

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year ending June 30th, 2023



DISTRICT 196

One District. Infinite Possibilities.

Rosemount-Apple Valley-Eagan Public Schools
Rosemount, Minnesota

Educating our students to reach their full potential

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**INDEPENDENT SCHOOL DISTRICT NO. 196
November 13, 2023
ROSEMOUNT, MINNESOTA

YEAR ENDED JUNE 30, 2023**

**PREPARED BY THE
FINANCE DEPARTMENT**

**CHRISTOPHER P. ONYANGO-ROBSHAW
DIRECTOR OF FINANCE AND OPERATIONS**

**DANIEL DUCHENE
COORDINATOR OF FINANCE**

**ADAM LLOYD
CONTROLLER**



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Introductory Section

June 30, 2023

Rosemount-Apple Valley-Eagan ISD 196





November 13, 2023

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

INTRODUCTION

We are submitting the Annual Comprehensive Financial Report (ACFR) of Independent School District No. 196, Rosemount – Apple Valley – Eagan (the District) for the fiscal year ended June 30, 2023. This report fairly presents the District’s financial position and results of operations and cash flows in accordance with accounting principles generally accepted in the United States of America. The District’s administration accepts total responsibility for the accuracy, completeness, and fairness in presentation.

The District’s financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance the financial statements of the District for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District’s financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors’ report is presented as the first component of the financial section of this report.

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

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

REPORT FORMAT

The ACFR is presented in three sections:

- **Introductory Section** - The introductory section contains this transmittal letter, an organizational chart, a list of School Board members and the Superintendent's Cabinet members, a map of the District, and a copy of the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for the District's 2021-2022 ACFR.
- **Financial Section** - The financial section begins with the independent auditors' report. This section includes the MD&A; basic financial statements; required supplementary information; and combining and individual fund statements and schedules presented as supplementary information.
- **Statistical Section** - The statistical section, which is not audited, includes selected financial, demographic, and economic data, generally presented on a multi-year comparative basis.

REPORTING ENTITY AND ITS SERVICES

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

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

Programs and Services

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

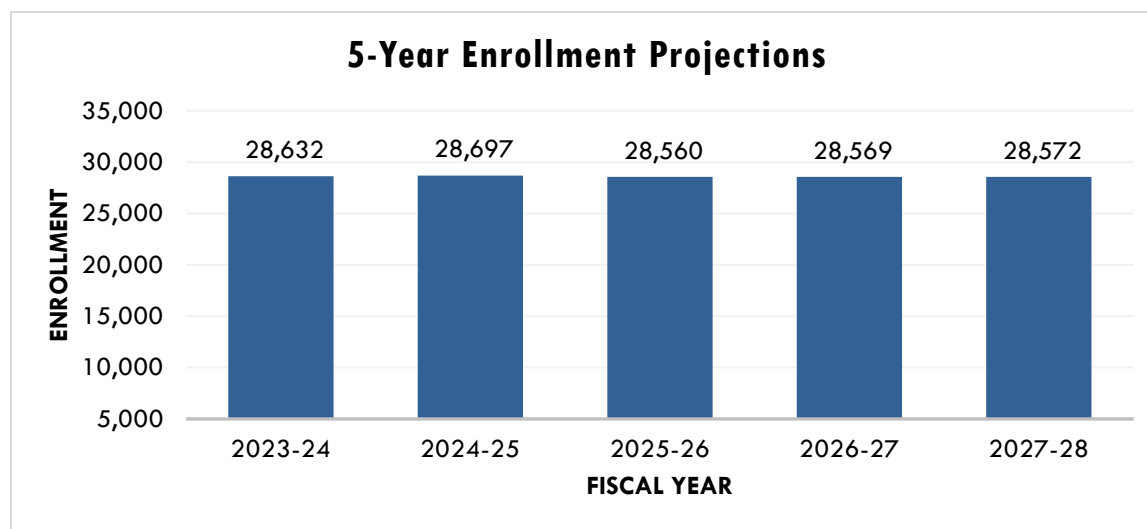
Student Enrollment

The District had an average daily membership totaling 28,756 in 2022-2023 from a population of 163,960 people residing in a 108.6 square mile area. In terms of the number of students, the District is Minnesota's fourth largest school district.

The District has an increasingly diverse population of students with a variety of needs. For the 2022-2023 school year, 57% of our students were Caucasian, 15% of the District's student population were African American, students of Asian descent comprised 8%, Hispanic students totaled 11%, 2% were American Indian, while other races accounted for 7%.

In 2022-2023, 31.8% of our students qualified to receive free or reduced-price meals; this compared to a fall 2023 Minnesota average of 43.4%.

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



District Schools and Facilities

During the 2022-2023 school year, the District operated 36 school buildings: 1 Early Childhood Learning Center, 4 comprehensive (Grades 9-12) high schools, 1 optional (Grades 11-12) high school, 6 middle schools (Grades 6-8), 19 elementary schools (kindergarten through Grade 5), 1 area learning center, 1 school (kindergarten through Grade 12) for students with special needs, and 2 learning centers dedicated to adult basic education and early childhood education students.

The average age of the District's facilities is 37 years; the District qualifies for Long Term Facilities Maintenance funding and has been able to keep up with routine repairs, maintenance, and other major improvements.

LOCAL ECONOMIC CONDITION AND OUTLOOK

According to the Minnesota Department of Management and Budget, economic data has shown improvement due to the economy's resilience throughout the year. The forecasted GDP growth for 2023 was projected at 2.5%, in the released October report, which is up from the 0.7% growth forecast in the February outlook report. Generally, growth is expected to decrease slightly moving into 2024 with a forecasted GDP growth of 1.6%.

According to the October economic update, unemployment across the U.S. in September was at 3.8%, up from last year's rate of 3.5%. The unemployment rate is similar to the pre-pandemic level of 3.5% reported in February 2020. This unemployment rate does not take into consideration those who are not in the labor force or who are in the labor force but are not looking for payroll employment.

The state's February 2023 budget forecast indicated an increase in anticipated revenue collections. The \$720 million (1.3%) increase in revenues for fiscal year 2023, would result in a budgetary balance of \$12.48 billion.

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

Reliance on the state for the majority of its operating revenues places the District in the position of being dependent on state-wide economic conditions that drive state tax collections. The 2017 Legislature has provided some increase to the basic general education formula allowance and other categorical funding for the 2022-2023 school year. This funding level was again increased by the 2022 legislature for the coming biennium. Across the state, school boards and administrators continue to adjust instructional and related services delivery in an effort to maintain adequate programming buffeted by funding imbalances. The 2% formula allowance increase has not kept pace with general inflations and rising cost of providing quality education to all our students. The District will continue to respond to this challenge by curtailing expenditures when possible and is committed to engage staff and community members in future budget discussions and to consider other options for increasing revenues and containing growth.

DISTRICT MISSION AND STRATEGIC PLAN

In spring 2023, the District convened a task force to develop a strategic roadmap for education that will guide our district into the future. District staff, board members, students, and community members met together to acknowledge stakeholder interests and priorities. The group discussed district enrollment and demographics, school finance, equity, teaching and learning, community and partnerships, educational trends, and innovation. These planning meetings, led by a third-party facilitator, were followed by planning meetings where the task force members developed a revised mission statement for the District, a District vision, core values and strategic priorities for the future. The School Board approved the plan in June 2023. A brief summary of the plan is listed below.

Mission Statement - *Educating, developing, and inspiring our students for lifelong success.*

Vision

What we Intend to Create

District 196 provides the experiences that our students, families and employees desire by:

- Developing the whole student and honoring diverse needs and cultures;
- Engaging students with opportunities in academics, arts and athletics, and
- Living our mission and core values to prepare students, families and employees for lifelong success.

Core Values

Drivers of Our Words and Actions

- Student-Centered - All decisions are centered on what is best for students.
- Empathy - Seeking awareness and understanding of the perspectives and experiences of others.
- Wellness - Support the emotional, social and physical well-being of the whole person.
- Integrity - Act with respect, honesty and responsibility.
- Achievement - Provide learning with high expectations, rigor and resiliency for all.
- Collaboration - Learn and engage together for a shared purpose.
- Community - Foster an environment of inclusivity, engagement and belonging.
- Lifelong Learning - Inspire a love of learning for all ages.

Strategic Priorities

Focus of Our Continuous Improvement

- Increasing capacities, skills, structures, and experiences in social-emotional well-being.
- Strengthening and aligning curriculum and instructional practices across all classrooms to improve student outcomes and staff efficacy.
- Supporting equity as a core competency through practices, structures, beliefs, resources and staffing.
- Providing staffing, facilities, technology and equipment needed to support a safe, sustainable and dynamic learning environment for all students.

STUDENT ASSESSMENT AND TESTING

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

Minnesota Comprehensive Assessments (MCAs)

According to the results of the Standards-Based Accountability Assessments released by the Minnesota Department of Education in July 2023, the percentage of the District's students who scored proficient on the state reading, math, and science tests exceeded the state-wide averages for all grades tested in the spring of 2023.

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

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

Compared to 2022 results, the percentage of district students who scored proficient on the MCAs or MTAS reading, math, and science tests increased slightly on average for all levels tested.

American College Test (ACT)

In 2022-2023, the District's high school students continued to score higher than the state and national average composite scores on the ACT college-entrance exam.

The ACT average composite score for the District's students in 2023 was 21.3 points out of a possible score of 36. The District average decreased from the year before but is still 1.8 points higher than the national average of 19.5 points and 0.5 points higher than the state average of 20.8 points, which was highest among the 17 states where more than 90% of all students took the test.

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

Advanced Placement (AP)

In August 2023, 698 of the District's high school students were recognized as AP Scholars by the College Board for earning a score of 3 or higher (on a scale of 1-to-5) on at least three or more exams. An AP exam score of 3 or higher earns credit at many of the nation's colleges and universities.

National Merit Scholars

In 2022-2023, 12 of the District's high school seniors were named National Merit Scholarship semifinalists (top 1% of seniors nation-wide), another 14 students were named commended students (top 5%).

ACHIEVEMENTS AND AWARDS

National Speech and Debate Association - Top 10 Schools of Outstanding Distinction

In 2022-2023, Apple Valley and Eagan high schools were each in the top 10 Schools of Outstanding Distinction at the June 13-16, 2023 National Speech and Debate Association tournament.

The tournament's top 10 schools are selected based on the number of rounds of competition their students compete in both speech and debate events. A total of 34 District 196 students qualified for this year's national tournament, 9 from Eastview, 10 from Eagan, 15 from Apple Valley and one from Rosemount High School.

FINANCIAL AND BUDGETARY CONTROL

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

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

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

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

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

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

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

CERTIFICATE OF EXCELLENCE

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

The District received the Certificate of Excellence in Financial Reporting from ASBO International for excellence in the preparation and issuance of the District's ACFR for the year ended June 30, 2022. It is the 20th consecutive year the District has received the award, which was earned by fewer than 10% of all school districts in the state.

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

MERITORIOUS BUDGET AWARD

The District's Finance Department has submitted its 2023-2024 budget for the ASBO international Meritorious Budget Award (MBA). The receipt of this award is pending as of the audit conclusion.

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

FINANCIAL PROSPECTS FOR FUTURE YEARS

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

The state's budget outlook has improved steadily since 2012 and the Minnesota Department of Management and Budget's February 2023 forecast calls for the continual improvement over the next several years. This positive outlook incorporates the infusion of federal aid in response to the COVID19 pandemic.

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

School Year	Formula Allowance	Percentage Change
2018-19	\$6,312	2.00%
2019-20	\$6,438	2.00%
2020-21	\$6,567	2.00%
2021-22	\$6,728	2.45%
2022-23	\$6,863	2.00%

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

MAJOR INITIATIVES

Facility Improvements

On May 9, 2023, district voters approved two new building bond referendum questions for \$493 million in capital improvements. Referendum question 1 provided the District with \$374 million in bonding authority to make safety and security improvements at all schools, a new elementary school, a new Rosemount Middle School and repurposing the current school, additions to Scott Highlands Middle School and Dakota Ridge School, finish renovation of Rosemount High School with an addition, renovation of Transition Plus, science lab and performance space improvements at secondary schools.

The referendum questions also include \$119 million to provide an activity center addition at each of the district's four comprehensive high schools.

Operating Referendum

On November 5, 2019, district voters approved an operating referendum question for the district. The referendum question revoked and replaced the previous authority and provided \$19 million in additional levy authority beginning in the fiscal year 2021-2022. These funds have been used to reverse the reductions of previous years and provide additional support for areas of great need including mental health support and after school activity busses, which allow more students to participate in enrichment activities beyond the school day.

ACKNOWLEDGMENTS

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Adam Lloyd'.

Adam Lloyd, CPA
Controller

A handwritten signature in black ink, appearing to read 'Chris Onyango-Robshaw'.

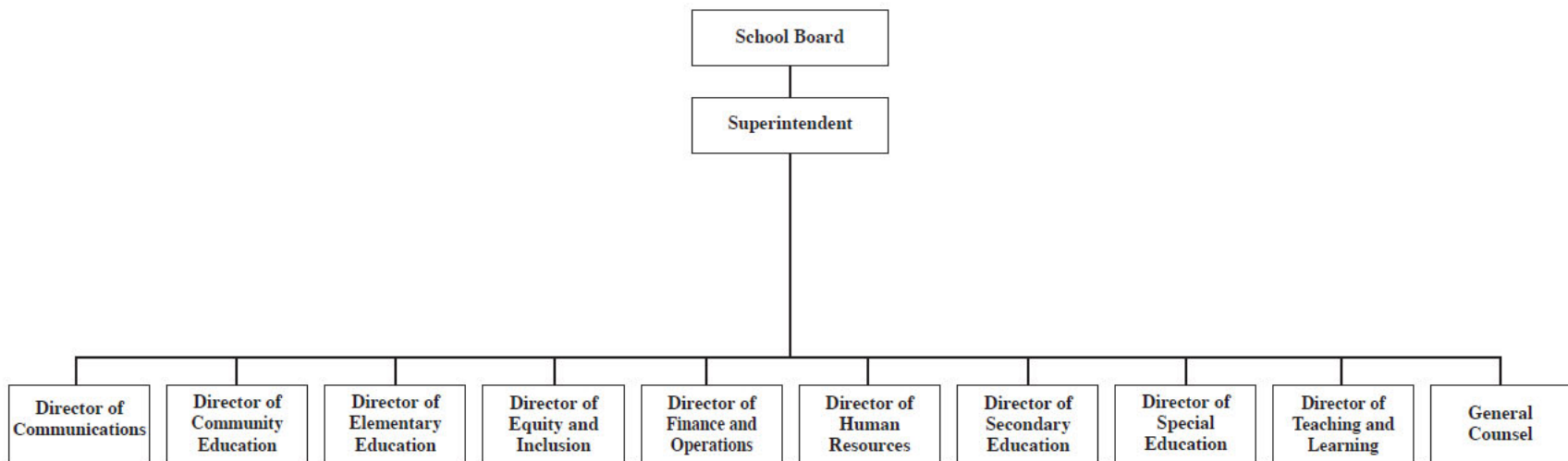
Christopher Onyango-Robshaw, CPA
Director of Finance (Interim)



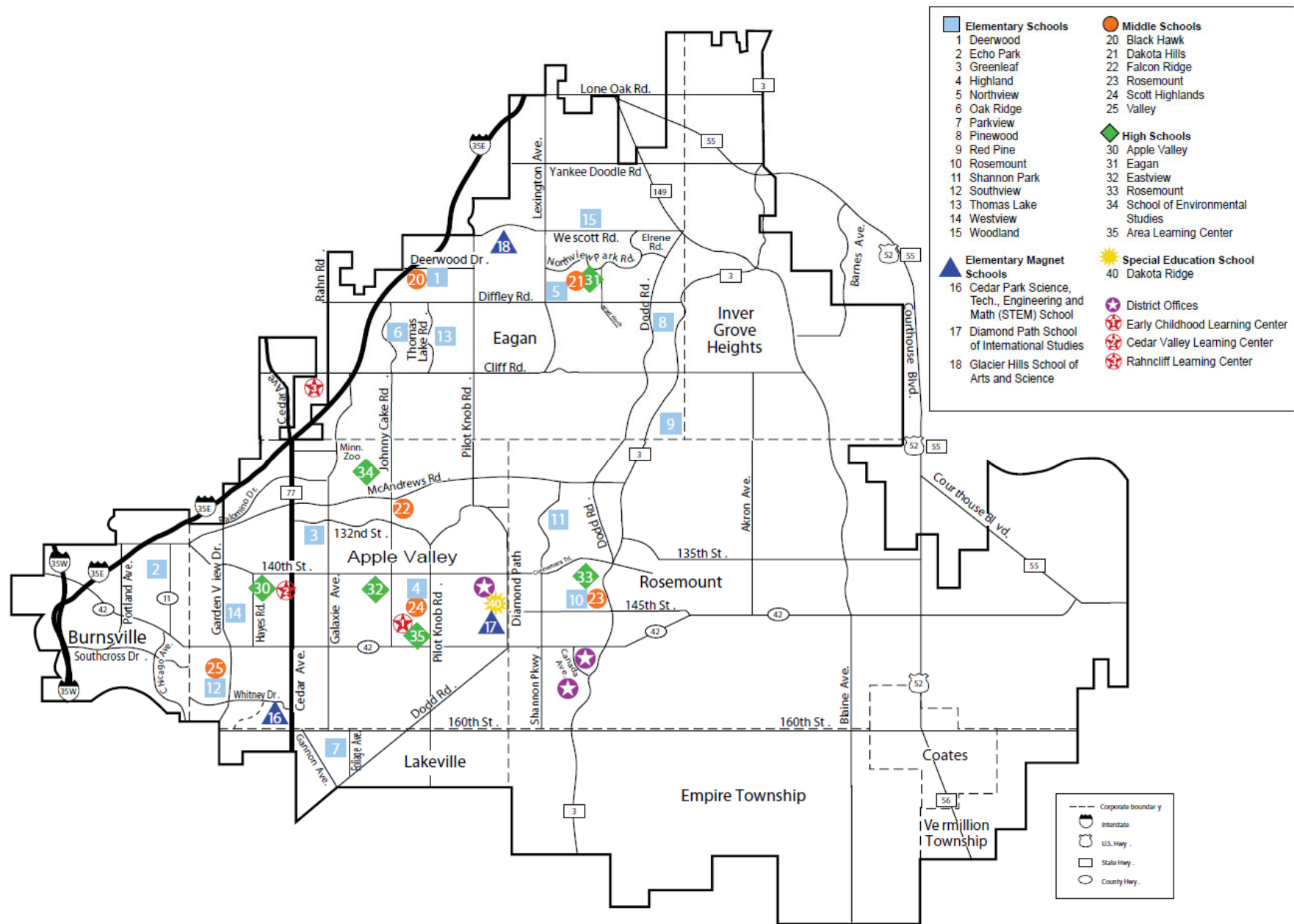
INDEPENDENT SCHOOL DISTRICT 196
Rosemount-Apple Valley-Eagan Public Schools
Educating our students to reach their full potential

Series Number 301.4.5AR Adopted October 1989 Revised May 2021

Title Organization Chart



<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
School Board		
Cory Johnson	Chairperson	2024
Sachin Isaacs	Vice Chairperson	2024
Sakawdin Mohamed	Clerk	2026
Jackie Magnuson	Treasurer	2024
Joel Albright	Director	2024
Art Coulson	Director	2026
Bianca Virnig	Director	2026
Superintendent's Cabinet		
Mary Kreger	Superintendent	
Khia Bruse	Director of Community Education	
Jill Coyle	School District Attorney	
Janet Fimmen	Director of Special Education	
Jeremy Sorenson	Director of Elementary Education	
Michael Bolsoni	Director of Secondary Education	
Shelly Monson	Director of Human Resources	
Christopher Onyango-Robshaw	Director of Finance and Operations	
Tony Taschner	Director of Communications	
Steven Troen	Director of Teaching and Learning	
Virgil Jones	Director of Equity and Inclusion	





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**ISD 196 – Rosemount-Apple Valley-Eagan
Public Schools**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

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



A handwritten signature in black ink, reading 'John W. Hutchison'.

**John W. Hutchison
President**

A handwritten signature in black ink, reading 'Siobhán McMahon'.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**



Financial Section
June 30, 2023

Rosemount-Apple Valley-Eagan ISD 196





Independent Auditor's Report

The School Board of
Rosemount-Apple Valley-Eagan ISD 196
Rosemount, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rosemount-Apple Valley-Eagan ISD 196 ("the District"), as of and for the year ended June 30, 2023, 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 accompanying 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 Rosemount-Apple Valley-Eagan ISD 196, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the general fund, food service fund, and community service fund 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, for the year ended June 30, 2023. As a result of implementing the standard, there was no effect on the governmental activities net position as of July 1, 2022. Our opinions are not modified with respect to this matter.

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 twelve 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 GAAS 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 GAAS 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the District's net OPEB liability and related ratios; schedule of District OPEB contributions; schedule of employer's share of net pension liability; and schedule of employer's contributions 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 Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary 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 general fund schedule of changes in UFARS fund balances, combining and individual fund schedules, and the Uniform Financial Accounting and Reporting Standards Compliance Table are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 GAAS. In our opinion, the general fund schedule of changes in UFARS fund balances, combining and individual fund schedules, and the Uniform Financial Accounting and Reporting Standards Compliance Table are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The District's basic financial statements for the year ended June 30, 2022 (not presented herein), were audited by other auditors whose report thereon dated November 11, 2022, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The report of the other auditors dated November 11, 2022, stated that the combining and individual fund schedules for the year ended June 30, 2022 was subjected to the auditing procedures applied in the audit of the 2022 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the school board and administration listing 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Report on Other Legal and Regulatory Requirements

In accordance with Legal Compliance Audit Guide prepared by the Office of the State Auditor pursuant to Minn. Stat. §6.65, we have also issued a report dated November 13, 2023, on our consideration of the District's compliance with aspects of the provisions of the Minnesota Legal Compliance Audit Guide for School Districts. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not directed primarily toward obtaining knowledge of noncompliance. That report is an integral part of procedures performed in accordance with Office of the State Auditor's Minnesota Legal Compliance Audit Guide for School Districts in considering the District's compliance with certain regulatory requirements pursuant to Minn. Stat. §6.65.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Mankato, Minnesota
November 13, 2023



Management Discussion and Analysis
June 30, 2023

Rosemount-Apple Valley-Eagan ISD 196



This section of Rosemount-Apple Valley-Eagan ISD 196's Annual Comprehensive Financial Report (ACFR) presents the management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the district's financial statements, which immediately follow this letter. The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Government Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.

FINANCIAL HIGHLIGHTS

For the year ended June 30, 2023, the District showed an increase in total net position of \$78.9 million. Many factors contributed to this change. A few key financial highlights from the District's basic financial statements for the 2022-2023 fiscal year are listed below:

- The assets and deferred outflows of resources of the District exceed its liabilities and deferred inflows of resources at the close of the 2022-2023 fiscal year by \$11.14 million. This amount includes a net investment in capital assets of \$177.3 million, \$28.86 million net position restricted for specific uses, and a negative unrestricted net position of \$195.07 million.
- The District's total net position increased by \$78.9 million in the current year. Restricted net position decreased by \$2.30 million. The unrestricted portion of the District's net position increased \$69.4 million. A more detailed analysis of these changes can be found later in this document.
- As of June 30, 2023, the District's governmental funds reported combined ending fund balances of \$109.1 million, a net decrease of \$1.33 million in comparison with the prior year. Approximately 52.05% of the total fund balance amount, or \$56.78 million, is unassigned.
- At the close of the 2022-2023 fiscal year, unassigned fund balance for the General Fund was \$56.84 million, or 12.26%, of total General Fund expenditures.
- The District's long-term liabilities increased by \$140.64 million, or 40.12%, during the current fiscal year. This was partially due to a \$160.73 million net increase in the District's proportionate share of the net pension liability related to the statewide pension plans administered by the Teachers Retirement Association (TRA) and the Public Employees Retirement Association (PERA). This increase was also offset by a \$18.64 million decrease in the District's liabilities for bonds, COPs, financed purchases, leases, and subscription liabilities. The liability for severance benefits and compensated absences payables also decreased \$1.38 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental Funds* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationship (or differences) between them.
- *Proprietary Fund* - The District maintains one type of proprietary fund. The Internal Service Funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its Internal Service Funds to account for its dental and health self-insurance programs as well as contributions and benefit payments for the District's severance benefits. These services have been included within the governmental activities in the government-wide financial statements.
- *Fiduciary Funds* - The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial and governmental fund statements because the District cannot use these assets to finance its operations.

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

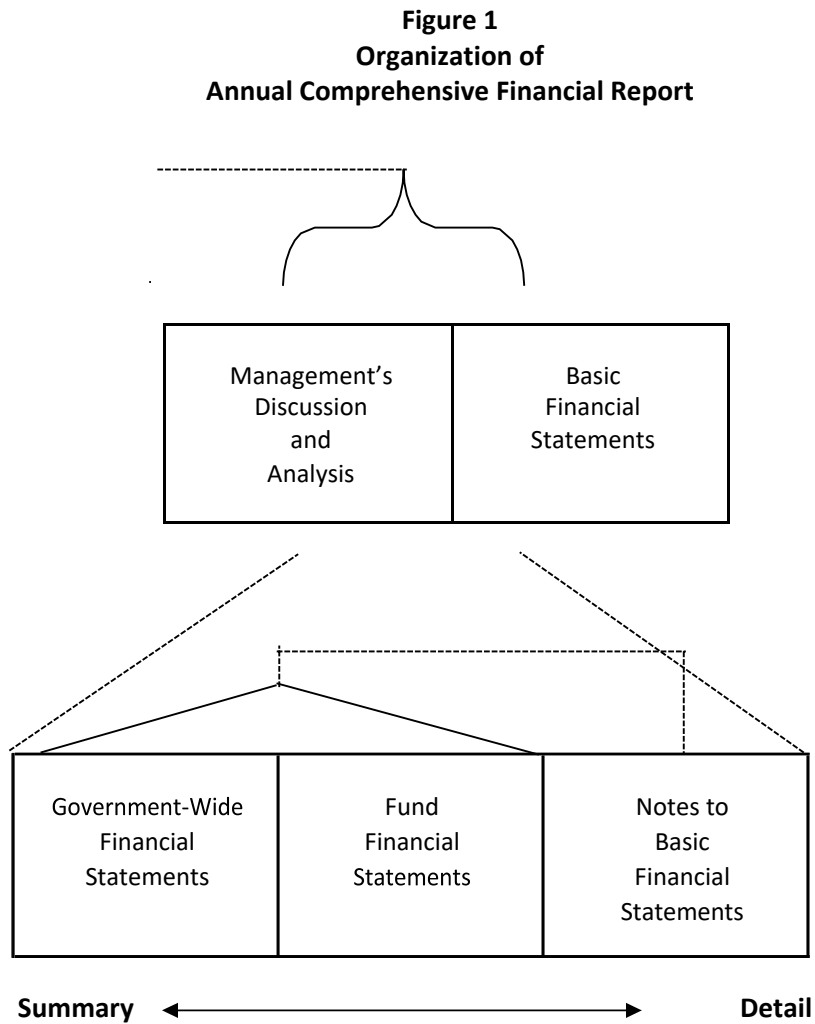


Figure 2, at the top of the next page, summarizes the major features of the District's financial statements, including portions of the District's activities covered and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and contents of each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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

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

The District's *combined* net position was \$11,141,699 on June 30, 2023 (see Table A-1).

The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2023 increasing the District's net position to a total of \$11,141,699. The District's total net position was significantly impacted in fiscal 2020 by the required actuarial calculation changes included in GASB Statements related to statewide pension plans. The District had \$28,859,465 of net position that was available to meet its ongoing obligations but restricted for specific uses.

Table A-1
Statement of Net Position
June 30, 2023 and 2022

	2023	2022 (as restated)
Assets		
Current assets	\$ 341,548,592	\$ 331,531,007
Capital assets	314,081,221	319,494,051
Total assets	<u>655,629,813</u>	<u>651,025,058</u>
Deferred Outflows of Resources	<u>125,515,110</u>	<u>118,494,158</u>
Liabilities		
Other liabilities	77,303,931	69,976,888
Long-term liabilities	491,216,830	350,574,457
Total liabilities	<u>568,520,761</u>	<u>420,551,345</u>
Deferred Inflows of Resources	<u>201,482,463</u>	<u>416,703,994</u>
Net Position (Deficit)		
Net investment in capital assets	177,348,809	165,633,642
Restricted for specific purposes	28,859,465	31,156,932
Unrestricted	<u>(195,066,575)</u>	<u>(264,526,697)</u>
Total net position (deficit)	<u><u>\$ 11,141,699</u></u>	<u><u>\$ (67,736,123)</u></u>

Changes in Net Position

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

Table A-2
Statement of Activities
Years Ended June 30, 2023 and 2022

	2023	2022 (as restated)
Revenues		
Program revenues		
Charges for service	\$ 18,958,505	\$ 10,688,270
Operating grants and contributions	112,809,872	123,974,808
Capital grants and contributions	2,348,015	4,856,655
General		
Property taxes	126,029,409	122,386,311
Unrestricted State and Federal Aid	240,214,097	218,742,166
Investment Earnings	5,029,492	240,810
Other	1,438,358	799,180
Total revenues	<u>506,827,748</u>	<u>481,688,200</u>
Expenses		
Administration	19,573,660	17,291,218
District support services	21,022,552	15,910,214
Regular instruction	143,952,163	203,445,557
Vocational instruction	5,756,826	5,300,791
Special education instruction	90,374,982	85,358,191
Community education and services	10,025,895	9,251,885
Instructional support services	25,472,028	22,736,483
Pupil support services	40,192,776	34,797,537
Sites and buildings	46,796,101	27,841,384
Fiscal and other fixed-cost programs	3,660,082	1,209,218
Food Service	16,916,134	15,389,003
Interest and fiscal charges on long-term liabilities	<u>4,206,727</u>	<u>(669,166)</u>
Total expenses	<u>427,949,926</u>	<u>437,862,315</u>
Change in Net Deficit	78,877,822	43,825,885
Net Deficit - Beginning	<u>(67,736,123)</u>	<u>(111,562,008)</u>
Net Position (Deficit) - Ending	<u><u>\$ 11,141,699</u></u>	<u><u>\$ (67,736,123)</u></u>

The District's total revenues were \$506,827,748 for the year ended June 30, 2023, an increase of \$25,139,548 (5.22%) from 2021-2022 actual revenues of \$481,688,200.

For 2022-2023, property taxes and general grants and aids accounted for 72.26% of total revenue for the year. About 22.72% of the District's revenue came from operating and capital grants. Fees and charges for services accounted for 3.74% of the total revenue, while the remaining 1.28% came from other general revenue, including investment income.

For 2022-2023, the cost of all *governmental* programs and services was \$427,949,926. This was a decrease of \$9,912,389 (2.26%) from the 2021-2022 total cost of \$437,862,315.

As in past years, the bulk of the District's resources (69%) were directed to providing instructional services to our students enrolled in regular education, special education, and vocational education programs (including instructional and pupil support). The administrative activities of the District accounted for 5% of total costs for the year. Total revenues exceeded expenses, increasing the District's net position by \$78.88 million.

Figure 3
Sources of District's Revenues for Fiscal Year 2023

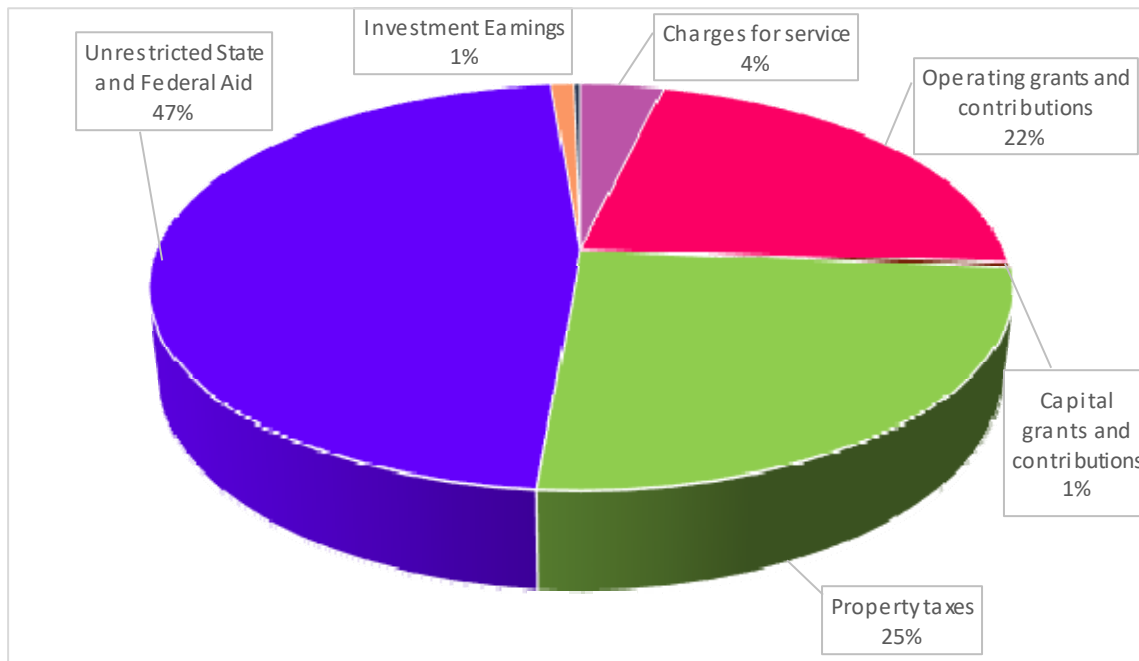
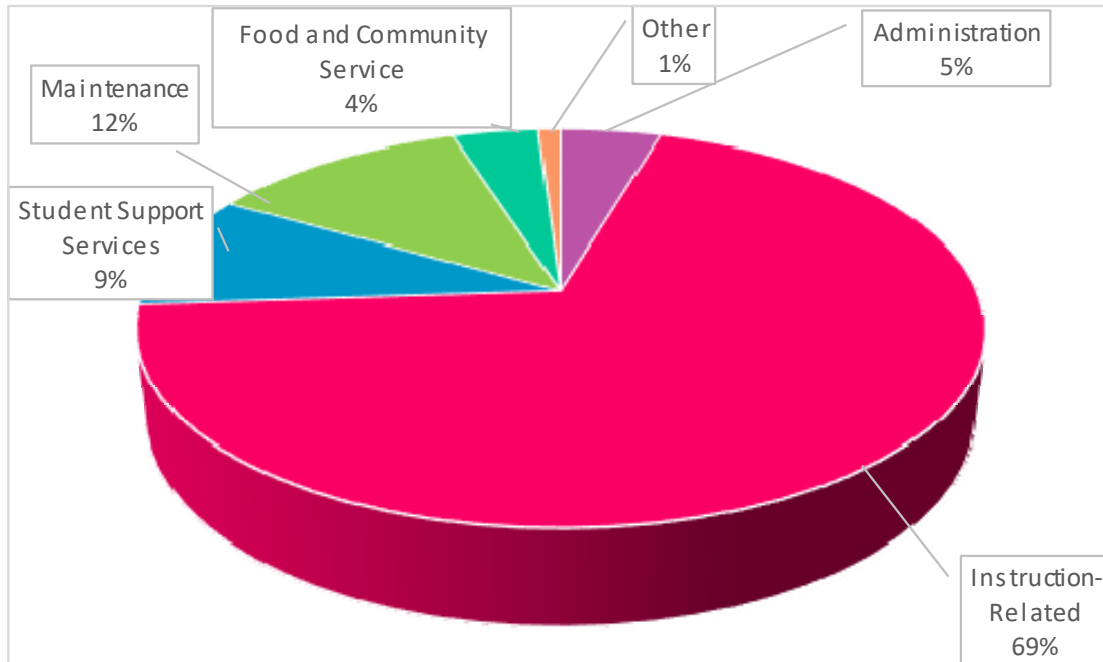


Figure 4
District Expenditures for Fiscal Year 2023



The cost of all *governmental* activities for 2022-2023 was \$427.95 million. Of this amount, \$134.12 million was supported by “charges for services, operating grants, or capital grants” received by the schools.

- A majority of the District’s costs were paid for by state taxpayers based on the statewide education aid formula, and property taxes paid by district taxpayers.
- The federal and state governments, and other local sources, subsidized certain programs with grants and contributions totaling \$172.17 million, or 40.23%, of the total costs for 2022-2023. In addition, state and local sources subsidized general district operations with grants and contributions of \$230.35 million, or 53.83%, of the total costs for 2022-2023.
- About 4.43%, or \$18.96 million, of costs were paid by the users of the District’s programs.
- Finally, \$6.47 million of the district revenue came from investment earnings and other general revenue.

Rosemount-Apple Valley-Eagan ISD 196
Management's Discussion and Analysis
June 30, 2023

Table A-3
Program Expenses and Net Cost of Services

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2023	2022		2023	2022	
Administration	\$ 19,573,660	\$ 17,291,218	13.20%	\$ 19,572,160	\$ 5,669,834	245%
District Support Services	21,022,552	15,910,214	32.13%	20,626,884	13,208,259	56%
Regular Instruction	143,952,163	203,445,557	-29.24%	124,624,033	186,870,519	-33%
Vocational Instruction	5,756,826	5,300,791	8.60%	4,447,950	4,039,804	10%
Special Education Instruction	90,374,982	85,358,191	5.88%	33,169,761	33,550,177	-1%
Community Education and Services	10,025,895	9,251,885	8.37%	25,325,705	22,720,718	11%
Instructional Support Services	25,472,028	22,736,483	12.03%	15,426,112	14,080,763	10%
Pupil Support Services	40,192,776	34,797,537	15.50%	39,897,190	20,338,350	96%
Sites and Buildings	46,796,101	27,841,384	68.08%	3,660,082	1,209,218	203%
Fiscal and Other Fixed-/Cost Programs	3,660,082	1,209,218	202.68%	1,462,799	(4,265,195)	-134%
Food Service	16,916,134	15,389,003	9.92%	1,414,131	1,589,301	-11%
Interest and Fiscal Charges on Long-Term Liabilities	4,206,727	(669,166)	-728.65%	4,206,727	(669,166)	-729%
Total expenses	<u>\$ 427,949,926</u>	<u>\$ 437,862,315</u>		<u>\$ 293,833,534</u>	<u>\$ 298,342,582</u>	

Financial Analysis of the District's Funds

The financial performance of the District as a whole is also reflected in its governmental funds. As of June 30, 2023, the District's governmental funds reported total fund balances of \$109.09 million, a decrease of \$1.33 million, or 1.20%, from last year's ending total fund balances of \$110.42 million. This net decrease is chiefly due to the following factors:

- In 2022-2023, actual expenditures and other financing uses were \$2.44 million more than actual revenues and other financing sources in the General Fund. This was primarily due to higher-than anticipated staffing and substitute needs throughout the district.

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

Table A-4
Fund Balance - All Governmental Funds

	2023	2022	Change
General Fund	\$ 91,651,293	\$ 94,094,796	\$ (2,443,503)
Food Service Fund	7,865,287	8,272,064	(406,777)
Community Service Fund	3,858,245	3,209,951	648,294
Capital Projects Fund	(61,746)	298,598	(360,344)
Debt Service Fund	5,776,225	4,543,912	1,232,313
	<u>\$ 109,089,304</u>	<u>\$ 110,419,321</u>	<u>\$ (1,330,017)</u>

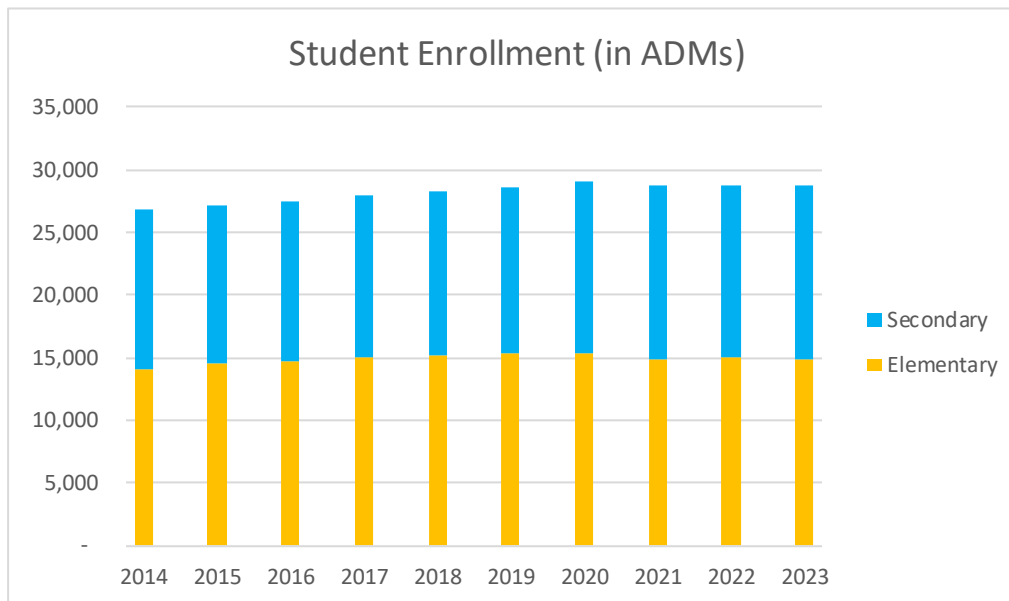
GENERAL FUND

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

Funding for Minnesota school districts is largely driven by enrollment. Over the last five years, the District's enrollment has increased year over year, with the exception of 2021 which decreased slightly due to the pandemic and 2023 due to a reduction of elementary school students. Based on the results of an updated enrollment projection reviewed by the School Board in February 2023, enrollment was projected to decrease slightly over the next few years.

The graph below (Figure 5) shows the District's actual average daily membership (ADM) over the last 10 years. ADM for 2014-2023 decreased from the previous year at the kindergarten through elementary levels, but increased at the secondary level. Preliminary enrollment data for the 2023-2024 fiscal year shows a decrease of 124 ADMs over the 2022-2023 total of 28,756.

Figure 5
Average Daily Membership (ADM)



2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
244	263	261	279	303	306	322	266	289	315
1,758	1,988	1,970	2,005	2,085	2,098	2,143	1,849	2,066	1,898
12,116	12,236	12,424	12,728	12,840	12,865	12,957	12,760	12,603	12,668
12,801	12,719	12,871	12,901	13,087	13,294	13,597	13,833	13,847	13,875
26,919	27,206	27,526	27,913	28,315	28,563	29,019	28,708	28,805	28,756
0.47%	1.07%	1.18%	1.41%	1.44%	0.88%	1.60%	-1.07%	0.34%	-0.17%

The following schedule presents a summary of General Fund Revenues.

Table A-5 General Fund Revenues				
	Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
Local Property Taxes	\$ 106,195,718	\$ 102,779,442	\$ 3,416,276	3.3%
Other Local Sources	15,482,630	9,573,892	5,908,738	61.7%
State Sources	314,703,870	300,353,129	14,350,741	4.8%
Federal Sources	21,457,130	23,418,512	(1,961,382)	-8.4%
Miscellaneous	328,127	315,232	12,895	4.1%
Total general fund revenues	<u>\$ 458,167,475</u>	<u>\$ 436,440,207</u>	<u>\$ 21,727,268</u>	5.0%

During 2022-2023, the District's total General Fund revenues increased \$21.73 million, or 5.0%, from the previous year. The increase was due to the following factors:

- An increase of \$3.42 million in property taxes due to the voter approved increase in the operating levy.
- State aids for 2022-2023 were \$14.35 million more than the previous year. This increase was mainly due to the following factors:
 1. A decrease of \$3.2 million in special education aid.
 2. The rest of the increase is a result of increases in the per pupil formula amount in state aid and increased enrollment from prior year.
- Federal aids for 2022-2023 were \$1.96 million less than the previous year. This decrease was mainly due to the reduced expenditures in areas funded by federal funds. The district still received an elevated amount of federal funding as part of efforts to mitigate the effects of the COVID19 pandemic on local education agencies.

The following schedule presents a summary of General Fund Expenditures.

Table A-6
General Fund Expenditures

	Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2023	2022		
Salaries and Benefits	\$ 376,789,387	\$ 365,112,573	\$ 11,676,814	3.2%
Purchased Services	39,094,616	28,657,203	10,437,413	36.4%
Supplies and Materials	23,271,449	18,297,460	4,973,989	27.2%
Capital Expenditures	14,357,478	10,479,084	3,878,394	37.0%
Other Expenditures	10,112,089	5,373,844	4,738,245	88.2%
 Total general fund expenditures	 <u>\$ 463,625,019</u>	 <u>\$ 427,920,164</u>	 <u>\$ 35,704,855</u>	 8.3%

Total General Fund expenditures increased \$35.70 million or 8.3% from the previous year. The changes in the major expenditure categories include:

Overall salaries increased by \$7.84 million which was primarily due to wage increases based on salary settlements and additional staff hired to meet students' educational needs.

Employee benefits increased \$3.84 million or 4.0% over the previous year due to additional costs of benefits associated with wage settlements. The district drew funds from the Other Post-Employment Benefits (OPEB) trust to cover the implicit and subsidized insurance costs during the year.

Purchased Services consist of expenditures for fees for service including transportation contracts, postage, utilities, property insurance, maintenance repairs, leases, travel, telephone, and tuition. The District's increase of \$10.44 million or 36.4% in purchased services was mostly due to the district's transition to contracting Teachers On Call to service, as well as increased transportation costs for special education students.

Supplies and Materials increased by \$4.97 million, or 27.2%, from the previous year. This was due to increased curriculum purchases as well as large purchases of technology devices.

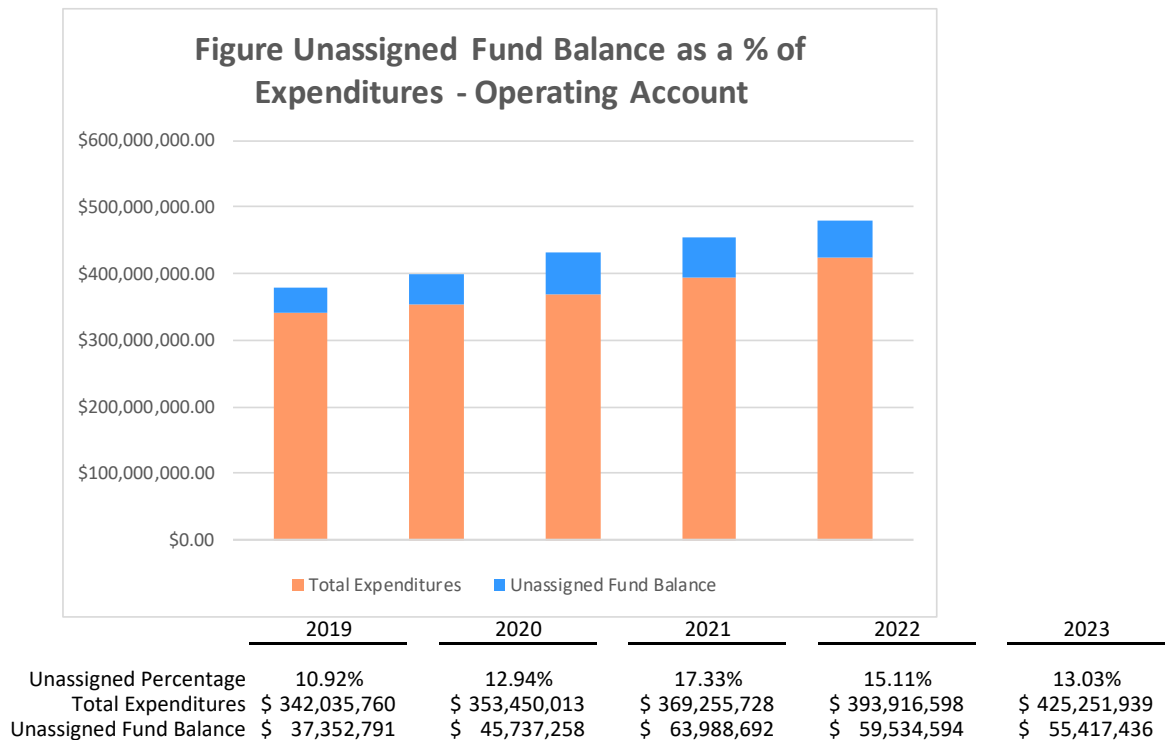
Capital expenditures increased \$3.88 million, or 37.0% from the previous year.

Debt service and other expenditures increased \$4.74 million, or 88.2% from the previous year per the debt redemption schedule.

Other expenditures decreased \$0.35 million or 88.2%, from the previous year.

In summary, 2022-2023 General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$2.44 million. After deducting statutory restrictions and internal assignments, the unassigned fund balance decreased to \$56.84 million.

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



The graph, as shown in Figure 6 above, is the single best measure of the District's overall financial health. The unassigned fund balance of \$56.84 million in the Operating Account of the General Fund at June 30, 2023 represents 13.99% of annual Operating Account expenditures, or almost eight weeks of operations, assuming level spending throughout the year.

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

General Fund Budgetary Highlights

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

1. Implementing budgets for specially funded projects, which include both federal and state grants, adjusting staffing and various instructional allocations to the schools based on actual enrollment and unspent funds carried over from fiscal year 2021-2022.
2. Increase in appropriations for significant unbudgeted costs.

The final budget amounts, as shown in Table 7 below, include all of these adjustments and represent the District's revised estimates for 2022-2023:

Table A-7
General Fund Budget

	Preliminary Budget	Final Budget	Increase (Decrease)	Percent Change
Revenue and Other Financing Sources	445,108,543	455,496,476	10,387,933	2.33%
Expenditures and Other Financing Uses	455,599,864	475,277,837	19,677,973	4.32%
Net Change in Fund Balance	<u>\$ (10,491,321)</u>	<u>\$ (19,781,361)</u>	<u>\$ (9,290,040)</u>	88.55%

While the District's final budget for the General Fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by \$19.78 million (net loss), the actual results for the year show a net loss of \$2.91 million.

- Actual revenues and other financing sources were about \$3.09 million, or 0.68% more than expected. The major factors that had contributed to this variance are as follows:
 - 1) State aids received during the year were more than budget by \$4.79 million, in part from Special education aid, which was \$1.57 million higher than anticipated. Special education aid factors in actual expenditures and prorated state appropriation, which provides a good challenge when budgeting.
 - 2) Federal aids were \$2.23 million, or 9.43%, lower than budget, in alignment with actual expenditures, which were lower.

- Actual expenditures and other financing uses were \$13.79 million, or 2.90% more than budget. There are many factors, both positive and negative, that have contributed to the variance.
 - 1) Actual employee benefits were \$6.85 million less than budget. This was mainly due to the lower than anticipated salary expenditures.
 - 2) In 2022-2023, actual salaries were \$6.24 million less than budget.
 - 3) The District spent \$1.21 million less than budgeted in the areas of purchased services and supplies and materials, and capital related expenditures.

Food Service Fund

The Food Service Special Revenue Fund revenues for 2022-2023 totaled \$16.51 million and expenditures were \$16.92 million, resulting in a decrease in fund balance of \$0.41 million. The June 30, 2023 Food Service Special Revenue Fund balance was at \$7.87 million.

The 2022-2023 actual revenues were \$3.22 million, or 24.22%, more than the budgeted amount. Additional federal funding targeted at providing meals to all students was provided to the district in 2023. These revenues were not foreseen when revenue budgets were finalized.

The actual 2022-2023 Food Service Special Revenue Fund expenditures were \$886,465, or 5.53%, more than the budgeted amount. The variance was caused by the increase in federal aid, leading to an increased demand for meals.

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

Community Service Fund

In 2022-2023, the total revenues and other financing sources for the Community Service Special Revenue Fund were \$10.67 million and the total expenditures were \$10.02 million, resulting in an increase to fund balance of \$0.68 million. The Community Service Special Revenue Fund balance as of June 30, 2023 is \$3.86 million. Of this amount, \$0.42 million is restricted for community education programs, \$1.22 million is restricted for the Early Childhood Family Education Program, \$1.69 million is restricted for the School Readiness Program, \$0.49 million is restricted for the Adult Basic Education Program, and \$.03 million is restricted for community service programs.

Capital Projects - Building Construction Fund

The Capital Projects - Building Construction Fund expenditures exceeded revenues by \$0.36 million for the year ended June 30, 2023.

Debt Service Fund

Revenues and expenditures for the District's Debt Service Fund are directly tied to the District's bond principal and interest payment needs. For 2022-2023, approximately 97.60% of the District's debt service revenues came from property taxes. The remaining balance came from the state in the form of agricultural market value property tax credits and interest income from short-term investments.

In 2022-2023, the District's total Debt Service Fund revenues exceeded expenditures by \$1.23 million.

The June 30, 2023 Debt Service Fund balance totaled \$5.78 million. The general debt service account had an ending balance of \$5.78 million, while the reserve for Other Post-Employment Benefits (OPEB) at year-end was \$0.

INTERNAL SERVICE FUNDS

The District maintains three internal service funds at year-end. The Severance Benefits Internal Service Fund is used to fund severance or retirement pay for eligible retirees. For 2022-2023, the revenues for this fund include interest income from short-term investments and contributions paid from the District's governmental funds. The severance payable liabilities for the District on June 30, 2023 totaled \$12.74 million, and the net position of the fund was a deficit of \$1.85 million.

The Self-Insured Dental Benefits Internal Service Fund was established to report all activities related to the District's self-insured dental benefits plan. This plan covers all non-bargained staff, as well as principals, building chiefs, and vehicle technicians. The total contributions (both district and employee) for 2022-2023 totaled \$0.48 million, and claims paid or accrued totaled \$0.49 million, resulting in net position decreasing \$0.01 million to \$0.33 million at year-end.

The Self-Insured Health Benefits Internal Service Fund was established to report all activities related to the District's self-insured health benefits plan, which covers all district employees. The total contributions (both district and employee) to the plan for 2022-2023 totaled \$63.79 million, and claims paid or accrued totaled \$69.83 million, resulting in net position decreasing \$5.52 million to \$14.03 million at year-end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At year-end, the District has net capital assets of \$314.08 million representing a broad range of capital assets as well as leased assets, subscription IT assets, school buildings; athletic facilities; computer, audio-visual, and other equipment for instructional programs (see Table 8). Total depreciation/amortization expense for the year was \$13.15 million.

During 2022-2023, the District invested a total of \$2.62 million in furniture and equipment and \$8.2 million in buildings and construction in progress. The majority of the capital investment can be attributed to major maintenance and building improvement projects funded by proceeds from the Series 2016A General Obligation Building Construction Bond, which were used to fund several projects across the district.

Table A-8
Capital Assets

	2023	2022 (as restated)
Land	\$ 11,966,353	\$ 11,966,353
Construction in Progress	10,097,323	18,356,829
Buildings	509,302,876	498,256,495
Improvements	18,721,700	17,590,398
Equipment	61,263,369	60,611,234
Right-to-Use Lease Assets	561,267	578,987
Right-to-Use Subscription IT Assets	9,082,830	6,805,412
Accumulated Depreciation/Amortization	<u>(306,914,497)</u>	<u>(294,671,657)</u>
Total capital assets	<u><u>\$ 314,081,221</u></u>	<u><u>\$ 319,494,051</u></u>

Long-Term Liabilities

At year-end, the District had \$123.67 million in bonds, refunding bonds, and certificates of participation outstanding, including unamortized premiums and discounts. This is a decrease of \$17.75 million from the previous year, as shown in Table A-9.

- Outstanding bonds and certificates of participation show a decrease of \$15.83 million, due to the District continuing to make required scheduled payments.
- Premiums and discounts on bonds show a net decrease of \$1.92 million, due to amortization.
- During 2022-2023, the District also retired \$0.75 million of existing financed purchases principal.
- The District's liabilities for various long-term employee benefits, including pensions, severance, and compensated absences, increased \$159.14 million during 2022-2023, mainly due to the increase in the District's proportionate share of two statewide pension plan liabilities.

Table A-9
Long-Term Liabilities

	2023	2022 (as restated)	Percentage Change
General Obligation Bonds Payable	\$ 85,260,000	\$ 97,905,000	-12.92%
Unamortized Bond Premium	8,273,592	10,188,608	-18.80%
Certificates of Participation	30,135,000	33,320,000	-9.56%
Financed Purchases Payable	4,009,000	4,763,307	-15.84%
Lease Liabilities	285,892	325,334	-12.12%
Subscription Liabilities	6,707,873	6,805,412	-1.43%
Net Pension Liability	336,027,081	175,295,892	91.69%
Net OPEB Liability	4,986,071	5,053,795	
Severance Benefits Payable	12,737,246	13,754,736	-7.40%
Compensated Absences Payable	2,795,075	3,162,373	-11.61%
	<u>\$ 491,216,830</u>	<u>\$ 350,574,457</u>	
Total long-term liabilities			
Long-Term Liabilities			
Due Within One Year	\$ 25,732,047	\$ 15,456,171	
Due in More Than Year	465,484,783	335,118,286	
	<u>\$ 491,216,830</u>	<u>\$ 350,574,457</u>	

Bond Ratings

The District's general obligation bonds carry a rating of Aa2, affirmed in August 2023 during the preparation for the sale of the 2023 Building Bonds.

Limitation on Debt

The state limits the amount of general obligation debt the District can issue up to 15% of actual market value of all taxable property within the District's boundaries. The estimated market value of all taxable property is \$24.85 billion for calendar year 2023 and the District's debt limit is \$3.73 billion.

The District's outstanding debt is significantly below this limit. The District's outstanding debt as of June 30, 2023 is \$85.26 million. The amount that is applicable to the debt limit calculation is \$79.48 million (total outstanding debt less Debt Service Fund balance).

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

In May of 2023, district voters approved a multi-question building bond referendum to build new buildings, make site improvements and building additions throughout the district, and add athletic facilities at each of the District's four comprehensive high schools. As of June 30, 2023, the District has begun the initial planning and preliminary execution phases of the projects.

Since 2011-2012 school year, the state has provided annual increases to the per pupil unit funding for basic general education aid. The basic general education formula allowance for the 2022-2023 school year was \$6,823, representing a 2.00% increase from the 2021-2022 fiscal year.

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Basic Financial Statements
June 30, 2023

Rosemount-Apple Valley-Eagan ISD 196



Rosemount-Apple Valley-Eagan ISD 196

Statement of Net Position

June 30, 2023

Assets	
Cash and cash equivalents	\$ 219,152,923
Receivables	
Current property taxes	72,516,438
Delinquent property taxes	819,092
Accounts	614,121
Due from other governmental units	42,408,566
Due from other funds	2,563,256
Leases	1,254,811
Prepaid items	925,455
Inventories	1,293,710
Cash held with fiscal agent	220
	<u>341,548,592</u>
Capital assets	
Capital assets not being depreciated	
Land	11,966,353
Construction in progress	10,097,323
Capital assets, net of accumulated depreciation/amortization	
Buildings and improvements	266,693,050
Land improvements	6,497,198
Equipment	11,825,805
Right-to-use lease assets	161,810
Right-to-use subscription IT assets	6,839,682
Total capital assets	<u>314,081,221</u>
Total assets	<u>655,629,813</u>
Deferred Outflows of Resources	
Other postemployment benefits	7,188,403
Pension plans	118,326,707
Total deferred outflows of resources	<u>125,515,110</u>
Liabilities	
Accounts payable	8,720,100
Due to other governmental units	495,798
Salaries payable	45,442,814
Accrued interest payable	1,909,907
Construction contracts payable	2,061,055
Unearned revenue	12,456,698
Claims incurred but not reported	6,217,559
Long-term liabilities	
Due within one year - other than pensions and OPEB	25,732,047
Due in more than one year - other than pensions and OPEB	124,471,631
Due in more than one year - net other postemployment benefits	4,986,071
Due in more than one year - net pension liability	336,027,081
Total liabilities	<u>568,520,761</u>
Deferred Inflows of Resources	
Property taxes levied for subsequent year	129,791,772
Lease related	1,208,282
Other postemployment benefits	7,343,357
Pension plans	63,139,052
Total deferred inflows of resources	<u>201,482,463</u>
Net Position	
Net investment in capital assets	177,348,809
Restricted for specific purposes	28,859,465
Unrestricted	(195,066,575)
Total net position	<u>\$ 11,141,699</u>

Rosemount-Apple Valley-Eagan ISD 196

Statement of Activities Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Administration	\$ 19,573,660	\$ 1,500	\$ -	\$ -	\$ (19,572,160)
District support services	21,022,552	308,184	87,484	-	(20,626,884)
Regular instruction	143,952,163	4,850,052	14,478,078	-	(124,624,033)
Vocational instruction	5,756,826	778	1,308,098	-	(4,447,950)
Special education instruction	90,374,982	1,763,318	55,441,903	-	(33,169,761)
Instructional support services	25,472,028	33,180	113,143	-	(25,325,705)
Pupil support services	40,192,776	551,288	24,215,376	-	(15,426,112)
Sites and buildings	46,796,101	392,085	4,158,811	2,348,015	(39,897,190)
Fiscal and other fixed-cost programs	3,660,082	-	-	-	(3,660,082)
Food service	16,916,134	6,370,498	9,082,837	-	(1,462,799)
Community education and services	10,025,895	4,687,622	3,924,142	-	(1,414,131)
Interest and fiscal charges on debt	4,206,727	-	-	-	(4,206,727)
Total governmental activities	<u>\$ 427,949,926</u>	<u>\$ 18,958,505</u>	<u>\$ 112,809,872</u>	<u>\$ 2,348,015</u>	<u>(293,833,534)</u>
General Revenues					
Property taxes, levied for general purposes					105,469,474
Property taxes, levied for community education and services					1,848,516
Property taxes, levied for debt service					17,717,272
Aids and payments from state sources					230,351,097
Aids and payments from federal sources					9,863,000
County apportionment					994,147
Unrestricted investment earnings					5,029,492
Gain on disposal of property and equipment					778,465
Miscellaneous revenues					659,893
Total general revenues					<u>372,711,356</u>
Change in Net Deficit					78,877,822
Net Deficit - Beginning					<u>(67,736,123)</u>
Net Position - Ending					<u>\$ 11,141,699</u>

Rosemount-Apple Valley-Eagan ISD 196
Governmental Funds
Balance Sheet
June 30, 2023

	Major				Nonmajor	Total Governmental	
	General	Food Service	Community Service	Debt Service	Building Construction	Funds	
						2023	2022
Assets							
Cash and investments	\$ 148,876,058	\$ 6,442,901	\$ 6,101,306	\$ 13,705,540	\$ -	\$ 175,125,805	\$ 166,547,371
Cash held with fiscal agent	220	-	-	-	-	220	187
Receivables							
Current property taxes	62,026,424	-	982,998	9,507,016	-	72,516,438	67,371,792
Delinquent property taxes	682,828	-	12,166	124,098	-	819,092	551,189
Accounts and interest	517,488	-	96,633	-	-	614,121	164,548
Due from other governmental units	39,619,581	2,256,974	507,076	24,935	-	42,408,566	40,378,985
Leases	1,254,811	-	-	-	-	1,254,811	1,124,020
Due from other funds	2,473,352	28,425	61,531	-	-	2,563,308	6,480,274
Prepaid items	923,305	-	2,150	-	-	925,455	3,251,764
Inventories	890,874	402,836	-	-	-	1,293,710	1,125,926
Total assets	\$ 257,264,941	\$ 9,131,136	\$ 7,763,860	\$ 23,361,589	\$ -	\$ 297,521,526	\$ 286,996,056
Liabilities							
Accounts payable	\$ 6,403,348	\$ 321,750	\$ 100,580	\$ -	\$ 61,695	\$ 6,887,373	\$ 5,708,636
Due to other governmental units	489,082	-	6,716	-	-	495,798	1,015,344
Salaries and benefits payable	44,081,124	337,452	1,024,238	-	-	45,442,814	44,274,578
Due to other funds	-	-	-	-	51	51	-
Construction contracts payable	2,061,055	-	-	-	-	2,061,055	1,006,329
Unearned revenue	167,919	606,647	951,419	-	-	1,725,985	1,868,192
Total liabilities	53,202,528	1,265,849	2,082,953	-	61,746	56,613,076	53,873,079
Deferred Inflows of Resources							
Unavailable revenue-property taxes	682,828	-	12,166	124,098	-	819,092	551,189
Property taxes levied for subsequent year	110,520,010	-	1,810,496	17,461,266	-	129,791,772	121,030,245
Lease related	1,208,282	-	-	-	-	1,208,282	1,122,222
Total deferred inflows of resources	112,411,120	-	1,822,662	17,585,364	-	131,819,146	122,703,656
Fund Balance (Deficit)							
Nonspendable	1,814,179	402,836	2,150	-	-	2,219,165	4,377,690
Restricted	13,538,337	7,462,451	3,856,095	5,776,225	-	30,633,108	32,762,872
Assigned	19,458,897	-	-	-	-	19,458,897	13,744,165
Unassigned	56,839,880	-	-	-	(61,746)	56,778,134	59,534,594
Total fund balance (deficit)	91,651,293	7,865,287	3,858,245	5,776,225	(61,746)	109,089,304	110,419,321
Total liabilities, deferred inflows of resources, and fund balance (deficit)	\$ 257,264,941	\$ 9,131,136	\$ 7,763,860	\$ 23,361,589	\$ -	\$ 297,521,526	\$ 286,996,056

Rosemount-Apple Valley-Eagan ISD 196

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2023

Total Fund Balances - Governmental Funds	\$ 109,089,304
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported as assets in the governmental funds.	314,081,221
Accrued interest payable for long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,909,907)
Delinquent property taxes are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	819,092
Internal service funds are used by the District to charge the costs of the self-insured dental insurance pool. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	12,508,873
Deferred outflows and inflows of resources related to pension and OPEB plans are applicable to future periods and, therefore, are not reported in the funds.	55,032,701
Long-term liabilities, including bonds payable, leases, direct borrowing payable, bond premiums, compensated absences, supplemental benefits, other post-employment benefits, and pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(478,479,585)</u>
Total Net Position - Governmental Activities	<u>\$ 11,141,699</u>

Rosemount-Apple Valley-Eagan ISD 196
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2023

	Major				Nonmajor	Total Governmental	
	General	Food Service	Community Service	Debt Service	Capital Projects	Funds	
						2023	2022
Revenues							
Local property tax levies	\$ 106,195,718	\$ -	\$ 1,848,516	\$ 17,717,272	\$ -	\$ 125,761,506	\$ 122,337,786
Other local and county sources	10,746,135	21,243	3,957,831	-	-	14,725,209	13,263,153
Investment earnings	4,602,414	269,042	170,666	383,672	43,406	5,469,200	236,959
Rental income	134,081	-	566,092	-	-	700,173	89,700
State sources	314,703,870	765,737	3,506,671	52,347	-	319,028,625	304,368,150
Federal sources	21,457,130	9,082,837	409,259	-	-	30,949,226	41,968,413
Sales and other conversion of assets	328,127	6,370,498	2,045	-	-	6,700,670	1,177,889
Total revenues	458,167,475	16,509,357	10,461,080	18,153,291	43,406	503,334,609	483,442,050
Expenditures							
Current							
Administration	19,634,436	-	-	-	-	19,634,436	18,093,029
District support services	14,074,008	-	-	-	-	14,074,008	13,836,251
Regular instruction	213,682,467	-	-	-	-	213,682,467	203,653,924
Vocational instruction	5,695,353	-	-	-	-	5,695,353	5,500,400
Special education instruction	89,884,344	-	-	-	-	89,884,344	83,456,701
Community education and service	-	-	9,983,098	-	-	9,983,098	9,601,763
Instructional support services	27,604,925	-	-	-	-	27,604,925	23,679,065
Pupil support services	38,515,802	-	-	-	-	38,515,802	35,089,618
Sites and buildings	30,975,242	-	-	-	-	30,975,242	28,103,226
Food service	-	16,010,231	-	-	-	16,010,231	15,007,297
Fiscal and other fixed cost programs	1,517,915	-	-	474	-	1,518,389	1,209,218
Debt service							
Principal	6,415,338	1,851	7,114	12,645,000	-	19,069,303	16,063,955
Interest	1,267,711	-	111	4,275,504	-	5,543,326	5,809,628
Capital outlay	14,357,478	904,052	33,638	-	403,750	15,698,918	29,943,391
Total expenditures	463,625,019	16,916,134	10,023,961	16,920,978	403,750	507,889,842	489,047,466
Excess (Deficiency) of Revenues over (under) Expenditures	(5,457,544)	(406,777)	437,119	1,232,313	(360,344)	(4,555,233)	(5,605,416)
Other Financing Sources (Uses)							
Transfer in	-	-	211,175	-	-	211,175	92,212
Transfer out	(211,175)	-	-	-	-	(211,175)	(92,212)
Sale of property	778,465	-	-	-	-	778,465	782,650
Insurance recovery	98,736	-	-	-	-	98,736	7,623
Subscription based IT arrangements	2,277,418	-	-	-	-	2,277,418	-
Leases	70,597	-	-	-	-	70,597	18,115
Sale of bonds	-	-	-	-	-	-	11,235,000
Bond premium	-	-	-	-	-	-	1,000,562
Issuance of certificates of participation	-	-	-	-	-	-	9,775,000
Premiums on certificates of participation	-	-	-	-	-	-	922,895
Payment to refunded bond escrow agent	-	-	-	-	-	-	(12,110,000)
Total other financing sources (uses)	3,014,041	-	211,175	-	-	3,225,216	11,631,845
Net Change in Fund Balance	(2,443,503)	(406,777)	648,294	1,232,313	(360,344)	(1,330,017)	6,026,429
Fund Balance, Beginning of Year	94,094,796	8,272,064	3,209,951	4,543,912	298,598	110,419,321	104,392,892
Fund Balance (Deficit), End of Year	\$ 91,651,293	\$ 7,865,287	\$ 3,858,245	\$ 5,776,225	\$ (61,746)	\$ 109,089,304	\$ 110,419,321

Rosemount-Apple Valley-Eagan ISD 196

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures, and

Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (1,330,017)

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense.

Capital outlay	14,272,245
Depreciation/amortization expense	(18,674,496)

The net effect of the disposal of capital assets is to decrease net position. (1,010,579)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 267,903

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. 367,298

In the statement of activities, OPEB liabilities and supplemental benefits liabilities are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. (3,766,709)

In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as an expense. 73,973,463

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 18,985,441

Internal service funds are used by the District to charge the costs of the self-insured dental insurance pool. The net revenue of the internal service fund is reported in the governmental activities. (4,206,727)

Change in Net Deficit of Governmental Activities \$ 78,877,822

Rosemount-Apple Valley-Eagan ISD 196

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Local property tax levies	\$ 105,625,990	\$ 105,829,432	\$ 106,195,718	\$ 366,286
Other local and county sources	5,894,469	9,943,360	10,746,135	802,775
Investment earnings	-	4,900,000	4,602,414	(297,586)
Rental income	-	-	134,081	134,081
State sources	307,135,479	309,915,652	314,703,870	4,788,218
Federal sources	26,360,942	23,682,027	21,457,130	(2,224,897)
Sales and other conversion of assets	81,663	371,005	328,127	(42,878)
Total revenues	445,098,543	454,641,476	458,167,475	3,525,999
Expenditures				
Current				
Administration	19,867,804	20,714,923	19,634,436	1,080,487
District support services	15,950,068	16,567,256	14,074,008	2,493,248
Regular instruction	212,225,294	224,478,422	213,682,467	10,795,955
Vocational instruction	5,374,523	5,766,949	5,695,353	71,596
Special education instruction	90,699,932	92,967,906	89,884,344	3,083,562
Instructional support services	23,263,236	22,802,640	27,604,925	(4,802,285)
Pupil support services	36,372,393	37,877,400	38,515,802	(638,402)
Sites and buildings	25,806,794	25,825,433	30,975,242	(5,149,809)
Fiscal and other fixed cost programs	1,587,575	1,567,575	1,517,915	49,660
Debt Service				
Principal	3,513,626	3,742,630	6,415,338	(2,672,708)
Interest	1,163,298	1,163,298	1,267,711	(104,413)
Capital outlay	19,681,321	21,638,659	14,357,478	7,281,181
Total expenditures	455,505,864	475,113,091	463,625,019	11,488,072
Deficiency of Revenues over (under) Expenditures	(10,407,321)	(20,471,615)	(5,457,544)	15,014,071
Other Financing Sources (Uses)				
Transfer out	(94,000)	(164,746)	(211,175)	(46,429)
Sale of property	10,000	795,000	778,465	(16,535)
Insurance recovery	-	60,000	98,736	38,736
Subscription based IT arrangements	-	-	2,277,418	2,277,418
Leases	-	-	70,597	70,597
Total Other Financing Sources (Uses)	(84,000)	690,254	3,014,041	2,323,787
Net Change in Fund Balance	\$ (10,491,321)	\$ (19,781,361)	(2,443,503)	\$ 17,337,858
Fund Balance, Beginning of Year			94,094,796	
Fund Balance, End of Year			<u>\$ 91,651,293</u>	

Rosemount-Apple Valley-Eagan ISD 196

Food Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Other local and county sources	\$ 100,000	\$ 100,000	\$ 290,285	\$ 190,285
State sources	795,000	795,000	765,737	(29,263)
Federal source	5,475,000	5,475,000	9,082,837	3,607,837
Food sales	6,980,800	6,920,800	6,370,498	(550,302)
Total revenues	<u>13,350,800</u>	<u>13,290,800</u>	<u>16,509,357</u>	<u>3,218,557</u>
Expenditures				
Current				
Pupil Support Services				
Salaries and wages	3,813,860	4,775,175	4,459,235	315,940
Employee benefits	1,333,885	1,463,224	1,373,425	89,799
Purchased services	-	100,000	917,644	(817,644)
Supplies and materials	6,783,500	8,691,270	8,618,186	73,084
Other expenditures	200,740	800,000	641,741	158,259
Capital outlay	-	200,000	904,052	(704,052)
Debt Service				
Principal	-	-	1,851	(1,851)
Total expenditures	<u>12,131,985</u>	<u>16,029,669</u>	<u>16,916,134</u>	<u>(886,465)</u>
Net Change in Fund Balance	<u>\$ 1,218,815</u>	<u>\$ (2,738,869)</u>	(406,777)	<u>\$ 2,332,092</u>
Fund Balance, Beginning of Year			<u>8,272,064</u>	
Fund Balance, End of Year			<u>\$ 7,865,287</u>	

Rosemount-Apple Valley-Eagan ISD 196

Community Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual Year Ended June 30, 2023

	2023			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Local property taxes				
Property tax levy	\$ 1,961,479	\$ 1,756,746	\$ 1,848,516	\$ 91,770
Other local and county sources	3,750,844	3,937,422	4,694,589	757,167
State sources	3,534,805	3,546,436	3,506,671	(39,765)
Federal source	355,915	361,163	409,259	48,096
Sales and other conversions of assets	1,844	2,314	2,045	(269)
Total revenues	9,604,887	9,604,081	10,461,080	856,999
Expenditures				
Current				
Community education and services				
Salaries and wages	6,816,724	7,038,451	7,124,014	(85,563)
Employee benefits	2,271,675	2,370,257	2,401,193	(30,936)
Purchased services	(242,311)	(230,882)	(285,839)	54,957
Supplies and materials	309,847	331,195	313,495	17,700
Other expenditures	336,288	499,988	430,235	69,753
Capital outlay	35,500	27,000	33,638	(6,638)
Debt Service				
Principal	-	-	7,114	(7,114)
Interest and fiscal charges	-	-	111	(111)
Total expenditures	9,527,723	10,036,009	10,023,961	12,048
Excess (Deficiency) of Revenues Over (Under) Expenditures	77,164	(431,928)	437,119	869,047
Other Financing Sources				
Transfer in	94,000	164,746	211,175	46,429
Net Change in Fund Balance	\$ 171,164	\$ (267,182)	648,294	\$ 915,476
Fund Balance, Beginning of Year			3,209,951	
Fund Balance, End of Year			\$ 3,858,245	

Rosemount-Apple Valley-Eagan ISD 196

Proprietary Fund

Internal Service Fund

Statement of Net Position

June 30, 2023

	Governmental Activities - Internal Service Funds
Assets	
Cash and cash equivalents	<u>\$ 44,027,118</u>
Liabilities	
Current	
Accounts payable	1,832,727
Claims payable	6,217,559
Severance benefits payable	1,686,005
Unearned revenue	<u>10,730,713</u>
	<u>20,467,004</u>
Long-term	
Severance benefits payable	<u>11,051,241</u>
Total liabilities	<u>31,518,245</u>
Net Position	
Unrestricted	<u><u>\$ 12,508,873</u></u>

Rosemount-Apple Valley-Eagan ISD 196

Proprietary Fund

Internal Service Fund

Statement of Changes in Net Position

Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds
Operating Revenues	
Contributions from Governmental Funds	\$ 64,999,504
Deductions	
Self-Insured Benefits	<u>70,029,084</u>
Operating Loss	(5,029,580)
Nonoperating Revenue	
Investment income	<u>822,853</u>
Change in Net Position	<u>(4,206,727)</u>
Net Position, Beginning of Year	<u>16,715,600</u>
Net Position, End of Year	<u><u>\$ 12,508,873</u></u>

Rosemount-Apple Valley-Eagan ISD 196

Proprietary Fund

Internal Service Fund

Statement of Cash Flows

Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds
Operating Activities	
Receipts from contributions	\$ 64,999,504
Payments for severance, OPEB, and self-insured claims	(66,330,190)
Net cash used for operating activities	(1,330,686)
Investing Activity	
Investment income	822,853
Net Change in Cash and Investments	(507,833)
Cash and Cash Equivalents, July 1	44,534,951
Cash and Cash Equivalents, June 30	\$ 44,027,118
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Activities	
Operating loss	\$ (5,029,580)
Changes in assets and liabilities	
Accounts payable	7,591,017
Claims payable - medical	(3,789,596)
Severance benefits payable	(1,017,490)
Unearned revenue	914,963
Net cash used for operating activities	\$ (1,330,686)

Rosemount-Apple Valley-Eagan ISD 196

Fiduciary Fund

Statement of Net Position

June 30, 2023

	<u>OPEB Trust Fund</u>
Assets	
Investments	<u>\$ 57,871,118</u>
Liabilities and Net Position	
Liabilities	
Due to governmental funds	<u>2,563,256</u>
Net Position	
Restricted	<u><u>\$ 55,307,862</u></u>

Rosemount-Apple Valley-Eagan ISD 196

Fiduciary Fund

Statement of Changes in Net Position

Year Ended June 30, 2023

	<u>OPEB Trust Fund</u>
Additions	
Earnings on investments	<u>\$ 3,357,938</u>
Deductions	
Benefits paid to plan members	<u>2,563,256</u>
Net Change in Net Position	794,682
Net Position, Beginning of Year	<u>54,513,180</u>
Net Position, End of Year	<u><u>\$ 55,307,862</u></u>



Notes to the Basic Financial Statements
June 30, 2023

Rosemount-Apple Valley-Eagan ISD 196



Note 1 - Summary of Significant Accounting Policies**A. Organization**

Independent School District No. 196 ("the District") was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The financial statements of the District 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 include 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 burden or benefit 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. The fiduciary fund is reported in the Statement of Fiduciary Net Position at the fund financial statement level. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. For capital assets that can be specifically identified with, or allocated to functional areas, depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

The fiduciary fund is presented in the fiduciary fund financial statement. The District has two types of fiduciary fund, 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, this fund is excluded from the government-wide 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:

Revenue Recognition - Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days after year-end. Grants and similar 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 Minnesota Statutes. Federal revenue is recorded in the year in which the related expenditure is made. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Recording of Expenditures - Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, severance, postemployment benefits, and pensions, are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

The fiduciary fund financial statement is reported using the economic resources measurement focus and the accrual basis of accounting as described earlier in these notes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is receipts from participants. Operating expenses for the internal service fund includes payments for insurance claims and administration. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Description of Funds

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

Major Governmental Funds

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities, equipment purchases, and health and safety projects. The District's Student Activity Funds are under board control and are reported in the general fund.

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

Community Service - Special Revenue Fund - The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, or other similar services. The primary source of revenue is user fees related to these programs.

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

Nonmajor Governmental Fund

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

Proprietary Fund

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

Fiduciary Funds

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

E. Other Significant Accounting Policies**Budgeting**

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

Cash and Investments

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

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

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

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

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

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

Receivables

Accounts receivable represent amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. Amounts are shown net of any allowance for uncollectibles. No allowances for uncollectibles have been recorded. The only receivables not expected to be fully collected within one year are property taxes receivable.

Lease receivables are recorded by the District as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the District charges the lessee.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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.

Property Taxes

The majority of district revenue is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aids by the 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. The remaining portion of the taxes collectible in 2023 is recorded as deferred inflows 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 general remits taxes to the District at periodic intervals as they are collected. A portion of the property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the financial statements.

Current property taxes receivable is the uncollected portion of the taxes levied in 2022 and collectible in 2023. This levy is offset with a deferred inflow of resources for property taxes levied for a subsequent year. Delinquent taxes receivable includes the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year-end in the fund financial statements.

Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historic cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential on the date of the donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 50 years. Land and construction in progress are not depreciated.

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

Right to use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful live of the underlying asset using the straight-line method. The amortization period varies from 2 to 10 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful live of the underlying asset using the straight-line method. The amortization period varies from 2 to 8 years.

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease Liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the District.

Subscription Liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the District.

Compensated Absences

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

Severance Benefits

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

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

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and TRA.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 10.

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.

Risk Management

General Insurance - The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which it carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage in fiscal year 2022.

Self-Insurance - The District has established two internal service funds to account for and finance its uninsured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plan.

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

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

The District has two items that qualify for reporting in this category on the government-wide statement of net position. Deferred outflows of resources related to other postemployment benefits consists of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenditures in future years. Deferred outflows of resources related to pension plans consists of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenses in future years.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The District has four types of items that qualify for reporting in this category. The first item, 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. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied, and is 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 third item is deferred inflows related to pension and OPEB activity as a result of various estimate differences that will be recognized as expenses in future years, reported in the government-wide statement of net position. The final item is deferred inflows related to leases where the District is the lessor and is reported in the general fund and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

Unearned Revenue

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

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The District's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- Nonspendable fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- Restricted fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the school board and that remain binding unless removed by the school board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board. A committed fund balance cannot be a negative number. As of June 30, 2023, the District does not have any committed fund balance.

- Assigned fund balance amounts are comprised of unrestricted funds constrained by the school district's intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school district's intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance. The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: the Superintendent and the Assistant Superintendent. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board. An assigned fund balance cannot be a negative number.
- Unassigned fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned. The school district will strive to maintain a minimum unassigned General Fund balance of at least 5% of the district's General Fund operating budget.

Comparative Data

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Implementation of GASB Statement No. 96

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the District recognized a right to use subscription asset and subscription liability of \$6,805,412 as of July 1, 2022. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Note 7.

Note 2 - Stewardship, Compliance, and Accountability**Expenditures in Excess of Appropriations**

Budget control for the fund is established by its total appropriations. The Food Service Fund had expenditures exceeding appropriations in the amount of for the year ended June 30, 2023. These over expenditures were funded by greater than expected revenues and existing fund balance.

Deficit Fund Balance

At June 30, 2023, the Building Construction Fund had a deficit fund balance of \$61,746. The deficit fund balance is expected to be eliminated with future bond proceeds.

Note 3 - Deposits and Investments**Deposits**

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the District's School Board. All such depositories are members of the Federal Reserve System.

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% 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.

At June 30, 2023, all deposits were insured or collateralized by securities held by the District's agent in the District's name.

Investments

The following are considered the most significant risks associated with investments:

Credit Risk - Investments - Minnesota Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, bankers' acceptances, certain repurchase agreements and commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record.

Custodial Credit Risk - Investments - For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The School District's investment policy requires that brokers provide insurance to cover balances held in each investment account. As of June 30, 2023, the investment balances were fully covered by insurance for each brokerage firm. The investment in the Minnesota School District Liquid Asset Fund is not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement No. 40.

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

Concentration of Credit Risk - Investments - The District places no limit on the amount that the District may invest in any one issuer. Currently, the District did not have investments with any issuer which individually comprised more than 5% of total investments.

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

At June 30, 2023, the District's investment balances were as follows:

	<u>Amortized Cost</u>
MSDLAF+ Liquid Class	\$ 17,765,989
MSDLAF+ Max Class	38,435,289
Commercial Paper	10,000,000
MN Trust Investment Shares	<u>134,258,295</u>
 Total Investments at Amortized Cost	 <u><u>\$ 200,459,573</u></u>

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

Investments Held in Other Postemployment Benefit Trust

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

	<u>Fair Value</u>
U.S Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 7,924,310
Federal Home Loan Bank	376,163
Federal Home Loan Mortgage Corp.	4,006,482
Federal National Mortgage Association	4,175,671
Corporate Bonds	9,175,308
Equities	26,804,929
Real Estate Investment Trusts (REITs)	314,775
Real Asset Funds	<u>3,864,750</u>
 Total	 <u><u>\$ 56,642,388</u></u>

	<u>Amortized Cost</u>
Money Markets	<u><u>\$ 1,228,730</u></u>

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Notes to Financial Statements

June 30, 2023

The District's investment policies do not limit the maturities of investments; however, when purchasing investments, the District considers such things as interest rates and cash flow needs. The credit ratings and maturities of the District's investments are as follows:

	Amortized Cost	Maturity Duration in Years			No Maturities	Rating
		< 1	1 - 2	2 - 5		
MSDLAF+ Liquid Class	\$ 17,765,989	\$ -	\$ -	\$ -	\$ 17,765,989	AA
MSDLAF+ Max Class	38,435,289	-	-	-	38,435,289	A-1
Commercial Paper	10,000,000	10,000,000	-	-	-	P1/A1
MN Trust Investment Shares	134,258,295	-	-	-	134,258,295	AAAm
Total Investments at Amortized Cost	<u>\$ 200,459,573</u>	<u>\$ 10,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,459,573</u>	

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

	Fair Value	Maturity Duration in Years				No Maturities	Rating
		< 1	1 - 5	6 - 10	11+		
U.S Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 7,924,310	\$ -	\$ 2,108,092	\$ 4,122,939	1,693,279	\$ -	N/A
Federal Home Loan Bank	376,163	-	-	-	376,163	-	AAA/AA+
Federal Home Loan Mortgage Corp.	4,006,482	-	-	-	4,006,482	-	AAA/AA+
Federal National Mortgage Association	4,175,671	-	-	562,688	3,612,983	-	AAA/AA+
Corporate Bonds	9,175,308	643,007	3,120,251	3,131,642	2,280,408	-	Baa2/BBB
Equities	26,804,929	-	-	-	-	26,804,929	N/A
Real Estate Investment Trusts (REITs)	314,775	-	-	-	-	314,775	N/A
Real Asset Funds	3,864,750	-	-	-	-	3,864,750	N/A
Total	<u>\$ 56,642,388</u>	<u>\$ 643,007</u>	<u>\$ 5,228,343</u>	<u>\$ 7,817,269</u>	<u>\$ 11,969,315</u>	<u>\$ 30,984,454</u>	

Deposits and investments are included on the basic financial statements as follows:

Cash and Cash Equivalents - Statement of Net Position	\$ 219,152,923
Cash and Cash Equivalents - Fiduciary Fund	<u>57,871,118</u>
	<u><u>\$ 277,024,041</u></u>

Fair Value Measurements

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

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

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

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

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

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

All of the District's \$190,459,573 in investments are measured at amortized cost and are therefore not subject to fair value leveling. However, the District's OPEB Trust consists of assets measured at both fair value and amortized cost.

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

	Level 1	Level 2	Level 3	Total
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 7,924,310	\$ -	\$ -	\$ 7,924,310
Federal Home Loan Bank	-	376,163	-	376,163
Federal Home Loan Mortgage Corp.	-	4,006,482	-	4,006,482
Federal National Mortgage Association	-	4,175,671	-	4,175,671
Corporate Bonds	9,175,308	-	-	9,175,308
Equities	26,804,929	-	-	26,804,929
Real Estate Investment Trusts (REITs)	-	314,775	-	314,775
Real Asset Funds	-	3,864,750	-	3,864,750
Total	<u>\$ 43,904,547</u>	<u>\$ 12,737,841</u>	<u>\$ -</u>	<u>\$ 56,642,388</u>
Investments Measured at Amortized Cost				<u>1,228,730</u>
				<u>\$ 57,871,118</u>

Note 4 - Due from/To Other Governmental Units

Amounts receivable from other governments as of June 30, 2023, include:

Fund	Federal	State	Other	Total
Major Funds				
General	\$ 7,254,535	\$ 31,568,962	\$ 796,084	\$ 39,619,581
Food service	2,044,071	212,903	-	2,256,974
Community service	100,940	404,072	2,064	507,076
Debt service	-	5,235	19,700	24,935
	<u>\$ 9,399,546</u>	<u>\$ 32,191,172</u>	<u>\$ 817,848</u>	<u>\$ 42,408,566</u>

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022 (as restated)	Additions	Deletions	Balance June 30, 2023
Capital Assets Not Being Depreciated				
Land	\$ 11,966,353	\$ -	\$ -	\$ 11,966,353
Construction in progress	18,356,829	9,288,259	17,547,765	10,097,323
Total capital assets, not being depreciated	30,323,182	9,288,259	17,547,765	22,063,676
Capital Assets Being Depreciated/Amortized				
Buildings and improvements	498,256,495	16,435,240	5,388,859	509,302,876
Furniture and equipment	60,611,234	2,617,194	1,965,059	61,263,369
Land improvements	17,590,398	1,131,302	-	18,721,700
Right-to-use leased equipment	578,987	70,597	88,317	561,267
Right-to-use subscription IT assets	6,805,412	2,277,418	-	9,082,830
Total capital assets being depreciated/amortized	583,842,526	22,531,751	7,442,235	598,932,042
Less Accumulated Depreciation/Amortization for				
Buildings and improvements	234,462,617	12,539,337	4,392,128	242,609,826
Furniture and equipment	48,171,940	3,216,835	1,951,211	49,437,564
Land improvements	11,792,064	432,438	-	12,224,502
Right-to-use leased equipment	245,036	242,738	88,317	399,457
Right-to-use subscription IT assets	-	2,243,148	-	2,243,148
Total accumulated depreciation/amortization	294,671,657	18,674,496	6,431,656	306,914,497
Net capital assets, depreciated/amortized	289,170,869	3,857,255	1,010,579	292,017,545
Total capital assets, net	\$ 319,494,051	\$ 13,145,514	\$ 18,558,344	\$ 314,081,221

Depreciation/amortization expense for the year ended June 30, 2023 was charged to the following functions/programs:

Administration	\$ 4,989
District support services	30,403
Regular instruction	2,824,866
Vocational education instruction	1,482
Special education instruction	7,239
Instructional support services	681
Pupil support services	2,116,188
Sites and buildings	13,688,648
Total depreciation/amortization expense	\$ 18,674,496

Note 6 - Leases**Lease Receivables**

The District, acting as lessor, leases certain real property under long-term, noncancelable lease agreements. The leases contain discount rates of 2.40% and expire at various dates through 2039 and provide for renewal options ranging from three months to six years. During the year ended June 30, 2023, the District recognized \$54,364 and \$31,245 in lease revenue and interest revenue, respectively, pursuant to these contracts. Total future minimum lease payments to be received under lease agreements are as follows:

Years Ending June 30,	Long-Term Lease Receivable	
	Principal	Interest
2024	\$ 58,125	\$ 29,927
2025	62,712	28,519
2026	67,524	27,001
2027	72,572	25,366
2028	68,239	23,647
2029 - 2033	342,025	95,762
2034 - 2038	471,153	48,802
2039	112,461	2,700
	<u>\$ 1,254,811</u>	<u>\$ 281,724</u>

Leases Payable

During previous years, the District entered into various copier lease agreements, drivers education vehicle lease agreements, mail equipment lease agreements, and fiber optic cable lease agreements as lessee for the acquisition and use of the related assets. The District is required to make monthly principal and interest payments of \$285,892. Lease payments are made from the general and community service funds. The leases have an interest rate of 2.50%. During the year ended June 30, 2023, the District recognized interest expense of \$9,544 related to leases.

The future principal and interest lease payments as of June 30, 2023, were as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 145,688	\$ 5,528
2025	82,816	2,501
2026	30,788	1,113
2027	9,718	709
2028	7,532	471
2029 - 2033	9,350	1,072
	<u>\$ 285,892</u>	<u>\$ 11,394</u>

Note 7 - Subscription-Based Information Technology Arrangements (SBITAs)

The District entered into various SBITA contracts for the use of software and online subscriptions. As of June 30, 2023, the value of the subscription liability was \$6,707,873. The District is required to make annual principal and interest payments ranging from \$23,363 to \$2,250,632 through January 2030. The subscriptions have interest rates of 2.5% based on the District's incremental borrowing rate.

Remaining principal and interest payments on subscriptions are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,090,125	\$ 160,507
2025	1,766,162	110,140
2026	1,496,708	67,871
2027	1,284,791	31,025
2028	23,363	-
2029 - 2030	46,724	-
	<u>\$ 6,707,873</u>	<u>\$ 369,543</u>

Note 8 - Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2023 are as follows:

	Balance July 1, 2022 (as restated)	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Bonds Payable	\$ 97,905,000	\$ -	\$ 12,645,000	\$ 85,260,000	\$ 12,955,000
Unamortized Bond Premium	10,188,608	-	1,915,016	8,273,592	1,915,016
Certificates of Participation	33,320,000	-	3,185,000	30,135,000	3,320,000
Financed Purchases Payable	4,763,307	-	754,307	4,009,000	776,896
Leases	325,334	70,597	110,039	285,892	145,688
Subscription Liabilities	6,805,412	2,277,418	2,374,957	6,707,873	2,090,125
Severance Benefits Payable	13,754,736	290,838	1,308,328	12,737,246	1,686,005
Compensated Absences	3,162,373	2,843,317	3,210,615	2,795,075	2,843,317
	<u>\$ 170,224,770</u>	<u>\$ 5,482,170</u>	<u>\$ 25,503,262</u>	<u>\$ 150,203,678</u>	<u>\$ 25,732,047</u>

Bonds Payable

Following is a summary of bonds payable as of June 30, 2023:

Bond Description	Final Maturity	Interest Rate	Original Principal	Outstanding Balance
General Obligation School Building Bonds, Series 2016A	2030	1.00-5.00%	\$ 112,150,000	\$ 77,805,000
General Obligation Refunding Bonds, Series 2022A	2025	5.00%	11,235,000	<u>7,455,000</u>
				<u>\$ 85,260,000</u>

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

Certificates of Participation

Following is a summary of certificates of participation as of June 30, 2023:

<u>Certification of Participation Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Outstanding Balance</u>
Certificates of Participation, Series 2010A	2026	2.00 - 3.38%	\$ 2,705,000	\$ 640,000
Certificates of Participation, Series 2013B	2029	2.00 - 4.00%	\$ 13,710,000	6,200,000
Certificates of Participation, Series 2020A	2030	2.00 - 4.00%	\$ 8,960,000	6,560,000
Certificates of Participation, Series 2021A	2031	1.20 - 3.00%	\$ 9,005,000	7,400,000
Certificates of Participation, Series 2022B	2037	3.00 - 5.00%	\$ 9,775,000	9,335,000
				<u>\$ 30,135,000</u>

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

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

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

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

The District issued certificates of participation of \$9,775,000 in March 2022 to finance the acquisition of an existing facility to provide instructional services for early childhood students and an alternative learning center site. This debt requires semiannual principal and interest payments of varying amounts (at rates ranging from 3.0% to 5.0%) for 15 years, maturing in April 2037. These certificates are being repaid from the General Fund.

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Notes to Financial Statements

June 30, 2023

Financed Purchases Payable

The District has purchased various assets through financed purchase agreements. Annual principal and interest on these arrangements is paid from the General Fund.

Following is a summary of direct borrowing payable as of June 30, 2023:

Direct Borrowing Description	Final Maturity	Original Principal	Outstanding Balance
ALC, Transition Plus, Pathways Building	2027	\$ 5,028,875	\$ 1,560,947
Parkview Additions	2030	\$ 4,200,000	\$ 2,211,616
Equipment and Vehicles	2025	\$ 585,000	\$ 236,437
			<u>\$ 4,009,000</u>

Remaining principal and interest payments on long-term debt are as follows:

Years Ending June 30,	Bonds Payable		Certificates of Participation	
	Principal	Interest	Principal	Interest
2024	\$ 12,955,000	\$ 3,645,900	\$ 3,320,000	\$ 987,944
2025	13,595,000	2,998,150	3,445,000	868,188
2026	10,695,000	2,318,400	3,565,000	742,313
2027	11,250,000	1,783,650	3,475,000	609,363
2028	11,820,000	1,221,150	3,605,000	476,425
2029-2033	24,945,000	1,128,000	9,535,000	1,040,990
2034-2037	-	-	3,190,000	243,000
	<u>\$ 85,260,000</u>	<u>\$ 13,095,250</u>	<u>\$ 30,135,000</u>	<u>\$ 4,968,223</u>

Years Ending June 30,	Financed Purchases Payable		Total	
	Principal	Interest	Principal	Interest
2024	\$ 776,896	\$ 109,714	\$ 17,051,896	\$ 4,743,558
2025	798,939	87,671	17,838,939	3,954,009
2026	699,838	64,679	14,959,838	3,125,392
2027	720,679	43,837	15,445,679	2,436,850
2028	322,380	26,990	15,747,380	1,724,565
2029-2030	690,268	25,008	35,170,268	2,193,998
2034-2037	-	-	3,190,000	243,000
	<u>\$ 4,009,000</u>	<u>\$ 357,899</u>	<u>\$ 119,404,000</u>	<u>\$ 18,421,372</u>

Leases

The District leases equipment and computers for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026. See Note 6 for further information.

Subscription liabilities

The District has contracts for the use of software and online subscriptions that expire at various dates through 2030. See Note 7 for further information.

Severance Benefits and Compensated Absences

Severance and compensated absences consists of vested vacation and sick leave as discussed in Note 1. These expenses are paid out of the general fund.

Note 9 - Fund Balance and Net Position

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

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

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

Restricted for Adult Basic Education - Represents available resources available for activities involving Adult Basic Education.

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

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

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

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

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

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

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

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

Restricted for Other Purposes - Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

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

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

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

Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 314,081,221
Bonds Payable at June 30	(85,260,000)
Certificates of Participation at June 30	(30,135,000)
Financed Purchase Payable at June 30	(4,009,000)
Leases at June 30	(285,892)
Subscription Liabilities at June 30	(6,707,873)
Bond Premium at June 30	(8,273,592)
Capital Related Payables	(2,061,055)
	<hr/>
Net Investment in Capital Assets	<u>\$ 177,348,809</u>

Note 10 - Other Post-Employment Benefits

A. Plan Description

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

B. Benefits Provided

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

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

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

C. Funding Policy

The District has assets designated for OPEB. These assets are in a qualified irrevocable trust which is included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 3. The District is assumed to make no future contributions to the trust. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust. Contribution requirements are also established through contractual agreements with employee groups. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement.

D. Net OPEB Liability

The District's net OPEB liability of \$4,986,071 was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

E. Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	Service graded table
Discount Rate	4.70 percent
Investment Rate of Return	5.60 percent, net of OPEB plan investment expenses
Healthcare Cost Trend Rates	6.25 percent, grading to 5.00 percent over 6 years, then to 4.00 percent over the next 48 years
Retiree Plan Participation	
Pre-65 subsidy available	45%
Pre-65 subsidy not available	45%
Percent of Married Retirees Electing Spouse Coverage	
Spouse subsidy available	100%
Spouse subsidy not available	
Males	25%
Females	15%

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the July 1, 2022 valuation were based on inputs from a variety of published sources of historical and projected future financial data.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

Plan Provisions

- There were no changes in plan provisions.

Assumptions

- The discount rate was changed from 4.60% to 4.70%.

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

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Fixed Income	40%	2.00%
Domestic Equity	20%	8.00%
International Equity	20%	8.00%
Real Estate	10%	8.00%
Other	10%	8.00%
	100%	

F. Discount Rate

The discount rate used to measure the total OPEB liability was 4.70%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

G. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	\$ 59,566,975	\$ 54,513,180	\$ 5,053,795
Changes from the Prior Year			
Service Cost	3,878,225	-	3,878,225
Interest Cost	3,046,738	-	3,046,738
Assumption Changes	2,020,290	-	2,020,290
Plan Changes	(420,502)	-	(420,502)
Projected Investment Return	-	3,052,738	(3,052,738)
Difference between Expected and Actual Experience	(5,437,880)	101,857	(5,539,737)
Benefit Payments	(2,564,399)	(2,564,399)	-
Total Net Changes	522,472	590,196	(67,724)
Balances at June 30, 2023	\$ 60,089,447	\$ 55,103,376	\$ 4,986,071

The measurement date of the net OPEB liability was June 30, 2023; the date of the actuarial valuation on which the total OPEB liability is based was July 1, 2022.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of changes in the District's net OPEB liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multiple year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits will be displayed.

H. Sensitivity of the Net OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate one percentage point lower and one 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>
Discount Rate	3.70%	4.70%	5.70%
Net OPEB Liability	\$ 8,500,430	\$ 4,986,071	\$ 1,632,284

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

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Selected Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
Medical Trend Rate	5.25%, decreasing to 4.00% over 6 years then to 3.00% over the next 48 years	6.25%, decreasing to 5.00% over 6 years then to 4.00% over the next 48 years	7.25%, decreasing to 6.00% over 6 years then to 5.00% over the next 48 years
Net OPEB Liability	\$ 8,500,430	\$ 4,986,071	\$ 1,632,284

I. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$3,766,713 . At June 30, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Liability Gains	\$ -	\$ 6,380,008
Assumption Changes	4,056,268	963,349
Investment Losses	<u>3,132,135</u>	<u>-</u>
	<u><u>\$ 7,188,403</u></u>	<u><u>\$ 7,343,357</u></u>

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

<u>Years Ended June 30,</u>	<u>OPEB Expense Amount</u>
2024	\$ 316,324
2025	286,816
2026	1,576,857
2027	(344,537)
2028	(499,555)
Thereafter	(1,490,859)

J. OPEB Plan Fiduciary Plan

Detailed information about the OPEB plan's fiduciary net position is available in a separately issued OPEB financial report.

Note 11 - Defined Benefit Pension Plans

Substantially all employees of the District are required by state law to belong to defined benefit, multi-employer, cost-sharing pension plans administered by the Public Employees' Retirement Association (PERA) or the Teachers' Retirement Association (TRA), both of which are administered on a state-wide basis.

For the year ended June 30, 2023, the District reported its proportionate share of deferred outflows of resources, net pension liabilities, deferred inflows of resources, and pension expense for each of the plans as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense (Income)
PERA	\$ 23,762,255	\$ 63,684,985	\$ 1,705,367	\$ 10,579,281
TRA	94,564,452	272,342,096	61,433,685	41,424,922
Total all plans	<u>\$ 118,326,707</u>	<u>\$ 336,027,081</u>	<u>\$ 63,139,052</u>	<u>\$ 52,004,203</u>

Disclosures relating to these plans are as follows:

Public Employees Retirement Association (PERA)**A. Plan Descriptions**

The District participates in the General Employees Retirement Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

The General Employees Retirement Plan covers certain full time and part-time employees of the District. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

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

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 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 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 66.

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

C. Contribution Rate

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2023, were \$4,590,053. The District's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

At June 30, 2023, the District reported a liability of \$63,684,985 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 non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$1,866,887.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.8041 percent at the end of the measurement period and 0.7370 percent for the beginning of the period.

District's Proportionate Share of Net Pension Liability	\$ 63,684,985
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the District	<u>1,866,887</u>
Total	<u>\$ 65,551,872</u>

For the year ended June 30, 2023, the District recognized pension expense of \$10,579,281 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized \$278,956 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the annual \$16 million contribution.

At June 30, 2023 the District reported its proportionate share of the General Employees Plan'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	\$ 531,944	\$ 625,638
Changes in Actuarial Assumptions	13,246,668	246,360
Net Collective Difference Between Projected and Actual Investment Earnings	3,016,425	-
Change in Proportion	2,377,165	833,369
Contributions paid to PERA Subsequent to the Measurement Date	<u>4,590,053</u>	<u>-</u>
Total	<u>\$ 23,762,255</u>	<u>\$ 1,705,367</u>

The \$4,590,053 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 ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ended June 30,</u>	<u>Pension Expense Amount</u>
2024	\$ 6,167,144
2025	6,176,602
2026	(636,267)
2027	5,759,356

E. Long-Term Expected Return on Investment

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

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Private Markets	25.0%	5.90%
Fixed Income	25.0%	0.75%
Total	100.0%	

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 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 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 29 years of service and 6.0 percent per year thereafter.

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

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

The following changes in actuarial assumptions and plan provisions occurred in 2022:

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

G. Discount Rate

The discount rate used to measure the total pension liability in 2022 was 6.5 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 General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

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

Sensitivity Analysis
Net Pension Liability (Asset) at Different Discount Rates

	<u>General Employees Fund</u>	
1% Lower	5.50%	\$ 100,593,770
Current Discount Rate	6.50%	\$ 63,684,985
1% Higher	7.50%	\$ 33,414,086

I. Pension Plan Fiduciary Net Position

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

Teachers Retirement Association (TRA)**A. Plan Descriptions**

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

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

B. Benefits Provided

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

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

Tier I Benefits

<u>Tier 1</u>	<u>Step Rate Formula</u>	<u>Percentage</u>
Basic	First ten years of service	2.2% per year
	All years after	2.7% per year
Coordinated	First ten years if service years are up to July 1, 2006	1.2% per year
	First ten years if service years are July 1, 2006 or after	1.4% per year
	All other years of service if service years are up to July 1, 2006	1.7% per year
	All other years of service if service years are July 1, 2006 or after	1.9% per year

With these provisions:

- a.) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- b.) 3 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).

or

Tier II Benefits

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

Members first employed after June 30, 1989, receive only the Tier II 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. Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ending June 30, 2021, June 30, 2022, and June 30, 2023, were:

	June 30, 2021		June 30, 2022		June 30, 2023	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.00%	12.13%	11.00%	12.34%	11.00%	12.55%
Coordinated	7.50%	8.13%	7.50%	8.34%	7.50%	8.55%

The following is a reconciliation of employer contributions in TRA's fiscal year 2022 ACFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations.

	<i>in thousands</i>
Employer Contributions Reported in TRA's Comprehensive Annual Financial Report, Statement of Changes in Fiduciary Net Position	\$ 482,679
Employer Contributions Not Related to Future Contribution Efforts	(2,178)
TRA's Contributions Not Included in Allocation	<u>(572)</u>
Total Employer Contributions	479,929
Total Non-Employer Contributions	<u>35,590</u>
Total Contributions Reported in <i>Schedule of Employer and Non-Employer Allocations</i>	<u><u>\$ 515,519</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. TRA has rounded percentage amounts to the nearest ten thousandths.

D. Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	
Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Experience Study	June 28, 2019 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment rate of return	7.00%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028, and 3.25% after June 30, 2028
Projected salary increase	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% after June 30, 2028
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually
Mortality Assumptions	
Pre-retirement	RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
Post-retirement	RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
Post-disability	RP-2014 disabled retiree mortality table, without adjustment.

The assumptions prescribed are based on the experience student dated June 28, 2019.

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

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

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
	100.0%	

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is six years. The *Difference between Expected and Actual Experience*, *Changes of Assumptions*, and *Changes in Proportion* use the amortization period of six years in the schedule presented. The amortization period for *Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments* is five years as required by GASB 68.

Changes in actuarial assumptions since the 2021 valuation

- None.

E. Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2022 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

F. Net Pension Liability

On June 30, 2023, the District reported a liability of \$272,342,096 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 3.4011 percent at the end of the measurement period and 3.2864 percent for the beginning of the year.

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

District's Proportionate Share of Net Pension Liability	<u><u>\$ 272,342,096</u></u>
State's Proportionate Share of the Net Pension Liability Associated with the District	<u><u>\$ 20,196,458</u></u>

For the year ended June 30, 2023, the District recognized pension expense of \$41,424,922. It also recognized \$2,777,074 as a decrease to pension expense for the support provided by direct aid.

On June 30, 2023, 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 Experience	\$ 3,826,587	\$ 2,318,048
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	10,531,381	-
Changes of Assumptions	42,155,104	54,072,052
Changes in Proportion	19,346,475	5,043,585
District's Contributions to TRA Subsequent to the Measurement Date	<u>18,704,905</u>	<u>-</u>
Total	<u><u>\$ 94,564,452</u></u>	<u><u>\$ 61,433,685</u></u>

The \$18,704,905 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to TRA pensions will be recognized in pension expense as follows:

<u>Years Ended June 30,</u>	<u>Pension Expense Amount</u>
2024	\$ (41,877,445)
2025	11,115,171
2026	4,669,853
2027	38,338,927
2028	2,179,356

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent as well what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

Sensitivity of Net Pension Liability (NPL) to Changes in the Discount Rate

1% decrease (6.00%)	Current (7.00%)	1% increase (8.00%)
\$ 429,332,485	\$ 272,342,096	\$ 143,658,927

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis and Minneapolis School District.

H. Pension Plan Fiduciary Net Position

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

Note 12 - Flexible Benefit Plan

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

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

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

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

Note 13 - Commitments and Contingencies**Federal and State Revenue**

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

Construction Commitments

The District has active construction projects as of June 30, 2023. The projects include the Hardscape rehabilitation, Dakota Ridge Renovation and new Rosemount Middle School with construction costs of \$10,097,323 reported as construction in progress with remaining commitments of \$155,568,360 as of June 30, 2023.

Litigation and Potential Exposure

In the ordinary course of its operations, the District is party to legal proceedings as a plaintiff or defendant. The financial impact of remaining actions is not determinable at June 30, 2023, but, in the opinion of management and legal counsel, the ultimate disposition of any or all of these proceedings will not have a material effect on the District's financial position.

Note 14 - Interfund Balances

The District had the following interfund transfers:

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
Community Service	<u>\$ 211,175</u>	General Fund	<u>\$ 211,175</u>

The District transferred \$211,175 to the Community Service Fund to fund a shortfall in preschool screening.

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

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 2,473,351	\$ -
Special Revenue Funds		
Food Service	28,425	-
Community Service	61,531	51
Fiduciary Fund		
OPEB Irrevocable Trust Fund	<u>-</u>	<u>2,563,256</u>
Total	<u>\$ 2,563,307</u>	<u>\$ 2,563,307</u>

The OPEB Irrevocable Trust Fund owed \$2,473,300 to the General Fund, \$28,425 to the Food Service Fund, and \$61,531 to the Community Service Fund for other postemployment benefits paid by each respective fund.

Note 15 - Self-Insurance

The District is self-insured with respect to health and dental insurance costs. Terms of the plan do not include a stop-loss provision of \$150,000, which limits the District's liability. The following is the activity for the year ended June 30, 2023:

Claims Incurred But Not Reported at Beginning of Year	\$ (5,758,290)
Claims incurred	64,272,406
Claims paid	<u>(64,731,675)</u>
Claims Incurred But Not Reported at End of Year	<u><u>\$ (6,217,559)</u></u>

Note 16 - Fund Balance

Certain portions of fund balances are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties.

The following is a summary of fund balances as of June 30, 2023:

	General	Food Service	Community Service	Building Construction	Debt Service	Totals
Nonspendable						
Inventories	\$ 890,874	\$ 402,836	\$ -	\$ -	\$ -	\$ 1,293,710
Prepaid items	923,305	-	2,150	-	-	925,455
Total nonspendable	<u>1,814,179</u>	<u>402,836</u>	<u>2,150</u>	<u>-</u>	<u>-</u>	<u>2,219,165</u>
Restricted						
Student activities	327,272	-	-	-	-	327,272
Capital projects levy	1,820,113	-	-	-	-	1,820,113
Operating capital	5,564,329	-	-	-	-	5,564,329
Community education	-	-	418,628	-	-	418,628
Early childhood and family education	-	-	1,223,162	-	-	1,223,162
School readiness	-	-	1,691,343	-	-	1,691,343
Adult basic education	-	-	488,707	-	-	488,707
Food service	-	7,462,451	-	-	-	7,462,451
Community service	-	-	34,255	-	-	34,255
Debt service	-	-	-	-	5,776,225	5,776,225
Long-term facilities maintenance	3,223,671	-	-	-	-	3,223,671
Medical assistance	2,602,952	-	-	-	-	2,602,952
Total restricted	<u>13,538,337</u>	<u>7,462,451</u>	<u>3,856,095</u>	<u>-</u>	<u>5,776,225</u>	<u>30,633,108</u>
Assigned						
Site carryover	8,216,693	-	-	-	-	8,216,693
Subsequent year budget deficit	8,701,308	-	-	-	-	8,701,308
Miscellaneous budget	2,540,896	-	-	-	-	2,540,896
Total assigned	<u>19,458,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,458,897</u>
Unassigned	<u>56,839,880</u>	<u>-</u>	<u>-</u>	<u>(61,746)</u>	<u>-</u>	<u>56,778,134</u>
Total fund balance	<u>\$ 91,651,293</u>	<u>\$ 7,865,287</u>	<u>\$ 3,858,245</u>	<u>\$ (61,746)</u>	<u>\$ 5,776,225</u>	<u>\$ 109,089,304</u>

Rosemount-Apple Valley-Eagan ISD 196

Notes to Financial Statements

June 30, 2023

The UFARS fund balance reporting standards are slightly different than the reporting standards under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Below is a reconciliation between the fund balance reporting under GASB 54 and UFARS reporting standards:

	GASB Balance	Reconciling Items	UFARS Balance
Nonspendable			
Inventories	\$ 1,293,710	\$ -	\$ 1,293,710
Prepays	925,455	-	925,455
Total nonspendable	2,219,165	-	2,219,165
Restricted			
Student activities	327,272	-	327,272
Capital projects levy			
General fund	1,820,113	-	1,820,113
Project funded by COP			
Capital projects fund	-	(144,301)	(144,301)
Operating capital	5,564,329	-	5,564,329
Community education	418,628	-	418,628
Early childhood and family education	1,223,162	-	1,223,162
School readiness	1,691,343	-	1,691,343
Adult basic education	488,707	-	488,707
Safe schools levy	-	(733,542)	(733,542)
Food service	7,462,451	-	7,462,451
Community service	34,255	-	34,255
Debt service	5,776,225	-	5,776,225
Long-term facilities maintenance			
General fund	3,223,671	-	3,223,671
Medical assistance	2,602,952	-	2,602,952
Total restricted	30,633,108	(877,843)	29,755,265
Assigned			
Site carryover	8,216,693	-	8,216,693
Subsequent year budget deficit	8,701,308	-	8,701,308
Miscellaneous budget	2,540,896	-	2,540,896
Total assigned	19,458,897	-	19,458,897
Unassigned	56,778,134	877,843	57,655,977
Total fund balance	\$ 109,089,304	\$ -	\$ 109,089,304

Note 17 - Subsequent Event

Subsequent to year-end, the District issued General Obligation Facilities Maintenance and School Building Bonds, Series 2023A, in the amount of \$300,000,000. Bond proceeds will be used to finance the acquisition and betterment of school sites and facilities in the District School Building Program while also financing deferred maintenance projects included in the District's ten-year facility plan. The bonds bear an interest rate of 4.00% - 5.00% and payments will commence in August 2024.

Required Supplementary Information
June 30, 2023

Rosemount-Apple Valley-Eagan ISD 196

Rosemount-Apple Valley-Eagan ISD 196
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
June 30, 2023

Schedule of Changes in the District's Net OPEB Liability and Related Ratios, Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
Service Cost	\$ 3,878,225	\$ 3,588,552	\$ 3,150,709	\$ 3,167,572	\$ 3,075,313	\$ 2,665,745
Interest	3,046,738	3,131,848	2,929,263	2,810,239	2,847,687	2,777,088
Assumption Changes	2,020,290	1,917,624	(1,376,215)	-	1,583,799	-
Plan Changes	(420,502)	-	(183,686)	-	(179,505)	-
Differences Between Expected and Actual Experience	(5,437,880)	-	(2,119,363)	-	(5,324)	-
Benefit Payments	(2,564,399)	(2,778,866)	(3,701,408)	(3,643,391)	(4,783,071)	(4,405,513)
Net Change in Total OPEB Liability	522,472	5,859,158	(1,300,700)	2,334,420	2,538,899	1,037,320
Total OPEB Liability - Beginning	59,566,975	53,707,817	55,008,517	52,674,097	50,135,198	49,097,878
Total OPEB Liability - Ending (a)	<u>\$ 60,089,447</u>	<u>\$ 59,566,975</u>	<u>\$ 53,707,817</u>	<u>\$ 55,008,517</u>	<u>\$ 52,674,097</u>	<u>\$ 50,135,198</u>
Plan Fiduciary Net Position						
Contributions-Employer	\$ -	\$ -	\$ -	\$ 3,643,391	\$ 2,283,071	\$ 58,362,417
Projected Investment Return	3,052,738	(6,059,314)	9,663,992	2,903,606	3,028,266	-
Differences Between Expected and Actual Experience	101,857	-	-	-	-	-
Benefit Payments	(2,564,399)	(2,778,866)	(3,701,408)	(3,643,391)	(4,783,071)	(4,405,513)
Net Change in Plan Fiduciary Net Position	590,196	(8,838,180)	5,962,584	2,903,606	528,266	53,956,904
Total Fiduciary Net Position - Beginning	54,513,180	63,351,360	57,388,776	54,485,170	53,956,904	-
Total Fiduciary Net Position - Ending (b)	<u>\$ 55,103,376</u>	<u>\$ 54,513,180</u>	<u>\$ 63,351,360</u>	<u>\$ 57,388,776</u>	<u>\$ 54,485,170</u>	<u>\$ 53,956,904</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 4,986,071</u>	<u>\$ 5,053,795</u>	<u>\$ (9,643,543)</u>	<u>\$ (2,380,259)</u>	<u>\$ (1,811,073)</u>	<u>\$ (3,821,706)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	91.70%	91.52%	117.96%	104.33%	103.44%	107.62%
Covered Payroll	\$ 259,199,852	\$ 242,463,437	\$ 235,401,395	\$ 221,133,728	\$ 214,673,522	\$ 207,060,884
District's Net OPEB Liability as a Percentage of Covered Payroll	1.92%	2.08%	-4.10%	-1.08%	-0.84%	-1.85%

*GASB Statements No. 74/75 require ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Rosemount-Apple Valley-Eagan ISD 196

Schedule of District OPEB Contributions

June 30, 2023

Schedule of District OPEB Contributions Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in Relation to The Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	\$ 259,199,852	\$ 242,463,437	\$ 235,401,395	\$ 221,133,728	\$ 214,673,522	\$ 207,060,884
Contributions as A Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*GASB Statements No. 74/75 require ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Rosemount-Apple Valley-Eagan ISD 196
Notes to the Schedule of Changes in the District's Net OPEB Liability and Related Ratios
and Schedule of District OPEB Contributions
June 30, 2023

<u>Valuation Date</u>	July 1, 2022
<u>Inflation</u>	2.50 percent
<u>Investment Rate of Return</u>	5.60 percent, net of investment expenses
<u>Discount Rate</u>	4.70 percent
<u>Healthcare Cost Trend Rates</u>	6.50% in 2022 grading to 5.00% over 6 years and then to 4.00% over the next 48 years.
<u>Mortality</u>	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
<u>Actuarial Cost Method</u>	Entry Age, level percentage of pay.

Amortization Method Average of expected remaining service on a closed basis for differences between expected and actual experience and assumption changes. Closed five-year period for differences between expected and actual asset returns.

2023 Changes

Changes in Actuarial Assumptions

- The health care trend rates, mortality tables, salary increase rates for non-teachers, withdrawal rates, and retirement rates were updated.
- The discount rate was changed from 4.90% to 4.70%.

Changes in Plan Provisions

- The employer contributions to the Tax-Deferred Matching Plan increased for Teachers. This benefit is not included in the GASB 75 liability, but it is used to offset the Teachers' health care savings plan lump sum under GASB 75.

2022 Changes

Changes in Actuarial Assumptions

- The expected long-term investment return was changed from 6.00% to 5.90%.
- The discount rate was changed from 2.80% to 4.00%.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The expected long-term investment return was changed from 4.00% to 6.00%.
- The discount rate was changed from 2.60% to 2.80%.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

- The expected long-term investment return was changed from 4.30% to 4.00%.
- The discount rate was changed from 3.30% to 2.60%.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2019 Changes

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 5.20% to 4.30%.
- The discount rate was changed from 3.80% to 3.30%.

Changes in Plan Provisions

- The new superintendent does not have a subsidized post-employment benefit.

2018 Changes

Changes in Actuarial Assumptions

- The expected long-term investment return was changed from 4.90% to 5.20%.
- The discount rate was changed from 3.10% to 3.80%.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

Rosemount-Apple Valley-Eagan ISD 196
Schedule of Employer's Share of Net Pension Liability
June 30, 2023

**Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years ***

Pension Plan	Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated With District (b)	Total (d) (a+b)	Employer's Covered Payroll (e)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/e)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERA	6/30/2014	0.8558%	\$ 40,201,196	N/A	\$ 40,201,196	\$ 45,801,731	87.8%	78.8%
PERA	6/30/2015	0.7836%	40,610,219	N/A	40,610,219	46,021,245	88.2%	78.2%
PERA	6/30/2016	0.7610%	61,789,425	\$ 806,952	62,596,377	47,231,887	130.8%	68.9%
PERA	6/30/2017	0.7588%	48,441,291	609,138	49,050,429	48,849,901	99.2%	75.9%
PERA	6/30/2018	0.7609%	42,211,612	1,384,512	43,596,124	51,294,453	82.3%	79.5%
PERA	6/30/2019	0.7483%	41,371,831	1,285,874	42,657,705	52,812,080	78.3%	80.2%
PERA	6/30/2020	0.7648%	45,853,255	1,413,980	47,267,235	54,420,467	84.3%	79.1%
PERA	6/30/2021	0.7370%	31,473,202	961,118	32,434,320	52,020,160	60.5%	87.0%
PERA	6/30/2022	0.8041%	63,684,985	1,866,887	65,551,872	60,313,733	105.6%	76.7%
TRA	6/30/2014	3.3358%	\$ 153,711,262	\$ 10,813,476	\$ 164,524,738	\$ 152,270,353	100.9%	81.5%
TRA	6/30/2015	3.1326%	193,782,291	23,768,953	217,551,244	159,010,347	121.9%	76.8%
TRA	6/30/2016	3.1503%	751,421,716	75,422,961	826,844,677	164,204,850	457.6%	44.9%
TRA	6/30/2017	3.1521%	629,216,339	60,824,265	690,040,604	169,205,267	371.9%	51.6%
TRA	6/30/2018	3.1910%	200,421,836	18,830,184	219,252,020	178,260,773	112.4%	78.1%
TRA	6/30/2019	3.3239%	211,866,085	18,749,509	230,615,594	188,698,314	112.3%	78.1%
TRA	6/30/2020	3.2245%	238,230,381	19,964,267	258,194,648	187,364,672	127.1%	75.5%
TRA	6/30/2021	3.2864%	143,822,690	12,129,930	155,952,620	196,644,649	73.1%	86.6%
TRA	6/30/2022	3.4011%	272,342,096	20,196,458	292,538,554	210,261,583	129.5%	76.2%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10- year trend is compiled, the District will present information for those years for which information is available.

Rosemount-Apple Valley-Eagan ISD 196
Schedule of Employer's Contributions
June 30, 2023

**Schedule of Employer's Contributions
Last 10 Fiscal Years ***

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
PERA	6/30/2015	\$ 3,394,067	\$ 3,394,067	\$ -	\$ 46,021,245	7.5%
PERA	6/30/2016	3,542,392	3,542,392	-	47,231,887	7.5%
PERA	6/30/2017	3,663,743	3,663,743	-	48,849,901	7.5%
PERA	6/30/2018	3,847,084	3,847,084	-	51,294,453	7.5%
PERA	6/30/2019	3,960,906	3,960,906	-	52,812,080	7.5%
PERA	6/30/2020	4,081,535	4,081,535	-	54,420,467	7.5%
PERA	6/30/2021	3,901,512	3,901,512	-	52,020,160	7.5%
PERA	6/30/2022	4,523,530	4,523,530	-	60,313,733	7.5%
PERA	6/30/2023	4,590,053	4,590,053	-	61,200,707	7.5%
TRA	6/30/2015	\$ 11,925,776	\$ 11,925,776	\$ -	\$ 159,010,347	7.5%
TRA	6/30/2016	12,315,364	12,315,364	-	164,204,853	7.5%
TRA	6/30/2017	12,690,395	12,690,395	-	169,205,267	7.5%
TRA	6/30/2018	13,369,558	13,369,558	-	178,260,773	7.5%
TRA	6/30/2019	14,548,640	14,548,640	-	188,698,314	7.7%
TRA	6/30/2020	14,839,282	14,839,282	-	187,364,672	7.9%
TRA	6/30/2021	15,987,210	15,987,210	-	196,644,649	8.1%
TRA	6/30/2022	17,535,816	17,535,816	-	210,261,583	8.3%
TRA	6/30/2023	18,704,905	18,704,905	-	218,770,819	8.6%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10- year trend is compiled, the District will present information for those years for which information is available.

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions**PERA****2022 Changes**

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021 Changes

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.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018 Changes

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.

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 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 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.

2017 Changes

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 non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions

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

2016 Changes

Changes in Actuarial Assumptions

- The assumed postretirement 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 changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed postretirement 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.

Changes in Plan Provisions

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

TRA

2022 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% 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 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending July 1, 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% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2017 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 5.12% from 4.66%.
- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Augmentation in the early retirement reduction factors is phased out o Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes of benefit terms

- The DTRFA was merged into TRA on June 30, 2015.

Changes in Actuarial Assumptions

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%. Details, if necessary, can be obtained from the TRA Comprehensive Annual Financial Report.

PERA's Comprehensive Annual Financial Report may be obtained on the PERA's website at www.mnpera.org for notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions.

Additional financial and actuarial information can be found in TRA's GASB 67-68 report. Both reports can be obtained at <https://minnesotatra.org>.



Supplementary Information

June 30, 2023

Rosemount-Apple Valley-Eagan ISD 196



Rosemount-Apple Valley-Eagan ISD 196

General Fund

Schedule of Changes in UFARS Fund Balances

Year Ended June 30, 2023

	Fund Balance (Deficit) Beginning of Year	Net Change in Fund Balance	Fund Balance (Deficit) End of Year
Nonspendable	\$ 3,932,377	\$ (2,118,198)	\$ 1,814,179
Restricted for Student Activities	344,575	(17,303)	327,272
Restricted for Capital Projects Levy	6,640,465	(4,820,352)	1,820,113
Restricted for Operating Capital	4,878,323	686,006	5,564,329
Restricted for Safe Schools Levy	(696,267)	(37,275)	(733,542)
Restricted for Long Term Facilities Maintenance	2,761,334	462,337	3,223,671
Restricted for Medical Assistance	2,258,963	343,989	2,602,952
Assigned for Site Carryover	6,542,269	1,674,424	8,216,693
Assigned for Subsequent Year Budget Deficit	4,661,000	4,040,308	8,701,308
Assigned for Miscellaneous Budget	2,540,896	-	2,540,896
Unassigned	60,230,861	(2,657,439)	57,573,422
	<u>\$ 94,094,796</u>	<u>\$ (2,443,503)</u>	<u>\$ 91,651,293</u>

Rosemount-Apple Valley-Eagan ISD 196

General Fund

Balance Sheet

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents	\$ 148,876,090	\$ 139,501,760
Cash held with fiscal agent	188	184
Receivables		
Current property taxes	62,026,424	56,772,687
Delinquent property taxes	682,828	450,832
Accounts	517,488	144,270
Due from other governmental units	39,619,581	39,023,711
Leases	1,254,811	1,124,020
Due from other funds	2,473,352	6,287,996
Prepaid items	923,305	684,418
Inventories	890,874	3,247,959
Total assets	\$ 257,264,941	\$ 247,237,837
Liabilities		
Accounts payable	\$ 6,403,348	\$ 5,140,616
Due to other governmental units	489,082	995,406
Salaries and benefits payable	44,081,124	42,910,001
Construction contracts payable	2,061,055	1,006,329
Unearned revenue	167,919	78,601
Total liabilities	53,202,528	50,130,953
Deferred Inflows of Resources		
Unavailable revenue-property taxes	682,828	450,832
Property taxes levied for subsequent year	110,520,010	101,439,034
Lease related	1,208,282	1,122,222
Total deferred inflows of resources	112,411,120	103,012,088
Fund Balance (Deficit)		
Nonspendable		
Prepaid items	923,305	684,418
Inventories	890,874	3,247,959
Restricted		
Student activities	327,272	344,575
Capital projects levy	1,820,113	6,640,465
Long-Term facility maintenance	3,223,671	2,761,334
Medical assistance	2,602,952	2,258,963
Operating capital	5,564,329	4,878,323
Assigned		
Site carry-over	8,216,693	6,542,269
Subsequent year budget deficit	8,701,308	4,661,000
Miscellaneous budget	2,540,896	2,540,896
Unassigned	56,839,880	59,534,594
Total fund balance	91,651,293	94,094,796
Total liabilities, deferred inflows of resources, and fund balance	\$ 257,264,941	\$ 247,237,837

Rosemount-Apple Valley-Eagan ISD 196

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance With Final Budget	Actual
Revenues				
Local Sources				
Property taxes	\$ 105,829,432	\$ 106,195,718	\$ 366,286	\$ 102,779,442
Investment earnings	4,900,000	4,602,414	(297,586)	208,684
Other	10,314,365	11,208,343	893,978	9,680,440
State Sources	309,915,652	314,703,870	4,788,218	300,353,129
Federal Sources	23,682,027	21,457,130	(2,224,897)	23,418,512
Total Revenues	454,641,476	458,167,475	3,525,999	436,440,207
District and school administration				
Salaries and wages	13,858,843	13,599,693	259,150	12,697,959
Employee benefits	5,392,881	5,481,325	(88,444)	4,795,394
Purchased services	662,717	221,451	441,266	230,302
Supplies and materials	654,145	207,715	446,430	191,950
Capital expenditures	82,160	51,263	30,897	86,069
Lease Principal	-	12,297	(12,297)	57,725
Lease Interest	-	-	-	1,582
Other expenditures	146,337	124,252	22,085	125,183
	20,797,083	19,697,996	1,099,087	18,186,164
District support services				
Salaries and wages	7,511,397	7,109,307	402,090	7,071,661
Employee benefits	4,492,454	3,785,472	706,982	3,814,675
Purchased services	2,320,369	3,139,987	(819,618)	1,908,008
Supplies and materials	2,931,516	811,432	2,120,084	1,881,597
Capital expenditures	294,510	1,785,462	(1,490,952)	513,550
Lease Principal	28,340	1,521,103	(1,492,763)	68,835
Lease Interest	2,550	4,880	(2,330)	5,922
Other expenditures	(688,480)	(772,190)	83,710	(848,704)
	16,892,656	17,385,453	(492,797)	14,415,544
Regular instruction				
Salaries and wages	150,691,884	143,439,541	7,252,343	142,208,103
Employee benefits	50,597,256	48,282,035	2,315,221	47,297,648
Purchased services	7,835,031	11,281,417	(3,446,386)	6,491,636
Supplies and materials	13,020,747	7,358,323	5,662,424	6,315,877
Capital expenditures	3,222,135	1,625,044	1,597,091	723,422
Lease Principal	230,304	606,727	(376,423)	174,225
Lease Interest	-	9,517	(9,517)	5,980
Other expenditures	2,333,504	3,321,151	(987,647)	1,541,817
	227,930,861	215,923,755	12,007,106	204,758,708

Rosemount-Apple Valley-Eagan ISD 196

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

		2023		2022
	Final Budget	Actual	Variance With	Actual
Vocational instruction				
Salaries and wages	\$ 3,956,204	\$ 3,917,216	\$ 38,988	\$ 3,756,420
Employee benefits	1,365,053	1,323,127	41,926	1,259,585
Purchased services	290,015	272,168	17,847	270,469
Supplies and materials	144,873	169,478	(24,605)	180,347
Capital expenditures	278,260	64,442	213,818	33,209
Lease Principal	-	-	-	-
Lease Interest	-	-	-	-
Other expenditures	10,804	13,364	(2,560)	11,873
	<u>6,045,209</u>	<u>5,759,795</u>	<u>285,414</u>	<u>5,511,903</u>
Exceptional instruction				
Salaries and wages	63,823,275	62,545,780	1,277,495	58,462,562
Employee benefits	25,912,149	24,029,620	1,882,529	22,451,110
Purchased services	1,645,775	2,212,457	(566,682)	1,643,433
Supplies and materials	1,547,707	1,052,770	494,937	879,408
Capital expenditures	952,351	426,293	526,058	1,175,937
Lease Principal	-	56,864	(56,864)	188,293
Lease Interest	-	190	(190)	4,979
Other expenditures	39,000	43,717	(4,717)	20,173
	<u>93,920,257</u>	<u>90,367,691</u>	<u>3,552,566</u>	<u>84,825,895</u>
Instructional support services				
Salaries and wages	11,945,494	14,755,243	(2,809,749)	14,502,726
Employee benefits	4,570,635	4,879,648	(309,013)	4,777,438
Purchased services	1,503,290	821,676	681,614	371,909
Supplies and materials	4,673,571	7,096,412	(2,422,841)	3,851,691
Capital expenditures	529,579	7,239	522,340	27,694
Lease Principal	-	236,073	(236,073)	-
Other expenditures	109,650	51,946	57,704	102,143
	<u>23,332,219</u>	<u>27,848,237</u>	<u>(4,516,018)</u>	<u>23,633,601</u>
Pupil support services				
Salaries and wages	19,829,377	20,017,878	(188,501)	18,875,782
Employee benefits	9,869,303	8,532,936	1,336,367	8,121,370
Purchased services	5,127,466	5,990,177	(862,711)	5,313,228
Supplies and materials	3,043,054	3,970,098	(927,044)	2,725,230
Capital expenditures	1,611,899	1,316,675	295,224	1,576,660
Lease Principal	31,781	102,512	(70,731)	33,575
Lease Interest	2,860	2,205	655	2,933
Other expenditures	8,200	4,713	3,487	8,989
	<u>39,523,940</u>	<u>39,937,194</u>	<u>(413,254)</u>	<u>36,657,767</u>

Rosemount-Apple Valley-Eagan ISD 196

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

		2023		2022
	Final Budget	Actual	Variance With	Actual
Site Building and Equipment				
Salaries and wages	\$ 10,598,708	\$ 10,591,837	\$ 6,871	\$ 10,562,268
Employee benefits	5,467,431	4,498,729	968,702	4,457,872
Purchased services	8,144,209	13,637,368	(5,493,159)	11,219,000
Supplies and materials	1,615,085	2,605,221	(990,136)	2,271,360
Capital expenditures	14,667,765	9,081,060	5,586,705	6,342,543
Lease Principal	3,452,205	3,879,762	(427,557)	3,325,890
Lease Interest	1,157,888	1,250,919	(93,031)	949,718
Other expenditures	-	(357,913)	357,913	(407,287)
	<u>45,103,291</u>	<u>45,186,983</u>	<u>(83,692)</u>	<u>38,721,364</u>
Fiscal and Other Fixed Costs				
Purchased services	<u>1,567,575</u>	<u>1,517,915</u>	<u>49,660</u>	<u>1,209,218</u>
Total expenditures	<u>\$ 475,113,091</u>	<u>\$ 463,625,019</u>	<u>\$ 11,488,072</u>	<u>\$ 427,920,164</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (20,471,615)	\$ (5,457,544)	\$ (7,962,073)	\$ 8,520,043
Other Financing Sources (Uses)				
Transfer out	(164,746)	(211,175)	(46,429)	(92,212)
Sale of property	795,000	778,465	(16,535)	782,650
Insurance recovery	60,000	98,736	38,736	7,623
Subscription based IT arrangements	-	2,277,418	2,277,418	-
Leases	-	70,597	70,597	18,115
Total Other Financing Sources	<u>690,254</u>	<u>3,014,041</u>	<u>2,323,787</u>	<u>716,176</u>
Net Change in Fund Balance	<u>\$ (19,781,361)</u>	<u>(2,443,503)</u>	<u>\$ (5,638,286)</u>	<u>9,236,219</u>
Fund Balance, Beginning of Year		<u>94,094,796</u>		<u>84,858,577</u>
Fund Balance, End of Year		<u>\$ 91,651,293</u>		<u>\$ 94,094,796</u>

Rosemount-Apple Valley-Eagan ISD 196

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances by Account Year Ended June 30, 2023

	Operating	Pupil Transportation	Capital Expenditures	Total
Revenues				
Local Sources				
Property taxes	\$ 98,048,079	\$ -	\$ 8,147,639	\$ 106,195,718
Investment earnings	4,602,409	-	5	4,602,414
Other	11,065,288	136,073	6,982	11,208,343
State Sources	287,470,511	22,501,603	4,731,756	314,703,870
Federal Sources	21,457,130	-	-	21,457,130
Total Revenues	422,643,417	22,637,676	12,886,382	458,167,475
District and School administration				
Salaries and wages	13,599,693	-	-	13,599,693
Employee benefits	5,481,325	-	-	5,481,325
Purchased services	221,451	-	-	221,451
Supplies and materials	155,483	-	52,232	207,715
Capital expenditures	6,102	-	45,161	51,263
Lease Principal	12,297	-	-	12,297
Other expenditures	124,252	-	-	124,252
	19,600,603	-	97,393	19,697,996
District Support Services				
Salaries and wages	7,109,307	-	-	7,109,307
Employee benefits	3,785,472	-	-	3,785,472
Purchased services	3,139,987	-	-	3,139,987
Supplies and materials	791,381	-	20,051	811,432
Capital expenditures	1,606,969	-	178,493	1,785,462
Lease Principal	777,543	-	743,560	1,521,103
Lease Interest	304	-	4,576	4,880
Other expenditures	(772,190)	-	-	(772,190)
	16,438,773	-	946,680	17,385,453
Regular Instruction				
Salaries and wages	143,439,541	-	-	143,439,541
Employee benefits	48,282,035	-	-	48,282,035
Purchased services	11,281,417	-	-	11,281,417
Supplies and materials	5,395,143	-	1,963,180	7,358,323
Capital expenditures	378,165	-	1,246,879	1,625,044
Lease Principal	350,114	-	256,613	606,727
Lease Interest	9,517	-	-	9,517
Other expenditures	3,321,151	-	-	3,321,151
	212,457,083	-	3,466,672	215,923,755

Rosemount-Apple Valley-Eagan ISD 196

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances by Account Year Ended June 30, 2023

	Operating	Pupil Transportation	Capital Expenditures	Total
Vocational Instruction				
Salaries and wages	\$ 3,917,216	\$ -	\$ -	\$ 3,917,216
Employee benefits	1,323,127	-	-	1,323,127
Purchased services	272,168	-	-	272,168
Supplies and materials	142,853	-	26,625	169,478
Capital expenditures	2,376	-	62,066	64,442
Other expenditures	13,364	-	-	13,364
	<u>5,671,104</u>	<u>-</u>	<u>88,691</u>	<u>5,759,795</u>
Exceptional Instruction				
Salaries and wages	62,545,780	-	-	62,545,780
Employee benefits	24,029,620	-	-	24,029,620
Purchased services	2,212,457	-	-	2,212,457
Supplies and materials	1,052,770	-	-	1,052,770
Capital expenditures	426,293	-	-	426,293
Lease Principal	56,864	-	-	56,864
Lease Interest	190	-	-	190
Other expenditures	43,717	-	-	43,717
	<u>90,367,691</u>	<u>-</u>	<u>-</u>	<u>90,367,691</u>
Instructional Support Services				
Salaries and wages	14,755,243	-	-	14,755,243
Employee benefits	4,879,648	-	-	4,879,648
Purchased services	821,676	-	-	821,676
Supplies and materials	6,880,452	-	215,960	7,096,412
Capital expenditures	6,310	-	929	7,239
Lease Principal	46,235	-	189,838	236,073
Lease Interest	-	-	-	-
Other expenditures	51,946	-	-	51,946
	<u>27,441,510</u>	<u>-</u>	<u>406,727</u>	<u>27,848,237</u>
Pupil Support Services				
Salaries and wages	9,382,647	10,635,231	-	20,017,878
Employee benefits	3,300,670	5,232,266	-	8,532,936
Purchased services	268,224	5,721,953	-	5,990,177
Supplies and materials	789,587	3,082,686	97,825	3,970,098
Capital expenditures	2,348	1,314,327	-	1,316,675
Lease Principal	-	68,208	34,304	102,512
Lease Interest	-	-	2,205	2,205
Other expenditures	2,742	1,971	-	4,713
	<u>13,746,218</u>	<u>26,056,642</u>	<u>134,334</u>	<u>39,937,194</u>

Rosemount-Apple Valley-Eagan ISD 196

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances by Account Year Ended June 30, 2023

	Operating	Pupil Transportation	Capital Expenditures	Total
Site Building and Equipment				
Salaries and wages	\$ 10,591,837	\$ -	\$ -	\$ 10,591,837
Employee benefits	4,498,729	-	-	4,498,729
Purchased services	13,360,410	-	276,958	13,637,368
Supplies and materials	2,605,221	-	-	2,605,221
Capital expenditures	7,322,760	-	1,758,300	9,081,060
Lease Principal	830	-	3,878,932	3,879,762
Lease Interest	-	-	1,250,919	1,250,919
Other expenditures	(368,745)	-	10,832	(357,913)
	<u>38,011,042</u>	<u>-</u>	<u>7,175,941</u>	<u>45,186,983</u>
Fiscal and Other Fixed Costs				
Purchased services	<u>1,517,915</u>	<u>-</u>	<u>-</u>	<u>1,517,915</u>
Total expenditures	<u>425,251,939</u>	<u>26,056,642</u>	<u>12,316,438</u>	<u>463,625,019</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,608,522)	(3,418,966)	569,944	(5,457,544)
Other Financing Sources (Uses)				
Transfer out	(211,175)	-	-	(211,175)
Sale of property	778,465	-	-	778,465
Insurance recovery	-	98,736	-	98,736
Subscription based IT arrangements	2,277,418	-	-	2,277,418
Leases	(672,591)	115,943	627,245	70,597
Total Other Financing Sources	<u>2,172,117</u>	<u>214,679</u>	<u>627,245</u>	<u>3,014,041</u>
Net Change in Fund Balance	(436,405)	(3,204,287)	1,197,189	(2,443,503)
Fund Balance, Beginning of Year	<u>86,211,099</u>	<u>1,882,188</u>	<u>6,001,509</u>	<u>94,094,796</u>
Fund Balance (Deficit), End of Year	<u>\$ 85,774,694</u>	<u>\$ (1,322,099)</u>	<u>\$ 7,198,698</u>	<u>\$ 91,651,293</u>

Rosemount-Apple Valley-Eagan ISD 196

General Fund - Operating Account

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance With Final Budget	Actual
Revenues				
Local Sources				
Property taxes	\$ 97,991,054	\$ 98,048,079	\$ 57,025	\$ 96,921,510
Investment earnings	4,900,000	4,602,409	(297,591)	208,684
Other	10,171,365	11,065,288	893,923	9,485,787
State Sources	287,807,930	287,470,511	(337,419)	274,479,151
Federal Sources	23,682,027	21,457,130	(2,224,897)	23,449,604
Total Revenues	424,552,376	422,643,417	(1,908,959)	404,544,736
District and School administration				
Salaries and wages	13,858,843	13,599,693	259,150	12,697,957
Employee benefits	5,392,881	5,481,325	(88,444)	4,795,390
Purchased services	660,267	221,451	438,816	229,501
Supplies and materials	597,878	155,483	442,395	131,681
Capital expenditures	30,660	6,102	24,558	3,133
Lease Principal	-	12,297	(12,297)	3,319
Lease Interest	-	-	-	64
Other expenditures	146,337	124,252	22,085	177,433
	20,686,866	19,600,603	1,086,263	18,038,478
District Support Services				
Salaries and wages	7,511,397	7,109,307	402,090	7,071,279
Employee benefits	4,492,454	3,785,472	706,982	3,814,619
Purchased services	2,292,916	3,139,987	(847,071)	1,658,863
Supplies and materials	2,218,016	791,381	1,426,635	1,243,647
Capital expenditures	7,810	1,606,969	(1,599,159)	302,609
Lease Principal	-	777,543	(777,543)	-
Lease Interest	-	304	(304)	621
Other expenditures	(688,480)	(772,190)	83,710	(838,116)
	15,834,113	16,438,773	(604,660)	13,253,522
Regular Instruction				
Salaries and wages	150,691,884	143,439,541	7,252,343	142,208,043
Employee benefits	50,597,256	48,282,035	2,315,221	47,297,628
Purchased services	7,835,031	11,281,417	(3,446,386)	6,490,487
Supplies and materials	8,862,799	5,395,143	3,467,656	4,826,765
Capital expenditures	528,797	378,165	150,632	285,660
Lease Principal	230,304	350,114	(119,810)	93,520
Lease Interest	-	9,517	(9,517)	3,413
Other expenditures	2,333,504	3,321,151	(987,647)	1,340,814
	221,079,575	212,457,083	8,622,492	202,546,330

Rosemount-Apple Valley-Eagan ISD 196

General Fund - Operating Account

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

		2023		2022
	Final Budget	Actual	Variance With	Actual
Vocational Instruction				
Salaries and wages	\$ 3,956,204	\$ 3,917,216	\$ 38,988	\$ 3,756,422
Employee benefits	1,365,053	1,323,127	41,926	1,259,589
Purchased services	290,015	272,168	17,847	270,545
Supplies and materials	119,873	142,853	(22,980)	143,203
Capital expenditures	10,260	2,376	7,884	23,369
Other expenditures	10,804	13,364	(2,560)	33,571
	<u>5,752,209</u>	<u>5,671,104</u>	<u>81,105</u>	<u>5,486,699</u>
Exceptional Instruction				
Salaries and wages	63,823,275	62,545,780	1,277,495	58,462,554
Employee benefits	25,912,149	24,029,620	1,882,529	22,451,135
Purchased services	1,645,775	2,212,457	(566,682)	1,643,434
Supplies and materials	1,547,707	1,052,770	494,937	879,405
Capital expenditures	952,351	426,293	526,058	1,175,937
Lease Principal	-	56,864	(56,864)	156,574
Lease Interest	-	190	(190)	2,204
Other expenditures	39,000	43,717	(4,717)	20,173
	<u>93,920,257</u>	<u>90,367,691</u>	<u>3,552,566</u>	<u>84,791,416</u>
Instructional Support Services				
Salaries and wages	11,945,494	14,755,243	(2,809,749)	14,469,488
Employee benefits	4,570,635	4,879,648	(309,013)	4,758,307
Purchased services	1,503,290	821,676	681,614	371,997
Supplies and materials	4,294,693	6,880,452	(2,585,759)	3,312,801
Capital expenditures	2,200	6,310	(4,110)	8,273
Lease Principal	-	46,235	(46,235)	-
Other expenditures	109,650	51,946	57,704	173,755
	<u>22,425,962</u>	<u>27,441,510</u>	<u>(5,015,548)</u>	<u>23,094,621</u>
Pupil Support Services				
Salaries and wages	9,555,941	9,382,647	173,294	8,399,691
Employee benefits	3,423,945	3,300,670	123,275	2,999,697
Purchased services	478,239	268,224	210,015	484,532
Supplies and materials	207,854	789,587	(581,733)	349,919
Capital expenditures	105,749	2,348	103,401	105,032
Other expenditures	4,000	2,742	1,258	47,262
	<u>13,775,728</u>	<u>13,746,218</u>	<u>29,510</u>	<u>12,386,133</u>

Rosemount-Apple Valley-Eagan ISD 196

General Fund - Operating Account

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	Final Budget	2023 Actual	Variance With	2022 Actual
Site Building and Equipment				
Salaries and wages	\$ 10,598,708	\$ 10,591,837	\$ 6,871	\$ 10,562,271
Employee benefits	5,467,431	4,498,729	968,702	4,457,867
Purchased services	7,834,948	13,360,410	(5,525,462)	10,949,915
Supplies and materials	1,615,085	2,605,221	(990,136)	2,271,361
Capital expenditures	13,548,856	7,322,760	6,226,096	5,233,287
Lease Principal	-	830	(830)	30,713
Lease Interest	-	-	-	12,036
Other expenditures	-	(368,745)	368,745	(407,269)
	<u>39,065,028</u>	<u>38,011,042</u>	<u>1,053,986</u>	<u>33,110,181</u>
Fiscal and Other Fixed Costs				
Purchased services	<u>1,567,575</u>	<u>1,517,915</u>	<u>49,660</u>	<u>1,209,218</u>
Total expenditures	<u>434,107,313</u>	<u>425,251,939</u>	<u>8,855,374</u>	<u>393,916,598</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,554,937)	(2,608,522)	(10,764,333)	10,628,138
Other Financing Sources (Uses)				
Transfer out	(164,746)	(211,175)	(46,429)	(92,212)
Sale of property	795,000	778,465	(16,535)	782,650
Insurance recovery	60,000	-	(60,000)	1,000
Subscription based IT arrangements	-	2,277,418	2,277,418	-
Leases	-	(672,591)	(672,591)	-
Total Other Financing Sources	<u>690,254</u>	<u>2,172,117</u>	<u>1,481,863</u>	<u>691,438</u>
Net Change in Fund Balance	<u>\$ (10,245,191)</u>	<u>(436,405)</u>	<u>\$ (12,246,196)</u>	11,319,576
Fund Balance, Beginning of Year		<u>86,211,099</u>		<u>74,891,523</u>
Fund Balance, End of Year		<u>\$ 85,774,694</u>		<u>\$ 86,211,099</u>

Rosemount-Apple Valley-Eagan ISD 196

General Fund - Pupil Transportation Account

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

		2023		2022
	Final Budget	Actual	Variance With	Actual
Revenues				
Local Sources				
Other	\$ 143,000	\$ 136,073	\$ (6,927)	\$ 186,852
State Sources	22,107,722	22,501,603	393,881	20,994,032
Total Revenues	22,250,722	22,637,676	386,954	21,180,884
Expenditures				
Current				
Pupil support services				
Salaries and wages	10,273,436	10,635,231	(361,795)	10,476,093
Employee benefits	6,445,358	5,232,266	1,213,092	5,121,675
Purchased services	4,649,227	5,721,953	(1,072,726)	4,828,698
Supplies and materials	2,736,200	3,082,686	(346,486)	2,375,309
Capital expenditures	1,500,000	1,314,327	185,673	1,468,957
Lease Principal	500	68,208	(67,708)	33,575
Lease Interest	-	-	-	2,860
Other expenditures	4,200	1,971	2,229	6,742
	25,608,921	26,056,642	(447,721)	24,313,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,358,199)	(3,418,966)	834,675	(3,133,025)
Other Financing Sources (Uses)				
Insurance recovery	60,000	98,736	38,736	6,623
Leases	-	115,943	115,943	-
Total Other Financing Sources	60,000	214,679	154,679	6,623
Net Change in Fund Balance	(3,298,199)	(3,204,287)	989,354	(3,126,402)
Fund Balance, Beginning of Year		1,882,188		5,008,590
Fund Balance (Deficit), End of Year		\$ (1,322,099)		\$ 1,882,188

Rosemount-Apple Valley-Eagan ISD 196

General Fund - Capital Expenditure Account

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	Final Budget	2023 Actual	Variance With	2022 Actual
Revenues				
Local Sources				
Property taxes	\$ 7,838,378	\$ 8,147,639	\$ 309,261	\$ 5,857,932
Investment earnings	-	5	5	-
Other	-	6,982	6,982	7,801
State Sources	4,663,135	4,731,756	68,621	4,848,854
Total Revenues	12,501,513	12,886,382	384,869	10,714,587
Expenditures				
Current				
District and school				
Administration				
Purchased services	2,450	-	2,450	803
Supplies and materials	56,267	52,232	4,035	60,264
Capital expenditures	51,500	45,161	6,339	82,936
Lease Principal	-	-	-	54,406
Lease Interest	-	-	-	1,518
	110,217	97,393	12,824	199,927
District support services				
Purchased services	27,453	-	27,453	249,050
Supplies and materials	713,500	20,051	693,449	636,909
Capital expenditures	286,700	178,493	108,207	210,941
Lease Principal	28,340	743,560	(715,220)	66,888
Lease Interest	2,550	4,576	(2,026)	5,301
	1,058,543	946,680	111,863	1,169,089
Regular instruction				
Purchased services	-	-	-	1,102
Supplies and materials	4,157,948	1,963,180	2,194,768	1,489,085
Capital expenditures	2,693,338	1,246,879	1,446,459	437,762
Lease Principal	-	256,613	(256,613)	80,705
Lease Interest	-	-	-	2,567
	6,851,286	3,466,672	3,384,614	2,011,221
Vocational instruction				
Supplies and materials	25,000	26,625	(1,625)	37,070
Capital expenditures	268,000	62,066	205,934	9,840
	293,000	88,691	204,309	46,910

Rosemount-Apple Valley-Eagan ISD 196

General Fund - Capital Expenditure Account

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	Final Budget	2023 Actual	Variance With	2022 Actual
Instructional support services				
Salaries and wages	\$ -	\$ -	\$ -	\$ 33,614
Employee benefits	-	-	-	19,182
Supplies and materials	378,878	215,960	162,918	539,921
Capital expenditures	527,379	929	526,450	19,421
Lease Principal	-	189,838	(189,838)	-
	<u>906,257</u>	<u>406,727</u>	<u>499,530</u>	<u>612,138</u>
Pupil support services				
Supplies and materials	99,000	97,825	1,175	-
Capital expenditures	6,150	-	6,150	2,670
Lease Principal	31,781	34,304	(2,523)	33,575
Lease Interest	2,860	2,205	655	2,933
	<u>139,791</u>	<u>134,334</u>	<u>5,457</u>	<u>39,178</u>
Site, building and equipment				
Purchased services	309,261	276,958	32,303	269,081
Capital expenditures	1,118,909	1,758,300	(639,391)	1,109,254
Lease Principal	3,452,205	3,878,932	(426,727)	3,295,177
Lease Interest	1,157,888	1,250,919	(93,031)	937,682
Other expenditures	-	10,832	(10,832)	-
	<u>6,038,263</u>	<u>7,175,941</u>	<u>(1,137,678)</u>	<u>5,611,194</u>
Total expenditures	<u>\$ 15,397,357</u>	<u>\$ 12,316,438</u>	<u>\$ 3,080,919</u>	<u>\$ 9,689,657</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,895,844)	\$ 569,944	\$ (2,696,050)	\$ 1,024,930
Other Financing Sources (Uses)				
Leases	-	627,245	627,245	18,115
Net Change in Fund Balance	(2,895,844)	1,197,189	(2,068,805)	1,043,045
Fund Balance, Beginning of Year		<u>6,001,509</u>		<u>4,958,464</u>
Fund Balance (Deficit), End of Year		<u>\$ 7,198,698</u>		<u>\$ 6,001,509</u>

Rosemount-Apple Valley-Eagan ISD 196

General Fund

Schedule of Special Education Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>	<u>2022 Actual</u>
Revenues				
Other local and county sources	\$ 1,111,034	\$ 1,763,429	\$ 652,395	\$ 3,281,930
State sources	45,845,241	47,415,252	1,570,011	43,412,744
Federal sources	<u>8,261,555</u>	<u>7,923,739</u>	<u>(337,816)</u>	<u>7,334,541</u>
Total revenues	<u>55,217,830</u>	<u>57,102,420</u>	<u>1,884,590</u>	<u>54,029,215</u>
Expenditures				
Current				
Special education instruction				
Salaries	63,510,768	61,149,033	1,396,806	58,462,554
Employee benefits	25,768,969	23,782,423	756,403	22,451,135
Purchased services	1,577,971	2,149,755	(529,358)	1,643,434
Supplies and materials	1,458,713	978,770	822,802	879,405
Other expenditures	39,000	43,748	(4,748)	15,392
Debt Service				
Principal	-	3,944	(3,944)	188,293
Interest	-	190	(190)	4,979
Capital outlay	<u>953,078</u>	<u>480,702</u>	<u>672,678</u>	<u>1,175,937</u>
Total expenditures	<u>93,308,499</u>	<u>88,588,565</u>	<u>3,110,449</u>	<u>84,821,129</u>
Deficiency of Revenues				
Over (Under) Expenditures	<u>\$ (38,090,669)</u>	<u>\$ (31,486,145)</u>	<u>\$ 4,995,039</u>	<u>\$ (30,791,914)</u>

Rosemount-Apple Valley-Eagan ISD 196

Food Service

Comparative Balance Sheet

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents	\$ 6,442,901	\$ 8,603,574
Receivables		
Due from other governmental units	2,256,974	620,573
Due from other funds	28,425	60,885
Inventories	402,836	441,508
Total assets	\$ 9,131,136	\$ 9,726,540
Liabilities		
Accounts payable	\$ 321,750	\$ 121,790
Salaries and benefits payable	337,452	433,750
Unearned revenue	606,647	898,936
Total liabilities	1,265,849	1,454,476
Fund Balance		
Nonspendable	402,836	441,508
Restricted	7,462,451	7,830,556
Total fund balance	7,865,287	8,272,064
Total liabilities, deferred inflows of resources, and fund balance	\$ 9,131,136	\$ 9,726,540

Rosemount-Apple Valley-Eagan ISD 196

Food Service

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance With Final Budget	Actual
Revenues				
Other local and county sources	\$ 100,000	\$ 290,285	\$ 190,285	\$ 23,997
State sources	795,000	765,737	(29,263)	534,666
Federal source	5,475,000	9,082,837	3,607,837	18,255,391
Food sales	6,920,800	6,370,498	(550,302)	861,278
Total revenues	<u>13,290,800</u>	<u>16,509,357</u>	<u>3,218,557</u>	<u>19,675,332</u>
Expenditures				
Current				
Pupil Support Services				
Salaries and wages	4,775,175	4,459,235	315,940	4,455,626
Employee benefits	1,463,224	1,373,425	89,799	1,242,996
Purchased services	100,000	917,644	(817,644)	642,982
Supplies and materials	8,691,270	8,618,186	73,084	7,973,642
Other expenditures	800,000	641,741	158,259	692,051
Capital outlay	200,000	904,052	(704,052)	408,310
Debt Service				
Principal	-	1,851	(1,851)	1,640
Interest	-	-	-	152
Total expenditures	<u>16,029,669</u>	<u>16,916,134</u>	<u>(886,465)</u>	<u>15,417,399</u>
Net Change in Fund Balance	<u>\$ (2,738,869)</u>	(406,777)	<u>\$ 2,332,092</u>	4,257,933
Fund Balance, Beginning of Year		<u>8,272,064</u>		<u>4,014,131</u>
Fund Balance, End of Year		<u>\$ 7,865,287</u>		<u>\$ 8,272,064</u>

Rosemount-Apple Valley-Eagan ISD 196

Community Service Fund

Balance Sheet

Years Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents	\$ 6,101,306	\$ 5,238,390
Receivables		
Current property taxes	982,998	953,917
Delinquent property taxes	12,166	8,846
Accounts	96,633	20,278
Due from other governmental units	507,076	571,738
Due from other funds	61,531	131,393
Prepaid items	2,150	1,305
Total assets	\$ 7,763,860	\$ 6,925,867
Liabilities		
Accounts payable	\$ 100,580	\$ 113,330
Due to other governmental units	6,716	5,195
Salaries payable	1,024,238	930,827
Unearned revenue	951,419	890,656
Total liabilities	2,082,953	1,940,008
Deferred Inflows of Resources		
Unavailable revenue-property taxes	12,166	8,846
Property taxes levied for subsequent year	1,810,496	1,767,062
Total deferred inflows of resources	1,822,662	1,775,908
Fund Balance		
Nonspendable		
Prepaid items	2,150	1,305
Restricted		
Community education	418,628	342,171
Early childhood and family education	1,223,162	1,214,683
School readiness	1,691,343	1,172,896
Adult basic education	488,707	455,668
Other purposes	34,255	23,228
Total fund balance	3,858,245	3,209,951
Total liabilities, deferred inflows of resources, and fund balance	\$ 7,763,860	\$ 6,925,867

Rosemount-Apple Valley-Eagan ISD 196

Community Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance With Final Budget	Actual
Revenues				
Local property taxes				
Property tax levy	\$ 1,756,746	\$ 1,848,516	\$ 91,770	\$ 1,798,147
Other local and county sources	3,937,422	4,694,589	757,167	3,972,432
State sources	3,546,436	3,506,671	(39,765)	3,462,620
Federal source	361,163	409,259	48,096	263,419
Sales and other conversions of assets	2,314	2,045	(269)	1,379
Total revenues	<u>9,604,081</u>	<u>10,461,080</u>	<u>856,999</u>	<u>9,497,997</u>
Expenditures				
Current				
Community education and services				
Salaries and wages	7,038,451	7,124,014	(85,563)	6,435,720
Employee benefits	2,370,257	2,401,193	(30,936)	2,208,122
Purchased services	(230,882)	(285,839)	54,957	169,442
Supplies and materials	331,195	313,495	17,700	291,988
Other expenditures	499,988	430,235	69,753	496,491
Capital outlay	27,000	33,638	(6,638)	13,314
Debt Service				
Principal	-	7,114	(7,114)	8,863
Interest and fiscal charges	-	111	(111)	389
Total expenditures	<u>10,036,009</u>	<u>10,023,961</u>	<u>12,048</u>	<u>9,624,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(431,928)	437,119	869,047	(126,332)
Other Financing Sources				
Transfer in	<u>164,746</u>	<u>211,175</u>	<u>46,429</u>	<u>92,212</u>
Net Change in Fund Balance	<u>\$ (267,182)</u>	648,294	<u>\$ 915,476</u>	(34,120)
Fund Balance, Beginning of Year		<u>3,209,951</u>		<u>3,244,071</u>
Fund Balance, End of Year		<u>\$ 3,858,245</u>		<u>\$ 3,209,951</u>

Rosemount-Apple Valley-Eagan ISD 196

Capital Projects Fund - Building Construction Fund

Balance Sheet

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents	\$ -	\$ 643,737
Cash held with fiscal agent	-	3
Prepaid items	-	2,500
Total assets	\$ -	\$ 646,240
Liabilities		
Accounts payable	\$ 61,695	\$ 7,477
Due to other governmental units	-	14,742
Due to other funds	51	-
Construction contracts payable	-	325,423
Total liabilities	61,746	347,642
Fund Deficit		
Nonspendable	-	2,500
Restricted		
Capital Projects	-	296,098
Unassigned	(61,746)	-
Total fund balance (deficit)	(61,746)	298,598
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ -	\$ 646,240

Rosemount-Apple Valley-Eagan ISD 196
Capital Projects Fund - Building Construction Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2023
(With Summarized Financial Information for Year Ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance With Final Budget	Actual
Revenues				
Local Sources	\$ 3,600	\$ 43,406	\$ 39,806	\$ 4,051
Expenditures				
Current				
Community education and services				
Purchased services	-	-	-	296,776
Supplies and materials	-	-	-	10,296
Capital outlay	30,000	403,750	(373,750)	18,735,614
Total expenditures	30,000	403,750	(373,750)	19,042,686
Deficiency of Revenues Under Expenditures	(26,400)	(360,344)	(333,944)	(19,038,635)
Other Financing Sources				
Issuance of Certificates of Participation	-	-	-	9,775,000
Certificates of Participation Premium	-	-	-	922,895
Total other financing sources	-	-	-	10,697,895
Net Change in Fund Balance (Deficit)	\$ (26,400)	(360,344)	\$ (333,944)	(8,340,740)
Fund Balance, Beginning of Year		298,598		8,639,338
Fund Balance, End of Year (Deficit)		\$ (61,746)		\$ 298,598

Rosemount-Apple Valley-Eagan ISD 196

Debt Service Fund

Balance Sheet

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	Regular Debt Service	OPEB Debt Service	Totals	
			2023	2022
Assets				
Cash and cash equivalents	\$ 13,705,540	\$ -	\$ 13,705,540	\$ 12,559,910
Receivables			-	
Current property taxes	9,507,016	-	9,507,016	9,645,188
Delinquent property taxes	124,098	-	124,098	91,511
Due from other governmental units	24,935	-	24,935	162,963
Total assets	\$ 23,361,589	\$ -	\$ 23,361,589	\$ 22,459,572
Deferred Inflows of Resources				
Unavailable revenue-property taxes	\$ 124,098	\$ -	\$ 124,098	\$ 91,511
Property taxes levied for subsequent year	17,461,266	-	17,461,266	17,824,149
Total deferred inflows of resources	17,585,364	-	17,585,364	17,915,660
Fund Balance				
Restricted	5,776,225	-	5,776,225	4,543,912
Total liabilities, deferred inflows of resources, and fund balance	\$ 23,361,589	\$ -	\$ 23,361,589	\$ 22,459,572

Rosemount-Apple Valley-Eagan ISD 196

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	2023					2022
	Actual					
	Final Budget	Regular Debt Service	OPEB Debt Service	Total Actual Amounts	Variance With Final Budget	Actual
Revenues						
Local property tax levies	\$ 17,903,211	\$ 17,717,272	\$ -	\$ 17,717,272	\$ (185,939)	\$ 17,760,197
Investment earnings	245,000	383,672	-	383,672	138,672	15,439
State sources	42,400	52,347	-	52,347	9,947	48,827
Total revenues	18,190,611	18,153,291	-	18,153,291	(37,320)	17,824,463
Expenditures						
Current						
Fiscal and other fixed cost programs	10,000	474	-	474	9,526	123,919
Debt Service						
Principal	12,205,000	12,645,000	-	12,645,000	(440,000)	12,205,000
Interest	4,715,000	4,275,504	-	4,275,504	439,496	4,713,969
Total expenditures	16,930,000	16,920,978	-	16,920,978	9,022	17,042,888
Excess of Revenues over Expenditures	1,260,611	1,232,313	-	1,232,313	(28,298)	781,575
Other Financing Sources (Uses)						
Transfer in	-	2,263,633	-	2,263,633	2,263,633	-
Transfer out	-	-	(2,263,633)	(2,263,633)	(2,263,633)	-
Sale of Bond	-	-	-	-	-	11,235,000
Bond Premium	-	-	-	-	-	1,000,562
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(12,110,000)
Total other financing sources (uses)	-	2,263,633	(2,263,633)	-	-	125,562
Net change in fund balance	\$ 1,260,611	3,495,946	(2,263,633)	1,232,313	\$ (46,342)	\$ 907,137
Fund balance, beginning of year		2,280,279	2,263,633	4,543,912		3,636,775
Fund balance, end of year		\$ 5,776,225	\$ -	\$ 5,776,225		\$ 4,543,912

Rosemount-Apple Valley-Eagan ISD 196

Internal Service Funds

Combining Statement of Net Position

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	Severance Benefits	Self-Insured Dental Benefits	Self-Insured Health Benefits	Totals	
				2023	2022
Assets					
Cash and cash equivalents	\$ 10,887,379	\$ 362,389	\$ 32,777,350	\$ 44,027,118	\$ 44,534,951
Liabilities					
Current					
Accounts payable	-	21,768	1,810,959	1,832,727	-
Claims payable	-	9,898	6,207,661	6,217,559	4,248,865
Severance benefits payable	1,686,005	-	-	1,686,005	1,799,197
Unearned revenue	-	-	10,730,713	10,730,713	9,815,750
Total current liabilities	1,686,005	31,666	18,749,333	20,467,004	15,863,812
Long-Term Liabilities					
Severance benefits payable	11,051,241	-	-	11,051,241	11,955,539
Total liabilities	12,737,246	31,666	18,749,333	31,518,245	27,819,351
Net Position (Deficit)					
Unrestricted	\$ (1,849,867)	\$ 330,723	\$ 14,028,017	\$ 12,508,873	\$ 16,715,600

Rosemount-Apple Valley-Eagan ISD 196

Internal Service Funds

Schedule of Revenues, Expenditures and Change in Net Position

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	Severance Benefits	Dental Benefits	Health Benefits	Totals	
				2023	2022
Operating Revenues					
Contributions	\$ 727,098	\$ 481,724	\$ 63,790,682	\$ 64,999,504	\$ 61,705,692
Deductions					
Severance benefits	(290,392)	-	-	(290,392)	568,479
Self-insured benefits	-	488,207	69,831,269	70,319,476	62,072,749
Total operating expenses	(290,392)	488,207	69,831,269	70,029,084	62,641,228
Operating Income (Loss)	1,017,490	(6,483)	(6,040,587)	(5,029,580)	(935,536)
Nonoperating Revenue					
Investment income	296,240	7,613	519,000	822,853	3,851
Change in Net Position	1,313,730	1,130	(5,521,587)	(4,206,727)	(931,685)
Net Position (Deficit), Beginning of Year	(3,163,597)	329,593	19,549,604	16,715,600	17,647,285
Net Position (Deficit), End of Year	\$ (1,849,867)	\$ 330,723	\$ 14,028,017	\$ 12,508,873	\$ 16,715,600

Rosemount-Apple Valley-Eagan ISD 196

Internal Service Funds

Combining Statement of Cash Flows

Year Ended June 30, 2023

(With Summarized Financial Information for Year Ended June 30, 2022)

	Severance Benefits	Self-Insured Dental Benefits	Self-Insured Health Benefits	2023	2022
Operating Activities					
Receipts from contributions	\$ 727,098	\$ 481,724	\$ 63,790,682	\$ 64,999,504	\$ 62,307,983
Payments for severance, OPEB, and self-insured claims	(727,098)	(486,060)	(65,117,032)	(66,330,190)	(63,796,458)
Net cash used for operating activities	-	(4,336)	(1,326,350)	(1,330,686)	(1,488,475)
Investing Activity					
Investment income	296,240	7,613	519,000	822,853	3,851
Net Change in Cash and Investments	296,240	3,277	(807,350)	(507,833)	(1,484,624)
Cash and Cash Equivalents, July 1	10,591,139	359,112	33,584,700	44,534,951	46,019,575
Cash and Cash Equivalents, June 30	\$ 10,887,379	\$ 362,389	\$ 32,777,350	\$ 44,027,118	\$ 44,534,951
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities					
Operating Activities					
Operating loss	\$ 1,017,490	\$ (6,483)	\$ (6,040,587)	\$ (5,029,580)	(935,536)
Changes in assets and liabilities					
Accounts payable	-	21,768	7,569,249	7,591,017	-
Claims payable - medical	-	(19,621)	(3,769,975)	(3,789,596)	(578,465)
Severance benefits payable	(1,017,490)	-	-	(1,017,490)	602,291
Unearned revenue	-	-	914,963	914,963	(576,765)
Net cash used for operating activities	\$ -	\$ (4,336)	\$ (1,326,350)	\$ (1,330,686)	\$ (1,488,475)

Other Supplementary Information
June 30, 2023

Rosemount-Apple Valley-Eagan ISD 196

Rosemount-Apple Valley-Eagan ISD 196
Uniform Financial Accounting and Reporting Standards Compliance Table
Year Ended June 30, 2023

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$458,167,475	<u>\$458,167,470</u>	<u>\$5</u>	Total Revenue	\$43,406	<u>\$43,403</u>	<u>\$3</u>
Total Expenditures	\$463,625,019	<u>\$463,625,019</u>	<u>\$0</u>	Total Expenditures	\$403,750	<u>\$403,748</u>	<u>\$2</u>
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$1,814,179	<u>\$1,814,179</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$327,272	<u>\$327,272</u>	<u>\$0</u>	4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>	4.13 Funded by COP/FP	\$0	<u>\$0</u>	<u>\$0</u>
4.03 Staff Development	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.07 Capital Projects Levy	\$1,820,113	<u>\$1,820,113</u>	<u>\$0</u>	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.13 Funded by COP/FP	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.14 Operating Debt	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	(\$61,746)	<u>(\$61,747)</u>	<u>\$1</u>
4.16 Levy Reduction	\$0	<u>\$0</u>	<u>\$0</u>				
4.17 Taconite Building Maint	\$0	<u>\$0</u>	<u>\$0</u>	07 DEBT SERVICE			
4.24 Operating Capital	\$5,564,329	<u>\$5,564,329</u>	<u>\$0</u>	Total Revenue	\$18,153,291	<u>\$18,153,290</u>	<u>\$1</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$16,920,978	<u>\$16,920,979</u>	<u>(\$1)</u>
4.27 Disabled Accessibility	\$0	<u>\$0</u>	<u>\$0</u>	<i>Non Spendable:</i>			
4.28 Learning & Development	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.34 Area Learning Center	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	<u>\$0</u>	4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	<u>\$0</u>	4.33 Maximum Effort Loan Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.38 Gifted & Talented	\$0	<u>\$0</u>	<u>\$0</u>	4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.41 Basic Skills Programs	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted:</i>			
4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$5,776,225	<u>\$5,776,224</u>	<u>\$1</u>
4.49 Safe Schools Levy	(\$733,542)	<u>(\$733,542)</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>				
4.53 Unfunded Sev & Retirement Levy	\$0	<u>\$0</u>	<u>\$0</u>	08 TRUST			
4.59 Basic Skills Extended Time	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.67 LTFM	\$3,223,671	<u>\$3,223,671</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.72 Medical Assistance	\$2,602,952	<u>\$2,602,952</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
<i>Restricted:</i>				4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.75 Title VII Impact Aid	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (NetAssets)	\$0	<u>\$0</u>	<u>\$0</u>
4.76 Payments in Lieu of Taxes	\$0	<u>\$0</u>	<u>\$0</u>				
<i>Committed:</i>				18 CUSTODIAL			
4.18 Committed for Separation	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.61 Committed Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Assigned:</i>				<i>Restricted / Reserved:</i>			
4.62 Assigned Fund Balance	\$19,458,897	<u>\$19,458,897</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>				4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance	\$57,573,422	<u>\$57,573,416</u>	<u>\$6</u>	4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>
				4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
02 FOOD SERVICES							
Total Revenue	\$16,509,357	<u>\$16,509,358</u>	<u>(\$1)</u>	20 INTERNAL SERVICE			
Total Expenditures	\$16,916,134	<u>\$16,916,135</u>	<u>(\$1)</u>	Total Revenue	\$65,822,357	<u>\$65,822,357</u>	<u>\$0</u>
<i>Non Spendable:</i>				Total Expenditures	\$70,029,084	<u>\$70,029,084</u>	<u>\$0</u>
4.60 Non Spendable Fund Balance	\$402,836	<u>\$402,836</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (NetAssets)	\$12,508,873	<u>\$12,508,873</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>							
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>	25 OPEB REVOCABLE TRUST			
<i>Restricted:</i>				Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$7,462,451	<u>\$7,462,452</u>	<u>(\$1)</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>				4.22 Unassigned Fund Balance (NetAssets)	\$0	<u>\$0</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>				

Rosemount-Apple Valley-Eagan ISD 196
Uniform Financial Accounting and Reporting Standards Compliance Table
Year Ended June 30, 2023

04 COMMUNITY SERVICE

Total Revenue	\$10,461,080	<u>\$10,461,081</u>	<u>(\$1)</u>
Total Expenditures	\$10,023,961	<u>\$10,023,962</u>	<u>(\$1)</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$2,150	<u>\$2,150</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	\$418,628	<u>\$418,628</u>	<u>\$0</u>
4.32 E.C.F.E	\$1,223,162	<u>\$1,223,162</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	\$1,691,343	<u>\$1,691,343</u>	<u>\$0</u>
4.47 Adult Basic Education	\$488,707	<u>\$488,707</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$34,255	<u>\$34,255</u>	<u>\$0</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

45 OPEB IRREVOCABLE TRUST

Total Revenue	\$3,357,938	<u>\$3,357,938</u>	<u>\$0</u>
Total Expenditures	\$2,563,256	<u>\$2,563,256</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$55,307,862	<u>\$55,307,861</u>	<u>\$1</u>

47 OPEB DEBT SERVICE

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

Statistical Section (Unaudited)

June 30, 2023

Rosemount-Apple Valley-Eagan ISD 196



Statistical Section (Unaudited)

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

Financial Trends - These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.

Revenue Capacity - These schedules contain information to assist the reader in understanding and assessing the factors affecting the government's ability to generate its own-source revenues.

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

Demographic and Economic Information - These schedules offer demographic and economic information to (1) assist the reader in understanding the socioeconomic environment within which a government operates and (2) provide information that facilitates comparisons of financial statement information over time and among governments.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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



Rosemount-Apple Valley-Eagan ISD 196
Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 148,790,976	\$ 158,918,349	\$ 154,681,937	\$ 149,036,967	\$ 112,909,002	\$ 116,725,381	\$ 136,635,071	\$ 153,112,125	\$ 165,633,642	\$ 177,348,809
Restricted for:										
Capital Asset Acquisition	3,109,569	3,017,560	2,551,987	7,056,555	19,609,902	7,507,409	2,404,496	-	628,995	-
Debt Service	3,146,047	2,521,510	4,332,306	2,320,162	1,028,372	-	373,926	1,470,300	2,596,229	5,776,225
Other Postemployment Benefits	-	-	10,112	9,646,093	3,821,706	1,811,073	2,178,119	9,643,543	-	-
Other Purposes	3,665,502	3,223,691	3,083,262	7,378,316	14,634,189	17,760,294	17,614,349	20,360,402	27,931,708	23,083,240
Unrestricted	27,764,005	(191,421,788)	(186,199,312)	(286,586,292)	(384,314,650)	(279,452,776)	(292,504,778)	(296,148,378)	(264,526,697)	(195,066,575)
Total Governmental Activities Net Position	<u>\$ 186,476,099</u>	<u>\$ (23,740,678)</u>	<u>\$ (21,539,708)</u>	<u>\$ (111,148,199)</u>	<u>\$ (232,311,479)</u>	<u>\$ (135,648,619)</u>	<u>\$ (133,298,817)</u>	<u>\$ (111,562,008)</u>	<u>\$ (67,736,123)</u>	<u>\$ 11,141,699</u>

Note

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

Rosemount-Apple Valley-Eagan ISD 196

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental Activities				
Administration	\$ 12,788,255	\$ 12,801,745	\$ 15,493,748	\$ 19,813,397
District Support Services	8,478,285	9,142,598	9,058,209	9,785,816
Regular Instruction	150,639,805	160,761,078	166,000,943	238,876,726
Vocational Instruction	3,894,552	4,089,165	5,237,887	7,252,774
Special Education Instruction	60,005,088	61,805,761	65,647,768	90,835,750
Instructional Support Services	16,554,014	18,302,791	19,753,852	27,432,668
Pupil Support Services	22,561,249	22,639,915	23,523,058	27,520,644
Sites and Buildings	25,311,941	24,878,718	27,849,964	30,156,308
Fiscal and Other Fixed Cost Programs	697,917	651,864	650,603	613,851
Food Service	11,359,961	11,787,045	12,302,155	12,468,780
Community Service	9,802,212	7,954,502	8,211,003	10,479,888
Unallocated Depreciation	9,805,568	10,322,952	10,580,519	10,454,449
Interest and Fiscal Charges on Debt	4,601,447	4,033,890	4,760,111	6,031,917
Total Expenses	<u>\$ 336,500,294</u>	<u>\$ 349,172,024</u>	<u>\$ 369,069,820</u>	<u>\$ 491,722,968</u>
Program Revenues				
Governmental Activities				
Charges for services				
Administration	\$ -	\$ -	\$ -	\$ 4,392
District Support Services	112,285	141,218	203,086	111,607
Elementary and Secondary Regular Instruction	6,289,085	5,966,969	6,205,284	3,440,568
Vocational Education Instruction	17,675	17,997	3,343	-
Special Education Instruction	271,959	978,884	961,972	1,044,883
Instructional Support Services	44,434	24,389	143,290	-
Pupil Support Services	1,190,359	1,249,628	231,078	148,992
Sites and Buildings	123,572	245,482	118,028	-
Food Service	6,519,363	6,376,625	6,390,305	6,663,041
Community Service	5,759,982	3,373,200	3,325,681	3,768,615
Operating grants and contributions	48,096,296	54,043,906	58,170,271	64,488,748
Capital grants and contributions	103,677	62,540	8,105	334,716
Total Program Revenues	<u>68,528,687</u>	<u>72,480,838</u>	<u>75,760,443</u>	<u>80,005,562</u>
Net Revenue (Expense)	(267,971,607)	(276,691,186)	(293,309,377)	(411,717,406)
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes	24,660,338	51,982,775	53,871,623	66,731,765
Property Taxes, Levied for Community Service	850,036	1,678,863	1,662,796	1,671,770
Property Taxes, Levied for Facility Improvements	6,020,570	6,220,053	8,535,237	-
Property Taxes, Levied for Debt Service	18,533,559	19,185,246	14,584,470	17,426,213
General Grants and Aids	218,035,675	208,882,436	215,880,510	229,657,806
Other General Revenues	2,329,934	383,544	563,633	258,267
Investment Earnings (Loss)	5,405,007	864,399	412,078	6,363,094
Total General Revenues	<u>275,835,119</u>	<u>289,197,316</u>	<u>295,510,347</u>	<u>322,108,915</u>
Change in Net Position	<u>\$ 7,863,512</u>	<u>\$ 12,506,130</u>	<u>\$ 2,200,970</u>	<u>\$ (89,608,491)</u>

Rosemount-Apple Valley-Eagan ISD 196

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 19,849,495	\$ 12,051,588	\$ 18,233,295	\$ 17,679,393	\$ 17,291,218	\$ 19,573,660
11,304,721	11,702,181	13,429,650	16,663,789	15,910,214	21,022,552
237,331,260	121,251,866	211,444,602	216,373,592	203,445,557	143,952,163
6,971,224	3,561,099	5,654,203	5,430,687	5,300,791	5,756,826
92,821,199	73,220,623	75,487,437	76,596,038	85,358,191	90,374,982
27,761,713	16,663,894	24,595,643	22,568,796	22,736,483	25,472,028
28,187,078	24,625,849	29,794,651	31,273,851	34,797,537	40,192,776
44,032,340	34,429,780	34,726,544	30,109,325	27,841,384	46,796,101
582,782	1,182,069	671,312	1,237,889	1,209,218	3,660,082
11,440,841	12,227,206	10,922,877	10,711,362	15,389,003	16,916,134
10,362,136	7,301,923	9,011,068	8,367,921	9,251,885	10,025,895
10,559,793	10,310,511	-	-	-	-
4,880,487	5,145,850	4,540,835	4,131,775	(669,166)	4,206,727
<u>\$ 506,085,069</u>	<u>\$ 333,674,439</u>	<u>\$ 438,512,117</u>	<u>\$ 441,144,418</u>	<u>\$ 437,862,315</u>	<u>\$ 427,949,926</u>
\$ 435,369	\$ 429,722	\$ 2,950	\$ 25	\$ 4,008	\$ 1,500
191,466	258,441	248,479	10,911	14,533	308,184
3,866,135	3,810,261	3,688,825	2,220,978	3,998,689	4,850,052
-	940	-	-	-	778
796,072	1,082,057	1,135,866	1,333,551	1,717,605	1,763,318
16,158	17,965	13,440	7,812	26,148	33,180
267,920	242,342	552,186	139,857	230,626	551,288
1,798	-	-	-	1,798	392,085
6,479,339	7,049,877	4,968,821	95,744	844,796	6,370,498
3,646,054	3,663,168	3,117,331	2,250,459	3,850,067	4,687,622
85,003,445	101,343,381	98,694,661	120,151,777	123,974,808	112,809,872
4,963,687	5,300,870	5,176,740	5,014,416	4,856,655	2,348,015
<u>105,667,443</u>	<u>123,199,024</u>	<u>117,599,299</u>	<u>131,225,530</u>	<u>139,519,733</u>	<u>134,116,392</u>
(400,417,626)	(210,475,415)	(320,912,818)	(309,918,888)	(298,342,582)	(293,833,534)
71,069,187	72,968,496	76,031,346	96,748,853	102,820,209	105,469,474
1,670,006	1,675,955	1,753,218	1,785,616	1,798,860	1,848,516
-	-	-	-	-	-
16,767,998	16,632,558	17,809,052	17,948,640	17,767,242	17,717,272
208,324,498	212,253,653	213,963,522	214,852,352	218,742,166	240,214,097
465,747	3,014,218	841,500	142,331	240,810	2,432,505
5,159,316	362,703	1,892,813	137,477	799,180	5,029,492
<u>303,456,752</u>	<u>306,907,583</u>	<u>312,291,451</u>	<u>331,615,269</u>	<u>342,168,467</u>	<u>372,711,356</u>
<u>\$ (96,960,874)</u>	<u>\$ 96,432,168</u>	<u>\$ (8,621,367)</u>	<u>\$ 21,696,381</u>	<u>\$ 43,825,885</u>	<u>\$ 78,877,822</u>

Rosemount-Apple Valley-Eagan ISD 196

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 940,209	\$ 924,736	\$ 967,324	\$ 1,061,586
Restricted	3,010,821	3,296,572	2,454,724	5,838,313
Assigned	8,451,360	6,636,835	10,790,390	7,472,160
Unassigned	18,728,496	21,074,506	16,839,773	22,263,362
Total General Fund	<u>\$ 31,130,886</u>	<u>\$ 31,932,649</u>	<u>\$ 31,052,211</u>	<u>\$ 36,635,421</u>
All Other Governmental Funds				
Nonspendable	\$ 172,385	\$ 132,289	\$ 136,641	\$ 163,619
Restricted	30,575,969	19,888,229	138,407,574	104,910,947
Unassigned	-	(279,012)	-	-
Total All Other Governmental Funds	<u>\$ 30,748,354</u>	<u>\$ 19,741,506</u>	<u>\$ 138,544,215</u>	<u>\$ 105,074,566</u>

Rosemount-Apple Valley-Eagan ISD 196

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1,050,944	\$ 1,421,379	\$ 1,282,831	\$ 647,657	\$ 3,932,377	\$ 1,814,179
9,318,698	10,840,842	10,072,358	13,093,480	16,883,660	13,538,337
8,399,254	1,311,999	1,271,880	7,128,748	13,744,165	19,458,897
25,699,811	37,352,793	45,737,258	63,988,692	59,534,594	56,839,880
<u>\$ 44,468,707</u>	<u>\$ 50,927,013</u>	<u>\$ 58,364,327</u>	<u>\$ 84,858,577</u>	<u>\$ 94,094,796</u>	<u>\$ 91,651,293</u>
\$ 208,298	\$ 244,503	\$ 497,327	\$ 473,170	\$ 445,313	\$ 404,986
45,393,559	14,947,727	16,169,103	19,061,145	15,879,212	17,094,771
-	(554,624)	-	-	-	(61,746)
<u>\$ 45,601,857</u>	<u>\$ 14,637,606</u>	<u>\$ 16,666,430</u>	<u>\$ 19,534,315</u>	<u>\$ 16,324,525</u>	<u>\$ 17,438,011</u>

Rosemount-Apple Valley-Eagan ISD 196
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Local Sources				
Property Taxes	\$ 50,312,679	\$ 79,262,313	\$ 78,828,084	\$ 85,651,484
Investment Earnings	254,245	197,264	990,686	1,525,963
Other	24,827,075	21,183,365	20,303,840	21,655,777
State Sources	251,943,911	247,270,824	258,200,427	264,144,986
Federal Sources	12,123,310	12,820,914	13,700,319	14,628,580
Total revenues	<u>339,461,220</u>	<u>360,734,680</u>	<u>372,023,356</u>	<u>387,606,790</u>
Expenditures				
Current				
Administration	12,662,675	13,188,527	14,846,637	14,931,628
District Support Services	8,245,964	8,802,535	9,360,367	9,807,545
Elementary and Secondary				
Regular Instruction	151,453,547	160,442,599	165,181,027	169,848,898
Vocational Education Instruction	3,899,432	4,161,539	5,198,949	5,013,173
Special Education Instruction	60,749,987	62,011,436	65,226,216	68,020,953
Instructional Support Services	16,734,739	18,361,748	19,695,766	20,664,400
Pupil Support Services	23,318,080	22,991,342	23,694,661	24,615,829
Sites and Buildings	22,906,580	21,468,077	21,979,790	25,390,808
Fiscal and Other Fixed Cost Programs	697,917	651,864	650,603	613,851
Food Service	11,253,357	11,509,963	11,757,651	11,992,184
Community Service	9,784,435	7,739,627	8,044,250	8,822,111
Capital outlay	13,388,239	19,028,484	11,640,890	33,546,532
Debt service				
Principal	16,460,404	17,880,544	13,326,884	14,394,446
Interest and Fiscal charges	4,897,774	4,586,660	4,384,850	7,911,158
Total expenditures	<u>356,453,130</u>	<u>372,824,945</u>	<u>374,988,541</u>	<u>415,573,516</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,991,910)	(12,090,265)	(2,965,185)	(27,966,726)
Other Financing Sources (Uses)				
Transfers in	6,128,424	6,225,838	8,554,099	20,122
Transfers out	(6,128,424)	(6,225,838)	(8,554,099)	(20,122)
Refunding Debt Issued	2,230,000	-	-	-
Debt Issued	13,710,000	-	112,150,000	-
Premium on Debt Issued	325,933	-	20,355,238	-
Bond Refunding Payments	(26,850,000)	(2,325,000)	(12,125,000)	-
Long-Term Leases and Other Loans	96,569	4,200,000	480,000	-
Subscription based IT arrangements	-	-	-	-
Insurance Recovery	-	-	-	-
Judgements for the School District	-	-	-	-
Sale of Property	8,143	10,180	27,218	80,287
Total Other Financing Sources (Uses)	<u>(10,479,355)</u>	<u>1,885,180</u>	<u>120,887,456</u>	<u>80,287</u>
Net Change in Fund Balances	<u>\$ (27,471,265)</u>	<u>\$ (10,205,085)</u>	<u>\$ 117,922,271</u>	<u>\$ (27,886,439)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>6.2%</u>	<u>6.4%</u>	<u>4.9%</u>	<u>5.8%</u>

Rosemount-Apple Valley-Eagan ISD 196

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 89,682,487	\$ 91,158,991	\$ 95,664,211	\$ 116,395,290	\$ 122,337,786	\$ 125,761,506
1,720,017	2,390,487	1,595,266	106,618	236,959	5,469,200
21,241,570	21,450,041	17,975,172	9,187,718	14,530,742	22,126,052
275,878,205	285,746,486	296,520,589	300,697,987	304,368,150	319,028,625
15,834,368	16,232,102	16,894,745	35,520,203	41,968,413	30,949,226
404,356,647	416,978,107	428,649,983	461,907,816	483,442,050	503,334,609
15,599,003	16,342,073	16,978,484	17,240,096	18,093,029	19,634,436
10,694,868	12,008,717	13,024,402	12,338,544	13,836,251	14,074,008
173,672,800	177,357,744	179,118,369	189,442,516	203,653,924	213,682,467
5,137,316	5,396,017	5,104,823	5,052,494	5,500,400	5,695,353
71,133,191	72,650,167	76,516,745	77,148,300	83,456,701	89,884,344
21,616,857	22,489,640	23,078,098	21,506,153	23,679,065	27,604,925
25,550,001	26,181,738	27,564,639	29,228,298	35,089,618	38,515,802
23,681,891	25,398,051	30,069,134	30,408,462	28,103,226	30,975,242
582,782	1,182,069	671,312	1,237,889	1,209,218	1,518,389
11,258,394	12,113,867	10,890,508	10,538,159	15,007,297	16,010,231
8,751,046	8,933,712	8,606,173	8,164,705	9,601,763	9,983,098
68,021,071	40,050,087	15,362,092	22,311,175	29,943,391	15,698,918
14,079,855	14,694,828	13,251,596	14,703,513	16,063,955	19,069,303
7,595,387	6,992,089	6,333,341	6,005,061	5,809,628	5,543,326
457,374,462	441,790,799	426,569,716	445,325,365	489,047,466	507,889,842
(53,017,815)	(24,812,692)	2,080,267	16,582,451	(5,605,416)	(4,555,233)
-	135,509	399,229	34,763	92,212	211,175
-	(135,509)	(399,229)	(34,763)	(92,212)	(211,175)
-	-	-	-	11,235,000	-
-	-	8,960,000	9,005,000	9,775,000	-
-	-	544,202	536,557	1,923,457	-
-	-	-	-	(12,110,000)	-
1,043,209	-	-	-	18,115	70,597
-	-	-	-	-	2,277,418
311,212	56,303	25,413	46,259	7,623	98,736
-	369	-	-	-	-
23,971	19,383	856,256	191,868	782,650	778,465
1,378,392	76,055	10,385,871	9,779,684	11,631,845	3,225,216
\$ (51,639,423)	\$ (24,736,637)	\$ 12,466,138	\$ 26,362,135	\$ 6,026,429	\$ (1,330,017)
5.6%	5.4%	4.8%	4.9%	4.8%	5.0%



Rosemount-Apple Valley-Eagan ISD 196
General Governmental Tax Revenues By Source and Levy Type
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Fiscal Year	Property Tax				Total
	General Purposes	Community Service	Capital Projects - Facility Improvement	Debt Service	
2023	\$ 106,195,718	\$ 1,848,516	\$ -	\$ 17,717,272	\$ 125,761,506
2022	102,820,209	1,798,860	-	17,767,242	122,386,311
2021	96,748,853	1,785,616	-	17,948,640	116,483,109
2020	76,033,997	1,752,848	-	17,806,771	95,593,616
2019	72,968,496	1,675,955	-	212,253,653	286,898,104
2018	71,069,187	1,670,006	-	16,767,998	89,507,191
2017	66,731,765	1,671,770	-	17,426,213	85,829,748
2016	53,871,623	1,662,796	8,535,237	14,584,470	78,654,126
2015	51,982,775	1,678,863	6,220,053	19,185,246	79,066,937
2014	24,660,338	850,036	6,020,570	18,533,559	50,064,503

Note

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

Per ACFR Statement of Activities

Rosemount-Apple Valley-Eagan ISD 196
Tax Capacity and Estimated Market Value of Property
Last Ten Fiscal Years
(Unaudited)

Tax Collection Calendar Year	Tax Capacity (1)			Tax Rate Determining Value Subtotal	
	Real and Personal Property	Fiscal Disparities Contributions	Tax Increment	Amount	Percent Increase (Decrease)
2023	\$ 279,459,418	\$ (92,562,057)	\$ (5,304,095)	\$ 181,593,266	-16.4%
2022	240,575,365	(18,504,314)	(4,884,451)	217,186,600	5.0%
2021	228,617,628	(17,313,550)	(4,486,386)	206,817,692	6.0%
2020	215,880,510	(16,477,982)	(4,312,949)	195,089,579	7.3%
2019	201,428,701	(15,818,379)	(3,731,389)	181,878,933	8.4%
2018	186,318,358	(15,403,001)	(3,128,406)	167,786,951	7.8%
2017	173,554,906	(15,383,669)	(2,471,521)	155,699,716	4.1%
2016	166,440,791	(14,921,393)	(1,904,735)	149,614,663	5.9%
2015	158,041,081	(14,673,865)	(2,150,890)	141,216,326	9.9%
2014	145,202,900	(14,651,943)	(2,002,926)	128,548,031	3.7%

Rosemount-Apple Valley-Eagan ISD 196
Tax Capacity and Estimated Market Value of Property
Last Ten Fiscal Years
(Unaudited)

Tax Capacity (1)		Referendum Market Value	
Fiscal Disparities Distribution	Total Tax Capacity	Amount	Percent Increase (Decrease)
\$ 26,974,003	\$ 208,567,269	\$ 24,848,181,413	15.8%
27,109,969	244,296,569	21,456,033,389	5.4%
24,920,887	231,738,579	20,353,002,736	5.3%
23,476,576	218,566,155	19,320,498,352	7.0%
22,023,827	203,902,760	18,061,396,485	8.1%
20,713,134	188,500,085	16,705,743,318	7.1%
19,309,802	175,009,518	15,593,078,470	4.1%
17,855,260	167,469,923	14,984,685,831	5.2%
17,375,325	158,591,651	14,246,590,466	8.8%
17,217,872	145,765,903	13,089,930,995	2.9%

Rosemount-Apple Valley-Eagan ISD 196

Property Tax Rates - Direct and Overlapping Governments Last Ten Fiscal Years (Unaudited)

Levy Year	Mill Levy Rates*									
	Independent School District No. 196				Overlapping Rates, Municipalities, and Townships					
	General Fund	Community Service Special Revenue Fund	Debt Service Fund	Total	Apple Valley	Burnsville	Coates	Eagan	Farmington	Inver Grove Heights
2023	11.164	0.633	6.107	17.904	35.273	42.374	12.739	33.566	42.933	48.814
2023	0.312	-	-	0.312	0.014	-	-	-	-	-
2022	11.955	0.723	7.293	19.971	38.182	43.054	14.258	36.119	50.623	51.925
2022	0.329	-	-	0.329	0.016	-	-	-	-	-
2021	11.619	0.746	7.681	20.046	38.192	42.853	13.838	36.333	49.251	50.590
2021	0.343	-	-	0.343	0.016	-	-	-	-	-
2020	11.758	0.860	7.242	19.860	39.782	43.148	17.196	35.262	50.971	51.037
2020	0.344	-	-	0.344	0.016	-	-	0.012	-	-
2019	12.511	0.860	7.242	20.613	39.603	43.595	15.688	35.227	54.372	53.537
2019	0.261	-	-	0.261	0.017	-	-	0.012	-	-
2018	11.728	0.880	8.744	21.352	42.475	43.552	17.399	36.378	57.161	51.112
2018	0.267	-	-	0.267	0.018	-	-	0.013	-	-
2017	13.000	0.915	9.421	23.336	44.473	46.557	17.490	37.385	58.760	51.644
2017	0.274	-	-	0.274	0.020	-	-	0.015	-	-
2016	12.843	1.004	10.470	24.317	44.721	46.525	17.482	37.097	59.239	49.266
2016	0.270	-	-	0.270	0.020	-	-	0.015	-	-
2015	12.859	1.032	9.380	23.271	45.274	44.790	20.081	36.525	61.455	48.131
2015	0.255	-	-	0.255	0.020	-	-	0.016	-	-
2014	13.325	1.149	13.132	27.606	47.891	46.670	19.507	38.250	65.876	46.128
2014	0.258	-	-	0.258	0.021	-	-	0.017	-	-

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

Source

Dakota County Department of Property and Public Records

Rosemount-Apple Valley-Eagan ISD 196

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

Mill Levy Rates*						Totals by School District		
Overlapping Rates, Municipalities, and Townships								
Lakeville	Rosemount	Empire Township	Vermillion Township	Dakota County	Miscellaneous Other (2)	Apple Valley Resident	Eagan Resident	Rosemount Resident
29.676	32.345	24.073	14.204	18.816	2.914	74.907	73.200	71.979
-	-	-	-	-	-	0.326	0.312	0.312
32.846	36.949	27.623	16.031	21.630	3.381	83.164	81.101	81.931
-	-	-	-	-	-	0.345	0.329	0.329
34.351	36.954	27.250	14.070	22.716	3.432	84.386	82.527	83.148
-	-	-	-	-	-	0.359	0.343	0.343
34.615	38.580	29.131	14.728	24.133	4.030	87.805	83.285	86.603
-	-	-	-	-	-	0.360	0.356	0.344
35.607	39.355	25.386	15.723	25.386	-	60.216	55.840	59.968
-	-	-	-	-	-	25.664	25.659	25.647
36.419	40.961	29.892	16.282	26.580	4.458	94.865	88.768	93.351
-	-	-	-	-	-	0.285	0.280	0.267
37.510	41.832	29.642	16.279	28.004	4.458	100.271	93.183	97.630
-	-	-	-	-	-	0.293	0.288	0.274
38.669	43.149	29.445	16.724	28.570	5.063	102.671	95.047	101.099
-	-	-	-	-	-	0.290	0.285	0.270
38.948	45.152	29.823	17.214	29.633	4.567	102.745	93.996	102.623
-	-	-	-	-	-	0.275	0.270	0.255
40.696	47.676	31.164	17.466	31.827	4.993	112.317	102.676	112.102
0.007	-	-	-	-	-	0.279	0.275	0.258

Rosemount-Apple Valley-Eagan ISD 196

Property Tax Rates -

Principal Property Taxpayers

Current Year and Nine Years Ago

(Unaudited)

Taxpayer	2023			2014		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
West Publishing Company	\$ 80,954,900	1	13.09%	\$ 73,492,000	2	14.76%
Flint Hills Resources Pine Bend LLC	77,335,100	2	12.50%	62,372,500	3	12.53%
RRE Woods Holdings LLC	68,274,600	3	11.04%	-	N/A	0.00%
Kingston Green Limited Partnership	65,648,100	4	10.61%	-	N/A	0.00%
Continental 313 Fund LLC	59,954,800	5	9.69%	-	N/A	0.00%
Northern States Power Co/Xcel Energy	58,543,000	6	9.46%	-	N/A	0.00%
Nighthawks Properties LLC	58,149,700	7	9.40%	-	N/A	0.00%
RRE Nicollet Ridge Holdings LLC	57,700,000	8	9.33%	-	N/A	0.00%
Tow Centre Apartments LLC	52,675,700	9	8.52%	-	N/A	0.00%
Eagan Promenada Inc.	39,309,600	10	6.36%	33,075,200	8	6.64%
Dakota Electric Association	-	N/A	0.00%	44,255,200	5	8.89%
Promenade Village Townhomes	-	N/A	0.00%	36,605,400	6	7.35%
Individual	-	N/A	0.00%	34,395,200	7	6.91%
Burnsville Center SPE LLC	-	N/A	0.00%	104,000,000	1	20.89%
Xcel Energy	-	N/A	0.00%	55,662,300	4	11.18%
Principal Life Insurance Company	-	N/A	0.00%	25,965,100	10	5.22%
Aimco Woods of Burnsville, LLC	-	N/A	0.00%	28,031,500	9	5.63%
Total	<u>\$ 618,545,500</u>		<u>100.00%</u>	<u>\$ 497,854,400</u>		<u>100.00%</u>

Source

Dakota County Department of Property Tax and Public Records

Rosemount-Apple Valley-Eagan ISD 196
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Levy Year Collectible December 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 121,030,245	\$ 61,002,952	50.40%	N/A	\$ 61,002,952	50.40%
2022	117,725,665	57,394,231	48.75%	60,021,212	57,394,231	48.75%
2021	108,037,417	56,238,652	52.05%	51,479,007	56,238,652	52.05%
2020	116,080,843	115,337,462	99.36%	672,727	115,337,462	99.36%
2019	95,260,090	94,911,727	99.63%	314,713	95,226,440	99.96%
2018	90,961,693	90,579,847	99.58%	366,428	90,946,275	99.98%
2017	89,051,368	88,689,493	99.59%	292,485	88,981,978	99.92%
2016	85,688,567	85,298,846	99.55%	389,721	85,688,567	100.00%
2015	78,627,184	78,236,512	99.50%	390,672	78,627,184	100.00%
2014	78,338,055	77,887,178	99.42%	450,877	78,338,055	100.00%

Rosemount-Apple Valley-Eagan ISD 196

Ratios and Outstanding Debt By Type

Last Ten Fiscal Years

(Unaudited)

Year	Governmental Activities						Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Refunding Bonds	Long-Term Leases	Subscription Liabilities	Financed Purchases	Certificates of Participation			
2023	\$ 83,570,205	\$ 8,122,041	\$ 285,892	\$ 6,707,873	\$ 4,009,000	\$ 31,976,346	\$ 134,671,357	N/A	\$ 728
2022	94,102,419	12,235,562	325,334	6,805,412	4,763,307	35,075,627	146,502,249	N/A	892
2021	107,589,699	17,038,465	563,075		5,711,406	27,305,728	158,208,373	N/A	989
2020	117,208,645	20,998,759	-		6,149,919	19,614,507	163,971,830	N/A	1,029
2019	126,537,591	24,776,622	-		7,046,515	11,140,000	169,500,728	0.01	1,076
2018	139,238,317	26,310,000	-		8,286,343	12,125,000	185,959,660	0.01	1,203
2017	128,940,000	29,530,000	-		8,477,989	13,085,000	180,032,989	0.01	1,175
2016	138,270,000	32,660,000	-		9,467,435	14,030,000	194,427,435	0.01	1,270
2015	46,180,000	35,595,000	-		10,519,317	14,955,000	107,249,317	0.01	717
2014	51,730,000	47,975,000	-		7,594,863	15,955,000	123,254,863	0.01	831

Rosemount-Apple Valley-Eagan ISD 196
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Year	General Obligation Bonds and Capital Notes	Less Amounts Available in Debt Service Fund	Total	Percentage of Market Value of Property	Per Capita (2)
2023	\$ 91,692,246	\$ 5,776,225	\$ 85,916,021	0.32%	\$ 485
2022	106,337,981	4,543,912	101,794,069	0.47%	796
2021	124,628,164	3,636,775	120,991,389	0.59%	960
2020	138,207,404	2,669,765	135,537,639	0.70%	1,087
2019	151,314,213	1,699,991	149,614,222	0.83%	1,198
2018	165,548,317	3,592,701	161,955,616	0.86%	1,324
2017	158,470,000	5,338,811	153,131,189	0.98%	1,268
2016	170,930,000	7,362,951	163,567,049	1.09%	1,380
2015	81,775,000	16,385,721	65,389,279	0.46%	564
2014	99,705,000	18,831,629	80,873,371	0.62%	722

Note

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

- (1) See the Schedule of Tax Capacity and Estimated Market Value of Property for information on the market value of the District's property.
- (2) See the Schedule of Demographic and Economic Statistics for the District's population data.

Rosemount-Apple Valley-Eagan ISD 196

Direct and Overlapping Debt

June 30, 2023

(Unaudited)

Taxing Entity	Tax Collection Calendar Year 2022-2023 Taxable Net Tax Capacity	General Obligation Bonded Debt (1)	Percent Overlapping to ISD No. 196	Total Direct and Overlapping Debt
Direct Debt ISD No. 196	\$ 255,858,208	\$ 97,905,000	100.00%	\$ 97,905,000
Overlapping Debt				
Dakota County	700,778,019	-	0.00%	-
Cities				
Apple Valley	77,073,426	15,905,000	99.19%	15,775,597
Burnsville	97,125,703	45,060,000	23.63%	10,648,669
Eagan	125,462,555	37,140,000	64.18%	23,836,229
Farmington	29,697,452	8,515,000	0.02%	2,010
Inver Grove Heights	55,872,100	27,230,000	24.43%	6,651,989
Lakeville	121,572,367	94,225,000	17.10%	16,115,019
Rosemount	40,968,859	5,040,000	93.33%	4,703,787
Town of Empire	5,485,641	1,985,000	14.01%	278,180
Others				
Metropolitan Council	6,087,197,000	218,520,000	4.20%	9,184,874
Subtotal overlapping debt		453,620,000		87,196,354
Total Direct and Overlapping Debt		\$ 551,525,000		\$ 185,101,354

Rosemount-Apple Valley-Eagan ISD 196

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Debt Limit	\$ 1,963,489,649	\$ 2,136,988,570	\$ 2,247,702,875	\$ 2,338,961,771
Total Net Debt Applicable to Limit	<u>80,873,371</u>	<u>65,389,279</u>	<u>163,567,049</u>	<u>153,131,189</u>
Legal Debt Margin	<u>\$ 1,882,616,278</u>	<u>\$ 2,071,599,291</u>	<u>\$ 2,084,135,826</u>	<u>\$ 2,185,830,582</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.12%	3.06%	7.28%	6.55%

Rosemount-Apple Valley-Eagan ISD 196
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 2,505,861,498	\$ 2,709,209,473	\$ 2,898,074,753	\$ 3,052,950,410	\$ 3,277,138,487	\$ 3,727,227,212
<u>142,992,299</u>	<u>149,614,222</u>	<u>135,537,639</u>	<u>120,991,389</u>	<u>131,556,996</u>	<u>73,707,550</u>
<u>\$ 2,362,869,199</u>	<u>\$ 2,559,595,251</u>	<u>\$ 2,762,537,114</u>	<u>\$ 2,931,959,021</u>	<u>\$ 3,145,581,491</u>	<u>\$ 3,653,519,662</u>
5.71%	5.52%	4.68%	3.96%	4.01%	1.98%

Legal Debt Margin Calculation for 2023

Estimated Market Value - 2022	24,848,181,413
Debt Limit (15% of Market Value)	\$ 3,727,227,212
Debt Applicable to Limit	
General Obligation Bonds	\$ 79,483,775
Less Amount Set Aside for Repayment of General Obligation Debt	<u>(5,776,225)</u>
Total Net Debt Applicable to Limit	<u>73,707,550</u>
Legal Debt Margin	<u>\$ 3,653,519,662</u>

Rosemount-Apple Valley-Eagan ISD 196
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Year	ISD No. 196 Population (1)	Dakota County				Median Age (2)	School Enrollment (1)	Unemployment Rate (2)
		Population (2)	Personal Income (Thousands) (2)	Per Capita Personal Income (2)	Education Level in Years of Formal Schooling (3)			
2022	163,960	443,692	N/A	N/A	N/A	N/A	29,047	3.4%
2021	163,960	442,038	N/A	N/A	N/A	N/A	28,805	3.4%
2020	159,390	431,807	27,958,762	64,748	N/A	38.0	28,709	5.9%
2019	159,390	429,021	26,562,417	61,914	N/A	38.3	29,019	2.9%
2018	157,475	425,423	25,802,276	60,651	95.2%	38.2	29,196	2.5%
2017	154,620	421,751	24,308,945	57,638	94.0%	38.0	28,644	2.5%
2016	153,174	417,486	22,951,451	54,975	94.0%	37.6	28,182	3.4%
2015	153,051	414,686	22,272,614	53,710	95.0%	37.3	27,790	3.3%
2014	149,616	412,529	21,524,339	52,177	94.0%	36.8	27,204	3.8%

N/A - Not Available

Data Sources

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

Rosemount-Apple Valley-Eagan ISD 196
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	2023			2014		
	Employees (1)	Rank	Percentage of Total County Employment	Employees (2)	Rank	Percentage of Total County Employment
ISD No. 196	4,500	1	N/A	4,000	2	3.02%
Thomson West	4,200	2	N/A	7,000	1	1.73%
Blue Cross Blue Shield	3,000	3	N/A	3,120	3	1.35%
Burnsville Center	3,000	4	N/A	3,000	4	1.29%
ISD No. 194	2,268	5	N/A	N/A	N/A	N/A
U.S. Postal Service	2,100	6	N/A	N/A	N/A	N/A
Dakota County	1,870	7	N/A	1,776	6	0.77%
UTC (Goodrich)	1,800	8	N/A	1,500	10	0.65%
CHS Inc.	1,600	9				
ISD No. 191	1,300	10	N/A	1,500	10	0.65%
Fairview Ridges Hospital	-	N/A	N/A	1,500	10	0.65%
Sun Country	-	N/A	N/A	1,500	10	0.65%
Prime Therapeutics	N/A	N/A	N/A	2,700	5	1.17%

(1) Calendar Year

Source

2022 Dakota County ACFR

Rosemount-Apple Valley-Eagan ISD 196

Employees By Classification

Last Ten Fiscal Years

(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administrators/Principals (1)	104	135	117	117	136	140	138	136	134	138
Supervisors/Special Staff	59	71	69	68	81	85	82	84	84	86
Teachers/Nurses	2537	2769	2812	2815	2624	2356	2378	2479	2436	2443
Clerical	950	982	1096	1087	930	939	863	885	945	924
Building Chiefs and Custodians	203	199	201	203	206	215	185	185	194	182
Food Service	181	194	196	202	193	199	172	184	169	171
Truck Drivers/Mechanics/Bus Driv	255	257	245	256	253	312	292	290	279	277
Nonlicensed Specialists	52	56	56	53	62	62	48	37	38	40
Total	4,341	4,663	4,792	4,801	4,485	4,308	4,158	4,280	4,279	4,261

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

Note

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

Rosemount-Apple Valley-Eagan ISD 196
Operating Indicators -
Standardize Testing and Graduation Rates
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Standardized tests										
MCA Reading (1)										
Grade 3	63%	63%	59%	65%	64%	61%	N/A	54%	53%	55%
Grade 4	61	65	65	62	66	60	N/A	52	56	55
Grade 5	76	72	73	72	70	73	N/A	63	65	66
Grade 6	68	71	66	69	69	66	N/A	60	60	58
Grade 7	65	63	65	64	63	62	N/A	56	52	53
Grade 8	66	67	66	69	66	63	N/A	57	55	53
Grade 10	72	71	74	73	73	73	N/A	73	59	63
MCA Math (1)										
Grade 3	76	76	74	75	73	71	N/A	65	65	65
Grade 4	77	77	73	73	74	70	N/A	56	66	67
Grade 5	70	69	65	64	62	62	N/A	47	54	57
Grade 6	67	66	66	65	64	59	N/A	42	44	46
Grade 7	67	64	63	62	61	59	N/A	43	45	48
Grade 8	66	64	66	66	66	65	N/A	42	46	49
Grade 11	65	63	64	68	64	62	N/A	60	44	50
MCA Science (1)										
Grade 5	71	67	70	68	67	66	N/A	54	56	55
Grade 8	56	57	63	61	59	55	N/A	38	41	38
High school	69	69	73	74	70	74	N/A	59	56	55
MAP (Measures of Academic Progress) (2)										
Reading										
Grade 2-5	72.3	72.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	56.8
Grade 6-7	61	63.2	56.6	55.3	56.4	54.5	49.6	57.9	40.6	53.4
Math										
Grade 2-5	65	71.9	55	54.6	51.2	48.3	51.7	N/A	N/A	58.6
Grade 6-7	60.3	63.2	58.4	60.4	60.8	58.8	56.4	42.5	40.7	63.7
ACT										
Average composite score	24.1	24.4	23.00	23.10	23.10	23.00	22.70	22.90	21.50	21.3
National Merit Scholars										
Commended	29	41	32	47	47	26	56	49	41	33
Finalists and semifinalists	15	15	15	15	7	16	12	17	13	12

Rosemount-Apple Valley-Eagan ISD 196
Operating Indicators
Standardize Testing and Graduation Rates
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Attendance percentages										
Kindergarten	96.40	95.70	95.80	95.90	96.00	95.70	95.80	97.00	92.80	98.90
1st grade	96.10	95.70	95.80	95.90	96.00	96.00	95.80	96.90	93.00	98.70
2nd grade	96.30	95.80	96.10	95.80	96.20	96.00	96.10	97.10	93.30	98.80
3rd grade	96.50	96.00	96.00	96.10	96.10	96.10	95.90	97.20	93.30	98.80
4th grade	96.40	96.00	96.00	95.70	96.10	95.90	96.00	96.90	93.50	98.80
5th grade	96.30	95.90	95.90	95.80	95.80	96.00	95.90	96.80	93.20	98.90
6th grade	95.50	95.90	95.70	95.40	95.20	95.50	96.00	94.60	92.70	98.90
7th grade	95.60	95.40	95.40	95.30	94.90	95.50	95.60	94.10	92.90	98.80
8th grade	95.40	95.30	95.20	95.00	94.80	95.40	95.30	93.20	92.50	98.70
9th grade	96.10	99.00	95.70	95.20	95.20	96.30	97.00	96.20	93.00	98.90
10th grade	95.50	98.70	95.00	94.20	93.80	95.30	96.10	95.90	92.20	98.60
11th grade	94.60	98.40	93.20	93.10	92.30	95.10	95.30	94.60	91.10	98.40
12th grade	92.10	95.60	90.20	89.40	89.40	92.00	93.30	92.40	88.50	98.40
All grades	95.10%	95.80%	94.60%	94.40%	94.30%	95.00%	95.30%	95.00%	92.00%	92.00%
Graduation data (3)										
District graduation rates	92%	90%	92%	90%	91%	91%	89%	89%	89%	N/A
State graduation rate	81%	82%	82%	83%	83%	84%	84%	83%	84%	N/A

N/A - Not Available

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

Source

Standardized testing results for the District are from the “Annual Report on Curriculum, Instruction, and Student Achievement,” prepared by the District’s Teaching and Learning Department.

Rosemount-Apple Valley-Eagan ISD 196
Capital Assets Statistics By Program and Classification
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program										
Administration	\$ 190,908	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608
District Support Services	1,052,752	1,081,139	1,209,990	1,313,895	1,417,800	1,497,800	1,434,713	1,431,913	1,431,913	1,436,918
Elementary and Secondary										
Regular Instruction	9,156,130	9,310,499	9,498,719	10,298,063	10,356,373	10,413,270	10,541,161	10,628,195	18,085,409	14,975,822
Vocational Education	166,854	166,854	153,059	156,601	164,106	164,106	164,106	153,841	153,841	148,239
Special Education	345,565	358,609	387,351	392,500	392,500	392,500	385,920	385,920	385,920	321,160
Community Education	42,437	36,225	36,225	36,225	36,225	36,225	36,225	33,625	33,625	27,680
Instructional Support	158,389	154,527	159,917	159,917	159,917	159,917	159,917	159,917	159,917	124,288
Transportation	14,931,523	15,355,534	15,966,253	16,873,062	18,213,195	18,517,122	20,733,236	20,996,459	21,388,599	21,887,963
Food Service	2,296,422	2,392,865	2,486,240	2,662,531	2,746,826	2,982,509	3,161,792	3,185,003	3,211,607	3,569,363
Sites and Buildings	4,766,294	5,049,084	6,418,617	6,666,365	6,993,094	10,600,927	11,966,353	11,966,353	557,098,917	557,004,514
Sites and Buildings – Unallocated	395,222,661	410,215,923	412,984,267	442,192,955	486,431,295	509,995,795	520,991,650	532,833,261	11,966,353	21,250,163
Total program	<u>\$ 428,329,935</u>	<u>\$ 444,370,867</u>	<u>\$ 449,550,246</u>	<u>\$ 481,001,722</u>	<u>\$ 527,160,939</u>	<u>\$ 555,009,779</u>	<u>\$ 569,824,681</u>	<u>\$ 582,024,095</u>	<u>\$ 614,165,708</u>	<u>\$ 620,995,718</u>
Classification										
Land	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 11,966,353	\$ 11,966,353	\$ 11,966,353	\$ 11,966,353	\$ 11,966,353
Land Improvements	12,841,906	12,948,913	12,976,413	12,976,413	12,976,413	14,812,196	15,808,864	16,545,781	17,590,399	18,721,700
Building	334,572,452	336,821,378	357,940,976	362,591,261	374,845,921	376,147,361	437,802,664	463,331,698	498,256,495	509,302,876
Equipment	29,075,405	30,760,757	32,852,222	36,720,661	37,117,841	38,409,410	37,086,444	37,084,708	36,233,516	36,299,878
Eligible Pupil Transportation Vehicle	15,409,291	15,330,093	14,480,477	15,334,693	17,925,049	18,517,122	18,587,679	19,110,481	20,726,576	20,918,636
Food Service Equipment	2,712,415	2,357,122	2,450,498	2,626,789	2,711,084	2,982,509	3,601,327	3,624,538	3,651,142	4,044,856
Property and Equipment under Leases	17,227,800	17,227,800	17,336,653	14,315,371	15,358,580	13,745,317	13,745,317	14,327,063	578,987	561,267
Property and Equipment under Subscription IT agreements	-	-	-	-	-	-	-	-	6,805,412	9,082,830
Total classification	<u>420,709,981</u>	<u>424,316,775</u>	<u>446,907,951</u>	<u>453,435,900</u>	<u>469,805,600</u>	<u>476,580,268</u>	<u>538,598,648</u>	<u>565,990,622</u>	<u>595,808,880</u>	<u>610,898,396</u>
Construction in Progress	<u>7,619,954</u>	<u>20,054,092</u>	<u>2,642,295</u>	<u>27,565,822</u>	<u>57,355,339</u>	<u>78,429,511</u>	<u>31,226,033</u>	<u>16,033,473</u>	<u>18,356,829</u>	<u>10,097,322</u>
Total classification and construction in progress	<u>\$ 428,329,935</u>	<u>\$ 444,370,867</u>	<u>\$ 449,550,246</u>	<u>\$ 481,001,722</u>	<u>\$ 527,160,939</u>	<u>\$ 555,009,779</u>	<u>\$ 569,824,681</u>	<u>\$ 582,024,095</u>	<u>\$ 614,165,709</u>	<u>\$ 620,995,718</u>

Source

The District's Finance Department

Rosemount-Apple Valley-Eagan ISD 196
Expenditures Per Student (Average Daily Membership)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration	470	485	539	537	553	575	589	604	634	685
District Support Services	306	324	340	353	379	423	464	2,564	502	549
Elementary and Secondary Regula	5,626	5,897	6,001	6,110	6,177	6,241	6,250	6,621	7,136	7,509
Vocational Education Instruction	145	153	189	180	182	190	180	178	192	200
Special Education Instruction	2,257	2,279	2,370	2,447	2,516	2,556	2,663	805	2,956	3,143
Instructional Support Services	622	675	716	743	767	791	806	753	824	969
Pupil Support Services	866	845	861	886	905	921	1,010	1,081	1,278	1,385
Sites and Buildings	851	789	799	913	839	894	1,301	1,313	1,349	1,550
Fiscal and Other Fixed Cost Progra	26	24	24	22	21	42	37	45	45	60
Food Service	418	423	427	431	400	426	384	379	537	588
Community Service	363	284	292	317	310	314	292	286	335	349
Capital Outlay	497	699	423	1,207	263	1,409	218	372	664	14
Debt Service	793	826	643	802	767	763	592	597	1,016	588
Total Expenditures	<u>\$ 13,240</u>	<u>\$ 13,703</u>	<u>\$ 13,624</u>	<u>\$ 14,948</u>	<u>\$ 14,079</u>	<u>\$ 15,545</u>	<u>\$ 14,786</u>	<u>\$ 15,598</u>	<u>\$ 17,468</u>	<u>\$ 17,589</u>
Average Daily Membership	<u>26,918</u>	<u>27,206</u>	<u>27,526</u>	<u>27,797</u>	<u>28,178</u>	<u>28,418</u>	<u>28,870</u>	<u>28,551</u>	<u>28,692</u>	<u>28,756</u>

Rosemount-Apple Valley-Eagan ISD 196
Food Service School Lunch Program Data
Last Ten Fiscal Years
(Unaudited)

Year Ended June 30,	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percentage of Average Daily Attendance	Free Lunch		Reduced Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2014	24,571	2,385,935	165	14,460	58.9	643,503	27.0	165,163	6.9
2015	24,853	2,528,744	169	14,963	60.2	676,947	26.8	195,960	7.7
2016	25,198	2,561,285	169	15,156	60.1	694,018	27.1	207,102	8.1
2017	26,416	2,585,768	169	15,300	57.9	667,303	25.8	227,423	8.8
2018	25,296	2,598,724	165	15,750	62.3	671,874	25.9	227,855	8.8
2019	28,418	2,603,191	165	15,777	55.5	622,877	23.9	238,377	9.2
2020	28,870	1,924,112	116	16,587	57.5	438,784	22.8	171,961	8.9
2021	27,117	1,538,375	102	15,082	55.6	1,538,375	100.0	-	-
2022	23,415	3,034,816	175	17,342	74.1	2,954,034	97.3	-	-
2023	27,318	2,896,231	171	16,937	62.0	821,255	28.4	206,988	7.1

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

Source

ISD No. 196 Summary Food Service Statistics Reports

Rosemount-Apple Valley-Eagan ISD 196
School Facilities
As of June 30, 2023
(Unaudited)

Facility	Use	Constructed	Acres	Classrooms (1)	Square Footage	Capacity	Enrollment (2)
Elementary Schools							
Cedar Park	School	1977	16.64	29	79,178	595	701
Deerwood	School	1987	(3a)	35	80,741	595	517
Diamond Path	School	1970	40.00	39	83,780	725	659
East Lake	School	2017	22.40	38	84,600	750	786
Echo Park	School	1979	16.29	45	94,876	790	705
Glacier Hills	School	1993	15.01	39	85,167	680	651
Greenleaf	School	1975	30.40	50	88,130	835	761
Highland	School	1986	(3b)	43	85,497	725	680
Northview	School	1960	39.50	37	67,743	705	365
Oak Ridge	School	1991	9.95	45	86,896	680	524
Parkview	School	1970	13.00	39	95,430	680	669
Pinewood	School	1990	17.31	44	85,328	815	490
Red Pine	School	1995	13.09	47	88,784	815	698
Rosemount	School	1960	(3c)	38	76,251	660	754
Shannon Park	School	1990	13.50	47	83,936	770	497
Southview	School	1967	(3d)	46	75,391	790	591
Thomas Lake	School	1979	15.00	34	69,912	595	553
Westview	School	1964	18.00	41	71,678	725	475
Woodland	School	1988	18.43	37	83,724	680	728
Middle Schools							
Black Hawk	School	1994	38.81	71	198,534	1,200	847
Dakota Hills	School	1989	(3e)	64	223,560	1,300	1,122
Falcon Ridge	School	1996	32.46	73	197,534	1,200	925
Rosemount	School	1918	(3c)	61	173,796	1,055	1,178
Scott Highlands	School	1979	40.00	60	165,735	1,030	1,131
Valley	School	1972	32.74	60	192,198	1,165	1,040
High Schools							
Apple Valley	School	1976	80.00	83	370,234	1,990	1,816
Eagan	School	1990	94.00	87	382,970	2,040	2,100
Eastview	School	1997	54.00	97	338,242	2,015	2,224
Rosemount	School	1963	120.13	91	414,998	2,015	2,343
School of Environmental Studies	School	1995	12.25	53	71,171	400	365
Area Learning Center and Transition Plus							
Dakota Ridge	School	2006	N/A	18	27,659	310	353
Cedar Valley Learning Center	School	1997	(3f)	26	50,338	160	111
Dakota Valley Learning Center	Special/Early Child/ Adult Education	1993	1.59	6	13,730	309	18
Silver Bell Learning Center	Special/Early Child/ Adult Education	2014	(3f)	22	54,000	529	261
		2017	7.25	13	48,332	N/A	–
District Office							
District Service Center	Office	2006	2.10	N/A	25,900	368	–
Facilities	Office	1972	40.00	N/A	23,937	N/A	–
District Office East	Office/Maintenance/Warehouse	1972	(3f)	N/A	28,964	N/A	–
	Office	1984	9.50	N/A	18,677	N/A	–

N/A – Not Available

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

Rosemount-Apple Valley-Eagan ISD 196

Building Permits Issued by Major Cities

Lat Ten Fiscal Years

(Unaudited)

Calendar Year	Total Permits		New Residential Permits (1)	
	Number	Value	Number	Value
City of Rosemount				
2013	2,471	42,084,362	93	26,136,626
2014	2,879	75,168,593	180	45,310,000
2015	2,677	63,330,428	173	39,739,000
2016	3,033	82,205,630	136	38,723,900
2017	3,136	74,717,882	135	37,709,343
2018	3,503	87,287,106	256	57,601,704
2019	3,997	90,278,793	274	65,796,011
2020	4,426	105,548,812	389	67,676,504
2021	6,921	146,000,000	340	80,900,970
2022	4,925	155,000,000	228	59,930,418
City of Apple Valley				
2013	4,426	49,921,500	63	19,317,000
2014	5,430	90,423,600	71	22,147,000
2015	5,755	90,870,178	120	34,525,000
2016	6,573	92,352,609	140	42,385,000
2017	6,932	202,481,522	177	42,973,000
2018	5,698	141,378,881	125	33,552,000
2019	6,534	81,344,499	29	9,899,000
2020	6,006	44,873,377	5	1,368,000
2021	9,353	117,619,214	63	14,402,000
2022	16,003	191,634,488	46	9,731,000
City of Eagan				
2013	7,455	218,669,781	188	70,828,088
2014	5,044	158,991,311	177	57,043,757
2015	2,470	101,187,211	49	17,047,341
2016	2,426	152,547,456	84	29,123,360
2017	3,145	428,078,165	72	26,208,327
2018	2,641	139,726,902	40	14,790,119
2019	2,555	245,770,779	35	14,486,797
2020	3,351	212,030,440	15	6,025,197
2021	3,687	150,278,988	33	11,379,098
2022	2,853	165,895,634	53	13,421,372

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

Note

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

Source

City of Rosemount, City of Apple Valley, and City of Eagan.

Rosemount-Apple Valley-Eagan ISD 196
Students - Average Daily Membership
Last Ten Fiscal Years
(Unaudited)

Year Ended June 30,	ADM (for Students Served or Tuition Paid)							Total Pupil Units	
	Early Childhood and Kindergarten – Handicapped	Kindergarten	Elementary	Secondary	Total		Number	Percent Increase (Decrease)	Number
2014	405.36	1,596.02	12,116.23	12,800.68	26,918.29	0.5	31,261.97	0.6	
2015	501.42	1,749.62	12,235.89	12,718.96	27,205.89	1.1	29,748.93	(4.8)	
2016	500.75	1,721.13	12,421.88	12,869.63	27,513.39	1.1	30,087.31	1.1	
2017	536.81	1,745.10	12,728.02	12,901.49	27,911.42	1.4	30,347.56	0.9	
2018	570.62	1,826.07	12,831.89	12,949.34	28,177.92	1.0	30,766.98	1.4	
2019	598.22	1,827.47	12,859.96	13,132.63	28,418.28	0.9	31,045.11	0.9	
2020	611.78	1,875.46	12,953.75	13,428.55	28,869.54	1.6	31,452.21	1.3	
2021	516.21	1,598.46	12,754.60	13,674.79	28,544.06	(1.1)	31,279.02	(0.6)	
2022	594.42	1,768.96	12,597.24	13,718.14	28,678.76	0.5	31,422.20	0.5	
2023	605.64	1,606.54	12,668.34	13,875.03	28,755.55	0.3	31,530.82	0.3	

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

Note 2 - ADM is weighted as follows in computing pupil units.