

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

**FINANCIAL STATEMENTS AND  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2023**

**PREPARED BY THE  
FINANCE DEPARTMENT**

**TARIRO CHAPINDUKA  
DIRECTOR OF BUSINESS SERVICES**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**HOPKINS PUBLIC SCHOOLS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

**INTRODUCTORY SECTION (UNAUDITED)**

|                                 |   |
|---------------------------------|---|
| SCHOOL BOARD AND ADMINISTRATION | 1 |
| ORGANIZATIONAL STRUCTURE        | 2 |

**FINANCIAL SECTION**

|                                      |   |
|--------------------------------------|---|
| INDEPENDENT AUDITORS' REPORT         | 3 |
| REQUIRED SUPPLEMENTARY INFORMATION   |   |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 7 |

**BASIC FINANCIAL STATEMENTS**

|                                                                                                                                             |    |
|---------------------------------------------------------------------------------------------------------------------------------------------|----|
| STATEMENT OF ACTIVITIES                                                                                                                     | 21 |
| BALANCE SHEET – GOVERNMENTAL FUNDS                                                                                                          | 22 |
| RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL<br>FUNDS TO THE STATEMENT OF NET POSITION                                                | 23 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – GOVERNMENTAL FUNDS                                                     | 24 |
| RECONCILIATION OF THE STATEMENT OF REVENUES,<br>EXPENDITURES, AND CHANGE IN FUND BALANCE –<br>GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES | 25 |
| COMBINING STATEMENT OF NET POSITION – PROPRIETARY FUND –<br>INTERNAL SERVICE FUND                                                           | 26 |
| COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN<br>FUND NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE<br>FUND                 | 27 |
| COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND –<br>INTERNAL SERVICE FUND                                                             | 28 |
| NOTES TO BASIC FINANCIAL STATEMENTS                                                                                                         | 29 |

**REQUIRED SUPPLEMENTARY INFORMATION**

|                                                                                                                          |    |
|--------------------------------------------------------------------------------------------------------------------------|----|
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – GENERAL FUND                    | 71 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – MAJOR FOOD SERVICE FUND         | 72 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – MAJOR COMMUNITY SERVICE<br>FUND | 73 |
| SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED<br>RATIOS                                                        | 74 |
| TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF<br>THE NET PENSION LIABILITY                                       | 75 |

**HOPKINS PUBLIC SCHOOLS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

|                                                                                                      |     |
|------------------------------------------------------------------------------------------------------|-----|
| PERA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF<br>THE NET PENSION LIABILITY                  | 76  |
| TRA SCHEDULE OF THE DISTRICT CONTRIBUTIONS                                                           | 77  |
| PERA SCHEDULE OF THE DISTRICT CONTRIBUTIONS                                                          | 78  |
| SCHEDULE OF THE DISTRICT'S TOTAL PENSION LIABILITY AND<br>RELATED RATIOS – SUPPLEMENTAL PENSION PLAN | 79  |
| NOTES TO REQUIRED SUPPLEMENTARY INFORMATION                                                          | 80  |
| SUPPLEMENTARY INFORMATION                                                                            |     |
| GENERAL FUND                                                                                         |     |
| BALANCE SHEET                                                                                        | 90  |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL                | 91  |
| FOOD SERVICE SPECIAL REVENUE FUND                                                                    |     |
| BALANCE SHEET                                                                                        | 94  |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND<br>BALANCES – BUDGET AND ACTUAL              | 95  |
| COMMUNITY SERVICE SPECIAL REVENUE FUND                                                               |     |
| BALANCE SHEET                                                                                        | 96  |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND<br>BALANCES – BUDGET AND ACTUAL              | 97  |
| CAPITAL PROJECTS FUND                                                                                |     |
| BALANCE SHEET                                                                                        | 98  |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND<br>BALANCES – BUDGET AND ACTUAL               | 99  |
| DEBT SERVICE FUND                                                                                    |     |
| BALANCE SHEET                                                                                        | 100 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND<br>BALANCE – BUDGET AND ACTUAL               | 101 |
| INTERNAL SERVICE FUNDS                                                                               |     |
| STATEMENT OF NET POSITION                                                                            | 102 |
| STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET<br>POSITION                                      | 103 |
| STATEMENT OF CASH FLOWS                                                                              | 104 |
| UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS<br>COMPLIANCE TABLE                             | 105 |

## **INTRODUCTORY SECTION**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2023**

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

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

The District Superintendent serves as an ex officio, nonvoting member of the Board.



**Hopkins School Board members** (standing, left to right): Dr Rhoda Mhiripiri-Reed, Superintendent; Shannon Andreson, Vice Chair, Steve Adams, Treasurer, Katie Pederson, Clerk, (seated, left to right): Rachel Hartland, Director, Jen Westmoreland, Board Chair, Jason Ross, Director; Tanya Khan, Director

**ADMINISTRATION**

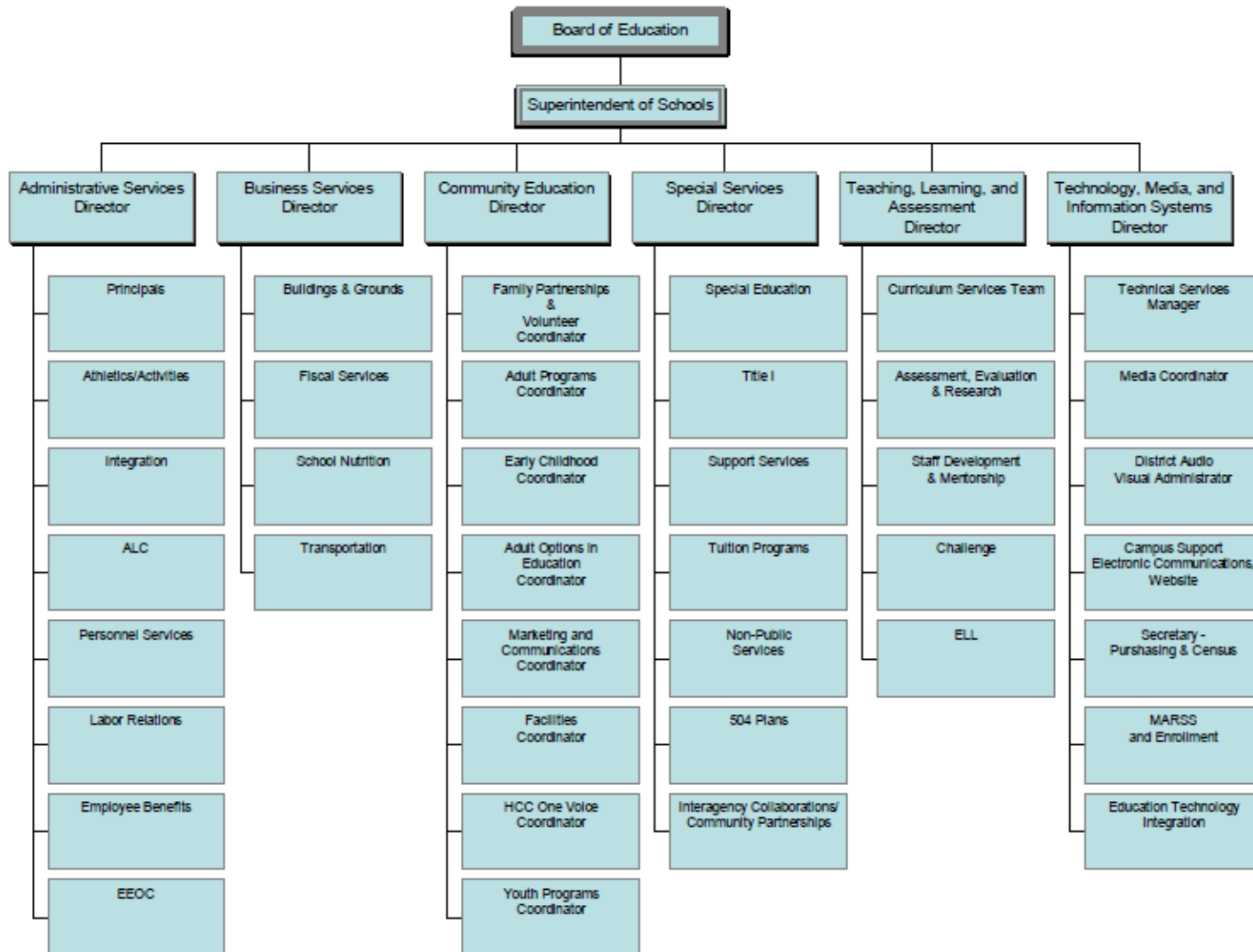
Dr. Rhoda Mhiripiri-Reed  
Tariro Chapinduka

Superintendent  
Director of Business Services

District Offices:

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
ORGANIZATIONAL STRUCTURE  
JUNE 30, 2023**



## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hopkins Public Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Hopkins Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hopkins Public Schools, as of June 30, 2023, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hopkins Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, effective July 1, 2022, the District adopted new accounting guidance for subscription-based information technology arrangements (SBITAs). The guidance requires subscribers to recognize a right-to-use subscription asset and corresponding subscription liability for all SBITAs with agreement terms greater than twelve months. Our opinion on the basic financial statements is not modified with respect to this matter

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, schedule of changes in total OPEB liability and related ratios, schedules of the District's proportionate share of the net pension liability, schedules of the District's pension contributions, and the schedule of changes in the District's total pension liability and related ratios, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit for the year ended June 30, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hopkins Public Schools' basic financial statements. The combining and individual fund financial statements and Uniform Financial Accounting and Reporting Standards (UFARS) compliance table for the year ended June 30, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and UFARS compliance table are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

We also previously audited, in accordance with GAAS, the basic financial statements of Hopkins Public Schools as of and for the year ended **June 30, 2022**, (not presented herein), and have issued our report thereon dated September 15, 2023 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements as of and for the year ended **June 30, 2022** are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2023.

***Other Information***

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

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

***Report on Summarized Comparative Information***

We have previously audited the District's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information in our report dated September 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 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 March 25th, 2025, on our consideration of Hopkins Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hopkins Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hopkins Public Schools' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
March 25th, 2025

## **REQUIRED SUPPLEMENTARY INFORMATION**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

This section of Hopkins Public Schools – Independent School District No. 270's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the District's basic financial statements, which immediately follows this section. The Management's Discussion and Analysis (MD&A) is a required element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2022-2023 fiscal year include the following:

- Net position of the District in total increased by \$28,907,827, from June 2022 resulting in an ending net position deficit of \$3,932,798.
- Overall General Fund revenues were \$120,439,546 as compared to \$122,721,381 of expenditures.
- Total fund balance of the General Fund decreased by \$1,835,211 from the prior year resulting from revenues increasing over \$4.1 million while expenditures increased about \$8.6 million.
- The District had \$143,190,000 in General Obligation Bonds outstanding at year-end.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- The first two statements are *Government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates *like businesses*.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or custodian* for the benefit of others to whom the resources belong. The District does not currently have any fiduciary funds.

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Government-Wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

The District has two kinds of funds:

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

*See accompanying Notes to Basic Financial Statements.*

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

- The District uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The District currently has an internal service fund for self-insurance of health and dental benefits, for its OPEB Revocable Trust and for a Retiree Severance Fund.

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

**Net Position**

The District's *combined* net position was \$(3,932,798) on June 30, 2023.

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

|                                  | Governmental Activities<br>as of June 30, |                 | Percentage<br>Change |
|----------------------------------|-------------------------------------------|-----------------|----------------------|
|                                  | 2023                                      | 2022            |                      |
| Current and Other Assets         | \$ 150,619,906                            | \$ 138,515,069  | 8.74 %               |
| Capital Assets                   | 188,464,675                               | 183,566,972     | 2.67                 |
| Total Assets                     | 339,084,581                               | 322,082,041     | 5.28                 |
| Deferred Outflows of Resources   | 30,426,737                                | 32,531,469      | (6.47)               |
| Current Liabilities              | 13,147,422                                | 9,406,802       | 39.77                |
| Long-Term Liabilities            | 271,126,846                               | 240,536,906     | 12.72                |
| Total Liabilities                | 284,274,268                               | 249,943,708     | 13.74                |
| Deferred Inflows of Resources    | 87,882,023                                | 137,510,427     | (36.09)              |
| Net Position:                    |                                           |                 |                      |
| Net Investment in Capital Assets | 31,956,736                                | 28,006,814      | 14.10                |
| Restricted                       | 30,561,149                                | 22,626,210      | 35.07                |
| Unrestricted                     | (66,450,683)                              | (83,473,649)    | (20.39)              |
| Total Net Position               | \$ (3,932,798)                            | \$ (32,840,625) | (88.02)              |

Net position of the District increased by \$28,907,827 from the June 2022 amount primarily due to a decrease in the deferred inflows of resources related to the statewide administered pension plan.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Changes in Net Position**

The District's total revenues were \$152,699,412 for the year ended June 30, 2023. Property taxes and state formula aid accounted for 78% of total revenue for the year (see Figure A-1). Another 2% came from other general revenues combined with investment earnings and the remaining 20% from program revenues.

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

|                                      | Governmental Activities for the<br>Fiscal Year Ended June 30, |                 | Percentage<br>Change |
|--------------------------------------|---------------------------------------------------------------|-----------------|----------------------|
|                                      | 2023                                                          | 2022            |                      |
| <b>Revenues</b>                      |                                                               |                 |                      |
| <u>Program Revenues</u>              |                                                               |                 |                      |
| Charges for Services                 | \$ 9,021,465                                                  | \$ 8,209,353    | 9.89 %               |
| Operating Grants and Contributions   | 22,025,618                                                    | 25,599,094      | (13.96)              |
| Capital Grants and Contributions     | 212,676                                                       | 284,068         | (25.13)              |
| <u>General Revenues</u>              |                                                               |                 |                      |
| Property Taxes                       | 60,035,544                                                    | 59,101,311      | 1.58                 |
| Unrestricted State Aid               | 58,187,707                                                    | 58,457,529      | (0.46)               |
| Earnings on Investments              | 2,678,910                                                     | (1,524,057)     | (275.77)             |
| Other                                | 537,492                                                       | 263,673         | 103.85               |
| Total Revenues                       | 152,699,412                                                   | 150,390,971     | 1.53                 |
| <b>Expenses</b>                      |                                                               |                 |                      |
| Administration                       | 4,749,210                                                     | 4,126,244       | 15.10                |
| District Support Services            | 8,106,902                                                     | 8,967,311       | (9.59)               |
| Regular Instruction                  | 49,617,854                                                    | 59,901,490      | (17.17)              |
| Vocational Education Instruction     | 897,262                                                       | 976,411         | (8.11)               |
| Special Education Instruction        | 13,477,596                                                    | 15,483,362      | (12.95)              |
| Instructional Support Services       | 4,164,552                                                     | 4,310,449       | (3.38)               |
| Pupil Support Services               | 10,861,936                                                    | 11,912,658      | (8.82)               |
| Sites and Buildings                  | 13,485,476                                                    | 12,273,940      | 9.87                 |
| Fiscal and Other Fixed Cost Programs | 488,519                                                       | 429,534         | 13.73                |
| Food Service                         | 4,216,548                                                     | 4,290,448       | (1.72)               |
| Community Service                    | 9,454,180                                                     | 8,100,022       | 16.72                |
| Interest and Fiscal Charges on       |                                                               |                 |                      |
| Long-Term Liabilities                | 4,271,550                                                     | 3,395,818       | 25.79                |
| Total Expenses                       | 123,791,585                                                   | 134,167,687     | (7.73)               |
| <b>Change in Net Position</b>        | 28,907,827                                                    | 16,223,284      |                      |
| Beginning Net Position               | (32,840,625)                                                  | (48,932,120)    |                      |
| Prior Period Restatement             | -                                                             | (131,789)       |                      |
| Beginning Net Position, as Restated  | (32,840,625)                                                  | (49,063,909)    |                      |
| Ending Net Position                  | \$ (3,932,798)                                                | \$ (32,840,625) |                      |

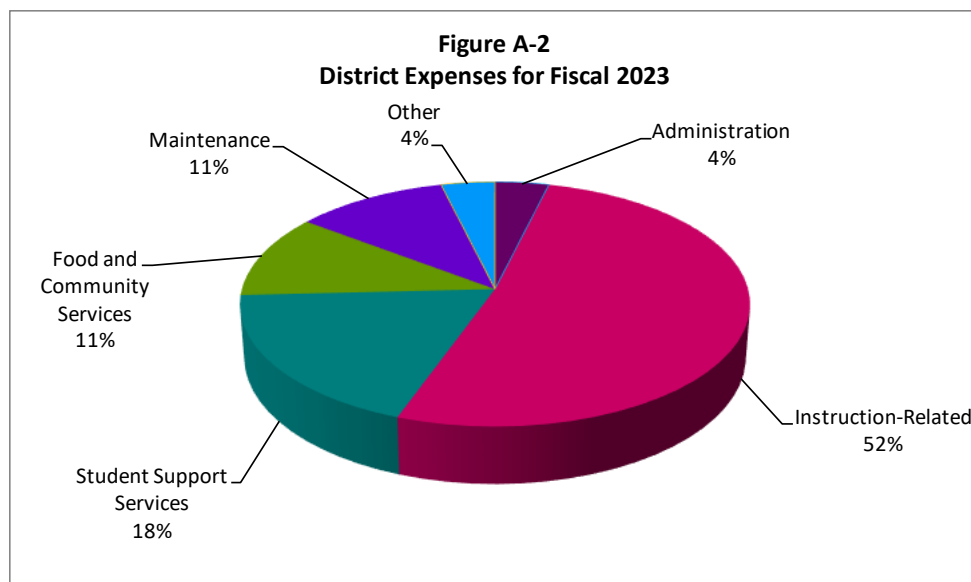
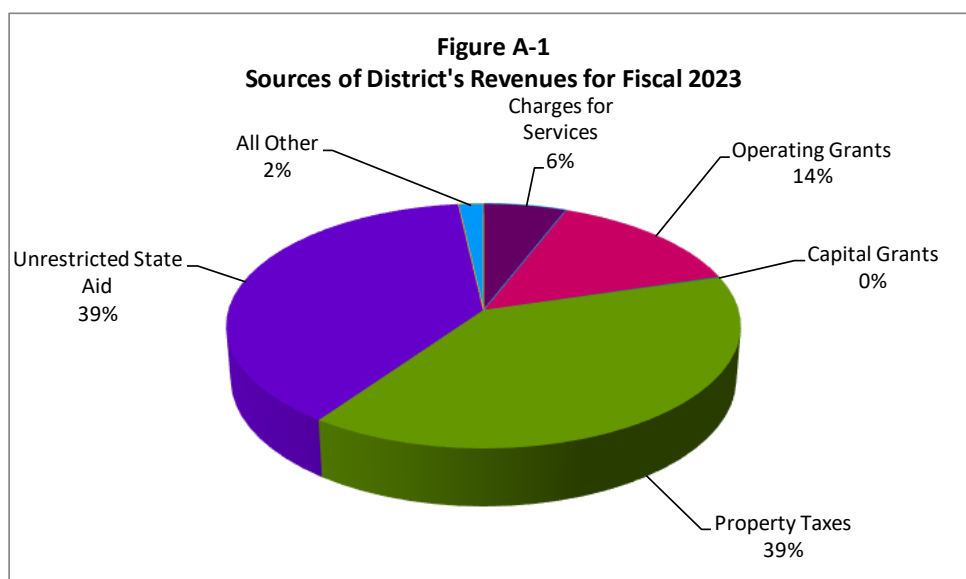
The total cost of all programs and services was \$123,791,585. Total revenues exceeded expenses increasing net position by \$28,907,827 from the prior year net position.

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

The total revenues of all *governmental* activities this year was \$152,676,898.

- Some of the cost was paid by the users of the District's programs (\$9,021,465).
- The federal and state governments subsidized certain programs with grants and contributions (\$22,238,294).
- Most of the District's costs (\$121,439,653), however, were paid for by District taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with \$60,035,544 in property taxes, and \$58,687,707 of unrestricted state aid based on the statewide education aid formula.



See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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

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

|                                                         | Total Cost of Services |                       | Percentage<br>Change | Net Cost of Services |                       | Percentage<br>Change |
|---------------------------------------------------------|------------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|
|                                                         | 2023                   | 2022                  |                      | 2023                 | 2022                  |                      |
| Administration                                          | \$ 4,749,210           | \$ 4,126,244          | 15.10 %              | \$ 4,761,527         | \$ 4,111,709          | 15.80 %              |
| District Support Services                               | 8,106,902              | 8,967,311             | (9.59)               | 8,122,806            | 8,743,964             | (7.10)               |
| Regular Instruction                                     | 49,617,854             | 59,901,490            | (17.17)              | 45,326,425           | 52,789,384            | (14.14)              |
| Vocational Education Instruction                        | 897,262                | 976,411               | (8.11)               | 874,213              | 963,216               | (9.24)               |
| Special Education Instruction                           | 13,477,596             | 15,483,362            | (12.95)              | 725,424              | 4,200,768             | (82.73)              |
| Instructional Support Services                          | 4,164,552              | 4,310,449             | (3.38)               | 4,141,765            | 4,155,511             | (0.33)               |
| Pupil Support Services                                  | 10,861,936             | 11,912,658            | (8.82)               | 10,598,962           | 10,781,049            | (1.69)               |
| Sites and Buildings                                     | 13,485,476             | 12,273,940            | 9.87                 | 12,452,897           | 11,444,766            | 8.81                 |
| Fiscal and Other Fixed Cost Programs                    | 488,519                | 429,534               | 13.73                | 488,519              | 429,534               | 13.73                |
| Food Service                                            | 4,216,548              | 4,290,448             | (1.72)               | 232,443              | (269,300)             | 186.31               |
| Community Service                                       | 9,454,180              | 8,100,022             | 16.72                | 535,295              | (671,247)             | 179.75               |
| Interest and Fiscal Charges on<br>Long-Term Liabilities | 4,271,550              | 3,395,818             | 25.79                | 4,271,550            | 3,395,818             | 25.79                |
| Total                                                   | <u>\$ 123,791,585</u>  | <u>\$ 134,167,687</u> | (7.73)               | <u>\$ 92,531,826</u> | <u>\$ 100,075,172</u> | (7.54)               |

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$42,879,309, or \$1,388,526 more than last year's ending fund balance of \$41,490,783.

Total revenues and other financing sources for the District's governmental funds were \$188,488,352 while total expenditures and other financing uses were \$187,099,826.

## GENERAL FUND

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

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

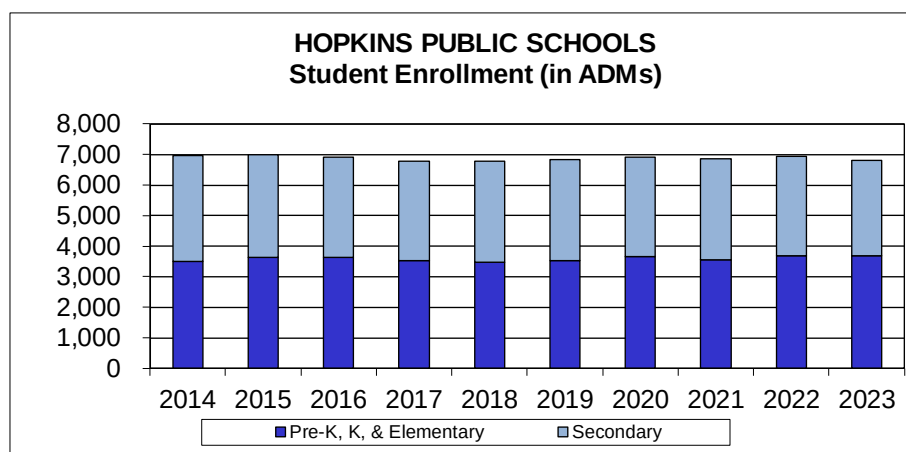
See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**ENROLLMENT**

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

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



|                        | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     | 2023     |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Pre-K & KH             | 74.35    | 91.51    | 101.71   | 110.70   | 120.03   | 133.02   | 176.14   | 151.59   | 157.87   | 172.30   |
| Reg K                  | 494.96   | 505.31   | 504.80   | 425.27   | 448.38   | 455.36   | 495.58   | 460.46   | 534.40   | 480.53   |
| Pre-K, K, & Elementary | 3,498.80 | 3,622.42 | 3,622.66 | 3,527.87 | 3,477.67 | 3,540.91 | 3,663.52 | 3,561.87 | 3,676.86 | 3,683.26 |
| Secondary              | 3,473.61 | 3,370.47 | 3,302.99 | 3,251.02 | 3,292.46 | 3,286.16 | 3,250.18 | 3,296.99 | 3,257.18 | 3,127.74 |
| Total Students for Aid | 6,972.41 | 6,992.89 | 6,925.65 | 6,778.89 | 6,770.13 | 6,827.07 | 6,913.70 | 6,858.86 | 6,934.04 | 6,811.00 |
| Percent Change         | -7.72%   | 0.29%    | -0.96%   | -2.12%   | -0.13%   | 0.84%    | 1.27%    | -0.79%   | 1.10%    | -1.77%   |

Over the last 10 years, the District has experienced a net decrease in average daily membership by 161 students, or (0.02)%. It is anticipated that enrollment will remain flat in the next five years, due to school choice and the expansion of charter networks. The District continues to market and accept open enrollment students to mitigate some of the natural decline.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

|                            | Year Ended            |                       | Change                 |                   |
|----------------------------|-----------------------|-----------------------|------------------------|-------------------|
|                            | June 30, 2023         | June 30, 2022         | Increase<br>(Decrease) | Percent<br>Change |
| Local Sources:             |                       |                       |                        |                   |
| Property Taxes             | \$ 41,759,192         | \$ 36,807,336         | \$ 4,951,856           | 13.5 %            |
| Earnings on Investments    | 650,672               | 51,508                | 599,164                | 1163.2            |
| Other                      | 3,794,174             | 3,280,198             | 513,976                | 15.7              |
| State Sources              | 68,350,609            | 67,421,940            | 928,669                | 1.4               |
| Federal Sources            | 5,884,899             | 8,761,303             | (2,876,404)            | (32.8)            |
| Total General Fund Revenue | <u>\$ 120,439,546</u> | <u>\$ 116,322,285</u> | <u>\$ 4,117,261</u>    | 3.5               |

Total General Fund Revenue increased by \$4,117,261 or 3.5% from the previous year. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue. Other state-authorized revenue may also involve an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year to year without any net change on total revenue.

For 2021-2022, local property tax revenue increased by \$4,951,856, or 13.5%. Earnings on investments increased by \$629,092.

State Sources increased by \$928,669, or 1.4%, Federal Sources decreased by \$(2,876,404), or (32.8)%, and Other revenue increased by \$513,976, or 15.7%.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

|                                 | Year Ended            |                       | Change                 |                   |
|---------------------------------|-----------------------|-----------------------|------------------------|-------------------|
|                                 | June 30, 2023         | June 30, 2022         | Increase<br>(Decrease) | Percent<br>Change |
| Salaries                        | \$ 67,472,972         | \$ 64,121,039         | \$ 3,351,933           | 5.2 %             |
| Employee Benefits               | 23,554,265            | 22,110,558            | 1,443,707              | 6.5               |
| Purchased Services              | 19,681,398            | 17,151,548            | 2,529,850              | 14.7              |
| Supplies and Materials          | 4,333,359             | 4,412,023             | (78,664)               | (1.8)             |
| Capital Expenditures            | 6,514,550             | 5,061,366             | 1,453,184              | 28.7              |
| Debt Service                    | 782,849               | 760,699               | 22,150                 | 2.9               |
| Other Expenditures              | 381,988               | 500,310               | (118,322)              | (23.6)            |
| Total General Fund Expenditures | <u>\$ 122,721,381</u> | <u>\$ 114,117,543</u> | <u>\$ 8,603,838</u>    | 7.5               |

Total General Fund Expenditures increased \$8,603,838 or 7.5% from the previous year. The major factor driving the increase from 2021-2022 to 2022-2023 were increases in employee benefits due to increased expenditures in workers compensation claims and increased salaries expenditures due to increased cost of labor across different bargaining groups. Purchased services expenditures increased due to escalating transportation contracts as well as additional consulting support for social emotional and mental wellness of students. The district has been introducing additional learning programs as well as the virtual online school which require new curriculum material and supplies, and this has led to significant increases in our supplies and capital expenditure budgets.

In fiscal 2022-2023, General Fund revenues and other financing sources were less than expenditures by \$1,835,211. Therefore, total fund balance decreased from \$22,301,249 in the prior year to \$20,466,038 as of June 30, 2023. After deducting statutory categories of fund balance and District commitments and assignments, the General Fund Unassigned fund balance decreased from \$12,250,744 at June 30, 2022 to \$11,648,357 at June 30, 2023. This represents about 9.5% of 2022-2023 total general fund expenditures. The School Board fund balance policy states that the administration shall plan and manage annual revenue and expenditure budgets that provide a General Fund unassigned fund balance of no less than 6% of annual expenditures and treats any excess above 6% as a contingency reserve to be utilized for nonrecurring costs.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**General Fund Budgetary Highlights**

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

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

Actual revenues were \$1,485,608 or 1.25% more than budgeted, while expenditures were \$642,764 or 0.53% more than budgeted.

While the District's final budget for the General Fund anticipated that fund balance would increase by \$1,721,325, the actual results for the year show that fund balance decreased in total by \$2,281,835.

**CAPITAL PROJECTS AND DEBT SERVICE FUNDS**

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

In the Debt Service Fund, expenditures and other financing uses exceeded revenues and other financing sources by \$17,575 in 2022-2023. The ending Debt Service fund balance at June 30, 2023 of \$4,116,302 is restricted for meeting future regular debt service obligations.

**OTHER MAJOR FUNDS**

Revenue exceeded expenditures by \$33,138, resulting in the fund balance of the Food Service Fund ending at \$1,031,171 for 2022-2023. In the Community Service Fund revenue exceeded expenditures by \$2,145,044 and resulted in the fund balance of the Community Service Fund ending at \$5,438,541, with \$4,883,228 restricted for community education programs.

From the standpoint of maintaining current operating expenditures within the range of annual revenue and maintaining a sound fund balance, the Food Service and Community Service funds have respective budgets for 2022-23 that allow them to continue to operate on a sound financial basis. We have taken mitigating measures to align our Community Services expenditures to the revenues generated to avoid excess use of fund balance in the future.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2023, the District had invested approximately \$373 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). More detailed information about capital assets can be found in Note 4 to the financial statements. Total depreciation and amortization expense for the year was approximately \$12.56 million.

**Table A-7  
Capital Assets**

|                                                    | 2023                  | 2022                  | Percentage<br>Change |
|----------------------------------------------------|-----------------------|-----------------------|----------------------|
| Land                                               | \$ 2,867,600          | \$ 2,867,600          | - %                  |
| Construction in Progress                           | 5,012,192             | 8,500,065             | (41.0)               |
| Land Improvements                                  | 26,729,697            | 26,657,234            | 0.3                  |
| Buildings and Improvements                         | 285,748,963           | 277,321,928           | 3.0                  |
| Equipment                                          | 52,792,453            | 40,320,518            | 30.9                 |
| Less: Accumulated Depreciation and<br>Amortization | (184,686,230)         | (172,100,373)         | 7.3                  |
| Total Capital Assets                               | <u>\$ 188,464,675</u> | <u>\$ 183,566,972</u> | 2.7                  |

**Construction – Next Five Years**

In fiscal year 2022, the District continued its 18-year (18th construction year) of a rolling 10-year program to address in excess of \$70 million in deferred maintenance needs, with an emphasis on improving indoor air quality and roof, parking lot and window replacement. The revised 10-year facilities management plan identified \$18 million in projects for Phase VIII. The District bonded for \$18 million in the fall of 2022. The program name has also changed from the Alternative Facilities Bonding and Levy program to the Long-Term Facilities Maintenance Revenue (LTFMR) program.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Long-Term Liabilities**

At year-end, the District had \$143,190,000 in general obligation bonds outstanding – a decrease of 1.1% from last year – as shown in Note 5 to the financial statements. Pension Benefits Payable represents the District's proportionate share of the Public Employees' Retirement Association of Minnesota General Employees' Retirement Fund's net pension liability, the District's portion of the Teacher's Retirement Association's Coordinated and Basic Plan net pension liability, as well as the net pension liability of the District's supplemental pension plan. The District's pension benefits payable related to these net pension liabilities increased \$35,579,307, or 58%. The District also decreased its postemployment severance and health benefits payable at June 30, 2023 by a net of \$2,523,598.

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

|                                       | 2023                  | 2022                  | Percentage<br>Change |
|---------------------------------------|-----------------------|-----------------------|----------------------|
| Net Pension Liability                 | \$ 95,664,884         | \$ 61,373,402         | 55.9 %               |
| Other Postemployment Benefits Payable | 22,232,032            | 24,755,630            | (10.2)               |
| Other Long-Term Liabilities:          |                       |                       |                      |
| General Obligation Bonds              | 143,190,000           | 144,830,000           | (1.1)                |
| Net Bond Premium and Discount         | 7,418,485             | 6,707,410             | 10.6                 |
| Financed Purchases                    | 1,573,537             | 1,944,476             | (19.1)               |
| Leases                                | 1,047,908             | 925,988               | 13.2                 |
| Total Long-Term Liabilities           | <u>\$ 271,126,846</u> | <u>\$ 240,536,906</u> | 12.7                 |
| Long-Term Liabilities:                |                       |                       |                      |
| Due Within One Year                   | \$ 12,535,585         | \$ 13,601,679         | (7.8)%               |
| Due in More Than One Year             | 258,591,261           | 226,935,227           | 13.9                 |
| Total                                 | <u>\$ 271,126,846</u> | <u>\$ 240,536,906</u> | 12.7                 |

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

Hopkins Public Schools remained financially stable as of June 30, 2023. The economy of the district is robust and the enrollment trend is positive. Resident income is healthy at 112% of the US median. The three year enrollment trend is stable. Audited results for 2022-2023 will result in a revised General Fund balance that will keep the General Fund Unassigned fund balance as of June 30, 2023 at slightly lower than the previous year. Hopkins Public Schools will keep monitoring its Unassigned fund balance.

The state legislature set the budget for an increase in per pupil funding for 2022-23 and 2023-24. A 2% increase in per pupil funding was assumed when creating the FY2022-23 budgets. Hopkins Public Schools remains in a stable fiscal position assuming conservative increases for education funding in the future.

Hopkins Public Schools will need to continue to look at possible ways to increase other nonstate revenue and continue to identify efficiencies to control expenditures for fiscal year 2023-24 and beyond.

*See accompanying Notes to Basic Financial Statements.*

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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

**OUTLOOK DUE TO THE COVID-19 PANDEMIC**

The COVID-19 pandemic has had an unparalleled impact on the entire world, and devastating impacts on school districts. Aggressive measures have contained the virus for now, and a recurrence of the pandemic is highly unlikely. The extent to which the coronavirus impacts the District and its financial condition will depend on future developments. Hopkins Public Schools has safely reopened and has also established an online blended academy for scholars who cannot attend in person learning. Significant expenditures for personal protective equipment, air quality equipment, sanitizing supplies, and additional staff to address mental wellness and student learning loss from FY2021 into FY2023 increased operating costs for the district.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF NET POSITION  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                                                                 | Governmental Activities |                        |
|-----------------------------------------------------------------|-------------------------|------------------------|
|                                                                 | 2023                    | 2022                   |
| <b>ASSETS</b>                                                   |                         |                        |
| Cash and Investments                                            | \$ 104,073,079          | \$ 90,623,692          |
| Cash with Fiscal Agent                                          | 29,000                  | 29,000                 |
| Receivables:                                                    |                         |                        |
| Property Taxes                                                  | 33,842,803              | 30,157,188             |
| Other Governments                                               | 9,876,173               | 14,750,798             |
| Other                                                           | 1,229,038               | 758,645                |
| Leases                                                          | 939,068                 | 1,349,195              |
| Prepaid Items                                                   | 398,241                 | 639,066                |
| Inventories                                                     | 232,504                 | 207,485                |
| Capital Assets:                                                 |                         |                        |
| Land and Construction in Progress                               | 7,879,792               | 11,367,665             |
| Other Capital Assets, Net of Depreciation and Amortization      | 180,584,883             | 172,199,307            |
| Total Assets                                                    | <u>339,084,581</u>      | <u>322,082,041</u>     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                           |                         |                        |
| Deferred Outflows - Other Postemployment Benefits               | 2,948,598               | 2,549,680              |
| Deferred Outflows - Pensions                                    | 27,478,139              | 29,981,789             |
| Total Deferred Outflows                                         | <u>30,426,737</u>       | <u>32,531,469</u>      |
| <b>LIABILITIES</b>                                              |                         |                        |
| Salaries Payable                                                | 1,727,000               | 1,724,755              |
| Accounts and Contracts Payable                                  | 7,589,804               | 3,210,727              |
| Accrued Interest                                                | 2,109,463               | 2,138,935              |
| Due to Other Governmental Units                                 | 27,606                  | 539,118                |
| Unearned Revenue                                                | 1,693,549               | 1,793,267              |
| Long-Term Liabilities:                                          |                         |                        |
| Net Pension Liability Due Within One Year                       | 1,287,825               | -                      |
| Net Pension Liability Due in More than One Year                 | 95,664,884              | 61,373,402             |
| Other Postemployment Benefits Due Within One Year               | 2,091,863               | 1,548,190              |
| Other Postemployment Benefits Payable Due in More than One Year | 20,140,169              | 23,207,440             |
| Bonds and Other Liabilities Due Within One Year                 | 10,443,722              | 12,053,489             |
| Bonds and Other Liabilities Due in More Than One Year           | 142,786,208             | 142,354,385            |
| Total Liabilities                                               | <u>285,562,093</u>      | <u>249,943,708</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                            |                         |                        |
| Property Taxes Levied for Subsequent Year                       | 61,615,978              | 55,228,083             |
| Gains on Debt Refunding                                         | 427,589                 | 283,844                |
| Deferred Inflows - Other Postemployment Benefits                | 2,848,650               | 474,742                |
| Deferred Inflows - Pensions                                     | 21,929,477              | 80,071,267             |
| Leases                                                          | 1,060,329               | 1,452,491              |
| Total Deferred Inflows of Resources                             | <u>87,882,023</u>       | <u>137,510,427</u>     |
| <b>NET POSITION</b>                                             |                         |                        |
| Net Investment in Capital Assets                                | 31,956,736              | 28,006,814             |
| Restricted for:                                                 |                         |                        |
| Operating Capital Purposes                                      | 1,815,870               | 948,953                |
| State-Mandated Reserves                                         | 5,385,643               | 6,671,399              |
| Food Service                                                    | 1,031,171               | 998,033                |
| Community Service                                               | 5,455,851               | 3,455,083              |
| Debt Service                                                    | 2,194,937               | 2,106,495              |
| Capital Projects - Building Construction                        | 14,677,677              | 8,218,432              |
| Other Purposes                                                  | -                       | 227,815                |
| Unrestricted                                                    | (66,450,683)            | (83,473,649)           |
| Total Net Position                                              | <u>\$ (3,932,798)</u>   | <u>\$ (32,840,625)</u> |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                               |                       | 2023                |                      |                   |                       | 2022                   |               |
|-----------------------------------------------|-----------------------|---------------------|----------------------|-------------------|-----------------------|------------------------|---------------|
|                                               |                       |                     |                      |                   |                       | Net (Expense)          | Net (Expense) |
|                                               |                       |                     |                      |                   |                       | Revenue and            | Revenue and   |
|                                               |                       |                     |                      |                   |                       | Change in              | Change in     |
|                                               |                       | Program Revenues    |                      |                   |                       | Net Position           | Net Position  |
|                                               |                       | Operating           |                      | Capital           |                       | Total                  | Total         |
|                                               |                       | Charges for         | Grants and           | Grants and        |                       | Governmental           | Governmental  |
| Functions                                     | Expenses              | Services            | Contributions        | Contributions     |                       | Activities             | Activities    |
| <b>GOVERNMENTAL ACTIVITIES</b>                |                       |                     |                      |                   |                       |                        |               |
| Administration                                | \$ 4,749,210          | \$ 51,837           | \$ (64,713)          | \$ 559            | \$ (4,761,527)        | \$ (4,111,709)         |               |
| District Support Services                     | 8,106,902             | 5,062               | (20,966)             | -                 | (8,122,806)           | (8,743,964)            |               |
| Regular Instruction                           | 49,617,854            | 796,832             | 3,467,051            | 27,546            | (45,326,425)          | (52,789,384)           |               |
| Vocational Education Instruction              | 897,262               | 1,257               | 21,792               | -                 | (874,213)             | (963,216)              |               |
| Special Education Instruction                 | 13,477,596            | -                   | 12,752,172           | -                 | (725,424)             | (4,200,768)            |               |
| Instructional Support Services                | 4,164,552             | 14                  | 22,773               | -                 | (4,141,765)           | (4,155,511)            |               |
| Pupil Support Services                        | 10,861,936            | 99,996              | 162,978              | -                 | (10,598,962)          | (10,781,049)           |               |
| Sites and Buildings                           | 13,485,476            | 609,636             | 238,372              | 184,571           | (12,452,897)          | (11,444,766)           |               |
| Fiscal and Other Fixed Cost Programs          | 488,519               | -                   | -                    | -                 | (488,519)             | (429,534)              |               |
| Food Service                                  | 4,216,548             | 1,439,909           | 2,544,196            | -                 | (232,443)             | 269,300                |               |
| Community Service                             | 9,454,180             | 6,016,922           | 2,901,963            | -                 | (535,295)             | 671,247                |               |
| Interest and Fiscal Charges on                |                       |                     |                      |                   |                       |                        |               |
| Long-Term Liabilities                         | 4,271,550             | -                   | -                    | -                 | (4,271,550)           | (3,395,818)            |               |
| Total School District                         | <u>\$ 123,791,585</u> | <u>\$ 9,021,465</u> | <u>\$ 22,025,618</u> | <u>\$ 212,676</u> | <u>(92,531,826)</u>   | <u>(100,075,172)</u>   |               |
| <b>GENERAL REVENUES</b>                       |                       |                     |                      |                   |                       |                        |               |
| Property Taxes Levied for:                    |                       |                     |                      |                   |                       |                        |               |
| General Purposes                              |                       |                     |                      |                   | 42,024,704            | 36,874,461             |               |
| Community Service                             |                       |                     |                      |                   | 1,418,895             | 1,429,659              |               |
| Debt Service                                  |                       |                     |                      |                   | 16,591,945            | 17,797,191             |               |
| Capital Projects                              |                       |                     |                      |                   | -                     | 3,000,000              |               |
| State Aid Not Restricted to Specific Purposes |                       |                     |                      |                   | 58,187,707            | 58,457,529             |               |
| Investment Income (Loss)                      |                       |                     |                      |                   | 2,678,910             | (1,524,057)            |               |
| Miscellaneous                                 |                       |                     |                      |                   | 537,492               | 263,673                |               |
| Total General Revenues                        |                       |                     |                      |                   | <u>121,439,653</u>    | <u>116,298,456</u>     |               |
| <b>CHANGE IN NET POSITION</b>                 |                       |                     |                      |                   | <u>28,907,827</u>     | <u>16,223,284</u>      |               |
| Net Position - Beginning                      |                       |                     |                      |                   | (32,840,625)          | (48,932,120)           |               |
| Prior Period Restatement                      |                       |                     |                      |                   | -                     | (131,789)              |               |
| Net Position - Beginning, as Restated         |                       |                     |                      |                   | <u>(32,840,625)</u>   | <u>(49,063,909)</u>    |               |
| <b>NET POSITION - ENDING</b>                  |                       |                     |                      |                   | <u>\$ (3,932,798)</u> | <u>\$ (32,840,625)</u> |               |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                                                                     | Major Funds          |                     |                     |                      |                      | Total Governmental Funds |                       |
|---------------------------------------------------------------------|----------------------|---------------------|---------------------|----------------------|----------------------|--------------------------|-----------------------|
|                                                                     | General              | Food Service        | Community Service   | Capital Projects     | Debt Service         | 2023                     | 2022                  |
| <b>ASSETS</b>                                                       |                      |                     |                     |                      |                      |                          |                       |
| Cash and Investments                                                | \$ 36,089,441        | \$ 921,705          | \$ 6,490,113        | \$ 14,688,948        | \$ 11,072,048        | \$ 69,262,255            | \$ 55,776,849         |
| Cash with Fiscal Agent                                              | -                    | -                   | -                   | 29,000               | -                    | 29,000                   | 29,000                |
| Receivables:                                                        |                      |                     |                     |                      |                      |                          |                       |
| Current Property Taxes                                              | 25,431,872           | -                   | 772,950             | -                    | 7,088,616            | 33,293,438               | 29,804,442            |
| Delinquent Property Taxes                                           | 380,265              | -                   | 13,740              | -                    | 155,360              | 549,365                  | 352,746               |
| Accounts and Interest Receivable                                    | 470,194              | 7,275               | 3,272               | -                    | -                    | 480,741                  | 429,056               |
| Due from Other Minnesota School Districts                           | 7,157                | -                   | -                   | -                    | -                    | 7,157                    | 211,872               |
| Due from Minnesota Department of Education                          | 4,330,987            | 4,904               | 168,043             | -                    | -                    | 4,503,934                | 7,840,569             |
| Due from Federal through Minnesota Department of Education          | 4,005,495            | 175,957             | 286,604             | -                    | -                    | 4,468,056                | 5,379,840             |
| Due from Other Governmental Units                                   | 826,957              | -                   | 70,069              | -                    | -                    | 897,026                  | 1,318,517             |
| Leases Receivable                                                   | 939,068              | -                   | -                   | -                    | -                    | 939,068                  | 1,349,195             |
| Inventory                                                           | 121,587              | 110,917             | -                   | -                    | -                    | 232,504                  | 207,485               |
| Prepays                                                             | 369,581              | -                   | -                   | 28,660               | -                    | 398,241                  | 639,066               |
| Total Assets                                                        | <u>\$ 72,972,604</u> | <u>\$ 1,220,758</u> | <u>\$ 7,804,791</u> | <u>\$ 14,746,608</u> | <u>\$ 18,316,024</u> | <u>\$ 115,060,785</u>    | <u>\$ 103,338,637</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b> |                      |                     |                     |                      |                      |                          |                       |
| Liabilities:                                                        |                      |                     |                     |                      |                      |                          |                       |
| Salaries Payable                                                    | \$ 354,404           | \$ 13,179           | \$ 114,308          | \$ -                 | \$ -                 | \$ 481,891               | \$ 632,709            |
| Payroll Deductions and Employer Contributions Payable               | 778,541              | 100,006             | 326,419             | 39,931               | -                    | 1,244,897                | 1,092,046             |
| Accounts and Contracts Payable                                      | 3,707,768            | 40,706              | 148,895             | 2,879,420            | 3,325                | 6,780,114                | 2,133,131             |
| Due to Other Governmental Units                                     | 27,606               | -                   | -                   | -                    | -                    | 27,606                   | 539,118               |
| Unearned Revenue                                                    | -                    | 35,696              | 231,839             | -                    | -                    | 267,535                  | 417,530               |
| Total Liabilities                                                   | <u>4,868,319</u>     | <u>189,587</u>      | <u>821,461</u>      | <u>2,919,351</u>     | <u>3,325</u>         | <u>8,802,043</u>         | <u>4,814,534</u>      |
| Deferred Inflows of Resources:                                      |                      |                     |                     |                      |                      |                          |                       |
| Unavailable Revenue - Property Taxes Levied for Subsequent Year     | 46,080,200           | -                   | 1,527,479           | -                    | 14,008,299           | 61,615,978               | 55,228,083            |
| Unavailable Revenue - Delinquent Property Taxes                     | 497,718              | -                   | 17,310              | -                    | 188,098              | 703,126                  | 352,746               |
| Leases                                                              | <u>1,060,329</u>     | <u>-</u>            | <u>-</u>            | <u>-</u>             | <u>-</u>             | <u>1,060,329</u>         | <u>1,452,491</u>      |
| Total Deferred Inflows of Resources                                 | <u>47,638,247</u>    | <u>-</u>            | <u>1,544,789</u>    | <u>-</u>             | <u>14,196,397</u>    | <u>63,379,433</u>        | <u>57,033,320</u>     |
| Fund Balance:                                                       |                      |                     |                     |                      |                      |                          |                       |
| Nonspendable:                                                       |                      |                     |                     |                      |                      |                          |                       |
| Inventory                                                           | 121,587              | 110,917             | -                   | -                    | -                    | 232,504                  | 207,485               |
| Prepays                                                             | 369,581              | -                   | -                   | 28,660               | -                    | 398,241                  | 639,066               |
| Restricted for:                                                     |                      |                     |                     |                      |                      |                          |                       |
| Student Activities                                                  | 39,487               | -                   | -                   | -                    | -                    | 39,487                   | 227,815               |
| Staff Development                                                   | 964,618              | -                   | -                   | -                    | -                    | 964,618                  | 1,069,702             |
| Capital Projects Levy                                               | -                    | -                   | -                   | 10,646,380           | -                    | 10,646,380               | 7,287,195             |
| Operating Capital                                                   | 1,815,870            | -                   | -                   | -                    | -                    | 1,815,870                | 948,953               |
| Medical Assistance                                                  | 1,377,717            | -                   | -                   | -                    | -                    | 1,377,717                | 1,644,349             |
| Learning and Development                                            | 1,553,104            | -                   | -                   | -                    | -                    | 1,553,104                | 18,458                |
| Community Education                                                 | -                    | -                   | 4,883,228           | -                    | -                    | 4,883,228                | 3,048,110             |
| Early Childhood and Family Education                                | -                    | -                   | 240,013             | -                    | -                    | 240,013                  | 286,101               |
| Gifted and Talented                                                 | 19,564               | -                   | -                   | -                    | -                    | 19,564                   | -                     |
| Basic Skills Programs                                               | 643,004              | -                   | -                   | -                    | -                    | 643,004                  | -                     |
| Adult Basic Education                                               | -                    | -                   | 315,300             | -                    | -                    | 315,300                  | 111,884               |
| Safe Schools Levy                                                   | 788,149              | -                   | -                   | -                    | -                    | 788,149                  | 492,315               |
| Long-Term Facilities Maintenance                                    | -                    | -                   | -                   | -                    | -                    | -                        | 3,446,575             |
| Food Service                                                        | -                    | 920,254             | -                   | -                    | -                    | 920,254                  | 896,921               |
| Debt Service                                                        | -                    | -                   | -                   | -                    | 4,116,302            | 4,116,302                | 4,133,877             |
| Building Construction                                               | -                    | -                   | -                   | 1,132,410            | -                    | 1,132,410                | -                     |
| Restricted for Other Purposes                                       | -                    | -                   | -                   | 19,807               | -                    | 19,807                   | 19,807                |
| Assigned for:                                                       |                      |                     |                     |                      |                      |                          |                       |
| Enrollment Contingency                                              | 500,000              | -                   | -                   | -                    | -                    | 500,000                  | 1,500,000             |
| Strategic Visioning                                                 | -                    | -                   | -                   | -                    | -                    | -                        | 1,625,000             |
| Transportation                                                      | 625,000              | -                   | -                   | -                    | -                    | 625,000                  | 1,000,000             |
| Special Projects                                                    | -                    | -                   | -                   | -                    | -                    | -                        | 789,024               |
| Unassigned                                                          | <u>11,648,357</u>    | <u>-</u>            | <u>-</u>            | <u>-</u>             | <u>-</u>             | <u>11,648,357</u>        | <u>12,098,146</u>     |
| Total Fund Balance                                                  | <u>20,466,038</u>    | <u>1,031,171</u>    | <u>5,438,541</u>    | <u>11,827,257</u>    | <u>4,116,302</u>     | <u>42,879,309</u>        | <u>41,490,783</u>     |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance  | <u>\$ 72,972,604</u> | <u>\$ 1,220,758</u> | <u>\$ 7,804,791</u> | <u>\$ 14,746,608</u> | <u>\$ 18,316,024</u> | <u>\$ 115,060,785</u>    | <u>\$ 103,338,637</u> |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT  
OF NET POSITION  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                                                                                                                                                                                                                                                                                                                      | 2023                  | 2022                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>Total Fund Balance for Governmental Funds</b>                                                                                                                                                                                                                                                                     | <b>\$ 42,879,309</b>  | <b>\$ 41,490,783</b>   |
| Total net position reported for governmental activities in the statement of net position is different because:                                                                                                                                                                                                       |                       |                        |
| Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:                                                                                                                                                                        |                       |                        |
| Land                                                                                                                                                                                                                                                                                                                 | 2,867,600             | 2,867,600              |
| Construction in Progress                                                                                                                                                                                                                                                                                             | 5,012,192             | 8,500,065              |
| Land Improvements, Net of Accumulated Depreciation                                                                                                                                                                                                                                                                   | 10,824,133            | 11,821,964             |
| Buildings and Improvements, Net of Accumulated Depreciation                                                                                                                                                                                                                                                          | 145,255,754           | 145,722,812            |
| Equipment, Net of Accumulated Depreciation and Amortization                                                                                                                                                                                                                                                          | 24,504,996            | 14,654,531             |
| Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds.                                                                                                | 703,126               | 352,746                |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.                                                                                                                                                                                                | (2,109,463)           | (2,138,935)            |
| The District's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:                                                                                                                                                         |                       |                        |
| Net Pension Liability                                                                                                                                                                                                                                                                                                | (95,664,884)          | (61,373,402)           |
| Deferred Inflows of Resources - Pensions                                                                                                                                                                                                                                                                             | (21,929,477)          | (80,071,267)           |
| Deferred Outflows of Resources - Pensions                                                                                                                                                                                                                                                                            | 27,478,139            | 29,981,789             |
| Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long term - are reported in the statement of net position. Balances at year-end are:       |                       |                        |
| Bonds Payable                                                                                                                                                                                                                                                                                                        | (143,190,000)         | (144,830,000)          |
| Unamortized Premiums                                                                                                                                                                                                                                                                                                 | (7,418,485)           | (6,707,410)            |
| Unamortized Deferred Gains on Refunding                                                                                                                                                                                                                                                                              | (427,589)             | (283,844)              |
| Financed Purchases                                                                                                                                                                                                                                                                                                   | (1,573,537)           | (1,944,476)            |
| Leases Payable                                                                                                                                                                                                                                                                                                       | (1,047,908)           | (925,988)              |
| The District's other postemployment benefits liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:                                                                                                                                       |                       |                        |
| Other Postemployment Benefits Payable                                                                                                                                                                                                                                                                                | (22,232,032)          | (24,755,630)           |
| Deferred Inflows of Resources - Other Postemployment Benefits                                                                                                                                                                                                                                                        | (2,848,650)           | (474,742)              |
| Deferred Outflows of Resources - Other Postemployment Benefits                                                                                                                                                                                                                                                       | 2,948,598             | 2,549,680              |
| Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is: |                       |                        |
|                                                                                                                                                                                                                                                                                                                      | 33,323,205            | 32,723,099             |
| <b>Total Net Position of Governmental Activities</b>                                                                                                                                                                                                                                                                 | <b>\$ (2,644,973)</b> | <b>\$ (32,840,625)</b> |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                                                      | Major Funds   |              |                   |                  |               | Total Governmental Funds |               |
|----------------------------------------------------------------------|---------------|--------------|-------------------|------------------|---------------|--------------------------|---------------|
|                                                                      | General       | Food Service | Community Service | Capital Projects | Debt Service  | 2023                     | 2022          |
| <b>REVENUES</b>                                                      |               |              |                   |                  |               |                          |               |
| Local Sources:                                                       |               |              |                   |                  |               |                          |               |
| Property Taxes                                                       | \$ 41,759,192 | \$ -         | \$ 1,410,573      | \$ -             | \$ 16,515,400 | \$ 59,685,165            | \$ 58,999,780 |
| Investment Income (Loss)                                             | 650,672       | 223,808      | 1,212,358         | 670,924          | -             | 2,757,762                | 106,384       |
| Other                                                                | 3,794,174     | 1,475,236    | 6,306,026         | 8,440            | -             | 11,583,876               | 10,145,613    |
| State Sources                                                        | 68,350,609    | 179,631      | 2,610,042         | -                | -             | 71,140,282               | 69,717,286    |
| Federal Sources                                                      | 5,884,899     | 2,425,334    | 584,296           | -                | -             | 8,894,529                | 13,515,997    |
| Total Revenues                                                       | 120,439,546   | 4,304,009    | 12,123,295        | 679,364          | 16,515,400    | 154,061,614              | 152,485,060   |
| <b>EXPENDITURES</b>                                                  |               |              |                   |                  |               |                          |               |
| Current:                                                             |               |              |                   |                  |               |                          |               |
| Administration                                                       | 5,783,012     | -            | -                 | -                | -             | 5,783,012                | 4,536,793     |
| District Support Services                                            | 9,192,971     | -            | -                 | -                | -             | 9,192,971                | 9,454,589     |
| Elementary and Secondary Regular Instruction                         | 52,788,376    | -            | -                 | -                | -             | 52,788,376               | 49,436,966    |
| Vocational Education Instruction                                     | 1,178,041     | -            | -                 | -                | -             | 1,178,041                | 1,043,975     |
| Special Education Instruction                                        | 17,514,489    | -            | -                 | -                | -             | 17,514,489               | 16,389,209    |
| Instructional Support Services                                       | 4,970,064     | -            | -                 | -                | -             | 4,970,064                | 4,368,398     |
| Pupil Support Services                                               | 11,013,640    | -            | -                 | -                | -             | 11,013,640               | 11,499,194    |
| Sites and Buildings                                                  | 12,126,349    | -            | -                 | -                | -             | 12,126,349               | 10,927,502    |
| Fiscal and Other Fixed Cost Programs                                 | 488,519       | -            | -                 | -                | -             | 488,519                  | 429,534       |
| Food Service                                                         | -             | 4,190,847    | -                 | -                | -             | 4,190,847                | 4,295,591     |
| Community Service                                                    | 368,521       | -            | 9,889,429         | -                | -             | 10,257,950               | 8,996,588     |
| Capital Outlay                                                       | 6,514,550     | 80,024       | 88,822            | 11,021,093       | -             | 17,704,489               | 11,376,928    |
| Debt Service:                                                        |               |              |                   |                  |               |                          |               |
| Principal                                                            | 695,643       | -            | -                 | -                | 11,440,000    | 12,135,643               | 12,617,414    |
| Interest and Fiscal Charges                                          | 87,206        | -            | -                 | 129,120          | 5,644,110     | 5,860,436                | 5,902,103     |
| Total Expenditures                                                   | 122,721,381   | 4,270,871    | 9,978,251         | 11,150,213       | 17,084,110    | 165,204,826              | 151,274,784   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (2,281,835)   | 33,138       | 2,145,044         | (10,470,849)     | (568,710)     | (11,143,212)             | 1,210,276     |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |               |              |                   |                  |               |                          |               |
| Insurance Recovery                                                   | -             | -            | -                 | -                | -             | -                        | 5,218         |
| Issuance of Bonds                                                    | -             | -            | -                 | 10,635,000       | -             | 10,635,000               | (219,493)     |
| Issuance of Refunding Bonds                                          | -             | -            | -                 | -                | 21,060,000    | 21,060,000               | -             |
| Bond Premium                                                         | -             | -            | -                 | 898,979          | 1,386,135     | 2,285,114                | 219,493       |
| Capital Loans                                                        | 446,624       | -            | -                 | -                | -             | 446,624                  | -             |
| Payment to Refunded Bond Escrow Agent                                | -             | -            | -                 | -                | (21,895,000)  | (21,895,000)             | -             |
| Total Other Financing Sources (Uses)                                 | 446,624       | -            | -                 | 11,533,979       | 551,135       | 12,531,738               | 5,218         |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | (1,835,211)   | 33,138       | 2,145,044         | 1,063,130        | (17,575)      | 1,388,526                | 1,215,494     |
| <b>FUND BALANCES</b>                                                 |               |              |                   |                  |               |                          |               |
| Beginning of Year                                                    | 22,301,249    | 998,033      | 3,293,497         | 10,764,127       | 4,133,877     | 41,490,783               | 40,407,078    |
| Prior Period Restatement                                             | -             | -            | -                 | -                | -             | -                        | (131,789)     |
| Beginning of Year, as Restated                                       | 22,301,249    | 998,033      | 3,293,497         | 10,764,127       | 4,133,877     | 41,490,783               | 40,275,289    |
| End of Year                                                          | \$ 20,466,038 | \$ 1,031,171 | \$ 5,438,541      | \$ 11,827,257    | \$ 4,116,302  | \$ 42,879,309            | \$ 41,490,783 |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2023                 | 2022                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$ 1,388,526         | \$ 1,215,494         |
| <b>Net Change in Fund Balance - Total Governmental Funds</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                      |
| Amounts reported for governmental activities in the statement of activities are different because:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                      |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation or amortization expense. The amount by which capital outlays exceeded depreciation and amortization in the current period is:                                                                                                                                                                                                                                                                                                                                                     |                      |                      |
| Capital Outlays                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 17,171,810           | 8,844,421            |
| Depreciation and Amortization Expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (12,720,731)         | (12,760,164)         |
| Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 350,380              | 101,531              |
| Some capital asset additions are financed through long-term leases. In governmental funds, a lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.                                                                                                                                                                                                                                                                                                     |                      |                      |
| Principal Payments - Leases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 324,704              | 315,041              |
| Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.                                                                                                                                                                                                                                                                                                                                                                                                                               | 18,494,427           | 7,143,079            |
| In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts paid).                                                                                                                                                                                                                                                                                                                                                                                                    | 1,564,406            | (515,874)            |
| Other postemployment benefit (OPEB) expenditures in the governmental funds are measured by current year employer contributions. OPEB expenses on the statement of activities are measured by the change in the net OPEB liability and the related deferred inflows and outflows of resources.                                                                                                                                                                                                                                                                                                                                                                                                         | 548,608              | (1,829,150)          |
| The governmental funds report bond or other financing proceeds as financing sources, while repayment of principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows: |                      |                      |
| General Obligation and Certificates of Participation Bond Proceeds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (31,695,000)         | 219,493              |
| Bond Premium or Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | (2,285,114)          | (219,493)            |
| Payment to Refunded Bond Escrow Agent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 21,895,000           | -                    |
| Repayment of Bond Principal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 11,440,000           | 11,940,000           |
| Change in Deferred Gain on Bond Refunding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (143,745)            | 55,412               |
| Repayment of Financed Purchases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 370,939              | 362,373              |
| Change in Accrued Interest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 29,472               | 439,393              |
| Amortization of Bond Premium                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1,574,039            | 2,011,480            |
| Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The change in net position of the internal service funds is reported with governmental activities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 600,106              | (1,099,752)          |
| <b>Change in Net Position of Governmental Activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>\$ 28,907,827</b> | <b>\$ 16,223,284</b> |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUNDS  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                          | Governmental<br>Activities<br>Internal<br>Service Funds |                      |
|--------------------------|---------------------------------------------------------|----------------------|
|                          | 2023                                                    | 2022                 |
| <b>ASSETS</b>            |                                                         |                      |
| Current Assets:          |                                                         |                      |
| Cash and Investments     | \$ 34,810,824                                           | \$ 34,846,843        |
| Accounts Receivable      | 606,304                                                 | 200,824              |
| Interest Receivable      | 141,993                                                 | 128,765              |
| Total Assets             | <u>35,559,121</u>                                       | <u>35,176,432</u>    |
| <b>LIABILITIES</b>       |                                                         |                      |
| Current Liabilities:     |                                                         |                      |
| Accounts Payable         | 5,313                                                   | 1,510                |
| Claims Payable - Medical | 804,589                                                 | 1,076,086            |
| Unearned Revenue         | 1,426,014                                               | 1,375,737            |
| Total Liabilities        | <u>2,235,916</u>                                        | <u>2,453,333</u>     |
| <b>NET POSITION</b>      |                                                         |                      |
| Unrestricted             | <u>\$ 33,323,205</u>                                    | <u>\$ 32,723,099</u> |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                 | Governmental<br>Activities<br>Internal<br>Service Funds |               |
|---------------------------------|---------------------------------------------------------|---------------|
|                                 | 2023                                                    | 2022          |
| <b>OPERATING REVENUES</b>       |                                                         |               |
| Charges for Services:           |                                                         |               |
| Health Insurance Premiums       | \$ 12,970,527                                           | \$ 12,021,957 |
| Contributions                   | 1,854,549                                               | 1,846,986     |
| Total Operating Revenues        | 14,825,076                                              | 13,868,943    |
| <b>OPERATING EXPENSES</b>       |                                                         |               |
| Health Insurance Claim Payments | 11,716,119                                              | 11,271,844    |
| Severance Payments              | 1,287,824                                               | 1,942,538     |
| OPEB Payments                   | 1,030,718                                               | -             |
| Administrative Costs            | 111,457                                                 | 123,872       |
| Total Operating Expenses        | 14,146,118                                              | 13,338,254    |
| <b>OPERATING INCOME</b>         | 678,958                                                 | 530,689       |
| <b>NONOPERATING INCOME</b>      |                                                         |               |
| Investment Income (Loss)        | (78,852)                                                | (1,630,441)   |
| <b>CHANGE IN NET POSITION</b>   | 600,106                                                 | (1,099,752)   |
| Net Position - Beginning        | 32,723,099                                              | 33,822,851    |
| <b>NET POSITION - ENDING</b>    | \$ 33,323,205                                           | \$ 32,723,099 |

See accompanying Notes to Basic Financial Statements.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                                                                            | Governmental<br>Activities -<br>Internal<br>Service Funds |                      |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------|
|                                                                                            | 2023                                                      | 2022                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                |                                                           |                      |
| Receipts from Interfund Services Provided                                                  | \$ 14,469,873                                             | \$ 13,783,590        |
| Payments for Administrative Costs                                                          | (111,457)                                                 | (123,872)            |
| Payments for Medical Fees and Insurance Claims                                             | (11,983,813)                                              | (11,457,554)         |
| Payments for Other Postemployment Benefits                                                 | (1,030,718)                                               | (812,335)            |
| Payments for Severance Benefits                                                            | (1,287,824)                                               | (1,130,203)          |
| Net Cash Provided by Operating Activities                                                  | 56,061                                                    | 259,626              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                |                                                           |                      |
| Interest Received                                                                          | 615,189                                                   | 153,933              |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                           | 219,904                                                   | 413,559              |
| Cash and Cash Equivalents - Beginning                                                      | 17,693,631                                                | 17,280,072           |
| <b>CASH AND CASH EQUIVALENTS - ENDING</b>                                                  | <u>\$ 17,913,535</u>                                      | <u>\$ 17,693,631</u> |
| <b>DISPLAYED ON STATEMENT OF FUND NET POSITION AS:</b>                                     |                                                           |                      |
| Cash and Cash Equivalents                                                                  | \$ 17,913,535                                             | \$ 17,693,631        |
| Investments                                                                                | 16,897,289                                                | 17,153,212           |
| Total Cash and Investments on the Statement of Net Position                                | <u>\$ 34,810,824</u>                                      | <u>\$ 34,846,843</u> |
| <b>RECONCILIATION OF OPERATING INCOME TO<br/>NET CASH PROVIDED BY OPERATING ACTIVITIES</b> |                                                           |                      |
| Operating Income                                                                           | \$ 678,958                                                | \$ 530,689           |
| Adjustments to Reconcile Operating Income to Net<br>Cash Provided by Operating Activities: |                                                           |                      |
| Decrease in Prepaids                                                                       | -                                                         | 4,967                |
| (Increase) Decrease in Accounts Receivable                                                 | (405,480)                                                 | (84,922)             |
| (Increase) Decrease in Due From Other Funds                                                | -                                                         | -                    |
| Increase (Decrease) in Accounts Payable                                                    | 3,803                                                     | (272,064)            |
| Increase (Decrease) in Claims Payable                                                      | (271,497)                                                 | 81,387               |
| Increase in Due to Other Funds                                                             | -                                                         | -                    |
| Increase (Decrease) in Unearned Revenue                                                    | 50,277                                                    | (431)                |
| Total Adjustments                                                                          | <u>(622,897)</u>                                          | <u>(271,063)</u>     |
| Net Cash Provided by Operating Activities                                                  | <u>\$ 56,061</u>                                          | <u>\$ 259,626</u>    |

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. Financial Reporting Entity**

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

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

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

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. In accordance with Minnesota state statutes, the District's student activity accounts are included in these financial statements.

**Adoption of New Accounting Standards:**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This standard requires the recognition of certain subscription assets and liabilities for agreements that previously were classified as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for subscription accounting based on the foundational principle that SBITAs are financings of the right to use an underlying asset. Under this standard, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The District adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in no changes for the District.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**C. Basic Financial Statement Presentation**

The Government-wide financial statements (i.e. the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for any fiduciary funds, which would only be reported in the statement of fiduciary net position at the fund financial statement level. The District does not currently have any fiduciary funds.

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

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

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

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**D. Measurement Focus and Basis of Accounting**

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

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

**1. Revenue Recognition**

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

**2. Recording of Expenditures**

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

Description of Funds

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

Major Governmental Funds

General Fund

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

Food Service Special Revenue Fund

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

Community Service Special Revenue Fund

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

Capital Projects Fund

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

Debt Service Fund

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

Proprietary Fund

Internal Service Fund

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**E. Budgeting (Continued)**

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

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

**F. Cash and Investments**

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

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

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**G. Accounts Receivable**

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

**H. Inventories**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Expense is allocated over the periods benefitted.

**J. Property Taxes**

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

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

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$4,134,655) advance recognized as revenue in fiscal 2020 with no corresponding state aid adjustment. Certain other portions of the District's 2022 pay 2023 levy, normally revenue for the 2023-24 fiscal year, are also advance recognized at June 30, 2023, as required by state statute to match revenue with the same fiscal year as the related expenditures.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is a deferred inflow because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2023, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**K. Capital Assets**

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

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

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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. Useful lives vary from three to five years for SBITA assets.

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

In addition to assets, the financial statements report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Currently, the District has two types of items that qualify for reporting in this category related to pensions and Other Postemployment Benefits. See Notes 8 through Note 10 for additional detail.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**L. Deferred Outflows/Inflows of Resources (continued)**

In addition to liabilities, the financial statements report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has six types of items which occur related to revenue recognition. They relate to property tax receivables which are recorded in the current year, but whose revenue will be recorded in the subsequent year, property taxes collected more than 60 days after year-end (unavailable revenue), deferred pensions amounts, deferred OPEB amounts, deferred gains on bond refundings, and deferred inflows related to leases. See Notes 8 through Note 10 for additional detail on deferred inflows related to pensions and OPEB.

**M. Long-Term Obligations**

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

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

**N. Pensions**

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

**O. Accrued Employee Benefits**

**Sick Pay**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**O. Accrued Employee Benefits (Continued)**

**Pension and Health Benefits**

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

**1. Early Retirement Incentive and Convertible Sick Leave**

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

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

At June 30, 2023, the long-term portion of the estimated early retirement incentive and convertible sick leave liability is included as part of the net pension liability on the statement of net position. See Note 10 for further information.

**2. Postemployment Health Care Benefits**

In addition to retirement benefits, the District provides postretirement medical insurance benefits to teachers, administrators, principals, food service workers, custodians, and clerical employees, in accordance with their respective master employment agreements. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. See Note 10 for further information.

**P. Statement of Cash Flows**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Q. Fund Balance**

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

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

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

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

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

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

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

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

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

**R. Risk Management**

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**R. Risk Management (Continued)**

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

**S. Net Position**

Net position represents the difference between assets and liabilities in the Government-wide and Proprietary Fund financial statements. Net investment in capital assets consists of capital assets, net of accumulation depreciation and amortization, 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.

**T. Comparative Data**

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 DEPOSITS AND INVESTMENTS**

**A. Deposits**

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

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does have a deposit policy that will minimize Custodial Credit Risk by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository. All of the District's deposits were fully insured during the year ended June 30, 2023.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**B. Investments**

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

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

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

| <b>Investments Measured at Fair Value</b>                          | <b>Fair Value</b>     |
|--------------------------------------------------------------------|-----------------------|
| U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year | \$ 1,867,455          |
| Federal Home Loan Bank                                             | 1,630,421             |
| Federal National Mortgage Association                              | 1,513,868             |
| Federal Farm Credit Bank                                           | 1,806,704             |
| Municipal Bonds                                                    | 7,747,331             |
| Corporate Bonds                                                    | 815,566               |
| Mutual Funds                                                       | 1,287,976             |
| Total Investments Measured at Fair Value                           | <u>\$ 16,669,321</u>  |
|                                                                    |                       |
| <b>Investments Measured at Amortized Cost</b>                      | <b>Amortized Cost</b> |
| MSDLAF+ Liquid Class                                               | \$ 24,710,052         |
| MSDLAF+ Max Class                                                  | 58,044,723            |
| Total Investments Measured at Amortized Cost                       | <u>\$ 82,754,775</u>  |
|                                                                    |                       |
| Total District Investments                                         | <u>\$ 99,424,096</u>  |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**B. Investments (Continued)**

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

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

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

| Type                                  | Total                | Maturity Duration in Years |                     |                     |                     | No<br>Maturities     | Rating   |
|---------------------------------------|----------------------|----------------------------|---------------------|---------------------|---------------------|----------------------|----------|
|                                       |                      | Less Than 1                | 1 to 5              | 6 to 10             | > 10                |                      |          |
| U.S. Treasury Notes                   | \$ 1,867,455         | \$ 165,935                 | \$ 950,205          | \$ 356,410          | \$ 394,905          | \$ -                 | N/A      |
| Federal Home Loan Bank                | 1,630,421            | -                          | 370,668             | 1,259,753           | -                   | -                    | AAA - AA |
| Federal National Mortgage Association | 1,513,868            | -                          | 1,348,064           | 165,804             | -                   | -                    | AAA - AA |
| Federal Farm Credit Bank              | 1,806,704            | -                          | 201,904             | 735,091             | 869,709             | -                    | AAA - AA |
| Municipal Bonds                       | 7,747,331            | -                          | 2,393,906           | 4,800,828           | 552,597             | -                    | AAA - A  |
| Corporate Bonds                       | 815,566              | -                          | 481,713             | 228,919             | 104,934             | -                    | A - BB+  |
| Mutual Funds                          | 1,287,976            | 1,287,976                  | -                   | -                   | -                   | -                    | AAA      |
| MSDLAF+                               | 82,754,775           | -                          | -                   | -                   | -                   | 82,754,775           | N/A      |
| Total                                 | <u>\$ 99,424,096</u> | <u>\$ 1,453,911</u>        | <u>\$ 5,746,460</u> | <u>\$ 7,546,805</u> | <u>\$ 1,922,145</u> | <u>\$ 82,754,775</u> |          |

**Concentration of Credit Risk** – The District places no limit on the amount that the District may invest in any on issuer. The District had no investments at June 30, 2023 which individually comprised more than 5% of total investments.

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

|                                                                    |                       |
|--------------------------------------------------------------------|-----------------------|
| Cash and Investments - Statement of Net Position                   | \$ 104,073,079        |
| Cash and Investments with Fiscal Agent - Statement of Net Position | 29,000                |
| Total Cash and Investments                                         | <u>\$ 104,245,152</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**C. Fair Value Measurements**

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

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

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

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

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

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

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

| Investment                                  | Level 1             | Level 2              | Level 3     | Total                |
|---------------------------------------------|---------------------|----------------------|-------------|----------------------|
| U.S. Treasuries with Maturities at Purchase |                     |                      |             |                      |
| of Greater Than One Year                    | \$ 1,867,455        | \$ -                 | \$ -        | \$ 1,867,455         |
| Federal Home Loan Bank                      | -                   | 1,630,421            | -           | 1,630,421            |
| Federal National Mortgage Association       | -                   | 1,513,868            | -           | 1,513,868            |
| Federal Farm Credit Bank                    | -                   | 1,806,704            | -           | 1,806,704            |
| Municipal Bonds                             | -                   | 7,747,331            | -           | 7,747,331            |
| Corporate Bonds                             | 815,566             | -                    | -           | 815,566              |
| Mutual Funds                                | 1,287,976           | -                    | -           | 1,287,976            |
| Total                                       | <u>\$ 3,970,997</u> | <u>\$ 12,698,324</u> | <u>\$ -</u> | <u>16,669,321</u>    |
| Investments Measured at Amortized Cost      |                     |                      |             | 82,754,775           |
| Total                                       |                     |                      |             | <u>\$ 99,424,096</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

C. Fair Value Measurements (Continued)

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

**NOTE 3 LEASES**

The District, acting as lessor, leases space under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 and contain discount rates of 2.59%. During the year ended December 31, 2023, the District recognized \$410,127 and \$28,475 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future payments to be received under lease agreements are as follows:

| Year Ending June 30, | Future Lease Payments |                  |
|----------------------|-----------------------|------------------|
|                      | Principal             | Interest         |
| 2024                 | \$ 344,543            | \$ 19,465        |
| 2025                 | 357,346               | 10,382           |
| 2026                 | 237,179               | 2,823            |
| Total                | <u>\$ 939,068</u>     | <u>\$ 32,670</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 CAPITAL ASSETS**

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

|                                                              | Beginning<br>Balance  | Increases            | Decreases             | Ending<br>Balance     |
|--------------------------------------------------------------|-----------------------|----------------------|-----------------------|-----------------------|
| <b>Governmental Activities</b>                               |                       |                      |                       |                       |
| Capital Assets, Not Being Depreciated                        |                       |                      |                       |                       |
| Land                                                         | \$ 2,867,600          | \$ -                 | \$ -                  | \$ 2,867,600          |
| Construction in Progress                                     | 8,500,065             | 5,012,192            | (8,500,065)           | 5,012,192             |
| Total Capital Assets, Not Being Depreciated                  | 11,367,665            | 5,012,192            | (8,500,065)           | 7,879,792             |
| Capital Assets, Being Depreciated                            |                       |                      |                       |                       |
| Land Improvements                                            | 26,657,234            | 72,463               | -                     | 26,729,697            |
| Buildings and Improvements                                   | 277,321,928           | 8,427,035            | -                     | 285,748,963           |
| Equipment                                                    | 39,079,489            | 12,160,185           | -                     | 51,239,674            |
| Total Capital Assets, Being Depreciated                      | 343,058,651           | 20,659,683           | -                     | 363,718,334           |
| Capital Assets, Being Amortized                              |                       |                      |                       |                       |
| Leased Buildings and Improvements                            | 1,106,155             | -                    | -                     | 1,106,155             |
| Leased Equipment                                             | 134,874               | 446,624              | (134,874)             | 446,624               |
| Total Capital Assets, Being Amortized                        | 1,241,029             | 446,624              | (134,874)             | 1,552,779             |
| Accumulated Depreciation for:                                |                       |                      |                       |                       |
| Land Improvements                                            | (14,835,270)          | (1,070,294)          | -                     | (15,905,564)          |
| Buildings and Improvements                                   | (131,599,116)         | (8,894,093)          | -                     | (140,493,209)         |
| Equipment                                                    | (25,327,785)          | (2,406,019)          | -                     | (27,733,804)          |
| Total Accumulated Depreciation                               | (171,762,171)         | (12,370,406)         | -                     | (184,132,577)         |
| Accumulated Amortization for:                                |                       |                      |                       |                       |
| Leased Buildings and Improvements                            | (230,303)             | (230,303)            | -                     | (460,606)             |
| Leased Equipment                                             | (107,899)             | (120,022)            | 134,874               | (93,047)              |
| Total Accumulated Amortization                               | (338,202)             | (350,325)            | 134,874               | (553,653)             |
| Total Capital Assets, Being Depreciated<br>or Amortized, Net | 172,199,307           | 8,289,277            | -                     | 180,584,883           |
| Governmental Activities Capital Assets, Net                  | <u>\$ 183,566,972</u> | <u>\$ 13,301,469</u> | <u>\$ (8,500,065)</u> | <u>\$ 188,464,675</u> |

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

|                                             |                      |
|---------------------------------------------|----------------------|
| <b>Governmental Activities</b>              |                      |
| District Support Services                   | \$ 45,082            |
| Regular Instruction                         | 11,320,125           |
| Special Education Instruction               | 1,039                |
| Instructional Support Services              | 165,969              |
| Pupil Support Services                      | 569,138              |
| Sites and Buildings                         | 308,051              |
| Food Service                                | 195,884              |
| Total Depreciation and Amortization Expense | <u>\$ 12,720,731</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 LONG-TERM LIABILITIES**

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

| Issue Date                     | Net<br>Interest<br>Rate | Original<br>Issue | Final<br>Maturity | Principal Outstanding  |                       |
|--------------------------------|-------------------------|-------------------|-------------------|------------------------|-----------------------|
|                                |                         |                   |                   | Due Within<br>One Year | Total                 |
| 5/21/2015                      | 2.00% - 4.00%           | \$ 4,425,000      | 2/1/2030          | \$ 300,000             | \$ 2,595,000          |
| 1/25/2017                      | 3.00% - 4.00%           | 14,140,000        | 2/1/2032          | -                      | 14,140,000            |
| 2/21/2018                      | 3.00% - 5.00%           | 29,030,000        | 2/1/2034          | 575,000                | 25,320,000            |
| 11/8/2018                      | 3.25% - 5.00%           | 18,835,000        | 2/1/2027          | 3,375,000              | 13,840,000            |
| 3/14/2019                      | 3.00% - 4.00%           | 17,895,000        | 2/1/2035          | -                      | 17,895,000            |
| 11/4/2020                      | 2.00% - 4.00%           | 40,650,000        | 2/1/2037          | 3,345,000              | 37,705,000            |
| 12/7/2022                      | 4.00% - 5.00%           | 10,635,000        | 2/1/2037          | -                      | 10,635,000            |
| 3/2/2023                       | 0.05% - 4.00%           | 21,060,000        | 2/1/2030          | 2,135,000              | 21,060,000            |
| Total General Obligation Bonds |                         |                   |                   | 9,730,000              | 143,190,000           |
| Bond Premiums                  |                         |                   |                   | -                      | 7,418,485             |
| Financed Purchases             |                         |                   |                   | 379,707                | 1,573,537             |
| Leases Payable                 |                         |                   |                   | 334,015                | 1,047,908             |
| Total                          |                         |                   |                   | <u>\$ 10,443,722</u>   | <u>\$ 153,229,930</u> |

**B. Minimum Debt Payments**

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

| Year Ending June 30, | General Obligation<br>Bonds Payable |                      | Financed<br>Purchases Payable |                  |
|----------------------|-------------------------------------|----------------------|-------------------------------|------------------|
|                      | Principal                           | Interest             | Principal                     | Interest         |
| 2024                 | \$ 9,730,000                        | \$ 5,000,872         | \$ 379,707                    | \$ 34,760        |
| 2025                 | 9,595,000                           | 4,631,643            | 388,683                       | 25,785           |
| 2026                 | 10,290,000                          | 4,302,825            | 397,871                       | 16,597           |
| 2027                 | 10,630,000                          | 3,943,625            | 407,276                       | 7,192            |
| 2028                 | 10,735,000                          | 3,535,288            | -                             | -                |
| 2029-2033            | 54,445,000                          | 11,382,375           | -                             | -                |
| 2034-2038            | 37,765,000                          | 2,500,300            | -                             | -                |
| Total                | <u>\$ 143,190,000</u>               | <u>\$ 35,296,927</u> | <u>\$ 1,573,537</u>           | <u>\$ 84,334</u> |

| Year Ending June 30, | Leases Payable      |                  |
|----------------------|---------------------|------------------|
|                      | Principal           | Interest         |
| 2024                 | \$ 334,015          | \$ 35,730        |
| 2025                 | 237,788             | 24,015           |
| 2026                 | 253,001             | 12,947           |
| 2027                 | 173,925             | 3,621            |
| 2028                 | 49,179              | 184              |
| Total                | <u>\$ 1,047,908</u> | <u>\$ 76,497</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

C. Description of Long-Term Debt

General Obligation School Building Bonds

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

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

On February 21, 2018, the District issued \$29,030,000 General Obligation School Building Bonds, Series 2018A, to provide funds for the acquisition and betterment of school sites and facilities, and to prepay the District's \$4,273,000 Lease Purchase, Series 2013, and the District's \$4,215,000 Lease Purchase, Series 2014.

General Obligation Alternative Facilities Bonds

On February 7, 2023, the District issued \$21,060,000 of General Obligation Alternative Facilities Refunding Bonds, Series 2023A. The proceeds were issued to refund the 2028 through 2030 maturities of the District's General Obligation Alternative Facilities Bonds, Series 2013A and the 2024 through 2026 maturities of the District's General Obligation Alternative Facilities Refunding Bonds, Series 2013B. The refunding resulted in cash flow savings of \$875,067 and net present value cash flow savings of \$747,263.

General Obligation Facilities Maintenance Bonds

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

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

C. Description of Long-Term Debt (Continued)

General Obligation Facilities Maintenance Bonds (Continued)

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

On December 7, 2022, the District issued \$10,635,000 of General Obligation Facilities Maintenance Bonds, Series 2022A. The proceeds of this issue were used to finance certain facilities and site maintenance projects which are included in the District's ten-year facilities plan.

Financed Purchases Payable

On December 29, 2016, the District entered into a financed purchase agreement with First Resource Bank to finance the construction, installation, and equipping of synthetic turf fields at Hopkins High School. The total financed was \$3,667,000, with an interest rate of 2.50% and requires the District to make semi-annual principal and interest payments through February 1, 2027.

Leases

The District leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2032 and contain discount rates ranging from 2.59% to 3.25%.

D. Changes in Long-Term Debt

|                    | June 30,<br>2022      | Additions            | Retirements          | June 30,<br>2023      |
|--------------------|-----------------------|----------------------|----------------------|-----------------------|
| Bonds Payable      | \$ 144,830,000        | \$ 31,695,000        | \$ 33,335,000        | \$ 143,190,000        |
| Bond Premiums      | 6,707,410             | 2,285,114            | 1,574,039            | 7,418,485             |
| Financed Purchases | 1,944,476             | -                    | 370,939              | 1,573,537             |
| Leases Payable     | 925,988               | 446,624              | 324,704              | 1,047,908             |
| Total              | <u>\$ 154,407,874</u> | <u>\$ 34,426,738</u> | <u>\$ 35,604,682</u> | <u>\$ 153,229,930</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 FUND BALANCES**

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

**A. Restricted for Student Activities**

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

**B. Restricted for Staff Development**

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

**C. Restricted for Capital Projects Levy**

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

**D. Restricted for Operating Capital**

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

**E. Restricted for Medical Assistance**

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

**F. Restricted for Learning and Development**

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

**G. Restricted for Community Education Programs**

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

**H. Restricted for Early Childhood and Family Education Programs**

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

**I. Restricted for Gifted and Talented**

Represents the amount of money a school district or charter school has available to specifically fund programs and services for gifted and talented students.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 FUND BALANCES (CONTINUED)**

J. Restricted for Basic Skills Programs

Represents resources available for the basic skills uses listed in Minnesota Statutes 2023, section 126C.15, subdivision 1.

K. Restricted for Adult Basic Education Programs

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

L. Restricted for Safe Schools Levy

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

M. Restricted for Long-Term Facilities Maintenance

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

N. Food Service Fund.

Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation related to capital projects.

O. Restricted for Debt Service

Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation for the payment of debt service obligations.

P. Restricted for Building Construction

Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation related to capital projects.

Q. Restricted for Other Purposes

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7    DEFINED BENEFIT PENSION PLANS**

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

**A. Plan Description**

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

**1. General Employees Retirement Plan**

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

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

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided**

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

**1. General Employees Plan Benefits**

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

**2. TRA Benefits**

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

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

*Tier I Benefits*

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

With these provisions:

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

or

*Tier II Benefits*

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

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B.    Benefits Provided (Continued)**

**2.    TRA Benefits (Continued)**

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

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

**C.    Contributions**

**1.    General Employees Fund Contributions**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 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, 2023 were \$1,622,660. The District's contributions were equal to the required contributions as set by state statute.

**2.    TRA Contributions**

Per Minnesota Statutes, Chapter 354, rates for the fiscal year for Coordinated Plan members were 7.5% for the employee and 8.34% for the employer. Basic Plan rates were 11.00% for the employee and 12.55% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2023 were \$4,423,701. The District's contributions were equal to the required contributions for each year as set by state statute.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs**

**1. General Employees Plan Pension Costs**

At June 30, 2023, the District reported a liability of \$20,877,207 for its proportionate share of the General Employees Plan's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$611,994, for a total net pension liability of \$21,489,201 associated with the District. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers.

The District's proportion was .2636% at the end of the measurement period and 0.2608% at the beginning of the period.

For the year ended June 30, 2023, the District recognized pension expense of \$2,466,766 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$91,446 as pension expense (and corresponding grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2023, the District reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

| Description                                                  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual                      |                                      |                                     |
| Economic Experience                                          | \$ 174,381                           | \$ 223,018                          |
| Changes in Actuarial Assumptions                             | 4,724,891                            | 84,912                              |
| Net Difference Between Projected and Actual                  |                                      |                                     |
| Earnings on Plan Investments                                 | 362,126                              | -                                   |
| Changes in Proportion                                        | 116,766                              | 879,273                             |
| District Contributions Subsequent to the<br>Measurement Date | 1,622,660                            | -                                   |
| Total                                                        | <u>\$ 7,000,824</u>                  | <u>\$ 1,187,203</u>                 |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

**1. GERF Pension Costs (Continued)**

A total of \$1,622,660 reported as deferred outflows of resources related to pensions resulting from District contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Pension Expense<br/>Amount</u> |
|-----------------------------|-----------------------------------|
| 2024                        | \$    1,335,590                   |
| 2025                        | 1,593,730                         |
| 2026                        | (626,388)                         |
| 2027                        | 1,888,029                         |
| 2028                        | -                                 |
| Thereafter                  | -                                 |

**2. TRA Pension Costs**

At June 30, 2023, the District reported a liability of \$64,139,843 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.8010% at the end of the measurement period and 0.8040% for the beginning of the period.

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

|                                                |                                |
|------------------------------------------------|--------------------------------|
| District's Proportionate Share of the TRA Net  |                                |
| Pension Liability                              | \$    64,139,843               |
| State's Proportionate Share of the Net Pension |                                |
| Liability Associated with the District         | <u>4,756,537</u>               |
| Total                                          | <u><u>\$    68,896,380</u></u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

D. Pension Costs (Continued)

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

For the year ended June 30, 2023, the District recognized pension expense of (\$14,970,244). It also recognized (\$1,348,675) as pension expense and grant revenue for the support provided by direct aid.

At June 30, 2023, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

| Description                                                  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual                      |                                      |                                     |
| Economic Experience                                          | \$     938,182                       | \$     563,504                      |
| Changes in Actuarial Assumptions                             | 10,275,040                           | 13,573,256                          |
| Net Difference Between Projected and Actual                  |                                      |                                     |
| Earnings on Plan Investments                                 | 1,791,692                            | -                                   |
| Changes in Proportion                                        | 1,236,131                            | 3,573,877                           |
| District Contributions Subsequent to the<br>Measurement Date | 4,423,701                            | -                                   |
| Total                                                        | <u>\$ 18,664,746</u>                 | <u>\$ 17,710,637</u>                |

A total of \$4,423,701 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

| Year Ending June 30, | Pension Expense<br>Amount |
|----------------------|---------------------------|
| 2024                 | \$ (12,616,531)           |
| 2025                 | 1,315,516                 |
| 2026                 | 228,684                   |
| 2027                 | 7,609,498                 |
| 2028                 | (6,759)                   |
| Thereafter           | -                         |

The District's total pension expense for all plans for the year ended June 30, 2023 was (\$12,780,050). In addition, the school recognized pension expense of (\$1,257,229) for indirect aid.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5% for PERA and 7% for TRA. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% for PERA and 7% for TRA was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and benefit increases after retirement are assumed to be 1.25% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

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

TRA pre-retirement mortality rates were based on the RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale. Postretirement mortality rates were based on the RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment.

Inflation is assumed to be 2.5% for TRA. Benefit increases after retirement are assumed to be 1.0% for January 2020 through January 2023 then increasing by 0.10% each year up to 1.5% annually.

Salary growth assumptions for TRA range in the annual increments from 2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028.

The following changes in actuarial assumptions and plan provisions for the General Employees Fund occurred in 2022:

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2010 to Scale MP-2021.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

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

| Asset Class          | Target Allocation | Long-Term<br>Expected Real<br>Rate of Return |
|----------------------|-------------------|----------------------------------------------|
| Domestic Equity      | 33.50 %           | 5.10%                                        |
| International Equity | 16.50             | 5.30%                                        |
| Private Markets      | 25.00             | 5.90%                                        |
| Fixed Income         | 25.00             | 0.75%                                        |
| Totals               | 100.00 %          |                                              |

**F. Discount Rate**

The discount rate used to measure the PERA General Employees Plan liability in 2022 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the TRA pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the fiscal year 2022 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**G. Pension Liability Sensitivity**

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

| Description                                                         | 1% Decrease in<br>Discount Rate | Current Discount<br>Rate | 1% Increase in<br>Discount Rate |
|---------------------------------------------------------------------|---------------------------------|--------------------------|---------------------------------|
| <u>GERF Discount Rate</u>                                           | 5.50%                           | 6.50%                    | 7.50%                           |
| District's Proportionate Share of the GERF<br>Net Pension Liability | \$ 32,976,642                   | \$ 20,877,207            | \$ 10,953,803                   |
| <u>TRA Discount Rate</u>                                            | 6.00%                           | 7.00%                    | 8.00%                           |
| District's Proportionate Share of the TRA Net<br>Pension Liability  | \$ 101,112,969                  | \$ 64,139,843            | \$ 33,833,407                   |

**H. Pension Plan Fiduciary Net Position**

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

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

**NOTE 8    SUPPLEMENTAL PENSION PLAN**

**A. Plan Description**

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

Currently, there are 704 active employees, no inactive employees entitled to but not receiving benefit payments and 88 inactive employees currently receiving benefit payments under the plan as of July 1, 2022.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 SUPPLEMENTAL PENSION PLAN (CONTINUED)**

**B. Funding Policy**

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

**C. Total Pension Liability**

The District's total pension liability was determined by an actuarial valuation dated July 1, 2022 with a measurement date of July 1, 2022. At June 30, 2023, the District reported a total pension liability of \$11,935,659. Changes in the District's total pension liability were as follows:

|                                                    |                      |
|----------------------------------------------------|----------------------|
| Total Pension Liability - Beginning Balance        | \$ 15,050,630        |
| Changes for the Year                               |                      |
| Service Cost                                       | 681,575              |
| Interest                                           | 318,571              |
| Changes in Benefit Terms                           | (950,039)            |
| Differences Between Expected and Actual Experience | (650,095)            |
| Changes of Assumptions and Other Inputs            | (1,384,780)          |
| Benefit Payments                                   | (1,130,203)          |
| Net Changes                                        | <u>(3,114,971)</u>   |
| Total Pension Liability - Ending Balance           | <u>\$ 11,935,659</u> |

**D. Pension Costs**

For the year ended June 30, 2023, the District recognized pension expense of (\$276,582). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

|                                                                             | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-----------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience                          | \$ -                                 | \$ 1,515,615                        |
| Changes of Assumptions of Other Inputs                                      | 524,744                              | 1,516,022                           |
| Benefit Payments Subsequent to the Measurement Date                         | 1,287,825                            | -                                   |
| Pension Administrative Expenses Incurred Subsequent to the Measurement Date | -                                    | -                                   |
| Total                                                                       | <u>\$ 1,812,569</u>                  | <u>\$ 3,031,637</u>                 |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 SUPPLEMENTAL PENSION PLAN (CONTINUED)**

**D. Pension Costs (Continued)**

The District's benefit payments and amounts incurred by the District for pension benefit expenses subsequent to the measurement date of \$1,287,825 reported as deferred outflows of resources will be recognized as a reduction of the total pension liability in the year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------|
| 2024                        | \$ (326,689)  |
| 2025                        | (326,689)     |
| 2026                        | (326,689)     |
| 2027                        | (326,689)     |
| 2028                        | (326,680)     |
| Thereafter                  | (873,457)     |

**E. Actuarial Methods and Assumptions**

The actuarial total pension liability was determined as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

|                        |                                                                                                                     |
|------------------------|---------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method: | Entry Age, Level Percentage of Pay                                                                                  |
| Discount Rate:         | 3.80%                                                                                                               |
| Inflation:             | 2.50%                                                                                                               |
| Salary Increases:      | Service graded tables                                                                                               |
| Retirement Age:        | 55                                                                                                                  |
| Mortality:             | Pub-2010 Public Retirement Plans Headcount-Weighted<br>Mortality Tables with MP-2021 Generational Improvement Scale |

**Changes in Actuarial Assumptions:**

- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.
- The discount rate was changed from 2.10% to 3.80%.

**Changes in Plan Provisions:**

- Teachers hired on or after September 1, 2021 or Teachers hired prior to September 1, 2021 who elected to participate in the 403(b) matching program are no longer eligible to receive GASB 73 benefits.
- The severance-type benefits for Secretarial/Clerical employees and Community Education Coordinators are now paid 100% to a VEBA (GASB 75) and 0% to a 403(b) (GASB 73). These benefits were paid 100% to a 403(b) (GASB 73) as of the prior valuation date.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 SUPPLEMENTAL PENSION PLAN (CONTINUED)**

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

- Licensed Preschool Teachers' (formerly CEP employees') severance-type benefits are now paid 100% to a 403(b) (GASB 73) instead of 50% to a 403(b) (GASB 73) and 50% to a VEBA (GASB 75). There is no change for Non-Licensed Preschool Teachers (formerly CES employees).
- Administrators hired prior to 1994 no longer receive enhanced GASB 73 benefits (e.g. with 80 unused sick days, retirement benefit is 50% (not 100%) of annual salary).

**F. Discount Rate**

The discount rate used to measure the total pension liability was 3.80%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds. The discount rate was changed from 2.10% in the prior measurement period to 3.80%.

**G. Total Pension Liability Sensitivity**

The following presents the District's total pension liability, calculated using the discount rate of 3.80%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

|                         | 1% Decrease<br>(2.80%) | Current Discount<br>Rate (3.80%) | 1% Increase<br>(4.80%) |
|-------------------------|------------------------|----------------------------------|------------------------|
| Total Pension Liability | <u>\$ 12,636,190</u>   | <u>\$ 11,935,659</u>             | <u>\$ 11,263,134</u>   |

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS PAYABLE**

**A. Plan Description**

The District operates a single-employer retiree benefit plan (the Plan) that provides health and dental insurance to eligible employees and their spouses through the District's health insurance plan. There are 1,112 active participants, 124 retired participants, and 17 spouses. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

**B. Funding Policy**

The District has assets designated for OPEB. These assets are in a revocable trust which is included as an internal service fund in these financial statements. Because contributions to the trust are not irrevocable, the trust does not meet the criteria in GASB Statement No. 75. Contribution requirements are also negotiated between the District and union representatives. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. For fiscal year 2023, the District contributed \$1,548,190 to the plan.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

**C. Actuarial Methods and Assumptions**

The District's total OPEB liability was determined by an actuarial valuation with a date of July 1, 2022 and a measurement date of July 1, 2022

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                         |                                                                                    |
|-------------------------|------------------------------------------------------------------------------------|
| Inflation               | 2.50%                                                                              |
| Salary Increases        | Service graded tables                                                              |
| Discount Rate           | 3.80%                                                                              |
| Health Care Trend Rates | 6.50% Decreasing to 5.00% Over 6 Years and Then<br>to 4.00% Over the Next 48 Years |

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2008 through June 30, 2014 and a study of economic assumptions dated November 2017. The rates for other employees are based on the Public Employees Retirement Association of Minnesota most recent six-year experience study for the General Employees Plan completed in 2015 and a review of the inflation assumption dated September 11, 2017. The retirement and withdrawal assumptions used to value GASB 75 liabilities are similar to those used to value pension liabilities for Minnesota school district employees. The rates are based on the Teacher Retirement Association of Minnesota actuarial experience study for the period July 1, 2008 through June 30, 2014.

The discount rate used to measure the total OPEB liability was 3.80%. The discount rate is based on the estimated yield of 20-year AA-rated bonds.

**D. Actuarial Methods and Assumptions**

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

For the July 1<sup>st</sup>, 2022 measurement date

- The health care trend rates, mortality tables, salary increase rates for nonteachers, withdrawal rates, and the age medical coverage is assumed to end for two post-age 65 retirees thought to have district medical coverage as their primary insurance were updated.
- The discount rate was changed from 2.10% to 3.80%.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

C. Changes in the total OPEB Liability

|                                                       | Total OPEB<br>Liability |
|-------------------------------------------------------|-------------------------|
| Beginning Balance                                     | \$ 24,755,630           |
| Changes for the Year:                                 |                         |
| Service Cost                                          | 1,168,117               |
| Interest Cost                                         | 528,227                 |
| Differences Between Expected and<br>Actual Experience | (1,186,516)             |
| Changes of Assumptions                                | (1,604,030)             |
| Benefit Payments                                      | (1,548,190)             |
| Plan Changes                                          | 118,794                 |
| Net Changes                                           | <u>(2,523,598)</u>      |
| Ending Balance                                        | <u>\$ 22,232,032</u>    |

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

|                      | 1% Decrease<br>(2.80%) | Discount Rate<br>(3.80%) | 1% Increase<br>(4.80%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB Liability | \$ 23,447,044          | \$ 22,232,032            | \$ 21,055,695          |

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.50% decreasing to 4.00% over five years) or 1% point higher (7.50% decreasing to 6.00% over five years) than the current healthcare cost trend rates:

|                      | Healthcare Cost                                                |                                                                        |                                                                |
|----------------------|----------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------|
|                      | 1% Decrease<br>(5.50%<br>Decreasing to<br>4.00% Then<br>3.00%) | Current Trend<br>Rates (6.50%<br>Decreasing to<br>5.00% Then<br>4.00%) | 1% Increase<br>(7.50%<br>Decreasing to<br>6.00% Then<br>5.00%) |
| Total OPEB Liability | \$ 21,449,816                                                  | \$ 22,232,032                                                          | \$ 23,134,813                                                  |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

**E. OPEB Liability Costs**

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,543,254. At June 30, 2023, the District reported \$2,848,650 of deferred inflows of resources and \$2,833,958 of deferred outflows of resources related to OPEB from the following sources:

| Description                                               | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-----------------------------------------------------------|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience         | \$ 30,929                            | \$ 1,445,124                        |
| Change of Assumptions                                     | 825,806                              | 1,403,526                           |
| Contributions Between Measurement Date and Reporting Date | 2,091,863                            | -                                   |
| Total                                                     | <u>\$ 2,948,598</u>                  | <u>\$ 2,848,650</u>                 |

The contributions subsequent to the measurement date will reduce the District's total OPEB liability in the District's fiscal year ended June 30, 2024.

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

| <u>Year Ending June 30,</u> | <u>Expense</u> |
|-----------------------------|----------------|
| 2024                        | \$ (271,884)   |
| 2025                        | (271,884)      |
| 2026                        | (271,884)      |
| 2027                        | (271,884)      |
| 2028                        | (271,884)      |
| Thereafter                  | (632,495)      |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 FLEXIBLE BENEFIT PLAN**

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

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

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

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

**NOTE 11 HEALTH AND DENTAL SELF-INSURANCE PLAN**

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

Participants in the program make premium payments to the fund based on the insurance premium. The District contributes a portion of premiums to the plan based on employment contracts. The excess amount received above current year claims is used to establish a reserve for future claims. At June 30, 2023, there is a reserve of \$5,176,843.

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

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 HEALTH AND DENTAL SELF-INSURANCE PLAN (CONTINUED)**

There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$6,806,027 in cash and investments at June 30, 2023 for payment of claims.

Changes in the balances of claim liabilities during fiscal years 2023 and 2022 were as follows:

|                                                                                               | 2023              | 2022                |
|-----------------------------------------------------------------------------------------------|-------------------|---------------------|
| Beginning of Fiscal Year Liability - July 1,                                                  | \$ 1,076,086      | \$ 994,699          |
| Current Year Claims, Changes in Estimates,<br>and Other Charges                               | 11,716,119        | 11,271,844          |
| Current Year Claims Paid, Including an Estimate of<br>Claims Incurred But Not Reported (IBNR) | (11,987,616)      | (11,190,457)        |
| End of Fiscal Year Liability - June 30,                                                       | <u>\$ 804,589</u> | <u>\$ 1,076,086</u> |

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**A. Federal and State Programs**

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

**B. Joint Powers Agreement**

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

Operating results of the Lindbergh Center for fiscal 2022-2023 are as follows:

|                                                | School District   | City             |
|------------------------------------------------|-------------------|------------------|
| Total Expenditures                             | \$ 222,565        | \$ 90,907        |
| Total Revenue                                  | 72,364            | 29,557           |
| Final Operating Costs to Respective Government | <u>\$ 150,201</u> | <u>\$ 61,350</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

C. Construction Commitments

At June 30, 2023, the District is committed to approximately \$5.76 million in contracts in progress.

**NOTE 13 DEFINED CONTRIBUTION PLAN**

The District provides eligible employees future retirement benefits through the District's 403(b) Plan (the Plan). Employees of the District are eligible to participate in the Plan commencing on the date of their employment. Eligible employees may elect to have a percentage of their pay contributed to the Plan. Some employees are eligible to receive a District match of employee contributions up to the qualifying amount set forth in their respective bargaining agreements. Contributions are invested in tax-deferred annuities selected and owned by Plan participants. Employer contributions to the Defined Contribution Plan for the fiscal year ended June 30, 2023 totaled \$237,058.

**NOTE 14 NET INVESTMENT IN CAPITAL ASSETS**

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

**Net Investment in Capital Assets**

|                                                      |                             |
|------------------------------------------------------|-----------------------------|
| Governmental Activities:                             |                             |
| Capital Assets, Net of Accumulated Depreciation      | \$ 188,464,675              |
| Less: General Obligation Bonds Outstanding           | (143,190,000)               |
| Less: Financed Purchases Payable                     | (1,573,537)                 |
| Less: Unamortized Premium on Capital-Related Bonds   | (7,418,485)                 |
| Less: Leases Payable                                 | (1,047,908)                 |
| Less: Deferred Gain on Bond Refundings               | (427,589)                   |
| Less: Capital-Related Accounts and Contracts Payable | (2,879,420)                 |
| Plus: Capital Projects Fund Unspent Bond Proceeds    | 29,000                      |
| <b>Total Net Investment in Capital Assets</b>        | <b><u>\$ 31,956,736</u></b> |

**NOTE 15 SUBSEQUENT EVENT**

Subsequent to year end, Moody's Ratings (Moody's) withdrew the underlying ratings of Hopkins Public Schools. The impacts of Moody's withdrawing the underlying ratings on the District's outstanding debt, is unknown at this time.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

|                                                                      | Budgeted Amounts    |                       | Actual               | Over (Under)        |
|----------------------------------------------------------------------|---------------------|-----------------------|----------------------|---------------------|
|                                                                      | Original            | Final                 | Amounts              | Final Budget        |
| <b>REVENUES</b>                                                      |                     |                       |                      |                     |
| Local Sources:                                                       |                     |                       |                      |                     |
| Property Taxes                                                       | \$ 37,924,085       | \$ 38,371,778         | \$ 41,759,192        | \$ 3,387,414        |
| Investment Income (Loss)                                             | 308,881             | 1,909,960             | 650,672              | (1,259,288)         |
| Other                                                                | 3,081,992           | 3,283,622             | 3,794,174            | 510,552             |
| State Sources                                                        | 73,050,708          | 69,557,412            | 68,350,609           | (1,206,803)         |
| Federal Sources                                                      | 4,315,325           | 5,831,166             | 5,884,899            | 53,733              |
| Total Revenues                                                       | 118,680,991         | 118,953,938           | 120,439,546          | 1,485,608           |
| <b>EXPENDITURES</b>                                                  |                     |                       |                      |                     |
| Current:                                                             |                     |                       |                      |                     |
| Administration                                                       | 5,802,053           | 5,665,207             | 5,783,012            | 117,805             |
| District Support Services                                            | 5,956,538           | 8,251,833             | 9,192,971            | 941,138             |
| Elementary and Secondary Regular Instruction                         | 49,720,542          | 54,314,427            | 52,788,376           | (1,526,051)         |
| Vocational Education Instruction                                     | 996,801             | 1,068,877             | 1,178,041            | 109,164             |
| Special Education Instruction                                        | 17,722,608          | 18,692,245            | 17,514,489           | (1,177,756)         |
| Community Education                                                  | -                   | 370,103               | 368,521              | (1,582)             |
| Instructional Support Services                                       | 6,647,482           | 5,237,207             | 4,970,064            | (267,143)           |
| Pupil Support Services                                               | 11,600,589          | 11,163,485            | 11,013,640           | (149,845)           |
| Sites and Buildings                                                  | 12,862,982          | 13,277,266            | 12,126,349           | (1,150,917)         |
| Fiscal and Other Fixed Cost Programs                                 | 1,126,553           | 490,950               | 488,519              | (2,431)             |
| Capital Outlay                                                       | 4,098,518           | 3,122,017             | 6,514,550            | 3,392,533           |
| Debt Service:                                                        |                     |                       |                      |                     |
| Principal                                                            | 345,000             | 345,000               | 695,643              | 350,643             |
| Interest and Fiscal Charges                                          | 80,000              | 80,000                | 87,206               | 7,206               |
| Total Expenditures                                                   | 116,959,666         | 122,078,617           | 122,721,381          | 642,764             |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 1,721,325           | (3,124,679)           | (2,281,835)          | 842,844             |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                     |                       |                      |                     |
| Issuance of Capital Loans                                            | -                   | -                     | 446,624              | 446,624             |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ 1,721,325</u> | <u>\$ (3,124,679)</u> | (1,835,211)          | <u>\$ 1,289,468</u> |
| <b>FUND BALANCE</b>                                                  |                     |                       |                      |                     |
| Beginning of Year                                                    |                     |                       | 22,301,249           |                     |
| End of Year                                                          |                     |                       | <u>\$ 20,466,038</u> |                     |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2023**

|                                   | Budgeted Amounts |                     | Actual              | Over (Under)      |
|-----------------------------------|------------------|---------------------|---------------------|-------------------|
|                                   | Original         | Final               | Amounts             | Final Budget      |
| <b>REVENUES</b>                   |                  |                     |                     |                   |
| Local Sources:                    |                  |                     |                     |                   |
| Investment Income (Loss)          | \$ -             | \$ -                | \$ 223,808          | \$ 223,808        |
| Other - Primarily Meal Sales      | 2,089,298        | 1,410,707           | 1,475,236           | 64,529            |
| State Sources                     | 128,143          | 116,637             | 179,631             | 62,994            |
| Federal Sources                   | 1,908,937        | 2,047,036           | 2,425,334           | 378,298           |
| Total Revenues                    | <u>4,126,378</u> | <u>3,574,380</u>    | <u>4,304,009</u>    | <u>729,629</u>    |
| <b>EXPENDITURES</b>               |                  |                     |                     |                   |
| Current:                          |                  |                     |                     |                   |
| Food Service                      | 4,048,591        | 3,888,961           | 4,190,847           | 301,886           |
| Capital Outlay                    | 64,795           | 114,339             | 80,024              | (34,315)          |
| Total Expenditures                | <u>4,113,386</u> | <u>4,003,300</u>    | <u>4,270,871</u>    | <u>267,571</u>    |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ 12,992</u> | <u>\$ (428,920)</u> | 33,138              | <u>\$ 462,058</u> |
| <b>FUND BALANCE</b>               |                  |                     |                     |                   |
| Beginning of Year                 |                  |                     | 998,033             |                   |
| End of Year                       |                  |                     | <u>\$ 1,031,171</u> |                   |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2023**

|                                    | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | <u>Over (Under)</u> |
|------------------------------------|-------------------------|---------------------|---------------------|---------------------|
|                                    | <u>Original</u>         | <u>Final</u>        | <u>Amounts</u>      | <u>Final Budget</u> |
| <b>REVENUES</b>                    |                         |                     |                     |                     |
| Local Sources:                     |                         |                     |                     |                     |
| Property Taxes                     | \$ 1,415,423            | \$ 1,422,062        | \$ 1,410,573        | \$ (11,489)         |
| Investment Income (Loss)           | -                       | -                   | 1,212,358           | 1,212,358           |
| Other - Primarily Tuition and Fees | 6,066,357               | 5,982,720           | 6,306,026           | 323,306             |
| State Sources                      | 1,533,921               | 2,059,706           | 2,610,042           | 550,336             |
| Federal Sources                    | 344,554                 | 445,241             | 584,296             | 139,055             |
| Total Revenues                     | <u>9,360,255</u>        | <u>9,909,729</u>    | <u>12,123,295</u>   | <u>2,213,566</u>    |
| <b>EXPENDITURES</b>                |                         |                     |                     |                     |
| Current:                           |                         |                     |                     |                     |
| Community Service                  | 8,393,046               | 10,576,055          | 9,889,429           | (686,626)           |
| Capital Outlay                     | <u>41,750</u>           | <u>134,313</u>      | <u>88,822</u>       | <u>(45,491)</u>     |
| Total Expenditures                 | <u>8,434,796</u>        | <u>10,710,368</u>   | <u>9,978,251</u>    | <u>(732,117)</u>    |
| <b>NET CHANGE IN FUND BALANCE</b>  | <u>\$ 925,459</u>       | <u>\$ (800,639)</u> | 2,145,044           | <u>\$ 2,945,683</u> |
| <b>FUND BALANCE</b>                |                         |                     |                     |                     |
| Beginning of Year                  |                         |                     | <u>3,293,497</u>    |                     |
| End of Year                        |                         |                     | <u>\$ 5,438,541</u> |                     |

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

|                                                                         | Measurement Date     |                      |                      |                      |                      |                      |
|-------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                         | July 1, 2022         | July 1, 2021         | July 1, 2020         | July 1, 2019         | July 1, 2018         | July 1, 2017         |
| Service Cost                                                            | \$ 1,168,117         | \$ 1,715,432         | \$ 1,591,130         | \$ 1,415,894         | \$ 1,285,813         | \$ 1,344,733         |
| Interest                                                                | 528,227              | 583,337              | 801,908              | 874,625              | 829,379              | 799,678              |
| Changes in Benefit Terms                                                | -                    | -                    | (929,162)            | -                    | -                    | -                    |
| Differences Between Expected and Actual Experience                      | (1,186,516)          | -                    | (610,383)            | -                    | 61,858               | -                    |
| Changes of Assumptions of Other Inputs                                  | (1,604,030)          | 339,428              | 52,216               | 517,304              | 433,227              | -                    |
| Benefit Payments                                                        | (1,548,190)          | (1,929,929)          | (2,253,223)          | (1,955,835)          | (1,254,410)          | (1,170,163)          |
| Other Changes                                                           | 118,794              | -                    | -                    | -                    | (542,630)            | -                    |
| Net Changes                                                             | (2,523,598)          | 708,268              | (1,347,514)          | 851,988              | 813,237              | 974,248              |
| <b>Total OPEB Liability - Beginning</b>                                 | <b>24,755,630</b>    | <b>24,047,362</b>    | <b>25,394,876</b>    | <b>24,542,888</b>    | <b>23,729,651</b>    | <b>22,755,403</b>    |
| <b>Total OPEB Liability - Ending</b>                                    | <b>\$ 22,232,032</b> | <b>\$ 24,755,630</b> | <b>\$ 24,047,362</b> | <b>\$ 25,394,876</b> | <b>\$ 24,542,888</b> | <b>\$ 23,729,651</b> |
| <b>Covered Employee Payroll</b>                                         | <b>\$ 69,038,342</b> | <b>\$ 64,407,640</b> | <b>\$ 62,531,689</b> | <b>\$ 62,285,759</b> | <b>\$ 60,471,611</b> | <b>\$ 53,977,701</b> |
| <b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b> | <b>32.20%</b>        | <b>38.44%</b>        | <b>38.46%</b>        | <b>40.77%</b>        | <b>40.59%</b>        | <b>43.96%</b>        |

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

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

|                                                                                                    | Measurement Date June 30, |                      |                      |                      |                      |                       |                       |                      |                      |
|----------------------------------------------------------------------------------------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|
|                                                                                                    | 2022                      | 2021                 | 2020                 | 2019                 | 2018                 | 2017                  | 2016                  | 2015                 | 2014                 |
| District's Proportion of the Net Pension Liability                                                 | 0.8010%                   | 0.8040%              | 0.8441%              | 0.8198%              | 0.8197%              | 0.8411%               | 0.8633%               | 0.8628%              | 0.9324%              |
| District's Proportionate Share of the Net Pension Liability                                        | \$ 64,139,843             | \$ 35,185,444        | \$ 62,363,239        | \$ 52,254,224        | \$ 51,482,236        | \$ 167,898,818        | \$ 205,917,648        | \$ 53,372,713        | \$ 42,964,321        |
| State's Proportionate Share of the Net Pension Liability                                           |                           |                      |                      |                      |                      |                       |                       |                      |                      |
| Associated with District                                                                           | 4,756,537                 | 2,967,469            | 5,226,003            | 4,624,083            | 4,837,086            | 16,230,127            | 20,669,786            | 6,546,465            | 3,022,504            |
| Total                                                                                              | <u>\$ 68,896,380</u>      | <u>\$ 38,152,913</u> | <u>\$ 67,589,242</u> | <u>\$ 56,878,307</u> | <u>\$ 56,319,322</u> | <u>\$ 184,128,945</u> | <u>\$ 226,587,434</u> | <u>\$ 59,919,178</u> | <u>\$ 45,986,825</u> |
| District's Covered Payroll                                                                         | \$ 50,333,549             | \$ 48,513,641        | \$ 49,047,790        | \$ 44,824,280        | \$ 45,207,213        | \$ 45,321,333         | \$ 44,803,453         | \$ 43,789,520        | \$ 42,563,629        |
| District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 127.43%                   | 72.53%               | 127.15%              | 116.58%              | 113.88%              | 370.46%               | 459.60%               | 121.88%              | 100.94%              |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                         | 76.17%                    | 86.63%               | 75.48%               | 78.21%               | 78.07%               | 51.57%                | 44.88%                | 76.80%               | 81.50%               |

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

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

|                                                                                                       | Measurement Date June 30, |                      |                      |                      |                      |                      |                      |                      |                      |
|-------------------------------------------------------------------------------------------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                                       | 2022                      | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
| District's Proportion of the Net Pension Liability                                                    | 0.2636%                   | 0.2608%              | 0.2839%              | 0.2950%              | 0.2817%              | 0.2923%              | 0.2993%              | 0.3135%              | 0.3326%              |
| District's Proportionate Share of the Net Pension Liability                                           | \$ 20,877,207             | \$ 11,137,328        | \$ 17,021,102        | \$ 16,309,889        | \$ 15,627,561        | \$ 18,660,239        | \$ 24,301,675        | \$ 16,247,197        | \$ 15,623,882        |
| State's Proportionate Share of the Net Pension Liability                                              |                           |                      |                      |                      |                      |                      |                      |                      |                      |
| Associated with District                                                                              | 611,994                   | 340,156              | 524,773              | 506,978              | 512,717              | 234,649              | 317,389              | -                    | -                    |
| Total                                                                                                 | <u>\$ 21,489,201</u>      | <u>\$ 11,477,484</u> | <u>\$ 17,545,875</u> | <u>\$ 16,816,867</u> | <u>\$ 16,140,278</u> | <u>\$ 18,894,888</u> | <u>\$ 24,619,064</u> | <u>\$ 16,247,197</u> | <u>\$ 15,623,882</u> |
| District's Covered Payroll                                                                            | \$ 19,881,573             | \$ 18,771,547        | \$ 20,236,880        | \$ 20,802,413        | \$ 18,956,667        | \$ 20,876,400        | \$ 18,755,067        | \$ 18,427,268        | \$ 17,458,331        |
| District's Proportionate Share of the Net Pension Liability<br>as a Percentage of its Covered Payroll | 105.01%                   | 59.33%               | 84.11%               | 78.40%               | 82.44%               | 89.38%               | 129.57%              | 88.17%               | 89.49%               |
| Plan Fiduciary Net Position as a Percentage of the<br>Total Pension Liability                         | 76.70%                    | 87.00%               | 79.10%               | 80.23%               | 79.50%               | 75.90%               | 68.90%               | 78.20%               | 78.70%               |

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

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

|                                                                    | 2023          | 2022          | 2021          | 2020          | Fiscal Year Ended June 30, |               | 2017          | 2016          | 2015          | 2014          |
|--------------------------------------------------------------------|---------------|---------------|---------------|---------------|----------------------------|---------------|---------------|---------------|---------------|---------------|
|                                                                    |               |               |               |               | 2019                       | 2018          |               |               |               |               |
| Statutorily Required Contribution                                  | \$ 4,423,701  | \$ 4,197,818  | \$ 3,944,159  | \$ 3,884,585  | \$ 3,455,952               | \$ 3,390,541  | \$ 3,399,100  | \$ 3,360,259  | \$ 3,284,214  | \$ 2,979,454  |
| Contributions in Relation to the Statutorily Required Contribution | (4,423,701)   | (4,197,818)   | (3,944,159)   | (3,884,585)   | (3,455,952)                | (3,390,541)   | (3,399,100)   | (3,360,259)   | (3,284,214)   | (2,979,454)   |
| Contribution Deficiency (Excess)                                   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>                | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's Covered Payroll                                         | \$ 51,739,193 | \$ 50,333,549 | \$ 48,513,641 | \$ 49,047,790 | \$ 44,824,280              | \$ 45,207,213 | \$ 45,321,333 | \$ 44,803,453 | \$ 43,789,520 | \$ 42,563,629 |
| Contributions as a Percentage of Covered Payroll                   | 8.55%         | 8.34%         | 8.13%         | 7.92%         | 7.71%                      | 7.50%         | 7.50%         | 7.50%         | 7.50%         | 7.00%         |

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

|                                                                    | Fiscal Year Ended June 30, |               |               |               |               |               |               |               |               |               |
|--------------------------------------------------------------------|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                    | 2023                       | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          |
| Statutorily Required Contribution                                  | \$ 1,622,660               | \$ 1,491,118  | \$ 1,407,866  | \$ 1,517,766  | \$ 1,560,181  | \$ 1,421,750  | \$ 1,565,730  | \$ 1,406,630  | \$ 1,359,011  | \$ 1,265,729  |
| Contributions in Relation to the Statutorily Required Contribution | (1,622,660)                | (1,491,118)   | (1,407,866)   | (1,517,766)   | (1,560,181)   | (1,421,750)   | (1,565,730)   | (1,406,630)   | (1,359,011)   | (1,265,729)   |
| Contribution Deficiency (Excess)                                   | <u>\$ -</u>                | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's Covered Payroll                                         | \$ 21,635,467              | \$ 19,881,573 | \$ 18,771,547 | \$ 20,236,880 | \$ 20,802,413 | \$ 18,956,667 | \$ 20,876,400 | \$ 18,755,067 | \$ 18,427,268 | \$ 17,458,331 |
| Contributions as a Percentage of Covered Payroll                   | 7.50%                      | 7.50%         | 7.50%         | 7.50%         | 7.50%         | 7.50%         | 7.50%         | 7.50%         | 7.38%         | 7.25%         |

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

|                                                                            | Measurement Date     |                      |                      |                      |                      |                      |
|----------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                            | July 1, 2022         | July 1, 2021         | July 1, 2020         | July 1, 2019         | July 1, 2018         | July 1, 2017         |
| Service Cost                                                               | \$ 681,575           | \$ 1,073,859         | \$ 996,490           | \$ 732,001           | \$ 664,771           | \$ 689,485           |
| Interest                                                                   | 318,571              | 356,364              | 428,693              | 460,096              | 473,190              | 296,170              |
| Changes in Benefit Terms                                                   | (950,039)            | -                    | 1,012,410            | -                    | -                    | 4,153,716            |
| Differences Between Expected and Actual Experience                         | (650,095)            | -                    | (569,816)            | -                    | (946,225)            | -                    |
| Changes of Assumptions of Other Inputs                                     | (1,384,780)          | 214,562              | 219,894              | 297,433              | (111,774)            | (459,274)            |
| Benefit Payments                                                           | (1,130,203)          | (1,068,274)          | (884,964)            | (1,252,641)          | (967,459)            | (935,517)            |
| Other Changes                                                              | -                    | -                    | -                    | -                    | 189,756              | -                    |
| Net Changes                                                                | (3,114,971)          | 576,511              | 1,202,707            | 236,889              | (697,741)            | 3,744,580            |
| <b>Total Pension Liability - Beginning</b>                                 | <b>15,050,630</b>    | <b>14,474,119</b>    | <b>13,271,412</b>    | <b>13,034,523</b>    | <b>13,732,264</b>    | <b>9,987,684</b>     |
| <b>Total Pension Liability - Ending</b>                                    | <b>\$ 11,935,659</b> | <b>\$ 15,050,630</b> | <b>\$ 14,474,119</b> | <b>\$ 13,271,412</b> | <b>\$ 13,034,523</b> | <b>\$ 13,732,264</b> |
| <b>Covered Employee Payroll</b>                                            | <b>\$ 46,782,898</b> | <b>\$ 60,372,716</b> | <b>\$ 58,614,287</b> | <b>\$ 54,656,357</b> | <b>\$ 53,064,424</b> | <b>\$ 53,977,701</b> |
| <b>Total Pension Liability as a Percentage of Covered Employee Payroll</b> | <b>25.51%</b>        | <b>24.93%</b>        | <b>24.69%</b>        | <b>24.28%</b>        | <b>24.56%</b>        | <b>25.44%</b>        |

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

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

**NOTE 1 COMPLIANCE - BUDGETS**

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

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

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

Budgeted amounts include mid-year budget amendments as follows:

|                        | Original<br>Budget | Amendments   | Amended<br>Budget |
|------------------------|--------------------|--------------|-------------------|
| <u>Revenues</u>        |                    |              |                   |
| General Fund           | \$ 118,680,991     | \$ 272,947   | \$ 118,953,938    |
| Special Revenue Funds: |                    |              |                   |
| Food Service Fund      | 4,126,378          | (551,998)    | 3,574,380         |
| Community Service Fund | 9,360,255          | 549,474      | 9,909,729         |
| Capital Projects Fund  | 11,757,194         | (11,757,194) | -                 |
| Debt Service Fund      | 16,168,139         | 364,836      | 16,532,975        |
| <u>Expenditures</u>    |                    |              |                   |
| General Fund           | \$ 116,959,666     | \$ 5,118,951 | \$ 122,078,617    |
| Special Revenue Funds: |                    |              |                   |
| Food Service Fund      | 4,113,386          | (110,086)    | 4,003,300         |
| Community Service Fund | 8,434,796          | 2,275,572    | 10,710,368        |
| Capital Projects Fund  | 11,757,194         | -            | 11,757,194        |
| Debt Service Fund      | 16,168,139         | 364,836      | 16,532,975        |

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

**NOTE 1 COMPLIANCE - BUDGETS (CONTINUED)**

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

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

**NOTE 2 STEWARDSHIP AND ACCOUNTABILITY**

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2023:

|                        | Budget         | Expenditures   | Excess     |
|------------------------|----------------|----------------|------------|
| General Fund           | \$ 122,078,617 | \$ 122,721,381 | \$ 642,764 |
| Special Revenue Funds: |                |                |            |
| Food Service Fund      | 4,003,300      | 4,270,871      | 267,571    |
| Debt Service Fund      | 16,532,975     | 17,084,110     | 551,135    |

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

**NOTE 3 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

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

A. General Employees Fund

2022

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

2021

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

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

**NOTE 3 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

A. General Employees Fund (Continued)

2020

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

- The mortality projection scale was changed from MP-2017 to MP-2018.
- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018

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

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

**NOTE 3 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

A. General Employees Fund (Continued)

2017

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

2016

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

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

**NOTE 3 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

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

**B. Teachers Retirement Association**

2022

- There were no changes in actuarial assumptions for financial reporting purposes.

2021

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

2020

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

2019

- There were no changes in actuarial assumptions for financial reporting purposes.

2018

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.

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

**NOTE 3 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**B. Teachers Retirement Association (Continued)**

2017

- The employer contribution rate is increased each July 1 over the next four years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.
- The single discount rate was changed from 5.12% to 7.5%
- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate was changed from 4.66% to 5.12%.

2017

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

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

2023

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The salary increase rates for non-teachers were updated to reflect the latest experience study.
- The withdrawal rates were updated to reflect the latest experience study.

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

- The two post-age 65 retirees, who are thought to have district medical coverage as their primary insurance, are assumed to continue on the district's medical plan for life. Previously we assumed medical coverage would end at age 90.
- The discount rate was changed from 2.10% to 3.80%

2022

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

2021

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

2020

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

2019

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

2018

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

2017

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

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

**NOTE 3 CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

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

**2023**

- Teachers hired on or after September 1, 2021 or Teachers hired prior to September 1, 2021 who elected to participate in the 403(b) matching program are no longer eligible to receive GASB 73 benefits.
- The severance-type benefits for Secretarial/Clerical employees and Community Education Coordinators are now paid 100% to a VEBA (GASB 75) and 0% to a 403(b) (GASB 73). These benefits were paid 100% to a 403(b) (GASB 73) as of the prior valuation date.
- Licensed Preschool Teachers' (formerly CEP employees') severance-type benefits are now paid 100% to a 403(b) (GASB 73) instead of 50% to a 403(b) (GASB 73) and 50% to a VEBA (GASB 75). There is no change for Non-Licensed Preschool Teachers (formerly CES employees).
- Administrators hired prior to 1994 no longer receive enhanced GASB 73 benefits (e.g. with 80 unused sick days, retirement benefit is 50% (not 100%) of annual salary).
- The mortality tables, salary increase rates for non-teachers, and withdrawal rates were updated.
- The discount rate was changed from 2.10% to 3.80%.

**2022**

- There were no changes in actuarial assumptions for financial reporting purposes.

**2021**

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

**2020**

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

**2019**

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

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

2018

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

## **SUPPLEMENTARY INFORMATION**

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                                                                         | 2023                 | 2022                 |
|-------------------------------------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                           |                      |                      |
| Cash and Investments                                                    | \$ 36,089,441        | \$ 26,027,734        |
| Receivables:                                                            |                      |                      |
| Current Property Taxes                                                  | 25,431,872           | 20,813,435           |
| Delinquent Property Taxes                                               | 380,265              | 232,205              |
| Accounts and Interest Receivable                                        | 470,194              | 404,406              |
| Due from Other Minnesota School Districts                               | 7,157                | 211,872              |
| Due from Minnesota Department of Education                              | 4,330,987            | 7,784,700            |
| Due from Federal Through the Minnesota Department of Education          | 4,005,495            | 5,079,565            |
| Due from Other Governmental Units                                       | 826,957              | 1,266,905            |
| Leases Receivable                                                       | 939,068              | 1,349,195            |
| Inventory                                                               | 121,587              | 106,925              |
| Prepays                                                                 | 369,581              | 595,524              |
| Total Assets                                                            | <u>\$ 72,972,604</u> | <u>\$ 63,872,466</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND FUND BALANCE</b> |                      |                      |
| Liabilities:                                                            |                      |                      |
| Salaries Payable                                                        | \$ 354,404           | \$ 435,703           |
| Payroll Deductions and Employer Contributions Payable                   | 778,541              | 683,705              |
| Accounts and Contracts Payable                                          | 3,707,768            | 1,195,929            |
| Due to Other Minnesota School Districts                                 | 27,392               | 243,733              |
| Due to Other Governmental Units                                         | 214                  | 163                  |
| Unearned Revenue                                                        | -                    | 110,045              |
| Total Liabilities                                                       | <u>4,868,319</u>     | <u>2,669,278</u>     |
| Deferred Inflows:                                                       |                      |                      |
| Unavailable Revenue - Property Taxes Levied for Subsequent Year         | 46,080,200           | 37,217,243           |
| Unavailable Revenue - Delinquent Property Taxes                         | 497,718              | 232,205              |
| Leases                                                                  | <u>1,060,329</u>     | <u>1,452,491</u>     |
| Total Deferred Inflows of Resources                                     | <u>47,638,247</u>    | <u>38,901,939</u>    |
| Fund Balance:                                                           |                      |                      |
| Nonspendable:                                                           |                      |                      |
| Inventory                                                               | 121,587              | 595,524              |
| Prepays                                                                 | 369,581              | 106,925              |
| Restricted for:                                                         |                      |                      |
| Student Activities                                                      | 39,487               | 227,815              |
| Staff Development                                                       | 964,618              | 1,069,702            |
| Operating Capital                                                       | 1,815,870            | 948,953              |
| Learning and Development                                                | 1,553,104            | 18,458               |
| Gifted and Talented                                                     | 19,564               | -                    |
| Basic Skills Programs                                                   | 643,004              | -                    |
| Safe Schools Levy                                                       | 788,149              | 492,315              |
| Long-Term Facilities Maintenance                                        | -                    | 32,440               |
| Medical Assistance                                                      | 1,377,717            | 1,644,349            |
| Assigned for:                                                           |                      |                      |
| Enrollment Contingency                                                  | 500,000              | 1,500,000            |
| Strategic Visioning                                                     | -                    | 1,625,000            |
| Transportation - Start Times                                            | 625,000              | 1,000,000            |
| Building Renovation                                                     | -                    | 789,024              |
| Building Fund Clean-up                                                  | -                    | -                    |
| Unassigned                                                              | <u>11,648,357</u>    | <u>12,250,744</u>    |
| Total Fund Balance                                                      | <u>20,466,038</u>    | <u>22,301,249</u>    |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance      | <u>\$ 72,972,604</u> | <u>\$ 63,872,466</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                                    | 2023          |                | 2022                      |                |
|----------------------------------------------------|---------------|----------------|---------------------------|----------------|
|                                                    | Final Budget  | Actual Amounts | Over (Under) Final Budget | Actual Amounts |
| <b>REVENUES</b>                                    |               |                |                           |                |
| Local Sources:                                     |               |                |                           |                |
| Property Taxes                                     | \$ 38,371,778 | \$ 41,759,192  | \$ 3,387,414              | \$ 36,807,336  |
| Investment Income (Loss)                           | 1,909,960     | 650,672        | (1,259,288)               | 51,508         |
| Other                                              | 3,283,622     | 3,794,174      | 510,552                   | 3,280,198      |
| State Sources                                      | 69,557,412    | 68,350,609     | (1,206,803)               | 67,421,940     |
| Federal Sources                                    | 5,831,166     | 5,884,899      | 53,733                    | 8,761,303      |
| Total Revenues                                     | 118,953,938   | 120,439,546    | 1,485,608                 | 116,322,285    |
| <b>EXPENDITURES</b>                                |               |                |                           |                |
| Current:                                           |               |                |                           |                |
| Administration:                                    |               |                |                           |                |
| Salaries                                           | 4,177,002     | 4,156,847      | (20,155)                  | 3,232,842      |
| Employee Benefits                                  | 1,178,237     | 1,247,283      | 69,046                    | 942,511        |
| Purchased Services                                 | 195,876       | 232,062        | 36,186                    | 169,167        |
| Supplies and Materials                             | 100,018       | 118,089        | 18,071                    | 134,328        |
| Capital Expenditures                               | 1,000,894     | 4,257          | (996,637)                 | -              |
| Other Expenditures                                 | 14,074        | 28,731         | 14,657                    | 57,945         |
| Total Administration                               | 6,666,101     | 5,787,269      | (878,832)                 | 4,536,793      |
| District Support Services:                         |               |                |                           |                |
| Salaries                                           | 4,451,070     | 4,497,780      | 46,710                    | 4,866,443      |
| Employee Benefits                                  | 1,356,791     | 1,371,616      | 14,825                    | 1,437,497      |
| Purchased Services                                 | 1,087,854     | 1,756,108      | 668,254                   | 1,583,724      |
| Supplies and Materials                             | 1,320,919     | 1,616,863      | 295,944                   | 1,608,523      |
| Capital Expenditures                               | 553,223       | 556,523        | 3,300                     | 1,027,738      |
| Other Expenditures                                 | 35,199        | (49,396)       | (84,595)                  | (41,598)       |
| Total District Support Services                    | 8,805,056     | 9,749,494      | 944,438                   | 10,482,327     |
| Elementary and Secondary Regular Instruction:      |               |                |                           |                |
| Salaries                                           | 37,144,851    | 35,476,877     | (1,667,974)               | 33,287,492     |
| Employee Benefits                                  | 13,489,607    | 13,292,180     | (197,427)                 | 12,417,896     |
| Purchased Services                                 | 2,000,199     | 2,426,844      | 426,645                   | 2,313,194      |
| Supplies and Materials                             | 1,599,757     | 1,273,375      | (326,382)                 | 1,079,805      |
| Capital Expenditures                               | 136,978       | 492,935        | 355,957                   | 779,204        |
| Other Expenditures                                 | 80,013        | 319,100        | 239,087                   | 338,579        |
| Total Elementary and Secondary Regular Instruction | 54,451,405    | 53,281,311     | (1,170,094)               | 50,216,170     |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                        |              | 2023           |                           | 2022           |
|----------------------------------------|--------------|----------------|---------------------------|----------------|
|                                        | Final Budget | Actual Amounts | Over (Under) Final Budget | Actual Amounts |
| <b>EXPENDITURES (CONTINUED)</b>        |              |                |                           |                |
| Current (Continued):                   |              |                |                           |                |
| Vocational Education Instruction:      |              |                |                           |                |
| Salaries                               | \$ 687,616   | \$ 745,810     | \$ 58,194                 | \$ 665,849     |
| Employee Benefits                      | 205,674      | 223,028        | 17,354                    | 195,483        |
| Purchased Services                     | 150,257      | 177,022        | 26,765                    | 154,438        |
| Supplies and Materials                 | 25,232       | 28,372         | 3,140                     | 24,273         |
| Other Expenditures                     | 98           | 3,809          | 3,711                     | 3,932          |
| Total Vocational Education Instruction | 1,068,877    | 1,178,041      | 109,164                   | 1,044,038      |
| Special Education Instruction:         |              |                |                           |                |
| Salaries                               | 13,532,313   | 12,219,466     | (1,312,847)               | 11,778,358     |
| Employee Benefits                      | 4,388,499    | 4,031,468      | (357,031)                 | 3,840,382      |
| Purchased Services                     | 717,324      | 1,195,773      | 478,449                   | 626,187        |
| Supplies and Materials                 | 54,109       | 67,782         | 13,673                    | 39,223         |
| Capital Expenditures                   | 6,497        | 15,489         | 8,992                     | 10,722         |
| Other Expenditures                     | -            | -              | -                         | 105,059        |
| Total Special Education Instruction    | 18,698,742   | 17,529,978     | (1,168,764)               | 16,399,931     |
| Community Education:                   |              |                |                           |                |
| Salaries                               | 260,891      | 259,796        | (1,095)                   | 127,883        |
| Employee Benefits                      | 109,212      | 108,725        | (487)                     | 81,435         |
| Total Community Education              | 370,103      | 368,521        | (1,582)                   | 209,318        |
| Instructional Support Services:        |              |                |                           |                |
| Salaries                               | 3,757,081    | 3,589,787      | (167,294)                 | 3,045,012      |
| Employee Benefits                      | 1,139,117    | 1,078,645      | (60,472)                  | 950,211        |
| Purchased Services                     | 221,557      | 138,640        | (82,917)                  | 241,545        |
| Supplies and Materials                 | 87,410       | 119,669        | 32,259                    | 109,374        |
| Capital Expenditures                   | 109,828      | 102,556        | (7,272)                   | 44,558         |
| Other Expenditures                     | 32,042       | 43,323         | 11,281                    | 22,256         |
| Total Instructional Support Services   | 5,347,035    | 5,072,620      | (274,415)                 | 4,412,956      |
| Pupil Support Services:                |              |                |                           |                |
| Salaries                               | 2,734,829    | 2,501,387      | (233,442)                 | 3,243,695      |
| Employee Benefits                      | 909,421      | 833,325        | (76,096)                  | 935,847        |
| Purchased Services                     | 7,301,056    | 7,454,305      | 153,249                   | 6,815,553      |
| Supplies and Materials                 | 217,788      | 210,896        | (6,892)                   | 503,893        |
| Capital Expenditures                   | 49,157       | 50,597         | 1,440                     | 19,089         |
| Other Expenditures                     | 391          | 13,727         | 13,336                    | 206            |
| Total Pupil Support Services           | 11,212,642   | 11,064,237     | (148,405)                 | 11,518,283     |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                                                      | 2023                  |                      |                           | 2022                 |
|----------------------------------------------------------------------|-----------------------|----------------------|---------------------------|----------------------|
|                                                                      | Final Budget          | Actual Amounts       | Over (Under) Final Budget | Actual Amounts       |
| <b>EXPENDITURES (CONTINUED)</b>                                      |                       |                      |                           |                      |
| Current (Continued):                                                 |                       |                      |                           |                      |
| Sites and Buildings:                                                 |                       |                      |                           |                      |
| Salaries                                                             | \$ 3,902,440          | \$ 4,025,222         | \$ 122,782                | \$ 3,873,465         |
| Employee Benefits                                                    | 1,358,450             | 1,367,995            | 9,545                     | 1,309,296            |
| Purchased Services                                                   | 7,038,817             | 5,833,978            | (1,204,839)               | 4,830,608            |
| Supplies and Materials                                               | 976,715               | 898,313              | (78,402)                  | 912,604              |
| Capital Expenditures                                                 | 1,265,440             | 5,292,193            | 4,026,753                 | 3,179,992            |
| Other Expenditures                                                   | 844                   | 841                  | (3)                       | 1,529                |
| Total Sites and Buildings                                            | 14,542,706            | 17,418,542           | 2,875,836                 | 14,107,494           |
| Fiscal and Other Fixed Costs:                                        |                       |                      |                           |                      |
| Employee Benefits                                                    | 1,488                 | -                    | (1,488)                   | -                    |
| Purchased Services                                                   | 468,761               | 466,666              | (2,095)                   | 417,132              |
| Other Expenditures                                                   | 20,701                | 21,853               | 1,152                     | 12,402               |
| Total Fiscal and Other Fixed Costs                                   | 490,950               | 488,519              | (2,431)                   | 429,534              |
| Debt Service:                                                        |                       |                      |                           |                      |
| Principal                                                            | 345,000               | 695,643              | 350,643                   | 677,414              |
| Interest and Fiscal Charges                                          | 80,000                | 87,206               | 7,206                     | 83,285               |
| Total Debt Service                                                   | 425,000               | 782,849              | 357,849                   | 760,699              |
| Total Expenditures                                                   | 122,078,617           | 122,721,381          | 642,764                   | 114,117,543          |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (3,124,679)           | (2,281,835)          | 842,844                   | 2,204,742            |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                       |                      |                           |                      |
| Insurance Recovery                                                   | -                     | -                    | -                         | 5,218                |
| Issuance of Long-Term Leases                                         | -                     | 446,624              | 446,624                   | -                    |
| Total Other Financing Sources                                        | -                     | 446,624              | 446,624                   | 5,218                |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ (3,124,679)</u> | <u>(1,835,211)</u>   | <u>\$ 1,289,468</u>       | 2,209,960            |
| <b>FUND BALANCE</b>                                                  |                       |                      |                           |                      |
| Beginning of Year                                                    |                       | 22,301,249           |                           | 20,091,289           |
| End of Year                                                          |                       | <u>\$ 20,466,038</u> |                           | <u>\$ 22,301,249</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
FOOD SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                                                                | <u>2023</u>                | <u>2022</u>                |
|----------------------------------------------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                                                  |                            |                            |
| Cash and Investments                                           | \$ 921,705                 | \$ 1,038,767               |
| Receivables:                                                   |                            |                            |
| Accounts and Interest Receivable                               | 7,275                      | 42                         |
| Due from Minnesota Department of Education                     | 4,904                      | 1,809                      |
| Due from Federal Through the Minnesota Department of Education | 175,957                    | 86,572                     |
| Inventory                                                      | 110,917                    | 100,560                    |
| Prepays                                                        | <u>-</u>                   | <u>552</u>                 |
| Total Assets                                                   | <u><u>\$ 1,220,758</u></u> | <u><u>\$ 1,228,302</u></u> |
| <b>LIABILITIES AND FUND BALANCE</b>                            |                            |                            |
| Liabilities:                                                   |                            |                            |
| Salaries Payable                                               | \$ 13,179                  | \$ 18,881                  |
| Payroll Deductions and Employer Contributions Payable          | 100,006                    | 91,451                     |
| Accounts and Contracts Payable                                 | <u>40,706</u>              | <u>21,166</u>              |
| Total Liabilities                                              | 189,587                    | 230,269                    |
| Fund Balance:                                                  |                            |                            |
| Nonspendable:                                                  |                            |                            |
| Inventory                                                      | 110,917                    | 100,560                    |
| Prepays                                                        | -                          | 552                        |
| Restricted for:                                                |                            |                            |
| Other Purposes                                                 | <u>920,254</u>             | <u>896,921</u>             |
| Total Fund Balance                                             | <u>1,031,171</u>           | <u>998,033</u>             |
| Total Liabilities and Fund Balance                             | <u><u>\$ 1,220,758</u></u> | <u><u>\$ 1,228,302</u></u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
FOOD SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                   |                     | 2023                |                              | 2022              |
|-----------------------------------|---------------------|---------------------|------------------------------|-------------------|
|                                   | Final Budget        | Actual<br>Amounts   | Over (Under)<br>Final Budget | Actual<br>Amounts |
| <b>REVENUES</b>                   |                     |                     |                              |                   |
| Local Sources:                    |                     |                     |                              |                   |
| Investment Income (Loss)          | \$ -                | \$ 223,808          | \$ 223,808                   | \$ 2,859          |
| Other - Primarily Meal Sales      | 1,410,707           | 1,475,236           | 64,529                       | 280,806           |
| State Sources                     | 116,637             | 179,631             | 62,994                       | 141,074           |
| Federal Sources                   | 2,047,036           | 2,425,334           | 378,298                      | 4,162,868         |
| Total Revenues                    | 3,574,380           | 4,304,009           | 729,629                      | 4,587,607         |
| <b>EXPENDITURES</b>               |                     |                     |                              |                   |
| Current:                          |                     |                     |                              |                   |
| Salaries                          | 1,811,256           | 1,838,886           | 27,630                       | 1,885,729         |
| Employee Benefits                 | 654,970             | 661,871             | 6,901                        | 711,191           |
| Purchased Services                | 81,127              | 79,486              | (1,641)                      | 54,978            |
| Supplies and Materials            | 1,335,717           | 1,604,677           | 268,960                      | 1,638,106         |
| Other Expenditures                | 5,891               | 5,927               | 36                           | 5,587             |
| Capital Outlay                    | 114,339             | 80,024              | (34,315)                     | 15,065            |
| Total Expenditures                | 4,003,300           | 4,270,871           | 267,571                      | 4,310,656         |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ (428,920)</u> | 33,138              | <u>\$ 462,058</u>            | 276,951           |
| <b>FUND BALANCE</b>               |                     |                     |                              |                   |
| Beginning of Year                 |                     | 998,033             |                              | 852,871           |
| Prior Period Restatement          |                     | -                   |                              | (131,789)         |
| Beginning of Year, as Restated    |                     | 998,033             |                              | 721,082           |
| End of Year                       |                     | <u>\$ 1,031,171</u> |                              | <u>\$ 998,033</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                                                                         | <u>2023</u>                 | <u>2022</u>                 |
|-------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                                           |                             |                             |
| Cash and Investments                                                    | \$ 6,490,113                | \$ 4,638,052                |
| Receivables:                                                            |                             |                             |
| Current Property Taxes                                                  | 772,950                     | 708,312                     |
| Delinquent Property Taxes                                               | 13,740                      | 8,988                       |
| Accounts and Interest Receivable                                        | 3,272                       | 24,608                      |
| Due from Minnesota Department of Education                              | 168,043                     | 54,060                      |
| Due from Federal Through the Minnesota Department of Education          | 286,604                     | 213,703                     |
| Due from Other Governmental Units                                       | 70,069                      | 51,612                      |
|                                                                         | <u>                    </u> | <u>                    </u> |
| Total Assets                                                            | <u>\$ 7,804,791</u>         | <u>\$ 5,699,335</u>         |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND FUND BALANCE</b> |                             |                             |
| Liabilities:                                                            |                             |                             |
| Salaries Payable                                                        | \$ 114,308                  | \$ 178,125                  |
| Payroll Deductions and Employer Contributions Payable                   | 326,419                     | 279,198                     |
| Accounts and Contracts Payable                                          | 148,895                     | 16,696                      |
| Due to Other Minnesota School Districts                                 | -                           | 295,222                     |
| Unearned Revenue                                                        | 231,839                     | 208,714                     |
|                                                                         | <u>                    </u> | <u>                    </u> |
| Total Liabilities                                                       | 821,461                     | 977,955                     |
| Deferred Inflows:                                                       |                             |                             |
| Property Taxes Levied for Subsequent Year                               | 1,527,479                   | 1,418,895                   |
| Unavailable Revenue - Delinquent Taxes                                  | 17,310                      | 8,988                       |
|                                                                         | <u>                    </u> | <u>                    </u> |
| Total Deferred Inflows of Resources                                     | 1,544,789                   | 1,427,883                   |
| Fund Balance:                                                           |                             |                             |
| Restricted for:                                                         |                             |                             |
| Community Education                                                     | 4,883,228                   | 3,048,110                   |
| Early Childhood and Family Education                                    | 240,013                     | 286,101                     |
| Adult Basic Education                                                   | 315,300                     | 111,884                     |
|                                                                         | <u>                    </u> | <u>                    </u> |
| Total Fund Balance                                                      | 5,438,541                   | 3,293,497                   |
| Total Liabilities, Deferred Inflows of Resources,<br>and Fund Balance   | <u>\$ 7,804,791</u>         | <u>\$ 5,699,335</u>         |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                    |                     | 2023                |                              | 2022                |
|------------------------------------|---------------------|---------------------|------------------------------|---------------------|
|                                    | Final Budget        | Actual<br>Amounts   | Over (Under)<br>Final Budget | Actual<br>Amounts   |
| <b>REVENUES</b>                    |                     |                     |                              |                     |
| Local Sources:                     |                     |                     |                              |                     |
| Property Taxes                     | \$ 1,422,062        | \$ 1,410,573        | \$ (11,489)                  | \$ 1,427,047        |
| Investment Income (Loss)           | -                   | 1,212,358           | 1,212,358                    | 10,013              |
| Other - Primarily Tuition and Fees | 5,982,720           | 6,306,026           | 323,306                      | 6,584,609           |
| State Sources                      | 2,059,706           | 2,610,042           | 550,336                      | 2,154,272           |
| Federal Sources                    | 445,241             | 584,296             | 139,055                      | 591,826             |
| Total Revenues                     | 9,909,729           | 12,123,295          | 2,213,566                    | 10,767,767          |
| <b>EXPENDITURES</b>                |                     |                     |                              |                     |
| Current:                           |                     |                     |                              |                     |
| Salaries                           | 6,310,945           | 5,941,006           | (369,939)                    | 5,608,236           |
| Employee Benefits                  | 1,827,870           | 1,756,884           | (70,986)                     | 1,666,307           |
| Purchased Services                 | 1,798,350           | 1,607,108           | (191,242)                    | 1,130,134           |
| Supplies and Materials             | 595,370             | 513,344             | (82,026)                     | 336,800             |
| Other Expenditures                 | 43,520              | 71,087              | 27,567                       | 45,793              |
| Capital Outlay                     | 134,313             | 88,822              | (45,491)                     | 74,304              |
| Total Expenditures                 | 10,710,368          | 9,978,251           | (732,117)                    | 8,861,574           |
| <b>NET CHANGE IN FUND BALANCE</b>  | <u>\$ (800,639)</u> | 2,145,044           | <u>\$ 2,945,683</u>          | 1,906,193           |
| <b>FUND BALANCE</b>                |                     |                     |                              |                     |
| Beginning of Year                  |                     | 3,293,497           |                              | 1,387,304           |
| End of Year                        |                     | <u>\$ 5,438,541</u> |                              | <u>\$ 3,293,497</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                                                       | <u>2023</u>                 | <u>2022</u>                 |
|-------------------------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                         |                             |                             |
| Cash and Investments                                  | \$ 14,688,948               | \$ 11,627,269               |
| Cash with Fiscal Agent                                | 29,000                      | 29,000                      |
| Prepays                                               | <u>28,660</u>               | <u>42,990</u>               |
| Total Assets                                          | <u><u>\$ 14,746,608</u></u> | <u><u>\$ 11,699,259</u></u> |
| <b>LIABILITIES AND FUND BALANCE</b>                   |                             |                             |
| Liabilities:                                          |                             |                             |
| Payroll Deductions and Employer Contributions Payable | \$ 39,931                   | \$ 37,692                   |
| Accounts and Contracts Payable                        | <u>2,879,420</u>            | <u>897,440</u>              |
| Total Liabilities                                     | <u>2,919,351</u>            | <u>935,132</u>              |
| Fund Balance:                                         |                             |                             |
| Nonspendable:                                         |                             |                             |
| Prepays                                               | 28,660                      | 42,990                      |
| Restricted for:                                       |                             |                             |
| Capital Projects Levy                                 | 10,646,380                  | 7,287,195                   |
| Long-Term Facilities Maintenance                      | -                           | 3,414,135                   |
| Building Construction                                 | 1,132,410                   | -                           |
| Restricted for Other Purposes                         | <u>19,807</u>               | <u>19,807</u>               |
| Total Fund Balance                                    | <u>11,827,257</u>           | <u>10,764,127</u>           |
| Total Liabilities and Fund Balance                    | <u><u>\$ 14,746,608</u></u> | <u><u>\$ 11,699,259</u></u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                                                      | 2023         |                   |                              | 2022              |
|----------------------------------------------------------------------|--------------|-------------------|------------------------------|-------------------|
|                                                                      | Final Budget | Actual<br>Amounts | Over (Under)<br>Final Budget | Actual<br>Amounts |
| <b>REVENUES</b>                                                      |              |                   |                              |                   |
| Local Sources:                                                       |              |                   |                              |                   |
| Property Taxes                                                       | \$ -         | \$ -              | \$ -                         | \$ 3,000,000      |
| Investment Income (Loss)                                             | -            | 670,924           | 670,924                      | 19,810            |
| Other                                                                | -            | 8,440             | 8,440                        | -                 |
| Total Revenues                                                       | -            | 679,364           | 679,364                      | 3,019,810         |
| <b>EXPENDITURES</b>                                                  |              |                   |                              |                   |
| Current:                                                             |              |                   |                              |                   |
| Salaries                                                             | 133,800      | 146,165           | 12,365                       | 135,395           |
| Employee Benefits                                                    | 52,865       | 44,315            | (8,550)                      | 41,519            |
| Purchased Services                                                   | 1,751        | 93,615            | 91,864                       | 111,528           |
| Capital Outlay                                                       | 11,568,778   | 10,736,998        | (831,780)                    | 5,937,751         |
| Total Expenditures                                                   | 11,757,194   | 11,150,213        | (606,981)                    | 6,226,193         |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (11,757,194) | (10,470,849)      | 1,286,345                    | (3,206,383)       |
| <b>OTHER FINANCING SOURCES</b>                                       |              |                   |                              |                   |
| Issuance of Bonds                                                    | 11,757,194   | 10,635,000        | (1,122,194)                  | (219,493)         |
| Bond Premium                                                         | -            | 898,979           | 898,979                      | 219,493           |
| Total Other Financing Sources (Uses)                                 | 11,757,194   | 11,533,979        | (223,215)                    | -                 |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | \$ -         | 1,063,130         | \$ 1,063,130                 | (3,206,383)       |
| <b>FUND BALANCE</b>                                                  |              |                   |                              |                   |
| Beginning of Year                                                    |              | 10,764,127        |                              | 13,970,510        |
| End of Year                                                          |              | \$ 11,827,257     |                              | \$ 10,764,127     |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                                                                         | Totals                      |                             |
|-------------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                         | 2023                        | 2022                        |
| <b>ASSETS</b>                                                           |                             |                             |
| Cash and Investments                                                    | \$ 11,072,048               | \$ 12,445,027               |
| Receivables:                                                            |                             |                             |
| Current Property Taxes                                                  | 7,088,616                   | 8,282,695                   |
| Delinquent Property Taxes                                               | 155,360                     | 111,553                     |
|                                                                         | <u>                    </u> | <u>                    </u> |
| Total Assets                                                            | <u>\$ 18,316,024</u>        | <u>\$ 20,839,275</u>        |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCE</b> |                             |                             |
| Liabilities:                                                            |                             |                             |
| Accounts and Contracts Payable                                          | \$ 3,325                    | \$ 1,900                    |
| Deferred Inflows:                                                       |                             |                             |
| Property Taxes Levied for Subsequent Year                               | 14,008,299                  | 16,591,945                  |
| Unavailable Revenue - Delinquent Taxes                                  | 188,098                     | 111,553                     |
| Total Deferred Inflows of Resources                                     | <u>14,196,397</u>           | <u>16,703,498</u>           |
| Fund Balance:                                                           |                             |                             |
| Restricted for:                                                         |                             |                             |
| Debt Service                                                            | <u>4,116,302</u>            | <u>4,133,877</u>            |
|                                                                         |                             |                             |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balance   | <u>\$ 18,316,024</u>        | <u>\$ 20,839,275</u>        |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                             | 2023                         |                     | 2022                            |                     |
|---------------------------------------------|------------------------------|---------------------|---------------------------------|---------------------|
|                                             | Final<br>Budgeted<br>Amounts | Actual<br>Amounts   | Over (Under)<br>Final<br>Budget | Actual<br>Amounts   |
| <b>REVENUES</b>                             |                              |                     |                                 |                     |
| Local Sources:                              |                              |                     |                                 |                     |
| Property Taxes                              | \$ 16,532,975                | \$ 16,515,400       | \$ (17,575)                     | \$ 17,765,397       |
| <b>EXPENDITURES</b>                         |                              |                     |                                 |                     |
| Debt Service:                               |                              |                     |                                 |                     |
| Bond Principal                              | 11,440,000                   | 11,440,000          | -                               | 11,940,000          |
| Bond Interest                               | 5,087,750                    | 5,087,750           | -                               | 5,815,018           |
| Paying Agent Fees and Other                 | 5,225                        | 556,360             | 551,135                         | 3,800               |
| Total Expenditures                          | 16,532,975                   | 17,084,110          | 551,135                         | 17,758,818          |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b> | -                            | (568,710)           | (568,710)                       | 28,773              |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                              |                     |                                 |                     |
| Refunding Bonds Issued                      | -                            | 21,060,000          | 21,060,000                      | -                   |
| Bond Premium                                | -                            | 1,386,135           | 1,386,135                       | -                   |
| Bond Refunding Payment                      | -                            | (21,895,000)        | (21,895,000)                    | -                   |
| Total Other Financing Sources (Uses)        | -                            | 551,135             | 551,135                         | -                   |
| <b>NET CHANGE IN FUND BALANCE</b>           | <u>\$ -</u>                  | <u>(17,575)</u>     | <u>\$ (17,575)</u>              | 28,773              |
| <b>FUND BALANCE</b>                         |                              |                     |                                 |                     |
| Beginning of Year                           |                              | 4,133,877           |                                 | 4,105,104           |
| End of Year                                 |                              | <u>\$ 4,116,302</u> |                                 | <u>\$ 4,133,877</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                                    | Self-<br>Insurance<br>Accounts | OPEB<br>Revocable<br>Trust | Severance            | Totals               |                      |
|------------------------------------|--------------------------------|----------------------------|----------------------|----------------------|----------------------|
|                                    |                                |                            |                      | 2023                 | 2022                 |
| <b>ASSETS</b>                      |                                |                            |                      |                      |                      |
| Current Assets:                    |                                |                            |                      |                      |                      |
| Cash and Investments               | \$ 6,806,455                   | \$ 16,912,212              | \$ 11,092,157        | \$ 34,810,824        | \$ 34,846,843        |
| Accounts Receivable                | 606,304                        | -                          | -                    | 606,304              | 200,824              |
| Interest Receivable                | -                              | 141,993                    | -                    | 141,993              | 128,765              |
| Total Assets                       | <u>7,412,759</u>               | <u>17,054,205</u>          | <u>11,092,157</u>    | <u>35,559,121</u>    | <u>35,176,432</u>    |
| <b>LIABILITIES</b>                 |                                |                            |                      |                      |                      |
| Current Liabilities:               |                                |                            |                      |                      |                      |
| Accounts Payable                   | 5,313                          | -                          | -                    | 5,313                | 1,510                |
| Claims Payable - Medical           | 804,589                        | -                          | -                    | 804,589              | 1,076,086            |
| Unearned Revenue                   | 1,426,014                      | -                          | -                    | 1,426,014            | 1,375,737            |
| Total Liabilities                  | <u>2,235,916</u>               | <u>-</u>                   | <u>-</u>             | <u>2,235,916</u>     | <u>2,453,333</u>     |
| <b>NET POSITION</b>                |                                |                            |                      |                      |                      |
| Unrestricted                       | <u>5,176,843</u>               | <u>17,054,205</u>          | <u>11,092,157</u>    | <u>33,323,205</u>    | <u>32,723,099</u>    |
| Total Liabilities and Net Position | <u>\$ 7,412,759</u>            | <u>\$ 17,054,205</u>       | <u>\$ 11,092,157</u> | <u>\$ 35,559,121</u> | <u>\$ 35,176,432</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)**

|                                 | Self-<br>Insurance<br>Accounts | OPEB<br>Revocable<br>Trust | Severance            | Totals               |                      |
|---------------------------------|--------------------------------|----------------------------|----------------------|----------------------|----------------------|
|                                 |                                |                            |                      | 2023                 | 2022                 |
| <b>OPERATING REVENUES</b>       |                                |                            |                      |                      |                      |
| Charges for Services:           |                                |                            |                      |                      |                      |
| Health Insurance Premiums       | \$ 12,970,527                  | \$ -                       | \$ -                 | \$ 12,970,527        | \$ 12,021,957        |
| Contributions                   | -                              | 1,030,718                  | 823,831              | 1,854,549            | 1,846,986            |
| Total Operating Revenues        | 12,970,527                     | 1,030,718                  | 823,831              | 14,825,076           | 13,868,943           |
| <b>OPERATING EXPENSES</b>       |                                |                            |                      |                      |                      |
| Health Insurance Claim Payments | 11,716,119                     | -                          | -                    | 11,716,119           | 11,271,844           |
| Severance Payments              | -                              | -                          | 1,287,824            | 1,287,824            | 1,942,538            |
| OPEB Payments                   | -                              | 1,030,718                  | -                    | 1,030,718            | -                    |
| Administrative Costs            | -                              | 111,457                    | -                    | 111,457              | 123,872              |
| Total Operating Expenses        | 11,716,119                     | 1,142,175                  | 1,287,824            | 14,146,118           | 13,338,254           |
| <b>OPERATING INCOME (LOSS)</b>  | 1,254,408                      | (111,457)                  | (463,993)            | 678,958              | 530,689              |
| <b>NONOPERATING INCOME</b>      |                                |                            |                      |                      |                      |
| Investment Income (Loss)        | 52,092                         | (130,944)                  | -                    | (78,852)             | (1,630,441)          |
| <b>CHANGE IN NET POSITION</b>   | 1,306,500                      | (242,401)                  | (463,993)            | 600,106              | (1,099,752)          |
| <b>NET POSITION - BEGINNING</b> | 3,870,343                      | 17,296,606                 | 11,556,150           | 32,723,099           | 33,822,851           |
| <b>NET POSITION - ENDING</b>    | <u>\$ 5,176,843</u>            | <u>\$ 17,054,205</u>       | <u>\$ 11,092,157</u> | <u>\$ 33,323,205</u> | <u>\$ 32,723,099</u> |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022)**

|                                                                                                      | Self-<br>Insurance<br>Accounts | OPEB<br>Revocable<br>Trust | Severance            | Totals               |                      |
|------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------|----------------------|----------------------|----------------------|
|                                                                                                      |                                |                            |                      | 2023                 | 2022                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                          |                                |                            |                      |                      |                      |
| Receipts from Interfund Services Provided                                                            | \$ 12,615,324                  | \$ -                       | \$ 1,854,549         | \$ 14,469,873        | \$ 13,783,590        |
| Payments for Administrative Costs                                                                    | -                              | (111,457)                  | -                    | (111,457)            | (123,872)            |
| Payments for Medical Fees and Insurance Claims                                                       | (11,983,813)                   | -                          | -                    | (11,983,813)         | (11,457,554)         |
| Payments for Other Postemployment Benefits                                                           | -                              | -                          | (1,030,718)          | (1,030,718)          | (812,335)            |
| Payments for Severance Benefits                                                                      | -                              | -                          | (1,287,824)          | (1,287,824)          | (1,130,203)          |
| Net Cash Provided (Used) by Operating Activities                                                     | 631,511                        | (111,457)                  | (463,993)            | 56,061               | 259,626              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                          |                                |                            |                      |                      |                      |
| Purchase of Investments                                                                              | -                              | (451,346)                  | -                    | (451,346)            | -                    |
| Interest Received                                                                                    | 52,092                         | 563,097                    | -                    | 615,189              | 153,933              |
| Net Cash Provided (Used) by Investing Activities                                                     | 52,092                         | 111,751                    | -                    | 163,843              | 153,933              |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                          | 683,603                        | 294                        | (463,993)            | 219,904              | 413,559              |
| Cash and Cash Equivalents - Beginning                                                                | 6,122,852                      | 14,629                     | 11,556,150           | 17,693,631           | 17,280,072           |
| <b>CASH AND CASH EQUIVALENTS - ENDING</b>                                                            | <u>\$ 6,806,455</u>            | <u>\$ 14,923</u>           | <u>\$ 11,092,157</u> | <u>\$ 17,913,535</u> | <u>\$ 17,693,631</u> |
| <b>DISPLAYED ON STATEMENT OF FUND NET POSITION AS:</b>                                               |                                |                            |                      |                      |                      |
| Cash and Cash Equivalents                                                                            | \$ 6,806,455                   | \$ 14,923                  | \$ 11,092,157        | \$ 17,913,535        | \$ 17,693,631        |
| Investments                                                                                          | -                              | 16,897,289                 | -                    | 16,897,289           | 17,153,212           |
| Total Cash and Investments on the Statement of Net Position                                          | <u>\$ 6,806,455</u>            | <u>\$ 16,912,212</u>       | <u>\$ 11,092,157</u> | <u>\$ 34,810,824</u> | <u>\$ 34,846,843</u> |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                                |                            |                      |                      |                      |
| Operating Income (Loss)                                                                              | \$ 1,254,408                   | \$ (111,457)               | \$ (463,993)         | \$ 678,958           | \$ 530,689           |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities |                                |                            |                      |                      |                      |
| (Increase) Decrease in Prepaids                                                                      | -                              | -                          | -                    | -                    | 4,967                |
| (Increase) Decrease in Accounts Receivable                                                           | (405,480)                      | -                          | -                    | (405,480)            | (84,922)             |
| Increase (Decrease) in Accounts Payable                                                              | 3,803                          | -                          | -                    | 3,803                | (272,064)            |
| Increase (Decrease) in Claims Payable                                                                | (271,497)                      | -                          | -                    | (271,497)            | 81,387               |
| Increase (Decrease) in Unearned Revenue                                                              | 50,277                         | -                          | -                    | 50,277               | (431)                |
| Total Adjustments                                                                                    | (622,897)                      | -                          | -                    | (622,897)            | (271,063)            |
| Net Cash Provided (Used) by Operating Activities                                                     | <u>\$ 631,511</u>              | <u>\$ (111,457)</u>        | <u>\$ (463,993)</u>  | <u>\$ 56,061</u>     | <u>\$ 259,626</u>    |

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
JUNE 30, 2023**

|                                          | AUDIT          | UFARS          | DIFFERENCE       |
|------------------------------------------|----------------|----------------|------------------|
| <b>01 GENERAL FUND</b>                   |                |                |                  |
| Total Revenue                            | \$ 120,414,180 | \$ 126,392,368 | * \$ (5,978,188) |
| Total Expenditures                       | 122,721,381    | 121,118,325    | * 1,603,056      |
| <i>Nonspendable:</i>                     |                |                |                  |
| 460 Nonspendable Fund Balance            | 491,168        | 261,491        | * 229,677        |
| <i>Restricted:</i>                       |                |                |                  |
| 401 Student Activities                   | 39,487         | 229,048        | * (189,561)      |
| 402 Scholarship                          | -              | -              | -                |
| 403 Staff Development                    | 964,618        | 781,917        | * 182,701        |
| 405 Deferred Maintenance                 | -              | -              | -                |
| 406 Health and Safety                    | -              | -              | -                |
| 407 Capital Project Levy                 | (311,776)      | (311,776)      | -                |
| 408 Cooperative Programs                 | -              | -              | -                |
| 413 Projects Funded by COP               | -              | -              | -                |
| 414 Operating Debt                       | -              | -              | -                |
| 416 Levy Reduction                       | -              | -              | -                |
| 417 Taconite Building Maintenance        | -              | -              | -                |
| 424 Operating Capital                    | 1,815,870      | 1,806,381      | * 9,489          |
| 426 \$25 Taconite                        | -              | -              | -                |
| 427 Disabled Accessibility               | -              | -              | -                |
| 428 Learning and Development             | 1,553,104      | 18,468         | 1,534,636        |
| 434 Area Learning Center                 | -              | -              | -                |
| 435 Contracted Alternative Programs      | -              | -              | -                |
| 436 State-Approved Alternative Programs  | -              | -              | -                |
| 438 Gifted and Talented                  | 19,564         | -              | 19,564           |
| 440 Teacher Development and Evaluations  | -              | -              | -                |
| 441 Basic Skills Programs                | 643,004        | -              | 643,004          |
| 445 Career and Technical Programs        | -              | -              | -                |
| 448 Achievement and Integration          | -              | -              | -                |
| 449 Safe Schools Crime Levy              | 788,149        | 219,871        | * 568,278        |
| 451 QZAB Payments                        | -              | -              | -                |
| 452 OPEB Liability Not Held in Trust     | -              | -              | -                |
| 453 Unfunded Severance & Retirement Levy | -              | -              | -                |
| 464 Restricted Fund Balance              | -              | -              | -                |
| 467 Long-Term Facilities Maintenance     | -              | (22,821)       | * 22,821         |
| 472 Medical Assistance                   | 1,377,717      | 1,070,045      | * 307,672        |
| <i>Committed:</i>                        |                |                |                  |
| 418 Committed for Separation             | -              | -              | -                |
| 461 Committed Fund Balance               | -              | -              | -                |
| <i>Assigned:</i>                         |                |                |                  |
| 462 Assigned Fund Balance                | 1,125,000      | 5,414,024      | * (4,289,024)    |
| <i>Unassigned:</i>                       |                |                |                  |
| 422 Unassigned Fund Balance              | 11,960,133     | 20,297,484     | * (8,337,351)    |
| <b>02 FOOD SERVICE</b>                   |                |                |                  |
| Total Revenue                            | 4,304,009      | 4,283,887      | * 20,122         |
| Total Expenditures                       | 4,270,871      | 4,526,059      | * (255,188)      |
| <i>Nonspendable:</i>                     |                |                |                  |
| 460 Nonspendable Fund Balance            | 110,917        | 133,840        | * (22,923)       |
| <i>Restricted:</i>                       |                |                |                  |
| 452 OPEB Liability Not Held in Trust     | -              | -              | -                |
| 464 Restricted Fund Balance              | 920,254        | 824,868        | * 95,386         |
| <i>Unassigned:</i>                       |                |                |                  |
| 463 Unassigned Fund Balance              | -              | -              | -                |
| <b>04 COMMUNITY SERVICE</b>              |                |                |                  |
| Total Revenue                            | 12,123,295     | 11,299,068     | * 824,227        |
| Total Expenditures                       | 9,978,251      | 9,954,114      | 24,137           |
| <i>Nonspendable:</i>                     |                |                |                  |
| 460 Nonspendable Fund Balance            | -              | -              | -                |
| <i>Restricted:</i>                       |                |                |                  |
| 426 \$25 Taconite                        | -              | -              | -                |
| 431 Community Education                  | 4,883,228      | 3,916,855      | * 966,373        |
| 432 E.C.F.E.                             | 240,013        | 260,697        | * (20,684)       |
| 440 Teacher Development and Evaluations  | -              | -              | -                |
| 444 School Readiness                     | -              | 41,938         | * (41,938)       |
| 447 Adult Basic Education                | 315,300        | 213,113        | * 102,187        |
| 452 OPEB Liability Not Held in Trust     | -              | -              | -                |
| 464 Restricted Fund Balance              | -              | 24,204         | * (24,204)       |
| <i>Unassigned:</i>                       |                |                |                  |
| 463 Unassigned Fund Balance              | -              | -              | -                |

\*Adjustments were posted after the UFARS deadline.

**HOPKINS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 270  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE (CONTINUED)  
JUNE 30, 2023**

|                                      | AUDIT      | UFARS      | DIFFERENCE    |
|--------------------------------------|------------|------------|---------------|
| <b>06 BUILDING CONSTRUCTION</b>      |            |            |               |
| Total Revenue                        | \$ 679,364 | \$ 580,062 | \$ 99,302     |
| Total Expenditures                   | 11,150,213 | 11,396,029 | *(245,816)    |
| <i>Nonspendable:</i>                 |            |            |               |
| 460 Nonspendable Fund Balance        | 28,660     | 357,238    | *(328,578)    |
| <i>Restricted:</i>                   |            |            |               |
| 407 Capital Projects Levy            | 10,646,380 | 949,525    | *9,696,855    |
| 409 Alternative Facility Program     | -          | -          | -             |
| 413 Projects Funded by COP           | -          | -          | -             |
| 467 Long-Term Facilities Maintenance | -          | 10,229,218 | *(10,229,218) |
| 464 Restricted Fund Balance          | 19,807     | -          | *19,807       |
| <i>Unassigned:</i>                   |            |            |               |
| 463 Unassigned Fund Balance          | -          | -          | -             |
| <b>07 DEBT SERVICE</b>               |            |            |               |
| Total Revenue                        | 16,515,400 | 16,406,100 | *109,300      |
| Total Expenditures                   | 17,084,110 | 16,532,975 | 551,135       |
| <i>Nonspendable:</i>                 |            |            |               |
| 460 Nonspendable Fund Balance        | -          | -          | -             |
| <i>Restricted:</i>                   |            |            |               |
| 425 Bond Refunding                   | -          | -          | -             |
| 451 QZAB and QSCB Payments           | -          | -          | -             |
| 464 Restricted Fund Balance          | 4,116,302  | 4,037,006  | *79,296       |
| <i>Unassigned:</i>                   |            |            |               |
| 463 Unassigned Fund Balance          | -          | -          | -             |
| <b>08 TRUST</b>                      |            |            |               |
| Total Revenue                        | -          | -          | -             |
| Total Expenditures                   | -          | -          | -             |
| <i>Net Position:</i>                 |            |            |               |
| 401 Student Activities               | -          | -          | -             |
| 402 Scholarships                     | -          | -          | -             |
| 422 Net Position                     | -          | -          | -             |
| <b>18 CUSTODIAL</b>                  |            |            |               |
| Total Revenue                        | -          | -          | -             |
| Total Expenditures                   | -          | -          | -             |
| <i>Net Position:</i>                 |            |            |               |
| 401 Student Activities               | -          | -          | -             |
| 402 Scholarships                     | -          | -          | -             |
| 422 Net Position                     | -          | -          | -             |
| <b>20 INTERNAL SERVICE</b>           |            |            |               |
| Total Revenue                        | 13,846,450 | 14,825,076 | *(978,626)    |
| Total Expenditures                   | 13,003,943 | 14,012,375 | *(1,008,432)  |
| <i>Net Position:</i>                 |            |            |               |
| 422 Net Position                     | 16,269,000 | 16,267,001 | *1,999        |
| <b>25 OPEB REVOCABLE TRUST</b>       |            |            |               |
| Total Revenue                        | (130,944)  | 436,157    | *(567,101)    |
| Total Expenditures                   | 1,142,175  | 111,458    | 1,030,717     |
| <i>Net Position:</i>                 |            |            |               |
| 422 Net Position                     | 17,054,205 | 17,748,364 | *(694,159)    |
| <b>45 OPEB IRREVOCABLE TRUST</b>     |            |            |               |
| Total Revenue                        | -          | -          | -             |
| Total Expenditures                   | -          | -          | -             |
| <i>Net Position:</i>                 |            |            |               |
| 422 Net Position                     | -          | -          | -             |
| <b>47 OPEB DEBT SERVICE</b>          |            |            |               |
| Total Revenue                        | -          | -          | -             |
| Total Expenditures                   | -          | -          | -             |
| <i>Nonspendable:</i>                 |            |            |               |
| 460 Nonspendable Fund Balance        | -          | -          | -             |
| <i>Restricted:</i>                   |            |            |               |
| 425 Bond Refunding                   | -          | -          | -             |
| 464 Restricted Fund Balance          | -          | -          | -             |
| <i>Unassigned:</i>                   |            |            |               |

\*Adjustments were posted after the UFARS deadline.



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