

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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INTRODUCTORY SECTION

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
SCHEDULE OF SCHOOL BOARD MEMBERS AND OFFICIALS
JUNE 30, 2021**

<u>SCHOOL BOARD MEMBERS</u>		<u>TERM EXPIRES</u>
Dale Negen	Chairperson	2022
Ryan Lippert	Vice-Chairperson	2022
Maria Kramer	Clerk	2024
Darin Bratsch	Treasurer	2022
Phyllis Bruns	Director	2021
Josie Cruz	Director	2024
Brad Negen	Director	2024
 <u>SCHOOL OFFICIAL</u>		
Doug Froke	Superintendent of Schools	

INDEPENDENT AUDITOR'S REPORT

Members of the School Board
Independent School District No. 2890
Renville County West
Renville, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Independent School District No. 2890, Renville County West, Renville, Minnesota as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Independent School District No. 2890, Renville County West, Renville, Minnesota as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Independent School District No. 2890, Renville County West, Renville, Minnesota's basic financial statements. The introductory section, other supplementary information, and the uniform financial accounting and reporting standards compliance table listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the uniform financial accounting and reporting standards compliance table are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 introductory section and other supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2020 financial statements, and our report, dated November 12, 2020, expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2021, on our consideration of Independent School District No. 2890, Renville County West, Renville, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 2890, Renville County West, Renville, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Independent School District No. 2890, Renville County West, Renville, Minnesota's internal control over financial reporting and compliance.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants

November 18, 2021

REQUIRED SUPPLEMENTAL INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

As management of Independent School District No. 2890, Renville County West, Renville, Minnesota, we offer readers of Independent School District No. 2890, Renville County West, Renville, Minnesota's financial statements this narrative overview and analysis of the financial activities of Independent School District No. 2890, Renville County West, Renville, Minnesota for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

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

- Net position in the Statement of Net Position increased \$326,092 from the prior year to \$664,410. This increase was the result of a variety of factors including an increase in property taxes receivable and prepaid expenditures and a decrease in District debt due to scheduled principal payments on long-term debt. Favorable changes in the assumptions used by the Teachers Retirement Association relating to the calculation of the District's deferred inflows of resources related to pensions also contributed to the overall increase.
- The General Fund fund balance increased \$664,307 to \$3,470,227. The unassigned fund balance increased \$97,560 to \$2,071,886. This increase is mainly due to changes in the restricted and assigned categories of the General Fund and overall increase of fund balance. The increase in overall General Fund fund balance is mainly due to a budgeted increase in the levy, more received for state special education and general education aid than expected, and less spent than expected on capital outlay. The combined total of the assigned and unassigned fund balance in the General Fund amounts to 35.9% of annual budgeted expenditures which meets the District's fund balance goal of a minimum of 10% of operating budget.
- The District received a significant increase in federal funding during the year as a result of the continued COVID-19 pandemic. The Department of Education provided new sources of revenue through the Elementary and Secondary School Emergency Relief Fund and the Coronavirus Relief Fund. In addition to these new sources of revenue, there was a significant increase in revenue through the federal food service program since all students remained eligible to receive free meals through the federal food service program, regardless of family income, throughout the school year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts. They are:

- Independent Auditor's Report,
- Required Supplementary Information which includes the Management's Discussion and Analysis (this section),
- Basic financial statements, notes to financial statements, and
- Other supplementary information and other required reports and information.

The basic financial statements include two kinds of 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 government-wide statements. The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE STATEMENTS

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial 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 service, 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 – rather than the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District has one kind of fund:

- **Governmental funds** – The District's basic services are included in governmental funds, which generally focuses 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 less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information (reconciliation schedules) follows the governmental funds statements that explain the relationship (or differences) between these two types of financial statement presentations.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE STATEMENTS)
NET POSITION**

The District's combined net position was \$664,410 on June 30, 2021. This was an increase of 96.4% from the previous year total of \$338,318. A summary of the District's net position is as follows:

Net Position – Governmental Activities			Percentage Change
	<u>6/30/2021</u>	<u>6/30/2020</u>	
Current and Other Assets	\$ 6,237,852	\$ 6,015,506	
Capital Assets	14,469,711	14,968,213	
Total Assets	<u>20,707,563</u>	<u>20,983,719</u>	(1.3%)
Related to OPEB	290,880	262,125	
Related to Pensions	<u>2,097,052</u>	<u>3,455,546</u>	
Total Deferred Outflows of Resources	<u>2,387,932</u>	<u>3,717,671</u>	(35.8%)
Current Liabilities	995,973	1,187,317	
Noncurrent Liabilities	<u>15,687,012</u>	<u>15,635,937</u>	
Total Liabilities	<u>16,682,985</u>	<u>16,823,254</u>	(0.8%)
Property Taxes Levied for Subsequent Year's Expenditures	2,081,641	2,072,414	
Related to OPEB	2,012	2,515	
Related to Pensions	<u>3,664,447</u>	<u>5,464,889</u>	
Total Deferred Inflows of Resources	<u>5,748,100</u>	<u>7,539,818</u>	(23.8%)
Invested in Capital Assets	5,159,743	5,101,934	
Restricted	930,588	1,170,988	
Unrestricted	<u>(5,425,921)</u>	<u>(5,934,604)</u>	
Total Net Position	<u>\$ 664,410</u>	<u>\$ 338,318</u>	96.4%

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE STATEMENTS)
(Cont'd)**

CHANGE IN NET POSITION

The change in net position occurs as a result of revenue being greater than expenses for the year ended June 30, 2021. A summary of the District's revenues and expenses is as follows:

Change in Net Position – Governmental Activities			Percentage
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>Change</u>
Revenues			
Program Revenues			
Charges for Services	\$ 128,404	\$ 230,745	
Operating Grants and Contributions	2,288,342	2,023,262	
Capital Grants and Contributions	20,120	10,754	
General Revenues			
Property Taxes	2,148,350	2,305,955	
Unallocated Federal and State Aid	4,734,723	4,779,851	
Other	<u>25,153</u>	<u>79,490</u>	
Total Revenues	<u>9,345,092</u>	<u>9,430,057</u>	(0.9%)
Expenses			
District and School Administration	530,672	481,685	
District Support Services	286,175	332,017	
Regular Instruction	4,000,271	4,073,181	
Vocational Instruction	121,993	111,840	
Exceptional Instruction	1,211,471	1,317,225	
Community Education and Services	121,431	133,132	
Instructional Support Services	273,588	134,728	
Pupil Support Services	942,385	910,671	
Site, Buildings and Equipment	769,393	669,229	
Fiscal and Other Fixed Cost Programs	75,702	56,446	
Interest on Long-Term Debt	263,199	262,446	
Loss on the Sale of Assets	38,247	-	
Depreciation – Unallocated	<u>384,473</u>	<u>365,133</u>	
Total Expenses	<u>9,019,000</u>	<u>8,847,733</u>	1.9%
Increase (Decrease) in Net Position	<u>326,092</u>	<u>582,324</u>	
Beginning of Year Net Position,			
As Originally Stated	338,318	(350,050)	
Prior Period Adjustment (GASB 84)	-	106,044	
Beginning Net Position, as Restated	<u>338,318</u>	<u>(244,006)</u>	
End of Year Net Position	<u>\$ 664,410</u>	<u>\$ 338,318</u>	96.4%

The District's total revenues consisted of program revenues of \$2,436,866, property taxes of \$2,148,350, unallocated federal and state aids of \$4,734,723 and a small amount from interest and miscellaneous other sources. Expenses totaling \$9,019,000 consisted primarily of student instructional costs of \$5,333,735, student support services of \$1,215,973, administration costs of \$816,847, site, buildings and equipment costs of \$769,393, community education services of \$121,431 and minor other amounts.

The cost of all governmental activities this year was \$9,019,000.

- The users of the District's programs paid for 1.4%, or \$128,404, of the costs.
- The federal and state governments subsidized certain programs with grants and contributions. This totaled \$2,308,462 or 25.6% of the total costs.
- Most of the District's net cost of services (\$6,582,134), however, were paid for by state taxpayers based on the statewide education aid formula and by District taxpayers.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS)
FUND BALANCE**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$3,857,161. This was up from \$3,425,878 at the end of the prior year, a increase of \$431,283. The General Fund increase of \$664,307 is mainly due to a budgeted increase in the levy, more received for state special education and general education aid than expected, and less spent than expected on capital outlay. The Food Service Fund had a increase of \$23,935. This increase is due to the continued funding of the Summer Food Service Program format for student lunches. The Community Service Fund increased \$47,404 mainly due to revenues outpacing expenditures for programs along with a transfer from the General Fund for a pool fundraising match. The Debt Service Fund decreased \$304,363 due to a levy limitation based on fund balance.

REVENUES AND EXPENDITURES

Revenues and other financing sources of the District's governmental funds totaled \$9,334,870. This was a decrease of 5.2% from the previous year total of \$9,849,375. Total expenditures and other financing uses were \$8,903,587. This was a decrease of 18.2% from the previous year total of \$10,879,430. A summary of the revenues, expenditures, and other sources (uses) reported on the governmental financial statements is as follows:

Revenues and Expenditures – Governmental Funds

	<u>Revenue</u>	<u>Expenditures</u>	<u>Other Sources (Uses)</u>	<u>Fund Balance Increase (Decrease)</u>
General Fund	\$ 8,430,114	\$ 7,762,436	\$ (3,371)	\$ 664,307
Food Service Fund	357,110	333,175	-	23,935
Community Service Fund	153,882	116,478	10,000	47,404
Debt Service Fund	<u>377,135</u>	<u>681,498</u>	-	<u>(304,363)</u>
Totals	<u>\$ 9,318,241</u>	<u>\$ 8,893,587</u>	<u>\$ 6,629</u>	<u>\$ 431,283</u>

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS) (Cont'd)
GENERAL FUND (Cont'd)**

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

The following schedule presents a summary of General Fund revenues and other financing sources:

Revenues – General Fund				
	Year Ended 6/30/2021	Year Ended 6/30/2020	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
Property Taxes	\$ 1,855,422	\$ 1,769,081	\$ 86,341	4.9%
Tuition Contracts	9,778	5,850	3,928	67.1%
Other Local Sources	165,245	240,849	(75,604)	(31.4%)
State Sources	5,946,499	5,933,807	12,692	0.2%
Federal Sources	<u>453,170</u>	<u>259,828</u>	<u>193,342</u>	74.4%
Total Revenues	8,430,114	8,209,415	220,699	2.7%
Other Financing Sources				
Proceeds from Sale of Equipment	<u>6,629</u>	<u>632</u>	<u>5,997</u>	948.9%
Total Revenues and Other Financing Sources	8,436,743	8,210,047	226,696	2.8%
Prior Period Adjustment				
GASB No. 84	-	<u>106,044</u>	<u>(106,044)</u>	(100.0%)
Total	\$ <u>8,436,743</u>	\$ <u>8,316,091</u>	\$ <u>120,652</u>	1.5%

The following schedule presents a summary of General Fund expenditures and other financing uses:

Expenditures – General Fund				
	Year Ended 6/30/2021	Year Ended 6/30/2020	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries and Wages	\$ 4,715,318	\$ 4,699,012	\$ 16,306	0.3%
Employee Benefits	1,248,531	1,208,452	40,079	3.3%
Purchased Services	952,083	917,790	34,293	3.7%
Supplies and Materials	457,852	291,922	165,930	56.8%
Other Expenditures	61,355	52,206	9,149	17.5%
Capital Expenditures	185,735	2,003,519	(1,817,784)	(90.7%)
Debt Service Expenditures	<u>141,562</u>	<u>121,841</u>	<u>19,721</u>	16.2%
Total Expenditures	7,762,436	9,294,742	(1,532,306)	(16.5%)
Other Financing Uses				
Transfer Out to Other Funds	<u>10,000</u>	<u>-</u>	<u>10,000</u>	100.0%
Total Expenditures and Other Financing Uses	\$ <u>7,772,436</u>	\$ <u>9,294,742</u>	\$ <u>(1,522,306)</u>	(16.4%)

In summary, the 2020-2021 General Fund revenues and other financing sources exceeded expenditures and other sources by \$664,307 resulting in the total fund balance increasing to \$3,470,227 at June 30, 2021. After deducting statutory and accounting standards restrictions and fund balance policy assignments, the unassigned fund balance increased \$97,560 to \$2,071,886 at June 30, 2021. The District closely monitors the General Fund unassigned fund balance through its budgeting process throughout the year.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS) (Cont'd)
GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year ended June 30, 2021 the District revised its operating budget once. This revision was planned, and was necessary because when the initial budget was prepared and adopted (a budget must be in place prior to the beginning of the fiscal year on July 1) details of student enrollment numbers, salary details, staffing levels, and other significant information items were not yet known. This revision was made in March to reflect significant changes in enrollment data, state funding adjustments, and unforeseen changes in revenue and expenditure categories.

The District's final budget for the General Fund anticipated that revenues and other financing sources would exceed expenditures and other financing uses by \$492,516; the actual results for the year showed a surplus of \$664,307.

- Actual revenues were \$182,908, or 2.2 percent, more than budget. This was due mainly to more special education and general education aid received than expected and other small variances.
- Actual expenditures were \$17,234, or 0.2 percent, more than budget. This was mainly due to utility and repair expenditures being higher than budgeted and preschool salaries being paid out of the General Fund rather than where it was budgeted. These unfavorable variances are partially offset by spending less than anticipated on equipment.

FOOD SERVICE FUND

The Food Service Fund revenue for 2020-2021 totaled \$357,110 and expenditures were \$333,175, resulting in a fund balance increase of \$23,935. This increase is due to the continued funding of the Summer Food Service Program format for student lunches. The June 30, 2021 Food Service Fund balance is \$78,960.

COMMUNITY SERVICE FUND

In 2020-2021, the total revenues and other financing sources for the Community Service Fund were \$163,882 and total expenditures were \$116,478, resulting in a fund balance increase of \$47,404. This increase is due to revenues outpacing expenditures for programs along with a transfer from the General Fund for a pool fundraising match. The Community Service Fund balance as of June 30, 2021 is \$141,712.

DEBT SERVICE

In 2020-2021, total revenues were \$377,135 and total expenditures were \$681,498. This resulted in a total fund balance decrease of \$304,363. The fund balance at June 30, 2021 is \$166,262.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of June 30, 2021, the District had net capital assets of \$14,469,711 representing a broad range of capital assets, including school buildings and improvements, computer and audio-visual equipment, and various other equipment for instructional support and administrative purposes. Total depreciation expense for the year was \$499,515. Information about the District's capital assets is shown below. More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Capital Assets			Percentage
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>Change</u>
Land	\$ 10,350	\$ 10,350	0.0%
Buildings and Improvements	19,208,883	19,289,375	(0.4%)
Equipment and Vehicles	1,829,833	1,842,518	(0.7%)
Less Accumulated Depreciation	<u>(6,579,355)</u>	<u>(6,174,030)</u>	6.6%
Net Capital Assets	<u>\$ 14,469,711</u>	<u>\$ 14,968,213</u>	(3.3%)

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION (Cont'd)

DEBT ADMINISTRATION

At year-end, the District had \$8,115,000 in general obligation bonds outstanding. The District also had various other long-term liabilities as detailed in Note 5 to the financial statements.

- The District continues to pay its scheduled debt payments, retiring \$551,871 of bonds and capital leases in the year ending June 30, 2021.

	Outstanding Debt		Percentage
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>Change</u>
General Obligation Bonds	\$ 8,115,000	\$ 8,565,000	(5.3%)
Capital Lease Obligations	1,120,419	1,222,290	(8.3%)
Total	<u>\$ 9,235,419</u>	<u>\$ 9,787,290</u>	(5.6%)

FACTORS BEARING ON THE DISTRICT'S FUTURE

COVID-19 played a factor in 2020-2021 and will continue in 2021-2022. The additional revenue from the CARES ACT will hopefully offset most of the additional expenditures for personal protective equipment, transportation, and personnel.

In the 2021 Legislative Session, the Legislature approved foundation formula increases of 2.45% and 2.00%, for the 2021-2022 and 2022-2023 fiscal years, respectively. This has a very positive effect for school district operations and maintaining a balanced budget. Along with this, long-term facilities maintenance revenue was approved in the 2015 Legislative Session, began in 2016-2017, and will increase per pupil unit each year. This has a significant, positive effect for the District as the District has been working to maintain the facilities in the District. Economic conditions in Minnesota have been changing and hopefully the Legislature will continue to have options available to them in providing programs and support for E-12 education.

The District is a recipient of the funding for universal pre-school for all four-year old's beginning with the 2017-2018 fiscal year and now through the 2022-2023 fiscal year. This is bringing a significant change for school districts in Minnesota that were awarded grants. The District also received significant funding for Pathways II beginning in 2017-2018, and extended through 2022-2023. This has also brought significant revenue to the District.

On August 8, 2016 the District's voters supported renewing the expiring referendum revenue authorization of the District in the amount of \$1,558 per adjusted pupil unit which was scheduled to expire after taxes payable in 2016. This referendum is in effect for 10 years.

The District issued \$3,115,000 General Obligation Alternative Facilities Refunding Bonds, Series 2021A on November 4, 2021. The proceeds of these bonds will be used to redeem the 2023 through 2032 maturities of the Series 2012A Bonds. This refunding was undertaken to reduce the District's future debt service payments resulting in a present value savings of \$246,698.

On July 12, 2021, the School Board approved Taher, Inc. to fulfill the 2021-2022 food service management contract. Prior to this, the District operated its food service program internally.

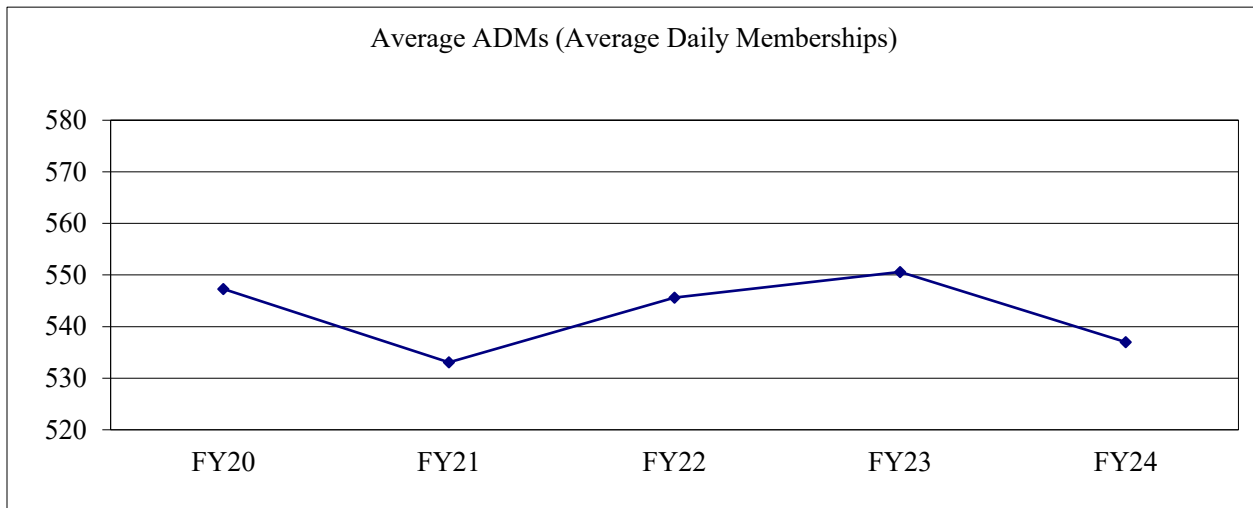
The majority of labor contracts are in effect for two-year periods. The contract with District certified teachers was recently approved and is in effect for the two-year period ending June 30, 2023. The contract with the District's principal is in effect for the three-year period ending June 30, 2022. The contract for the Education Support Professionals was recently approved and is in effect for the two-year period ending June 30, 2023. The contract for the superintendent is in effect for the three-year period ending June 30, 2024. The District tries to be fair with staff during the negotiations process, but always needs to balance that approach with the availability of resources, along with looking at the long-term financial well-being of the District. Negotiated settlements are always an area of financial challenge for the District. Labor costs and related benefits account for approximately 77% of the District's General Fund operating expenditures.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

FACTORS BEARING ON THE DISTRICT'S FUTURE (Cont'd)

The District is currently working on researching the options for demolition of the Sacred Heart building. As of June 30, 2021, the District has assigned \$550,000 of the General Fund fund balance for this demolition. At this time, the total cost and timing of the demolition is unknown.

The District's future projections reflect an overall slight increase in student enrollment. This impacts the District's funding since enrollment is what actually determines most of a school's funding components. Hence, if there continues to be a slight increase in enrollment the District could anticipate an increase in revenues even if there were no increases to the formulas. Maintaining stability of the District's enrollment continues to be one of the District's goals. The District has seen a gradual increase in enrollment in the lower elementary grades. With the uncertainty that the Voluntary Pre-Kindergarten program will continue to be funded by the state, the District has taken the conservative approach to not include those numbers in its ADM's for FY24. This is the reason you will see lower counts in FY24.



CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide District 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 one has questions about this report or needs additional financial information, contact the Business Office, Independent School District No. 2890, Renville County West, 301 NE 3rd St, Renville, MN 56284, visit the District website at rw.k12.mn.us, or call (320) 329-8362.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 2890
 RENVILLE COUNTY WEST
 RENVILLE, MINNESOTA
 STATEMENT OF NET POSITION
 JUNE 30, 2021
 (with Partial Comparative Information as of June 30, 2020)

	Governmental Activities	
	2021	2020
ASSETS		
Current Assets:		
Cash and Investments	\$ 4,245,733	\$ 4,073,569
Property Taxes Receivable-Net	1,247,880	1,209,282
Accounts and Interest Receivable	4,369	12,574
Due From State of Minnesota	528,754	552,132
Due From Federal Government	23,660	45,788
Due From Other Minnesota Districts	107,155	116,883
Inventory	5,773	5,278
Prepaid Expenses	51,473	-
Total Current Assets	6,214,797	6,015,506
Noncurrent Assets:		
Cash and Investments	23,055	-
Capital Assets:		
Land	10,350	10,350
Other Capital Assets, Net of Depreciation	14,459,361	14,957,863
Total Noncurrent Assets	14,492,766	14,968,213
TOTAL ASSETS	20,707,563	20,983,719
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB	290,880	262,125
Related to Pensions	2,097,052	3,455,546
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,387,932	3,717,671
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 23,095,495	\$ 24,701,390
LIABILITIES		
Current Liabilities:		
Salaries Payable	\$ 21,995	\$ 14,310
Accounts and Interest Payable	222,497	443,377
Due to Other Governmental Units	4,807	105
Payroll Liabilities	76,227	75,034
Unearned Revenue	62,063	66,803
Current Portion of Long-Term Liabilities	608,384	587,688
Total Current Liabilities	995,973	1,187,317
Noncurrent Liabilities:		
Net Pension Liability	5,305,501	4,594,881
Total OPEB Liability	1,561,819	1,613,750
Noncurrent Portion of Long-Term Liabilities	8,819,692	9,427,306
Total Noncurrent Liabilities	15,687,012	15,635,937
TOTAL LIABILITIES	16,682,985	16,823,254
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year's Expenditures	2,081,641	2,072,414
Related to OPEB	2,012	2,515
Related to Pensions	3,664,447	5,464,889
TOTAL DEFERRED INFLOWS OF RESOURCES	5,748,100	7,539,818
NET POSITION		
Net Investment in Capital Assets	5,159,743	5,101,934
Restricted For:		
Capital Asset Acquisition	20,501	139,362
Debt Service	73,355	375,959
Food Service	78,960	55,025
Community Service	142,188	97,633
Other Activities	615,584	503,009
Unrestricted	(5,425,921)	(5,934,604)
TOTAL NET POSITION	664,410	338,318
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 23,095,495	\$ 24,701,390

The accompanying notes are an integral part of these statements.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(with Partial Comparative Information for the Year Ended June 30, 2020)**

<u>Functions/Programs</u>	<u>2021</u>				<u>2020</u>	<u>2020</u>
	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>	<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>	<u>Revenue and</u>
	<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>	<u>Changes in</u>	
		<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>	<u>Net Position</u>	
Governmental Activities:						
District and School Administration	\$ 530,672			\$ (530,672)	\$ (481,685)	
District Support Services	286,175			(286,175)	(332,017)	
Regular Instruction	4,000,271	\$ 67,272	\$ 1,046,979	\$ 6,707	(3,058,221)	
Vocational Instruction	121,993	-	-	-	(111,735)	
Exceptional Instruction	1,211,471	1,903	792,186	-	(569,909)	
Community Education and Services	121,431	44,420	52,077	-	(19,976)	
Instructional Support Services	273,588	-	-	-	(134,728)	
Pupil Support Services	942,385	13,309	367,100	2,223	(543,785)	
Site, Buildings and Equipment	769,393	1,500	-	11,190	(661,893)	
Fiscal and Other Fixed Cost Programs	75,702	-	30,000	-	(41,444)	
Interest on Long-Term Debt	263,199	-	-	-	(262,446)	
Loss on Sale of Assets	38,247	-	-	-	-	
Depreciation - Unallocated **	384,473	-	-	-	(365,133)	
Total Governmental Activities	9,019,000	128,404	2,288,342	20,120	(6,582,134)	(6,582,972)
General Revenues:						
** This line excludes direct depreciation expenses of the various programs		Property Taxes Levied for:				
		General Purposes			1,879,871	1,807,933
		Community Education and Service			54,337	53,261
		Debt Service			214,142	444,761
		Federal and State Aid Not				
		Restricted to Specific Purposes			4,734,723	4,779,851
		Earnings on Investments			7,430	70,154
		Gain on the Disposal of Assets			-	1,629
		Miscellaneous Revenues			17,723	7,707
		Total General Revenues			6,908,226	7,165,296
		Change in Net Position			326,092	582,324
		Net Position - Beginning of Year, As Originally Stated			338,318	(350,050)
		Prior Period Adjustment (GASB No. 84)			-	106,044
		Net Position - Beginning of Year, As Restated			338,318	(244,006)
		Net Position - Ending			\$ 664,410	\$ 338,318

The accompanying notes are an integral part of these statements.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021
(with Partial Comparative Information as of June 30, 2020)**

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Debt Service	2021	2020
ASSETS						
Cash and Investments	\$ 3,623,195	\$ 69,984	\$ 221,250	\$ 354,359	\$ 4,268,788	\$ 4,073,569
Current Property Taxes Receivable	734,494	-	23,885	465,989	1,224,368	1,177,870
Delinquent Property Taxes Receivable	23,036	-	476	-	23,512	31,412
Accounts and Interest Receivable	3,612	278	479	-	4,369	12,574
Due From State of Minnesota	509,678	-	3,008	16,068	528,754	552,132
Due From Federal Government	9,714	13,946	-	-	23,660	45,788
Due From Other Minnesota Districts	107,155	-	-	-	107,155	116,883
Inventory	-	5,773	-	-	5,773	5,278
Prepaid Expenditures	51,473	-	-	-	51,473	-
TOTAL ASSETS	\$ 5,062,357	\$ 89,981	\$ 249,098	\$ 836,416	\$ 6,237,852	\$ 6,015,506
LIABILITIES						
Salaries Payable	\$ 13,995	\$ 1,266	\$ 6,734	\$ -	\$ 21,995	\$ 14,310
Accounts Payable	105,242	41	5,163	-	110,446	329,550
Due to Other Governmental Units	7	-	4,800	-	4,807	105
Payroll Liabilities	76,227	-	-	-	76,227	75,034
Unearned Revenue	13,509	9,714	38,840	-	62,063	66,803
TOTAL LIABILITIES	208,980	11,021	55,537	-	275,538	485,802
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Delinquent Property Taxes	23,036	-	476	-	23,512	31,412
Property Tax Levied for Subsequent Year's Expenditures	1,360,114	-	51,373	670,154	2,081,641	2,072,414
TOTAL DEFERRED INFLOWS OF RESOURCES	1,383,150	-	51,849	670,154	2,105,153	2,103,826
FUND BALANCES						
Nonspendable Fund Balance	51,473	5,773	-	-	57,246	5,278
Restricted Fund Balances	636,085	73,187	141,712	166,262	1,017,246	1,257,051
Assigned Fund Balances	710,783	-	-	-	710,783	189,223
Unassigned Fund Balances	2,071,886	-	-	-	2,071,886	1,974,326
TOTAL FUND BALANCES	3,470,227	78,960	141,712	166,262	3,857,161	3,425,878
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,062,357	\$ 89,981	\$ 249,098	\$ 836,416	\$ 6,237,852	\$ 6,015,506

The accompanying notes are an integral part of these statements.

INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021
(with Partial Comparative Information as of June 30, 2020)

	2021	2020
Total Fund Balances for Governmental Funds	\$ 3,857,161	\$ 3,425,878
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Those assets consist of:</p>		
Land	10,350	10,350
Other Capital Assets, Net of \$6,579,355 of Accumulated Depreciation	14,459,361	14,957,863
<p>Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.</p>		
	23,512	31,412
<p>Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.</p>		
	(112,051)	(113,827)
<p>Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred Outflows of Resources Related to Pensions	2,097,052	3,455,546
Deferred Outflows of Resources Related to OPEB	290,880	262,125
Deferred Inflows of Resources Related to Pensions	(3,664,447)	(5,464,889)
Deferred Inflows of Resources Related to OPEB	(2,012)	(2,515)
<p>Long-term liabilities, including bonds payable and unamortized bond premium, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:</p>		
Bonds Payable	(8,115,000)	(8,565,000)
Lease Purchase Agreements	(1,120,419)	(1,222,290)
Other Post Employment Benefits Payable	(1,561,819)	(1,613,750)
Severance Benefits Payable	(137,252)	(166,085)
Pension Benefits Payable	(5,305,501)	(4,594,881)
Unamortized Bond Premiums	(55,405)	(61,619)
Total Net Position of Governmental Activities	\$ <u>664,410</u>	\$ <u>338,318</u>

The accompanying notes are an integral part of these statements.

INDEPENDENT SCHOOL DISTRICT NO. 2890
 RENVILLE COUNTY WEST
 RENVILLE, MINNESOTA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021
 (with Partial Comparative Information for the Year Ended June 30, 2020)

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Debt Service	2021	2020
REVENUES						
Local Property Tax Levies	\$ 1,855,422		\$ 54,548	\$ 215,935	\$ 2,125,905	\$ 2,268,524
Other Local and County Revenues	150,136	\$ 83	69,043	524	219,786	305,958
Revenue From State Sources	5,946,499	3,030	30,082	160,676	6,140,287	6,230,916
Revenue From Federal Sources	453,170	340,688	-	-	793,858	469,183
Sales and Other Conversion of Assets	24,887	13,309	209	-	38,405	121,162
TOTAL REVENUES	8,430,114	357,110	153,882	377,135	9,318,241	9,395,743
EXPENDITURES						
Current:						
District and School Administration	520,658	-	-	-	520,658	464,870
District Support Services	285,137	-	-	-	285,137	311,194
Regular Instruction	3,722,825	-	-	-	3,722,825	3,716,721
Vocational Instruction	111,040	-	-	-	111,040	99,327
Exceptional Instruction	1,184,229	-	-	-	1,184,229	1,268,727
Community Education and Services	-	-	111,968	-	111,968	126,498
Instructional Support Services	270,696	-	-	-	270,696	131,635
Pupil Support Services	502,735	329,380	-	-	832,115	801,523
Site, Buildings and Equipment	762,117	-	-	-	762,117	659,553
Fiscal and Other Fixed Cost Programs	75,702	-	-	-	75,702	56,446
Capital Outlay:	185,735	3,795	4,510	-	194,040	2,435,697
Debt Service:						
Principal	101,871	-	-	450,000	551,871	536,084
Interest	39,691	-	-	231,498	271,189	271,155
TOTAL EXPENDITURES	7,762,436	333,175	116,478	681,498	8,893,587	10,879,430
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	667,678	23,935	37,404	(304,363)	424,654	(1,483,687)
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Equipment	6,629	-	-	-	6,629	632
Proceeds from Capital Lease	-	-	-	-	-	453,000
Operating Transfers In (Out)	(10,000)	-	10,000	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,371)	-	10,000	-	6,629	453,632
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	664,307	23,935	47,404	(304,363)	431,283	(1,030,055)
FUND BALANCE BEGINNING OF YEAR	2,805,920	55,025	94,308	470,625	3,425,878	4,349,889
PRIOR PERIOD ADJUSTMENT (GASB No. 84)	-	-	-	-	-	106,044
FUND BALANCE BEGINNING OF YEAR, AS RESTATED	2,805,920	55,025	94,308	470,625	3,425,878	4,455,933
FUND BALANCE END OF YEAR	\$ 3,470,227	\$ 78,960	\$ 141,712	\$ 166,262	\$ 3,857,161	\$ 3,425,878

The accompanying notes are an integral part of these statements.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(with Partial Comparative Information for the Year Ended June 30, 2020)**

	2021	2020
Total Net Change in Fund Balances - Governmental Funds	\$ 431,283	\$ (1,030,055)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation expense exceeds capital outlay in the period.		
Capital Outlays	47,189	2,292,249
Depreciation Expense	(499,515)	(489,523)
Proceeds from the sale/trade of capital assets are reported in governmental funds as other financing sources without regard to any cost basis adjustment. However, for governmental activities those proceeds are adjusted for any remaining cost basis of the assets that were disposed.	(46,176)	(253)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position. In the current period these amounts consist of:		
Repayment of Bond Principal	450,000	445,000
Repayment of Capital Lease Principal	101,871	91,084
Long-term borrowing is reported as revenue (other financing sources) in governmental funds, but these proceeds increase long-term liabilities on the Statement of Net Position. In the current period these amounts consisted of:		
Capital Lease Financing	-	(453,000)
Interest on long-term debt is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues regardless of when it is due. In addition, the amortization of bond premium decreases interest expense in the Statement of Activities.	7,990	8,709
Property taxes that will not be collected for several months after the District's fiscal year end are not considered available revenues in the governmental funds, and are instead considered unavailable tax revenues. They are, however, recorded as revenues in the Statement of Activities.	(7,900)	6,556
In the Statement of Activities, other post employment benefits are measured by the amounts actuarially accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of actual or implicit resources used.	81,189	96,688
Governmental funds recognized pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.		
State Aid Related to Pension Expense	34,751	26,129
Pension Expense	(303,423)	(413,634)
In the Statement of Activities, severance benefits 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 (essentially, the amounts paid).	28,833	2,374
Change in Net Position of Governmental Activities	\$ 326,092	\$ 582,324

The accompanying notes are an integral part of these statements.

INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The financial statements of Independent School District No. 2890, Renville County West, Renville, Minnesota have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments.

B. FINANCIAL REPORTING ENTITY

Independent School District No. 2890, Renville County West, Renville, Minnesota (the District) is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

U.S. Generally Accepted Accounting Principles (GAAP) require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units – entities for which the District is financially accountable.

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

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. In accordance with GASB Statement No. 84, Fiduciary Activities, and Minnesota State Statutes, the District's School Board does exercise control or oversight responsibility with respect to the underlying student activities. Accordingly, the student activity funds are included in these financial statements.

C. BASIC FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

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

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. BASIC FINANCIAL STATEMENT PRESENTATION (Cont'd)

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

Fiduciary funds are used to account for assets held by the District in a fiduciary capacity. No assets of the District were determined to be of this nature, so no fiduciary funds are presented.

Proprietary funds are used to report business-type activities carried on by a school district. No activities of the District were determined to be of this nature, so no proprietary funds are present in the financial statements.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

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

1. Revenue Recognition – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and U.S. generally accepted accounting principles. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.
2. Recording of Expenditures – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

Description of Funds

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

Governmental Funds

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

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RENVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Cont'd)

Governmental Funds (Cont'd)

Food Service Fund – The Food Service Fund is used to account for food service revenues and expenditures.

Community Service Fund – The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs or other similar services.

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

GASB Statement No. 34 specifies that the accounts and activities of each of the District's most significant governmental funds (termed "major funds") be reported in separate columns on the fund financial statements. Other non-major funds can be reported in total. Although only the General Fund and Debt Service Fund are major funds by definition, the District has elected to report all funds as major funds and therefore presents all funds in separate columns on the fund financial statements – an option permitted by GASB Statement No. 34.

E. BUDGETING

Budgets presented in this report for comparison to actual amounts are presented in accordance with U.S. generally accepted accounting principles. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper by November 30 of each year. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

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

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels. Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

Unencumbered expenditure appropriations lapse at year-end. Encumbrances are generally not recorded.

F. CASH AND INVESTMENTS

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances. Investments are reported at fair value.

Cash and investments at June 30, 2021 are comprised of deposits, certificates of deposit, and shares in the Minnesota School District Liquid Asset Fund (MSDLAF) and Minnesota Trust Investment. The MSDLAF is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2.a.7. The fair value of the position in the pool is the same as the value of the pool shares.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. CASH AND INVESTMENTS (Cont'd)

The District has formal policies in place as of June 30, 2021 to address custodial credit risk for deposits. The District does not have formal policies in place to address credit risk, concentration of credit risk, interest rate risk and custodial credit risk for investments.

G. ACCOUNTS RECEIVABLE

Accounts receivable represent amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. Amounts due from the State of Minnesota and from other governmental units for general education aids and reimbursements under various specific programs are reported at the estimated amounts to be received based on available information at the date of this report. In some instances, adjustments and proration by these agencies, which are dependent upon the amount of funds available for distribution, may result in differing amounts actually being received. Any such differences will be absorbed into operations of the subsequent period. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary. The only receivables not expected to be collected within one year are delinquent property taxes receivable, which are generally immaterial.

H. INVENTORIES

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

I. PREPAYMENTS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

J. PROPERTY TAXES

The School Board annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the District. These taxes attach an enforceable lien on taxable property within the District on January 1 and are payable by the property owners in May and October of each year. The taxes are collected by the County Auditor/Treasurer and tax settlements are made to the District periodically throughout the year.

Statutory funding formulas determine the majority of the District revenue in the General and special revenue funds. This revenue is divided between property taxes and State aids by the legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift." The remaining portion of taxes collectible in 2021 is recorded as a deferred inflow of resources (property tax levied for subsequent year's expenditures).

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

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of \$5,000 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.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. CAPITAL ASSETS (Cont'd)

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

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

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

L. 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. Existing bonded debt is reported at the face value of remaining indebtedness. For any new indebtedness that may be issued, bond premiums and discounts will be deferred and amortized over the life of the bonds using the straight-line method. Bonds payable will be reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

M. DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the Statement of Net 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

N. DEFERRED INFLOWS OF RESOURCES

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

O. DEFINED BENEFIT PENSION PLANS

The District recognized total pension expense of \$674,008 for the following statewide pension plans in which it participates.

Teachers Retirement Association

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. DEFINED BENEFIT PENSION PLANS (Cont'd)

Teachers Retirement Association (Cont'd)

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. This direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association 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 in 2015.

Public Employees Retirement Association

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 additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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.

P. ACCRUED EMPLOYEE BENEFITS

Vacation Pay

Non-certified full-time employees are annually granted one to four weeks vacation depending on years of service; one week after one year, two weeks for between two and five years of service, three weeks between six and twelve years of service, and four weeks after thirteen years of service. Certified employees are not granted vacations.

Sick Pay

Substantially all District employees are entitled to sick leave at various rates. For certain employees, unused sick leave enters into the calculation of severance pay upon termination.

Severance Pay

The District has an early retirement plan for full time teachers, confidential employees and principals who have completed at least fifteen years of continuous full time service and are at least fifty-five years of age.

At June 30, 2021, a liability for severance pay totaling \$137,252 is included in long-term debt in the Statement of Net Position as described in Note 5.

The District also offers health insurance to various groups of employees who are at least fifty-five years old and have served the District for ten to fifteen years at retirement. The health insurance for qualifying retirees will continue until they reach the age of sixty-five. Contribution by the District depends upon which group the employee is in at retirement.

Matching Deferred Annuity Program

Matched deferred compensation is available to various groups of employees who are regularly employed at the District. The District will match the annual employee's contribution, based on years of service, to an approved 403(b) annuity as outlined in the master agreements of the various groups.

Q. RISK MANAGEMENT

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

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

INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. FUND BALANCE

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in governmental funds. These classifications are as follows:

Nonspendable – consists of amounts that cannot be spent because it is not in spendable form, such as inventory items.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consists of amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – consists of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School Board itself or by an official to which the School Board delegates the authority. Pursuant to School Board resolution, the Finance Coordinator is authorized to establish assignments of fund balance.

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

If resources from more than one fund balance classification could be spent, the District will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned as determined by the School Board.

The District has formally adopted a fund balance policy. To ensure the financial strength and stability of the District, the Board will endeavor to maintain at least 10% of the District's General Fund operating budget, excluding those accounts associated within the restricted category, in the combined total of the General Fund committed, assigned and unassigned fund balances.

S. NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide financial statements. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net position items that do not meet the definition of "net investment in capital assets" or "restricted" are reported as unrestricted.

T. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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.

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RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. RECLASSIFICATIONS

Certain amounts in the prior year data have been reclassified in order to be consistent with the current year's presentation. The total amount of the District's prior year fund balance did not change due to these reclassifications.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCES

At June 30, 2021, the District had no funds with negative fund balances.

3. DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the School Board, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all District deposits be secured by a bank guaranty bond or 110% of collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk: For deposits, is the risk that, in the event of failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2021, the District's bank balance was not exposed to custodial credit risk because it was insured and properly collateralized with securities held by the pledging financial institution's trust department or agent and in the District's name.

B. INVESTMENTS

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investments were not exposed to interest rate risk at June 30, 2021.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investments were not exposed to credit risk at June 30, 2021.

Concentration of Credit Risk: Concentration of credit is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District has no formal investment policy that places limits on the amount the District may invest in any one issuer. More than 5% of the District's investments are in MSDLAF, Minnesota Trust Investment Shares, and Minnesota Trust Term Series.

Custodial Credit Risk: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments were not exposed to custodial credit risk at June 30, 2021.

The following table presents the District's cash and investment balances at June 30, 2021:

<u>Cash/Investment Type</u>	<u>Credit Rating</u>	<u>Average Maturities</u>	<u>Percentage of Total</u>	
Pooled Cash and Investments:				
Money Market Funds	N/A	N/A	19.5%	\$ 831,367
Minnesota Trust Investment Shares	N/A	N/A	76.5	3,264,215
Certificates of Deposit	N/A	12.86 Months	1.1	46,671
Checking Account	N/A	N/A	2.9	124,535
Petty Cash	N/A	N/A	0.0	<u>2,000</u>
Total Cash and Investments			100.0%	<u>\$ 4,268,788</u>

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

3. DEPOSITS AND INVESTMENTS (Cont'd)

B. INVESTMENTS (Cont'd)

Cash and Investments are presented in the June 30, 2021 basic financial statements as follows:

Statement of Net Position:

Current Assets:

Cash and Investments \$ 4,245,733

Noncurrent Assets:

Cash and Investments 23,055

Total **\$ 4,268,788**

C. FAIR VALUE MEASUREMENT

The District's cash and investments consist of checking accounts, petty cash, certificates of deposit, and shares in Minnesota's pooled investment accounts, none of which is subject to fair value measurement under GASB Statement No. 72.

4. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ <u>10,350</u>			\$ <u>10,350</u>
Total Capital Assets, Not Being Depreciated	<u>10,350</u>			<u>10,350</u>
Capital Assets, Being Depreciated				
Land Improvements	552,562			552,562
Buildings and Improvements	18,736,813	\$ 5,145	\$ 85,637	18,656,321
Equipment and Transportation Vehicles	<u>1,842,518</u>	<u>42,044</u>	<u>54,729</u>	<u>1,829,833</u>
Total Capital Assets, Being Depreciated	<u>21,131,893</u>	<u>47,189</u>	<u>140,366</u>	<u>21,038,716</u>
Accumulated Depreciation for:				
Land Improvements	401,588	10,904	-	412,492
Buildings and Improvements	4,583,053	370,410	39,461	4,914,002
Equipment and Transportation Vehicles	<u>1,189,389</u>	<u>118,201</u>	<u>54,729</u>	<u>1,252,861</u>
Total Accumulated Depreciation	<u>6,174,030</u>	<u>499,515</u>	<u>94,190</u>	<u>6,579,355</u>
Total Capital Assets, Being Depreciated, Net	<u>14,957,863</u>	<u>(452,326)</u>	<u>46,176</u>	<u>14,459,361</u>
Governmental Activities Capital Assets, Net	<u>\$14,968,213</u>	<u>\$ (452,326)</u>	<u>\$ 46,176</u>	<u>\$ 14,469,711</u>

**INDEPENDENT SCHOOL DISTRICT NO. 2890
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RENVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

4. CAPITAL ASSETS (Cont'd)

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

Governmental Activities		
District and School Administration	\$	314
District Support Services		3,230
Regular Instruction		13,518
Vocational Instruction		860
Exceptional Instruction		129
Community Education and Services		860
Pupil Support Services		82,674
Site, Buildings and Equipment		13,457
Unallocated		<u>384,473</u>
Total Depreciation Expense, Governmental Activities		<u>\$ 499,515</u>

5. LONG-TERM LIABILITIES

A. DESCRIPTION OF LONG-TERM DEBT

Under the provisions of Minnesota Statute §475.53 subd. 4, the District's net debt may not exceed 15% of the estimated market value of all taxable property within the District. The District is in compliance with this provision.

Long-term debt is comprised of the following as of June 30, 2021:

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Debt Outstanding</u>
Alternative Facilities Bonds, Series 2012A	2.00 – 3.00%	\$6,120,000	2032	\$ 3,560,000
General Obligation School Building Bonds, Series 2015A	2.00 – 3.00%	5,360,000	2035	4,555,000
Capital Lease Payable	4.47%	620,202	2026	297,829
Capital Lease Payable	2.94%	774,000	2027	377,067
Capital Lease Payable	3.50%	453,000	2036	445,523
Severance Pay Payable				137,252
Unamortized Premiums				<u>55,405</u>
Total Outstanding Long-Term Debt				<u>\$ 9,428,076</u>

General Obligation Bonds

On May 24, 2012, the District issued \$6,120,000 of General Obligation Alternative Facilities Bonds, Series 2012A. The proceeds of this bond issue were used for ventilation, air handling and indoor air quality improvements to the existing facility. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2020-2021 was \$100,160.

On March 18, 2015, the District issued \$5,360,000 of General Obligation School Building Bonds, Series 2015A. The proceeds of this bond issue were used for construction of new classrooms, weight room, and gymnasium. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2020-2021 was \$131,338.

Capital Lease Obligations

On September 23, 2011, the District entered into a fifteen-year lease agreement for \$620,202 with Green Campus Partners, LLC. The lease calls for fifteen annual payments of \$57,687 including principal and interest at a rate of 4.47%. The lease proceeds were used to make improvements to the school building and will be paid for from regular General Fund revenues. The total cost of the building improvements was \$620,202. Total accumulated depreciation on this asset was \$117,838 at June 30, 2021. Interest paid in 2020-2021 was \$15,212.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

5. LONG-TERM LIABILITIES (Cont'd)

A. DESCRIPTION OF LONG-TERM DEBT (Cont'd)

Capital Lease Obligations (Cont'd)

On October 9, 2012, the District entered into a fifteen-year lease agreement for \$774,000 with Kinetic Leasing, Inc. The lease calls for thirty semi-annual payments of \$32,077 including principal and interest at a rate of 2.94%. The lease proceeds were used for the new classroom building addition facility and will be paid for from regular General Fund revenues. The total cost of the new building was \$774,000. Total accumulated depreciation on this asset was \$131,604 at June 30, 2021. Interest paid in 2020-2021 was \$12,235.

On April 23, 2020, the District entered into a fifteen-year lease agreement for \$453,000 with Bremer Bank, N.A. The lease calls for thirty semi-annual payments of \$19,721 including principal and interest at a rate of 3.50%. The lease proceeds were used for the new classroom building addition facility and will be paid for from regular General Fund revenues. The total cost of the new building was \$2,180,731, of which \$453,000 was financed under the lease. Total accumulated depreciation on this asset was \$65,422 at June 30, 2021. Interest paid in 2020-2021 was \$12,244.

These assets serve as collateral for the related capital lease and are being depreciated using a straight-line method over the life of the asset.

B. MINIMUM DEBT PAYMENTS

Minimum annual principal and interest payments to retire general obligation bonds payable are as follows:

Year Ending June 30	General Obligation Bonds Payable	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 460,000	\$ 222,498
2023	470,000	213,298
2024	480,000	203,898
2025	490,000	193,698
2026	500,000	182,068
2027 – 2031	2,950,000	687,850
2032 – 2036	<u>2,765,000</u>	<u>210,600</u>
	<u>\$ 8,115,000</u>	<u>\$ 1,913,910</u>

The future minimum lease obligations and the net present value of the minimum lease payments of the capital leases as of June 30, 2021 are as follows:

Year Ending June 30	Building Improvements
	<u>Principal</u>
2022	\$ 161,283
2023	161,283
2024	161,283
2025	161,282
2026	161,281
2027-2031	351,124
2032-2036	<u>177,485</u>
Net Minimum Lease Payments	1,335,021
Less Amount Representing Interest	<u>(214,602)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 1,120,419</u>

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

5. LONG-TERM LIABILITIES (Cont'd)

C. CHANGES IN LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities					
Alternative Facilities Bonds, Series 2012A	\$ 3,840,000		\$ 280,000	\$ 3,560,000	\$ 285,000
General Obligation School Building Bonds, Series 2015A	4,725,000		170,000	4,555,000	175,000
Capital Lease Payable	340,304		42,475	297,829	44,374
Capital Lease Payable	428,986		51,919	377,067	53,458
Capital Lease Payable	453,000		7,477	445,523	24,057
Severance Pay Payable	166,085	\$ 770	29,603	137,252	20,281
Unamortized Premiums	61,619	-	6,214	55,405	6,214
	<u>\$10,014,994</u>	<u>\$ 770</u>	<u>\$ 587,688</u>	<u>\$ 9,428,076</u>	<u>\$ 608,384</u>

6. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The District follows Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

A. GENERAL INFORMATION ABOUT THE OPEB PLAN

1. Plan Description

The District's defined benefit OPEB plan, Independent School District No. 2890, Renville County West, Renville, Minnesota's retirees' health insurance plan (the Plan), provides OPEB for certain retired employees of the District. The Plan is a single-employer defined benefit OPEB plan administered by the District. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period.

No assets are accumulated in a trust that meets the criteria in Paragraph four of GASB Statement No. 75. OPEB benefits have historically been funded on a pay-as-you-go basis. For fiscal year 2021, the District paid benefits of \$229,812 from the General Fund.

2. Benefits Provided

The District provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. Minnesota Statute 471.61 subd 2b requires that government entities allow active employees who retire from the District when eligible to receive a retirement benefit from the Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA) and do not participate in any other health benefits program providing similar coverage, continued coverage with respect to both themselves and their eligible dependent(s) under the District's health benefits program. Retiree and District responsibility as to amount of premium covered are dependent upon employee classification at retirement. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy.

3. Employees Covered by Benefit Terms

At July 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees	<u>97</u>
	<u><u>109</u></u>

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6. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Cont'd)

B. TOTAL OPEB LIABILITY

The District's total OPEB liability of \$1,561,819 was measured as of July 1, 2020, and was determined by an actuarial valuation as July 1, 2019. The "entry age with level percentage of pay" actuarial cost method as prescribed by GASB Statement No. 75 was used to roll forward the total OPEB liability to the measurement date of July 1, 2020.

1. Actuarial Assumptions and Other Inputs

The total OPEB liability measured on July 1, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Service graded table range from 2.85% to 11.25%
Discount rate	2.40%
Healthcare cost trend rate	6.25% in 2020 grading to 5.00% over 6 years

The discount rate was based on the estimated yield of 20-Year AA-rated municipal bonds.

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale.

The actuarial assumptions used in the July 1, 2019 valuation (July 1, 2020 measurement) were made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. Assumptions were based on various rationale that included a variety of published sources of historical and projected future financial data and various studies or experience studies. The retirement and withdrawal assumptions used were similar to those used to value pension liabilities for Minnesota School District employees. The rates are based on the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2008 through June 30, 2014. The full list of assumptions and rationale are included in the District's OPEB plan report, which may be obtained by writing or calling the District.

C. CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at July 1, 2019 (reporting date June 30, 2020)	\$ <u>1,613,750</u>
Changes for the year:	
Service cost	64,770
Interest	48,706
Assumption changes	29,379
Plan Changes	21,606
Benefit payments	<u>(216,392)</u>
Net changes	<u>(51,931)</u>
Balance at July 1, 2020 (reporting date June 30, 2021)	\$ <u>1,561,819</u>

Changes in the benefit terms since the prior measurement date:

- One Custodian retired with an Early Retirement Incentive benefit of \$650 per month of District paid medical contributions, payable until Medicare eligibility. The increase in liability also reflects a corresponding increase in the implicit rate medical subsidy.

Changes in actuarial assumptions since the prior measurement date:

- The discount rate was changed from 3.10% to 2.40%

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6. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Cont'd)

C. CHANGES IN THE TOTAL OPEB LIABILITY (Cont'd)

1. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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 that is one percentage point lower or one percentage point higher than the current discount rate:

	Total OPEB Liability	
1 percent decrease	Current	1 percent increase
(1.40%)	(2.40%)	(3.40%)
\$1,613,908	\$1,561,819	\$1,509,895

2. Sensitivity of the Total OPEB Liability to Changes in 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 healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Total OPEB Liability	
1 percent decrease	Current	1 percent increase
(5.25%	(6.25%	(7.25%
decreasing	decreasing	decreasing
to 4.00%	to 5.00%	to 6.00%
over 5 years)	over 5 years)	over 5 years)
\$1,492,058	\$1,561,819	\$1,641,179

D. OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$148,623. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,586	\$ -
Changes of assumptions or other inputs	24,482	2,012
Benefits paid subsequent to the measurement date	<u>229,812</u>	<u>-</u>
Total	<u>\$ 290,880</u>	<u>\$ 2,012</u>

\$229,812 reported as deferred outflows of resources related to OPEB resulting from District benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	OPEB Expense Amount
2022	\$ 13,541
2023	\$ 13,541
2024	\$ 13,541
2025	\$ 13,539
2026	\$ 4,894
Thereafter	\$ -

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7. FUND BALANCE CLASSIFICATION

At June 30, 2021, a summary of the governmental fund balance classifications is as follows:

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Community Service Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Nonspendable:					
Inventory	\$ -	\$ 5,773	\$ -	\$ -	\$ 5,773
Prepaid Expenditures	51,473	-	-	-	51,473
	<u>51,473</u>	<u>5,773</u>	<u>-</u>	<u>-</u>	<u>57,246</u>
Restricted for:					
Safe Schools – Crime	27,472	-	-	-	27,472
Operating Capital	20,501	-	-	-	20,501
Long-Term Facilities Maintenance	366,996	-	-	-	366,996
Staff Development	81,862	-	-	-	81,862
Basic Skills Extended Time	41,304	-	-	-	41,304
Scholarships	21,628	-	-	-	21,628
Student Activities	76,322	-	-	-	76,322
Food Service	-	73,187	-	-	73,187
Community Education	-	-	2,231	-	2,231
Community Service	-	-	13,236	-	13,236
Early Childhood Family Education	-	-	89,751	-	89,751
School Readiness	-	-	36,494	-	36,494
Debt Service	-	-	-	166,262	166,262
	<u>636,085</u>	<u>73,187</u>	<u>141,712</u>	<u>166,262</u>	<u>1,017,246</u>
Assigned for:					
Library	23,531	-	-	-	23,531
Building Demolition	550,000	-	-	-	550,000
Separation/Retirement Benefits	137,252	-	-	-	137,252
	<u>710,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>710,783</u>
Unassigned:					
	<u>2,071,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,071,886</u>
Total Fund Balance:	<u>\$ 3,470,227</u>	<u>\$ 78,960</u>	<u>\$ 141,712</u>	<u>\$ 166,262</u>	<u>\$ 3,857,161</u>

8. PENSION PLANS

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

A. TEACHERS RETIREMENT ASSOCIATION

1. Plan Description

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 is 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 the State of Minnesota.

2. 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.

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

2. Benefits Provided (Cont'd)

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:	<u>Step Rate Formula</u>	<u>Percentage</u>
Basic	1 st ten years of service	2.20% per year
	All years after	2.70% per year
Coordinated	1 st ten years if service years are up to July 1, 2006	1.20% per year
	1 st ten years if service years are July 1, 2006 or after	1.40% per year
	All other years of service if service years are up to July 1, 2006	1.70% per year
	All other years of service if service years are July 1, 2006 or after	1.90% 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) 3.00% 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: For years of service prior to July 1, 2006, a level formula of 1.70% per year for coordinated members and 2.70% per year for basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.90% per year for Coordinated members and 2.70% 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.

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8. PENSION PLANS (Cont'd)
A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)
3. Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2019, June 30, 2020, and June 30, 2021 were:

	June 30, 2019		June 30, 2020		June 30, 2021	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.00%	11.71%	11.00%	11.92%	11.00%	12.13%
Coordinated	7.50%	7.71%	7.50%	7.92%	7.50%	8.13%

The following is a reconciliation of employer contributions in TRA’s fiscal year 2020 CAFR “Statement of Changes in Fiduciary Net Position” to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations.

Employer contributions reported in TRA’s CAFR, Statement of Changes in Fiduciary Net Position	\$ 425,223,000
Employer contributions not related to future contribution efforts	(56,000)
TRA’s contributions not included in allocation	<u>(508,000)</u>
Total employer contributions	424,659,000
Total non-employer contributions	<u>35,587,000</u>
Total contributions reported in <i>Schedule of Employer and Non-Employer Allocations</i>	<u>\$ 460,246,000</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.

The District’s contributions to the TRA plan for the year ended June 30, 2021 were \$271,243. The District’s contributions were equal to the required contributions set by state statute.

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

4. Actuarial Assumptions

The total pension liability in the June 30, 2020, 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, 2020
Experience Study	June 5, 2015 November 6, 2017 (economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.50%
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	1.00% for January 2020 through January 2023, then increasing by 0.10% each year up to 1.50% annually

Mortality Assumptions

Pre-retirement	RP-2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale.
Post-retirement	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 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.

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

4. Actuarial Assumptions (Cont'd)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Geometric Mean)
Domestic Equity	35.50%	5.10%
International Equity	17.50%	5.30%
Private Markets	25.00%	5.90%
Fixed Income	20.00%	0.75%
Unallocated Cash	<u>2.00%</u>	0.00%
Total	<u>100.00%</u>	

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2020 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 Statement No. 68.

The following changes in benefit and funding terms and actuarial assumptions occurred in 2020:

Changes in the benefit and funding terms since the prior measurement date:

- None

Changes in actuarial assumptions since the prior measurement date:

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

5. Discount Rate

The discount rate used to measure the total pension liability was 7.50%. There was no change 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 2020 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted, and as a result, the Municipal Bond Index Rate was not used in determination of the Single Equivalent Interest Rate (SEIR).

6. Net Pension Liability

On June 30, 2021, the District reported a liability of \$4,100,414 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 0.0555% at the end of the measurement period and 0.0550% for the beginning of the year.

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8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

6. Net Pension Liability (Cont'd)

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	\$ 4,100,414
State's proportionate share of the net pension liability associated with the District	<u>343,906</u>
Total	<u>\$ 4,444,320</u>

For the year ended June 30, 2021, the District recognized pension expense of \$622,711. This amount is inclusive of \$31,504 which is recognized as pension expense (and grant revenue) for the support provided by direct aid.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 82,230	\$ 62,189
Changes in actuarial assumptions	1,484,460	3,477,173
Difference between projected and actual investment earnings	60,793	-
Changes in proportion	52,704	54,009
Contributions paid to TRA subsequent to the measurement date	<u>271,243</u>	<u>-</u>
Total	<u>\$ 1,951,430</u>	<u>\$ 3,593,371</u>

The \$271,243 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to TRA pensions will be recognized in pension expense as follows:

Year ended June 30	Pension Expense Amount
2022	\$ 84,436
2023	\$ (1,253,086)
2024	\$ (853,026)
2025	\$ 86,117
2026	\$ 22,375
Thereafter	\$ -

7. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability of TRA calculated using the discount rate of 7.50% as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

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8. PENSION PLANS (Cont'd)
 A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)
 7. Pension Liability Sensitivity (Cont'd)

District proportionate share of NPL		
1 percent decrease	Current	1 percent increase
(6.50%)	(7.50%)	(8.50%)
\$6,277,691	\$4,100,414	\$2,306,448

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.

8. Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org, or 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.

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

1. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association (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.

General Employees Retirement Plan

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.

2. 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

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 1.20% of average salary for each of the first ten years of service and 1.70% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.70% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

2. Benefits Provided (Cont'd)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50.00% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.00% and a maximum of 1.50%. 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.

3. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2021, were \$99,342. The District's contributions were equal to the required contributions as set by state statute.

4. Pension Costs

General Employees Fund Pension Costs

At June 30, 2021, the District reported a liability of \$1,205,087 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 \$37,304. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0201% at the end of the measurement period and 0.0197% for the beginning of the period.

District's proportionate share of net pension liability	\$ 1,205,087
State of Minnesota's proportionate share of the net pension liability associated with the District	37,304
Total	<u>\$ 1,242,391</u>

For the year ended June 30, 2021, the District recognized pension expense of \$51,297 for its proportionate share of General Employees Plan's pension expense. This amount is inclusive of \$3,247, which is recognized as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

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8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

4. Pension Costs (Cont'd)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 10,766	\$ 4,559
Changes in actuarial assumptions	-	44,174
Difference between projected and actual investment earnings	18,928	-
Changes in proportion	16,586	22,343
Contributions paid to PERA subsequent to the measurement date	<u>99,342</u>	<u>-</u>
Total	<u>\$ 145,622</u>	<u>\$ 71,076</u>

The \$99,342 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	Pension Expense Amount
2022	\$ (87,160)
2023	\$ 4,842
2024	\$ 28,406
2025	\$ 29,116
2026	\$ -
Thereafter	\$ -

5. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Active Member Payroll Growth	3.00% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in 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.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

5. Actuarial Assumptions (Cont'd)

The following changes in actuarial assumptions and plan provisions occurred in 2020:

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees has 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 100.00% Joint & Survivor option changed from 35.00% to 45.00%. The assumed number of married female new retirees electing the 100.00% Joint & Survivor option changed from 15.00% to 30.00%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.00% for the period July 1, 2020 through December 31, 2023 and 0.00% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

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 Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.50%	5.10%
International Equity	17.50%	5.90%
Bonds (Fixed Income)	20.00%	0.75%
Alternative Assets (Private Markets)	25.00%	5.90%
Cash	2.00%	0.00%
Total	<u>100.00%</u>	

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

6. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for the General Employees Fund, 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:

District proportionate share of General Employees Fund NPL		
1 percent decrease (6.50%)	Current (7.50%)	1 percent increase (8.50%)
\$1,931,336	\$1,205,087	\$605,989

8. Pension Plan Fiduciary Net Position

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

C. CHANGES IN THE NET PENSION LIABILITY

Changes in the net pension liability related to pension plans for the fiscal year ended June 30, 2021 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Teachers Retirement Association	\$ 3,505,712	\$ 850,297	\$ 255,595	\$ 4,100,414
Public Employees Retirement Association	<u>1,089,169</u>	<u>255,604</u>	<u>139,686</u>	<u>1,205,087</u>
Total Net Pension Liability	<u>\$ 4,594,881</u>	<u>\$ 1,105,901</u>	<u>\$ 395,281</u>	<u>\$ 5,305,501</u>

D. FINANCIAL STATEMENT PRESENTATION

Deferred Inflows/Outflows of Resources related to pension plans are presented in the June 30, 2021 basic financial statements as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Governmental Activities		
TRA	\$ 1,951,430	\$ 3,593,371
PERA	<u>145,622</u>	<u>71,076</u>
Total Governmental Activities	<u>\$ 2,097,052</u>	<u>\$ 3,664,447</u>

9. OPERATING LEASE AGREEMENT

Equipment Lease

The District entered into operating lease agreements for various pieces of equipment. These leases call for monthly payments ranging from \$102 to \$1,113 and end on various dates through September 29, 2023. Expenditures under these leases were \$14,714 for the year ended June 30, 2021.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

9. OPERATING LEASE AGREEMENT (Cont'd)

Equipment Lease (Cont'd)

Future minimum lease obligations under these agreements are as follows:

2022	\$ 14,577
2023	\$ 1,224
2024	\$ 306
2025	\$ -
2026	\$ -

Operating Lease

The District entered into an operating lease agreement for the use of the gymnasium from the City of Danube on July 1, 2019. This lease call for annual payments of \$5,000 throughout the term of the lease. This lease expires on June 30, 2024. Expenditures under this lease were \$5,000 for the year ended June 30, 2021.

Future minimum lease obligations under these agreements are as follows:

2022	\$ 5,000
2023	\$ 5,000
2024	\$ 5,000
2025	\$ -
2026	\$ -

10. TRANSFERS

During 2021, the following operating transfer was made:

<u>From</u>	<u>To</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Community Service Fund	To match pool fundraiser	<u>\$ 10,000</u>

11. GASB STANDARD ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 87, *Leases* was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognizes as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 87 is effective for implementation for the year ended June 30, 2022.

12. SUBSEQUENT EVENTS

The District issued \$3,115,000 General Obligation Alternative Facilities Refunding Bonds, Series 2021A on November 4, 2021. The proceeds of these bonds will be used to redeem the 2023 through 2032 maturities of the Series 2012A Bonds. This refunding was undertaken to reduce the District's future debt service payments resulting in a present value savings of \$246,698.

On July 12, 2021, the School Board approved Taher, Inc. to fulfill the 2021-2022 food service management contract. Prior to this, the District has operated its food service program internally.

REQUIRED SUPPLEMENTARY INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
JUNE 30, 2021**

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS**)**

Measurement Date	<u>7/1/2020</u>	<u>7/1/2019</u>	<u>7/1/2018</u>	<u>7/1/2017</u>
Total OPEB liability				
Service cost	\$ 64,770	\$ 56,401	\$ 59,268	\$ 57,542
Interest	48,706	54,659	56,839	58,177
Assumption changes	29,379	(3,018)	-	-
Plan changes	21,606	-	-	-
Differences between expected and actual experience	-	54,880	-	-
Benefit payments	<u>(216,392)</u>	<u>(199,106)</u>	<u>(155,988)</u>	<u>(157,606)</u>
Net change in total OPEB liability	(51,931)	(36,184)	(39,881)	(41,887)
Total OPEB liability – beginning	<u>1,613,750</u>	<u>1,649,934</u>	<u>1,689,815</u>	<u>1,731,702</u>
Total OPEB liability – ending	<u>\$ 1,561,819</u>	<u>\$ 1,613,750</u>	<u>\$ 1,649,934</u>	<u>\$ 1,689,815</u>
Covered employee payroll	\$ 3,855,586	\$ 3,743,287	\$ 3,969,399	\$ 3,853,785
Total OPEB liability as a percentage of covered payroll	40.51%	43.11%	41.57%	43.85%

****Note:** The District implemented the provisions of GASB Statement No. 75 for the year ended June 30, 2018. The Schedules within the Required Supplementary Information section require a ten-year presentation, but do not require retroactive reporting. Information prior to 2018 is not available. Additional years will be reported as they become available.

Note: This schedule is presented using the optional format of combining the required schedules in paragraphs 170(a) and 170(b) of GASB Statement No. 75.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT'S SHARE OF NET PENSION LIABILITY AND DISTRICT'S
CONTRIBUTIONS FOR DEFINED BENEFIT PENSION PLANS
JUNE 30, 2021**

TEACHERS RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS**)**

Measurement Date	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability (Asset) Associated with the District	District's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the District (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a+b/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		(a)	(b)	(a+b)	(c)	(a+b/c)	
6/30/20	0.0555%	\$ 4,100,414	\$ 343,906	\$ 4,444,320	\$3,227,222	137.7%	75.48%
6/30/19	0.0550	3,505,712	310,414	3,816,126	3,124,649	122.1	78.21
6/30/18	0.0561	3,526,182	331,210	3,857,392	3,101,729	124.4	78.07
6/30/17	0.0559	11,158,654	1,078,607	12,237,261	3,008,697	406.7	51.57
6/30/16	0.0560	13,357,336	1,340,272	14,697,608	2,981,851	492.9	44.88
6/30/15	0.0554	3,427,038	420,390	3,847,428	2,891,927	133.0	76.80
6/30/14	0.0585	2,695,638	189,588	2,885,226	2,730,347	104.6	81.50

**Schedule is to be provided prospectively beginning with the employer's fiscal year ended June 30, 2015, or after.

TEACHERS RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)**

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)
6/30/21	\$ 271,243	\$ 271,243	\$ -	\$ 3,336,745	8.13%
6/30/20	255,513	255,513	-	3,227,222	7.92
6/30/19	240,814	240,814	-	3,124,649	7.71
6/30/18	232,666	232,666	-	3,101,729	7.50
6/30/17	225,460	225,460	-	3,008,697	7.50
6/30/16	218,357	218,357	-	2,981,851	7.30
6/30/15	215,393	215,393	-	2,891,927	7.40

* Option to provide RSI for ten years at transition or to provide RSI prospectively.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT'S SHARE OF NET PENSION LIABILITY AND DISTRICT'S
CONTRIBUTIONS FOR DEFINED BENEFIT PENSION PLANS
(CONTINUED)
JUNE 30, 2021**

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (*)
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS**)**

Measurement Date	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability with the District (b)	District's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability with the District (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a+b/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/20	0.0201%	\$1,205,087	\$ 37,304	\$ 1,242,391	\$1,435,516	86.5%	79.1%
6/30/19	0.0197	1,089,169	33,832	1,123,001	1,384,070	81.1	80.2
6/30/18	0.0197	1,092,875	35,767	1,128,642	1,321,919	85.4	79.5
6/30/17	0.0211	1,347,010	16,932	1,363,942	1,358,671	100.4	75.9
6/30/16	0.0202	1,640,140	21,459	1,661,599	1,234,545	134.6	68.9
6/30/15	0.0191	989,861	-	989,861	1,137,228	87.0	78.2
6/30/14	0.0204	958,290	-	958,920	1,098,702	87.3	78.7

* This schedule is for employers in the General Employees Plan to present their proportionate share of the State of Minnesota's contributions to the General Employees Fund on their behalf.

**Schedule is to be provided prospectively beginning with the employer's fiscal year ended June 30, 2015, or after.

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)**

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)
6/30/21	\$ 99,342	\$ 99,342	\$ -	\$ 1,324,143	7.5%
6/30/20	107,708	107,708	-	1,435,516	7.5
6/30/19	103,971	103,971	-	1,384,070	7.5
6/30/18	98,735	98,735	-	1,321,919	7.5
6/30/17	100,792	100,792	-	1,358,671	7.4
6/30/16	92,206	92,206	-	1,234,545	7.5
6/30/15	82,241	82,241	-	1,137,228	7.2

* Option to provide RSI for ten years at transition or to provide RSI prospectively.

INDEPENDENT SCHOOL DISTRICT NO. 2890
 RENVILLE COUNTY WEST
 RENVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021
 (with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021 Budgeted Amounts		2021 Actual	Variance	2020 Actual	Increase (Decrease) Actual
	Original	Final				
REVENUES						
Local Property Tax Levies:						
Maintenance Levy	\$ 1,872,945	\$ 1,839,213	\$ 1,855,422	\$ 16,209	\$ 1,769,081	\$ 86,341
Other Local and County Revenues:						
County Apportionment	9,603	11,851	10,253	(1,598)	11,851	(1,598)
Other School Districts	3,146	7,058	9,778	2,720	5,850	3,928
Contributions	10,000	26,688	51,237	24,549	51,181	56
Admissions and Fees	42,585	28,874	33,683	4,809	51,148	(17,465)
Earnings From Investments	62,800	11,808	6,536	(5,272)	59,359	(52,823)
Rent for School Facilities	1,700	1,500	1,500	-	1,700	(200)
Miscellaneous Revenues	99,440	8,576	37,149	28,573	30,037	7,112
	<u>229,274</u>	<u>96,355</u>	<u>150,136</u>	<u>53,781</u>	<u>211,126</u>	<u>(60,990)</u>
Revenue From State Sources:						
Endowment Fund Apportionment	23,942	23,091	23,069	(22)	25,599	(2,530)
General Education Aid	5,091,579	5,048,537	5,112,783	64,246	5,129,528	(16,745)
Literacy Incentive Aid	23,384	22,542	23,531	989	22,542	989
Disparity Aid	-	15,265	15,265	-	10,796	4,469
Homestead/Agricultural Levy Credits	-	18,467	18,467	-	16,406	2,061
School Bond Agricultural Credit	-	21,586	-	(21,586)	-	-
Special Education	564,850	609,793	696,997	87,204	633,098	63,899
Miscellaneous State Revenue	100,382	67,837	56,387	(11,450)	95,838	(39,451)
	<u>5,804,137</u>	<u>5,827,118</u>	<u>5,946,499</u>	<u>119,381</u>	<u>5,933,807</u>	<u>12,692</u>
Revenue From Federal Sources:						
Title I	95,039	114,334	103,298	(11,036)	73,379	29,919
Migrant Education	1,000	1,500	1,500	-	1,000	500
Title II	51,747	16,188	16,751	563	20,391	(3,640)
Title IV	-	10,381	1,000	(9,381)	12,735	(11,735)
Federal Special Education	84,161	107,000	95,189	(11,811)	113,192	(18,003)
Coronavirus Relief Fund	-	181,158	178,658	(2,500)	-	178,658
Elementary and Secondary School Emergency Relief Fund	-	-	17,232	17,232	-	17,232
REAP Grant	-	39,542	39,542	-	39,131	411
	<u>231,947</u>	<u>470,103</u>	<u>453,170</u>	<u>(16,933)</u>	<u>259,828</u>	<u>193,342</u>
Sales and Other Conversion of Assets:						
Insurance Recovery	-	-	-	-	4,107	(4,107)
Resale Materials	3,440	14,417	24,887	10,470	31,466	(6,579)
	<u>3,440</u>	<u>14,417</u>	<u>24,887</u>	<u>10,470</u>	<u>35,573</u>	<u>(10,686)</u>
TOTAL REVENUES	8,141,743	8,247,206	8,430,114	182,908	8,209,415	220,699
EXPENDITURES						
Current:						
District and School Administration:						
Salaries and Wages	321,027	363,159	363,743	(584)	327,093	36,650
Employee Benefits	108,890	119,058	121,195	(2,137)	96,659	24,536
Purchased Services	14,500	23,775	26,050	(2,275)	28,274	(2,224)
Supplies and Materials	10,800	10,750	827	9,923	4,040	(3,213)
Other Expenditures	8,675	8,843	8,843	-	8,804	39
	<u>463,892</u>	<u>525,585</u>	<u>520,658</u>	<u>4,927</u>	<u>464,870</u>	<u>55,788</u>
District Support Services:						
Salaries and Wages	147,709	146,550	145,626	924	144,415	1,211
Employee Benefits	31,730	31,883	30,546	1,337	29,584	962
Purchased Services	105,521	95,488	74,891	20,597	94,894	(20,003)
Supplies and Materials	37,000	21,000	22,730	(1,730)	31,339	(8,609)
Other Expenditures	10,962	11,344	11,344	-	10,962	382
	<u>332,922</u>	<u>306,265</u>	<u>285,137</u>	<u>21,128</u>	<u>311,194</u>	<u>(26,057)</u>
Regular Instruction:						
Salaries and Wages	2,711,764	2,553,655	2,654,560	(100,905)	2,642,758	11,802
Employee Benefits	825,219	746,589	738,050	8,539	732,623	5,427
Purchased Services	169,650	133,483	173,308	(39,825)	190,590	(17,282)
Supplies and Materials	192,627	157,153	147,897	9,256	148,285	(388)
Other Expenditures	3,550	9,365	9,010	355	2,465	6,545
	<u>3,902,810</u>	<u>3,600,245</u>	<u>3,722,825</u>	<u>(122,580)</u>	<u>3,716,721</u>	<u>6,104</u>
Vocational Instruction:						
Salaries and Wages	75,977	75,977	75,977	-	74,305	1,672
Employee Benefits	18,275	18,878	18,005	873	17,783	222
Supplies and Materials	20,514	20,514	17,058	3,456	7,239	9,819
	<u>114,766</u>	<u>115,369</u>	<u>111,040</u>	<u>4,329</u>	<u>99,327</u>	<u>11,713</u>
Exceptional Instruction:						
Salaries and Wages	889,417	803,418	787,020	16,398	862,427	(75,407)
Employee Benefits	216,343	187,545	179,618	7,927	194,372	(14,754)
Purchased Services	219,146	218,596	209,596	9,000	205,174	4,422
Supplies and Materials	10,000	10,000	7,995	2,005	6,754	1,241
	<u>1,334,906</u>	<u>1,219,559</u>	<u>1,184,229</u>	<u>35,330</u>	<u>1,268,727</u>	<u>(84,498)</u>

INDEPENDENT SCHOOL DISTRICT NO. 2890
 RENVILLE COUNTY WEST
 RENVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021
 (with Comparative Actual Amounts for the Year Ended June 30, 2020)

EXPENDITURES (Cont'd)	2021 Budgeted Amounts		2021 Actual	Variance	2020 Actual	Increase (Decrease) Actual
	Original	Final				
Current (Cont'd)						
Instructional Support Services:						
Salaries and Wages	\$ 51,974	\$ 53,869	\$ 55,601	\$ (1,732)	\$ 43,742	\$ 11,859
Employee Benefits	11,404	11,935	11,935	-	10,064	1,871
Purchased Services	78,774	67,776	60,784	6,992	75,997	(15,213)
Supplies and Materials	2,500	143,132	142,376	756	1,832	140,544
	<u>144,652</u>	<u>276,712</u>	<u>270,696</u>	<u>6,016</u>	<u>131,635</u>	<u>139,061</u>
Pupil Support Services:						
Salaries and Wages	318,095	333,256	346,449	(13,193)	345,954	495
Employee Benefits	63,664	61,455	70,745	(9,290)	63,136	7,609
Purchased Services	94,866	116,982	39,989	76,993	21,200	18,789
Supplies and Materials	62,600	38,682	45,326	(6,644)	41,641	3,685
Other Expenditures	-	-	226	(226)	12,543	(12,317)
	<u>539,225</u>	<u>550,375</u>	<u>502,735</u>	<u>47,640</u>	<u>484,474</u>	<u>18,261</u>
Site, Buildings and Equipment:						
Salaries and Wages	267,089	272,560	286,342	(13,782)	258,318	28,024
Employee Benefits	68,511	77,754	78,437	(683)	64,231	14,206
Purchased Services	288,525	244,495	322,263	(77,768)	261,215	61,048
Supplies and Materials	66,450	68,040	73,643	(5,603)	50,792	22,851
Other Expenditures	1,435	1,435	1,432	3	1,432	-
	<u>692,010</u>	<u>664,284</u>	<u>762,117</u>	<u>(97,833)</u>	<u>635,988</u>	<u>126,129</u>
Fiscal And Other Fixed Cost Programs:						
Purchased Services	40,500	45,202	45,202	-	40,446	4,756
Other Expenditures	11,000	11,000	30,500	(19,500)	16,000	14,500
	<u>51,500</u>	<u>56,202</u>	<u>75,702</u>	<u>(19,500)</u>	<u>56,446</u>	<u>19,256</u>
Capital Outlay:						
District Support Services	5,000	4,381	4,381	-	14,751	(10,370)
Regular Instruction	119,552	98,692	96,375	2,317	143,835	(47,460)
Vocational Instruction	7,000	-	3,255	(3,255)	9,675	(6,420)
Pupil Support Services	26,362	52,519	55,019	(2,500)	89,004	(33,985)
Site, Buildings and Equipment	65,061	133,452	26,705	106,747	1,746,254	(1,719,549)
	<u>222,975</u>	<u>289,044</u>	<u>185,735</u>	<u>103,309</u>	<u>2,003,519</u>	<u>(1,817,784)</u>
Debt Service:						
Principal	101,871	101,871	101,871	-	91,084	10,787
Interest	39,691	39,691	39,691	-	30,757	8,934
	<u>141,562</u>	<u>141,562</u>	<u>141,562</u>	<u>-</u>	<u>121,841</u>	<u>19,721</u>
TOTAL EXPENDITURES	7,941,220	7,745,202	7,762,436	(17,234)	9,294,742	(1,532,306)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	200,523	502,004	667,678	165,674	(1,085,327)	1,753,005
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Equipment	-	512	6,629	6,117	632	5,997
Transfer Out to Other Funds	-	(10,000)	(10,000)	-	-	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	(9,488)	(3,371)	6,117	632	(4,003)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	200,523	492,516	664,307	171,791	(1,084,695)	1,749,002
FUND BALANCE BEGINNING OF YEAR	2,805,920	2,805,920	2,805,920	-	3,784,571	(978,651)
PRIOR PERIOD ADJUSTMENT (GASB No. 84)	-	-	-	-	106,044	(106,044)
FUND BALANCE BEGINNING OF YEAR, AS RESTATED	2,805,920	2,805,920	2,805,920	-	3,890,615	(1,084,695)
FUND BALANCE END OF YEAR	\$ 3,006,443	\$ 3,298,436	\$ 3,470,227	\$ 171,791	\$ 2,805,920	\$ 664,307
FUND BALANCE ANALYSIS						
NONSPENDABLE FUND BALANCE						
Prepaid Expenditures			\$ 51,473		\$ -	
RESTRICTED FUND BALANCE						
Safe Schools - Crime			27,472		47,729	
Operating Capital			20,501		139,362	
Achievement and Integration			-		4,728	
Long-Term Facilities Maintenance			366,996		255,543	
Staff Development			81,862		65,994	
Basic Skills Extended Time			41,304		41,304	
Medical Assistance			-		2,101	
Scholarships			21,628		21,785	
Student Activities			76,322		63,825	
TOTAL RESTRICTED FUND BALANCE			636,085		642,371	
ASSIGNED FUND BALANCE						
Building Demolition			550,000		-	
Library			23,531		23,138	
Separation/Retirement Benefits			137,252		166,085	
TOTAL ASSIGNED FUND BALANCE			710,783		189,223	
UNASSIGNED FUND BALANCE			2,071,886		1,974,326	
TOTAL FUND BALANCE			\$ 3,470,227		\$ 2,805,920	

INDEPENDENT SCHOOL DISTRICT NO. 2890
 RENVILLE COUNTY WEST
 RENVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - FOOD SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2021
 (with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021 Budgeted Amounts		2021 Actual	Variance	2020 Actual	Increase (Decrease) Actual
	Original	Final				
REVENUES						
Other Local and County Revenues:						
Earnings From Investments	\$ 700	\$ 100	\$ 83	\$ (17)	\$ 550	\$ (467)
Revenue From State Sources:						
Breakfast Program Aid	10,526	795	1,068	273	8,532	(7,464)
Special Milk Program Aid	1,321	960	1,028	68	1,073	(45)
Lunch Program Aid	10,859	934	934	-	9,122	(8,188)
Summer Food Service	-	-	-	-	5,098	(5,098)
	<u>22,706</u>	<u>2,689</u>	<u>3,030</u>	<u>341</u>	<u>23,825</u>	<u>(20,795)</u>
Revenue From Federal Sources:						
School Lunch Aid	27,059	2,274	2,491	217	21,374	(18,883)
Free/Reduced Lunch Aid	101,297	7,361	7,361	-	75,968	(68,607)
School Breakfast Program	38,737	2,312	2,312	-	30,121	(27,809)
USDA Commodity Rebates	-	-	47	47	-	47
USDA Commodities	22,000	22,000	23,299	1,299	10,129	13,170
Coronavirus Relief Fund	-	-	2,500	2,500	-	2,500
Summer Food Program	15,000	255,000	302,678	47,678	71,763	230,915
	<u>204,093</u>	<u>288,947</u>	<u>340,688</u>	<u>51,741</u>	<u>209,355</u>	<u>131,333</u>
Sales And Other Conversion Of Assets:						
Sale of Lunches and Other	<u>105,764</u>	<u>20,389</u>	<u>13,309</u>	<u>(7,080)</u>	<u>85,589</u>	<u>(72,280)</u>
TOTAL REVENUES	<u>333,263</u>	<u>312,125</u>	<u>357,110</u>	<u>44,985</u>	<u>319,319</u>	<u>37,791</u>
EXPENDITURES						
Current:						
Pupil Support Services:						
Salaries and Wages	100,977	104,562	107,679	(3,117)	106,050	1,629
Employee Benefits	25,687	25,394	25,989	(595)	24,324	1,665
Purchased Services	7,781	8,800	12,378	(3,578)	4,744	7,634
Supplies and Materials	190,550	172,305	183,227	(10,922)	181,789	1,438
Other Expenditures	145	145	107	38	142	(35)
	<u>325,140</u>	<u>311,206</u>	<u>329,380</u>	<u>(18,174)</u>	<u>317,049</u>	<u>12,331</u>
Capital Outlay:						
Pupil Support Services	-	2,500	3,795	(1,295)	2,521	1,274
TOTAL EXPENDITURES	<u>325,140</u>	<u>313,706</u>	<u>333,175</u>	<u>(19,469)</u>	<u>319,570</u>	<u>13,605</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,123</u>	<u>(1,581)</u>	<u>23,935</u>	<u>25,516</u>	<u>(251)</u>	<u>24,186</u>
FUND BALANCE BEGINNING OF YEAR	<u>55,025</u>	<u>55,025</u>	<u>55,025</u>	<u>-</u>	<u>55,276</u>	<u>(251)</u>
FUND BALANCE END OF YEAR	<u>\$ 63,148</u>	<u>\$ 53,444</u>	<u>\$ 78,960</u>	<u>\$ 25,516</u>	<u>\$ 55,025</u>	<u>\$ 23,935</u>
FUND BALANCE END OF YEAR						
NONSPENDABLE FUND BALANCE						
Inventory			\$ 5,773		\$ 5,278	
RESTRICTED FUND BALANCE						
Food Service			<u>73,187</u>		<u>49,747</u>	
FUND BALANCE END OF YEAR			<u>\$ 78,960</u>		<u>\$ 55,025</u>	

INDEPENDENT SCHOOL DISTRICT NO. 2890
 RENVILLE COUNTY WEST
 RENVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - COMMUNITY SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2021
 (with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021 Budgeted Amounts		2021 Actual	Variance	2020 Actual	Increase (Decrease) Actual
	Original	Final				
REVENUES						
Local Property Tax Levies:						
Community Service Levy	\$ 56,826	\$ 54,276	\$ 54,548	\$ 272	\$ 53,233	\$ 1,315
Other Local And County Revenues:						
Tuition and Fees From Patrons	52,550	42,010	44,211	2,201	51,860	(7,649)
Earnings from Investments	1,000	300	287	(13)	1,798	(1,511)
Miscellaneous Local Revenue	10,000	15,015	24,545	9,530	32,177	(7,632)
	<u>63,550</u>	<u>57,325</u>	<u>69,043</u>	<u>11,718</u>	<u>85,835</u>	<u>(16,792)</u>
Revenue From State Sources:						
Disparity Aid	-	1,154	1,154	-	991	163
Homestead Market Value	-	1,396	1,396	-	1,506	(110)
Preschool Screening	2,025	2,445	2,445	-	2,445	-
Non Public School Programs	-	449	449	-	-	449
Community Education	24,006	24,638	24,638	-	26,674	(2,036)
	<u>26,031</u>	<u>30,082</u>	<u>30,082</u>	<u>-</u>	<u>31,616</u>	<u>(1,534)</u>
Sales And Other Conversion Of Assets:						
Resale Materials	-	-	209	209	-	209
TOTAL REVENUES	<u>146,407</u>	<u>141,683</u>	<u>153,882</u>	<u>12,199</u>	<u>170,684</u>	<u>(16,802)</u>
EXPENDITURES						
Current:						
Community Education And Services:						
Salaries and Wages	106,748	147,306	78,648	68,658	92,290	(13,642)
Employee Benefits	12,706	20,550	9,295	11,255	11,367	(2,072)
Purchased Services	4,170	1,150	6,470	(5,320)	6,774	(304)
Supplies and Materials	17,500	16,550	17,555	(1,005)	16,067	1,488
	<u>141,124</u>	<u>185,556</u>	<u>111,968</u>	<u>73,588</u>	<u>126,498</u>	<u>(14,530)</u>
Capital Outlay:						
Community Education and Services	-	-	4,510	(4,510)	-	4,510
TOTAL EXPENDITURES	<u>141,124</u>	<u>185,556</u>	<u>116,478</u>	<u>69,078</u>	<u>126,498</u>	<u>(10,020)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,283	(43,873)	37,404	81,277	44,186	(6,782)
OTHER FINANCING SOURCES						
Transfer In from Other Funds	-	10,000	10,000	-	-	10,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	5,283	(33,873)	47,404	81,277	44,186	3,218
FUND BALANCE BEGINNING OF YEAR	<u>94,308</u>	<u>94,308</u>	<u>94,308</u>	<u>-</u>	<u>50,122</u>	<u>44,186</u>
FUND BALANCE END OF YEAR	<u>\$ 99,591</u>	<u>\$ 60,435</u>	<u>\$ 141,712</u>	<u>\$ 81,277</u>	<u>\$ 94,308</u>	<u>\$ 47,404</u>
FUND BALANCE ANALYSIS						
RESTRICTED FUND BALANCE						
Community Education			\$ 2,231		\$ (2,638)	**
Community Service			13,236		12,789	
Early Childhood Family Education			89,751		56,053	
School Readiness			36,494		28,104	
TOTAL RESTRICTED FUND BALANCE			<u>141,712</u>		<u>94,308</u>	
TOTAL FUND BALANCE			<u>\$ 141,712</u>		<u>\$ 94,308</u>	

** Required by MN Statute to record a deficit, when applicable, in order to permit statutory revenue formula calculations.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

1. OTHER POST EMPLOYMENT BENEFITS

No assets are accumulated in a trust that meets the criteria in Paragraph four of GASB Statement No. 75.

2020 Changes

Changes in Benefit Terms:

- One Custodian retired with an Early Retirement Incentive benefit of \$650 per month of District paid medical contributions, payable until Medicare eligibility. The increase in liability also reflects a corresponding increase in the implicit rate medical subsidy.

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.10% to 2.40%

2019 Changes

Changes in the benefit terms since the prior measurement date:

- None

Changes in actuarial assumptions since the prior measurement date:

- The health care trend rates were changed to better anticipate short term and long term medical increases
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.40% to 3.10%

2018 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- None

2. DEFINED BENEFIT PENSION PLANS

The following changes were reflected in the valuations performed on behalf of the following defined benefit pension plans for the fiscal years (measurement date) ending June 30:

Teachers Retirement Association

2020 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

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

2019 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- None

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

2. DEFINED BENEFIT PENSION PLANS (Cont'd)

Teachers Retirement Association (Cont'd)

2018 Changes

Changes in Benefit and Funding Terms:

The 2018 Omnibus Pension Bill contained a number of changes.

- The COLA was reduced from 2.00% each January 1 to 1.00%, effective January 1, 2019. Beginning January 1, 2024, the COLA (Cost of Living Adjustment) will increase 0.10% each year until reaching the ultimate rate of 1.50% 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 2.50% if the funded ratio was at least 90.00% 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 0.00% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.00% to 3.00%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50% to 7.50%, 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 Actuarial Assumptions:

- None

2017 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- The COLA was assumed to increase from 2.00% annually to 2.50% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50%, but remain at 2.00% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.40% to 0.00%, the vested inactive load increased from 4.00% to 7.00% and the non-vested inactive load increased from 4.00% to 9.00%.
- The investment return assumption was changed from 8.00% to 7.50%.
- The price inflation assumption was lowered from 2.75% to 2.50%.
- The payroll growth assumption was lowered from 3.50% to 3.00%.
- The general wage growth assumption was lowered from 3.50% 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.

2016 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2.00% for all future years.
- The assumed investment return was changed from 8.00% to 4.66%. The single discount rate was changed from 8.00% to 4.66%.
- The price inflation assumption was lowered from 3.00% to 2.75%

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

2. DEFINED BENEFIT PENSION PLANS (Cont'd)

Teachers Retirement Association (Cont'd)

2016 Changes (Cont'd)

Changes in Actuarial Assumptions (Cont'd):

- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.50%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 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.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

2015 Changes

Changes in Benefit and Funding Terms:

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

Changes in Actuarial Assumptions:

- The annual COLA for the June 30, 2015, valuation assumed 2.00%. The prior year valuation used 2.00% with an increase to 2.50% commencing in 2034. The discount rate used to measure the total pension liability was 8.00%. 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 CAFR

Public Employees Retirement Association

General Employees Fund

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 two through five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher Disabled Annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

2. DEFINED BENEFIT PENSION PLANS (Cont'd)

Public Employees Retirement Association (Cont'd)

General Employees Fund (Cont'd)

2020 Changes (Cont'd)

Changes in Actuarial Assumptions (Cont'd):

- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00% Joint & Survivor option changed from 35.00% to 45.00%. The assumed number of married female new retirees electing 100.00% Joint & Survivor option changed from 15.00% to 30.00%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.00% for the period July 1, 2020 through December 31, 2023 and 0.00% 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 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 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% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions:

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

2017 Changes

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and non-vested deferred members. The revised CSA loads are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

2. DEFINED BENEFIT PENSION PLANS (Cont'd)

Public Employees Retirement Association (Cont'd)

General Employees Fund (Cont'd)

2017 Changes (Cont'd)

Change in Plan Provisions:

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

2016 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- None

2015 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, was due September 2015.

3. BUDGETS, STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets presented for comparison to actual amounts are presented in accordance with U.S. generally accepted accounting principles. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 2890
 RENVILLE COUNTY WEST
 RENVILLE, MINNESOTA
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2021**

3. BUDGETS, STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Cont'd)

A. DEFICIT SPENDING

The fiscal year 2021 budget approved by the School Board projected deficit spending in the following funds:

<u>Fund</u>	
Food Service Fund	\$ 1,581
Community Service Fund	\$ 33,873

B. EXPENDITURES EXCEEDING APPROPRIATIONS

For the year ended June 30, 2021, the District had the following funds with expenditures exceeding the latest amended budget:

<u>Fund</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	\$7,745,202	\$ 7,762,436	\$ 17,234
Food Service Fund	\$ 313,706	\$ 333,175	\$ 19,469

Budget revisions were last approved in March of 2021. These excesses were realized since that time and are approved by the School Board upon acceptance of this report.

OTHER SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 2890
 RENVILLE COUNTY WEST
 RENVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2021
 (with Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021 Budgeted Amounts		2021 Actual	Variance	2020 Actual	Increase (Decrease) Actual
	Original	Final				
REVENUES						
Local Property Tax Levies:						
Maintenance Levy	\$ 374,295	\$ 213,618	\$ 215,935	\$ 2,317	\$ 446,210	\$ (230,275)
Other Local And County Revenues:						
Earnings from Investments	11,000	1,000	524	(476)	8,225	(7,701)
	<u>11,000</u>	<u>1,000</u>	<u>524</u>	<u>(476)</u>	<u>8,225</u>	<u>(7,701)</u>
Revenue From State Sources:						
School Bond Agricultural Credit	-	143,906	143,906	-	210,874	(66,968)
Disparity Aid	-	7,589	7,589	-	12,222	(4,633)
Homestead Market Value	-	9,181	9,181	-	18,572	(9,391)
	<u>-</u>	<u>160,676</u>	<u>160,676</u>	<u>-</u>	<u>241,668</u>	<u>(80,992)</u>
TOTAL REVENUES	<u>385,295</u>	<u>375,294</u>	<u>377,135</u>	<u>1,841</u>	<u>696,103</u>	<u>(318,968)</u>
EXPENDITURES						
Debt Service:						
Principal	450,000	450,000	450,000	-	445,000	5,000
Interest	231,498	231,498	231,498	-	240,398	(8,900)
TOTAL EXPENDITURES	<u>681,498</u>	<u>681,498</u>	<u>681,498</u>	<u>-</u>	<u>685,398</u>	<u>(3,900)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(296,203)	(306,204)	(304,363)	1,841	10,705	(315,068)
FUND BALANCE BEGINNING OF YEAR	<u>470,625</u>	<u>470,625</u>	<u>470,625</u>	<u>-</u>	<u>459,920</u>	<u>10,705</u>
FUND BALANCE END OF YEAR	<u>\$ 174,422</u>	<u>\$ 164,421</u>	<u>\$ 166,262</u>	<u>\$ 1,841</u>	<u>\$ 470,625</u>	<u>\$ (304,363)</u>
FUND BALANCE ANALYSIS						
RESTRICTED FUND BALANCE						
Debt Service			\$ 166,262		\$ 470,625	

INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - HISTORICAL ANALYSIS

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES					
Local Property Tax Levies	\$ 1,483,534	\$ 1,380,475	\$ 1,520,317	\$ 1,769,081	\$ 1,855,422
Other Local and County Revenues	235,084	211,062	229,507	211,126	150,136
Revenue From State Sources	5,291,062	5,638,277	6,021,470	5,933,807	5,946,499
Revenue From Federal Sources	276,498	290,537	252,441	259,828	453,170
Sales and Other Conversion of Assets	761	13,952	949	35,573	24,887
Proceeds from Sale of Equipment	9,503	5,548	129	632	6,629
Transfers In/Prior Period Restatement	-	-	-	106,044	-
TOTAL REVENUES	<u>7,296,442</u>	<u>7,539,851</u>	<u>8,024,813</u>	<u>8,316,091</u>	<u>8,436,743</u>
EXPENDITURES - PROGRAMS					
District and School Administration	517,958	560,287	601,181	464,870	520,658
District Support Services	463,528	407,408	370,495	325,945	289,518
Regular Instruction	3,442,564	3,685,826	3,744,239	3,860,556	3,819,200
Vocational Instruction	85,476	91,179	108,180	109,002	114,295
Exceptional Instruction	1,108,101	1,125,430	1,173,601	1,268,727	1,184,229
Instructional Support Services	82,063	57,506	86,390	131,635	270,696
Pupil Support Services	570,033	494,385	580,940	573,478	557,754
Site, Buildings, and Equipment	674,292	726,826	953,467	2,382,242	788,822
Fiscal and Other Fixed Cost Programs	163,077	158,123	160,292	178,287	217,264
Transfers Out	-	10,000	10,000	-	10,000
TOTAL EXPENDITURES	<u>7,107,092</u>	<u>7,316,970</u>	<u>7,788,785</u>	<u>9,294,742</u>	<u>7,772,436</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	189,350	222,881	236,028	(978,651)	664,307
FUND BALANCE BEGINNING OF YEAR	<u>3,136,312</u>	<u>3,325,662</u>	<u>3,548,543</u>	<u>3,784,571</u>	<u>2,805,920</u>
FUND BALANCE END OF YEAR	<u>\$ 3,325,662</u>	<u>\$ 3,548,543</u>	<u>\$ 3,784,571</u>	<u>\$ 2,805,920</u>	<u>\$ 3,470,227</u>
ADJUSTED CASH BALANCES	<u>\$ 3,255,697</u>	<u>\$ 3,593,471</u>	<u>\$ 3,753,849</u>	<u>\$ 3,337,258</u>	<u>\$ 3,623,195</u>
EXPENDITURES - OBJECT					
Salaries and Wages	\$ 4,357,972	\$ 4,514,347	\$ 4,571,552	\$ 4,699,012	\$ 4,715,318
Employee Benefits	1,093,121	1,165,012	1,287,781	1,208,452	1,248,531
Purchased Services	820,074	814,222	845,047	917,790	952,083
Supplies and Materials	332,411	307,223	285,801	291,922	457,852
Other Expenditures/Transfers	29,918	33,604	34,459	52,206	61,355
Capital Expenditures	351,755	360,721	642,304	2,003,519	185,735
Debt Service Expenditures	121,841	121,841	121,841	121,841	141,562
TOTAL EXPENDITURES	<u>\$ 7,107,092</u>	<u>\$ 7,316,970</u>	<u>\$ 7,788,785</u>	<u>\$ 9,294,742</u>	<u>\$ 7,762,436</u>

SINGLE AUDIT AND OTHER REQUIRED REPORTS

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

A. SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**

Internal Control Over Financial Reporting:

Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

Internal Control Over Major Federal Programs:

Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major federal programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553	Child Nutrition Cluster
10.555	School Breakfast Program
10.559	National School Lunch Program
	Summer Food Service Program for Children

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? Yes No

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT
INTERNAL CONTROL OVER FINANCIAL REPORTING
PREVIOUSLY REPORTED ITEM NOT RESOLVED**

2021-001 Audit Adjustments

Condition: During our audit, we proposed an audit adjustment that resulted in a significant change to the District's financial statements. This audit adjustment related to an adjustment for prepaid expenditures. This finding was reported in the previous year as number 2020-001.

Effect: A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect misstatements of the financial statements on a timely basis. One control deficiency that typically is considered significant is identification by the auditor of a misstatement in the financial statement not initially identified by the entity's internal controls. This could affect the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Cause: The Service Cooperative prepared a majority of the year end entries, however all accounts were not reviewed for accuracy, requiring the auditors to propose a significant journal entry for prepaid expenditures.

Criteria: The District's accounting staff should analyze activity throughout the year and at year end to ensure that it is properly classified.

Recommendation: We recommend that the District's accounting staff continue to work towards its goal of preparing all required year end adjustments. If the District determines that this plan is not attainable, the plan should be amended to reflect the attainable goal.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and the auditor's recommendations will be adopted.

LEGAL COMPLIANCE

None

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT

Child Nutrition Cluster	
School Breakfast Program	CFDA No. 10.553
National School Lunch Program	CFDA No. 10.555
Summer Food Service Program for Children	CFDA No. 10.559

None



Future Ready, Jaguar Proud.

Renville County West ISD #2890

Doug Froke, Superintendent
Gina Hagen, K-12 Principal

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2021**

2021-001 Audit Adjustments

Auditor Recommendation

We recommend that the District's accounting staff continue to work towards its goal of preparing all required year end adjustments. If the District determines that this plan is not attainable, the plan should be amended to reflect the attainable goal.

Corrective Action Plan (CAP)

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Action Planned in Response to Finding
Krista Schrupp (Finance Coordinator) will review accounts and transactions for propriety. The District will continue to contract with SW/WC Service Cooperative.
3. Official Responsible for Insuring CAP
Doug Froke (Superintendent) is the official responsible for insuring corrective action of the deficiency.
4. Planned Completion Date for CAP
This plan has been and will continue to be implemented during the 2021-2022 fiscal year.
5. Plan to Monitor Completion of CAP
Doug Froke will be monitoring this corrective action plan.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2021**

FINDINGS RELATIVE TO FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

2020-001 Audit Adjustments

Condition: This finding was a material weakness stating that audit adjustments were required that resulted in significant changes to the District's financial statements. These audit adjustments pertained to unearned revenue, receivables and expenditures.

Recommendation: We recommended that the District's accounting staff continue to work towards its goal of preparing all required year end adjustments.

Current Status: The District attempted to implement this recommendation in the fiscal year 2021; however, there was a material adjust adjustment again suggested for the 2021 audit. The area of this adjustment was not similar to the prior year finding.

2020-002 Commodity Requests Not Filed Timely

Condition: This finding was a significant deficiency stating that commodity reports/orders were not filed timely, resulting in lost benefits.

Recommendation: We recommended that the Food Service Director prepare and submit commodity requests timely.

Current Status: The District implemented these recommendations and the finding is resolved.

FINDINGS RELATIVE TO FEDERAL AWARD PROGRAMS

Not applicable. A single audit was not performed for June 30, 2020.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Members of the School Board
Independent School District No. 2890
Renville County West
Renville, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Independent School District No. 2890, Renville County West, Renville, Minnesota, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Independent School District No. 2890, Renville County West, Renville, Minnesota's basic financial statements, and have issued our report thereon dated November 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Independent School District No. 2890, Renville County West, Renville, Minnesota's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Independent School District No. 2890, Renville County West, Renville, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the Independent School District No. 2890, Renville County West, Renville, Minnesota's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Independent School District No. 2890, Renville County West, Renville, Minnesota's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent School District No. 2890, Renville County West, Renville, Minnesota's Response to Findings

Independent School District No. 2890, Renville County West, Renville, Minnesota's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs corrective action plan. Independent School District No. 2890, Renville County West, Renville, Minnesota's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

November 18, 2021

**INDEPENDENT AUDITOR'S REPORT ON
MINNESOTA LEGAL COMPLIANCE**

Members of the School Board
Independent School District No. 2890
Renville County West
Renville, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Independent School District No. 2890, Renville County West, Renville, Minnesota, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that Independent School District No. 2890, Renville County West, Renville, Minnesota failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they related to accounting matters. However our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Hoffman & Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

November 18, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR
PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the School Board
Independent School District No. 2890
Renville County West
Renville, Minnesota

Report on Compliance for The Major Federal Program

We have audited Independent School District No. 2890, Renville County West, Renville, Minnesota's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Independent School District No. 2890, Renville County West, Renville, Minnesota's major federal program for the year ended June 30, 2021. Independent School District No. 2890, Renville County West, Renville, Minnesota's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Independent School District No. 2890, Renville County West, Renville, Minnesota's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Independent School District No. 2890, Renville County West, Renville, Minnesota's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Independent School District No. 2890, Renville County West, Renville, Minnesota's compliance.

Opinion on The Major Federal Program

In our opinion, Independent School District No. 2890, Renville County West, Renville, Minnesota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Independent School District No. 2890, Renville County West, Renville, Minnesota is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Independent School District No. 2890, Renville County West, Renville, Minnesota 's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion of the effectiveness of Independent School District No. 2890, Renville County West, Renville, Minnesota's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and each major fund of Independent School District No. 2890, Renville County West, Renville, Minnesota as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Independent School District No. 2890, Renville County West, Renville, Minnesota basic financial statements. We issued our report thereon dated November 18, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

November 18, 2021

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	Assistance Listing	Federal Expenditures
U.S. Department of Education		
Passed Through Minnesota Department of Education		
Special Education Cluster		
Grants to States (IDEA, Part B)	84.027	\$ 87,844
Preschool Grants (IDEA Preschool)	84.173	6,645
Total Special Education Cluster		94,489
Migrant Education-State Grant Program (Title I, Part C of ESEA)	84.011	1,500
Special Education-Grants for Infants and Families	84.181	700
Title I, Part A	84.010	103,298
Title II, Part A	84.367	16,751
Title IV	84.424	1,000
Rural Education -REAP	84.358	39,542
Education Stabilization Fund		
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	17,232
Total Education Stabilization Fund		17,232
Total U.S. Department of Education		274,512
Department of the Treasury		
Passed Through Minnesota Department of Education		
COVID-19 Coronavirus Relief Fund	21.019	181,158
Total Department of the Treasury		181,158
U.S. Department of Agriculture		
Passed Through Minnesota Department of Education		
Child Nutrition Cluster		
National School Lunch Program		
Regular	10.555	2,274
Free/Reduced	10.555	7,361
After School Snack	10.555	217
Commodities	10.555	23,346
Total National School Lunch Program		33,198
School Breakfast Program	10.553	2,312
Summer Food Service Program for Children	10.559	302,678
Total Child Nutrition Cluster		338,188
Total U.S. Department of Agriculture		338,188
TOTAL FEDERAL EXPENDITURES		\$ 793,858

NONCASH ASSISTANCE

Noncash assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District had food commodities totaling \$1,946 in inventory.

PASS-THROUGH ENTITY IDENTIFYING NUMBER

The pass-through entity identifying number is unknown.

LOAN PROGRAMS AND LOAN GUARANTEE PROGRAMS

Independent School District No. 2890, Renville County West, did not provide loan programs or loan guarantee programs, accordingly, there are no year-end loan balances.

SUBRECIPIENTS

Independent School District No. 2890, Renville County West, did not provide federal awards to subrecipients.

**INDEPENDENT SCHOOL DISTRICT NO. 2890
RENVILLE COUNTY WEST
RENVILLE, MINNESOTA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A – REPORTING ENTITY

The schedule of expenditures of federal awards presents the activities of federal award programs expended by Independent School District No. 2890, Renville County West, Renville, Minnesota. The District's reporting entity is defined in Note 1 to the financial statements.

NOTE B – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Independent School District No. 2890, Renville County West, Renville, Minnesota, under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Independent School District No. 2890, Renville County West, Renville, Minnesota.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE D – DE MINIMIS INDIRECT COST RATE

Independent School District No. 2890, Renville County West, Renville, Minnesota, has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE E – LOAN PROGRAMS AND LOAN GUARANTEE PROGRAMS

Independent School District No. 2890, Renville County West, Renville, Minnesota, did not provide loan programs or loan guarantee programs, accordingly, there are no year-end loan balances.

NOTE F – DONATED FEDERALLY FUNDED PERSONAL PROTECTIVE EQUIPMENT

Independent School District No. 2890, Renville County West, Renville, Minnesota, did not receive any donated federally funded personal protective equipment.

MANAGEMENT LETTER

Members of the School Board
Independent School District No. 2890
Renville County West
Renville, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Independent School District No. 2890, Renville County West, Renville, Minnesota, for the year ended June 30, 2021, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of the following opportunities for strengthening internal controls and operating efficiency. We previously reported on the District's internal control and any related significant deficiencies and material weaknesses in our report dated November 18, 2021. This letter does not affect our report dated November 18, 2021, on the financial statements of Independent School District No. 2890, Renville County West, Renville, Minnesota.

- Due to the limited number of office personnel within Independent School District No. 2890, Renville County West, Renville, Minnesota, segregation of the accounting functions necessary to ensure adequate internal accounting control is not always possible. The District has responded to this deficiency by implementing various oversight controls by the School Board and Management. These oversight controls help to mitigate the risk to the organization created by the lack of segregation of duties within the accounting function. However, the risks that are created by the lack of segregation of duties can never be completely eliminated. The School Board and Management should continue to be diligent in their review of financial transactions, and document these procedures by initialing invoices, and approving expenditure reports.
- When an authorized check signer resigns or is replaced, bank signature cards should be promptly changed to reflect the new authorized signers. During our audit procedures, we noted that the previous superintendent was still listed as an authorized signer for the petty cash account (F&M Bank) at year end, even though the employee had terminated service prior to the beginning of the year. Authorized signatures were updated in November 2021.

If you have any questions regarding these items, please contact us.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

November 18, 2021

Fiscal Compliance Report - 6/30/2021

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District: RENVILLE COUNTY WEST (2890-1)

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	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$8,430,114	<u>\$8,430,115</u>	(\$1)	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$7,762,436	<u>\$7,762,436</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$51,473	<u>\$51,473</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	\$76,322	<u>\$76,322</u>	<u>\$0</u>	4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.02 Scholarships	\$21,628	<u>\$21,628</u>	<u>\$0</u>	4.13 Project Funded by COP	\$0	<u>\$0</u>	<u>\$0</u>
4.03 Staff Development	\$81,862	<u>\$81,862</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.07 Capital Projects Levy	\$0	<u>\$0</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 Project Funded by COP	\$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	\$0	<u>\$0</u>	<u>\$0</u>
4.16 Levy Reduction	\$0	<u>\$0</u>	<u>\$0</u>	07 DEBT SERVICE			
4.17 Taconite Building Maint	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$377,135	<u>\$377,135</u>	<u>\$0</u>
4.24 Operating Capital	\$20,501	<u>\$20,501</u>	<u>\$0</u>	Total Expenditures	\$681,498	<u>\$681,498</u>	<u>\$0</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>	<i>Non Spendable:</i>			
4.27 Disabled Accessibility	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.28 Learning & Development	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.34 Area Learning Center	\$0	<u>\$0</u>	<u>\$0</u>	4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	<u>\$0</u>	4.33 Maximum Effort Loan Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	<u>\$0</u>	4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>
4.38 Gifted & Talented	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted:</i>			
4.41 Basic Skills Programs	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$166,262	<u>\$166,262</u>	<u>\$0</u>
4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.49 Safe School Crime - Crime Levy	\$27,472	<u>\$27,472</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>	08 TRUST			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.53 Unfunded Sev & Retirement Levy	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.59 Basic Skills Extended Time	\$41,304	<u>\$41,304</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.67 LTFM	\$366,996	<u>\$366,996</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.72 Medical Assistance	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.73 PPP Loan	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
4.74 EIDL Loan	\$0	<u>\$0</u>	<u>\$0</u>	18 CUSTODIAL			
<i>Restricted:</i>				Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.75 Title VII Impact Aid	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.76 Payments in Lieu of Taxes	\$0	<u>\$0</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
<i>Committed:</i>				4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.18 Committed for Separation	\$0	<u>\$0</u>	<u>\$0</u>	4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>
4.61 Committed Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Assigned:</i>				20 INTERNAL SERVICE			
4.62 Assigned Fund Balance	\$710,783	<u>\$710,783</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>				Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance	\$2,071,886	<u>\$2,071,886</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
02 FOOD SERVICES				25 OPEB REVOCABLE TRUST			
Total Revenue	\$357,110	<u>\$357,110</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$333,175	<u>\$333,175</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>							
4.60 Non Spendable Fund Balance	\$5,773	<u>\$5,773</u>	<u>\$0</u>				
<i>Restricted / Reserved:</i>							
4.52 OPEB Liab Not In Trust							

	\$0	<u>\$0</u>	<u>\$0</u>
4.74 EIDL Loan <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$73,187	<u>\$73,187</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

04 COMMUNITY SERVICE

Total Revenue	\$153,882	<u>\$153,882</u>	<u>\$0</u>
Total Expenditures <i>Non Spendable:</i>	\$116,478	<u>\$116,478</u>	<u>\$0</u>
4.60 Non Spendable Fund Balance <i>Restricted / Reserved:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	\$2,231	<u>\$2,231</u>	<u>\$0</u>
4.32 E.C.F.E	\$89,751	<u>\$89,751</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	\$36,494	<u>\$36,494</u>	<u>\$0</u>
4.47 Adult Basic Education	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>
4.73 PPP Loan	\$0	<u>\$0</u>	<u>\$0</u>
4.74 EIDL Loan <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$13,236	<u>\$13,236</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>

45 OPEB IRREVOCABLE TRUST

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>

47 OPEB DEBT SERVICE

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