficient light emitting diode (LED) lighting systems at all sites through a Guaranteed Energy Savings Program.

Existing district lighting is a mixture of incandescent, fluorescent, and LED, which has created inconsistent light levels throughout each building. By replacing inefficient lighting with LED's throughout, the district will provide visual consistency for both students and staff while reducing energy consumption. The new lighting systems also have tuning capabilities that can imitate natural light, which has shown to improve student performance.

Funding for this project will come from a variety of sources including long-term facilities maintenance revenue, along with budgeted operating capital funds, along with rebates from Xcel Energy upon completion of the project. This project has been planned and is on the list for updates during the 2023 calendar year.



Measuring What Matters

Graduation Rate Metrics

Academic Achievement

Introduction

Graduation rate metrics are reviewed by the Eden Prairie School Board each year when Ends Policy 1.1 is monitored. This policy states: “Each student graduates and is academically prepared to progress to multiple opportunities after high school.” During the monitoring process the Superintendent must provide evidence that the district is making reasonable progress toward this goal

Data

This data for the 2021-2022 school year was presented to the Board on October 24, 2022.

Target Set for 2021-2022

Level of Achievement

4-year: 95%

4-year: 95%

7-year: 97%

7-year: 96% (2020 cohort)

(insert graph here)

*Note: TASSEL student data not included per MN Dept. of Education definitions However, this program is an appropriate transition choice for some students.

School Board’s Perspective on the Data

On October 24, 2022, this policy was monitored by the School Board. The Superintendent asserted and the board concurred that reasonable progress had been made. Over the last five years, substantial progress has been made in graduation rates. Additionally, Eden Prairie Schools continue to make significant progress reducing disparities in graduation rates across demographic sub-groups. Eden Prairie Schools success can be attributed to a well-defined multiyear strategy, excellent execution, the shift to personalized learning, and accountability for results. We believe these outcomes are unique in Minnesota and demonstrate that each student can succeed when we work together to reduce/eliminate barriers to learning. We are proud of the district’s performance and look forward to further progress next year.

*****DRAFT*****

New for 2022-2023:

Sound research and measurement practices recommend the triangulation of data for each student to identify success. To provide additional evidence confirming that “Each student graduates and is academically prepared to progress to multiple opportunities after high school,” the district has implemented a new three-part metric. This new metric was established in 20221-22 and evaluates student success across, ACT scores, capstone course completion, and gateway course performance (English 12, Algebra II, Physics/Chemistry, and Economics). The School Board will review this new metric at the conclusion of the 2022-2023 evaluation period in October 2023.

The Eden Prairie School District can confidently say that the overwhelming majority of ~~our~~ students will graduate in four years, well prepared for college, a career pathway, or their next journey after graduation.

For more information, [click here](#) to read the full monitoring report presented to the Board.

Record of Board Self-Evaluation
Governance Process and Board Management Delegation Policies
July 1, 2021 – June 30, 2022

Policy Type:	Governance Process
Policy Title:	4.8 School Board Committee Structure

A School Board-level committee is created by a majority vote of the School Board to assist in the completion of School Board business. Each committee submits a yearly plan of action to the Board, submits minutes of meetings in a timely manner, and reports progress during Board business meetings. The only School Board committees are those that are set forth in this policy.

4.8.1 Community Linkage Committee:

This committee will facilitate multiple methods of School Board communication with owners that provide input and inform the School Board of ownership values as they relate to School Board policies, as well as provide valuable information to owners.

4.8.2 Policy Committee:

This committee will meet at the request of the School Board to create and recommend new School Board policies and/or School Board policy revisions for School Board consideration. The Policy Committee may bring forward additional recommendations on reordering or re-wording related policies to ensure consistency. In addition, this committee will maintain the necessary processes and procedures for the School Board's review of the Ends and Executive Limitation policies.

4.8.3 Board Development Committee:

This committee will ensure ongoing School Board development and oversee self-monitoring of the School Board's performance related to Governance Process and Board-Management Delegation policies.

4.8.4 Negotiations Committee:

This committee will observe the collective bargaining of union contracts of the district. The School Board will determine annually which group contract negotiations ~~they~~ will observe *during the upcoming fiscal year*. When convened, the committee, which shall consist of three School Board members appointed by the Chair, will have at least one School Board member in attendance for each negotiating session. *The committee will also conduct Superintendent contract negotiations prior to the expiration of the current contract or upon the hiring of a new Superintendent.*

Eden Prairie School Board
2022–23 WORK PLAN CHANGES
“Proposed” Changes
November 28, 2022

Date of Meeting/Workshop	Changes Requested
Monday, December 12, 2022	
Monday, January 9, 2023 – Annual Organization Meeting	
Monday, January 9, 2023 – Workshop	- Add: Pathways & Capstones (Board Education)
Monday, January 23, 2023	
Monday, February 13, 2023 – Workshop	
Monday, February 27, 2023	- Add: Ends 1.6 Update (Board Education) - -
Monday, March 13, 2023 – Workshop	
Monday, March 27, 2023	- Add: Ends 1.3 Update (Board Education)
Monday, April 10, 2023 – Workshop	
Monday, April 24, 2023	
Monday, May 8, 2023	
Monday, May 22, 2023	
Monday, June 12, 2023	
Monday, June 26, 2023	
Placeholder – General Board Work	
<ul style="list-style-type: none"> • 2022-23 Board Education & Workshop Topics: <ul style="list-style-type: none"> ○ Strategic Planning (Spring 2023) ○ Board Education on Pathways (Spring 2023) – January 9, 2023 ○ Types of Assessments (Spring 2023) 	
Placeholder – Policy Review	
<ul style="list-style-type: none"> • GP Policy 4.4.3 – Governance Process – Officer Roles: Clarification of fiscal year • GP Policy 2.6.7 – Discuss Financial Management and Operations 	

EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
<p>****2022****</p> <p>Board Meeting Mon, Jul 25, 2022 7:30 AM</p>			<ul style="list-style-type: none"> Resolution Calling the Eden Prairie School District Election 	Finalize DRAFT - Inspiring News Article	<ul style="list-style-type: none"> Monthly Reports TASSEL Student Handbook Student Handbooks: <ul style="list-style-type: none"> - High School - Middle School - Elementary Schools (Summary Detail Included) 		63
School Board/Eden Prairie City Council Joint Workshop Meeting, Tuesday, August 16, 2022, 5:00 p.m., City of Eden Prairie							
<p>Board Meeting Mon, Aug 22, 2022 6:00 PM</p>	<ul style="list-style-type: none"> EL 2.1 Emergency Supt. Succession EL 2.2 Treatment of Students EL 2.7 Asset Protection 		Record of Board Self-Evaluation	2022-23 School Site Visits	Monthly Reports	Positive Behavior Intervention & Support (PBIS)	
<p>Post Meeting Board Workshop Mon, Aug 22, 2022</p>							School Board Mtg. Self-Assessment
School Board Candidate Post-filing Meeting (EDC) – Thursday, September 8, 2022, at 6:00 p.m.							
<p>Board Workshop Mon, Sep 12, 2022 6:00 PM</p>							<ul style="list-style-type: none"> ADMIN Proposals for FY 2022-23 Workshops 2021-22 Financial Update Policy Monitoring: All BMD Policies – BMD 3.0 – 3.3

EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							<ul style="list-style-type: none"> •Policy Monitoring: GP's: 4.4, 4.5, 4.6, 4.7, 4.8, & 4.10 • Confirm agenda for next Board Workshop
Board Meeting Mon, Sep 26, 2022 6:00 PM	<ul style="list-style-type: none"> •EL 2.3 Treatment of Parents •EL 2.6 Financial Management & Operations •All BMD Policies •BMD 3.0 Single Point of Connection •BMD 3.1 Unity of Control •BMD 3.2 Delegation to the Superintendent •BMD 3.3 Superintendent Accountability & Performance •GP 4.4 Officer Roles •GP 4.5 School Board Members Code of Conduct •GP 4.6 Process for Addressing School Board Member Violations •GP 4.7 School Board Committee Principles •GP 4.8 School Board Committee Structure •GP 4.10 Operation of the School Board Governing Rules 		<ul style="list-style-type: none"> •Resolution to Appoint Election Judges •Approval of Preliminary FY 2023-24 Levy -Tax Levy Comparison - Tax Levy Presentation Pay 23 •Record of Board Self-Evaluation •Closed Session – Negotiation Strategy – MN Statue 13D.03, Subd. 1) 		Monthly Reports	<u>Superintendent Incidentals:</u> <ul style="list-style-type: none"> • FY 2021-2022 Year-end Preliminary Financial Report •FY 2022-2023 Preliminary Enrollment Report 	64

EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Post Meeting Board Workshop Mon, Sep 26, 2022							School Board Mtg. Self-Assessment
Board Workshop Mon, Oct 10, 2022 6:00 PM							<ul style="list-style-type: none"> • Administration: Setting Stage for FY 2023-24 Budget Guidelines • Policy Monitoring: GP 4.0, 4.1, 4.2, 4.3, 4.9 Discussion: Community Linkage/Listen & Learn – Theme & Location of Event (Wed., 11/16/22 at 4:30 PM) • Site Visit Discussion – ADMIN • Board Education Topic: Panorama • Confirm agenda for next Board Workshop
Board Meeting Mon, Oct 24, 2022 6:00 PM	<ul style="list-style-type: none"> • Ends 1.1 – 1.6 Evidence (FY 2021-22) • EL 2.4 Treatment of Staff • EL 2.8 Compensation and Benefits 		<ul style="list-style-type: none"> • Future Board Workshop Topics • Record of Board Self-Evaluation 		<ul style="list-style-type: none"> • Monthly Reports • MSHSL Form A 	<u>Superintendent Incidentals:</u> <ul style="list-style-type: none"> • Enrollment Report as of 10/1/2022 • World's Best Workforce Report 	

EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
	<ul style="list-style-type: none"> •GP 4.0 Global Governance Commitment •GP 4.1 Governing Style •GP 4.2 School Board Job Products •GP 4.3 Annual Work Plan •GP 4.9 Governance Investment 					<ul style="list-style-type: none"> •FY 2021-2022 Achievement Integration Summary Report •Board Education Topic: Sustainability 	66
Post Meeting Board Workshop Mon, Oct 24, 2022							•School Board Mtg. Self-Assessment
Board Business Meeting Mon, Nov 14, 2022 6:00 PM			<ul style="list-style-type: none"> • Resolution Approving Canvass Election Results •Resolution Authorizing Issuance of Certificates of Election 				
Board Workshop Mon, Nov 14, 2022 6:15 PM							<ul style="list-style-type: none"> •“New Policy Introductions” •Review of Board Treasurer’s Annual Report •Community Linkage: <ul style="list-style-type: none"> - Identify topics for the Inspiring News Board Education Topic: Technology Use & Screen Time: Overview of

EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							Digital Practices & Digital Citizenship <ul style="list-style-type: none"> • Confirm agenda for next Board Workshop
School Board/Community Linkage Event: Listen & Learn Session/Board Reception, Wednesday, November 16, 2022 – Location: TBD							
Board Meeting Mon, Nov 28, 2022 6:00 PM	EL 2.9 Communication and Support to the School Board	School Board Treasurer’s Report	<ul style="list-style-type: none"> • Oath of Office • Closed Session – Security – Minn. Stat. 13D.05, Subd. 3(d) • Record of Board Self-Evaluation 	<ul style="list-style-type: none"> • Inspire News Topic – DRAFT Presented • Board Policy GP 4.8.4 	Monthly Reports	FY 2021-22 Audited Financial Presentation	67
Post Meeting Board Workshop Mon, Nov 28, 2022							<ul style="list-style-type: none"> • School Board Mtg. Self-Assessment
Board Meeting Mon, Dec 12, 2022 6:00 PM	<ul style="list-style-type: none"> • EL 2.5 Financial Planning and Budgeting • EL 2.0 Global Executive Constraint 		<ul style="list-style-type: none"> • Approval of Final FY 2023-24 Levy • School Board Treasurer’s Report • <i>Closed Session:</i> Review of FY 2021-22 Superintendent Annual Review -Minn. Stat. 13D.05, Subd. 3 • Record of Board Self-Evaluation 	Inspire News Article (DRAFT) Approval	Monthly Reports	<ul style="list-style-type: none"> • Truth in Taxation Hearing Planning and Budgeting • Board Education Topic: Strategic Planning 	
Post Meeting Board Workshop Mon, Dec 12, 2022							<ul style="list-style-type: none"> • School Board Mtg. Self-Assessment

EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
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11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
<p>****2023****</p> <p align="center">Annual Organizational Meeting Mon, Jan 9, 2023 6:00 PM</p>			<ul style="list-style-type: none"> • 2023 Annual Organizational Mtg. <ul style="list-style-type: none"> - Election of Officers - School Board Compensation - School Board Calendar • Resolution for Combined Polling Places for the General Elections • School Board Meeting Calendar: Jan 1, 2023, through Jun 30, 2023 • Appointment of Intermediate District 287 Representative 		<ul style="list-style-type: none"> • 2023 Annual School District Organizational Items: <ul style="list-style-type: none"> - School District Newspaper - School District Depository/Financial Institutions - Money Wire Transfers - Early Claims Payment - School District Legal Counsel - School District Responsible Authority - Deputy Clerk & Deputy Treasurer - Facsimile Signature Authorization - Authorization to Sign Contracts - Local Education Agency (LEA) Representative - MDE Designation of Identified Official with Authority (IoWA) 		68
<p>Board Workshop Mon, Jan 9, 2023 6:30 PM Convene following the Annual Organizational Meeting</p>							<ul style="list-style-type: none"> • 2023 Committees & Outside Organization Discussion • Budget: 5-Year Financial Forecast • <i>Pathways & Capstones</i>

EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							• Confirm agenda for next Board Workshop
Board Meeting Mon, Jan 23, 2023 6:00 PM		<ul style="list-style-type: none"> • FY 2023-24 Final School Calendar (Draft) • FY 2024-25 Preliminary School Calendar (Draft) • FY 2023-24 Budget Timelines – <i>First Reading</i> • FY 2023-24 Budget Assumptions – <i>First Reading</i> 	<ul style="list-style-type: none"> • FY 2022-23 Mid-Year Budget Approval • Resolution Authorizing the Sale of Facility Maintenance Bonds • Record of Board Self-Evaluation 	2023 School Board Committee & Outside Organization Assignments	<ul style="list-style-type: none"> • Monthly Reports • FY 2023-24 Bus Purchase 		69
Post Meeting Board Workshop Mon, Jan 23, 2023							School Board Meeting Self-Assessment
Board Workshop Mon, Feb 13, 2023 6:00 PM							<ul style="list-style-type: none"> • Finance Overview • Walk through School Board Agenda • Community Linkage: Discuss Goals & Format for Community Engagement • Confirm agenda for next Board Workshop

EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Meeting Mon, Feb 27, 2023 6:00 PM			Resolution Awarding the Sale of Facility Maintenance Bonds Record of Board Self-Evaluation		<ul style="list-style-type: none"> • Monthly Reports • Approval of FY 2023-24 School Calendar • Approval of Preliminary FY 2024-25 School Calendar • American Indian Education Resolution 	<i>Ends 1.6 Update</i>	70
Post Meeting Board Workshop Mon, Feb 27, 2023							School Board Meeting Self-Assessment
Board Workshop Mon, Mar 13, 2023 6:00 PM							<ul style="list-style-type: none"> • Discuss Policy Change Process • New Policy Introductions • Confirm agenda for next Board Workshop
Board Meeting Mon, Mar 27, 2023 6:00 PM		• FY 2023-24 Capital Budget – First Reading	<ul style="list-style-type: none"> • Final FY 2023-24 Budget Assumptions • <u>Closed Session:</u> Negotiation Strategy (MN Statue 13D.03, Subd.1 • Record of Board Self-Evaluation 	Identify Topic for Inspiring News Article	<ul style="list-style-type: none"> • Monthly Reports • Achievement & Integration Budget • Resolution to Release Probationary Teachers 	<i>Ends 1.3 Update</i>	
Post Meeting Board Workshop Mon, Mar 27, 2023							School Board Meeting Self-Assessment

EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			

Board Workshop Mon, Apr 10, 2023 6:00 PM							<ul style="list-style-type: none"> •Agenda Items: Sample Agenda & Discussion of Agenda Elements •Source of Agenda Items: Board Request for Information; Superintendent Information; Agenda Timeline •FY 2023-2024 Annual Work Plan Calendar Discussion •Review DRAFT of Inspiring News Article •Discussion/Review all items in Placeholder area on “Work Plan Changes Document” •FY 2023-2024 School Board Meeting Calendar Discussion •FY 2023-2024 School Board Budget Discussion •Mechanics of Monitoring •Inspiring News Discussion
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EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							<ul style="list-style-type: none"> Workshop Skeleton Summary Discussion Confirm agenda for next Board Workshop₇₂
Board Meeting Mon, Apr 24, 2023 6:00 PM		<ul style="list-style-type: none"> FY 2023-24 School Board Work Plan – First Reading FY 2023-24 School Board Budget – First Reading 	<ul style="list-style-type: none"> Approval of FY 2023-24 Capital Budget Approval of FY 2023-24 School Board Meeting Calendar Approval –Workshop Skeleton Summary Discussion <u>Closed Session:</u> Negotiation Strategy (MN Statue 13D.03,Subd.1) Record of Board Self-Evaluation 	Approve Inspiring News Article DRAFT	Monthly Reports		
Post Meeting Board Workshop Mon, Apr 24, 2023							School Board Meeting Self-Assessment
Board Workshop Mon, May 8, 2023 6:00 PM							<ul style="list-style-type: none"> Confirm agenda for next Board Workshop

EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Meeting Mon, May 22, 2023 6:00 PM		<ul style="list-style-type: none"> •FY 2023-24 Budget – First Reading •FY 2023-24 School Meal Prices - <i>DRAFT</i> 	<ul style="list-style-type: none"> • Approval of FY 2023-24 School Board Work Plan •Approval of FY 2023-24 School Board Budget •Record of Board Self-Evaluation 		<ul style="list-style-type: none"> •Monthly Reports 		73
Post Meeting Board Workshop Mon, May 22, 2023							<ul style="list-style-type: none"> •School Board Meeting Self-Assessment
Board Workshop Mon, June 12, 2023 6:00 PM							<ul style="list-style-type: none"> •General Fund Budget Q&A •All Ends 1.1 – 1.6 OI's •CLC: Inspiring News Top Discussion – 1st Draft (2022-2023) •Confirm agenda for next Board Workshop
Board Meeting Mon, June 26, 2023 6:00 PM	OI's for FY 2023-24 doe all Ends 1.1 through 1.6		<ul style="list-style-type: none"> •Approval of FY 2023-24 Adopted Budget •ISD 287 10-Year Facilities Maintenance Resolution •Record of Board Self-Evaluation 	Community Linkage: Inspiring New DRAFT Approval – 2022-23	<ul style="list-style-type: none"> • Monthly Reports • EPS 10-Year Facilities Maintenance Plan • Q-Comp Annual Report • Summary Update of General District Policies 		

**EDEN PRAIRIE SCHOOL BOARD
2022-2023 ANNUAL WORK PLAN**

Board Meetings
Board Workshops
Other Meetings

11/28/2022

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
					<ul style="list-style-type: none"> Annual Review of District Mandated Policies MSHSL Resolution for Membership 		
Post Meeting Board Workshop Mon, Jun 26, 2023							74 • School Board Meeting Self-Assessment

Annual Comprehensive Financial Report



EDEN PRAIRIE SCHOOLS
Inspiring each student every day™

2022

Eden Prairie Schools | ISD #272 | Eden Prairie, MN
Fiscal Year Ending June 30, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2022

INDEPENDENT SCHOOL DISTRICT NO. 272
EDEN PRAIRIE, MINNESOTA

8100 School Road
Eden Prairie, MN 55344

Prepared by
Finance Department

Jason Mutzenberger • Executive Director of Business Services

Matt Hippen • Director of Finance

Nicole Johnson • Finance Coordinator

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INDEPENDENT SCHOOL DISTRICT NO. 272

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INDEPENDENT SCHOOL DISTRICT NO. 272

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INDEPENDENT SCHOOL DISTRICT NO. 272

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SECTION I – INTRODUCTORY SECTION



November 8, 2022

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

PREFACE

The Annual Comprehensive Financial Report (Annual Report) of Independent School District No. 272, Eden Prairie Public Schools (the District) is submitted for the fiscal year ended June 30, 2022. The District's administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. An independent firm of certified public accountants audits this report.

Independent School District No. 272, also known as Eden Prairie Schools, is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the School Board and is responsible for administrative control of the District. There are no other entities for which the District is considered financially accountable.

These financial statements incorporate the requirements of Statement No. 34 of the Governmental Accounting Standards Board (GASB) entitled *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This standard, issued in June 1999, creates a reporting model of financial information and disclosure, which is comprehensive and attempts to closely reflect the reporting model required for private industry. The reader will notice that two government-wide basic financial statements created by this standard, the Statement of Net Position and the Statement of Activities, do not contain numerous columns for various funds that have been seen in past governmental financial statements. These two statements consolidate much of the information contained in fund-based financial statements of the past into statements which tend to answer the question: "Is the District better or worse off financially than it was in the previous year?" A comparison of net position should help the reader in answering that question.

Also required as a part of required supplementary information by GASB Statement No. 34 is a management's discussion and analysis (MD&A), which allows the District to explain in layman's terms its financial position and results of operations of the past fiscal year. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The District is required to undergo an annual audit of its Federal Financial Assistance (Single Audit) in accordance with *Government Auditing Standards*, as issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Uniform Guidance. Information related to the Single Audit is issued separately and is not included in this report.

DISTRICT GOALS

School District Mission: Inspire each student to learn continuously so they are empowered to reach personal fulfillment and contribute purposefully to our ever-changing world. To complete our mission, we have created goals to personalize learning for all students, eliminate disparities and engage our stakeholders by 2023.

To meet our goals, here are the strategies we have put in place:

- Partnerships are formed between teachers and students which creates learning experiences that are personally relevant and reflective of each student.
- Teachers consistently use data to design and adjust instruction in response to each student's learning and provide meaningful feedback for goal-setting and progress monitoring.

- Students will become critical thinkers, communicators, collaborators, and creative problem solvers about the various concepts they explore through our district curriculum.
- Authentic learning experiences are designed in which students apply their knowledge and skills to performance tasks that reflect real-world purposes, audiences, and resources.
- Learning environments throughout the District are designed to promote partnerships, responsiveness, rigor, authenticity and choice.
- Each student experiences personalized learning that results in achievement not predicted by race or linguistic background.
- Each student experiences a supportive, responsive school environment where their social emotional and academic needs are met by culturally competent staff who reflectively respond to each student's voice.
- Each family served by our schools experiences partnerships with school staff that provide a foundation for working together to ensure students across all racial groups have access to personalized learning.
- Equitable access is provided for all students to participate in a high quality early-childhood education and enrichment opportunities across our district.
- The racial demographics of the staff closely reflect that of the student population.
- Student voice and leadership will be increased and elevated.
- The beliefs and behavior of staff leverage the interests, gifts, and talents of our students, families, of one another, and the greater Eden Prairie community.
- A family engagement plan will be implemented at the classroom, school, and district level.
- Community partnerships are expanded and aligned to enhance student learning.

The School Board governs under a Policy Governance model, which provides a clear differentiation between governance and management responsibilities in organizations. Within this governance structure, the School Board has set parameters in the areas of Board Management Delegation, Executive Limitations (EL), and Ends Policies. The School Board has overall control of the organization. Through its policies, the Superintendent is the School Board's link to operational achievement and conduct, so that all authority and accountability of staff, as far as the School Board is concerned, is considered the authority and accountability of the Superintendent. The School Board's EL defines the parameters within which the Superintendent works, outlining the expectations and limitations of the organization.

Executive Limitations

The Superintendent shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, unethical, imprudent, or in violation of commonly accepted business and professional practices.

1. Emergency Superintendent Succession
2. Treatment of Students
3. Treatment of Parents
4. Treatment of Staff
5. Financial Management and Operations
6. Financial Planning and Budgeting
7. Asset Protection
8. Compensation and Benefits
9. Communication and Support to the School Board

Ends Policies

Eden Prairie Schools exist so that each student obtains an outstanding education that prepares them for their next stage of life in a manner that justifies the resources expended.

1. Each student graduates and is academically prepared to progress to multiple opportunities after high school
2. Each student has the 21st century skills needed to succeed in the global economy
3. Each student has the knowledge that citizens and residents of the United States need to contribute positively to society

DISTRICT FISCAL FRAMEWORK

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

- Insufficient increases in state funding
- Inflationary pressures on key expenditure areas

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

- State economic and political conditions
- Enrollment projections and trends
- Necessary budget adjustments and expenditure reductions
- Operating levy increase and capital project levy renewal

Strong community partnerships have enhanced the success of the District. The Citizen's Financial Advisory Committee continues to function as a key committee guiding the District's financial planning and long-term outlook on investment decisions. This committee's purpose is to assist the District in financial analysis and long-range financial planning. Specifically, the purposes of the committee are as follows:

- To inform members on school district finances
- Engage in discussion of financial goals
- Empower members as ambassadors
- Advise administration on the financial direction to support the mission of Eden Prairie Schools

LOCAL ECONOMIC CONDITION

Eden Prairie is a relatively stable suburban area southwest of the twin cities of Minneapolis and St. Paul that covers 36 square miles with an estimated population of 64,198. Eden Prairie residents enjoy amenities, including transportation, employment opportunities, housing, educational institutions, and a quality school district.

Learners in the District attend eight district sites. The District operates six pre-kindergarten through fifth grade elementary schools with five boundary schools and a Spanish Immersion School. The Eagle Heights Spanish Immersion School is housed in the same building as the Oak Point Elementary School. Eden Prairie's sixth through eighth graders attend Central Middle School, while Eden Prairie High School is home to students in Grades 9 through 12. The District opened Eden Prairie Online School in the 2021–2022 school year, educating kindergarten through Grade 12 students. Eden Prairie Online is servicing not only Eden Prairie residents but many open-enrolled students from all over the state. The District's Administrative Services Center houses Community Education programs and other administrative support departments. The TASSEL Transition Program is located in the Education Center. In total, district-owned instruction and administrative buildings account for 1,943,247 square feet of space with an average age of 35 years.

As one of the largest employers in the city with approximately 1,800 staff members, the District plays a dual role in economic development. The highly skilled staff remains focused on the mission: "Inspire each student to learn continuously so they are empowered to reach personal fulfillment and contribute purposefully to our ever-changing world." The District's commitment to quality and service is among the reasons it operates its own student transportation system and food service program. Buildings and grounds staff members are responsible for maintaining the facilities to ensure a healthy and safe learning environment. A dedicated auxiliary staff, including a wide variety of positions, such as lunchroom/playground supervisors, computer assistants, network managers, special education inclusion assistants, secretarial/clerical staff, and health assistants, collaborate in advancing our goals.

The District has a long reputation for fiscal soundness and efficiency. District expenditures per pupil are consistently among the lowest in Hennepin County, while maintaining high achievement standards in both academic and extracurricular activities.

DISTRICT ECONOMIC CONDITION

The District's School Board policy establishes the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of annual budgeted expenditures to ensure financial health and viability. Each year, the School Board is presented with a 5-year financial forecast that considers enrollment projections, expenditure increases, efficiencies, and other financial assumptions. Additionally, the District has a finance committee comprised of School Board member(s), community members, and staff that review a range of finance-related elements several times per year. This ensures that the District is planning for the current reality, as well as the future. The referendum that was passed in 2014 brought stability to the District's finances and helped build a strong General Fund unassigned fund balance by increasing revenues with its passage. In review of the 5-year forecast, the School Board voted to ask residents to consider a revoke and replace to increase the operating referendum in the November 2022 election. The School Board has also asked voters to consider a renewal of the current Capital Projects levy.

The District's General, Food Service, and Community Service Funds were greatly impacted by the COVID-19 pandemic. The District received over \$16 million in federal aid to help overcome the financial burdens that have been caused by the pandemic. This funding helped the District remain in-person throughout the 2021–2022 school year, as well as provide additional learning, mental, social, and emotional support to students affected by the pandemic. These funds will continue to be used to support students through the 2023–2024 school year.

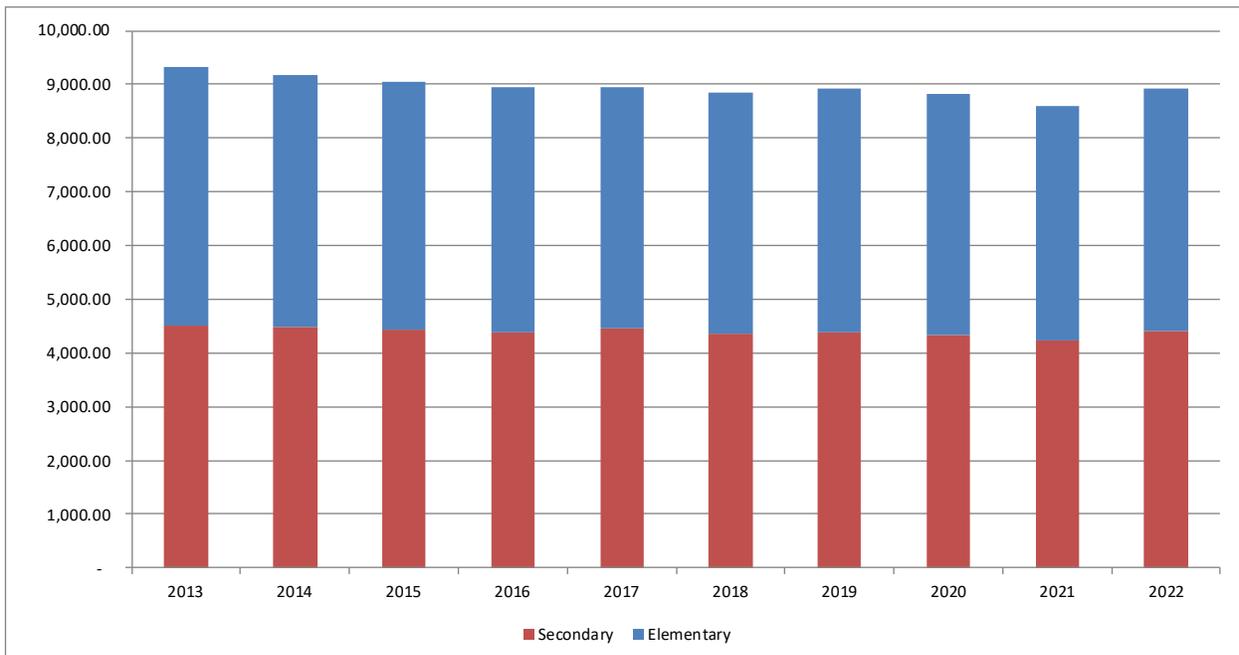
ENROLLMENT

Enrollment is a critical factor in determining funding levels. Approximately 66 percent of the General Fund revenue is enrollment driven. During fiscal year 2022, enrollment increased 330 average daily memberships to 8,928.

Student Enrollment (Average Daily Membership)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pre-K and HCP-K	106.10	104.31	123.38	126.05	116.98	121.66	154.09	133.61	118.77	142.91
Reg K	629.48	560.27	595.08	561.73	561.06	564.94	560.81	574.92	542.26	561.80
Elementary	4,080.75	4,006.32	3,889.68	3,880.82	3,791.63	3,804.19	3,807.70	3,788.77	3,700.07	3,808.69
Secondary	4,500.90	4,492.37	4,445.20	4,380.66	4,466.26	4,350.39	4,393.78	4,337.11	4,237.29	4,414.92
Total Students for Aid	9,317.23	9,163.27	9,053.34	8,949.26	8,935.93	8,841.18	8,916.38	8,834.41	8,598.39	8,928.32
Percent Change	-1.00%	-1.65%	-1.20%	-1.15%	-0.15%	-1.06%	0.85%	-0.92%	-2.67%	3.84%

Student Enrollment (Average Daily Membership)



In 2022, the District saw a significant increase due to return of students from the pandemic and the addition of the Eden Prairie Online learning option, which is eligible to all students in Minnesota. The enrollment and demographic changes presented above offer both financial and strategic challenges and opportunities for the District.

INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROL

The District complies with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota Schools. The UFARS, established in 1976, dictates a modified accrual basis of accounting. An audited annual financial report must be provided to the Minnesota Department of Education by December 31, subsequent to year-end on June 30.

The District has established a system of internal controls that provide reasonable assurance that assets are safeguarded from misuse or losses. Reasonable assurance means the cost of controls is weighed against the benefits received. The District utilizes an integrated payroll/finance system for all financial recordkeeping. Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line item budgets when issued. To accurately track and report financial activities with a focus on site-based accounting, approximately 13,000 accounts have been defined within the District's chart of accounts. Each site and department administrator has access to the finance system to extract reports and review detailed budget activity specific to their area of responsibility. The District's administration receives and reviews monthly financial reports. These reports are also presented to the School Board and are publicly available as part of the School Board's meeting materials.

The District's budgeting process begins with a review and estimation of the projected student enrollment. Student enrollment is the main driver of the allocation of the unrestricted revenue resources. A majority of the budgeting decisions are made centrally, including staffing, capital expenditures, and infrastructure improvements. Budget managers receive an allocation for site or department-specific needs. The District adopts an annual budget for all governmental funds that is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level.

INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE

State statutes require an annual audit by independent certified public accountants. The accounting firm of Malloy, Montague, Karnowski, Radosevich & Co., P.A. was selected by the District's School Board to conduct the annual audit.

This report has been prepared following the guidelines provided by the Association of School Business Officials (ASBO) International and the Government Finance Officers Association (GFOA) for their Certificates of Excellence in Financial Reporting Programs. Achieving recognition by these programs provides a clear indication of the District's high standards for financial reporting. The District intends to submit this Annual Report to the ASBO International and the GFOA Certificate Programs for consideration. The District has received the ASBO International Certificate of Excellence in Financial Reporting for the Annual Report for the last 22 financial years and the GFOA Certificate of Achievement for Excellence in Financial Reporting for the past 8 years.

ACKNOWLEDGMENTS

We acknowledge the efforts of the entire Business Office staff in providing complete and accurate data for this Annual Report.

Sincerely,



Dr. Josh Swanson
Superintendent



Jason Mutzenberger
Executive Director of Business Services



EDEN PRAIRIE SCHOOLS

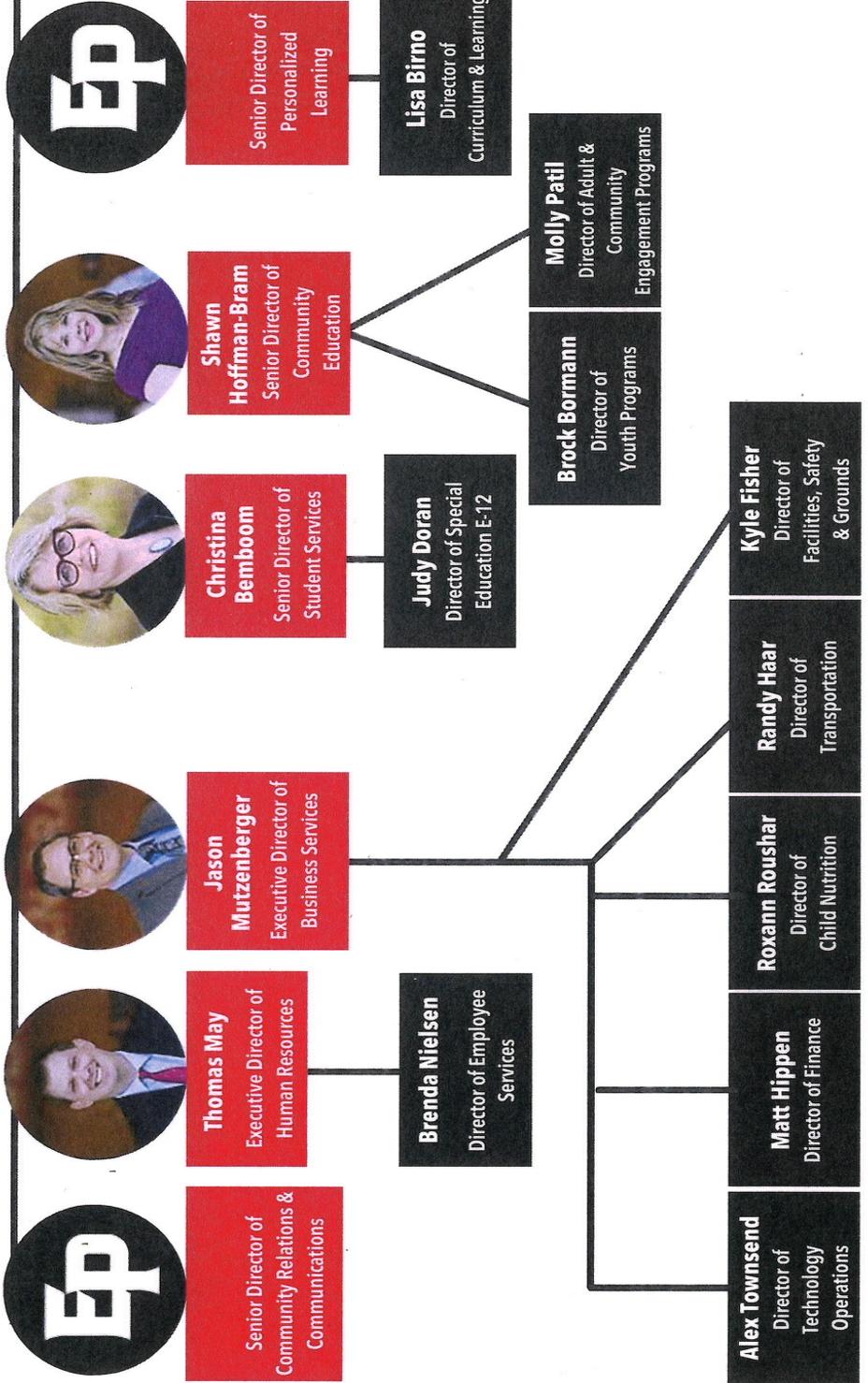
Inspiring each student every day



Josh Swanson
Superintendent



Carlondrea Hines
Associate Superintendent of
Academics & Innovation



INDEPENDENT SCHOOL DISTRICT NO. 272

School Board and Administration
Year Ended June 30, 2022

SCHOOL BOARD

	<u>Board Position</u>
Adam Seidel	Chairperson
Aaron Casper	Vice Chairperson
Steven Bartz	Treasurer
Debjyoti "DD" Dwivedy	Clerk
Francesca Pagan-Umar	Director
Kim Ross	Director
Charles "CJ" Strehl	Director

ADMINISTRATION

Dr. Joshua Swanson	Superintendent
Dr. Carlondrea Hines	Associate Superintendent of Academics and Innovation
Jason Mutzenberger	Executive Director of Business Services
Thomas May	Executive Director of Human Resources
Dr. Shawn Hoffman-Bram	Senior Director of Community Education
Dr. Christina Bemboom	Senior Director of Student Services
Vacant	Senior Director of Personalized Learning
Vacant	Senior Director of Community Relations and Communications



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Eden Prairie Independent School District 272

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

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

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Eden Prairie Independent School District #272
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

SECTION II – FINANCIAL SECTION



PRINCIPALS

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INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

OPINIONS

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. 272 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 the District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general and major special revenue funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 to the basic financial statements, in 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

(continued)

Required Supplementary Information

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Prior Year Comparative Information

We have previously audited the District's 2021 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 29, 2021. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
November 8, 2022

INDEPENDENT SCHOOL DISTRICT NO. 272

Management's Discussion and Analysis Year Ended June 30, 2022

This section of Independent School District No. 272's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the other components of the District's ACFR.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2022 by \$33,517,030 (net position deficit). The District's total net position increased by \$10,397,154 during the fiscal year ended June 30, 2022.
- Government-wide revenues totaled \$159,949,455 and were \$10,397,154 more than expenses of \$149,552,301.
- The General Fund's total fund balance (under the governmental fund presentation) decreased \$891,702 from the prior year, to a year-end balance of \$30,857,985, compared to a \$457,913 decrease planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or major funds, rather than the District as a whole.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America. Some funds are required by state law and by bond covenants. The District can establish other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District maintains the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

	2022	2021
Assets		
Current and other assets	\$ 121,364,204	\$ 133,760,276
Capital assets, net of depreciation/amortization	136,536,679	126,728,543
Total assets	\$ 257,900,883	\$ 260,488,819
Deferred outflows of resources		
Pension plan deferments	\$ 33,122,064	\$ 38,244,675
OPEB plan deferments	1,334,481	214,218
Total deferred outflows of resources	\$ 34,456,545	\$ 38,458,893
Liabilities		
Current and other liabilities	\$ 21,509,567	\$ 21,992,956
Long-term liabilities, including due within one year	158,783,213	200,446,980
Total liabilities	\$ 180,292,780	\$ 222,439,936
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 46,163,599	\$ 45,285,643
Lease revenue for subsequent year	1,104,726	-
Pension plan deferments	94,823,336	69,073,724
OPEB plan deferments	3,490,017	6,062,593
Total deferred inflows of resources	\$ 145,581,678	\$ 120,421,960
Net position		
Net investment in capital assets	\$ 41,428,049	\$ 38,298,795
Restricted	9,956,996	8,176,157
Unrestricted	(84,902,075)	(90,389,136)
Total net position	\$ (33,517,030)	\$ (43,914,184)

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation/amortization amounts. A conservative versus liberal approach to depreciation/amortization estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. Another major factor in determining net position as compared to fund balances are the long-term liabilities for compensated absences, pensions, and other post-employment benefits, which primarily impacts the unrestricted portion of net position.

Total net position increased by \$10,397,154 from current year operating results. Much of the increase is attributable to the change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans, which contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position. The decrease in current assets, increase in capital assets, and increase in net investment in capital assets is due to the District spending down proceeds from facilities maintenance bonds issued in the prior year. The increase in net position restricted for capital asset acquisition, food service, community service, and other state funding restrictions contributed to the change in this portion of net position.

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

	<u>2022</u>	<u>2021</u>
Revenues		
Program revenues		
Charges for services	\$ 8,986,778	\$ 4,406,558
Operating grants and contributions	26,361,088	25,241,395
Capital grants and contributions	961,016	1,806,435
General revenues		
Property taxes	49,871,618	48,100,356
General grants and aids	71,381,077	72,603,961
Other	2,387,878	2,445,575
Total revenues	<u>159,949,455</u>	<u>154,604,280</u>
Expenses		
Administration	4,128,183	3,980,844
District support services	7,563,582	6,676,889
Elementary and secondary regular instruction	63,777,351	61,082,057
Vocational education instruction	2,638,448	2,685,131
Special education instruction	20,194,009	22,133,695
Instructional support services	9,321,195	10,410,693
Pupil support services	10,270,044	9,867,763
Sites and buildings	16,166,096	15,633,381
Fiscal and other fixed cost programs	486,222	409,603
Food service	5,223,293	3,584,309
Community service	6,824,657	5,858,097
Interest and fiscal charges	2,959,221	2,927,736
Total expenses	<u>149,552,301</u>	<u>145,250,198</u>
Change in net position	10,397,154	9,354,082
Net position – beginning	<u>(43,914,184)</u>	<u>(53,268,266)</u>
Net position – ending	<u>\$ (33,517,030)</u>	<u>\$ (43,914,184)</u>

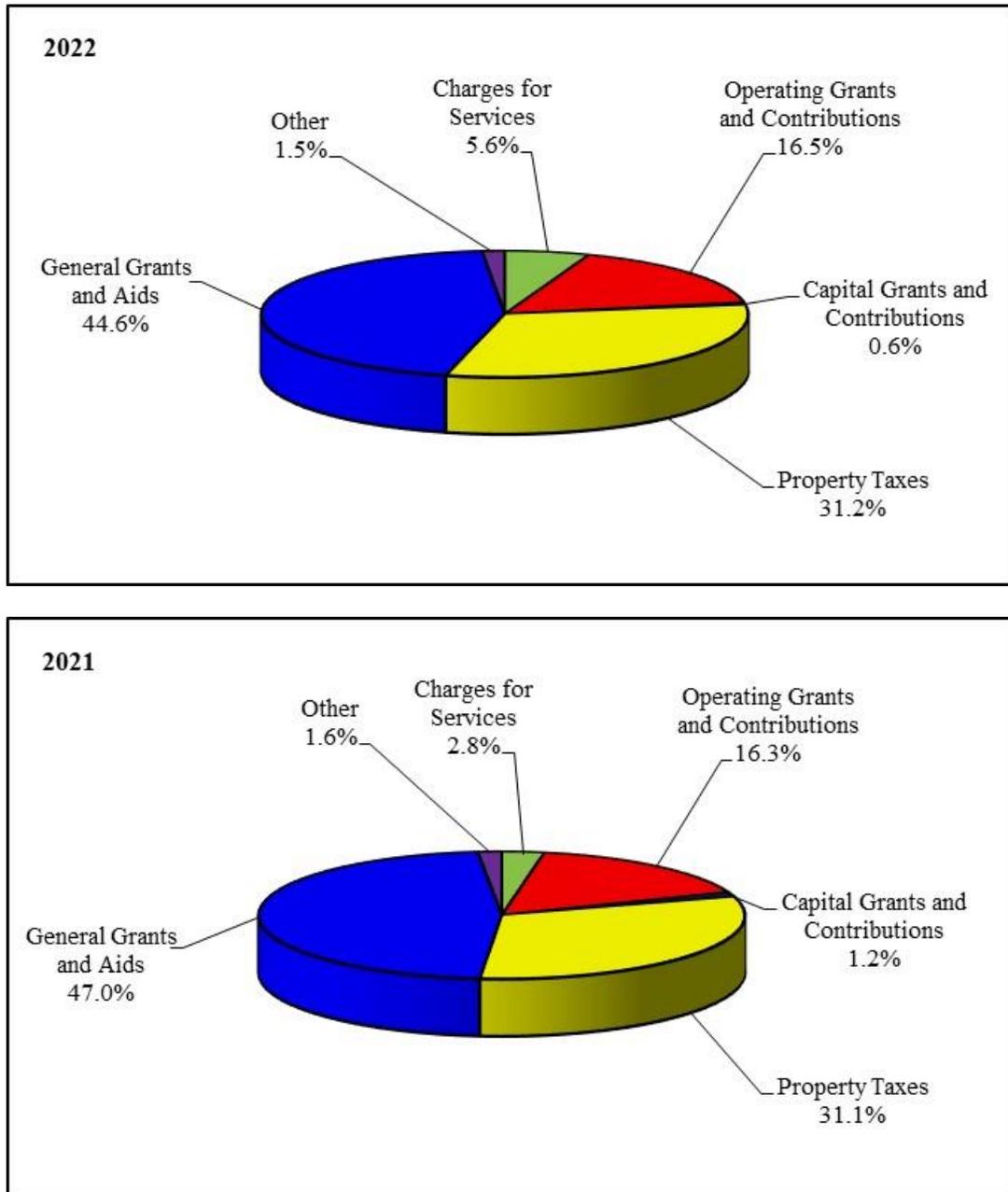
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation/amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal. The COVID-19 pandemic continues to impact financial activity in the current year.

Governmental activities revenues increased \$5,345,175 (3.5 percent) from the previous year, primarily attributable to increases in charges for services with less activity restrictions in the current year. Revenues from operating grants and contributions also increased with more federal revenues recognized through pandemic-related grants. Property taxes also increased with the increase in the levy in the current year.

Governmental activity expenses increased \$4,302,103 (3.0 percent) from last year, mainly due to finance purchases issued for technology products and increased salaries and benefits for online learning models and early retirement incentives.

Figure A shows further analysis of these revenue sources:

Figure A – Sources of Revenues for Fiscal Years 2022 and 2021

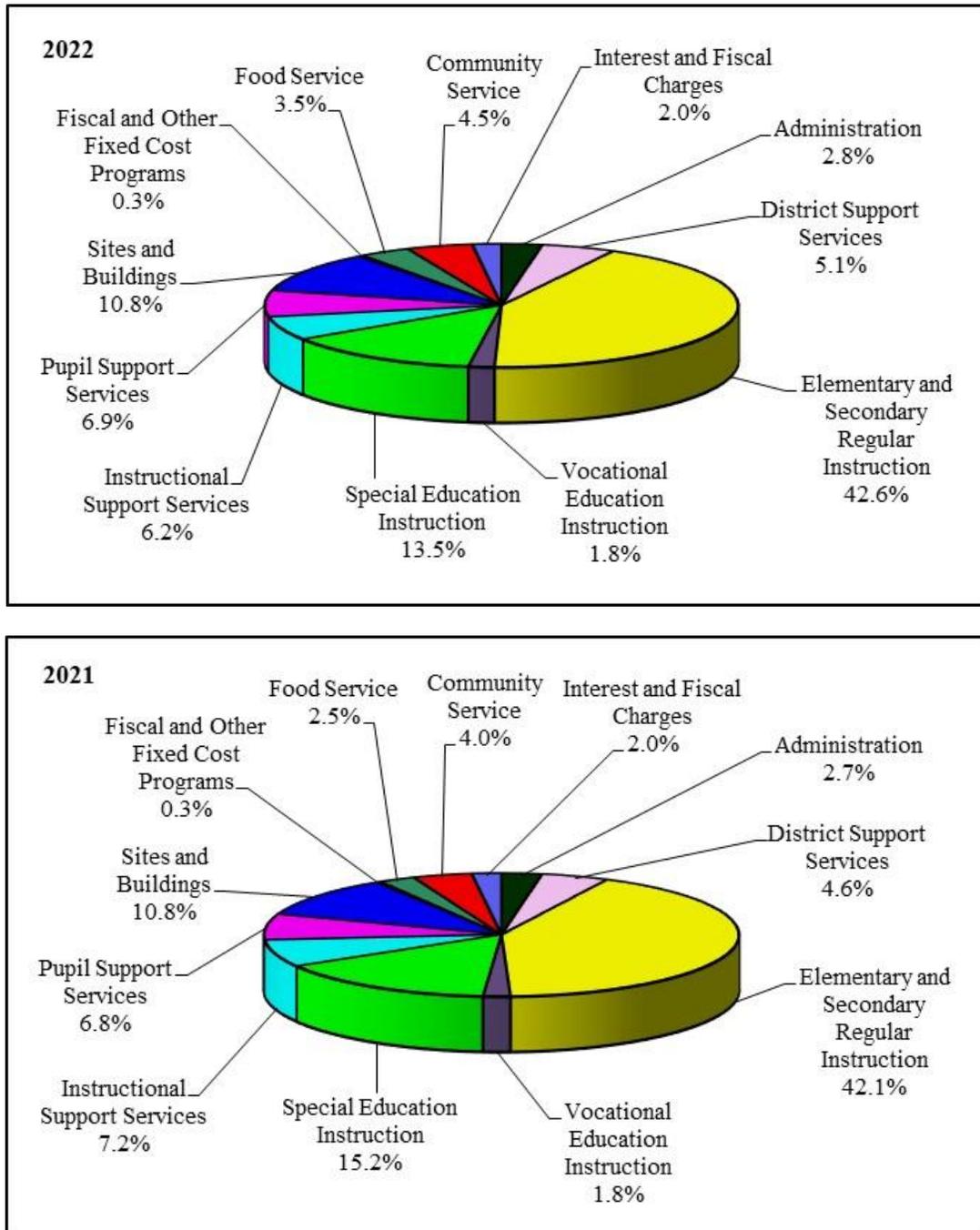


The largest share of the District’s revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2022 and 2021



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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Major funds			
General	\$ 30,857,985	\$ 31,749,687	\$ (891,702)
Food Service	1,422,101	271,769	1,150,332
Community Service	1,106,042	90,132	1,015,910
Capital Projects – Building			
Construction	3,454,148	15,090,377	(11,636,229)
Debt Service	<u>1,714,937</u>	<u>2,153,858</u>	<u>(438,921)</u>
Total governmental funds	<u>\$ 38,555,213</u>	<u>\$ 49,355,823</u>	<u>\$ (10,800,610)</u>

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance, which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's School Board.

At June 30, 2022, the District's governmental funds reported combined fund balances of \$38,555,213, a decrease of \$10,800,610 in comparison with the prior year. Approximately 44.2 percent of this amount (\$17,040,479) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$927,446), 2) restricted for particular purposes (\$10,589,935), or 3) assigned for particular purposes (\$9,997,353). The majority of the decrease was the result of the District spending down bonds issued in previous years.

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenues	<u>\$ 133,273,737</u>	<u>\$ 135,930,512</u>	<u>\$ 2,656,775</u>	<u>2.0%</u>
Expenditures and other financing uses	<u>\$ 134,338,775</u>	<u>\$ 136,388,425</u>	<u>\$ 2,049,650</u>	<u>1.5%</u>

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District amended the budget for known significant changes in circumstances, such as: updated enrollment estimates, legislative changes, additional funding received from grants or other local sources, staffing changes, employee contract settlements, insurance premium changes, special education tuition changes, or new debt issued.

Table 5 summarizes the operating results of the General Fund:

	<u>2022 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	\$ 140,108,134	\$ 4,177,622	3.1%	\$ 5,668,950	4.2%
Expenditures and other financing uses	<u>140,999,836</u>	<u>4,611,411</u>	3.4%	<u>14,813,025</u>	11.7%
Net change in fund balances	<u>\$ (891,702)</u>	<u>\$ (433,789)</u>		<u>\$ (9,144,075)</u>	

The fund balance of the General Fund decreased \$891,702 compared to a planned decrease of \$457,913 approved in the final budget.

General Fund revenues and other financing sources for 2022 increased \$5,668,950 (4.2 percent), compared to the prior year, and were \$4,177,622 (3.1 percent) more than budget. The largest revenue variance occurred in other financing sources (finance purchases and lease issued), which was \$3,710,053 more than projected in the budget. Other local sources were also over budget with COVID-19 pandemic restrictions easing and the District collecting more fees and charges with a return to the in-person learning model.

The increase from the prior year was mainly due to the finance purchase and lease issued and increased other local sources as noted above.

Total General Fund expenditures and other financing uses for 2022 increased \$14,813,025 (11.7 percent) from the prior year. Current year expenditures and other financing uses of \$140,999,836 were \$4,611,411 (3.4 percent) over budget. The expenditure variance was spread across several programs and object categories of the General Fund, with the largest variances in capital expenditures and other financing uses. Capital expenditures were over budget due to the finance purchase and lease issued in the current year, which was not included in the budget. Other financing uses were over budget due to transfers to allocate revenues levied by the General Fund and expended in other funds.

The increase from the prior year was primarily in salaries and benefits and capital expenditures. Salaries and benefits increased, mainly due to online learning models and early retirement incentives offered in the current year. Capital expenditures increased due to the finance purchase issued to finance equipment and building lease issued in the current year.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER MAJOR FUNDS

Food Service Special Revenue Fund

The Food Service Special Revenue Fund ended the year with revenues exceeding expenditures, increasing total fund balance by \$1,150,332, compared to a budgeted fund balance increase of \$224,125. All students were eligible for free lunches during the 2021–2022 school year, which increased participation significantly contributing to the favorable variance in revenues, which more than offset the amount of expenditures exceeding current year appropriations.

Community Service Special Revenue Fund

The Community Service Special Revenue Fund ended the year with revenues and other financing sources exceeding expenditures by \$1,015,910, compared to a planned fund balance increase of \$452,959. A current year transfer of \$53,045 was made from the General Fund to help support program activity in the Community Service Special Revenue Fund. Revenues and expenditures were more than prior year amounts and over budget, due to increased program participation with pandemic restrictions easing in the current year.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. At June 30, 2022, the District had a fund balance of \$2,208,696 restricted for long-term facilities maintenance, \$1,185,471 restricted for capital projects, and \$59,981 in nonspendable fund balance. Fund balance decreased \$11,636,229 during the year, as the District spent down proceeds from bonds issued in previous years.

Debt Service Fund

The Debt Service Fund expenditures exceeded revenues by \$438,921 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue’s financing plan. The remaining fund balance of \$1,714,937 at June 30, 2022 is restricted for meeting future debt service obligations.

COMMENTS ON OTHER FUNDS

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District maintains two internal service funds. These funds are used to account for the District’s self-insured health and dental benefits insurance activities. The net position balance for all internal service funds as of June 30, 2022 was \$8,994,598, which represents a \$1,113,964 increase from the prior year. This was mainly due to positive operating results in the health fund in the current year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District’s capital assets, together with changes from the previous year. The table also shows the total depreciation/amortization expense for fiscal years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Land	\$ 6,774,893	\$ 6,774,893	\$ –
Construction in progress	52,383,103	39,924,607	12,458,496
Land improvements	12,948,655	12,078,102	870,553
Buildings and improvements	211,808,769	210,383,386	1,425,383
Equipment	27,605,589	28,315,695	(710,106)
Leased buildings and improvements	1,287,803	–	1,287,803
Leased equipment	289,563	–	289,563
Less accumulated depreciation/amortization	<u>(176,561,696)</u>	<u>(170,748,140)</u>	<u>(5,813,556)</u>
Total	<u><u>\$ 136,536,679</u></u>	<u><u>\$ 126,728,543</u></u>	<u><u>\$ 9,808,136</u></u>
Depreciation and amortization expense	<u><u>\$ 7,566,378</u></u>	<u><u>\$ 7,260,858</u></u>	<u><u>\$ 305,520</u></u>

By the end of 2022, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2022, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year.

Additional details about capital assets can be found in Note 4 in the notes to basic financial statements.

Long-Term Liabilities

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

	<u>2022</u>	<u>2021</u>	<u>Change</u>
General obligation bonds payable	\$ 92,635,000	\$ 98,665,000	\$ (6,030,000)
Unamortized premiums/discount	4,507,125	4,855,125	(348,000)
Finance purchases payable	3,259,542	1,673,465	1,586,077
Lease liability	1,420,653	-	1,420,653
Net pension liability	56,515,732	94,767,044	(38,251,312)
Compensated absences payable	445,161	486,346	(41,185)
Total	<u>\$ 158,783,213</u>	<u>\$ 200,446,980</u>	<u>\$ (41,663,767)</u>

The changes in general obligation bonds payable and unamortized premiums/discount are due to the scheduled principal payments and amortization in the current year.

The increase in finance purchases payable is due to new debt agreements issued in the current year to finance technology equipment.

The increase in the lease liability in the current year is due to a new building lease issued.

The difference in the net pension liability reflects the change in the District's proportionate share of the state-wide PERA and TRA pension plans.

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

District's market value	\$ 11,148,119,050
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 1,672,217,858</u>

Additional details of the District's long-term debt activity can be found in Note 5 in the notes to basic financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added \$135, or 2.00 percent, per pupil to the basic general education funding formula for fiscal year 2023.

The amount of funding a district receives is also dependent on the number of students it serves, meaning attracting and retaining students is critical to the District's financial well-being.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This ACFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Services Department, Independent School District No. 272, 8100 School Road, Eden Prairie, Minnesota 55344.

BASIC FINANCIAL STATEMENTS

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INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Net Position
as of June 30, 2022
(With Partial Comparative Information as of June 30, 2021)

	Governmental Activities	
	2022	2021
Assets		
Cash and temporary investments	\$ 71,619,258	\$ 81,945,712
Receivables		
Current taxes	24,912,925	24,614,784
Delinquent taxes	492,449	203,283
Accounts and interest	607,948	523,923
Due from other governmental units	13,522,236	13,884,789
Due from post-employment benefits trust	2,341,026	1,042,563
Lease	1,104,726	–
Inventory	217,172	184,502
Prepaid items	710,274	737,599
Net OPEB asset	5,836,190	10,623,121
Capital assets		
Not depreciated/amortized	59,157,996	46,699,500
Depreciated, net of accumulated depreciation/amortization	77,378,683	80,029,043
Total capital assets, net of accumulated depreciation and amortization	<u>136,536,679</u>	<u>126,728,543</u>
Total assets	257,900,883	260,488,819
Deferred outflows of resources		
Pension plan deferments	33,122,064	38,244,675
OPEB plan deferments	1,334,481	214,218
Total deferred outflows of resources	<u>34,456,545</u>	<u>38,458,893</u>
Total assets and deferred outflows of resources	\$ 292,357,428	\$ 298,947,712
Liabilities		
Salaries payable	\$ 5,497,473	\$ 5,142,039
Accounts and contracts payable	11,091,550	11,043,005
Accrued interest payable	1,292,138	1,581,184
Due to other governmental units	812,166	1,684,467
Claims payable	773,330	454,779
Unearned revenue	2,042,910	2,087,482
Long-term liabilities		
Due within one year	6,892,900	6,990,386
Due in more than one year	151,890,313	193,456,594
Total long-term liabilities	<u>158,783,213</u>	<u>200,446,980</u>
Total liabilities	180,292,780	222,439,936
Deferred inflows of resources		
Property taxes levied for subsequent year	46,163,599	45,285,643
Lease revenue for subsequent year	1,104,726	–
Pension plan deferments	94,823,336	69,073,724
OPEB plan deferments	3,490,017	6,062,593
Total deferred inflows of resources	<u>145,581,678</u>	<u>120,421,960</u>
Net position		
Net investment in capital assets	41,428,049	38,298,795
Restricted for		
Capital asset acquisition	2,858,454	1,990,941
Food service	1,422,101	271,769
Community service	1,117,029	319,270
Debt service	517,032	611,780
OPEB	3,680,654	4,774,746
Other purposes (state and other funding restrictions)	361,726	207,651
Unrestricted	(84,902,075)	(90,389,136)
Total net position	<u>(33,517,030)</u>	<u>(43,914,184)</u>
Total liabilities, deferred inflows of resources, and net position	\$ 292,357,428	\$ 298,947,712

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Activities
 Year Ended June 30, 2022
 (With Partial Comparative Information for the Year Ended June 30, 2021)

2022				
Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Administration	\$ 4,128,183	\$ -	\$ -	\$ -
District support services	7,563,582	-	-	-
Elementary and secondary regular instruction	63,777,351	2,139,532	4,151,814	-
Vocational education instruction	2,638,448	-	-	-
Special education instruction	20,194,009	226,363	14,494,196	-
Instructional support services	9,321,195	-	-	-
Pupil support services	10,270,044	92,281	838,060	-
Sites and buildings	16,166,096	118,080	-	961,016
Fiscal and other fixed cost programs	486,222	-	-	-
Food service	5,223,293	979,752	5,390,082	-
Community service	6,824,657	5,430,770	1,486,936	-
Interest and fiscal charges	2,959,221	-	-	-
Total governmental activities	<u>\$ 149,552,301</u>	<u>\$ 8,986,778</u>	<u>\$ 26,361,088</u>	<u>\$ 961,016</u>
General revenue				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for community service				
Property taxes, levied for debt service				
General grants and aids				
Other general revenues				
Investment earnings (charges)				
Total general revenues				
Change in net position				
Net position – beginning				
Net position – ending				

	2021
<u>Net (Expense) Revenue and Changes in Net Position</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
<u>Governmental Activities</u>	<u>Governmental Activities</u>
\$ (4,128,183)	\$ (3,980,844)
(7,563,582)	(6,676,889)
(57,486,005)	(56,700,228)
(2,638,448)	(2,685,131)
(5,473,450)	(5,672,419)
(9,321,195)	(10,410,693)
(9,339,703)	(8,879,200)
(15,087,000)	(13,704,308)
(486,222)	(409,603)
1,146,541	(264,431)
93,049	(1,484,328)
<u>(2,959,221)</u>	<u>(2,927,736)</u>
(113,243,419)	(113,795,810)
39,546,476	36,967,459
1,139,894	1,063,574
9,185,248	10,069,323
71,381,077	72,603,961
2,457,975	2,005,400
(70,097)	440,175
<u>123,640,573</u>	<u>123,149,892</u>
10,397,154	9,354,082
<u>(43,914,184)</u>	<u>(53,268,266)</u>
<u>\$ (33,517,030)</u>	<u>\$ (43,914,184)</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Balance Sheet
Governmental Funds
as of June 30, 2022

(With Partial Comparative Information as of June 30, 2021)

	<u>General Fund</u>	<u>Food Service Special Revenue Fund</u>	<u>Community Service Special Revenue Fund</u>
Assets			
Cash and temporary investments	\$ 45,707,578	\$ 1,600,242	\$ 1,996,337
Receivables			
Current taxes	20,277,142	–	599,627
Delinquent taxes	387,229	–	10,987
Accounts and interest	251,009	10,099	312,318
Due from other governmental units	13,313,254	–	208,822
Due from other funds	2,341,026	–	–
Lease	1,104,726	–	–
Inventory	–	217,172	–
Prepaid items	599,973	320	50,000
	<u>\$ 83,981,937</u>	<u>\$ 1,827,833</u>	<u>\$ 3,178,091</u>
Liabilities			
Salaries payable	\$ 5,188,450	\$ 22,250	\$ 286,773
Accounts and contracts payable	8,661,721	128,795	106,657
Due to other governmental units	789,892	–	6,365
Due to other funds	–	–	–
Unearned revenue	209,668	254,687	449,640
Total liabilities	<u>14,849,731</u>	<u>405,732</u>	<u>849,435</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	36,782,266	–	1,211,627
Lease revenue for subsequent year	1,104,726	–	–
Unavailable revenue – delinquent taxes	387,229	–	10,987
Total deferred inflows of resources	<u>38,274,221</u>	<u>–</u>	<u>1,222,614</u>
Fund balances			
Nonspendable	599,973	217,492	50,000
Restricted	3,220,180	1,204,609	1,056,042
Assigned	9,997,353	–	–
Unassigned	17,040,479	–	–
Total fund balances	<u>30,857,985</u>	<u>1,422,101</u>	<u>1,106,042</u>
	<u>\$ 83,981,937</u>	<u>\$ 1,827,833</u>	<u>\$ 3,178,091</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 83,981,937</u>	<u>\$ 1,827,833</u>	<u>\$ 3,178,091</u>

Capital Projects – Building Construction Fund	Debt Service Fund	Total Governmental Funds	
		2022	2021
\$ 5,544,667	\$ 5,845,187	\$ 60,694,011	\$ 72,982,294
–	4,036,156	24,912,925	24,614,784
–	94,233	492,449	203,283
26,148	3,140	602,714	523,923
–	160	13,522,236	13,884,789
–	–	2,341,026	1,042,563
–	–	1,104,726	–
–	–	217,172	184,502
59,981	–	710,274	737,599
<u>\$ 5,630,796</u>	<u>\$ 9,978,876</u>	<u>\$ 104,597,533</u>	<u>\$ 114,173,737</u>
\$ –	\$ –	\$ 5,497,473	\$ 5,142,039
2,160,739	–	11,057,912	11,040,167
15,909	–	812,166	1,684,467
–	–	–	493,995
–	–	913,995	968,320
<u>2,176,648</u>	<u>–</u>	<u>18,281,546</u>	<u>19,328,988</u>
–	8,169,706	46,163,599	45,285,643
–	–	1,104,726	–
–	94,233	492,449	203,283
–	8,263,939	47,760,774	45,488,926
59,981	–	927,446	922,101
3,394,167	1,714,937	10,589,935	19,793,595
–	–	9,997,353	11,053,757
–	–	17,040,479	17,586,370
<u>3,454,148</u>	<u>1,714,937</u>	<u>38,555,213</u>	<u>49,355,823</u>
<u>\$ 5,630,796</u>	<u>\$ 9,978,876</u>	<u>\$ 104,597,533</u>	<u>\$ 114,173,737</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2022
(With Partial Comparative Information as of June 30, 2021)

	<u>2022</u>	<u>2021</u>
Total fund balances – governmental funds	\$ 38,555,213	\$ 49,355,823
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	313,098,375	297,476,683
Accumulated depreciation	(176,561,696)	(170,748,140)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
General obligation bonds payable	(92,635,000)	(98,665,000)
Unamortized premiums/discount	(4,507,125)	(4,855,125)
Finance purchases payable	(3,259,542)	(1,673,465)
Lease liability	(1,420,653)	–
Net pension liability	(56,515,732)	(94,767,044)
Compensated absences payable	(445,161)	(486,346)
Net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in the governmental funds.		
	5,836,190	10,623,121
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
	8,994,598	7,880,634
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.		
	(1,292,138)	(1,581,184)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	33,122,064	38,244,675
Deferred outflows of resources – OPEB plan deferments	1,334,481	214,218
Deferred inflows of resources – pension plan deferments	(94,823,336)	(69,073,724)
Deferred inflows of resources – OPEB plan deferments	(3,490,017)	(6,062,593)
Deferred inflows of resources – unavailable revenue – delinquent taxes	492,449	203,283
Total net position – governmental activities	<u>\$ (33,517,030)</u>	<u>\$ (43,914,184)</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2022
 (With Partial Comparative Information for the Year Ended June 30, 2021)

	<u>General Fund</u>	<u>Food Service Special Revenue Fund</u>	<u>Community Service Special Revenue Fund</u>
Revenue			
Local sources			
Property taxes	\$ 39,318,935	\$ -	\$ 1,133,396
Investment earnings (charges)	(192,199)	2,287	4,494
Other	4,723,039	1,015,198	5,844,281
State sources	86,913,358	176,132	789,544
Federal sources	5,358,285	5,213,949	329,499
Total revenue	<u>136,121,418</u>	<u>6,407,566</u>	<u>8,101,214</u>
Expenditures			
Current			
Administration	4,398,769	-	-
District support services	7,431,664	-	-
Elementary and secondary regular instruction	64,538,489	-	-
Vocational education instruction	2,741,151	-	-
Special education instruction	21,432,555	-	-
Instructional support services	9,834,100	-	-
Pupil support services	10,359,843	-	-
Sites and buildings	15,481,390	-	-
Fiscal and other fixed cost programs	486,222	-	-
Food service	-	5,170,666	-
Community service	-	-	7,130,524
Capital outlay	-	86,568	-
Debt service			
Principal	985,061	-	7,825
Interest and fiscal charges	39,368	-	-
Total expenditures	<u>137,728,612</u>	<u>5,257,234</u>	<u>7,138,349</u>
Excess (deficiency) of revenue over expenditures	(1,607,194)	1,150,332	962,865
Other financing sources (uses)			
Finance purchases issued	2,422,250	-	-
Lease issued	1,287,803	-	-
Debt issued	-	-	-
Refunding debt issued	-	-	-
Premium on debt issued	-	-	-
(Discount) on debt issued	-	-	-
Payment on refunded debt	-	-	-
Sale of capital assets	276,663	-	-
Insurance recovery	-	-	-
Transfers in	-	-	53,045
Transfers (out)	(3,271,224)	-	-
Total other financing sources (uses)	<u>715,492</u>	<u>-</u>	<u>53,045</u>
Net change in fund balances	(891,702)	1,150,332	1,015,910
Fund balances			
Beginning of year	<u>31,749,687</u>	<u>271,769</u>	<u>90,132</u>
End of year	<u>\$ 30,857,985</u>	<u>\$ 1,422,101</u>	<u>\$ 1,106,042</u>

Capital Projects – Building Construction Fund	Debt Service Fund	Total Governmental Funds	
		2022	2021
\$ –	\$ 9,130,121	\$ 49,582,452	\$ 48,341,731
64,351	16,265	(104,802)	437,482
–	–	11,582,518	6,143,412
–	1,592	87,880,626	85,554,833
–	–	10,901,733	12,911,731
<u>64,351</u>	<u>9,147,978</u>	<u>159,842,527</u>	<u>153,389,189</u>
–	–	4,398,769	3,963,186
–	–	7,431,664	6,580,214
–	–	64,538,489	55,797,331
–	–	2,741,151	2,608,998
–	–	21,432,555	21,733,158
–	–	9,834,100	10,288,448
–	–	10,359,843	10,008,666
–	–	15,481,390	13,058,211
–	–	486,222	409,603
–	–	5,170,666	3,619,295
–	–	7,130,524	5,928,843
14,943,637	–	15,030,205	34,833,668
–	6,030,000	7,022,886	7,126,171
–	3,556,899	3,596,267	3,540,392
<u>14,943,637</u>	<u>9,586,899</u>	<u>174,654,731</u>	<u>179,496,184</u>
(14,879,286)	(438,921)	(14,812,204)	(26,106,995)
–	–	2,422,250	–
–	–	1,287,803	–
–	–	–	11,090,000
–	–	–	15,195,000
–	–	–	1,803,574
–	–	–	(21,754)
–	–	–	(16,910,000)
–	–	276,663	467,910
24,878	–	24,878	–
3,218,179	–	3,271,224	889,510
–	–	(3,271,224)	(889,510)
<u>3,243,057</u>	<u>–</u>	<u>4,011,594</u>	<u>11,624,730</u>
(11,636,229)	(438,921)	(10,800,610)	(14,482,265)
<u>15,090,377</u>	<u>2,153,858</u>	<u>49,355,823</u>	<u>63,838,088</u>
<u>\$ 3,454,148</u>	<u>\$ 1,714,937</u>	<u>\$ 38,555,213</u>	<u>\$ 49,355,823</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2022
(With Partial Comparative Information for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Total net change in fund balances – governmental funds	\$ (10,800,610)	\$ (14,482,265)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	17,084,951	36,596,194
Depreciation expense	(7,566,378)	(7,260,858)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	–	(11,090,000)
Refunding bonds payable	–	(15,195,000)
Finance purchases payable	(2,422,250)	–
Lease liability	(1,287,803)	–
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	6,030,000	23,205,000
Finance purchases payable	836,173	831,171
Lease liability	156,713	–
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	289,046	(174,598)
Debt issuance premiums/discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.		
	348,000	(994,566)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	38,251,312	(12,633,971)
Net OPEB asset	(4,786,931)	4,079,799
Compensated absences payable	41,185	160,445
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	1,113,964	1,123,522
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(5,122,611)	(24,635,420)
Deferred outflows of resources – OPEB plan deferments	1,120,263	(97,769)
Deferred inflows of resources – pension plan deferments	(25,749,612)	32,854,253
Deferred inflows of resources – OPEB plan deferments	2,572,576	(2,690,480)
Deferred inflows of resources – unavailable revenue – delinquent taxes	289,166	(241,375)
Change in net position – governmental activities	<u>\$ 10,397,154</u>	<u>\$ 9,354,082</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 General Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 40,128,179	\$ 39,123,179	\$ 39,318,935	\$ 195,756
Investment earnings (charges)	100,000	100,000	(192,199)	(292,199)
Other	3,446,799	3,446,799	4,723,039	1,276,240
State sources	83,719,006	86,972,909	86,913,358	(59,551)
Federal sources	5,879,753	6,287,625	5,358,285	(929,340)
Total revenue	<u>133,273,737</u>	<u>135,930,512</u>	<u>136,121,418</u>	<u>190,906</u>
Expenditures				
Current				
Administration	4,541,643	4,238,516	4,398,769	160,253
District support services	7,403,509	7,224,711	7,431,664	206,953
Elementary and secondary regular instruction	62,132,097	63,727,223	64,538,489	811,266
Vocational education instruction	2,401,228	2,592,799	2,741,151	148,352
Special education instruction	21,752,283	22,731,690	21,432,555	(1,299,135)
Instructional support services	10,154,175	10,558,076	9,834,100	(723,976)
Pupil support services	10,374,081	10,187,186	10,359,843	172,657
Sites and buildings	14,229,245	13,725,865	15,481,390	1,755,525
Fiscal and other fixed cost programs	401,000	401,000	486,222	85,222
Debt service				
Principal	836,173	981,114	985,061	3,947
Interest and fiscal charges	13,341	13,341	39,368	26,027
Total expenditures	<u>134,238,775</u>	<u>136,381,521</u>	<u>137,728,612</u>	<u>1,347,091</u>
Excess (deficiency) of revenue over expenditures	(965,038)	(451,009)	(1,607,194)	(1,156,185)
Other financing sources (uses)				
Finance purchases issued	—	—	2,422,250	2,422,250
Lease issued	—	—	1,287,803	1,287,803
Sale of capital assets	—	—	276,663	276,663
Transfers (out)	(100,000)	(6,904)	(3,271,224)	(3,264,320)
Total other financing sources (uses)	<u>(100,000)</u>	<u>(6,904)</u>	<u>715,492</u>	<u>722,396</u>
Net change in fund balances	<u>\$ (1,065,038)</u>	<u>\$ (457,913)</u>	<u>(891,702)</u>	<u>\$ (433,789)</u>
Fund balances				
Beginning of year			<u>31,749,687</u>	
End of year			<u>\$ 30,857,985</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Food Service Special Revenue Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Investment earnings	\$ 10,000	\$ 1,000	\$ 2,287	\$ 1,287
Other – primarily meal sales	3,164,000	859,971	1,015,198	155,227
State sources	156,000	156,000	176,132	20,132
Federal sources	1,179,000	4,276,307	5,213,949	937,642
Total revenue	<u>4,509,000</u>	<u>5,293,278</u>	<u>6,407,566</u>	<u>1,114,288</u>
Expenditures				
Current				
Salaries	1,630,228	2,063,766	2,024,136	(39,630)
Employee benefits	730,321	738,607	700,606	(38,001)
Purchased services	280,150	280,150	219,459	(60,691)
Supplies and materials	1,691,000	1,947,930	2,221,810	273,880
Other expenditures	8,700	8,700	4,655	(4,045)
Capital outlay	30,000	30,000	86,568	56,568
Total expenditures	<u>4,370,399</u>	<u>5,069,153</u>	<u>5,257,234</u>	<u>188,081</u>
Net change in fund balances	<u>\$ 138,601</u>	<u>\$ 224,125</u>	1,150,332	<u>\$ 926,207</u>
Fund balances				
Beginning of year			<u>271,769</u>	
End of year			<u>\$ 1,422,101</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Community Service Special Revenue Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 1,146,363	\$ 1,146,363	\$ 1,133,396	\$ (12,967)
Investment earnings	–	–	4,494	4,494
Other – primarily tuition and fees	4,502,550	4,502,550	5,844,281	1,341,731
State sources	773,851	773,851	789,544	15,693
Federal sources	–	–	329,499	329,499
Total revenue	<u>6,422,764</u>	<u>6,422,764</u>	<u>8,101,214</u>	<u>1,678,450</u>
Expenditures				
Current				
Salaries	3,860,696	3,860,696	4,537,951	677,255
Employee benefits	1,185,276	1,185,276	1,348,722	163,446
Purchased services	705,565	698,625	1,051,422	352,797
Supplies and materials	212,218	212,218	174,626	(37,592)
Other expenditures	7,700	7,700	17,803	10,103
Capital outlay	600	600	–	(600)
Debt service				
Principal	–	6,940	7,825	885
Total expenditures	<u>5,972,055</u>	<u>5,972,055</u>	<u>7,138,349</u>	<u>1,166,294</u>
Excess of revenue over expenditures	450,709	450,709	962,865	512,156
Other financing sources				
Transfers in	<u>2,250</u>	<u>2,250</u>	<u>53,045</u>	<u>50,795</u>
Net change in fund balances	<u>\$ 452,959</u>	<u>\$ 452,959</u>	1,015,910	<u>\$ 562,951</u>
Fund balances				
Beginning of year			<u>90,132</u>	
End of year			<u>\$ 1,106,042</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Net Position
 Internal Service Funds
 as of June 30, 2022
 (With Partial Comparative Information as of June 30, 2021)

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and temporary investments	\$ 10,925,247	\$ 8,963,418
Receivables		
Accounts and interest	5,234	-
Due from other funds	-	493,995
Total current assets	<u>10,930,481</u>	<u>9,457,413</u>
Liabilities		
Current liabilities		
Accounts payable	33,638	2,838
Unearned revenue	1,128,915	1,119,162
Claims payable	773,330	454,779
Total current liabilities	<u>1,935,883</u>	<u>1,576,779</u>
Net position		
Unrestricted	<u>\$ 8,994,598</u>	<u>\$ 7,880,634</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenses, and Changes in Net Position
 Internal Service Funds
 Year Ended June 30, 2022
 (With Partial Comparative Information for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 14,364,318	\$ 14,385,688
Operating expenses		
Health benefit claims	12,160,198	12,010,340
Dental benefit claims	<u>1,124,861</u>	<u>1,254,519</u>
Total operating expenses	<u>13,285,059</u>	<u>13,264,859</u>
Operating income	1,079,259	1,120,829
Nonoperating revenue		
Investment earnings	<u>34,705</u>	<u>2,693</u>
Change in net position	1,113,964	1,123,522
Net position		
Beginning of year	<u>7,880,634</u>	<u>6,757,112</u>
End of year	<u><u>\$ 8,994,598</u></u>	<u><u>\$ 7,880,634</u></u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022

(With Partial Comparative Information for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Contributions from governmental funds	\$ 14,868,066	\$ 13,831,912
Payment for health claims	(11,842,924)	(12,270,341)
Payment for dental claims	(1,092,784)	(1,256,901)
Net cash flows from operating activities	<u>1,932,358</u>	<u>304,670</u>
Cash flows from investing activities		
Investment income received	<u>29,471</u>	<u>2,693</u>
Net change in cash and cash equivalents	1,961,829	307,363
Cash and cash equivalents		
Beginning of year	<u>8,963,418</u>	<u>8,656,055</u>
End of year	<u><u>\$ 10,925,247</u></u>	<u><u>\$ 8,963,418</u></u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 1,079,259	\$ 1,120,829
Adjustments to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Due from other funds	493,995	(493,995)
Accounts payable	30,800	2,838
Unearned revenue	9,753	(59,781)
Claims payable	<u>318,551</u>	<u>(265,221)</u>
Net cash flows from operating activities	<u><u>\$ 1,932,358</u></u>	<u><u>\$ 304,670</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Fiduciary Net Position
as of June 30, 2022

	Custodial Fund	Post-Employment Benefits Trust Fund
	<u> </u>	<u> </u>
Assets		
Cash and temporary investments	\$ 2,703	\$ 478,219
Receivables		
Accounts and interest	–	54,705
Investments, at fair value		
Treasury securities	–	2,676,969
Agency securities	–	93,510
Corporate obligations	–	3,888,721
Equities	–	4,852,736
Real estate investment trusts	–	88,371
Mutual funds	–	5,042,241
Total assets	<u>2,703</u>	<u>17,175,472</u>
Liabilities		
Accounts and contracts payable	2,703	–
Due to governmental funds	<u>–</u>	<u>2,341,026</u>
Total liabilities	<u>2,703</u>	<u>2,341,026</u>
Net position		
Restricted for OPEB	<u>\$ –</u>	<u>\$ 14,834,446</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

	Custodial Fund	Post-Employment Benefits Trust Fund
	<u> </u>	<u> </u>
Additions		
Contributions		
Miscellaneous	\$ 3,190	\$ -
Investment earnings (charges)		
Total investment earnings (charges)	-	(2,065,982)
Less investment expense	-	10,973
Net investment earnings (charges)	<u>-</u>	<u>(2,076,955)</u>
Total additions	<u>3,190</u>	<u>(2,076,955)</u>
Deductions		
Miscellaneous	3,190	-
OPEB	-	2,341,026
Total deductions	<u>3,190</u>	<u>2,341,026</u>
Change in net position	-	(4,417,981)
Net position		
Beginning of year	<u>-</u>	<u>19,252,427</u>
End of year	<u>\$ -</u>	<u>\$ 14,834,446</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Basic Financial Statements
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 272 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A School Board elected by the voters of the District governs the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. Generally, the effect of material interfund activity has been removed from the government-wide financial statements. Transactions representing interfund services provided and used are not eliminated in the consolidation process to the government-wide financial statements.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Food service sales, community education tuition, and other miscellaneous revenues (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Proceeds of long-term debt and acquisitions under leases are reported as other financing sources.
- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the District’s internal service funds are charges to customers (other district funds) for service. Operating expenses for the internal service funds include the cost of providing the services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Description of Funds

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

Major Governmental Funds

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

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for the District’s child nutrition program, which is financed through revenue from meal sales, state aids, and federal grants.

Community Service Special Revenue Fund – The Community Service Special Revenue Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, or other similar services. These activities are financed by program fees and tuition, property tax levies, and state aids.

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

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

Proprietary Funds

Internal Service Funds – The internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District’s internal service funds are used to account for dental and health insurance benefits offered by the District to its employees as self-insured plans.

Fiduciary Funds

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

Each June, the School Board adopts an annual budget for the following fiscal year for all governmental funds. 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. For the year ended June 30, 2022, actual expenditures exceeded budgeted appropriations in the following funds:

Fund	Budgeted Expenditures	Actual Expenditures	Excess
General	\$ 136,381,521	\$ 137,728,612	\$ 1,347,091
Food Service Special Revenue	\$ 5,069,153	\$ 5,257,234	\$ 188,081
Community Service Special Revenue	\$ 5,972,055	\$ 7,138,349	\$ 1,166,294
Capital Projects – Building Construction	\$ 12,376,743	\$ 14,943,637	\$ 2,566,894
Debt Service	\$ 9,585,711	\$ 9,586,899	\$ 1,188

The excess expenditures were approved by the School Board as required by Minnesota Statutes, and were financed with revenues in excess of budget, other financing sources, or available fund balances.

F. Cash and Temporary Investments

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. The only receivables not expected to be fully collected within one year are lease receivable and delinquent property taxes receivable.

At June 30, 2022, the District reported the following receivables due from other governmental units:

Due from the MDE	\$ 12,023,599
Due from other Minnesota school districts	833,925
Due from other governmental units	<u>664,712</u>
Total due from other governmental units	<u>\$ 13,522,236</u>

H. Inventories

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded as expenditures/expenses at the time of consumption.

J. Property Taxes

The majority of the District's revenue in the General Fund is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aids by the Legislature based on education funding priorities.

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$4,249,326 of the property tax levy collectible in 2022 as revenue to the District in fiscal year 2021–2022. The remaining portion of the taxes collectible in 2022 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Leased capital assets are recorded based on the measurement of payments applicable to the lease term. The District defines capital assets as those with an initial, individual cost of \$3,000 or more for assets acquired through June 30, 2015 and \$5,000 or more for assets acquired thereafter, 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. 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.

Capital assets are reported in the government-wide financial statements, but not in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements, buildings and improvements, and 5 to 15 years for equipment. Leased assets are amortized over the term of the lease or over the useful life of the applicable asset class previously described if future ownership is anticipated. Land and construction in progress are not depreciated.

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. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively, in the current period.

M. Employee Benefits

- 1. Compensated Absences** – Under the terms of certain collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates. Vacation and sick pay are accrued in the governmental funds to the extent they have been used or otherwise matured prior to year-end. Because teachers are not eligible for vacation pay and amounts accrued to other employees are forfeited if not taken by January 1 of the following year, no long-term vacation liabilities are recorded in the financial statements. Some employee bargaining groups are eligible to be compensated for unused sick leave upon termination subject to certain conditions. Convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future.
- 2. Early Retirement Incentive** – The District provides early retirement incentive benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. No individual can receive benefits in excess of one year's salary. Benefits are accrued in the governmental funds as they become due and payable. See the Defined Benefit Pension Plan – District note for further information.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 3. Post-Employment Healthcare Benefits** – The District provides post-employment healthcare benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. For eligible retirees, the District pays health insurance premiums until the retiree reaches age 65 in an amount equal to active employee health insurance premiums. See the Other Post-Employment Benefits (OPEB) Plan note for further information.

For purposes of measuring the net OPEB liability (asset), deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- 4. State-Wide Pension Plans** – District employees participate in cost-sharing, multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA), to which the District contributes. See the Defined Benefit Pension Plans – State-Wide note for further information.

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

The TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Minneapolis Public Schools. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into the TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association in 2015.

N. Risk Management and Self-Insurance

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

The District makes premium payments that include both employer and employee contributions to the internal service funds on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class, plus stop-loss health and dental insurance premium costs and administrative service charges. Any excess of the premiums above claims remaining is used to establish a reserve for future claims.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

District claim liabilities are reported when it is probable a loss has occurred and the amount 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:

<u>Year Ended June 30,</u>	<u>Balance – Beginning of Year</u>	<u>Charges and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance – End of Year</u>
2021	\$ 20,000	\$ 1,254,519	\$ 1,256,901	\$ 17,618
2022	\$ 17,618	\$ 1,124,861	\$ 1,121,546	\$ 20,933

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

<u>Year Ended June 30,</u>	<u>Balance – Beginning of Year</u>	<u>Charges and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance – End of Year</u>
2021	\$ 700,000	\$ 12,010,340	\$ 12,273,179	\$ 437,161
2022	\$ 437,161	\$ 12,160,198	\$ 11,844,962	\$ 752,397

O. Deferred Outflows/Inflows of Resources

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

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

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

The District reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

P. Net Position

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

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

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

Q. Fund Balance Classifications

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

R. Use of Estimates

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

S. Prior Period Comparative Financial Information/Reclassification

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

T. Change in Accounting Principle

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. This statement included major changes in recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Certain amounts necessary to fully restate fiscal year 2021 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in the District reporting a new lease receivable and in the adjustment of capital assets and long-term liabilities, but did require a restatement of net position in the current year. See Note 3, Note 4, and Note 5 for additional detail on this change in the current year.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$	1,807,760
Investments		86,928,634
Cash on hand		6,334
		<hr/>
Total	\$	<u>88,742,728</u>

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

Statement of Net Position		
Cash and temporary investments	\$	71,619,258
Statement of Fiduciary Net Position		
Custodial Fund		
Cash and temporary investments		2,703
Post-Employment Benefits Trust Fund		
Cash and temporary investments and investments, at fair value		<hr/>
		17,120,767
		<hr/>
Total	\$	<u>88,742,728</u>

B. Deposits

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

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

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

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

At year-end, the carrying amount and bank balance of the District’s deposits were both \$1,807,760. At June 30, 2022, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk – Maturity Duration in Years				Total
	Rating	Agency		No Maturity Date	Less Than 1	1 to 5	6 to 10	
	U.S. treasury securities	N/A	N/A	Level 1	\$ –	\$ –	\$ 2,470,866	
U.S. treasury securities	N/A	N/A	Level 2	\$ –	\$ 14,397,677	\$ 1,000,160	\$ –	15,397,837
U.S. agency securities	AA	S&P	Level 1	\$ –	\$ –	\$ 93,510	\$ –	93,510
Corporate obligations	AAA	S&P	Level 1	\$ –	\$ –	\$ 198,686	\$ –	198,686
Corporate obligations	AA	S&P	Level 1	\$ –	\$ –	\$ 124,998	\$ 169,567	294,565
Corporate obligations	A	S&P	Level 1	\$ –	\$ –	\$ 1,659,077	\$ 343,889	2,002,966
Corporate obligations	BAA	Moody's	Level 1	\$ –	\$ –	\$ 196,428	\$ –	196,428
Corporate obligations	BBB	S&P	Level 1	\$ –	\$ –	\$ 956,084	\$ 239,992	1,196,076
Negotiable certificates of deposit	Not Rated		Level 2	\$ –	\$ –	\$ 480,804	\$ –	480,804
Equities	Not Rated		Level 1	\$ 4,852,736	\$ –	\$ –	\$ –	4,852,736
Real estate investment trusts	Not Rated		Level 2	\$ 88,371	\$ –	\$ –	\$ –	88,371
Real asset mutual funds	Not Rated		Level 2	\$ 1,340,560	\$ –	\$ –	\$ –	1,340,560
OPEB mutual funds	Not Rated		Level 1	\$ 3,701,681	\$ –	\$ –	\$ –	3,701,681
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	\$ 32,195,733	\$ –	\$ –	\$ –	32,195,733
MNTrust Term Series	Not Rated		N/A	\$ –	\$ 1,000,000	\$ –	\$ –	1,000,000
MNTrust Full Flex	Not Rated		N/A	\$ 6,509,161	\$ –	\$ –	\$ –	6,509,161
MNTrust Limited Term Duration	AAA	S&P	N/A	\$ 14,208,664	\$ –	\$ –	\$ –	14,208,664
MSDLAF Liquid Class	AAA	S&P	N/A	\$ 493,886	\$ –	\$ –	\$ –	493,887
Total investments								<u>\$ 86,928,634</u>

N/A – Not Applicable

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

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

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

NOTE 3 – LEASE RECEIVABLE

The District has entered into a lease receivable agreement for cell tower rental space on district property. The lease is reported using an incremental rate increase each year per the agreement with a final maturity through 2039. During the current year, the District received principal and interest payments of \$76,724.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the current year ended is as follows:

	Balance – Beginning of Year	Change in Accounting Principle*	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized						
Land	\$ 6,774,893	\$ –	\$ –	\$ –	\$ –	\$ 6,774,893
Construction in progress	39,924,607	–	15,078,729	–	(2,620,233)	52,383,103
Total capital assets, not depreciated/amortized	46,699,500	–	15,078,729	–	(2,620,233)	59,157,996
Capital assets, depreciated and amortized						
Land improvements	12,078,102	–	6,265	–	864,288	12,948,655
Buildings and improvements	210,383,386	–	–	–	1,425,383	211,808,769
Equipment	28,315,695	–	712,154	(1,752,822)	330,562	27,605,589
Leased buildings and improvements	–	–	1,287,803	–	–	1,287,803
Leased equipment	–	289,563	–	–	–	289,563
Total capital assets, depreciated and amortized	250,777,183	289,563	2,006,222	(1,752,822)	2,620,233	253,940,379
Less accumulated depreciation and amortization for						
Land improvements	(6,671,408)	–	(497,902)	–	–	(7,169,310)
Buildings and improvements	(144,648,773)	–	(5,477,580)	–	–	(150,126,353)
Equipment	(19,427,959)	–	(1,417,083)	1,752,822	–	(19,092,220)
Leased buildings and improvements	–	–	(32,195)	–	–	(32,195)
Leased equipment	–	–	(141,618)	–	–	(141,618)
Total accumulated depreciation and amortization	(170,748,140)	–	(7,566,378)	1,752,822	–	(176,561,696)
Net capital assets, depreciated and amortized	80,029,043	289,563	(5,560,156)	–	2,620,233	77,378,683
Total capital assets, net	\$ 126,728,543	\$ 289,563	\$ 9,518,573	\$ –	\$ –	\$ 136,536,679

* The remeasurement adjustment was for new lease standard requirements in the current year.

Depreciation and amortization expense for the year was charged to the following governmental functions:

Administration	\$ 12,351
District support services	393,381
Elementary and secondary regular instruction	3,166,605
Special education instruction	64,004
Instructional support services	35,113
Pupil support services	593,192
Sites and buildings	3,123,188
Food service	121,136
Community service	57,408
	<hr/>
Total depreciation and amortization expense	<u>\$ 7,566,378</u>

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Face/Par Value</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
General obligation bonds payable					
Alternative facilities bonds	04/07/2015	3.000%	\$ 10,310,000	02/01/2028	\$ 10,310,000
Facilities maintenance bonds	02/22/2017	3.000–4.000%	\$ 10,940,000	02/01/2032	10,940,000
Facilities maintenance bonds	03/21/2019	2.875–4.000%	\$ 9,995,000	02/01/2036	9,995,000
School building bonds	07/18/2019	3.000–5.000%	\$ 37,765,000	02/01/2040	36,525,000
Facilities maintenance and refunding bonds	11/19/2020	2.000–4.000%	\$ 26,285,000	02/01/2041	<u>24,865,000</u>
Total general obligation bonds payable					<u>\$92,635,000</u>

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

B. Finance Purchases Payable

On September 17, 2012, the District entered a master debt agreement with Apple, Inc. for iPads and MacBooks. The District acquires equipment from time to time under this master agreement as needed. Each debt “schedule” added under this master debt agreement adds equipment to the debt and carries its own debt term and payment schedule. The debt schedules have interest rates ranging from zero percent to 0.99 percent and mature in fiscal year 2026. Upon payment in full of all scheduled debt payments, the lessor’s (Apple, Inc.) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The General Fund will be used to liquidate this liability. If the District does not pay the debt payments on the date which payments are due, the District shall pay a charge at the rate of 12.00 percent per annum or the highest lawful rate, whichever is less, from such due date until paid. If the District breaches any term of this agreement, the debtor may require that the District return the equipment and pay any and all amounts, which may then be due and payable under the debt, plus all debt payments remaining through the end of the then current fiscal period.

The assets acquired through this finance purchase were not capitalized as individual asset amounts do not meet the capitalization threshold requirements.

C. Lease Liability

The District has obtained the use of certain equipment and building space through a lease financing agreement. The total amount of underlying lease assets by major classes and the related accumulated amortization is presented in Note 4 to the basic financial statements. Annual principal and interest on these agreements will be paid from the General Fund and Community Service Special Revenue Fund. The agreement is secured by the original property. The lessor also may repossess the property and seek full recovery of the losses upon default.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

The District currently has the following lease liability obligations outstanding:

<u>Lease Description</u>	<u>Interest Rate</u>	<u>Lease Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Postage meter	3.22%	04/19/2021	01/19/2026	\$ 5,458
Loffler copier	3.22%	07/01/2018	06/07/2023	141,073
Cannon copier	3.22%	03/01/2020	02/12/2025	3,270
Tassel building space	3.72%	04/19/2022	12/01/2041	1,270,852
Total lease liability				<u>\$ 1,420,653</u>

D. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including: compensated absences, pensions, and OPEB; the details of which are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund or a trust fund established by the District to finance the OPEB liability.

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

<u>Pension Plans</u>	<u>Net Pension Liabilities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
State-wide, multiple-employer – PERA	\$ 14,528,066	\$ 11,133,653	\$ 15,089,252	\$ (413,490)
State-wide, multiple-employer – TRA	41,618,603	21,937,926	79,704,660	92,940
Single-employer – District	369,063	50,485	29,424	34,772
Total	<u>\$ 56,515,732</u>	<u>\$ 33,122,064</u>	<u>\$ 94,823,336</u>	<u>\$ (285,778)</u>

E. Changes in Long-Term Liabilities

	<u>Balance – Beginning of Year</u>	<u>Change in Accounting Principle*</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance – End of Year</u>	<u>Due Within One Year</u>
General obligation bonds payable	\$ 98,665,000	\$ –	\$ –	\$ 6,030,000	\$ 92,635,000	\$ 5,110,000
Unamortized premiums/discount	4,855,125	–	–	348,000	4,507,125	–
Finance purchases payable	1,673,465	–	2,422,250	836,173	3,259,542	1,531,103
Lease liability	–	289,563	1,287,803	156,713	1,420,653	171,292
Net pension liability	94,767,044	–	13,688,640	51,939,952	56,515,732	–
Compensated absences payable	486,346	–	32,679	73,864	445,161	80,505
	<u>\$ 200,446,980</u>	<u>\$ 289,563</u>	<u>\$ 17,431,372</u>	<u>\$ 59,384,702</u>	<u>\$ 158,783,213</u>	<u>\$ 6,892,900</u>

* The remeasurement adjustment was for new lease standard requirements in the current year.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

F. Minimum Debt Payments

Minimum principal and interest payments for general obligation bonds, finance purchases, and leases are as follows:

Year Ending June 30,	General Obligation Bonds		Finance Purchases		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 5,110,000	\$ 3,096,156	\$ 1,531,103	\$ 8,289	\$ 171,292	\$ 49,536
2024	5,175,000	2,883,756	693,813	–	33,282	45,901
2025	5,465,000	2,667,156	693,813	–	36,031	44,624
2026	5,590,000	2,464,856	340,813	–	38,106	43,257
2027	5,830,000	2,256,506	–	–	40,395	41,805
2028–2032	22,400,000	8,464,081	–	–	260,034	182,713
2033–2037	24,155,000	4,654,369	–	–	376,641	124,136
2038–2042	18,910,000	1,130,150	–	–	464,872	41,486
	<u>\$ 92,635,000</u>	<u>\$ 27,617,030</u>	<u>\$ 3,259,542</u>	<u>\$ 8,289</u>	<u>\$ 1,420,653</u>	<u>\$ 573,458</u>

NOTE 6 – NET POSITION/FUND BALANCES

A. Net Investment in Capital Assets

The government-wide Statement of Net Position at June 30, 2022 includes the District’s net investment in capital assets calculated as follows:

Net investment in capital assets	
Capital assets	
Nondepreciable	\$ 59,157,996
Depreciable, net of accumulated depreciation and amortization	77,378,683
Less capital related long-term debt outstanding, net of unspent proceeds	<u>(95,108,630)</u>
Total net investment in capital assets	<u>\$ 41,428,049</u>

NOTE 6 – NET POSITION/FUND BALANCES (CONTINUED)

B. Governmental Fund Balance Classifications

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

At year-end, a summary of the District’s governmental fund balance classifications are as follows:

	General Fund	Food Service Special Revenue Fund	Community Service Special Revenue Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Total
Nonspendable						
Inventory	\$ –	\$ 217,172	\$ –	\$ –	\$ –	\$ 217,172
Prepaid items	599,973	320	50,000	59,981	–	710,274
Total nonspendable	599,973	217,492	50,000	59,981	–	927,446
Restricted						
Student activities	67,383	–	–	–	–	67,383
Scholarships	28,518	–	–	–	–	28,518
Capital projects levy	1,991,689	–	–	–	–	1,991,689
Operating capital	866,765	–	–	–	–	866,765
Achievement and integration	126,324	–	–	–	–	126,324
Medical Assistance	139,501	–	–	–	–	139,501
Food service	–	1,204,609	–	–	–	1,204,609
Community education programs	–	–	230,805	–	–	230,805
Early childhood family education programs	–	–	285,706	–	–	285,706
School readiness	–	–	539,531	–	–	539,531
Long-term facilities maintenance	–	–	–	2,208,696	–	2,208,696
Capital projects	–	–	–	1,185,471	–	1,185,471
Debt service	–	–	–	–	1,714,937	1,714,937
Total restricted	3,220,180	1,204,609	1,056,042	3,394,167	1,714,937	10,589,935
Assigned						
Site carryover	996,768	–	–	–	–	996,768
Activity accounts	446,234	–	–	–	–	446,234
Construction	1,456,716	–	–	–	–	1,456,716
Curriculum adoption	1,500,000	–	–	–	–	1,500,000
Subsequent year’s budget	1,171,397	–	–	–	–	1,171,397
Enrollment	1,250,000	–	–	–	–	1,250,000
Equipment	227,847	–	–	–	–	227,847
Designing Pathways	2,198,391	–	–	–	–	2,198,391
Program initiatives	750,000	–	–	–	–	750,000
Total assigned	9,997,353	–	–	–	–	9,997,353
Unassigned	17,040,479	–	–	–	–	17,040,479
Total	\$ 30,857,985	\$ 1,422,101	\$ 1,106,042	\$ 3,454,148	\$ 1,714,937	\$ 38,555,213

C. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of annual budgeted expenditures. At June 30, 2022, the unassigned fund balance of the General Fund was 14.9 percent of fiscal 2022 unassigned expenditures.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

B. Benefits Provided

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

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

1. GERF Benefits

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Tier II Benefits

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

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District’s contributions to the GERF for the year ended June 30, 2022, were \$1,910,597. The District’s contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

	Year Ended June 30,					
	2020		2021		2022	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	11.92 %	11.00 %	12.13 %	11.00 %	12.34 %
Coordinated Plan	7.50 %	7.92 %	7.50 %	8.13 %	7.50 %	8.34 %

The District’s contributions to the TRA for the plan’s fiscal year ended June 30, 2022, were \$5,159,959. The District’s contributions were equal to the required contributions for each year as set by state statutes.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

	<i>in thousands</i>
Employer contributions reported in the TRA’s Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	\$ 448,829
Add employer contributions not related to future contribution efforts	379
Deduct the TRA’s contributions not included in allocation	<u>(538)</u>
Total employer contributions	448,670
Total nonemployer contributions	<u>37,840</u>
Total contributions reported in the Schedule of Employer and Nonemployer Allocations	<u><u>\$ 486,510</u></u>

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2022, the District reported a liability of \$14,528,066 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 \$443,671. The net pension liability was measured as of June 30, 2021, 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 the PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of the PERA’s participating employers. The District’s proportionate share was 0.3402 percent at the end of the measurement period and 0.3813 percent for the beginning of the period.

District’s proportionate share of the net pension liability	\$ 14,528,066
State’s proportionate share of the net pension liability associated with the District	\$ 443,671

For the year ended June 30, 2022, the District recognized negative pension expense of \$449,287 for its proportionate share of the GERF’s pension expense. In addition, the District recognized an additional \$35,797 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s pension expense for the annual \$16 million contribution.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

At June 30, 2022, the District reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 98,045	\$ 450,815
Changes in actuarial assumptions	8,870,537	357,910
Net collective difference between projected and actual investment earnings on pension plan investments	–	12,432,427
Changes in proportion	254,474	1,848,100
District’s contributions to the GERF subsequent to the measurement date	<u>1,910,597</u>	<u>–</u>
Total	<u>\$ 11,133,653</u>	<u>\$ 15,089,252</u>

The \$1,910,597 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2023	\$ (1,081,808)
2024	\$ (682,980)
2025	\$ (669,664)
2026	\$ (3,431,744)

2. TRA Pension Costs

At June 30, 2022, the District reported a liability of \$41,618,603 for its proportionate share of the TRA’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis Public Schools. The District’s proportionate share was 0.9510 percent at the end of the measurement period and 0.9680 percent for the beginning of the period.

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

District’s proportionate share of the net pension liability	\$ 41,618,603
State’s proportionate share of the net pension liability associated with the District	\$ 3,510,041

For the year ended June 30, 2022, the District recognized pension expense of \$132,241. It also recognized \$39,301 as a decrease to pension expense for the support provided by direct aid.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

At June 30, 2022, the District had deferred resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,147,367	\$ 1,200,924
Changes in actuarial assumptions	15,252,408	39,291,954
Net collective difference between projected and actual investment earnings on pension plan investments	–	34,870,127
Changes in proportion	378,192	4,341,655
District’s contributions to the TRA subsequent to the measurement date	<u>5,159,959</u>	<u>–</u>
Total	<u><u>\$ 21,937,926</u></u>	<u><u>\$ 79,704,660</u></u>

A total of \$5,159,959 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2023	\$ (30,956,081)
2024	\$ (22,816,344)
2025	\$ (5,459,855)
2026	\$ (6,422,803)
2027	\$ 2,728,390

E. Long-Term Expected Return on Investment

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

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

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>
	<u>GERF</u>	<u>TRA</u>	
Domestic equity	33.50 %	35.50 %	5.10 %
International equity	16.50	17.50	5.30 %
Private markets	25.00	25.00	5.90 %
Fixed income	25.00	20.00	0.75 %
Unallocated cash	–	2.00	– %
Total	<u>100.00 %</u>	<u>100.00 %</u>	

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25%	2.50%
Wage growth rate		2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	3.00%	
Active member payroll growth		2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	6.50%	7.00%

1. GERF

The long-term rate of return on pension plan investments used in the determination of the total liability is 6.50 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.50 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the GERF Plan. Benefit increases after retirement are assumed to be 1.25 percent for the GERF Plan.

Salary growth assumptions in the GERF Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 29 years of service, and 6.00 percent per year thereafter.

Mortality rates for the GERF Plan are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit the PERA’s experience.

Actuarial assumptions for the GERF Plan are reviewed every four years. The most recent four-year experience study for the GERF Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

2. TRA

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

Actuarial assumptions for the TRA Plan were based on the results of actuarial experience studies. The most recent experience study in the TRA Plan was completed in 2015, with economic assumptions updated in 2017.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The following changes in actuarial assumptions occurred in 2021:

1. GERF

CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption was changed from 7.50 percent to 7.00 percent.

G. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2021 was 6.50 percent. The discount rate used to measure the total pension liability at the prior measurement date was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

The discount rate used to measure the total pension liability was 7.00 percent. The discount rate used to measure the total pension liability at the prior measurement date was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2021 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.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

H. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	5.50%	6.50%	7.50%
District’s proportionate share of the GERF net pension liability	\$ 29,629,835	\$ 14,528,066	\$ 2,136,140
TRA discount rate	6.00%	7.00%	8.00%
District’s proportionate share of the TRA net pension liability	\$ 84,071,605	\$ 41,618,603	\$ 6,803,758

I. Pension Plan Fiduciary Net Position

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible employees through its Pension Benefits Plan, a single-employer defined benefit plan administered by the District. All pension benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

These benefits are summarized as follows:

Administrative Supervisory Technical (AST) Employees Pension Benefits – AST employees hired before July 1, 1998 are eligible to receive an additional retirement incentive benefit. AST employees accumulate four days of credit for each full year of service to the District. The benefit is based on an employee’s rate of pay, less any cumulative employer tax sheltered annuity contributions, with a limitation on total benefits to an individual of 50 percent of base annual salary. Benefits are paid out in a lump sum of 60 percent to a voluntary employees’ beneficiary association (VEBA) account (OPEB) and 40 percent to a 403(b) account (pension).

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

Principal Pension Benefits – Principals hired before July 1, 2016 are eligible to receive an additional retirement incentive benefit. Principals accumulate four days of credit for each full year of service to the District. The benefit is based on an employee’s rate of pay, less any cumulative employer tax sheltered annuity contributions, with a limitation on total benefits to an individual of 50 percent of base annual salary. Benefits are paid out in a lump sum to a 403(b) account.

Eden Prairie Supervisors and Specialists (EPSS) Pension Benefits – EPSS employees hired before July 1, 1999 are eligible to receive an additional retirement incentive benefit. EPSS employees accumulate one day of credit for each full year of service to the District from July 1, 1989. For employees who have completed at least 18 years of continuous service with the District and are at least age 55, the benefit increases to the maximum of one day of credit for each full year of service to the District from July 1, 1989 or 30 days. The benefit is based on an employee’s rate of pay, less any cumulative employer tax sheltered annuity contributions, with a limitation on total benefits to an individual of 50 percent of base annual salary. Benefits are paid out in a lump sum of 50 percent to a VEBA account (OPEB) and 50 percent to a 403(b) account (pension).

B. Contributions and Funding Policy

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

C. Membership

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

Active plan members	<u><u>14</u></u>
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D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of July 1, 2020, and a measurement date as of June 30, 2022, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.80%
20-year municipal bond yield	3.80%
Inflation rate	2.50%
Salary increases	Service graded table

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2019 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

E. Discount Rate

The discount rate used to measure the total pension liability was 3.80 percent. The District discount rate used in the prior measurement date was 2.10 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds, as of the measurement date.

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

F. Changes in the Total Pension Liability

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2021	\$ 389,228
Changes for the year	
Service cost	20,719
Interest	8,340
Assumption changes	(23,493)
Benefit payments	(25,731)
Total net changes	<u>(20,165)</u>
Ending balance – June 30, 2022	<u>\$ 369,063</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 2.10 percent to 3.80 percent.

G. Total Pension Liability Sensitivity to Discount Rate Changes

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	2.80%	3.80%	4.80%
Total pension liability	\$ 385,934	\$ 369,063	\$ 352,312

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

For the current year ended, the District recognized pension expense of \$34,772. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 39,118	\$ –
Changes in actuarial assumptions	11,367	29,424
Total	<u>\$ 50,485</u>	<u>\$ 29,424</u>

NOTE 8 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to this pension plan, will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2023	\$ 5,713
2024	\$ 5,713
2025	\$ 5,719
2026	\$ 6,991
2027	\$ 698
Thereafter	\$ (3,773)

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

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

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

B. Benefits Provided

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree’s premiums for medical insurance from the time of retirement until the employee reaches age 65. 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 for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid by the District or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an “implicit rate subsidy.” This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the District’s younger and statistically healthier active employees.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District contributes 100 percent of the cost of the negotiated current year premiums for specified coverage levels of eligible retired plan members and their spouses. The District has established the Post-Employment Benefits Trust Fund to finance these obligations. The Post-Employment Benefits Trust Fund reimbursed the General Fund for the actual cost of medical insurance premiums paid for retirees and the implicit rate subsidy for the year ended June 30, 2022.

D. Membership

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

Retirees and beneficiaries receiving benefits	83
Active plan members	<u>1,268</u>
Total members	<u><u>1,351</u></u>

E. Net OPEB Liability (Asset) of the District

The District's net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2020. The components of the net OPEB liability (asset) of the District at year-end were as follows:

Total OPEB liability	\$ 8,998,256
Plan fiduciary net position	<u>(14,834,446)</u>
District's net OPEB liability (asset)	<u><u>\$ (5,836,190)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>164.9%</u></u>

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, and a measurement date as of June 30, 2022, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.90%
Expected long-term investment return	5.90% (net of investment expenses)
20-year municipal bond yield	3.80%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.25% grading to 5.00% over 5 years then to 4.00% over the next 48 years
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 latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic equity	43.00 %	7.30 %
Fixed income	37.00	3.60 %
International equity	14.00	6.90 %
Real estate	6.00	7.70 %
Total	100.00 %	5.90 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was a negative 10.80 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Discount Rate

The discount rate used to measure the total OPEB liability was 5.90 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been considered. The District discount rate used in the prior measurement date was 5.30 percent.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

I. Changes in the Net OPEB Liability (Asset)

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Beginning balance – July 1, 2021	\$ 8,629,306	\$ 19,252,427	\$ (10,623,121)
Changes for the year			
Service cost	448,457	–	448,457
Interest	419,885	–	419,885
Assumption changes	(256,823)	–	(256,823)
Plan changes	2,098,457	–	2,098,457
Projected investment earnings	–	1,135,893	(1,135,893)
Differences between expected and actual experience	–	(3,212,848)	3,212,848
Benefit payments – paid by trust	(2,341,026)	(2,341,026)	–
Total net changes	<u>368,950</u>	<u>(4,417,981)</u>	<u>4,786,931</u>
Ending balance – June 30, 2022	<u>\$ 8,998,256</u>	<u>\$ 14,834,446</u>	<u>\$ (5,836,190)</u>

Assumption changes since the prior measurement date include the following:

- The expected long-term investment return was changed from 5.30 percent to 5.90 percent.
- The discount rate was changed from 5.30 percent to 5.90 percent.

Plan changes since the prior measurement date include the following:

- Thirty-six teachers, who retired at the end of the 2021–2022 school year after attaining age 55 with 15 years of service, each received an early retirement incentive of \$50,000 (prorated if less than 1.0 FTE), which was paid to a VEBA on June 30, 2022. The increase in the liability associated with this plan change also includes a corresponding increase in the implicit rate medical subsidy.

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	4.90%	5.90%	6.90%
Net OPEB liability (asset)	\$ (5,404,039)	\$ (5,836,190)	\$ (6,246,696)

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (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 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
OPEB medical trend rate	5.25% decreasing to 4.00% then 3.00%	6.25% decreasing to 5.00% then 4.00%	7.25% decreasing to 6.00% then 5.00%
OPEB dental trend rate	3.00%	4.00%	5.00%
Net OPEB liability (asset)	\$ (6,550,826)	\$ (5,836,190)	\$ (5,013,906)

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

For the current year ended, the District recognized OPEB expense of \$1,094,092. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ –	\$ 3,240,168
Changes in actuarial assumptions	168,139	249,849
Differences between projected and actual investment earnings on OPEB plan investments	1,166,342	–
Total	<u>\$ 1,334,481</u>	<u>\$ 3,490,017</u>

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

Year Ending June 30,	OPEB Expense Amount
2023	\$ (702,705)
2024	\$ (739,829)
2025	\$ (774,384)
2026	\$ 378,661
2027	\$ (280,590)
Thereafter	\$ (36,689)

NOTE 10 – FLEXIBLE BENEFIT PLAN

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

Before the beginning of the Plan year, which is from January 1 to December 31, 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 total contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

All assets of the Plan are held by the District and are administered by an employee of the District. Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated service providers and are accounted for primarily in the District's General Fund. The medical reimbursement and dependent care activity in the financial statements is accounted for in the General Fund.

All property of the Plan and income attributable to that property is solely the property of the District, subject to the claims of the District's general creditors. Participants' rights under the Plan are equal to those of general creditors of the District in an amount equal to 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 11 – INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Receivables and Payables

The General Fund had a receivable of \$2,341,026 due from the Post-Employment Benefits Trust Fund at June 30, 2022, to reimburse OPEB payments the General Fund made during the year. Because fiduciary fund activity is not included in the government-wide financial statements, this receivable is included as due from the Post-Employment Benefit Trust Fund in the governmental activities on the Statement of Net Position.

B. Interfund Transfers

The District transferred \$53,045 from the General Fund to the Community Service Special Revenue Fund to help finance various program costs.

The District transferred \$3,218,179 from the General Fund to the Capital Projects – Building Construction Fund to allocate revenues levied by the General Fund and expended by the Capital Projects – Building Construction Fund.

Such interfund transfers are reported in the fund financial statements, but are eliminated in the government-wide financial statements.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Revenues

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

B. Legal Claims

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

C. Construction Contracts

At June 30, 2022, the District had commitments totaling \$3,611,805 under various construction contracts for which the work was not yet completed.

D. Purchase Power Commitment

Solar Gardens

During fiscal year 2016, the District entered into five community solar garden subscription agreements with SunE Nesvold, LLC. The District is committed to purchasing up to 40 percent of the annual delivered energy of the solar agreement for a period of 25 years from the commercial operation date of January 1, 2018.

During fiscal year 2017, the District entered into five community solar garden subscription agreements with SunE Feely, LLC. The District is committed to purchasing up to 20 percent of the annual delivered energy of the solar agreement for a period of 25 years from the commercial operation date of January 2019.

During fiscal year 2017, the District entered into five community solar garden subscription agreements with Randolph CSG 1, LLC. The District is committed to purchasing up to 20 percent of the annual delivered energy of the solar agreement for a period of 25 years from the commercial operation date of February 2019.

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Solar Panels

The District has entered into various power purchase agreements to purchase the energy generated by solar panels contributed to the District and installed on various buildings of the District. At June 30, 2022, the equipment capitalized through these agreements is \$2,376,900, with accumulated depreciation of \$610,655.

Future power purchase payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 98,773
2024	101,707
2025	105,235
2026	108,448
2027	111,742
2028–2032	546,710
2033–2037	524,892
2038–2042	<u>372,551</u>
	<u><u>\$ 1,970,058</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 272

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2022

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.3926%	\$ 18,442,381	\$ -	\$ 18,442,381	\$ 20,638,451	89.36%	78.70%
06/30/2016	06/30/2015	0.3524%	\$ 18,263,198	\$ -	\$ 18,263,198	\$ 20,684,774	88.29%	78.20%
06/30/2017	06/30/2016	0.3631%	\$ 29,481,919	\$ 385,105	\$ 29,867,024	\$ 22,396,905	131.63%	68.90%
06/30/2018	06/30/2017	0.3681%	\$ 23,499,261	\$ 295,507	\$ 23,794,768	\$ 23,755,883	98.92%	75.90%
06/30/2019	06/30/2018	0.3705%	\$ 20,553,821	\$ 674,285	\$ 21,228,106	\$ 24,941,557	82.41%	79.50%
06/30/2020	06/30/2019	0.3737%	\$ 20,661,037	\$ 642,139	\$ 21,303,176	\$ 26,428,327	78.18%	80.20%
06/30/2021	06/30/2020	0.3813%	\$ 22,860,679	\$ 705,017	\$ 23,565,696	\$ 27,116,265	84.31%	79.10%
06/30/2022	06/30/2021	0.3402%	\$ 14,528,066	\$ 443,671	\$ 14,971,737	\$ 24,490,636	59.32%	87.00%

Public Employees Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2022

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,527,411	\$ 1,527,411	\$ -	\$ 20,684,774	7.38%
06/30/2016	\$ 1,679,027	\$ 1,679,027	\$ -	\$ 22,396,905	7.50%
06/30/2017	\$ 1,778,675	\$ 1,778,675	\$ -	\$ 23,755,883	7.49%
06/30/2018	\$ 1,867,386	\$ 1,867,386	\$ -	\$ 24,941,557	7.49%
06/30/2019	\$ 1,983,618	\$ 1,983,618	\$ -	\$ 26,428,327	7.51%
06/30/2020	\$ 2,033,580	\$ 2,033,580	\$ -	\$ 27,116,265	7.50%
06/30/2021	\$ 1,836,831	\$ 1,836,831	\$ -	\$ 24,490,636	7.50%
06/30/2022	\$ 1,910,597	\$ 1,910,597	\$ -	\$ 25,472,592	7.50%

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Teachers Retirement Association Pension Benefits Plan
 Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended June 30, 2022

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.1120%	\$ 51,240,159	\$ 3,604,593	\$ 54,844,752	\$ 50,758,363	100.95%	81.50%
06/30/2016	06/30/2015	1.0058%	\$ 62,218,677	\$ 7,631,910	\$ 69,850,587	\$ 51,428,891	120.98%	76.80%
06/30/2017	06/30/2016	1.0364%	\$247,206,129	\$ 24,812,446	\$272,018,575	\$ 54,216,148	455.96%	44.88%
06/30/2018	06/30/2017	1.0112%	\$201,853,864	\$ 19,511,695	\$221,365,559	\$ 54,659,806	369.29%	51.57%
06/30/2019	06/30/2018	0.9925%	\$ 62,338,290	\$ 5,856,612	\$ 68,194,902	\$ 54,876,205	113.60%	78.07%
06/30/2020	06/30/2019	0.9591%	\$ 61,133,235	\$ 5,410,224	\$ 66,543,459	\$ 54,469,575	112.23%	78.21%
06/30/2021	06/30/2020	0.9680%	\$ 71,517,137	\$ 5,993,222	\$ 77,510,359	\$ 56,157,098	127.35%	75.48%
06/30/2022	06/30/2021	0.9510%	\$ 41,618,603	\$ 3,510,041	\$ 45,128,644	\$ 56,905,419	73.14%	86.63%

Teachers Retirement Association Pension Benefits Plan
 Schedule of District Contributions
 Year Ended June 30, 2022

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 3,828,390	\$ 3,828,390	\$ -	\$ 51,428,891	7.44%
06/30/2016	\$ 4,043,043	\$ 4,043,043	\$ -	\$ 54,216,148	7.46%
06/30/2017	\$ 4,085,938	\$ 4,085,938	\$ -	\$ 54,659,806	7.48%
06/30/2018	\$ 4,106,891	\$ 4,106,891	\$ -	\$ 54,876,205	7.48%
06/30/2019	\$ 4,196,913	\$ 4,196,913	\$ -	\$ 54,469,575	7.71%
06/30/2020	\$ 4,455,324	\$ 4,455,324	\$ -	\$ 56,157,098	7.93%
06/30/2021	\$ 4,625,157	\$ 4,625,157	\$ -	\$ 56,905,419	8.13%
06/30/2022	\$ 5,159,959	\$ 5,159,959	\$ -	\$ 61,875,700	8.34%

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Pension Benefits Plan
 Schedule of Changes in the District's
 Total Pension Liability and Related Ratios
 Year Ended June 30, 2022

	District Fiscal Year-End Date					
	2017	2018	2019	2020	2021	2022
Total pension liability						
Service cost	\$ 31,507	\$ 30,311	\$ 24,635	\$ 27,541	\$ 25,014	\$ 20,719
Interest	11,500	9,186	9,931	10,811	8,730	8,340
Assumption changes	–	(10,298)	7,441	12,240	(6,680)	(23,493)
Plan changes	–	–	17,075	–	–	–
Difference between expected and actual experience	–	–	42,973	–	23,513	–
Benefit payments	(145,219)	(97,642)	(14,859)	(65,461)	(150)	(25,731)
Net change in total pension liability	(102,212)	(68,443)	87,196	(14,869)	50,427	(20,165)
Total pension liability – beginning of year	437,129	334,917	266,474	353,670	338,801	389,228
Total pension liability – end of year	<u>\$ 334,917</u>	<u>\$ 266,474</u>	<u>\$ 353,670</u>	<u>\$ 338,801</u>	<u>\$ 389,228</u>	<u>\$ 369,063</u>
Covered-employee payroll	<u>\$ 2,478,561</u>	<u>\$ 2,629,505</u>	<u>\$ 2,307,920</u>	<u>\$ 2,377,158</u>	<u>\$ 1,829,506</u>	<u>\$ 1,884,391</u>
Total pension liability as a percentage of covered-employee payroll	<u>13.51%</u>	<u>10.13%</u>	<u>15.32%</u>	<u>14.25%</u>	<u>21.28%</u>	<u>19.59%</u>

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

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Other Post-Employment Benefits Plan
 Schedule of Changes in the District's Net
 OPEB Liability and Related Ratios
 Year Ended June 30, 2022

	District Fiscal Year-End Date					
	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	\$ 542,422	\$ 541,720	\$ 417,686	\$ 450,254	\$ 490,687	\$ 448,457
Interest	766,806	790,171	853,059	595,685	595,638	419,885
Assumption changes	–	(104,010)	159,481	116,815	46,255	(256,823)
Plan changes	–	389,295	(13,266)	–	–	2,098,457
Differences between expected and actual experience	–	–	(4,637,752)	–	(1,753,586)	–
Benefit payments – employer-financed	(132,324)	–	(100,000)	–	–	–
Benefit payments – paid by trust	(714,186)	(1,006,882)	(702,747)	(364,518)	(1,042,563)	(2,341,026)
Net change in total OPEB liability	462,718	610,294	(4,023,539)	798,236	(1,663,569)	368,950
Total OPEB liability – beginning of year	12,445,166	12,907,884	13,518,178	9,494,639	10,292,875	8,629,306
Total OPEB liability – end of year	12,907,884	13,518,178	9,494,639	10,292,875	8,629,306	8,998,256
Plan fiduciary net position						
Contributions – employer	132,324	–	100,000	–	–	–
Projected investment earnings	1,645,487	1,020,373	999,208	956,494	892,318	1,135,893
Differences between expected and actual experience	–	170,558	(185,634)	(247,059)	2,566,475	(3,212,848)
Benefit payments – employer-financed	(132,324)	–	(100,000)	–	–	–
Benefit payments – paid by trust	(714,186)	(1,006,882)	(702,747)	(364,518)	(1,042,563)	(2,341,026)
Net change in plan fiduciary net position	931,301	184,049	110,827	344,917	2,416,230	(4,417,981)
Plan fiduciary net position – beginning of year	15,265,103	16,196,404	16,380,453	16,491,280	16,836,197	19,252,427
Plan fiduciary net position – end of year	16,196,404	16,380,453	16,491,280	16,836,197	19,252,427	14,834,446
Net OPEB liability (asset)	<u>\$ (3,288,520)</u>	<u>\$ (2,862,275)</u>	<u>\$ (6,996,641)</u>	<u>\$ (6,543,322)</u>	<u>\$ (10,623,121)</u>	<u>\$ (5,836,190)</u>
Fiduciary net position as a percentage of the total OPEB liability	<u>125.48%</u>	<u>121.17%</u>	<u>173.69%</u>	<u>163.57%</u>	<u>223.11%</u>	<u>164.86%</u>
Covered-employee payroll	<u>\$ 72,889,181</u>	<u>\$ 75,075,856</u>	<u>\$ 76,440,507</u>	<u>\$ 78,733,722</u>	<u>\$ 77,105,361</u>	<u>\$ 79,418,522</u>
Net OPEB liability (asset) as a percentage of covered-employee payroll	<u>(4.51%)</u>	<u>(3.81%)</u>	<u>(9.15%)</u>	<u>(8.31%)</u>	<u>(13.78%)</u>	<u>(7.35%)</u>

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2022

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	10.78%
2018	7.40%
2019	5.00%
2020	4.30%
2021	20.50%
2022	(10.80%)

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information
June 30, 2022

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 CHANGES IN PLAN PROVISIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2022

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2022

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2022

TEACHERS RETIREMENT ASSOCIATION (TRA)

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption was changed from 7.50 percent to 7.00 percent.

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption was changed from 8.50 percent to 7.50 percent.
- The single discount rate changed from 5.12 percent to 7.50 percent.

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2022

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2022

PENSION BENEFITS PLAN

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.10 percent to 3.80 percent.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.10 percent to 2.40 percent.

2019 CHANGES IN PLAN PROVISIONS

- The Eden Prairie Supervisors and Specialists (EPSS) post-employment lump sum benefit was changed from 100.00 percent paid to a voluntary employees' beneficiary association (VEBA) account, to 50.00 percent paid to a VEBA, and 50.00 percent paid to the 403(b) plan.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.10 percent.
- The mortality table was updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.90 percent to 3.50 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 4.00 percent to 2.90 percent.

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS PLAN

2022 CHANGES IN PLAN PROVISIONS

- Thirty-six teachers , who retired at the end of the 2021–2022 school year after attaining age 55 with 15 years of service, each received an early retirement incentive of \$50,000 (prorated if less than 1.0 FTE) which was paid to a VEBA on June 30, 2022. The increase in the liability associated with this plan change also includes a corresponding increase in the implicit rate medical subsidy.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 5.30 percent to 5.90 percent.
- The discount rate was changed from 5.30 percent to 5.90 percent.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 5.80 percent to 5.30 percent.
- The discount rate was changed from 5.80 percent to 5.30 percent.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.10 percent to 5.80 percent.
- The discount rate was changed from 6.10 percent to 5.80 percent.

2019 CHANGES IN PLAN PROVISIONS

- The EPSS post-employment lump sum benefit was changed from 100.00 percent paid to a VEBA, to 50.00 percent paid to a VEBA, and 50.00 percent paid to the 403(b) plan.
- The classified administrative and support staff post-employment subsidized benefit was extended through June 30, 2019.
- A subsidized lump sum benefit of \$1,000 payable to a VEBA was added for MSEA paraprofessionals retiring before June 30, 2019.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 6.30 percent to 6.10 percent.
- The discount rate was changed from 6.30 percent to 6.10 percent.

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS

- An early retirement incentive was offered for teachers retiring at the end of the 2017–2018 school year. Teachers retiring after age 55 with 10 years of service will receive \$15,000 placed in a VEBA account. Plan A teachers (hired before October 1, 1993) receive the payment on June 30, 2023. Plan B teachers receive the payment no later than June 30, 2018.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.10 percent to 6.30 percent.
- The discount rate was changed from 6.10 percent to 6.30 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 5.50 percent to 6.10 percent.

SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 272

General Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	2022	2021
Assets		
Cash and temporary investments	\$ 45,707,578	\$ 44,932,019
Receivables		
Current taxes	20,277,142	19,429,896
Delinquent taxes	387,229	159,688
Accounts and interest	251,009	242,869
Due from other governmental units	13,313,254	13,671,945
Due from other funds	2,341,026	1,042,563
Lease	1,104,726	-
Prepaid items	599,973	686,319
Total assets	\$ 83,981,937	\$ 80,165,299
Liabilities		
Salaries payable	\$ 5,188,450	\$ 4,960,621
Accounts and contracts payable	8,661,721	5,952,523
Due to other governmental units	789,892	1,678,102
Due to other funds	-	493,995
Unearned revenue	209,668	272,795
Total liabilities	14,849,731	13,358,036
Deferred inflows of resources		
Property taxes levied for subsequent year	36,782,266	34,897,888
Lease revenue for subsequent year	1,104,726	-
Unavailable revenue – delinquent taxes	387,229	159,688
Total deferred inflows of resources	38,274,221	35,057,576
Fund balances		
Nonspendable for prepaid items	599,973	686,319
Restricted for student activities	67,383	47,894
Restricted for scholarships	28,518	47,018
Restricted for capital projects levy	1,991,689	1,476,704
Restricted for operating capital	866,765	514,237
Restricted for achievement and integration	126,324	-
Restricted for Medical Assistance	139,501	112,739
Assigned for site carryover	996,768	1,226,891
Assigned for activity accounts	446,234	465,347
Assigned for construction	1,456,716	2,691,222
Assigned for curriculum adoption	1,500,000	1,000,000
Assigned for subsequent year's budget	1,171,397	1,245,297
Assigned for enrollment	1,250,000	1,250,000
Assigned for equipment	227,847	925,000
Assigned for Designing Pathways	2,198,391	1,500,000
Assigned for program initiatives	750,000	750,000
Unassigned	17,040,479	17,811,019
Total fund balances	30,857,985	31,749,687
Total liabilities, deferred inflows of resources, and fund balances	\$ 83,981,937	\$ 80,165,299

INDEPENDENT SCHOOL DISTRICT NO. 272

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2022
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 39,123,179	\$ 39,318,935	\$ 195,756	\$ 37,156,080
Investment earnings (charges)	100,000	(192,199)	(292,199)	300,499
Other	3,446,799	4,723,039	1,276,240	2,318,029
State sources	86,972,909	86,913,358	(59,551)	84,756,787
Federal sources	6,287,625	5,358,285	(929,340)	9,439,879
Total revenue	135,930,512	136,121,418	190,906	133,971,274
Expenditures				
Current				
Administration				
Salaries	3,084,699	3,103,054	18,355	2,931,260
Employee benefits	885,697	882,594	(3,103)	864,649
Purchased services	180,233	331,552	151,319	98,348
Supplies and materials	4,950	16,595	11,645	3,226
Other expenditures	82,937	64,974	(17,963)	65,703
Total administration	4,238,516	4,398,769	160,253	3,963,186
District support services				
Salaries	2,764,023	2,739,573	(24,450)	2,606,434
Employee benefits	770,441	736,812	(33,629)	876,705
Purchased services	1,554,715	1,923,859	369,144	1,511,885
Supplies and materials	1,383,440	1,389,899	6,459	1,206,657
Capital expenditures	720,324	617,113	(103,211)	354,450
Other expenditures	31,768	24,408	(7,360)	24,083
Total district support services	7,224,711	7,431,664	206,953	6,580,214
Elementary and secondary regular instruction				
Salaries	42,808,630	43,854,710	1,046,080	40,049,552
Employee benefits	12,961,610	13,064,072	102,462	12,149,830
Purchased services	2,545,140	1,671,445	(873,695)	649,676
Supplies and materials	4,681,506	2,687,735	(1,993,771)	1,896,900
Capital expenditures	421,191	2,937,922	2,516,731	730,641
Other expenditures	309,146	322,605	13,459	320,732
Total elementary and secondary regular instruction	63,727,223	64,538,489	811,266	55,797,331

INDEPENDENT SCHOOL DISTRICT NO. 272

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended June 30, 2022
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	1,217,181	1,185,135	(32,046)	1,146,182
Employee benefits	378,293	366,202	(12,091)	364,961
Purchased services	951,000	1,114,574	163,574	1,017,648
Supplies and materials	37,753	47,253	9,500	40,815
Capital expenditures	—	6,083	6,083	17,706
Other expenditures	8,572	21,904	13,332	21,686
Total vocational education instruction	2,592,799	2,741,151	148,352	2,608,998
Special education instruction				
Salaries	14,281,514	14,098,451	(183,063)	13,657,963
Employee benefits	4,725,490	5,178,584	453,094	4,653,343
Purchased services	3,486,755	1,939,414	(1,547,341)	3,252,866
Supplies and materials	131,100	131,321	221	85,486
Capital expenditures	2,250	—	(2,250)	2,339
Other expenditures	104,581	84,785	(19,796)	81,161
Total special education instruction	22,731,690	21,432,555	(1,299,135)	21,733,158
Instructional support services				
Salaries	6,493,114	5,916,998	(576,116)	5,816,130
Employee benefits	1,786,829	1,691,076	(95,753)	1,659,766
Purchased services	821,735	1,081,523	259,788	830,109
Supplies and materials	101,210	251,709	150,499	393,091
Capital expenditures	1,319,400	838,955	(480,445)	1,520,685
Other expenditures	35,788	53,839	18,051	68,667
Total instructional support services	10,558,076	9,834,100	(723,976)	10,288,448
Pupil support services				
Salaries	5,947,523	6,237,618	290,095	5,654,034
Employee benefits	2,459,276	2,378,615	(80,661)	2,445,265
Purchased services	735,153	724,700	(10,453)	602,158
Supplies and materials	858,459	860,571	2,112	598,512
Capital expenditures	159,061	128,464	(30,597)	678,996
Other expenditures	27,714	29,875	2,161	29,701
Total pupil support services	10,187,186	10,359,843	172,657	10,008,666

INDEPENDENT SCHOOL DISTRICT NO. 272

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended June 30, 2022
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	4,897,204	4,996,518	99,314	4,509,171
Employee benefits	1,799,099	1,385,311	(413,788)	1,494,342
Purchased services	5,569,174	4,411,550	(1,157,624)	5,183,799
Supplies and materials	969,689	901,593	(68,096)	1,380,290
Capital expenditures	463,565	3,767,587	3,304,022	472,982
Other expenditures	27,134	18,831	(8,303)	17,627
Total sites and buildings	<u>13,725,865</u>	<u>15,481,390</u>	<u>1,755,525</u>	<u>13,058,211</u>
Fiscal and other fixed cost programs				
Purchased services	390,000	459,722	69,722	398,103
Other expenditures	11,000	26,500	15,500	11,500
Total fiscal and other fixed cost programs	<u>401,000</u>	<u>486,222</u>	<u>85,222</u>	<u>409,603</u>
Debt service				
Principal	981,114	985,061	3,947	831,171
Interest and fiscal charges	13,341	39,368	26,027	18,315
Total debt service	<u>994,455</u>	<u>1,024,429</u>	<u>29,974</u>	<u>849,486</u>
Total expenditures	<u>136,381,521</u>	<u>137,728,612</u>	<u>1,347,091</u>	<u>125,297,301</u>
Excess (deficiency) of revenue over expenditures	(451,009)	(1,607,194)	(1,156,185)	8,673,973
Other financing sources (uses)				
Finance purchases issued	–	2,422,250	2,422,250	–
Lease issued	–	1,287,803	1,287,803	–
Sale of capital assets	–	276,663	276,663	467,910
Transfers (out)	(6,904)	(3,271,224)	(3,264,320)	(889,510)
Total other financing sources (uses)	<u>(6,904)</u>	<u>715,492</u>	<u>722,396</u>	<u>(421,600)</u>
Net change in fund balances	<u>\$ (457,913)</u>	<u>(891,702)</u>	<u>\$ (433,789)</u>	<u>8,252,373</u>
Fund balances				
Beginning of year		<u>31,749,687</u>		<u>23,497,314</u>
End of year		<u>\$ 30,857,985</u>		<u>\$ 31,749,687</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Food Service Special Revenue Fund
 Comparative Balance Sheet
 as of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and temporary investments	\$ 1,600,242	\$ 273,240
Receivables		
Accounts and interest	10,099	1,160
Due from other governmental units	-	103,078
Inventory	217,172	184,502
Prepaid items	320	1,120
	<u> </u>	<u> </u>
Total assets	<u>\$ 1,827,833</u>	<u>\$ 563,100</u>
Liabilities		
Salaries payable	\$ 22,250	\$ 9,655
Accounts and contracts payable	128,795	21,380
Unearned revenue	254,687	260,296
Total liabilities	<u>405,732</u>	<u>291,331</u>
Fund balances		
Nonspendable for inventory	217,172	184,502
Nonspendable for prepaid items	320	1,120
Restricted for food service	1,204,609	86,147
Total fund balances	<u>1,422,101</u>	<u>271,769</u>
	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,827,833</u>	<u>\$ 563,100</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Food Service Special Revenue Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2022
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 1,000	\$ 2,287	\$ 1,287	\$ -
Other – primarily meal sales	859,971	1,015,198	155,227	302,199
State sources	156,000	176,132	20,132	16,475
Federal sources	4,276,307	5,213,949	937,642	3,041,000
Total revenue	<u>5,293,278</u>	<u>6,407,566</u>	<u>1,114,288</u>	<u>3,359,674</u>
Expenditures				
Current				
Salaries	2,063,766	2,024,136	(39,630)	1,656,990
Employee benefits	738,607	700,606	(38,001)	671,159
Purchased services	280,150	219,459	(60,691)	152,098
Supplies and materials	1,947,930	2,221,810	273,880	1,134,354
Other expenditures	8,700	4,655	(4,045)	4,694
Capital outlay	30,000	86,568	56,568	11,263
Total expenditures	<u>5,069,153</u>	<u>5,257,234</u>	<u>188,081</u>	<u>3,630,558</u>
Excess (deficiency) of revenue over expenditures	224,125	1,150,332	926,207	(270,884)
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Net change in fund balances	<u>\$ 224,125</u>	<u>1,150,332</u>	<u>\$ 926,207</u>	<u>(20,884)</u>
Fund balances				
Beginning of year		<u>271,769</u>		<u>292,653</u>
End of year		<u>\$ 1,422,101</u>		<u>\$ 271,769</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Community Service Special Revenue Fund
 Comparative Balance Sheet
 as of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and temporary investments	\$ 1,996,337	\$ 1,017,674
Receivables		
Current taxes	599,627	572,267
Delinquent taxes	10,987	4,489
Accounts and interest	312,318	221,662
Due from other governmental units	208,822	109,600
Prepaid items	<u>50,000</u>	<u>50,160</u>
Total assets	<u>\$ 3,178,091</u>	<u>\$ 1,975,852</u>
Liabilities		
Salaries payable	\$ 286,773	\$ 171,763
Accounts and contracts payable	106,657	121,355
Due to other governmental units	6,365	6,365
Unearned revenue	<u>449,640</u>	<u>435,229</u>
Total liabilities	849,435	734,712
Deferred inflows of resources		
Property taxes levied for subsequent year	1,211,627	1,146,519
Unavailable revenue – delinquent taxes	<u>10,987</u>	<u>4,489</u>
Total deferred inflows of resources	1,222,614	1,151,008
Fund balances (deficit)		
Nonspendable for prepaid items	50,000	50,160
Restricted for community education programs	230,805	–
Restricted for early childhood family education programs	285,706	92,713
Restricted for school readiness	539,531	158,532
Restricted for community service	–	13,376
Unassigned – community education programs restricted account deficit	<u>–</u>	<u>(224,649)</u>
Total fund balances	<u>1,106,042</u>	<u>90,132</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 3,178,091</u>	 <u>\$ 1,975,852</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Community Service Special Revenue Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2022
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022			2021
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 1,146,363	\$ 1,133,396	\$ (12,967)	\$ 1,068,589
Investment earnings	–	4,494	4,494	–
Other – primarily tuition and fees	4,502,550	5,844,281	1,341,731	3,513,378
State sources	773,851	789,544	15,693	779,915
Federal sources	–	329,499	329,499	430,852
Total revenue	<u>6,422,764</u>	<u>8,101,214</u>	<u>1,678,450</u>	<u>5,792,734</u>
Expenditures				
Current				
Salaries	3,860,696	4,537,951	677,255	3,866,171
Employee benefits	1,185,276	1,348,722	163,446	1,167,793
Purchased services	698,625	1,051,422	352,797	779,674
Supplies and materials	212,218	174,626	(37,592)	109,421
Other expenditures	7,700	17,803	10,103	5,784
Capital outlay	600	–	(600)	–
Debt service				
Principal	6,940	7,825	885	–
Total expenditures	<u>5,972,055</u>	<u>7,138,349</u>	<u>1,166,294</u>	<u>5,928,843</u>
Excess (deficiency) of revenue over expenditures	450,709	962,865	512,156	(136,109)
Other financing sources				
Transfers in	<u>2,250</u>	<u>53,045</u>	<u>50,795</u>	<u>364,438</u>
Net change in fund balances	<u>\$ 452,959</u>	1,015,910	<u>\$ 562,951</u>	228,329
Fund balances (deficit)				
Beginning of year		<u>90,132</u>		<u>(138,197)</u>
End of year		<u>\$ 1,106,042</u>		<u>\$ 90,132</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Capital Projects – Building Construction Fund
 Comparative Balance Sheet
 as of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and temporary investments	\$ 5,544,667	\$ 19,981,882
Receivables		
Accounts and interest	26,148	53,404
Prepaid items	<u>59,981</u>	<u>–</u>
Total assets	<u>\$ 5,630,796</u>	<u>\$ 20,035,286</u>
Liabilities		
Accounts and contracts payable	\$ 2,160,739	\$ 4,944,909
Due to other governmental units	<u>15,909</u>	<u>–</u>
Total liabilities	2,176,648	4,944,909
Fund balances		
Nonspendable for prepaid items	59,981	–
Restricted for long-term facilities maintenance	2,208,696	6,119,107
Restricted for capital projects	<u>1,185,471</u>	<u>8,971,270</u>
Total fund balances	<u>3,454,148</u>	<u>15,090,377</u>
Total liabilities and fund balances	<u>\$ 5,630,796</u>	<u>\$ 20,035,286</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Capital Projects – Building Construction Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2022
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
Revenue				
Local sources				
Investment earnings	\$ 55,000	\$ 64,351	\$ 9,351	\$ 132,225
Other	–	–	–	9,806
Total revenue	<u>55,000</u>	<u>64,351</u>	<u>9,351</u>	<u>142,031</u>
Expenditures				
Capital outlay				
Salaries	–	–	–	67,444
Employee benefits	–	–	–	15,103
Purchased services	11,201,743	4,464,736	(6,737,007)	1,439,343
Capital expenditures	1,175,000	10,478,901	9,303,901	33,300,515
Debt service				
Fiscal charges and other	–	–	–	63,462
Total expenditures	<u>12,376,743</u>	<u>14,943,637</u>	<u>2,566,894</u>	<u>34,885,867</u>
Excess (deficiency) of revenue over expenditures	(12,321,743)	(14,879,286)	(2,557,543)	(34,743,836)
Other financing sources (uses)				
Debt issued	–	–	–	10,815,830
Transfers in	–	3,218,179	3,218,179	275,072
Insurance recovery	–	24,878	24,878	–
(Discount) on debt issued	–	–	–	(21,754)
Total other financing sources (uses)	<u>–</u>	<u>3,243,057</u>	<u>3,243,057</u>	<u>11,069,148</u>
Net change in fund balances	<u>\$ (12,321,743)</u>	<u>(11,636,229)</u>	<u>\$ 685,514</u>	<u>(23,674,688)</u>
Fund balances				
Beginning of year		<u>15,090,377</u>		<u>38,765,065</u>
End of year		<u>\$ 3,454,148</u>		<u>\$ 15,090,377</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and temporary investments	\$ 5,845,187	\$ 6,777,479
Receivables		
Current taxes	4,036,156	4,612,621
Delinquent taxes	94,233	39,106
Accounts and interest	3,140	4,828
Due from other governmental units	<u>160</u>	<u>166</u>
Total assets	<u>\$ 9,978,876</u>	<u>\$ 11,434,200</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 8,169,706	\$ 9,241,236
Unavailable revenue – delinquent taxes	<u>94,233</u>	<u>39,106</u>
Total deferred inflows of resources	8,263,939	9,280,342
Fund balances		
Restricted for debt service	<u>1,714,937</u>	<u>2,153,858</u>
Total deferred inflows of resources and fund balances	<u>\$ 9,978,876</u>	<u>\$ 11,434,200</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Debt Service Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended June 30, 2022
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Over (Under) Budget	2021
	Budget	Actual		Actual
Revenue				
Local sources				
Property taxes	\$ 9,239,967	\$ 9,130,121	\$ (109,846)	\$ 10,117,062
Investment earnings	20,000	16,265	(3,735)	4,758
State sources	—	1,592	1,592	1,656
Total revenue	<u>9,259,967</u>	<u>9,147,978</u>	<u>(111,989)</u>	<u>10,123,476</u>
Expenditures				
Debt service				
Principal	6,030,000	6,030,000	—	6,295,000
Interest	3,550,711	3,550,711	—	3,364,800
Fiscal charges and other	5,000	6,188	1,188	93,815
Total expenditures	<u>9,585,711</u>	<u>9,586,899</u>	<u>1,188</u>	<u>9,753,615</u>
Excess (deficiency) of revenue over expenditures	(325,744)	(438,921)	(113,177)	369,861
Other financing sources (uses)				
Debt issued	—	—	—	274,170
Refunding debt issued	—	—	—	15,195,000
Premium on debt issued	—	—	—	1,803,574
Payment on refunded debt	—	—	—	(16,910,000)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>362,744</u>
Net change in fund balances	<u>\$ (325,744)</u>	<u>(438,921)</u>	<u>\$ (113,177)</u>	<u>732,605</u>
Fund balances				
Beginning of year		<u>2,153,858</u>		<u>1,421,253</u>
End of year		<u>\$ 1,714,937</u>		<u>\$ 2,153,858</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Internal Service Funds
 Combining Statement of Net Position
 as of June 30, 2022

(With Comparative Totals as of June 30, 2021)

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2022	2021
Assets				
Current assets				
Cash and temporary investments	\$ 10,150,267	\$ 774,980	\$ 10,925,247	\$ 8,963,418
Receivables				
Accounts and interest	4,885	349	5,234	–
Due from other funds	–	–	–	493,995
Total current assets	<u>10,155,152</u>	<u>775,329</u>	<u>10,930,481</u>	<u>9,457,413</u>
Liabilities				
Current liabilities				
Accounts payable	4,876	28,762	33,638	2,838
Unearned revenue	1,035,966	92,949	1,128,915	1,119,162
Claims payable	752,397	20,933	773,330	454,779
Total current liabilities	<u>1,793,239</u>	<u>142,644</u>	<u>1,935,883</u>	<u>1,576,779</u>
Net position				
Unrestricted	<u>\$ 8,361,913</u>	<u>\$ 632,685</u>	<u>\$ 8,994,598</u>	<u>\$ 7,880,634</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Internal Service Funds
 Combining Statement of Revenue, Expenses, and Changes in Net Position
 Year Ended June 30, 2022
 (With Comparative Totals for the Year Ended June 30, 2021)

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2022	2021
Operating revenue				
Charges for services				
Contributions from governmental funds	\$ 13,119,360	\$ 1,244,958	\$ 14,364,318	\$ 14,385,688
Operating expenses				
Health benefit claims	12,160,198	-	12,160,198	12,010,340
Dental benefit claims	-	1,124,861	1,124,861	1,254,519
Total operating expenses	<u>12,160,198</u>	<u>1,124,861</u>	<u>13,285,059</u>	<u>13,264,859</u>
Operating income	959,162	120,097	1,079,259	1,120,829
Nonoperating revenue				
Investment earnings	<u>32,105</u>	<u>2,600</u>	<u>34,705</u>	<u>2,693</u>
Change in net position	991,267	122,697	1,113,964	1,123,522
Net position				
Beginning of year	<u>7,370,646</u>	<u>509,988</u>	<u>7,880,634</u>	<u>6,757,112</u>
End of year	<u>\$ 8,361,913</u>	<u>\$ 632,685</u>	<u>\$ 8,994,598</u>	<u>\$ 7,880,634</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended June 30, 2022
 (With Comparative Totals for the Year Ended June 30, 2021)

	Health Benefits	Dental Benefits	Totals	
	Self-Insurance	Self-Insurance	2022	2021
Cash flows from operating activities				
Contributions from governmental funds	\$ 13,581,300	\$ 1,286,766	\$ 14,868,066	\$ 13,831,912
Payment for health benefit claims	(11,842,924)	–	(11,842,924)	(12,270,341)
Payment for dental benefit claims	–	(1,092,784)	(1,092,784)	(1,256,901)
Net cash flows from operating activities	<u>1,738,376</u>	<u>193,982</u>	<u>1,932,358</u>	<u>304,670</u>
Cash flows from investing activities				
Investment income received	<u>27,220</u>	<u>2,251</u>	<u>29,471</u>	<u>2,693</u>
Net change in cash and cash equivalents	1,765,596	196,233	1,961,829	307,363
Cash and cash equivalents				
Beginning of year	<u>8,384,671</u>	<u>578,747</u>	<u>8,963,418</u>	<u>8,656,055</u>
End of year	<u>\$ 10,150,267</u>	<u>\$ 774,980</u>	<u>\$ 10,925,247</u>	<u>\$ 8,963,418</u>
Reconciliation of operating income to net cash flows from operating activities				
Operating income	\$ 959,162	\$ 120,097	\$ 1,079,259	\$ 1,120,829
Adjustments to reconcile operating income to net cash flows from operating activities				
Changes in assets and liabilities				
Due from other funds	454,831	39,164	493,995	(493,995)
Accounts payable	2,038	28,762	30,800	2,838
Unearned revenue	7,109	2,644	9,753	(59,781)
Claims payable	<u>315,236</u>	<u>3,315</u>	<u>318,551</u>	<u>(265,221)</u>
Net cash flows from operating activities	<u>\$ 1,738,376</u>	<u>\$ 193,982</u>	<u>\$ 1,932,358</u>	<u>\$ 304,670</u>

SECTION III – STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 272's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Indicators

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

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

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 41,721,166	\$ 46,150,573	\$ 49,968,770	\$ 46,495,778
Restricted	4,933,513	5,314,896	4,820,097	4,148,442
Unrestricted	13,424,028	12,945,749	(65,730,130)	(59,580,118)
Total governmental activities net position	<u>\$ 60,078,707</u>	<u>\$ 64,411,218</u>	<u>\$ (10,941,263)</u>	<u>\$ (8,935,898)</u>

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately \$80.1 million. Prior years were not restated.

Note 2: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$11.3 million. Prior years were not restated.

Note 3: The District implemented GASB Statement No. 84 in fiscal 2020, reported as a change in accounting principle as a result of implementing this standard, which increased restricted net position by approximately \$91,000. Prior year amounts have not been restated.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 43,813,793	\$ 41,716,939	\$ 38,506,213	\$ 36,712,713	\$ 38,298,795	\$ 41,428,049
4,598,772	3,970,336	3,450,332	1,886,182	8,176,157	9,956,996
<u>(100,181,524)</u>	<u>(124,901,677)</u>	<u>(87,950,660)</u>	<u>(91,867,161)</u>	<u>(90,389,136)</u>	<u>(84,902,075)</u>
<u><u>\$ (51,768,959)</u></u>	<u><u>\$ (79,214,402)</u></u>	<u><u>\$ (45,994,115)</u></u>	<u><u>\$ (53,268,266)</u></u>	<u><u>\$ (43,914,184)</u></u>	<u><u>\$ (33,517,030)</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Expenses				
Administration	\$ 4,453,035	\$ 3,659,478	\$ 3,318,266	\$ 3,827,612
District support services	3,223,136	6,767,218	6,168,708	5,337,689
Elementary and secondary regular instruction	53,349,424	53,878,287	53,765,254	59,627,119
Vocational education instruction	1,746,242	1,698,280	1,845,940	1,929,401
Special education instruction	17,062,035	17,107,046	18,620,390	19,886,753
Instructional support services	5,583,066	7,971,692	7,201,154	7,722,877
Pupil support services	8,630,429	9,376,195	9,119,888	8,897,020
Sites and buildings	14,734,120	11,067,099	11,811,681	13,696,744
Fiscal and other fixed cost programs	290,451	368,206	329,667	252,593
Food service	4,633,990	4,908,136	4,919,568	4,893,018
Community service	5,439,220	5,811,208	4,156,097	4,492,095
Interest and fiscal charges	3,211,059	2,743,155	2,034,145	2,442,183
Total governmental activities expenses	<u>122,356,207</u>	<u>125,356,000</u>	<u>123,290,758</u>	<u>133,005,104</u>
Program revenues				
Charges for services				
Elementary and secondary regular instruction	1,359,191	4,084,921	1,385,244	1,455,096
Special education instruction	-	433,841	463,135	883,511
Pupil support services	173,782	148,748	127,424	128,862
Sites and buildings	80,293	71,671	38,760	83,193
Food service	3,118,787	3,090,246	3,046,821	3,183,516
Community service	3,324,895	3,462,217	2,131,108	2,427,585
Operating grants and contributions	17,795,374	18,304,009	17,531,443	19,955,518
Capital grants and contributions	1,040,292	383,805	886,495	869,776
Total governmental activities program revenues	<u>26,892,614</u>	<u>29,979,458</u>	<u>25,610,430</u>	<u>28,987,057</u>
Net (expense) revenue	(95,463,593)	(95,376,542)	(97,680,328)	(104,018,047)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	25,272,782	16,665,577	25,962,472	33,216,511
Property taxes, levied for community service	1,332,721	721,453	1,171,597	1,006,495
Property taxes, levied for building construction	499,999	-	-	-
Property taxes, levied for debt service	13,328,797	12,206,366	12,320,333	7,746,601
General grants and aids	58,089,586	68,326,914	60,176,831	61,289,944
Unrestricted investment earnings (charges)	40,833	238,990	35,877	98,806
Gain on sale of capital assets	-	22,966	-	-
Miscellaneous	635,935	1,526,787	2,749,324	2,665,055
Total general revenues and other changes in net position	<u>99,200,653</u>	<u>99,709,053</u>	<u>102,416,434</u>	<u>106,023,412</u>
Change in net position	<u>\$ 3,737,060</u>	<u>\$ 4,332,511</u>	<u>\$ 4,736,106</u>	<u>\$ 2,005,365</u>

2017	2018	2019	2020	2021	2022
\$ 4,736,758	\$ 4,520,405	\$ 2,852,678	\$ 3,949,663	\$ 3,980,844	\$ 4,128,183
5,682,115	5,860,095	6,583,609	6,472,025	6,676,889	7,563,582
82,848,774	80,606,299	37,173,654	65,891,819	61,082,057	63,777,351
2,875,255	2,799,977	2,020,289	2,852,493	2,685,131	2,638,448
27,120,384	26,612,680	14,259,908	21,849,529	22,133,695	20,194,009
9,535,521	8,946,008	7,114,901	10,049,498	10,410,693	9,321,195
10,719,258	10,510,787	8,559,073	9,856,855	9,867,763	10,270,044
14,574,619	15,048,481	15,317,919	18,815,863	15,633,381	16,166,096
312,351	381,996	476,818	391,759	409,603	486,222
5,084,197	4,983,613	4,917,671	4,722,595	3,584,309	5,223,293
6,168,308	6,674,630	7,449,706	7,941,070	5,858,097	6,824,657
2,315,611	2,181,273	2,011,137	3,484,725	2,927,736	2,959,221
<u>171,973,151</u>	<u>169,126,244</u>	<u>108,737,363</u>	<u>156,277,894</u>	<u>145,250,198</u>	<u>149,552,301</u>
1,086,487	1,308,532	1,048,161	908,656	536,082	2,139,532
843,310	326,560	312,860	184,457	179,824	226,363
120,717	118,929	119,335	79,691	31,455	92,281
38,813	123,089	80,657	141,160	122,638	118,080
3,282,523	3,414,483	3,298,481	2,376,776	281,143	979,752
2,946,131	3,714,217	5,849,105	4,893,709	3,255,416	5,430,770
20,243,863	20,056,189	20,140,103	22,112,519	25,241,395	26,361,088
744,095	2,562,744	1,194,380	1,123,755	1,806,435	961,016
<u>29,305,939</u>	<u>31,624,743</u>	<u>32,043,082</u>	<u>31,820,723</u>	<u>31,454,388</u>	<u>36,308,882</u>
(142,667,212)	(137,501,501)	(76,694,281)	(124,457,171)	(113,795,810)	(113,243,419)
33,659,448	34,452,614	35,330,344	37,483,741	36,967,459	39,546,476
1,011,306	839,740	836,313	974,111	1,063,574	1,139,894
-	-	-	-	-	-
7,833,737	7,891,071	8,889,131	7,899,851	10,069,323	9,185,248
65,912,935	63,786,229	61,010,762	67,105,133	72,603,961	71,381,077
240,592	520,155	942,466	1,562,411	440,175	(70,097)
-	-	-	-	-	-
<u>2,492,689</u>	<u>2,566,249</u>	<u>2,905,552</u>	<u>2,066,406</u>	<u>2,005,400</u>	<u>2,457,975</u>
<u>111,150,707</u>	<u>110,056,058</u>	<u>109,914,568</u>	<u>117,091,653</u>	<u>123,149,892</u>	<u>123,640,573</u>
<u>\$ (31,516,505)</u>	<u>\$ (27,445,443)</u>	<u>\$ 33,220,287</u>	<u>\$ (7,365,518)</u>	<u>\$ 9,354,082</u>	<u>\$ 10,397,154</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

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

Fiscal Year	Property Tax				Total
	General Purposes	Community Service	Capital Projects – Building Construction	Debt Service	
2013	\$ 25,272,782	\$ 1,332,721	\$ 499,999	\$ 13,328,797	\$ 40,434,299
2014	16,665,577	721,453	–	12,206,366	29,593,396
2015	25,962,472	1,171,597	–	12,320,333	39,454,402
2016	33,216,511	1,006,495	–	7,746,601	41,969,607
2017	33,659,448	1,011,306	–	7,833,737	42,504,491
2018	34,452,614	839,740	–	7,891,071	43,183,425
2019	35,330,344	836,313	–	8,889,131	45,055,788
2020	37,483,741	974,111	–	7,899,851	46,357,703
2021	36,967,459	1,063,574	–	10,069,323	48,100,356
2022	39,546,476	1,139,894	–	9,185,248	49,871,618

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

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 244,799	\$ 952,663	\$ 422,808	\$ 462,195
Restricted	684,054	810,854	1,256,917	1,207,446
Assigned	708,318	1,834,953	3,036,146	2,727,888
Unassigned	<u>13,722,291</u>	<u>11,824,573</u>	<u>10,281,140</u>	<u>13,111,310</u>
Total General Fund	<u>\$ 15,359,462</u>	<u>\$ 15,423,043</u>	<u>\$ 14,997,011</u>	<u>\$ 17,508,839</u>
All other governmental funds				
Nonspendable	\$ 145,478	\$ 111,767	\$ 154,926	\$ 199,906
Restricted	15,744,487	10,746,472	15,064,990	9,241,713
Unassigned, reported in special revenue funds	<u>—</u>	<u>—</u>	<u>(184,509)</u>	<u>(321,863)</u>
Total all other governmental funds	<u>\$ 15,889,965</u>	<u>\$ 10,858,239</u>	<u>\$ 15,035,407</u>	<u>\$ 9,119,756</u>
Total all governmental funds	<u>\$ 31,249,427</u>	<u>\$ 26,281,282</u>	<u>\$ 30,032,418</u>	<u>\$ 26,628,595</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 717,276	\$ 145,362	\$ 1,676,290	\$ 507,235	\$ 686,319	\$ 599,973
1,871,785	2,106,412	1,403,680	1,461,779	2,198,592	3,220,180
2,409,257	1,685,452	2,826,715	4,320,382	11,053,757	9,997,353
<u>14,636,325</u>	<u>16,349,250</u>	<u>15,751,476</u>	<u>17,207,918</u>	<u>17,811,019</u>	<u>17,040,479</u>
<u>\$ 19,634,643</u>	<u>\$ 20,286,476</u>	<u>\$ 21,658,161</u>	<u>\$ 23,497,314</u>	<u>\$ 31,749,687</u>	<u>\$ 30,857,985</u>
\$ 186,341	\$ 154,757	\$ 168,408	\$ 180,119	\$ 235,782	\$ 327,473
13,284,487	8,120,963	12,316,795	40,319,586	17,595,003	7,369,755
<u>(321,860)</u>	<u>(304,323)</u>	<u>—</u>	<u>(158,931)</u>	<u>(224,649)</u>	<u>—</u>
<u>\$ 13,148,968</u>	<u>\$ 7,971,397</u>	<u>\$ 12,485,203</u>	<u>\$ 40,340,774</u>	<u>\$ 17,606,136</u>	<u>\$ 7,697,228</u>
<u>\$ 32,783,611</u>	<u>\$ 28,257,873</u>	<u>\$ 34,143,364</u>	<u>\$ 63,838,088</u>	<u>\$ 49,355,823</u>	<u>\$ 38,555,213</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Local sources				
Property taxes	\$ 40,508,045	\$ 29,522,943	\$ 39,380,714	\$ 42,043,669
Investment earnings (charges)	40,807	238,771	35,818	98,544
Other	9,315,124	12,469,887	10,254,894	11,199,258
State sources	72,240,750	82,458,725	74,137,366	77,667,614
Federal sources	4,062,261	4,032,872	3,987,082	4,075,184
Total revenues	<u>126,166,987</u>	<u>128,723,198</u>	<u>127,795,874</u>	<u>135,084,269</u>
Expenditures				
Current				
Administration	4,544,080	3,721,836	3,339,290	3,584,683
District support services	3,221,560	6,578,632	6,252,752	5,494,082
Elementary and secondary regular instruction	52,948,572	52,490,337	52,144,459	57,391,706
Vocational education instruction	1,746,242	1,855,742	1,868,424	1,946,168
Special education instruction	17,046,948	17,512,064	18,874,537	19,999,874
Instructional support services	5,575,141	7,803,481	7,278,407	7,755,337
Pupil support services	8,322,069	8,983,572	9,048,612	9,002,606
Sites and buildings	13,580,178	8,831,002	8,953,223	11,225,225
Fiscal and other fixed cost programs	290,451	368,206	329,667	252,593
Food service	4,695,697	5,080,318	4,806,685	4,834,354
Community service	5,386,661	5,758,648	4,052,806	4,469,778
Capital outlay	5,459,202	4,945,754	6,069,185	5,738,416
Debt service				
Principal	9,632,857	11,313,922	13,544,547	7,424,957
Interest and fiscal charges	4,391,302	3,291,854	2,915,695	2,760,168
Total expenditures	<u>136,840,960</u>	<u>138,535,368</u>	<u>139,478,289</u>	<u>141,879,947</u>
Excess of revenues over (under) expenditures	(10,673,973)	(9,812,170)	(11,682,415)	(6,795,678)
Other financing sources (uses)				
Sale of capital assets	-	22,966	1,935,052	70,551
Insurance recovery	-	871,675	-	-
Finance purchases issued	3,865,771	3,949,384	2,925,198	3,321,304
Lease issued	-	-	-	-
Debt issued	25,170,000	-	10,310,000	-
Premium on debt issued	684,067	-	263,301	-
(Discount) on debt issued	-	-	-	-
Payment on refunded debt	(27,695,000)	-	-	-
Transfer in	513,349	345,710	213,684	187,683
Transfer (out)	(513,349)	(345,710)	(213,684)	(187,683)
Total other financing sources (uses)	<u>2,024,838</u>	<u>4,844,025</u>	<u>15,433,551</u>	<u>3,391,855</u>
Net change in fund balances	<u>\$ (8,649,135)</u>	<u>\$ (4,968,145)</u>	<u>\$ 3,751,136</u>	<u>\$ (3,403,823)</u>
Debt service as a percentage of noncapital expenditures	<u>11.0%</u>	<u>11.3%</u>	<u>12.6%</u>	<u>7.7%</u>

2017	2018	2019	2020	2021	2022
\$ 42,513,230	\$ 43,113,033	\$ 45,070,839	\$ 46,293,901	\$ 48,341,731	\$ 49,582,452
235,548	502,542	873,891	1,497,305	437,482	(104,802)
11,196,024	11,841,851	13,820,831	10,891,879	6,143,412	11,582,518
78,997,964	80,447,376	82,421,906	85,399,143	85,554,833	87,880,626
4,366,037	4,260,545	4,094,548	4,681,309	12,911,731	10,901,733
<u>137,308,803</u>	<u>140,165,347</u>	<u>146,282,015</u>	<u>148,763,537</u>	<u>153,389,189</u>	<u>159,842,527</u>
3,685,730	3,742,489	3,821,305	3,866,118	3,963,186	4,398,769
5,420,285	5,793,381	6,614,803	6,382,404	6,580,214	7,431,664
57,571,373	56,621,307	55,929,788	60,587,905	55,797,331	64,538,489
2,198,932	2,226,472	2,621,806	2,768,252	2,608,998	2,741,151
19,933,386	21,373,181	20,817,558	21,280,844	21,733,158	21,432,555
7,470,572	7,421,018	8,816,341	9,872,363	10,288,448	9,834,100
9,574,415	9,481,647	10,058,348	10,051,078	10,008,666	10,359,843
10,607,283	11,870,809	11,583,684	13,242,276	13,058,211	15,481,390
312,351	381,996	476,818	391,759	409,603	486,222
4,903,381	4,872,931	4,999,856	4,668,771	3,619,295	5,170,666
5,547,410	6,252,847	8,082,430	7,866,888	5,928,843	7,130,524
6,830,546	4,391,705	5,873,791	11,572,617	34,833,668	15,030,205
9,790,936	7,767,965	8,317,049	7,419,298	7,126,171	7,022,886
2,583,448	2,577,313	2,401,758	3,432,915	3,540,392	3,596,267
<u>146,430,048</u>	<u>144,775,061</u>	<u>150,415,335</u>	<u>163,403,488</u>	<u>179,496,184</u>	<u>174,654,731</u>
(9,121,245)	(4,609,714)	(4,133,320)	(14,639,951)	(26,106,995)	(14,812,204)
1,389,100	83,976	23,800	110,923	467,910	276,663
-	-	-	-	-	24,878
2,620,690	-	-	3,354,150	-	2,422,250
-	-	-	-	-	1,287,803
10,940,000	-	18,405,000	37,765,000	26,285,000	-
326,471	-	550,011	3,013,235	1,803,574	-
-	-	-	-	(21,754)	-
-	-	(8,960,000)	-	(16,910,000)	-
162,423	178,419	151,257	221,638	889,510	3,271,224
(162,423)	(178,419)	(151,257)	(221,638)	(889,510)	(3,271,224)
<u>15,276,261</u>	<u>83,976</u>	<u>10,018,811</u>	<u>44,243,308</u>	<u>11,624,730</u>	<u>4,011,594</u>
<u>\$ 6,155,016</u>	<u>\$ (4,525,738)</u>	<u>\$ 5,885,491</u>	<u>\$ 29,603,357</u>	<u>\$ (14,482,265)</u>	<u>\$ (10,800,610)</u>
<u>9.0%</u>	<u>7.4%</u>	<u>7.4%</u>	<u>7.1%</u>	<u>7.5%</u>	<u>6.7%</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

Fiscal Year	Property Tax				Total
	General Fund	Community Service Fund	Capital Projects – Building Construction	Debt Service Fund	
2013	\$ 25,323,714	\$ 1,334,894	\$ 499,999	\$ 13,349,438	\$ 40,508,045
2014	16,618,372	719,110	–	12,185,461	29,522,943
2015	25,919,031	1,168,409	–	12,293,274	39,380,714
2016	33,239,697	1,010,283	–	7,793,689	42,043,669
2017	33,662,761	1,012,447	–	7,838,022	42,513,230
2018	34,390,488	838,786	–	7,883,759	43,113,033
2019	35,340,872	837,071	–	8,892,896	45,070,839
2020	37,422,242	973,575	–	7,898,084	46,293,901
2021	37,156,080	1,068,589	–	10,117,062	48,341,731
2022	39,318,935	1,133,396	–	9,130,121	49,582,452

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Assessed and Actual Value of Taxable Property
Last Ten Fiscal Years

Payable Year	(1) Residential Property	(1) Commercial Property	(1) Total Assessed Value	(2) Estimated Actual Taxable Value	Total Direct Tax Rate
2013	\$ 6,311,618,573	\$ 1,860,094,000	\$ 8,171,712,573	\$ 7,909,976,999	29.07 %
2014	6,402,140,621	1,914,628,600	8,316,769,221	8,004,131,794	27.82
2015	6,585,945,500	2,041,177,200	8,627,122,700	8,402,678,939	22.03
2016	6,412,304,300	2,666,034,900	9,078,339,200	8,898,122,781	20.95
2017	6,839,600,000	2,793,643,700	9,633,243,700	9,129,810,474	21.87
2018	6,929,195,500	2,943,607,000	9,872,802,500	9,476,978,643	20.53
2019	6,809,813,100	3,399,801,800	10,209,614,900	9,927,938,697	20.76
2020	7,382,068,800	3,281,195,300	10,663,264,100	10,389,399,230	21.56
2021	7,873,430,100	3,248,404,900	11,121,835,000	10,715,931,040	21.72
2022	7,786,468,900	3,646,337,700	11,432,806,600	11,093,544,120	21.00

(1) Source: City of Eden Prairie assessor. Includes all properties within the city boundaries. This breakdown is not available for property within school district boundaries. Residential includes single-family homes, townhomes and condominiums, and all other property, including vacant land, farm, utilities, personal property, and railroad property. Commercial property above includes both commercial and industrial property.

(2) Source: Hennepin County. Includes all properties within the school district boundaries.

INDEPENDENT SCHOOL DISTRICT NO. 272

Property Tax Rates – Direct and Overlapping Governments
Last Ten Fiscal Years

Tax Collection Calendar Year	ISD No. 272 Direct Rate (1)			Overlapping Rates		
	General Fund	Community Service	General Obligation Debt Service	Total Direct School Tax Rate	City of Bloomington	City of Chanhassen
2013	12.911%	1.623%	14.533%	29.067%	47.207%	28.429%
2014	12.514%	1.329%	13.974%	27.817%	50.545%	27.817%
2015	12.349%	1.109%	8.572%	22.030%	47.336%	24.634%
2016	11.824%	1.041%	8.083%	20.948%	45.909%	24.253%
2017	13.100%	0.844%	7.921%	21.865%	42.484%	23.856%
2018	11.331%	0.791%	8.403%	20.525%	42.127%	22.667%
2019	12.789%	0.874%	7.093%	20.756%	41.581%	21.105%
2020	11.926%	0.920%	8.709%	21.555%	41.082%	21.176%
2021	13.146%	0.946%	7.625%	21.717%	41.335%	22.113%
2022	13.446%	0.975%	6.574%	20.995%	42.351%	22.414%

(1) Tax capacity rate method.

(2) Special districts include Metropolitan Mosquito Control District, Metropolitan Council, and Metro Transit.

Sources: Overlapping rate data provided by the District’s financial advisor, Ehlers & Associates, and the School Tax Report from the County Auditor’s office.

City of Eden Prairie	City of Edina	Special Districts (2)	Hennepin County	Three Rivers Park District	Other	Total Eden Prairie Resident
34.617%	27.216%	3.242%	49.461%	4.054%	4.187%	124.628%
34.709%	27.920%	3.335%	49.959%	4.169%	4.547%	124.536%
33.954%	26.605%	3.006%	46.398%	3.789%	2.990%	112.167%
32.327%	27.137%	2.899%	45.356%	3.601%	4.263%	109.394%
32.667%	28.271%	2.821%	44.087%	3.365%	4.390%	109.195%
32.526%	27.849%	2.683%	42.808%	3.161%	4.333%	106.036%
31.690%	27.499%	2.542%	41.861%	2.961%	3.047%	102.857%
31.676%	28.082%	2.461%	41.084%	2.859%	2.899%	102.534%
31.589%	28.939%	2.268%	38.210%	2.793%	2.752%	99.329%
32.475%	29.088%	2.240%	38.535%	2.787%	2.822%	99.854%

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INDEPENDENT SCHOOL DISTRICT NO. 272

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
EP Campus 2 LLC	\$ 2,799,250	1	1.99 %	\$ -	-	- %
Dale Whatley	2,274,629	2	1.62	-	-	-
Eden Prairie Center LLC	1,458,160	3	1.04	-	-	-
REEP-MF Fountain Place LLC (Fountain Place Apts.)	1,120,875	4	0.80	-	-	-
WPT Land 2 LP (Kroll Ontrack Campus)	1,100,670	5	0.78	-	-	-
Virtus Technology MOB LLC	789,430	6	0.56	-	-	-
TP Elevate LLC	691,000	7	0.49	-	-	-
C.H. Robinson Worldwide Inc.	681,850	8	0.48	-	-	-
Park at City West Apartments	675,863	9	0.48	-	-	-
OsWx Ridge LLC	640,090	10	0.45	-	-	-
Liberty Property LTD Partnership	-	-	-	2,700,720	1	2.54
Eden Prairie Mall LLC	-	-	-	2,286,250	2	2.15
IRET Properties	-	-	-	915,000	3	0.86
AGNL Health (Optum Campus)	-	-	-	629,250	4	0.59
Geneva Office Exchange LLC	-	-	-	619,250	5	0.58
United Healthcare Services, Inc.	-	-	-	596,650	6	0.56
Lifetouch, Inc.	-	-	-	579,502	7	0.54
PRIT Core Realty Holdings LLC	-	-	-	571,501	8	0.54
Windsor Plaza LLC	-	-	-	567,850	9	0.53
Gelco Corp	-	-	-	538,940	10	0.51
Total principal taxpayers	12,231,817		8.69	10,004,913		9.40
All other taxpayers	128,521,923		91.31	96,406,923		90.60
Total	\$ 140,753,740		100.00 %	\$ 106,411,836		100.00 %

Source: City of Eden Prairie

INDEPENDENT SCHOOL DISTRICT NO. 272

Property Tax Levies, Collections, and Receivables
Last Ten Fiscal Years

For Taxes Collectible	Taxes Levied for the Fiscal Year					Collected Within the First Year of Levy	
	General Fund Basic Levy	Community Service Levy	Debt Service Levy	OPEB/Pension Levy	Total Tax Levy	Current Tax Collection	Percentage of Levy
2013	\$ 25,444,223	\$ 1,419,490	\$ 11,189,819	\$ 1,521,684	\$ 39,575,216	\$ 19,897,572	50.3 %
2014	25,529,344	1,175,946	11,573,877	1,175,946	39,455,113	19,796,741	50.2
2015	33,319,644	1,022,125	4,092,167	3,808,316	42,242,252	20,739,473	49.1
2016	33,574,885	1,030,212	4,079,271	3,920,004	42,604,372	21,408,517	50.2
2017	34,640,296	852,158	3,968,095	4,029,712	43,490,261	21,844,359	50.2
2018	35,153,927	837,634	4,890,176	4,008,136	44,889,873	24,600,000	54.8
2019	37,754,091	979,789	7,951,882	–	46,685,762	23,500,000	50.3
2020	36,996,190	1,071,298	10,141,208	–	48,208,696	23,200,000	48.1
2021	38,927,029	1,146,519	9,241,236	–	49,314,784	24,700,000	50.1
2022	41,031,592	1,211,627	8,169,706	–	50,412,925	25,500,000	50.6

Note: Delinquent taxes are written off after seven years.

Source: State of Minnesota School Tax Report

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percent	Outstanding Current Taxes	Percent
	Total Tax Collection	Percentage of Levy				
\$ 19,677,644	\$ 39,575,216	100.0 %	\$ -	- %	\$ -	- %
19,658,372	39,455,113	100.0	-	-	-	-
21,469,893	42,209,366	99.9	32,886	0.1	-	-
21,174,946	42,583,463	100.0	20,909	-	-	-
21,640,332	43,484,691	100.0	5,570	-	-	-
20,238,874	44,838,874	99.9	50,999	0.1	-	-
23,124,114	46,624,114	99.9	61,648	0.1	-	-
24,901,973	48,101,973	99.8	106,723	0.2	-	-
24,401,070	49,101,070	99.6	213,714	0.4	-	-
-	25,500,000	50.6	-	-	24,912,925	49.4
			<u>\$ 492,449</u>		<u>\$ 24,912,925</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Improvement Loans	Financed Purchase	Lease	Special Assessments Payable			
2013	\$ 77,926,451	\$ 909,628	\$ 2,812,956	\$ -	\$ 4,105	\$ 81,653,140	- %	\$ 1,317
2014	67,533,863	697,395	5,365,651	-	-	73,596,909	-	1,187
2015	67,926,290	475,351	4,573,346	-	-	72,974,987	-	1,163
2016	62,311,892	243,044	6,047,000	-	-	68,601,936	-	1,096
2017	67,930,803	-	4,489,798	-	-	72,420,601	-	1,133
2018	61,744,640	-	2,616,833	-	-	64,361,473	-	1,019
2019	64,869,056	-	759,784	-	-	65,628,840	-	1,030
2020	99,445,559	-	2,504,636	-	-	101,950,195	-	1,607
2021	103,520,125	-	1,673,465	-	-	105,193,590	-	1,651
2022	97,142,125	-	3,259,542	1,420,653	-	101,822,320	-	1,586

(1) Presented net of issuance premiums and discounts.

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

(3) See Demographics and Economic Statistics table for source of estimated population.

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Ratio of Net General Obligation Bonded Debt to
Market Value and Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt (1)	Less Debt Service Funds on Hand (2)	Net Bonded Debt	Estimated Actual Taxable Value (3)	Percent of Net Debt to Estimated Actual Taxable Value	Estimated Population (4)	Net Bonded Debt per Capita
2013	\$ 77,926,451	\$ 1,859,579	\$ 76,066,872	\$7,909,976,999	0.96 %	62,004	\$ 1,227
2014	67,533,863	1,079,474	66,454,389	8,004,131,794	0.83	62,004	1,072
2015	67,926,290	1,718,842	66,207,448	8,402,678,939	0.79	62,729	1,055
2016	62,311,892	1,475,305	60,836,587	8,898,122,781	0.68	62,593	972
2017	67,930,803	1,762,208	66,168,595	9,129,810,474	0.72	63,914	1,035
2018	61,744,640	1,243,673	60,500,967	9,476,978,643	0.64	63,163	958
2019	64,869,056	1,722,807	63,146,249	9,927,938,697	0.64	63,726	991
2020	99,445,559	101,512	99,344,047	10,389,399,230	0.96	63,456	1,566
2021	103,520,125	611,780	102,908,345	10,715,931,040	0.96	63,726	1,615
2022	97,142,125	517,032	96,625,093	11,093,544,120	0.87	64,198	1,505

(1) Presented net of issuance premiums and discounts.

(2) Amount is the governmental activities net position restricted for debt service.

(3) See Assessed and Actual Value of Taxable Property table for estimated actual taxable value.

(4) See Demographics and Economic Statistics table for source of estimated population.

Source: Annual school district census and U.S. Census

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INDEPENDENT SCHOOL DISTRICT NO. 272

Direct and Overlapping Debt
as of June 30, 2022

Governmental Unit	2021–2022 Taxable Net Tax Capacity	General Obligation Debt	Percent Allocable to ISD No. 272	Portion Allocable to ISD No. 272
Independent School District No. 272	\$ 124,250,639	\$ 101,822,320	100.00 %	\$ 101,822,320
Overlapping debt				
Hennepin County	2,336,109,435	1,108,595,000	5.32	58,962,836
City of Bloomington	167,984,085	86,500	0.29	252
City of Chanhassen	56,569,147	3,400,000	1.88	63,794
City of Eden Prairie	130,779,089	19,186,000	90.49	17,361,961
City of Edina	155,998,083	57,425,000	0.76	435,924
Metropolitan Council	5,197,211,231	218,520,000	2.33	5,090,899
Three Rivers Park District	1,631,381,661	53,865,000	7.42	3,997,834
Total overlapping debt				85,913,500
Total direct and overlapping debt				\$ 187,735,820

Note: The percentage of overlapping debt applicable is estimated using taxable net tax capacity values. Applicable percentages were estimated by determining the portion of the overlapping entity's taxable net tax capacity value that is within the District's boundaries and dividing it by the overlapping government's total taxable net tax capacity value.

Source: Taxable value data used to estimate applicable percentages and debt outstanding data provided by the District's financial advisor, Ehlers & Associates.

INDEPENDENT SCHOOL DISTRICT NO. 272

Legal Debt Margin Information
 Last Ten Fiscal Years
 (Dollars in Thousands)

	Fiscal Year			
	2013	2014	2015	2016
Debt limit	\$ 1,174,647	\$ 1,247,515	\$ 1,285,487	\$ 1,354,606
Total debt applicable to the limit	75,315	65,610	66,315	60,970
Legal debt margin	<u>\$ 1,099,332</u>	<u>\$ 1,181,905</u>	<u>\$ 1,219,172</u>	<u>\$ 1,293,636</u>
Total debt applicable to the limit as a percentage of debt limit	6.41%	5.26%	5.16%	4.50%

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

Source: State of Minnesota School Tax Report

2017	2018	2019	2020	2021	2022
\$ 1,388,302	\$ 1,438,249	\$ 1,503,556	\$ 1,570,049	\$ 1,618,221	\$ 1,672,218
66,540	60,645	63,630	94,164	96,511	90,920
<u>\$ 1,321,762</u>	<u>\$ 1,377,604</u>	<u>\$ 1,439,926</u>	<u>\$ 1,475,885</u>	<u>\$ 1,521,710</u>	<u>\$ 1,581,298</u>
4.79%	4.22%	4.23%	6.00%	5.96%	5.44%

Legal Debt Margin Calculation for Fiscal Year 2022

Market value	\$ 11,148,119
Debt limit (15% of market value)	1,672,218
Debt applicable to the limit	
General obligation bonds	92,635
Less amount set aside for repayment of general obligation debt	<u>(1,715)</u>
Total net debt applicable to the limit	<u>90,920</u>
Legal debt margin	<u>\$ 1,581,298</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Eden Prairie				School Enrollment	Unemployment Rate
	Population	Personal Income (1)	Per Capita Personal Income (1)			
2013	62,004	\$ -	\$ -		9,046	4.7 %
2014	62,004	-	-		9,011	4.0
2015	62,729	-	-		8,941	2.4
2016	62,593	-	-		8,844	2.3
2017	63,914	-	-		8,835	2.6
2018	63,163	-	-		8,780	2.4
2019	63,726	-	-		8,861	2.6
2020	63,456	-	-		8,759	2.2
2021	63,726	-	-		8,534	3.4
2022	64,198	-	-		8,748	2.8

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

Note: Enrollment is as of October 1.

Source: City of Eden Prairie

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INDEPENDENT SCHOOL DISTRICT NO. 272

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year					
	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Optum	3,312	1	18.04 %	1,800	1	14.25 %
Eden Prairie Mall LLC	2,329	2	12.69	–	–	–
C.H. Robinson	2,200	3	11.98	1,465	4	11.60
United Natural Foods, Inc.	2,000	4	10.89	–	–	–
ISD No. 272 (Eden Prairie)	1,817	5	9.90	1,500	3	11.87
Starkey Labs	1,500	6	8.17	1,440	5	11.40
Emerson Process Management	1,500	6	8.17	–	–	–
Tennant Company	1,500	6	8.17	–	–	–
Element Fleet Management	1,200	9	6.54	–	–	–
MTS Systems Corporation	1,000	10	5.45	–	–	–
SuperValu Stores, Inc.	–	–	–	1,519	2	12.03
Cigna	–	–	–	1,200	6	9.50
Dell-Compellent	–	–	–	1,000	7	7.92
Rosemount-Emerson	–	–	–	1,000	7	7.92
GE Capital Fleet Services	–	–	–	900	9	7.12
Kroll Ontrack	–	–	–	808	10	6.40
Total	18,358		100.00 %	12,632		100.00 %
Total ISD No. 272 population (see the Demographic and Economic Statistics)	64,198			62,004		
Percent of principal employers to total ISD No. 272 population	28.6%			20.4%		

Note: Total number of employees working for employers in the District's boundaries is not readily available. The District has provided total population to provide a comparison to reference between current year and nine years ago.

Source: Ehlers & Associates

INDEPENDENT SCHOOL DISTRICT NO. 272

Employees by Classification
Last Ten Fiscal Years

Licensed Employees	Fiscal Year			
	2013	2014	2015	2016
Administrative staff	20.8	23.7	24.5	24.5
Support service staff	55.8	56.6	51.0	53.0
Classroom teachers	540.5	548.9	544.9	570.7
Special education teachers	43.1	21.7	19.0	20.7
Total	660.2	650.9	639.4	668.9

Source: Minnesota Department of Education STARS report (October 1)

2017	2018	2019	2020	2021	2022
20.8	19.8	21.0	22.0	22.0	23.0
51.9	53.5	54.8	53.7	51.2	51.4
558.2	557.2	558.8	561.0	557.3	560.0
25.5	34.1	34.6	35.4	35.8	41.2
<u>656.4</u>	<u>664.6</u>	<u>669.2</u>	<u>672.1</u>	<u>666.3</u>	<u>675.6</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Total Governmental Funds Expenditures</u>	<u>Cost per Pupil</u>	<u>Per Pupil Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>
2013	9,046	\$ 136,840,960	\$ 15,127	3.5 %	540.5	16.7
2014	9,011	138,535,368	15,374	1.6	548.9	16.4
2015	8,941	139,478,289	15,600	1.5	544.9	16.4
2016	8,844	141,879,947	16,043	2.8	570.7	15.5
2017	8,835	146,430,048	16,574	3.3	558.2	15.8
2018	8,780	144,775,061	16,489	(0.5)	557.2	15.8
2019	8,861	150,415,335	16,975	2.9	558.8	15.9
2020	8,759	163,403,488	18,655	9.9	561.0	15.6
2021	8,534	179,496,184	21,033	12.7	557.3	15.3
2022	8,748	174,654,731	19,965	(5.1)	560.0	15.6

Note: Enrollment is as of October 1.

Source: District records

INDEPENDENT SCHOOL DISTRICT NO. 272

School Building Information
Last Ten Fiscal Years

	2013	2014	2015	Fiscal Year 2016
Elementary Schools				
Eden Lake (1987)				
Enrollment (1)	940.20	900.91	881.27	727.95
Square feet	110,469	110,469	110,469	110,469
Forest Hills (1972)				
Enrollment (1)	654.51	724.90	752.10	773.48
Square feet	93,000	93,000	93,000	93,000
Prairie View (1965)				
Enrollment (1)	651.84	658.30	657.17	682.87
Square feet	95,063	95,063	95,063	95,063
Cedar Ridge (1987)				
Enrollment (1)	842.69	776.56	750.92	723.29
Square feet	115,599	115,599	115,599	115,599
Oak Point Facility (1990)				
Square feet	278,887	278,887	278,887	278,887
Oak Point Elementary				
Enrollment (1)	795.10	782.16	757.16	757.58
Eagle Heights Spanish Immersion				
Enrollment (1)	830.92	814.63	808.76	814.13
EP Distance Learning Academy (2021)				
Enrollment (1)	–	–	–	–
Middle School				
Central Middle School (1960)				
Enrollment (1)	1,396.94	1,424.11	1,415.40	1,377.65
Square feet	242,699	242,699	242,699	242,699
High School				
Eden Prairie High School (1981)				
Enrollment (1)	2,934.10	2,929.31	3,026.64	2,893.37
Square feet	693,771	693,771	693,771	693,771
Total enrollment	9,046.30	9,010.88	9,049.42	8,750.32
Total square feet	1,629,488	1,629,488	1,629,488	1,629,488
Athletics				
Football fields	2	2	2	2
Soccer fields	5	5	5	5
Running tracks	2	2	2	2
Baseball/softball	2	2	2	2
Swimming pools	1	1	1	1
Playgrounds	6	6	6	6

(1) Enrollment reflects average daily membership (ADM) served by site. Resident students served under tuition agreements are excluded from this enrollment data.

Source: Square footage, capacity, and athletic statistics are derived from district records. Enrollment was obtained from a combination of district records and school ADM reports available on the Minnesota Department of Education website.

2017	2018	2019	2020	2021	2022
803.15	823.88	773.34	779.38	550.65	624.45
110,469	110,469	110,469	110,469	110,469	110,469
636.19	650.28	694.65	617.64	398.54	511.80
93,000	93,000	93,000	93,000	93,000	93,000
709.83	727.42	728.39	753.58	557.67	630.98
95,063	95,063	95,063	95,063	95,063	95,063
673.38	631.72	641.40	632.36	450.16	492.70
115,599	115,599	115,599	115,599	115,599	115,599
278,887	278,887	278,887	278,887	278,887	278,887
738.30	740.28	742.68	813.15	499.09	586.71
824.38	830.05	825.85	815.57	798.88	677.39
–	–	–	–	1,029.30	516.97
1,368.09	1,341.93	1,317.97	1,321.25	1,317.16	1,893.18
242,699	242,699	242,699	242,699	242,699	334,358
2,989.96	2,937.77	2,962.76	2,904.26	2,825.94	2,769.89
693,771	693,771	693,771	693,771	693,771	693,771
8,743.28	8,683.33	8,687.04	8,637.19	8,427.39	8,704.07
1,629,488	1,629,488	1,629,488	1,629,488	1,629,488	1,721,147
2	2	2	2	2	2
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
6	6	6	6	6	6

INDEPENDENT SCHOOL DISTRICT NO. 272

Food Service
School Lunch Program Data
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>Program Adult Meals</u>	<u>Meals Served Students</u>	<u>Full Price Meals Served</u>	<u>Free Meals Served</u>	<u>Reduced-Price Meals Served</u>
2013	23,978	833,667	577,623	218,766	37,278
2014	7,789	797,641	534,096	224,999	38,546
2015	5,633	845,853	578,949	222,388	44,516
2016	3,707	811,294	546,690	219,430	45,174
2017	4,083	798,449	543,414	210,444	44,591
2018	17,224	782,399	524,985	213,101	44,313
2019	17,556	770,876	518,229	211,279	41,368
2020	14,319	556,852	371,326	151,699	33,827
2021	5,153	746,803	–	746,803	–
2022	11,097	1,174,180	–	1,174,180	–

<u>Year Ended June 30,</u>	<u>Student Regular Lunch Prices</u>		
	<u>Elementary</u>	<u>Middle</u>	<u>High School (1)</u>
2013	\$ 2.40	\$ 2.65	\$ 2.65
2014	2.50	2.75	2.75
2015	2.60	2.85	2.85
2016	2.70	3.05	3.05
2017	2.70	3.05	3.05
2018	2.85	3.20	3.20
2019	2.85	3.20	3.20
2020	3.00	3.35	3.35
2021	3.00	3.35	3.35
2022	3.00	3.35	3.35

(1) Includes new generation and ethnic food options.

INDEPENDENT SCHOOL DISTRICT NO. 272

Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					Total Pupil Units
	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary	Total	
2013	106.10	629.48	4,080.75	4,500.90	9,317.23	10,794.31
2014	104.31	560.27	4,006.32	4,492.37	9,163.27	10,662.17
2015	123.38	595.08	3,889.68	4,445.20	9,053.34	9,942.38
2016	126.05	561.73	3,880.82	4,380.66	8,949.26	9,825.39
2017	116.98	561.06	3,791.63	4,466.26	8,935.93	9,829.18
2018	121.66	564.94	3,804.19	4,350.39	8,841.18	9,711.27
2019	154.09	560.81	3,807.70	4,393.78	8,916.38	9,795.13
2020	133.61	574.92	3,788.77	4,337.11	8,834.41	9,701.86
2021	118.77	542.26	3,700.07	4,237.29	8,598.39	9,445.85
2022	142.91	561.80	3,808.69	4,414.92	8,928.32	9,811.30

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

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

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

	Pre-Kindergarten	Handicapped Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1-3	Elementary 4-6	Secondary
Fiscal 2013 through 2014	1.250	1.000	0.612	0.612	1.115	1.060	1.300
Fiscal 2015 through 2022	1.000	1.000	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

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Management Report
for
Independent School District No. 272
Eden Prairie, Minnesota
June 30, 2022

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PRINCIPALS

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

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 272, Eden Prairie, Minnesota's (the District) financial statements for the year ended June 30, 2022. We have organized this report into the following sections:

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

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

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

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

Minneapolis, Minnesota
November 8, 2022

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AUDIT SUMMARY

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

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

AUDIT OPINION AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2022:

- We have issued an unmodified opinion on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the year. Our opinion was not modified with respect to this matter.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses. It should be understood that internal controls are never perfected, and those controls, which protect the District's funds from such things as fraud and accounting errors, need to be continually reviewed by management and modified as necessary.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

- We reported one finding based on our testing of the District’s compliance with Minnesota laws and regulations:
 1. For 1 of 25 disbursements tested, the District was not in compliance with Minnesota Statutes requiring payment of invoices within 35 days from the receipt of goods or services, or the invoices for goods or services, for districts with governing boards that meet at least once a month.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2022. However, the District implemented the following governmental accounting standard during the year:

As described in Note 1 of the notes to the basic financial statements, the District implemented GASB Statement No. 87, *Leases* during fiscal year ended June 30, 2022. As described in Note 1 of the basic financial statements, this standard changed the way lease transactions are reported by the District, but did not result in a restatement of net position in the current year.

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

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

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

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

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

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

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

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

DISAGREEMENTS WITH MANAGEMENT

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated November 8, 2022.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

OTHER AUDIT FINDINGS OR ISSUES

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

OTHER MATTERS

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

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

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

FUNDING PUBLIC EDUCATION IN MINNESOTA

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this report. This section provides selected state-wide funding and financial trend information.

BASIC GENERAL EDUCATION REVENUE

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

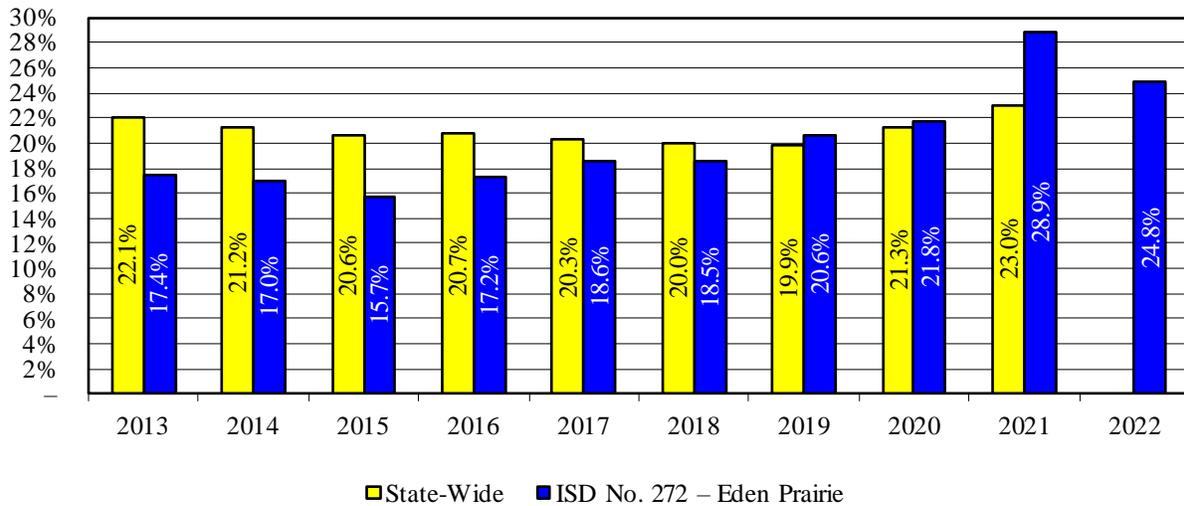
The table below presents a summary of the formula allowance for the past decade and as approved for the current audit period and the next fiscal year. The Legislature approved a per pupil increase of \$135 for fiscal 2023. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.00 percent, state-wide.

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

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

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



Note: State-wide information is not available for fiscal 2022.

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

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts decreased gradually from 22.1 percent at the end of fiscal 2013 to 19.9 percent at the end of fiscal 2019, a period of relative stability in the state's economic condition and school funding. This ratio began rising again during the fiscal years impacted by the COVID-19 pandemic increasing to 23.0 percent at the end of fiscal 2021.

As of June 30, 2022, this ratio was 24.8 percent for the District, as compared to 28.9 percent at the end of the previous year.

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

Governmental Funds Revenue per Student (ADM) Served								
	State-Wide		Metro Area		ISD No. 272 – Eden Prairie			
	2020	2021	2020	2021	2020	2021	2022	
General Fund								
Property taxes	\$ 2,345	\$ 2,576	\$ 3,100	\$ 3,411	\$ 4,207	\$ 4,311	\$ 4,379	
Other local sources	538	438	417	323	426	304	505	
State	10,144	10,514	10,127	10,517	9,493	9,835	9,679	
Federal	480	992	499	956	327	1,095	597	
Total General Fund	<u>13,507</u>	<u>14,520</u>	<u>14,143</u>	<u>15,207</u>	<u>14,453</u>	<u>15,545</u>	<u>15,160</u>	
Special revenue funds								
Food Service	554	576	539	568	490	390	714	
Community Service	632	612	732	684	786	672	902	
Debt Service Fund	<u>1,322</u>	<u>1,512</u>	<u>1,385</u>	<u>1,549</u>	<u>894</u>	<u>1,175</u>	<u>1,019</u>	
Total revenue	<u>\$ 16,015</u>	<u>\$ 17,220</u>	<u>\$ 16,799</u>	<u>\$ 18,008</u>	<u>\$ 16,623</u>	<u>\$ 17,782</u>	<u>\$ 17,795</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>8,895</u>	<u>8,618</u>	<u>8,980</u>	
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.								
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE								

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

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

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

The District earned \$159,778,176 in the governmental funds reflected above in fiscal 2022, an increase of \$6,531,018 (4.3 percent) from the prior year, or an increase of \$13 per ADM served. Total General Fund revenue decreased \$385 per ADM. General Fund federal revenue decreased \$498 per ADM, with fewer coronavirus relief and education stabilization funds recognized for COVID-19 pandemic-related spending. On a per capita basis (with increasing enrollment), state revenue decreased \$156 per ADM, resulting from a decrease in special education funding. These decreases were offset by an increase in revenues in other local sources in the General Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund, with the return to an in-person learning model and easing restrictions associated with the COVID-19 pandemic. Debt Service Fund revenues decreased \$156 per ADM, due to a reduction in property tax levies for debt service.

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

Governmental Funds Expenditures per Student (ADM) Served							
	State-Wide		Metro Area		ISD No. 272 – Eden Prairie		
	2020	2021	2020	2021	2020	2021	2022
General Fund							
District and school administration	\$ 1,093	\$ 1,184	\$ 1,100	\$ 1,205	\$ 1,101	\$ 1,182	\$ 1,249
Elementary and secondary regular instruction	5,881	6,198	6,231	6,527	6,409	6,390	6,860
Vocational education instruction	186	197	171	179	310	301	305
Special education instruction	2,481	2,626	2,626	2,792	2,392	2,522	2,387
Instructional support services	683	812	787	917	982	1,017	1,002
Pupil support services	1,203	1,228	1,316	1,285	1,043	1,083	1,139
Sites and buildings and other	952	1,083	910	1,052	1,567	1,606	1,473
Total General Fund – noncapital	12,479	13,328	13,141	13,957	13,804	14,101	14,415
General Fund capital expenditures	748	793	717	815	816	438	924
Total General Fund	13,227	14,121	13,858	14,772	14,620	14,539	15,339
Special revenue funds							
Food Service	556	532	548	522	533	421	585
Community Service	661	610	774	682	884	688	795
Debt Service Fund	1,360	1,576	1,379	1,609	990	1,132	1,068
Total expenditures	<u>\$ 15,804</u>	<u>\$ 16,839</u>	<u>\$ 16,559</u>	<u>\$ 17,585</u>	<u>\$ 17,027</u>	<u>\$ 16,780</u>	<u>\$ 17,787</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>8,895</u>	<u>8,618</u>	<u>8,980</u>
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.							
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE							

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs. The differences from program to program reflect the District’s particular character, such as its community service programs, as well as the fluctuations from year to year for such things as capital expenditures.

The District spent \$159,711,094 in the governmental funds reflected above in fiscal 2022, an increase of \$15,100,777 (10.4 percent) from the prior year, or an increase of \$1,007 per ADM served. General Fund expenditures, excluding capital, increased \$314 per ADM, with additional expenditures for elementary and secondary regular instruction (\$470 per ADM), due to increased salaries and benefits for the online learning model and early retirement incentives offered in the current year. General Fund capital expenditures increased \$486 per ADM, due to the finance purchase issued to purchase technology equipment and the building lease issued in the current year for space needs. Food Service Special Revenue and Community Service Special Revenue Funds increased \$164 per ADM and \$107 per ADM, respectively, consistent with the increase in revenues.

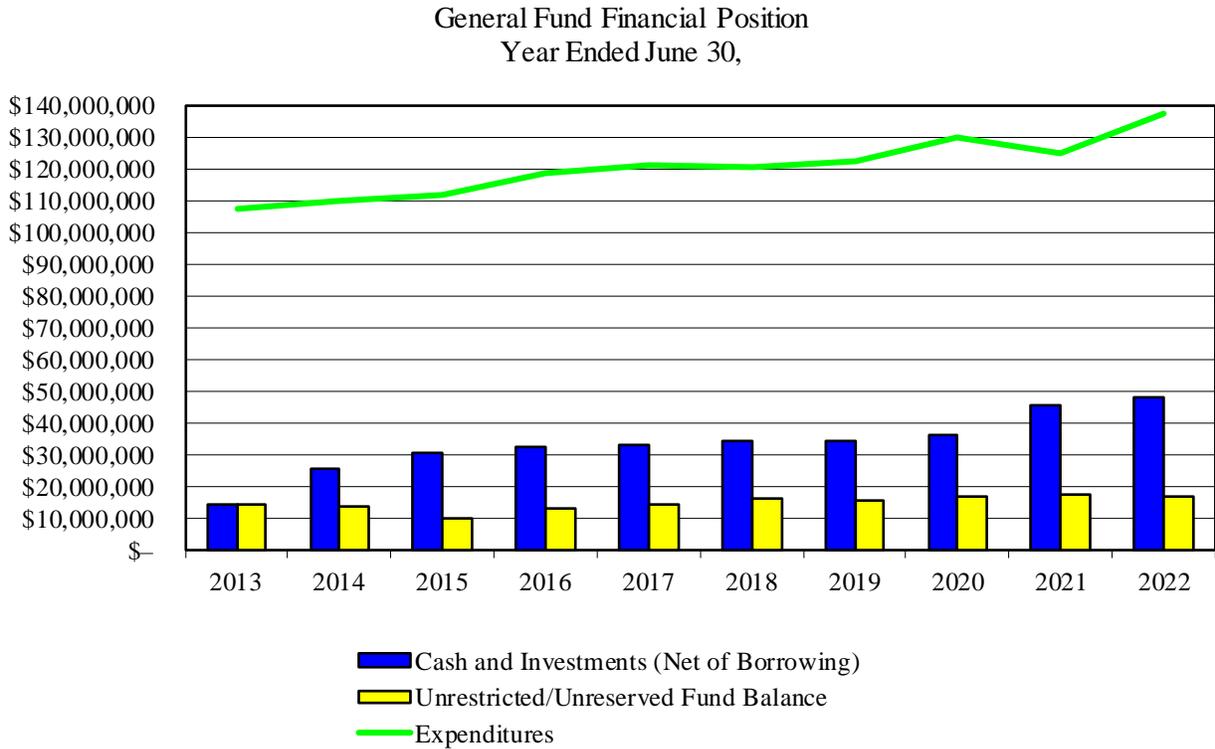
SUMMARY

The COVID-19 pandemic caused numerous financial and operational challenges for districts in recent years; creating instability in student populations, requiring numerous shifts in the delivery of educational services, and resulting in substantial new and unfamiliar federal revenue streams, to name a few. District school boards, administrators, and employees continue to face many challenges as districts strive to provide a safe and effective learning experience for their students in this uncertain and unprecedented environment.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

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



The General Fund cash balance (adjusted for interfund borrowing) at the end of fiscal year 2022 was \$48,048,604, an increase of \$2,568,017 from the prior year.

Total fund balance at year-end was \$30,857,985, a decrease of \$891,702. The year-end unassigned fund balance was \$17,040,479.

Changes in the metering of state aid payments to school districts and in the tax shift, as legislatively-approved, has significantly impacted cash and investment balances in the years presented in the graph above.

GENERAL FUND COMPONENTS OF FUND BALANCE

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

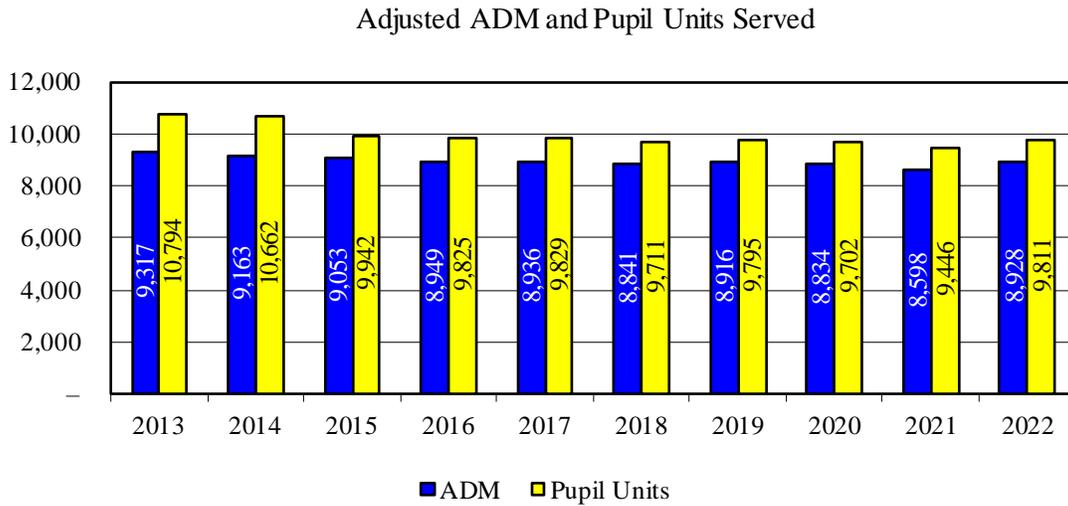
	June 30,				
	2018	2019	2020	2021	2022
Nonspendable fund balances	\$ 145,362	\$ 1,676,290	\$ 507,235	\$ 686,319	\$ 599,973
Restricted fund balances (1)	2,106,412	1,403,680	1,461,779	2,198,592	3,220,180
Unrestricted fund balances					
Assigned	1,685,452	2,826,715	4,320,382	11,053,757	9,997,353
Unassigned	16,349,250	15,751,476	17,207,918	17,811,019	17,040,479
Total fund balance	\$ 20,286,476	\$ 21,658,161	\$ 23,497,314	\$ 31,749,687	\$ 30,857,985
Total expenditures	\$ 120,809,427	\$ 122,810,797	\$ 130,053,168	\$ 125,297,301	\$ 137,728,612
Unrestricted fund balances as a percentage of expenditures	<u>14.9%</u>	<u>15.1%</u>	<u>16.6%</u>	<u>23.0%</u>	<u>19.6%</u>
Unassigned fund balances as a percentage of expenditures	<u>13.5%</u>	<u>12.8%</u>	<u>13.2%</u>	<u>14.2%</u>	<u>12.4%</u>
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

The table above reflects unrestricted and unassigned balances as a percentage of total General Fund expenditures, which differs from those in the previous discussion of state-wide fund balances, which are based on a state formula.

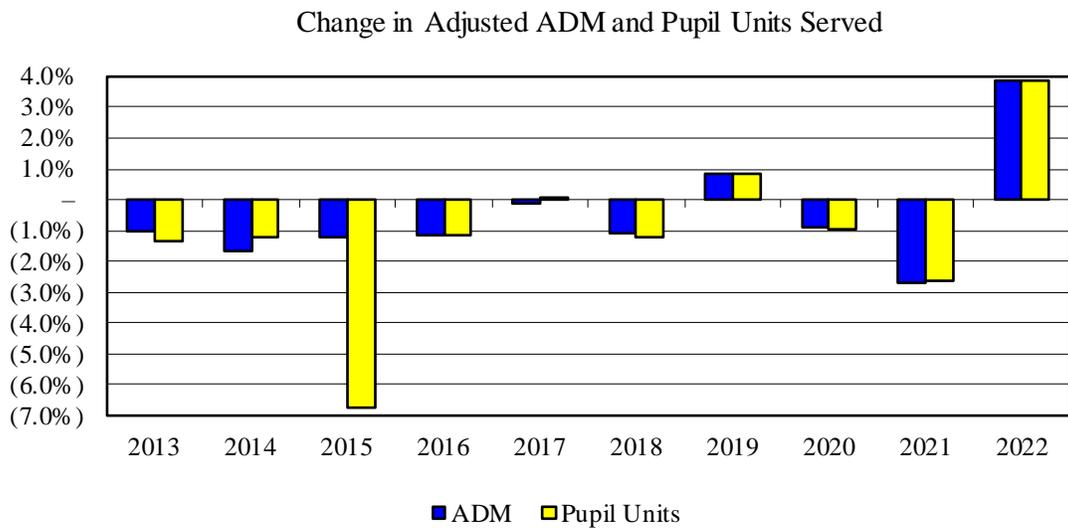
The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls. At June 30, 2022, unrestricted fund balances in the General Fund represented 19.6 percent of annual expenditures, or slightly more than 10 weeks of operations, assuming level spending throughout the year.

AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

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



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



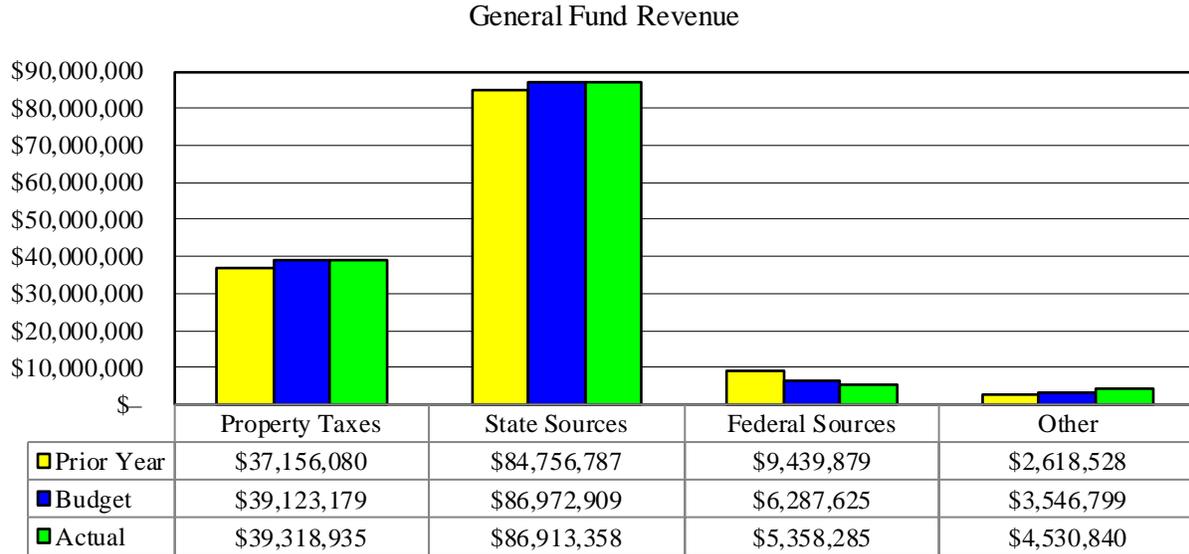
The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

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

The District served an estimated adjusted ADM of 8,928 in 2022, an increase of 330 (3.8 percent) from the previous year. The resulting pupil units served by the District increased by 365 to 9,811.

GENERAL FUND REVENUES

The following graph summarizes the District's General Fund revenue for 2022:



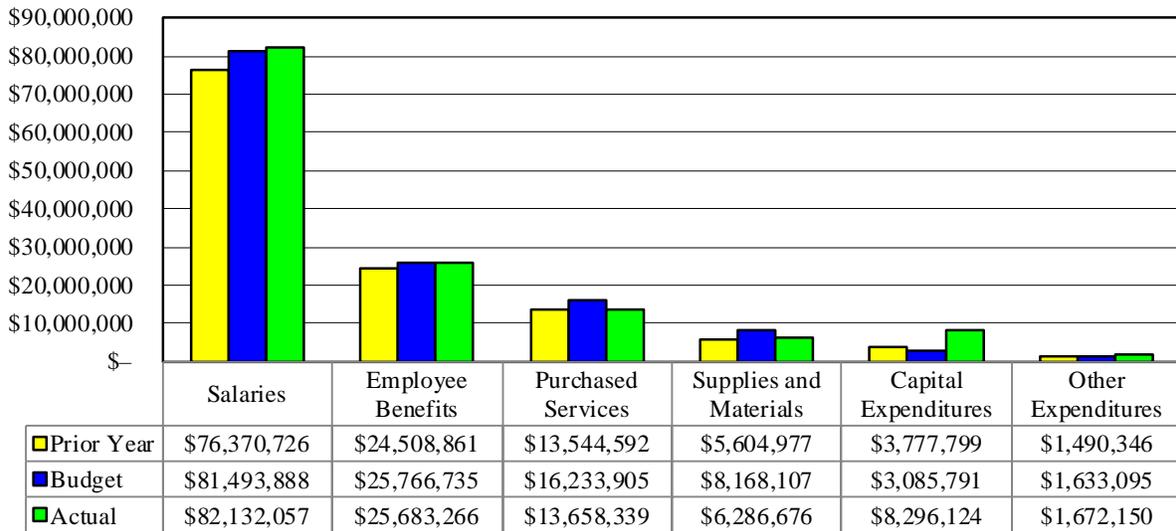
Total General Fund revenues were \$136,121,418 for the year ended June 30, 2022, which was \$190,906 (0.1 percent) over the final budget. Other local sources were \$984,041 over budget with COVID-19 pandemic restrictions easing and the District collecting more fees and charges with a return to the in-person learning model. Property tax revenues were over budget \$195,756, due to conservative budgeting in this revenue source. These variances were offset by federal sources, which were \$929,340 under budget, due to the timing of grant spending that will carry over to the following year.

General Fund total revenues were \$2,150,144 (1.6 percent) more than the previous year. Property tax revenue increased \$2,162,855, due to the increased levy in the current year. State sources were up \$2,156,571, due to funding improvements in the basic general education formula allowance and increased enrollment. Revenues from other local sources increased \$1,912,312, largely in fees and charges for services with easing pandemic restrictions and the return of students to the classroom as previously mentioned. These increases were offset by a decrease in revenue from federal sources with fewer coronavirus relief and education stabilization funds recognized for COVID-19 pandemic-related spending.

GENERAL FUND EXPENDITURES

The following graph summarizes the District's General Fund expenditures for 2022:

General Fund Expenditures

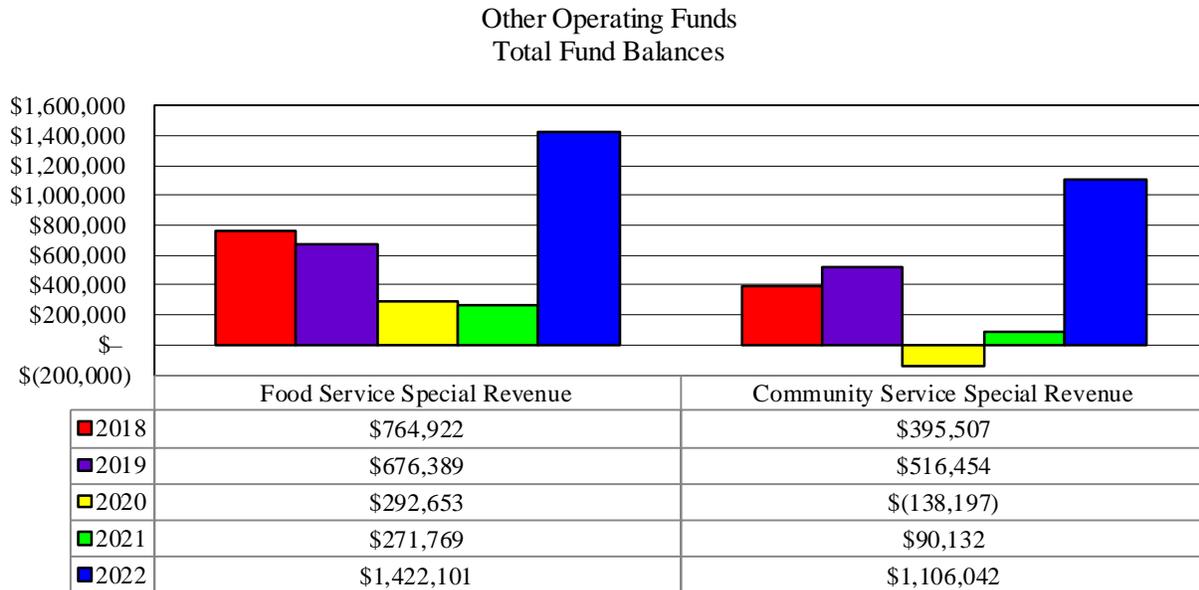


Total General Fund expenditures for 2022 were \$137,728,612, an increase of \$12,431,311 (9.9 percent) from the prior year. Personnel-related costs were \$6,935,736 (6.9 percent) higher than last year, mainly due to the online learning model and early retirement incentives offered in the current year. Capital expenditures were \$4,518,325 higher than the previous year, mainly due to the finance purchase issued to finance technology products and the building lease issued in the current year.

Total General Fund expenditures were over budget by \$1,347,091 (1.0 percent) in 2022, which was spread across several programs and object categories. Capital expenditures were \$5,210,333 over budget, due to equipment and space acquired through the finance purchase and lease issued in the current year, which were not included in the budget. This variance was partially offset by purchased services and supplies and materials which were under budget. Purchased services were \$2,575,566 under budget, mainly in special education instruction and sites and buildings. Supplies and materials were \$1,881,431 under budget, mainly in elementary and secondary regular instruction, due to the timing of spending at sites that will carry over to the following year.

OTHER FUNDS OF THE DISTRICT

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



Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended fiscal 2022 with a fund balance of \$1,422,101, which is an increase of \$1,150,332 from last year, compared to a budgeted increase of \$224,125. Food service revenue was \$6,407,566, which was over budget by \$1,114,288, mainly in federal sources. Total expenditures of \$5,257,234 were \$188,081 over budget. Participation levels were difficult to anticipate with the changing learning models, along with programming changes financing school nutrition programs, contributing to the variances in revenues and expenditures compared to budget and the prior year.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended the year with a fund balance of \$1,106,042, an increase of \$1,015,910 from the prior year, compared to a budgeted increase of \$452,959. A current year transfer of \$53,045 was made from the General Fund to help support program activity in the Community Service Special Revenue Fund. Actual revenues were more than projected amounts by \$1,678,450, while actual expenditures were more than budget by \$1,166,294. Conservative budgeting for program participation, with uncertainty related to the pandemic, contributed to the revenue budget variance. Expenditures were over budget, mainly in salaries, employee benefits, and purchased services, consistent with the revenue variance with more program participation than anticipated.

Over the years, we have emphasized to our clients that food service and community service operations should be self-sustaining, and should not become an additional burden on general education funds. This would include the accumulation of fund balance for future capital improvements and to provide a cushion in the event of a negative trend in operations.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund reported a fund balance decrease of \$11,636,229 in fiscal 2022, compared to a budgeted reduction of \$12,321,743, due to the spend down of bonds issued in previous years. The year-end fund balance of \$3,454,148 is restricted for capital projects (\$1,185,471), restricted for the long-term facilities maintenance (\$2,208,696), and includes nonspendable fund balance of \$59,981.

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. Fund balance decreased \$438,921 in 2022 to a year-end balance of \$1,714,937, which is restricted to the payment of outstanding debt obligations of the District.

Internal Service Funds

The internal service funds are considered proprietary funds used to account for health and dental insurance offered by the District to its employees as self-insured plans.

At June 30, 2022, the Self-Insured Dental Benefits Internal Service Fund had accumulated \$774,980 of cash and investments (adjusted for interfund borrowing) available to pay future dental benefits for the participating members of the District, including estimated claims payable of \$20,933 accrued at year-end. The Self-Insured Dental Benefits Internal Service Fund ended the year with a net position of \$632,685.

At June 30, 2022, the Self-Insured Health Benefits Internal Service Fund had accumulated \$10,150,267 of cash and investments (adjusted for interfund borrowing) available to pay future health benefits for the participating members of the District, including estimated claims payable of \$752,397 accrued at year-end. The Self-Insured Health Benefits Internal Service Fund ended the year with a net position of \$8,361,913.

Post-Employment Benefits Trust Fund

The District has established a Post-Employment Benefits Trust Fund to account for an irrevocable trust account established to finance the District's liability for post-employment healthcare benefits. At year-end, trust net position of \$14,834,446 is available for future OPEB payments.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

	June 30,		Change
	2022	2021	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 38,555,213	\$ 49,355,823	\$ (10,800,610)
OPEB asset, net of deferments	3,680,654	4,774,746	(1,094,092)
Total capital assets, net of depreciation and amortization	136,536,679	126,728,543	9,808,136
Bonds, financed purchases, and leases payable	(101,822,320)	(105,193,590)	3,371,270
Pension liability, net of deferments	(118,217,004)	(125,596,093)	7,379,089
Other adjustments	7,749,748	6,016,387	1,733,361
Total net position – governmental activities	\$ (33,517,030)	\$ (43,914,184)	\$ 10,397,154
Net position			
Net investment in capital assets	\$ 41,428,049	\$ 38,298,795	\$ 3,129,254
Restricted	9,956,996	8,176,157	1,780,839
Unrestricted	(84,902,075)	(90,389,136)	5,487,061
Total net position	\$ (33,517,030)	\$ (43,914,184)	\$ 10,397,154

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

Total net position increased \$10,397,154 in fiscal 2022. The District's net investment in capital assets increased \$3,129,254 this year. The change in this category of net position is typically determined by the relationship between the depreciation of capital assets and the repayment of the debt issued to construct or acquire the assets.

Restricted net position increased \$1,780,839, primarily in amounts restricted for capital asset acquisition, food service, community service, and other state funding restrictions.

Unrestricted net position increased \$5,487,061, mainly due to changes in the District's proportionate share of the Public Employees Retirement Association's and the Teachers Retirement Association's pension plan liabilities and related deferments.

ACCOUNTING AND AUDITING UPDATES

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

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

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

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

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

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

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

GASB STATEMENT NO. 99, *OMNIBUS 2022*

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.

- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* to refer to resource flows statements.

The requirements of this statement that are effective are as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB STATEMENT NO. 100, ACCOUNTING CHANGES AND ERROR CORRECTIONS – AN AMENDMENT OF GASB STATEMENT NO. 62

The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The requirements of this statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 101, *COMPENSATED ABSENCES*

The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used, but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used, but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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Special Purpose Audit Report



EDEN PRAIRIE SCHOOLS
Inspiring each student every day™

2022

Eden Prairie Schools | ISD #272 | Eden Prairie, MN
Fiscal Year Ending June 30, 2022

INDEPENDENT SCHOOL DISTRICT NO. 272
EDEN PRAIRIE, MINNESOTA

Special Purpose Audit Reports

Year Ended
June 30, 2022

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INDEPENDENT SCHOOL DISTRICT NO. 272

Special Purpose Audit Reports
Year Ended June 30, 2022

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INDEPENDENT SCHOOL DISTRICT NO. 272

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures	
U.S. Department of Agriculture			
Passed through Minnesota Department of Education			
Child nutrition cluster			
COVID-19 – School Breakfast Program	10.553	\$ 599,352	
COVID-19 – National School Lunch Program	10.555	\$ 4,194,325	
National School Lunch Program	10.555	<u>420,273</u>	
Total ALN 10.555		<u>4,614,598</u>	
Total child nutrition cluster			\$ 5,213,950
U.S. Department of the Treasury			
Passed through Minnesota Department of Education			
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	416,578	
Passed through Hennepin County			
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>10,000</u>	
Total ALN 21.027			426,578
U.S. Department of Education			
Passed through Minnesota Department of Education			
Special education cluster			
Special Education Grants to States	84.027	1,314,527	
Special Education Preschool Grants	84.173	<u>56,410</u>	
Total special education cluster			1,370,937
Special Education – Grants for Infants and Families	84.181		32,479
Title I Grants to Local Educational Agencies	84.010		1,104,036
Supporting Effective Instruction State Grants	84.367		231,322
English Language Acquisition State Grants	84.365		109,970
Student Support and Academic Enrichment Program	84.424		35,403
Education Stabilization Fund			
COVID-19 – Governor’s Emergency Education Relief (GEER) Fund	84.425C	230,480	
COVID-19 – Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	128,694	
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	1,759,595	
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) Fund – Homeless Children and Youth	84.425W	<u>6,834</u>	
Total ALN 84.425			2,125,603
Passed through Independent School District No. 284			
Career and Technical Education – Basic Grants to States	84.048		37,625
U.S. Department of Health and Human Services			
Passed through Minnesota Department of Education			
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases	93.323		128,632
Passed through Minnesota Department of Human Services			
Child Care and Development Fund Cluster			
COVID-19 – Child Care and Development Block Grant	93.575		<u>85,197</u>
Total federal awards			<u>\$10,901,732</u>

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

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

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

Note 4: The District had \$319,979 of noncash assistance included in the National School Lunch Program, ALN 10.555.

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

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2022.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

(continued)

REPORT ON COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
November 8, 2022



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

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

OPINION ON EACH MAJOR FEDERAL PROGRAM

We have audited Independent School District No. 272’s (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2022. The District’s major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2022.

BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance requirements referred to above.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

Management is responsible for compliance with the requirements referred to on the previous page and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to on the previous page occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to on the previous page is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with the generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to on the previous page and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

(continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section on the previous page and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined on the previous page. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 8, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Minneapolis, Minnesota
November 8, 2022

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2022.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, we noted that the District failed to comply with the provisions of the claims and disbursements section of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to the Minnesota Statutes § 6.65, insofar as they relate to accounting matters as described in the Schedule of Findings and Questioned Costs as finding 2022-001. Also, in connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

DISTRICT'S RESPONSE TO FINDING

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the legal compliance finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

(continued)

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
November 8, 2022

INDEPENDENT SCHOOL DISTRICT NO. 272

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

A. SUMMARY OF AUDIT RESULTS

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

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to the financial statements noted? Yes X No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

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

U.S. Department of Agriculture – Child Nutrition Cluster	Unmodified
U.S. Department of the Treasury – COVID-19 – Coronavirus State and Local Fiscal Recovery Fund	Unmodified
U.S. Department of Education – Special Education Cluster	Unmodified
U.S. Department of Education – COVID-19 – Education Stabilization Fund	Unmodified

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

Programs tested as major programs:

Program or Cluster(s)	Federal ALN
U.S. Department of Agriculture – child nutrition cluster consisting of:	
– COVID-19 – School Breakfast Program	10.553
– COVID-19 – National School Lunch Program	10.555
– National School Lunch Program	10.555
U.S. Department of the Treasury – COVID-19 – Coronavirus State and Local Fiscal Recovery Fund	21.027
U.S. Department of Education – special education cluster consisting of:	
– Special Education – Grant to States	84.027
– Special Education – Preschool Grants	84.173
U.S. Department of Education – COVID-19 – Education Stabilization Fund	84.425
Threshold for distinguishing type A and B programs.	<u>\$750,000</u>

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2022

B. FINANCIAL STATEMENT FINDINGS

None.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

D. MINNESOTA LEGAL COMPLIANCE FINDINGS

2022-001 PAYMENT OF INVOICES

Criteria – Minnesota Statutes § 471.425 requires prompt payment of local government bills within a standard payment period of 35 days from the receipt of goods and services, or the invoice for goods or services, for districts with governing boards that meet at least once a month. If such obligations are not paid within the appropriate time period, districts must pay interest on the unpaid obligations at the rate of 1.5 percent per month or part of a month.

Condition – One of twenty-five disbursements selected for testing was not paid within the required thirty-five days from the receipt of goods and services.

Questioned Costs – Not applicable.

Context – One of twenty-five disbursements tested was not paid within the required thirty-five-day period.

Repeat Finding – This is a current year finding.

Cause – This was an oversight by district personnel.

Effect – Independent School District No. 272 (the District) did not pay this claim within the time frame allowed by state statutes.

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

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



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

To the School Board and Management of
Independent School District No. 272
Eden Prairie, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2022.

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

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

(continued)

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

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

Minneapolis, Minnesota

November 8, 2022

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INDEPENDENT SCHOOL DISTRICT NO. 272

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2022

	Audit	UFARS	Audit – UFARS
General Fund			
Total revenue	\$ 136,121,418	\$ 136,121,418	\$ –
Total expenditures	\$ 137,728,612	\$ 137,728,611	\$ 1
Nonspendable			
460 Nonspendable fund balance	\$ 599,973	\$ 599,973	\$ –
Restricted			
401 Student activities	\$ 67,383	\$ 67,383	\$ –
402 Scholarships	\$ 28,518	\$ 28,518	\$ –
403 Staff development	\$ –	\$ –	\$ –
407 Capital projects levy	\$ 1,991,689	\$ 1,991,689	\$ –
408 Cooperative revenue	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
414 Operating debt	\$ –	\$ –	\$ –
416 Levy reduction	\$ –	\$ –	\$ –
417 Taconite building maintenance	\$ –	\$ –	\$ –
424 Operating capital	\$ 866,765	\$ 866,765	\$ –
426 \$25 taconite	\$ –	\$ –	\$ –
427 Disabled accessibility	\$ –	\$ –	\$ –
428 Learning and development	\$ –	\$ –	\$ –
434 Area learning center	\$ –	\$ –	\$ –
435 Contracted alternative programs	\$ –	\$ –	\$ –
436 State approved alternative program	\$ –	\$ –	\$ –
438 Gifted and talented	\$ –	\$ –	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
441 Basic skills programs	\$ –	\$ –	\$ –
448 Achievement and integration	\$ 126,324	\$ 126,324	\$ –
449 Safe schools levy	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
453 Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459 Basic skills extended time	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ –	\$ –	\$ –
472 Medical Assistance	\$ 139,501	\$ 139,501	\$ –
473 PPP loans	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
475 Title VII – Impact Aid	\$ –	\$ –	\$ –
476 PILT	\$ –	\$ –	\$ –
Committed			
418 Committed for separation	\$ –	\$ –	\$ –
461 Committed fund balance	\$ –	\$ –	\$ –
Assigned			
462 Assigned fund balance	\$ 9,997,353	\$ 9,997,353	\$ –
Unassigned			
422 Unassigned fund balance	\$ 17,040,479	\$ 17,040,480	\$ (1)
Food Service			
Total revenue	\$ 6,407,566	\$ 6,407,566	\$ –
Total expenditures	\$ 5,257,234	\$ 5,257,234	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ 217,492	\$ 217,492	\$ –
Restricted			
452 OPEB liability not in trust	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 1,204,609	\$ 1,204,609	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Community Service			
Total revenue	\$ 8,101,214	\$ 8,101,214	\$ –
Total expenditures	\$ 7,138,349	\$ 7,138,347	\$ 2
Nonspendable			
460 Nonspendable fund balance	\$ 50,000	\$ 50,000	\$ –
Restricted			
426 \$25 taconite	\$ –	\$ –	\$ –
431 Community education	\$ 230,805	\$ 230,805	\$ –
432 ECFE	\$ 285,706	\$ 285,706	\$ –
440 Teacher development and evaluation	\$ –	\$ –	\$ –
444 School readiness	\$ 539,531	\$ 539,531	\$ –
447 Adult basic education	\$ –	\$ –	\$ –
452 OPEB liability not in trust	\$ –	\$ –	\$ –
473 PPP loans	\$ –	\$ –	\$ –
474 EIDL loans	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 272

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2022

	Audit	UFARS	Audit – UFARS
Building Construction			
Total revenue	\$ 64,351	\$ 64,352	\$ (1)
Total expenditures	\$ 14,943,637	\$ 14,943,637	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ 59,981	\$ 59,981	\$ –
Restricted			
407 Capital projects levy	\$ –	\$ –	\$ –
413 Projects funded by COP	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ 2,208,696	\$ 2,208,696	\$ –
464 Restricted fund balance	\$ 1,185,471	\$ 1,185,471	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service			
Total revenue	\$ 9,147,978	\$ 9,147,979	\$ (1)
Total expenditures	\$ 9,586,899	\$ 9,586,899	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
433 Maximum effort loan	\$ –	\$ –	\$ –
451 QZAB payments	\$ –	\$ –	\$ –
467 Long-term facilities maintenance	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ 1,714,937	\$ 1,714,938	\$ (1)
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –
Trust			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
Custodial Fund			
Total revenue	\$ 3,190	\$ 3,190	\$ –
Total expenditures	\$ 3,190	\$ 3,190	\$ –
401 Student activities	\$ –	\$ –	\$ –
402 Scholarships	\$ –	\$ –	\$ –
448 Achievement and integration	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Internal Service			
Total revenue	\$ 14,399,023	\$ 14,399,024	\$ (1)
Total expenditures	\$ 13,285,059	\$ 13,285,060	\$ (1)
422 Net position	\$ 8,994,598	\$ 8,994,598	\$ –
OPEB Revocable Trust Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
422 Net position	\$ –	\$ –	\$ –
OPEB Irrevocable Trust Fund			
Total revenue	\$ (2,076,955)	\$ (2,076,955)	\$ –
Total expenditures	\$ 2,341,026	\$ 2,341,026	\$ –
422 Net position	\$ 14,834,446	\$ 14,834,446	\$ –
OPEB Debt Service Fund			
Total revenue	\$ –	\$ –	\$ –
Total expenditures	\$ –	\$ –	\$ –
Nonspendable			
460 Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted			
425 Bond refundings	\$ –	\$ –	\$ –
464 Restricted fund balance	\$ –	\$ –	\$ –
Unassigned			
463 Unassigned fund balance	\$ –	\$ –	\$ –

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

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