

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION

Regular Meeting - December 14, 2020 - 7:00 PM
District Administration Building
210 County Rd. 101, N, Plymouth, MN

AGENDA

1. **CALL TO ORDER/ROLL CALL**

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Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Call to Order

ITEM: Roll Call Attendance

COMMENTS BY: Andrea Cuene, Board Chair

	PRESENT	ABSENT
Linda Cohen		
Seanne Falconer		
Sarah Johansen		
Chris McCullough		
Cheryl Polzin		
Bonita Lucky		
Andrea Cuene		
Chace Anderson, ex-officio		



Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Approval of Agenda and Consent Agenda Items

COMMENTS BY: Andrea Cuene, Board Chair

Consent Agenda items are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion of these items unless a Board member or citizen so requests, in which event, the item will be removed as a Consent Agenda item and addressed. Consent Agenda items are as follows:

- 2. APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS**
 - 2.A. Approval of Minutes
 - 2.B. Finance and Business Services
 - 2.B.1. Monthly Reports
 - 2.B.2. Eaglebrook Church Leash Extension
 - 2.B.3. OPEB Policy
 - 2.B.4. Combined Polling Places
 - 2.C. Human Resource Services
 - 2.C.1. Monthly Recommendations

Recommended Action: Approve the full agenda as presented, and the consent agenda items.

Motion by: _____ **ROLL CALL** **Passed:** _____

Second by: _____ **Failed:** _____

Abstentions: _____



Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Approval of Board Minutes

COMMENTS BY: Bonita Lucky, Board Clerk

Approve the minutes of the following meetings:

- November 9, 2020 Regular Meeting
- November 11, 2020 Emergency Meeting
- November 23, 2020 Special Meeting

Recommended Action: Approve the minutes of the Board meetings.

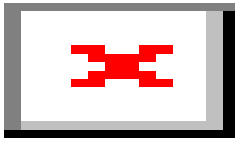
Motion by: _____ **Yes:** _____ **Passed:** _____

Second by: _____ **No:** _____ **Failed:** _____

Abstentions: _____

BOARD OF EDUCATION

Special Meeting - Monday, November 23, 2020 - 5:00 PM
Zoom Teleconference



Linda Cohen: Present
Andrea Cuene: Present
Seanne Falconer: Present
Sarah Johansen: Present
Bonita Lucky: Present
Chris McCullough: Present
Cheryl Polzin: Present
Present: 7.

1. CALL TO ORDER/ROLL CALL

2. Human Resource Services

2.A. Monthly Recommendations

Approve the Human Resource actions as recommended in the attachment. This motion, made by Sarah Johansen and seconded by Linda Cohen, Passed.

Linda Cohen: Aye, Andrea Cuene: Aye, Seanne Falconer: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0

2.B. Approve Workman's Comp Vendor

Authorize USI Insurance Services to bind our insurance program(s) as presented for the period of December 1, 2020, to December 1, 2021. This motion, made by Linda Cohen and seconded by Sarah Johansen, Passed.

Linda Cohen: Aye, Andrea Cuene: Aye, Seanne Falconer: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0

3. Finance and Business Services

3.A. Athletic Event Online Ticket Sale Processing Services

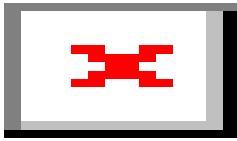
Approve the resolution authorizing District administration to use Vanco Events as its online ticketing service provider for a period of one year. Also approve District administration's recommendation to set the price of admission for athletic events to \$7.25 per ticket. This motion, made by Chris McCullough and seconded by Sarah Johansen, Passed.

Linda Cohen: Aye, Andrea Cuene: Aye, Seanne Falconer: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0

4. ADJOURN

Call the meeting to a close at 6:49 pm. This motion, made by Linda Cohen and seconded by Cheryl Polzin, Passed.

Linda Cohen: Aye, Andrea Cuene: Aye, Seanne Falconer: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0



BOARD OF EDUCATION

Regular Meeting - Monday, November 9, 2020 - 7:00 PM
Central Middle School
305 Vicksburg Lane North
Plymouth, MN 55447

Linda Cohen: Present
Andrea Cuene: Present
Seanne Falconer: Present
Sarah Johansen: Present
Bonita Lucky: Present
Chris McCullough: Present
Cheryl Polzin: Present
Present: 7.

1. CALL TO ORDER/ROLL CALL

2. APPROVAL OF AGENDA AND CONSENT AGENDA ITEMS

Approve the full agenda as presented, and the consent agenda items. This motion, made by Seanne Falconer and seconded by Linda Cohen, Passed.

Linda Cohen: Aye, Andrea Cuene: Aye, Seanne Falconer: Aye, Sarah Johansen: Aye,
Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0

2.A. Approval of Minutes

2.B. Finance and Business Services

2.B.1. Monthly Reports

2.B.2. P-Card Approval

2.C. Human Resource Services

2.C.1. Monthly Recommendations

2.C.2. Student Teaching Agreements

3. REPORTS FROM ORGANIZATIONS

4. RECOGNITIONS

Superintendent Anderson recognized the following for their achievements:

4.A. Sunset Hill National Blue Ribbon

4.B. Spencer Mateega

4.C. Employee of the Month

4.D. Retiree Recognition

5. AUDIENCE OPPORTUNITY TO ADDRESS SCHOOL BOARD

No citizens requested to address the Board.

6. STUDENT CURRICULUM PRESENTATION

7. ADMINISTRATIVE REPORTS AND RECOMMENDATIONS

7.A. Superintendent

7.A.1. School Learning Model and COVID-19 Update

Superintendent Anderson provided an update on the School Learning Models and the COVID situation. Please review the powerpoint for details.

7.B. Teaching and Learning

7.C. Finance and Business Services

7.C.1. Monthly Financial Reports

7.C.2. Permanent Transfer of Funds

Waive the reading of, and approve the resolution authorizing the June 30, 2020 permanent funds transfer from General Fund Operating Funds to the Food Service Fund in the amount of \$249,545.13. This transfer does not result in an increase to state aid obligations or additional property tax authority, nor does it jeopardize any federal funding requirement or interfere with an equitable delivery of distance learning or socially distanced learning models. This motion, made by Sarah Johansen and seconded by Bonita Lucky, Passed.

Linda Cohen: Aye, Andrea Cuene: Aye, Seanne Falconer: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0

7.D. Human Resource Services

8. OTHER BOARD ACTION

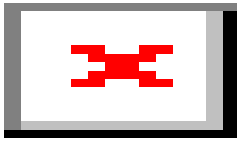
9. BOARD REPORTS

Cheryl Polzin gave an update on the Minnesota School Board Delegate Assembly, and the actions of the Legislative Action Committee (LAC) within the district.

10. ADJOURN

Call the meeting to a close at 8:32 pm. This motion, made by Bonita Lucky and seconded by Linda Cohen, Passed.

Linda Cohen: Aye, Andrea Cuene: Aye, Seanne Falconer: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye
Aye: 7, Nay: 0



BOARD OF EDUCATION

Emergency Meeting - Wednesday, November 11, 2020 - 6:00 PM
Zoom Teleconference

approve changes to the learning model due to the coronavirus pandemic. The learning model for schools must shift to distance learning due to the rate of rising positive COVID-19 cases, per recommendations from the State of Minnesota. Please see the full packet of information for details on a school-by-school basis.

Linda Cohen: Present
Andrea Cuene: Present
Seanne Falconer: Present
Sarah Johansen: Present
Bonita Lucky: Present
Chris McCullough: Present
Cheryl Polzin: Present
Present: 7.

1. ROLL CALL/CALL TO ORDER

2. COVID-19 Update and Learning Model Changes

Approve and affirm the changes to the learning model as presented by the Superintendent in the attachment. This motion, made by Linda Cohen and seconded by Bonita Lucky, Passed.

Linda Cohen: Aye, Andrea Cuene: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye, Seanne Falconer: Nay

Aye: 6, Nay: 1

Seanne Falconer: Nay

3. ADJOURN

Adjourn the meeting at 7:24 pm. This motion, made by Sarah Johansen and seconded by Bonita Lucky, Passed.

Linda Cohen: Aye, Andrea Cuene: Aye, Seanne Falconer: Aye, Sarah Johansen: Aye, Bonita Lucky: Aye, Chris McCullough: Aye, Cheryl Polzin: Aye

Aye: 7, Nay: 0

B. Finance and Business Services
1. Monthly Reports

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BOARD OF EDUCATION
Regular Meeting – December 14, 2020

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business

Finance and Business Services Recommendations

These routine items are presented for School Board review and approval through a single consent motion.

Monthly Bills

The attached lists itemize claims for which the School Board is requested to authorize payment:

General Checking Account for November 2020	\$3,818,571
Wire Transfer, EFT & ACH for October 2020	\$11,888,295

Acknowledgement of Contributions

Minn. Stat. 465.03 - GIFTS TO MUNICIPALITIES:

“Any city, county, school district or town may accept a grant or devise of real or personal property and maintain such property for the benefit of its citizens in accordance with the terms prescribed by the donor. Nothing herein shall authorize such acceptance or use for religious or sectarian purposes. Every such acceptance shall be by resolution of the governing body adopted by a two-thirds majority of its members, expressing such terms in full.”

The School Board is requested to accept the attached list of donations received in November 2020:

Cash Donations	\$4,873
In-Kind Donations	\$0

Recommended Action: Approve the checking account and wire transfer payments and accept with appreciation the donations, which comply with current district policies and guidelines.

Motion by: _____ **ROLL CALL** **Passed:** _____

Second by: _____ **Failed:** _____

Abstentions: _____



Check Report
For the month ended November 30, 2020

Check #	Vendor	Description	Date	Amount
12204	Vinco Inc	Refund	11/5/2020	\$ (1,150,517.18)
709544	Wright-Hennepin Cooperative Electric Assn	Refund	11/23/2020	(10,932.49)
709934	Wright-Hennepin Cooperative Electric Assn	Refund	11/23/2020	(9,871.99)
11690	Smartfix Llc	Refund	11/10/2020	(1,560.35)
11589	Smartfix Llc	Refund	11/10/2020	(234.00)
409695	Sansevere, Samantha	Refund	11/2/2020	(50.00)
409970	Hense, Mercy	Refund	11/2/2020	(40.10)
407747	Blanks, Lauren	Refund	11/2/2020	(16.72)
709879	Wright-Hennepin Cooperative Electric Assn	Refund	11/23/2020	(14.32)
12435	Napa Auto Parts Of Corcoran	Refund	11/10/2020	0.00
12433	Namur, Trudy	Ins Premium Overpaid	11/10/2020	3.00
202100247	Benson, Brooke	Reimbursement	11/18/2020	5.38
709994	Site One Landscape Supply Llc	WHS Irrigation	11/5/2020	6.23
202100274	Dunnigan, Kat	Reimbursement	11/24/2020	6.95
12288	Mn State High School League	Gymnastics Medals	11/3/2020	8.00
202100200	Barbknecht, Andrea	Reimbursement	11/4/2020	10.47
202100254	Gustafson, Brad	Reimbursement	11/18/2020	10.49
709984	Mckesson Medical-Surgical Government Solution	Providence Non Public Health Supplies	11/5/2020	12.94
12491	Centurylink Business Services	Monthly Serv Due 11/25/20	11/17/2020	13.86
12270	Jaytech Inc	WHS	11/3/2020	14.75
202100257	Hannan, Kathleen	Reimbursement	11/18/2020	15.79
12280	Mn Dept Of Commerce	Unclaimed Property	11/3/2020	16.72
202100277	Nelson, Kristopher	Reimbursement	11/24/2020	18.00
710014	Mckesson Medical-Surgical Government Solution	Health Non Public Providence	11/12/2020	18.15
12419	Language Testing International Inc	Aappl	11/10/2020	19.00
12504	Georgakopoulos, Tess	Prof Serv	11/17/2020	20.00
12484	American Pressure Inc	CFS Jpressure WaSHer Repair	11/17/2020	22.54
202100259	Hogan-Naraji, Nicole	Reimbursement	11/18/2020	23.69
12529	House Of Note	Orchestra Classroom Supplies	11/17/2020	24.00
202100268	Selinger, Judith	Reimbursement	11/18/2020	24.32
12206	A-1 Outdoor Power Inc	CFS Stock	11/3/2020	24.99
12547	Metro Ecsu-Region 11 Isd #920	Sped -ESC	11/17/2020	25.00
202100203	Blake, John	Reimbursement	11/4/2020	25.00
12306	Rabe, Andrea	Choir SHoes	11/3/2020	28.00
202100232	Heidelberger, Kellie	Reimbursement	11/11/2020	28.88
202100265	Larson, Kimberly	Reimbursement	11/18/2020	30.00
202100262	Johnson, Kristi	Reimbursement	11/18/2020	31.67
12209	Adams, Brianne	Official	11/3/2020	32.20
202100263	Johnson, Reed	Reimbursement	11/18/2020	32.86
202100222	Benson, Brooke	Reimbursement	11/11/2020	33.36
710026	Discount School Supply	Do-A-Dot Markers	11/19/2020	34.66
12384	Duraco Specialty Tapes Llc	CMS Teacher Tape	11/10/2020	34.68
202100199	Andrews, Stephanie	Reimbursement	11/4/2020	34.96
202100278	Olstad, Hanna	Reimbursement	11/24/2020	35.02
202100217	Selinger, Judith	Reimbursement	11/4/2020	35.13
12732	Unlimited Supplies	CFS Stock	11/24/2020	36.13
202100271	Tollison, Kristin	Reimbursement	11/18/2020	37.65
202100252	Gentile, Jean	Reimbursement	11/18/2020	38.25
709986	Norcostco Inc	Wayzata Players-Romeo & Juliet	11/5/2020	39.00
202100230	Hagen, Leah	Reimbursement	11/11/2020	39.22
202100266	Mcgunnigle, Cynthia	Reimbursement	11/18/2020	39.99
12282	Mn Dept Of Commerce	Unclaimed Property	11/3/2020	40.10
202100267	Seeland, Elizabeth	Reimbursement	11/18/2020	40.25
202100276	Gustafson, Brad	Reimbursement	11/24/2020	42.00
12715	R & R Specialties, Inc.	Ice Arena	11/24/2020	42.50
202100211	Kim, Susan	Reimbursement	11/4/2020	44.06
12652	Hawthorne Educational Services	Sped- Wels	11/24/2020	45.00
202100214	Misuraco, Nicole	Reimbursement	11/4/2020	45.00
12727	Toll Gas & Welding Supply	Rental	11/24/2020	45.08
12222	Anderson, Mark	Official	11/3/2020	45.26
202100224	Brisley, Andrew	Reimbursement	11/11/2020	45.31
12495	Center For The Collaborative Classroom	Ccc Workbooks For 5Th Grade	11/17/2020	47.00
202100234	Jorenby, Clarice	Reimbursement	11/11/2020	47.98
12549	Muehleisen, Len	Cul Refund	11/17/2020	48.05
12450	Thapalad, Jindaporn	Cul Refund	11/10/2020	48.75

Check #	Vendor	Description	Date	Amount
12415	Karlsburger Foods, Inc	CFS - Groceries	11/10/2020	49.75
12281	Mn Dept Of Commerce	Unclaimed Property	11/3/2020	50.00
12498	Falk, Jennifer	Cul Refund	11/17/2020	50.00
202100210	Jorenby, Clarice	Reimbursement	11/4/2020	50.00
12399	Hamel Building Ctr	CFS Supplies	11/10/2020	51.94
12291	Nisam, Zoe	Drama Club Supplies	11/3/2020	51.96
12246	Faue, Jerry	Official	11/3/2020	52.60
12247	Faue, Jesse	Official	11/3/2020	52.60
12500	Faue, Jerry	Official	11/17/2020	52.60
12501	Faue, Jesse	Official	11/17/2020	52.60
12713	Premium Waters Inc	Wk Gw Water Oct 2020	11/24/2020	52.89
202100233	Johnson, Jeri	Reimbursement	11/11/2020	53.30
202100229	Gale, Christa	Reimbursement	11/11/2020	53.42
202100218	Simson, Kathryn	Reimbursement	11/4/2020	53.44
202100219	Sour, Lydia	Reimbursement	11/4/2020	53.48
202100228	Farmer, Kathleen	Reimbursement	11/11/2020	53.50
202100256	Hallen, Adeline	Reimbursement	11/18/2020	53.50
202100269	Sobota-Paxton, Lauren	Reimbursement	11/18/2020	53.99
202100237	Mellor, Joel	Reimbursement	11/11/2020	54.05
12537	Janke, John	Official	11/17/2020	54.82
202100212	Lachmansingh, Lewis	Reimbursement	11/4/2020	55.01
202100251	Elmhirst, David	Reimbursement	11/18/2020	55.76
710068	Schmitt Music Co	Band Classroom Suplies	11/24/2020	57.00
710035	Minnesota Equipment	Credit	11/19/2020	58.15
709981	Innovative Office Solutions	Nw Keys	11/5/2020	59.75
12262	Healthsource Solutions Llc	Conf.	11/3/2020	60.00
12283	Mn Division On Visual Impairments	Sped - ESC	11/3/2020	60.00
12447	Success Beyond The Classroom	Student Registrations	11/10/2020	60.00
202100239	Monson, Dale	Reimbursement	11/11/2020	60.00
202100226	Dikeman, Elizabeth	Reimbursement	11/11/2020	60.61
710011	Lakeshore Learning Materials	Els Table Leg Inserts	11/12/2020	61.75
12730	Turner, Alfred	Cul Refund	11/24/2020	62.70
12230	Bruegger'S Enterprises Inc	Hs - Bread Products	11/3/2020	63.03
12667	Johnstone Supply	CFS Filters	11/24/2020	63.36
202100216	Schnettler, Bryan	Reimbursement	11/4/2020	63.50
202100236	Lauer, Rebecca	Reimbursement	11/11/2020	63.60
202100204	Bratvold, Jennifer	Reimbursement	11/4/2020	64.17
12358	Adams, Brianne	Official	11/10/2020	64.40
12357	Ablenet	Sped - WMS	11/10/2020	65.00
202100272	Voltin, Jill	Reimbursement	11/18/2020	65.67
12401	Harries, Julie	Balance Culinary Express Acct	11/10/2020	67.00
12304	Pump & Meter Service, Inc	Tr #20	11/3/2020	68.54
202100255	Hagen, Andrew	Reimbursement	11/18/2020	70.00
12321	Tsbl Distributing/Taylor Sales	Hs - Snacks	11/3/2020	71.19
12463	Woodburn Press	Ems Office	11/10/2020	72.00
202100249	Chaffee, Nicole	Reimbursement	11/18/2020	72.00
12208	Accucut Llc	Die Cut Roller/Tray Kit	11/3/2020	74.00
710008	Gopher Sport	ACMS Phy. Ed Classroom Supplies	11/12/2020	74.70
12316	Sonova Usa Inc	Sped - ESC	11/3/2020	75.00
12526	Hennepin County Treasurer	Health At Work	11/17/2020	75.00
12662	Ingina Llc	Prof Ser	11/24/2020	75.00
12416	Kd & Company Recycling Inc	Dist Use	11/10/2020	75.96
202100270	Storvick, Sarah	Reimbursement	11/18/2020	76.12
710017	Really Good Stuff	5Th Grade Calendars	11/12/2020	76.87
12260	Hammer Sports Llc	Volleyball Officials	11/3/2020	77.00
12318	Treanor, Sophie	Drama Club	11/3/2020	78.38
12226	Bean, William	Official	11/3/2020	79.00
12228	Boie, Jason	Official	11/3/2020	79.00
12338	Withers, Gerald	Official	11/3/2020	79.00
12385	Edwards, Nicholas	Official	11/10/2020	79.00
12397	Gustafson, Zachary	Official	11/10/2020	79.00
12402	Heimer, Steven	Official	11/10/2020	79.00
12449	Taylor, Brandon	Official	11/10/2020	79.00
12496	Downs, Tyler	Official	11/17/2020	79.00
12563	Ranade, Piyush	Official	11/17/2020	79.00
12592	Turnbull, Blaine	Official	11/17/2020	79.00
12651	Gustafson, Zachary	Official	11/24/2020	79.00
12666	Johnston, Adam	Official	11/24/2020	79.00
12736	Wilson, John	Official	11/24/2020	79.00
12737	Withers, Gerald	Official	11/24/2020	79.00
202100253	Godejahn, Debra	Reimbursement	11/18/2020	79.99
12256	Georgakopoulos, Tess	Prof Serv	11/3/2020	80.00
710069	School Specialty	Kindergarten Math Manipulatives	11/24/2020	80.70
12716	Rhombs, Craig	Prof Serv	11/24/2020	85.50
202100202	Bialozynski, Samantha	Reimbursement	11/4/2020	86.65
12634	Citi-Cargo & Storage	Dist Storage	11/24/2020	87.00
202100242	Rathe, Sarah	Reimbursement	11/11/2020	88.90

Check #	Vendor	Description	Date	Amount
202100248	Betzinger, Nancy	Reimbursement	11/18/2020	88.98
12254	Gallagher, Matt	Official	11/3/2020	89.00
12259	Gustafson, Zachary	Official	11/3/2020	89.00
12261	Haugen, Christopher	Official	11/3/2020	89.00
12278	Marson, David	Official	11/3/2020	89.00
12310	Robideau, Brian	Official	11/3/2020	89.00
12487	Bauschelt, Pat	Official	11/17/2020	89.00
12490	Carter, Jeremy	Official	11/17/2020	89.00
12539	Jensen, Eric	Official	11/17/2020	89.00
12540	Karnas, Matt	Official	11/17/2020	89.00
12541	Karnas, Mike	Official	11/17/2020	89.00
12614	Assn For Supervision & Curriculum Development	MemberSHIP	11/24/2020	89.00
202100201	Barr, Janelle	Reimbursement	11/4/2020	89.00
202100206	Crow, Melinda	Reimbursement	11/4/2020	89.00
12505	Gibbs Farm	1St Gr Filed Trip	11/17/2020	90.00
710044	Shred-N-Go	SHredding Service	11/19/2020	90.00
12367	Anderson, Mark	Official	11/10/2020	90.52
710015	Norcostco Inc	Wayzata Players	11/12/2020	92.60
710070	Social Thinking	Sped -OW	11/24/2020	95.49
12284	Mn Future Problem Solving Program	Supplies	11/3/2020	100.00
12728	Tricarico, Daniel	Presentation	11/24/2020	100.00
202100264	Labounty, Lauren	Reimbursement	11/18/2020	100.89
202100238	Miller, Janet	Reimbursement	11/11/2020	101.37
202100246	Beck, Marie	Reimbursement	11/18/2020	102.29
709990	Really Good Stuff	Grade 2 Order	11/5/2020	102.42
202100223	Boggs, Rebecca	Reimbursement	11/11/2020	103.88
202100244	Williamson, Taylor	Reimbursement	11/11/2020	103.97
12298	Plastic Bagmart	Material Pick-Up Bags	11/3/2020	105.00
12462	Walbran, Sharon	Prof Serv	11/10/2020	105.00
12693	Motz Studios Llc	Prof Serv	11/24/2020	105.00
202100208	Hagen, Andrew	Reimbursement	11/4/2020	105.05
202100279	Tuominen, Julie	Reimbursement	11/24/2020	107.83
202100220	Williamson, Taylor	Reimbursement	11/4/2020	109.50
12395	Gopher Stage Lighting	Wayzata Players	11/10/2020	115.00
12665	Jimmy'S Johnnys Inc	Biffys	11/24/2020	115.00
202100213	Lapensky, Sharon	Reimbursement	11/4/2020	118.19
202100240	Noelting, Melanie	Reimbursement	11/11/2020	118.46
12377	Centerpoint Energy	Due 11/25/20 Monthly Serv	11/10/2020	118.51
12617	Belleville High School	Two Teams	11/24/2020	120.00
12683	Merlino, Rory	Official	11/24/2020	120.00
12599	Us Foods Culinary E & S	CFS - Serving Supplies	11/17/2020	120.24
710066	Norcostco Inc	Wayata Players	11/24/2020	121.75
12488	Building Material Supply Inc	WHS	11/17/2020	121.80
12464	Wright, Vera	Cul Refund	11/10/2020	124.55
12542	Lano Equipment Inc	CFS Compressor Hitch	11/17/2020	124.85
12429	Mn Elem Sch Principals' Assn	Conf Registration	11/10/2020	125.00
709992	School Health Corp	Health Services	11/5/2020	130.42
12301	Professional Interpreting	Interpreting	11/3/2020	132.00
12453	Unlimited Supplies	Ice Arena Supplies	11/10/2020	133.09
202100205	Braun, Cathy	Reimbursement	11/4/2020	134.64
12672	Komarek, Joseph	Official	11/24/2020	135.78
12460	Us Foods Culinary E & S	Ems - Serving Supplies	11/10/2020	136.55
202100215	Rogers, Judy	Reimbursement	11/4/2020	138.75
12231	Cdw Government Llc	Sped - ESC	11/3/2020	141.60
12700	Novinska, Tod	Prpof Serv	11/24/2020	145.00
202100227	Duenas, Dominic	Reimbursement	11/11/2020	145.10
709983	Lakeshore Learning Materials	OW Wk Pre-K Oct Supplies	11/5/2020	148.19
12546	Mccormick'S Group Llc	Marching Band Supplies	11/17/2020	149.41
12279	Metro Ecsu-Region 11 Isd #920	Sped -ESC	11/3/2020	150.00
12556	Patton, Stacey	Cul Refund	11/17/2020	150.75
202100221	Anderson, Sophia	Reimbursement	11/11/2020	154.50
12654	Hill Co, Robert B.	Nw Salt	11/24/2020	156.20
12277	Marco Products Inc	Sped- Nw	11/3/2020	157.25
12723	Stewart, Peter	Official Chain Crew Season	11/24/2020	157.80
12414	Johnston, Adam	Official	11/10/2020	158.00
12673	Kovach, James	Official	11/24/2020	158.00
710009	Heinemann	Prof. Developmen Books	11/12/2020	160.60
12312	Rosemount High School Debate	Wayzata Debate	11/3/2020	165.00
12468	Florida State Disbursement Unit	Payroll Accrual	11/13/2020	165.30
12742	Florida State Disbursement Unit	Payroll Accrual	11/30/2020	165.30
709972	Allegra Print & Imaging	Printing Order	11/5/2020	171.20
12315	Sherwin-Williams	WHS Hallways	11/3/2020	174.04
12461	Usi Education & Government Sales	Sped - Wels	11/10/2020	174.88
12290	My Medical Clinic Llc	Prof Serv	11/3/2020	175.00
12682	Mdta- Mn Debate Teachers Assn	Debate Entries	11/24/2020	175.00
12722	Step Saver Inc	WHS Salt	11/24/2020	179.85
12544	Lvc (Low Voltage Contractors)	Dist Monitoring	11/17/2020	180.75

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710043	School Specialty	Sped -Gw	11/19/2020	181.50
12697	Ngo, Jessica	Cul Refund	11/24/2020	182.85
12245	Embi Tec	Biology Supplies	11/3/2020	188.00
12669	Kelly'S Wrecker Service Llc	Service	11/24/2020	188.18
12334	Valley High School	Wayzata Debate	11/3/2020	190.00
12606	Allina Health System	Pre Employ Screen	11/24/2020	190.00
12691	Mn School Boards Assn	Training	11/24/2020	195.00
12591	Triarco Arts & Crafts, Inc.	Triarco Drawing Supplies	11/17/2020	195.48
12299	Premium Waters Inc	Lbn	11/3/2020	195.65
12653	Healy Awards Inc	(A)Girls Hockey Supplies	11/24/2020	196.07
12499	Fanschool Inc.	CMS 8Th Grade Classroom Supplies	11/17/2020	198.00
12735	Westside Wholesale Tire, Inc	Tr #7 SnOWtires	11/24/2020	200.00
710004	Blick Art Materials	WHS Art Supplies	11/12/2020	200.88
202100231	Hansen, Elizabeth	Reimbursement	11/11/2020	201.85
12403	Hirequest	Supplies	11/10/2020	204.75
12706	Partners In Learning Programs, Inc	CMS Pbis/Trojan Pride Supplies	11/24/2020	204.85
202100235	Klein, Jeri	Reimbursement	11/11/2020	213.90
202100261	Jasper, Leanne	Reimbursement	11/18/2020	214.81
710010	Hi-Tech Refrigeration	Repair Wayzata Kids Milk Cooler	11/12/2020	217.75
12602	A-1 Outdoor Power Inc	CFS SnOWblOWer Repair	11/24/2020	217.97
202100241	Poppen, Dietrich	Reimbursement	11/11/2020	219.16
12708	Perry, Mark	Referee Assigner	11/24/2020	222.00
12235	Clausen, John	Cul Refund	11/3/2020	223.15
202100243	Siegrist, John	Reimbursement	11/11/2020	223.24
202100245	Zobrack, Christopher	Reimbursement	11/11/2020	223.24
710036	Norcostco Inc	Auditorium	11/19/2020	224.00
12528	Hirequest	Supplies	11/17/2020	227.50
12525	Hammer Sports Llc	Prof Serv	11/17/2020	231.00
710028	Ferguson Enterprises, Inc #1657	Indoor Auto	11/19/2020	235.00
12489	Burica, Deborah	(A)Boys Varsity Soccer	11/17/2020	241.65
12568	Skyward Inc	Interest Calc For Inv 0000205214	11/17/2020	241.73
710041	Scholastic Inc	Books	11/19/2020	242.17
202100250	Christenson, Erik	Reimbursement	11/18/2020	258.80
12233	Citi-Cargo & Storage	Dist Storage	11/3/2020	261.00
710023	Allegra Print & Imaging	(A)Senior Night Posters	11/19/2020	263.55
202100273	Zhang, Sheen	Reimbursement	11/18/2020	270.94
12562	Professional Interpreting	Interpreter	11/17/2020	272.80
709980	Hubert Co	Supplies	11/5/2020	274.13
12567	Sherwin-Williams	Indoor Auto Paint	11/17/2020	274.98
12258	Grainger Inc., W. W.	Athletics Supplies	11/3/2020	286.00
12422	Medical Disposal Systems	Prof Serv	11/10/2020	288.00
12300	Prepd Llc	MemberSHIP	11/3/2020	300.00
12368	Baker Skeet And Trap Llc	Prof Serv	11/10/2020	300.00
202100225	Caspar, Anna	Reimbursement	11/11/2020	308.77
12420	Lindgren Design, Irene	Design Services	11/10/2020	315.00
12497	Easter, Mark	Piano Tuning Choir	11/17/2020	315.00
12335	Varitronics, Llc	OW Poster Paper And Toner	11/3/2020	315.26
12210	Advisors Marketing Group	Staff Lanyards	11/3/2020	316.52
12503	Gengler, Lori	(A) Banquet Expense Girls Swim & Dive	11/17/2020	318.93
12227	Bear Graphics Inc	Door Covid Signs	11/3/2020	319.65
12565	Root-O-Matic	OW Repair	11/17/2020	320.00
709978	Gopher Sport	CMS Phy. Ed Classroom Supplies	11/5/2020	323.65
12719	Schrader, Thomas	Official Supervisor Football Season	11/24/2020	327.00
12538	Jaytech Inc	WHS Testing	11/17/2020	330.00
202100258	Henry, Angela	Reimbursement	11/18/2020	334.12
12533	Intermediate Dist 287	C & T	11/17/2020	339.30
12426	Mint Roofing Inc	CMS Repair	11/10/2020	339.46
12293	Olsen Chain & Cable Inc	CFS Ratchet Straps	11/3/2020	340.50
12266	Hirequest	Supplies	11/3/2020	341.25
710012	Learning A-Z	Sped - Subscription	11/12/2020	346.35
12371	Berry Coffee Company	CMS Office Eq Rental	11/10/2020	348.44
12452	Triarco Arts & Crafts, Inc.	Bts Art Order	11/10/2020	349.70
12286	Mn Assn Of School Business Officials	Fall Conf	11/3/2020	350.00
12308	Research Institue For Learning And Developmen	Sped - CMS	11/3/2020	350.00
12473	Alexandra Mccannel Llc	WHS Sped	11/17/2020	350.00
12267	Ingram Library Services	Ccc Replacements	11/3/2020	350.77
12506	Golden Valley Supply Co	Pc Ceiling Tiles	11/17/2020	355.43
12252	Frontier Precision	Dist Use	11/3/2020	360.00
12502	Genest-Stein, Phyllis	Dhh Mentoring	11/17/2020	360.00
12687	Mn Future Problem Solving Program	Fps Regional Reg	11/24/2020	375.00
12642	Fredrikson & Byron P.A.	Prof Serv	11/24/2020	380.00
12444	Sampson Miller Advertising Inc	Classroom Signs	11/10/2020	398.37
12535	International E-Z Up Inc	International E-Z Up Tents	11/17/2020	400.00
12431	Mn School Boards Assn	Training	11/10/2020	410.00
12635	City Of Plymouth	Security Football	11/24/2020	415.27
12571	Step Saver Inc	WHS Salt	11/17/2020	417.45
709974	Ancom Communications	Wk Supplies Walkie Accessories	11/5/2020	423.25

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710045	Site One Landscape Supply Llc	WHS	11/19/2020	423.45
12694	Mri Software Llc	Prof Serv	11/24/2020	435.00
12729	Trugreen	WMS	11/24/2020	435.00
12294	On Site Sanitation	Service	11/3/2020	441.43
12717	Root-O-Matic	GI Repair	11/24/2020	445.00
202100275	Duwenhoeffer, Dawn	Reimbursement	11/24/2020	447.12
12483	American Flagpole & Flag Co	WHS Flags	11/17/2020	449.40
12425	Minnesota Quiz Bowl Alliance	Registration	11/10/2020	450.00
12622	Brantner, Steven	(A) Facility Rental	11/24/2020	450.00
709991	Schmitt Music Co	Band Class Supplies	11/5/2020	458.12
202100260	Iorio, Alyse	Reimbursement	11/18/2020	464.00
202100209	Hammero, Katelyn	Reimbursement	11/4/2020	470.20
12423	Metro Volleyball Official Association, Llc	Prof Serv	11/10/2020	478.00
12684	Metro Volleyball Official Association, Llc	Prof Serv	11/24/2020	478.00
12287	Mn Community Ed Assn	Conf Reg	11/3/2020	480.00
12559	Popp Communications	Blanket Po For Long Distance Calls	11/17/2020	484.45
12271	Jimmy'S Johnnys Inc	Biffys	11/3/2020	490.00
12441	Promowear	Wayzata Players	11/10/2020	494.30
12234	Classkick	WHS Classkick Renewal	11/3/2020	499.00
12244	Elite Av Llc	Service Bv	11/3/2020	500.00
12639	Ergo Desktop Llc	CFS Stand Up Desk	11/24/2020	509.15
709985	Minnesota Equipment	CFS Parts	11/5/2020	510.81
12373	Boiler Services, Inc	WMS Repair	11/10/2020	522.50
12647	Gillund Enterprises	CFS SHop Stock	11/24/2020	525.72
12600	Viking Electric Supply, Inc	WHS Supplies	11/17/2020	531.81
12589	Success Beyond The Classroom	Reg For Young Authors Conf & Stem Link	11/17/2020	540.00
12418	Komarek, Joseph	Official-Team Announcer & Timer	11/10/2020	540.84
12623	Braun Interec Corp	Prof Serv	11/24/2020	551.25
12714	Professional Interpreting	Interpreting	11/24/2020	553.60
12626	Bryan Rock Products Inc	CMS	11/24/2020	556.51
710051	Team Sporting Goods, Inc	Track Protector	11/19/2020	559.90
12428	Mn Clay Usa - Midwest	Mn Clay Open Po	11/10/2020	569.54
12430	Mn Safety Council	MemberSHIP Dues	11/10/2020	580.00
12689	Mn Dept Of Labor And Industry	Boiler	11/24/2020	590.00
12292	Now Micro	Monitors For Ad Bldg	11/3/2020	604.00
710027	Ecm Publishers, Inc	Sept 14 Reg Minutes	11/19/2020	606.90
12257	Gopher State Events, Llc	Ms Cross Country Meet	11/3/2020	651.45
709988	Pepper & Son Inc., J. W.	CMS/Orchestra	11/5/2020	654.30
12705	Parallel Technologies Inc	Prof Serv	11/24/2020	657.17
12660	Horizon Equipment	Combi Cleaner	11/24/2020	659.00
12369	Bayada Home Health Care Inc	Nursing	11/10/2020	662.50
710032	Loffler Companies Inc	WHS Copy Center Ions Software	11/19/2020	670.00
12552	Nasco-Fort Atkinson	Ipad Stands With Doc Camera	11/17/2020	679.60
12616	Bayada Home Health Care Inc	Nursing	11/24/2020	687.50
12564	R J Mechanical Inc	CMS Repair	11/17/2020	694.55
709993	School Specialty	Sdc Phy Ed Equipment	11/5/2020	695.05
12285	Mn Teachers Of Eng To Speakers Of Other Lang.	Sped - ESC	11/3/2020	705.00
12305	R & R Specialties, Inc.	Ice Arena	11/3/2020	707.05
12223	Asl Interpreting Services	Interpreting Services	11/3/2020	736.00
12527	Hill Co, Robert B.	Gw Salt	11/17/2020	744.95
12237	Contemporary Images Inc	CMS Professional Services	11/3/2020	745.85
710030	Interstate Power Systems	WHS Generator Repair	11/19/2020	755.00
710031	Iron Mountain	Storage	11/19/2020	764.93
12543	Larson Co, J. H.	Gw Lights	11/17/2020	801.05
12303	Psychological Assessment Resources Inc	Sped - Test Kits - ESC	11/3/2020	804.44
12494	Commercial Door Systems Inc	Indoor Auto	11/17/2020	807.00
12638	Edukit Inc	Student Planners	11/24/2020	810.00
12417	Kinect Energy Inc	Monthly Mgmt Fee	11/10/2020	812.00
710007	Ecolab Pest Elimination Div	WMS Pest Control	11/12/2020	823.77
12548	Mn Future Problem Solving Program	Registration	11/17/2020	825.00
12297	Parallel Technologies Inc	Prof Serv	11/3/2020	836.07
12738	Zmd Engineered Solutions Llc	Prof Serv	11/24/2020	845.00
710034	Minvalco	KL Rtu #6	11/19/2020	846.00
12663	Ingram Library Services	Books	11/24/2020	860.22
12558	Plymouth Gun Club	Supplies	11/17/2020	870.48
710073	Trio Supply Co	CFS - Paper Supplies	11/24/2020	870.51
12536	Isd #276 Minnetonka Public Schools	Football Tickets	11/17/2020	875.00
12396	Grainger Inc., W. W.	Athletics Supplies	11/10/2020	885.56
12381	Commercial Door Systems Inc	Supplies	11/10/2020	909.00
12241	Denny'S 5Th Avenue Bakery	Bread	11/3/2020	920.52
12531	Ingram Library Services	CMS Media Center Supplies	11/17/2020	935.26
710072	Staples Business Advantage	Office And Classroom Supplies	11/24/2020	953.19
12625	Brin Glass Service	GI Repair	11/24/2020	963.00
710016	Project Lead The Way, Inc	Pltw Bldg Supplies	11/12/2020	1,008.00
12265	Herc-U-Lift, Inc	Service	11/3/2020	1,009.71
12272	Kindem Design Inc.	Prof Serv	11/3/2020	1,022.00
12725	Taylor Music	District Band Instruments	11/24/2020	1,044.00

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12624	Breth-Zenzen Fire Protection Llc	OW/ELS - 21A Fire Suppression	11/24/2020	1,045.00
709979	Hillyard Inc Minneapolis	OW - Custodial Supplies	11/5/2020	1,047.42
12393	Franz Reprographics	Student Council	11/10/2020	1,060.62
710059	Adi	Indoor Auto	11/24/2020	1,062.82
709982	Institute For Environmental Assessment	Prof Serv	11/5/2020	1,065.65
12427	Mn It Services	Monthly	11/10/2020	1,088.59
202100207	Dewitt, Robert	Reimbursement	11/4/2020	1,088.90
12432	Mn State Bar Assn	20/21 Mn Mock Trial Prog Appl WHS	11/10/2020	1,120.00
12551	Napa Auto Parts Of Corcoran	CFS SHop Stock	11/17/2020	1,126.92
12238	Custom Education Solutions	Special Services ESC	11/3/2020	1,145.23
12646	General Sheet Metal	GI Repair	11/24/2020	1,158.80
12275	Larson Co, J. H.	GI Lights	11/3/2020	1,161.24
12255	General Sheet Metal	CMS Repair	11/3/2020	1,190.80
12733	Vci Environmental, Inc.	Service	11/24/2020	1,199.50
12532	Intermediate Dist 287	Purchase Of Service	11/17/2020	1,208.00
12407	Home Depot/Gecf	B&G Supplies	11/10/2020	1,212.25
12394	Gallagher Benefit Services, Inc	Consulting Fees	11/10/2020	1,220.00
12376	Bryan Rock Products Inc	Hs Ball Fields	11/10/2020	1,221.69
12314	Scholastic Equipment Co Llc	WHS Folding Chairs & Cart	11/3/2020	1,227.00
12243	Edpuzzle, Inc	Edpuzzle Pro School Subscription	11/3/2020	1,230.00
12649	Grainger Inc., W. W.	WHS Belt	11/24/2020	1,237.49
12561	Premium Waters Inc	Water Machine	11/17/2020	1,243.26
12409	Ingram Library Services	Books	11/10/2020	1,254.40
12236	College Town Pizza Inc	Pizza - Reg School Meal Distribution	11/3/2020	1,263.25
12268	Intereum	Ces Task Chair	11/3/2020	1,265.19
12383	Dreambox Learning Inc	Sped -ESC	11/10/2020	1,280.00
12676	Lake Conference	Fair SHare Expense Cross Country Meets	11/24/2020	1,305.46
710029	Horizon Commercial Pool Supply	WMS Pool Supplies	11/19/2020	1,383.96
12553	National Checking Company	Labels For Distance Covid Meals	11/17/2020	1,387.31
12224	Bayada Home Health Care Inc	Nursing	11/3/2020	1,400.00
12615	Autumn Ridge Landscaping Inc	OW/ELS - 32F Irrigation & Landscaping	11/24/2020	1,457.77
12555	Nha Heating & Air Conditioning Inc	WHS Irrigation	11/17/2020	1,589.50
12569	Sonova Usa Inc	Sped - ESC	11/17/2020	1,631.99
710042	School Health Corp	Health Services - Nw	11/19/2020	1,668.66
12493	Collaborative Student Transportation Of Mn	Trans	11/17/2020	1,671.71
710024	Automated Logic Corp	Gw Parts	11/19/2020	1,703.39
12302	Promotion Select	Supplies	11/3/2020	1,761.74
710033	Mei - Minnesota Elevator Inc	Nov Monthly Serv	11/19/2020	1,794.27
12445	Smartfix Llc	Prof Serv	11/10/2020	1,794.35
12678	Lifetime Fitness, Inc.	Phys Ed	11/24/2020	1,820.00
12621	Boyer Ford Trucks Inc	#3 PIOW Truck	11/24/2020	1,824.74
12296	Pams Lunchroom Llc	CFS - Credit Card Fees	11/3/2020	1,881.75
12337	Winsor Learning Inc.	Sped - WMS	11/3/2020	1,895.00
12274	Language Line Services	Language Line	11/3/2020	1,895.22
12630	Central Roofing Co	KL - 07H Roofing	11/24/2020	1,896.55
12620	Boiler Services, Inc	WMS Boiler Repair	11/24/2020	1,997.08
12632	Children'S Health Care	Cont Serv Gb	11/24/2020	2,056.00
12320	Triarco Arts & Crafts, Inc.	Bts Art Order	11/3/2020	2,076.79
12382	Discover Yourself Inc	Supplies	11/10/2020	2,108.14
12570	Southern Lock And Glass	Pool Maintenance	11/17/2020	2,116.69
12443	Rupp, Anderson, Squires & Waldspurger Pa	Prof Serv	11/10/2020	2,131.50
12225	Bayfield Fruit Co Llc	All Schools - Produce	11/3/2020	2,142.25
12424	Miller, William	Prof Serv	11/10/2020	2,190.00
12685	Metro Hardwoods	Supplies	11/24/2020	2,225.00
710002	Uline Shipping Supply	Freight Chg For Returned Books	11/5/2020	2,225.96
709989	Project Lead The Way, Inc	Pltw Biomedical Biology Supplies	11/5/2020	2,254.00
710022	Uline Shipping Supply	Boxes For Covid Feeding	11/12/2020	2,266.47
710003	Allegra Print & Imaging	Printing Order	11/12/2020	2,266.95
12370	Bear Graphics Inc	Seat Decals Covid	11/10/2020	2,281.40
12603	Acoustics Associates	KL - 09C Ceiling/Acoustical Treatment	11/24/2020	2,286.25
709973	Anchor Paper Company	WPS Color Paper Order	11/5/2020	2,293.25
710021	Trio Supply Co	Containers For Distance Covid Meals	11/12/2020	2,329.35
710038	Project Lead The Way, Inc	Pltw Biology	11/19/2020	2,345.00
12613	Amerect, Inc	KL - 05B Structural Steel	11/24/2020	2,351.25
12710	Peterson Sheet Metal Inc	WMS - 23B Combined Mechanical	11/24/2020	2,479.50
12627	Building Material Supply Inc	OW	11/24/2020	2,479.79
12375	Brain Pop Llc	Subscription	11/10/2020	2,522.25
12560	Van Gelder Inc DbA Portico Systems	Dist Ppe	11/17/2020	2,546.28
12636	Cogent Communications Inc	Monthly Internet	11/24/2020	2,572.58
12492	City Of Wayzata	Water-Adm Due 11/20/20	11/17/2020	2,593.72
12703	On Site Sanitation	Sanitation Units	11/24/2020	2,634.00
12679	Lvc (Low Voltage Contractors)	Ems Repair	11/24/2020	2,687.50
709975	Blick Art Materials	WHS Art Supplies	11/5/2020	2,696.46
12645	Garvey Communications	Prof Serv	11/24/2020	2,700.00
710040	Schmitt Music Co	Band Books	11/19/2020	2,742.50
710054	Uline Shipping Supply	Boxes For Distance Learning Meals	11/19/2020	2,813.69
12677	Landscape Structures Inc	Prof Serv	11/24/2020	2,855.87

Check #	Vendor	Description	Date	Amount
12374	Bollom, Todd	Prof Serv	11/10/2020	2,920.00
12398	Halvorson, Michael	Prof Serv	11/10/2020	2,920.00
12590	Sunbelt Rentals, Inc.	Dist Use SprinKler BLOWout	11/17/2020	3,248.08
709977	Consolidated Plastics Co	OW Els/ESC Anti-Fatigue Mats	11/5/2020	3,252.06
12311	Root-O-Matic	WMS Repair	11/3/2020	3,285.85
12276	Lifetime Fitness, Inc.	Lifetime Fitness Locker Room Rental	11/3/2020	3,335.93
12566	Rum River Special Education Cooperative	Un Reimbursed Costs	11/17/2020	3,569.11
710006	Bsn Sports	(A)Practice SHirts	11/12/2020	3,575.67
710050	Staples Business Advantage	Office And Classroom Supplies	11/19/2020	3,596.79
12205	1St Choice Pediatric Home Care	Nursing	11/3/2020	3,604.00
12668	Kelly Green Irrigation Inc	Service	11/24/2020	3,604.73
12366	Amazon Capital Services Inc	Office And Classroom Supplies	11/10/2020	3,778.32
12295	Osp Inc/Out Source Projects	Website Programing	11/3/2020	3,800.00
12344	Grazzini Brothers & Co	WMS - 09B Tile	11/5/2020	3,800.00
12352	Red Cedar Steel Erectors Inc	WMS - 05B Structural Steel	11/5/2020	3,800.00
12612	Amazon Capital Services Inc	Phy Ed Air Pods	11/24/2020	3,842.57
12421	Matrix Communications Inc	Comm Ed - Temperature Scanners	11/10/2020	3,860.00
12641	Fransen Decorating Inc	OW/ELS - 09K Painting And Wall Covering	11/24/2020	3,863.33
12232	Century Fence Company	FurniSH & Install	11/3/2020	3,950.00
12313	Rupp, Anderson, Squires & Waldspurger Pa	Prof Serv	11/3/2020	4,019.51
12524	H & B Specialized Products	CMS Operable Wall Repair	11/17/2020	4,064.00
12440	Professional Interpreting	Interpreting	11/10/2020	4,102.20
12557	Plaisted Companies Inc	WHS Topsoil Softball Fields	11/17/2020	4,146.91
12448	T-Mobile Usa, Inc	Due 11/13/20 Service	11/10/2020	4,200.00
12386	Energyprint	Monthly Serv	11/10/2020	4,320.00
12690	Mn Roadways Company	CMS - 32A Asphalt Paving	11/24/2020	4,375.37
710025	Bsn Sports	(A)Neck Gaiters-Football	11/19/2020	4,411.04
12242	Digital Insurance Llc	Predictive Analytics	11/3/2020	4,542.00
709999	Staples Business Advantage	Office And Classroom Supplies	11/5/2020	4,577.98
12486	Arvig	Due 11/25/20 Monthly Internet	11/17/2020	4,603.95
12221	Amazon Capital Services Inc	Office And Classroom Supplies	11/3/2020	4,658.71
12734	Vision Service Plan Ins Co	Vision Plan	11/24/2020	4,936.30
12643	Frontline Education	Prof Serv	11/24/2020	4,974.62
12696	New Dominion School #0492	Special Pupil C & T	11/24/2020	5,201.49
12253	G & B Environmental Inc	Ems Repair	11/3/2020	5,709.50
12466	Life Insurance Co Of North America	Ins. Tracking Billing	11/13/2020	5,788.06
12485	Ancom Communications	SH Repeater	11/17/2020	5,818.60
12411	Intereum	ESC Privacy Film	11/10/2020	5,928.00
12339	Absolute Commercial Flooring Inc	WMS - 09D Carpet	11/5/2020	5,937.69
710001	Trio Supply Co	CFS - Paper Supplies	11/5/2020	6,079.45
12307	Relate Counseling Ctr	Mental Health Supports	11/3/2020	6,231.25
12451	The Math Learning Ctr	Bridges Math Books	11/10/2020	6,340.82
12442	Region 6Aa	10/14/20 Game	11/10/2020	6,385.00
710055	Wright-Hennepin Cooperative Electric Assn	Monthly Serv	11/19/2020	6,437.28
12264	Hennepin County Treasurer	2Nd Half Property Tax Payment	11/3/2020	6,970.14
710053	Trio Supply Co	Containers For Covid Meals	11/19/2020	7,053.72
12554	New Dominion School #0492	Tuition	11/17/2020	7,183.01
12446	Southwest Metro Intermediate District 288	Tuition	11/10/2020	7,477.33
12345	Hamernicks Interiour Soluatoins	WMS - 09K Painting/Wall Covering	11/5/2020	7,600.00
12718	Rtl Construction Inc	WMS - 09A Drywall	11/24/2020	7,830.86
12372	Boelter Premier	Metro Max SHelving Units Hs	11/10/2020	7,973.84
12664	Intermediate Dist 287	Esy Purchase Of Services	11/24/2020	8,028.38
12681	Mars Co, W. P. & R.S.	Supplies	11/24/2020	8,312.33
710013	Mcgraw Hill School Education Holdings Llc	Redeemer Inc Enroll	11/12/2020	8,400.95
710020	Staples Business Advantage	Wt Health Cots	11/12/2020	8,560.26
12340	Carciofini Company Inc	WMS - 07K Joint Sealants	11/5/2020	8,835.00
12618	Bens Structural Fabrication	OW/ELS - 05A Structural Steel Materials	11/24/2020	8,876.42
710058	Xerox Corporation	WPS Copier Lease & Maintenance	11/19/2020	9,115.28
12400	Hanus Enterprises,Llp	Bus Garage Rent	11/10/2020	9,178.11
12601	Voigt Smith Innovations Llc	Dist Use	11/17/2020	9,259.00
710037	Pro-Tec Design	Dist Use	11/19/2020	9,437.53
12644	Frsecure Llc	Information Security Services	11/24/2020	9,476.25
12392	First Student Inc	Trans	11/10/2020	9,478.33
12726	Tmi Corporation	OW/ELS - 12C Plastic Laminate Casework	11/24/2020	10,126.45
12207	Academic Excellence Llc	Prof Serv	11/3/2020	10,487.70
12470	Life Insurance Co Of North America	Payroll Accrual	11/13/2020	10,521.88
12413	Isd #281-Robbinsdale Schools	Tuition 119/20	11/10/2020	10,763.82
12659	Hirequest	Supplies	11/24/2020	10,817.63
12482	Amazon Capital Services Inc	Office And Classroom Supplies	11/17/2020	11,107.72
12695	Nac (Northern Air Corp)	KL - 23B Combined Mechanical	11/24/2020	11,309.64
12605	Air Systems Engineering Inc	Multiple Sites - Testing And Balancing	11/24/2020	11,400.00
12670	Kendell Doors & Hardware Inc	CMS - 08A Doors, Frames & Hw	11/24/2020	11,415.93
12743	School Service Employees	Payroll Accrual	11/30/2020	11,630.36
12471	School Service Employees	Payroll Accrual	11/13/2020	11,781.97
12412	Iocp	Comm Ed Rent	11/10/2020	11,922.04
709976	Braun Interec Corp	Prof Serv	11/5/2020	12,851.50
12309	R J Mechanical Inc	Pc Service	11/3/2020	12,994.90

Check #	Vendor	Description	Date	Amount
12355	Summit Companies	WMS - 21A Fire Suppression	11/5/2020	13,584.99
12263	Hennepin County Treasurer	Property Taxes 2Nd Half 2020	11/3/2020	13,671.38
12336	West Lutheran High School	Non Public Reimbursement	11/3/2020	14,464.00
12698	Northwest Asphalt Inc	OW/ELS - 32A Asphalt Paving	11/24/2020	14,817.44
12648	Gopher Stage Lighting	WMS - 11J Theatre, Stage, Curtains	11/24/2020	14,919.75
12534	Intereum	ESC White Noise	11/17/2020	15,268.01
12724	Taft Stettinius & Hollister Llp	Prof Serv	11/24/2020	15,457.60
12671	Kiefer Specialty Flooring Inc	OW/ELS - 09E Athletic Flooring	11/24/2020	15,717.48
12346	Hufcor Inc	WMS - 10D Special Partition/Media Center	11/5/2020	17,853.35
12628	Bullis Insurance Agency Llc	Boiler & Machinery Ins	11/24/2020	17,902.00
12588	St Paul Beverage Solutions, Llc	Milk Products	11/17/2020	18,292.60
12342	Fehn Companies Inc	WMS - 31A Site Cleaning/Site Work	11/5/2020	18,580.10
12380	City Of Plymouth	Due 11/19/20 OW-Water	11/10/2020	18,960.25
12469	Life Insurance Co Of North America	Payroll Accrual	11/13/2020	19,261.13
12467	Madison National Life Insurance Company	Ins. Tracking Billing	11/13/2020	19,403.60
12631	Ceso Transportation, Llc	Trans	11/24/2020	20,024.99
12721	Sfm Mutual Insurance Co	Sfm Work Comp Claims Oct 20	11/24/2020	20,652.77
12629	Careertech Media Llc	CTE Guidebook	11/24/2020	20,750.00
12545	Mavo Systems, Inc	Project 20A321 Medina Farmstead	11/17/2020	22,245.00
12692	Modern Piping Inc	CMS - 22A Plumbing	11/24/2020	22,404.89
12712	Pinnacle Wall Systems Inc	OW/ELS - 09A Drywall	11/24/2020	23,181.93
12637	Construction Systems Inc	WMS - 05A Structural Steel	11/24/2020	24,389.92
12317	The Math Learning Ctr	Bridges Math Books For Grades K-5	11/3/2020	24,578.70
12459	Upper Lake Foods	Prime Vendor	11/10/2020	26,344.36
12343	George Cook Construction Co	WMS - 06A Carpentry	11/5/2020	28,556.05
12619	Bester Brothers Transfer & Storage Co Inc	WPS Moving Services	11/24/2020	30,060.00
12523	H Brooks And Company Llc	Non-Dod Produce	11/17/2020	30,510.59
12704	Palmer West Construction Co Inc	OW/ELS - 07H Gravel Surface	11/24/2020	31,900.80
12650	Grazzini Brothers & Co	Gw - 09D Flooring	11/24/2020	31,965.95
12633	Choice Electric Inc	SH/EMS - 26A Electrical	11/24/2020	33,629.05
12686	Mint Roofing Inc	Gw - Roofing	11/24/2020	34,952.90
12289	Mpls Regional Chamber	PartnerSHIP Foundation	11/3/2020	35,000.00
710067	Pro-Tec Design	District-Wide - School Safe	11/24/2020	35,142.80
12598	Upper Lake Foods	Prime Vendor	11/17/2020	38,275.95
12229	Braun Interec Corp	Prof Serv	11/3/2020	38,834.25
12353	Rtl Construction Inc	WMS - 09A Drywall	11/5/2020	40,751.67
12701	Omann Contracting Company Inc	OW/EMS - 32A Asphalt Paving	11/24/2020	42,892.50
12341	Central Roofing Co	WMS - 07H Roofing	11/5/2020	43,401.22
12680	Maertens-Brenny Construction	WMS - 03A Concrete And Masonry	11/24/2020	43,914.54
710065	Hillyard Inc Minneapolis	Supplies	11/24/2020	47,452.72
12348	Park Construction Company	WMS - 32A Asphalt Paving	11/5/2020	54,181.30
12709	Peterson Companies Inc	OW/ELS - 31A Earthwork & Utilities	11/24/2020	54,567.38
12349	Peterson Companies Inc	WMS - 11K Athletic Field Equip.	11/5/2020	57,725.48
12699	North Country Concrete Inc	OW/ELS - 32B Site Concrete	11/24/2020	59,905.48
12720	Sentra-Sota Sheet Metal Inc	OW/ELS - 23A Hvac	11/24/2020	61,228.15
12711	Phasor Electric Co	WMS - 26A Electrical	11/24/2020	61,475.44
12269	Jamf Software, Llc	Renewal Of Software	11/3/2020	71,428.00
12472	Wayzata Education Assn	Payroll Accrual	11/13/2020	72,575.75
12744	Wayzata Education Assn	Payroll Accrual	11/30/2020	72,977.85
12354	S & J Glass Inc	WMS - 08F Entrance, Storefront, Curtain Wall	11/5/2020	74,480.00
12347	Maertens-Brenny Construction	WMS - 03A Concrete And Masonry	11/5/2020	84,377.53
12356	Vinco Inc	OW/ELS - 26A Electrical	11/5/2020	98,355.67
12273	Kraus-Anderson Construction Co	WMS - Media Center & Ltfn	11/3/2020	103,389.12
12351	Phasor Electric Co	WMS - 26A Electrical	11/5/2020	118,750.00
12350	Peterson Sheet Metal Inc	WMS - 23B Combined Mechanical	11/5/2020	120,391.41
12465	Xcel Energy	Monthly Serv	11/10/2020	126,386.95
12661	Hunt Electric Corporation	CMS - 26C Electrical	11/24/2020	131,055.76
12410	Intermediate Dist 287	Monthly Prnt	11/10/2020	137,019.00
12707	Pemper Companies, Inc	SH/EMS - 32B Concrete	11/24/2020	137,142.00
12333	Upper Lake Foods	Prime Vendor	11/3/2020	171,249.50
12675	Kraus-Anderson Construction Co	KL - Media Center & Ltfn	11/24/2020	177,842.85
12731	Twin City Acoustics Inc	WMS - 09C Ceiling And Acoustical Treatment	11/24/2020	193,588.15
12251	First Student Inc	Trans	11/3/2020	469,537.76
12640	Fehn Companies Inc	SH/EMS - 31A Earthwork And Utilities	11/24/2020	500,838.37
Total				\$ 3,818,570.70



**Wire Transfer, ETF, and ACH Activity
For the month ended October 31, 2020**

From	To	Date	Amount
US Bank-Checking	US Bank-Payroll	Multiple	\$ 5,764,437.96
US Bank-Checking	IRS		
	- Federal P/R Taxes	10/1/2020	999,579.91
	- Federal P/R Taxes	10/16/2020	1,068,515.73
US Bank-Checking	MN Department of Revenue		
	- State P/R Taxes etc. (MN)	10/1/2020	168,631.30
	- State P/R Taxes etc. (MN)	10/16/2020	178,701.48
US Bank-Checking	Delta Dental		
	- Dental Claims	Multiple	85,681.55
US Bank-Checking	Preferred One		
	- Health Claims	Multiple	1,041,736.53
US Bank-Checking	Wells Fargo Commercial Card		
	- Purchase Card Program	10/6/2020	53,899.89
US Bank-Checking	Further		
	- Flex Benefits	Multiple	476,317.55
US Bank-Checking	Preferred One		
	- Broker/Reinsurance Fees	10/15/2020	132,860.00
US Bank-Checking	Payroll Vendors (TRA, EBC, MSRS, etc.)		
	- Electronic Payments	Multiple	1,367,138.69
US Bank-Checking	District Employees		
	- Expense Reimbursement	Multiple	11,150.54
US Bank-Checking	Commerce Bank/Control Pay		
	- Electronic A/P	Multiple	534,556.59
US Bank-Checking	MN Department of Revenue		
	- Sales & Use Tax Payment	10/20/2020	557.00
US Bank-Checking	Edutrack		
	- Electronic payment fees	Multiple	4,240.07
US Bank-Checking	MSDLAF		
	-Service charge	10/15/2020	290.13
Total			<u>\$ 11,888,294.92</u>



Monthly Donation Summary

For the month ended November 30, 2020

Donated By	Purpose	Amount
Target Corporation YourCause	Gleason Lake - Student Activities	\$ 20.00
Gleason Lake PTO	Gleason Lake - BrainPop Subscription & New P.A. System	3,778.91
BlackBaud Giving Fund	Sunset Hill - Student Activities	390.00
DonorsChoose	Greenwood - Support 2nd Grade with Tech Tools	200.00
Michael Furman	East Middle School - Scholarship Fund	30.00
Alice Kerr	Oakwood - Classroom & Media Center Supplies	154.50
Birchview PTA	Birchview - Staff Supplies	300.00
Wells Fargo YourCause	Wayzata High School - Student Activities Support	60.00
Wayzata Booster Foundation - Beran Bird Family Fund	Wayzata High School - Band	500.00
Total Cash Donations		<u>\$ 5,433.41</u>
Total In-Kind Donations		<u>\$ -</u>



Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Eagle Brook Church Lease Extension

COMMENTS BY: Bonita Lucky, Board Clerk

Eagle Brook Church currently has a multi-year lease agreement for the rental of Auditorium #1, the Foyer and several classrooms at Wayzata High School each Sunday. We were notified by Eagle Brook Church staff of their desire to exercise their second option to extend the lease for an additional year.

Recommended Action: Approve the lease extension for Eagle Brook Church beginning February 18, 2021 and expiring February 18, 2022.

Motion by: _____ **Yes:** _____ **Passed:** _____

Second by: _____ **No:** _____ **Failed:** _____

Abstentions: _____

DATE: December 14, 2020

TO: Wayzata School Board

FROM: Sloan Wallgren, Community Ed Facilities Manager

RE: Approval of Eagle Brook Church Lease Extension

Wayzata Public Schools and Eagle Brook Church currently have a multi-year lease agreement for the rental of Auditorium #1, the Foyer and several classrooms at Wayzata High School each Sunday. The agreement is a two year lease with an option to extend the lease for an additional year. The first extension will expire February 18, 2021. We were notified by Eagle Brook Church staff of their desire to exercise their second option to extend the lease for an additional year. The additional lease extension would begin February 18, 2021 and expire February 18, 2022.

Eagle Brook Church has been a great community partner to Community Ed and Wayzata Public Schools. We recommend the School Board approve the lease extension to February 18, 2022.



BOARD OF EDUCATION
Regular Meeting – December 14, 2020

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business

OPEB Investment Policy Statement and Appoint OPEB Committee Members

The Other Post-Employment Benefits (OPEB) Committee utilizes an investment policy statement to guide their investment strategies. The OPEB committee, along with the assistance of an investment advisor, invests funds placed in the irrevocable trust for post-employment pension obligations. On an annual basis, the School Board is requested to review the policy statement and reaffirm their guidance to this committee.

The OPEB Committee is comprised of:

- Members of the Finance subcommittee of the School Board – Linda Cohen, Andrea Cuene, and Sarah Johansen
- Two members of the Citizens Financial Advisory Council (CFAC) - Jerry Trenda and Ted Victor
- Wayzata Education Association (WEA) President Cory Knudtson
- District representatives: Chace Anderson, Jim Westrum, Jill Schwint, Mert Woodard, and David Draskovich

Also in attendance at committee meetings are representatives from the School Board appointed investment advisory firm, PFM Asset Management, LLC.

Recommended Action: Appoint the OPEB committee members noted above and reaffirm the attached investment policy statement to be used as guidance for OPEB investment strategies.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____

INVESTMENT POLICY STATEMENT
FOR
INDEPENDENT SCHOOL DISTRICT 284
OTHER POST EMPLOYMENT BENEFITS TRUST

Revision Dated December 14, 2015

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The Independent School District 284 (Wayzata Public Schools) (“the District”) has established the Independent School District 284 (Wayzata Public Schools) Other Post-Employment Benefits Trust (the “Trust”). This Trust is intended to provide funding of non-pension post-employment health care, dental and life benefits (“OPEB”) for those employees who meet the age and service requirements outlined in the plan document. The Trustees of the Trust hereby adopt this Investment Policy Statement (“Policy Statement”) for the following purposes:

PURPOSE

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill Wayzata Public Schools’ current and long-term OPEB obligations.

The purpose of the Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations, and investment guidelines for Trust assets.
2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges, and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence and legal requirements for Trust assets.

INVESTMENT AUTHORITY

The District's School Board has appointed an OPEB Oversight Board (the "Trust Board") to oversee certain policies and procedures related to the operation and administration of the Trust pursuant to Minnesota State Statute 356A. The Board will have authority to implement the investment policy and guidelines in the best interest and purpose of the Trust.

In implementing this Policy Statement, the Board believes it may delegate certain functions to:

1. An investment advisor (“Advisor”) to assist the Trust Board in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the Trust Board in establishing investment policy objectives and guidelines. The Advisor will adjust asset allocation for the Trust subject to the guidelines and

limitations set forth in this Policy Statement. The Advisor will also select investment managers (“Managers”) and strategies consistent with its role as a fiduciary for the Trust. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor is also responsible for monitoring and reviewing investment managers; measuring and evaluating performance; and other tasks as deemed appropriate in its role as Advisor for Trust assets. The Advisor may also select investments with discretion to purchase, sell, or hold specific securities, that will be used to meet the Trust’s investment objectives. The Advisor shall never take possession of securities, cash or other assets of the Trust, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian selected by the Trust to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The regular custodian will perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.
3. A trustee appointed by the Trust, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the School Board shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries, and retirement plan consultants to assist the Trust Board in meeting its responsibilities and obligations to administer Trust assets prudently.

STATEMENT OF INVESTMENT OBJECTIVES

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and/or anticipated withdrawals on a continuing basis for payment of benefits and reasonable or related expenses of operation of the Trust.
3. To conserve and enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining an investment risk profile as approved by the School Board.

4. To minimize principal fluctuations over the Time Horizon (as defined below).
5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled "Performance Expectations".

INVESTMENT GUIDELINES

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds, private or leveraged equity, and certain real estate investments.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts, and certain real estate investments.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities, commodities, and certain real estate investments.

Time Horizon

The Trust's investment objectives are based on a long-term investment horizon ("Time Horizon") of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Board has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

Liquidity and Diversification

In general, the Trust may hold some cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the "Trust Distributions") as directed by and in coordination with the Trust Board. Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments, or industries.

Asset Allocation

The School Board believes that to achieve the greatest likelihood of meeting the Trust's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust's target rate of return over the long-term, as described in the section titled, "Performance Expectations".

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Growth Assets	Range 50 - 70%	
Domestic Equity	19% - 59%	39%
International Equity	1% - 41%	21%
Other	0% - 20%	0%
Income Assets	Range 30 - 50%	
Fixed Income	20% - 60%	36%
Other	0% - 20%	0%
Real Return Assets	0% - 20%	0%
Cash Equivalents	0% - 20%	4%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The advisor may also rebalance based on market conditions.

Risk Tolerance

Subject to investment objectives and performance expectations, the Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

Performance Expectations

Over the long-term, five years or longer, the performance objective for the Trust will be to achieve an average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate. Additionally, it is expected that the annual rate of return on Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust investments and blended benchmark comparisons for the Trust in its entirety.

SELECTION OF INVESTMENT MANAGERS

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS®), Securities & Exchange Commission ("SEC"), Financial Industry Regulatory Agency ("FINRA") or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal ("RFP") completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

GUIDELINES FOR PORTFOLIO HOLDINGS

Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the “Guidelines for Portfolio Holdings”). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments. As soon as the deviation comes to the attention of the Advisors, the Advisor will take corrective action and make appropriate changes as soon as possible.

Limitations on Managers’ Portfolios

Equities:

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities: Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities: The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

Fixed Income:

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization (“NRSRO”). In accordance with Minnesota State Statute 356A total fixed income assets rated below investment grade will be limited to 5% of the total portfolio. Additionally, any below investment grade strategies will be brought to the Trust Board to review prior to implementation.

Other Assets (Alternatives):

Alternatives may consist of non-traditional asset classes such as hedge funds, private equity, real estate and commodities, when deemed appropriate. Any illiquid or non-publically traded investments, such as hedge funds or private funds, must have prior notification and explicit approval from the Trust Board before asset acquisitions. The Trust Board may defer to the School Board for additional prior approval. The total allocation to this category may not exceed 20% of the overall portfolio.

Hedge Funds: Primary objective shall be to enhance the risk-return profile of the overall portfolio. This can be accomplished by using a combination of hedge fund strategies that may enhance returns at a reasonable level of risk or reduce volatility while providing a reasonable level of return. These asset classes may differ from traditional public market asset classes due to the use of certain strategies including short-selling, leverage, and derivatives. Hedge funds may also invest across asset classes. The use of direct hedge funds and fund-of-hedge funds are allowed. For purposes of asset allocation targets and limitations, single strategy hedge funds will be categorized under the specific asset class of the fund. For example, a long/short U.S. equity fund will be categorized as “Other” in the Growth Assets category while a long/short credit fund will be categorized as “Other” in the Income Assets category. Multi-strategy hedge funds that cannot be easily categorized under one asset class will be included in “Other” under either the Growth Assets or Income Assets category depending on the risk-return profile of the strategy.

Private Equity: Private equity is less liquid than publicly traded equity securities and can provide returns that are greater than what is available in publicly traded markets. The private equity portfolio may include investments in a variety of commingled/partnership and direct investment vehicles including, but not limited to, venture capital, buyout, turnaround, mezzanine, distressed security, and special situation funds. The private equity portfolio is recognized to be long-term in nature and highly illiquid. Due to their higher risk, private equity investments are expected to provide higher returns than publicly traded equity securities. For purposes of asset allocation targets and limitations, these funds will be categorized as “Other” under the Growth Assets category.

Real Estate: Consists of publicly traded Real Estate Investment Trust (“REIT”) securities and/or non-publicly traded private real estate and shall be diversified across a broad array of property types and geographic locations. Investments of this type are designed to provide a stable level of income combined with potential for price appreciation, particularly in periods of unexpected inflation. For private real estate, the illiquid, long-term nature should be considered. For purposes of asset allocation targets and limitations, publicly traded REITs will be categorized as “Other” under the Growth Assets category. Depending on the investment characteristics of a private real estate fund, the fund will be categorized as “Other” under either the Income Assets category, for example, a core real estate fund, or under the Growth Assets category, for example, an opportunistic real estate fund where capital gains are expected to make up a significant portion of the total return.

Inflation Hedge: Shall consist of pooled vehicles holding among other assets: Treasury Inflation Protected Securities (“TIPS”), commodities or commodity contracts, index-linked derivative contracts, certain real estate or real property funds and the equity of companies in businesses thought to hedge inflation. Inflation hedge assets will be reported in the Real Return Assets category.

Cash Equivalents:

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Trust assets. One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions. Any “ETF” or hedge vehicle acquisitions must have prior notification and explicit approval from the Trust Board.

Prohibited Investments

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of Rule 144A securities). Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited.

Safekeeping

All assets of the Trust shall be held by a custodian approved by the School Board for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

CONTROL PROCEDURES

Review of Investment Objectives

The Advisor shall review annually and report to the School Board the appropriateness of this Policy Statement for achieving the Trust's stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

Review of Investment Performance

The Advisor shall report on a quarterly basis to the Trust Board to review the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the Trust Board advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate benchmarks, as well as market indices in both equity and debt markets. Examples of benchmarks and indexes that will be used include the Russell 3,000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies; MSCI Europe, Australia, and Far East Index (EAFE) Index for developed markets, international equities, Barclays Capital Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

Voting of Proxies

The Trust Board recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

ADOPTION OF INVESTMENT POLICY STATEMENT

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the School Board. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

Approved by the Wayzata Public Schools School Board.

Resolved by:


Member


Date



BOARD OF EDUCATION
Regular Meeting – December 14, 2020

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business

Establishing Combined Polling Places and Designating Hours

Minnesota Statutes, Section 205A.11, requires the establishment of polling places for the next year be adopted by December 31st. The law requires each combined polling place must be a polling place designated by a county or municipality.

On November 2, 2021 Wayzata Public Schools will hold a school board election and this resolution establishes those polling places. For those calendar years the District is not scheduled to hold an election, it is highly recommended by the Minnesota School Board Association to establish polling places annually in the event of a special election. For example, a special election may need to be held if a school board member is unable to serve the remainder of their term.

The School Board is establishing five combined polling places for multiple precincts for the calendar year 2021 for School District elections not held on the same day as a statewide election. The precincts are detailed in the attached resolution. The Board reaffirms that the polling places will remain open for voting between the hours of 7:00 o'clock a.m. and 8:00 o'clock p.m. The selected polling locations have been designated by a county or municipality, as required by law.

School district residents that reside within the City of Minnetonka will vote at polling places and hours established by the City of Minnetonka.

Recommended Action: Adopt the resolution establishing combined polling places for the calendar year 2021 School District elections not held on the same day as a statewide election and designating hours during which the polling places will remain open.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____

WAYZATA PUBLIC SCHOOLS
Independent School District 284
Wayzata, Minnesota

BOARD OF EDUCATION
Regular Meeting – December 14, 2020

**RESOLUTION ESTABLISHING COMBINED POLLING PLACES
FOR MULTIPLE PRECINCTS AND DESIGNATING
HOURS DURING WHICH THE POLLING PLACES
WILL REMAIN OPEN FOR VOTING FOR SCHOOL DISTRICT ELECTIONS
NOT HELD ON THE DAY OF A STATEWIDE ELECTION**

BE IT RESOLVED by the School Board of Independent School District No. 284, State of Minnesota, as follows:

1. Pursuant to Minnesota Statutes, Section 205A.11, the precincts and polling places for school district elections are those precincts or parts of precincts located within the boundaries of the school district which have been established by the cities or towns located in whole or in part within the school district. The Board hereby confirms those precincts and polling places so established by those municipalities.
2. Pursuant to Minnesota Statutes, Section 205A.11, the Board has established combined polling places for several precincts for school elections not held on the day of a statewide election. Each combined polling place must be a polling place that has been designated by a county or municipality. The following combined polling places have been established to serve the precincts specified for all school district special and general elections not held on the same day as a statewide election:

District 284 Polling Place #1

Wayzata City Hall, 600 Rice Street East, Wayzata

Includes:

- Orono Precinct Number 4A
- Plymouth Precinct Numbers 8, 10, and 11
- City of Wayzata Precinct Number 1

District 284 Polling Place #2

Peace Lutheran Church of Plymouth, 3695 County Road 101 N, Plymouth

Includes:

- Plymouth Precinct Numbers 6, 7, and 9

District 284 Polling Place #3

Fourth Baptist Church, 900 Forestview Lane North, Plymouth

Includes:

- City of Medicine Lake Precinct 1₄₃
- Plymouth Precinct Numbers 12, 14, 15, 16, and 17

District 284 Polling Place #4

Wayzata High School, 4955 Peony Lane, Plymouth

Includes:

- City of Corcoran Precinct Number 3
- City of Medina Precinct Number 1B
- City of Plymouth Precinct Numbers 1 and 2
- City of Maple Grove Precinct Numbers 11, 18, 21, and 23

District 284 Polling Place #5

Plymouth City Hall 3400 Plymouth Boulevard, Plymouth (Prior polling place, Plymouth Creek Center, 14800 34th. Ave. N., Plymouth is scheduled to be under construction. Polling place is expected to return to Plymouth Creek Center upon completion of construction.)

Includes:

- City of Plymouth Precinct Numbers 3, 4, 5, and 13

City of Minnetonka - District 284 residents of the City of Minnetonka will vote in conjunction with the City elections at their respective precincts sites – Precincts W-2 P-A, W-3 P-A, W-3 P-B, and W-3 P-D. If combined, the polling place will be at one of the precinct sites noted above as determined by the City of Minnetonka.

3. Pursuant to Minnesota Statutes, Section 205A.09, the polling places will remain open for voting for school district elections not held on the same day as a statewide election between the hours of 7:00 o'clock a.m. and 8:00 o'clock p.m.
4. The clerk is directed to file a certified copy of this resolution with the county auditors of each of the counties in which the school district is located in whole or in part within 30 days after adoption.
5. As required by Minnesota Statutes, Section 204B.16, Subdivision 1a, the clerk is hereby authorized and directed to give written notice of new polling place locations to each affected household with at least one registered voter in the school district whose school district polling place location has been changed. The notice must be a nonforwardable notice mailed at least twenty-five (25) days before the date of the first election to which it will apply. A notice that is returned as undeliverable must be forwarded immediately to the appropriate County Auditor, who shall change the registrant's status to "challenged" in the statewide registration system.

Dated: December 14, 2020

BY ORDER OF THE SCHOOL BOARD

Bonita Lucky
School Board Clerk

C. Human Resource Services
1. Monthly Recommendations

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Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Approval of Agenda and Consent Agenda Items

ITEM: Human Resource Recommendations

COMMENTS BY: Stacie Vos, Executive Director of Human Resource Services

Attached are the recommendations regarding personnel actions including: employment, separations and leaves of absence.

Recommended Action: Approve the Human Resource actions as recommended in the attachment.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____

HUMAN RESOURCES RECOMMENDATIONS - Consent Agenda - December 14, 2020

EMPLOYMENT

Name	Position	Location	Start Date
Cheri Steiner	School Nurse	District	11/16/2020
Samuel Hagen	Teacher - Music	East Middle	9/11/2020

CONTRACT MODIFICATION

Name	Position	Location	Modification	Date
Mark Raygor	Custodian	Kimberly Lane		11/20/2020
Casandra Nelson	Teacher - Special Services	Plymouth Creek	5 FTE to .7 FTE	9/16/2020

LEAVE OF ABSENCE

Name	Position	Location	Leave Date
Marc Wegner	Teacher - 4th Grade	North Woods	3/22/2021 - 5/3/2021
Adele Berling	Teacher - Kindergarten	Birchview	4/1/2021 - 6/11/2021
Natalie Sassan	Paraprofessional	Gleason Lake	11/23/2020 - 6/10/2021
Susan Yablonsky	Paraprofessional	Oakwood	11/23/2020 - 6/10/2021
Carmen Wood	Paraprofessional	Oakwood	11/23/2020 - 6/10/2021
Angela Marquette	Paraprofessional	West Middle	11/23/2020 - 6/10/2021
Madeline Youngstrom	Paraprofessional	East Middle	11/23/2020 - 6/10/2021
Indu Prakash	Wayzata Kids	Plymouth Creek	11/23/2020 - 6/10/2021
Jennifer Vanderlinde	Wayzata Kids	Oakwood	11/30/2020 - 6/10/2021
Venkata Sailaja Jonnalagedda	Paraprofessional	Kimberly Lane	11/30/2020 - 6/10/2021
Cindy Gallagher	Preschool Instructor	Early Learning School	12/21/2020 - 1/29/2021
Courtney Baluch	Teacher - Kindergarten	Greenwood	12/17/2020 - 12/23/2020
Naomi Langer	Teacher - 4th Grade	Meadow Ridger	5/10/2021 - 6/11/2021
Aisha Werner	Teacher - Math Intervention	Central Middle	3/15/2021 - 6/11/2021
Stephanie Ebert	Teacher - FACS	High School	4/24/2021 - 6/11/2021

RESIGNATION				
Name	Position	Location	Resign Date	
Shanthini Mohan	Paraprofessional	Oakwood		11/24/2020
Randi Michels	Teacher - Special Services	West Middle		12/18/2020
RETIREMENT				
Name	Position	Location	Retirement Date	
Cindee Hamre	Paraprofessional	Sunset Hill		12/2/2020
Linda Levin	Paraprofessional	High School		1/4/2021
EXTRA ASSIGNMENTS				
Name	Position	Location	Assignment	Date

3. **REPORTS FROM ORGANIZATIONS**
 - A. Wayzata High School Student Council Representative
4. **RECOGNITIONS**
 - A. Recognition
 - B. Employee of the Month

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Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Recognitions

ITEM: Employee of the Month - December

COMMENTS BY: Chace B. Anderson, Superintendent

Wayzata Public Schools Employee of the Month December 2020

Mitch Olsen

It is our pleasure to nominate Mitch Olson, Head Custodian at Oakwood Elementary School, as Wayzata Public Schools' December Employee of the Month.

Mitch has been at Oakwood for almost a year, but so much has happened in that relatively short time that it seems like we've been relying on him for much longer. When Mitch started in December 2019, we were starting the Early Learning School construction, which included additions and interior changes. Mitch didn't shy away from the challenge; instead he embraced it and went over and beyond in communicating with our construction team and staff. Mitch did his best to ensure that people were not too inconvenienced by the noises, smells, and displacements during the project.

If the construction project wasn't enough of a challenge, due to the pandemic, we suddenly added additional safety protocols and cleaning procedures to his job description. Mitch has handled all of the changes in stride and with grace, and has done a lot to add to the positive environment of Oakwood Elementary. He takes pride in his work and it shines through each and every day. Thank you, Mitch, for all of your hard work and dedication! We couldn't have made it through this past year without you, and we look forward to having you for many years to come.



Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Recognitions

ITEM: ACTE Excellence Award

COMMENTS BY: Chace B. Anderson, Superintendent

Jean Rakun Named 2021 Administrator of the Year by Association for Career and Technical Education

Congratulations to Jean on being named the 2021 Administrator of the Year by the Association for Career and Technical Education (ACTE).

The award recognizes administrative CTE professionals who have demonstrated leadership in ensuring teacher and student success and have made contributions toward innovative, unique and effective CTE programs.

Jean currently serves as Wayzata Public Schools' CTE and Perkins Coordinator working to create opportunities for students, not only in Wayzata but throughout the Hennepin West Perkins Consortium.

Jean and other awardees were recognized on December 3 during ACTE's Virtual CareerTech VISION 2020 Conference.



Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Recognitions

ITEM: Retiree Recognitions

COMMENTS BY: Chace B. Anderson, Superintendent

Tonight we would like to recognize the following employees who announced their retirement in 2020-2021. We would like to thank them for their years of service to Wayzata Public Schools and wish them well in their future endeavors.

<u>Name</u>	<u>Position</u>	<u>Years of Service</u>
Cindee Hamre	Paraprofessional, Sunset Hill	24 Years
Linda Levin	Paraprofessional, High School	4 Years



Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Audience Opportunity to Address the Board

ITEM: Audience Opportunity to Address the Board

COMMENTS BY: Andrea Cuene, Board Chair

This section of the agenda provides an opportunity for members of the audience to address the School Board. Speakers will be allotted approximately three minutes.

Please note that this time is provided for citizens to address the Board; this is not an appropriate venue for a discussion or debate. If the speaker would like follow-up contact from the Board of Education, they may leave their contact information with the administrative assistant.

Special Note for Teleconference Meetings:

Members of the public who wish to remain distanced and still make a comment during the Audience Opportunity to Address the Board may email their comments to ashley.winter@wayzataschools.org and the School Board Chair will read the comments aloud during the teleconference meeting.

Please submit your comments by noon on the day of the meeting. Comments that conflict with state and/or federal laws, or Board policy, will not be read. As mentioned above, please note that this time is allotted for the reading of comments only, and no Board discussion or debate will ensue.

- 6. **STUDENT CURRICULUM PRESENTATION**
- 7. **ADMINISTRATIVE REPORTS AND RECOMMENDATIONS**
 - A. Superintendent
 - 1. Learning Model & Pandemic Update
 - B. Teaching and Learning
 - 1. Second Semester Calendar 2020-2021

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BOARD OF EDUCATION
Regular Meeting – December 14, 2020

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Teaching and Learning Recommendations

COMMENTS BY: Jill Johnson, Executive Director of Teaching and Learning

Second Semester Calendar 2020-2021

Attached please find the 2020-2021 calendar; presented for approval of spring 2021 dates. Please note the following:

Days Out of Sequence

1. Fri., January 22 - Is an "A" Day (Noted because it is out of sequence)
2. Fri., February 19 - Is an "A" Day (Noted because it is out of sequence)
3. Wed., March 31 - Is a Distance Learning Day K - 12
4. Mon., April 12 - Is a K - 12 start to the quarter four

Semester 2: K - 5 Planning Days

February 5, 2021
April 23, 2021
May 14, 2021

Total Number of Days:

The chart at the bottom of the page identifies the number of days for each quarter by grade level.

Recommended Action: Approve the second semester calendar for 2021 as presented in the attachment.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____

2020 - 2021 CALENDAR

July					August					September		
A	B	1	2	3	3	4	5	6	7		1	Teacher Work
6	7	8	9	10	10	11	12	13	14			
13	14	15	16	17	17	18	19	20	21			
20	21	22	23	24	24	25	26	27	28			
27	28	29	30	31	31							
October					November					December		
			1	2	2	3	4	5	6		1	2
				GR K - 12 Distance Learning					GR K - 12 Distance Learning			
5	6	7	8	9	9	10	11	12		7	8	9
									No Students K - 5			
									GR K - 5 Planning Day			
									GR 6 - 12 DL Day			
								End of Qtr 1 GR K - 5	End of Qtr 1 GR 6 - 12			
12	13	14		16	16	17	18	19	20	14	15	16
K - 5 PT Conf 3:30 - 7:30 6 - 8 PT Conf 4:15 - 815	No Students K - 12	Teacher Convention	No Students K - 12		First Day Qtr 2				GR K - 12 Distance Learning			
19	20	21	22		23	24		26	27	21	22	23
								Thanksgiving Holiday				
					No Students K - 8	No Students K - 8			District Closed			
					Gr. K-8 Pandemic Planning Da	Gr. K-8 Pandemic Planning Day	No Students K-12 K -12 Comp Day					
26	27	28	29	30	30					28	29	30
										Winter Break ----	Winter Break ---	Winter Break
										No Students K - 12		
January					February					March		
				Holiday	1	2	3	4	5	1	2	3
				District Closed					No Students K-5			
					First Day Qtr 3				K - 5 Planning Day			
4	5	6	7	8	8	9	10	11	12	8	9	10
									No Students K-12			
									K - 5 PT Conf 3:30 - 7:30 6 - 8 PT Conf 4:15 - 815			
									5 Conf - 8 Hrs 8 Conf - 8 Hrs * mp Day 9 -12			
11	12	13	14	15	15	16	17	18	19	15	16	17
					President's Holiday				GR 9- 12 Distance Learning			
					District Closed				GR K - 8 A Student Day			
18	19	20	21	22	22	23	24	25	26	22	23	24
MLK Holiday												
District Closed												
25	26	27	28	29						29	30	31
										GR K - 12 Distance Learning		
										K - 12 End of Sem 1 - Qtr 2		
April					May					June		
			1	2	3	4	5	6	7		1	2
			No Students K - 12									
			K - 5 - PD Day	No Students K - 12					GR K - 12 Distance Learning			
			6 - 12 GR & PD Day	Comp Day								
5	6	1	8	9	10	11	12	13	14	7	8	9
									No Students K-5			
									K - 5 Planning Day			
									6-12 Distance			
12	13	14	15	16	17	18	19	20	21	14		16
											15	
First Day Qtr 4 Gr K - 12									GR K - 12 Distance Learning			
19	20	21	22	23	24	25	26	27	28	21	22	23
26	27	28	29	30						28	29	30
					Memorial Day							
					District Closed							

District Offices Closed: September 7, November 26 -27, December 24 -25, January 1, Jan 18, February 15, May 31

SUMMARY					
	Gr K - 5	Gr 6 - 8	Gr 9 - 11	Gr 12	Teachers
Qtr 1	40.0	42.0	42.0	42.0	47
Qrt 2	42.0	42.0	44.0	44.0	45
Qrt 3	40.0	41.0	41.0	41.0	42
Qrt 4	41.0	43.0	43.0	38.0	46
Wksp					4

CALENDAR KEY	
	Holiday - District Closed
	No Students
	A Student Day
	Distance Learning Day
	Teacher Comp Day - No Sch
	Teacher Non-Student Work

2020 - 2021 CALENDAR

Total	163.0	168.0	170.0	165.0	184
	7 Days Less	2 Days Less		7 Days Less	
	5 Days Less for Planning Days	2 Days Less for Pandemic Planning		One less for ACT Test	
	2 Days Less for Pandemic Planning			One less for MCA Tet	
				Five less for Graduation Ceremony	

End of Quarter Day

2020 - 2021 CALENDAR

shop3	4
K-12 Pandemic Planning Day10	K-12 Pandemic Planning Day11
17	GR K - 12 Distance Learning18
24	GR K - 12 Distance Learning25
3	4
	GR K - 12 Distance Learning
10	11
	GR K - 12 Distance Learning
17	18
	GR K - 12 Distance Learning
24	25
Holiday	Holiday
District Closed	
ak31	
4	5
	GR K - 12 Distance Learning
11	12
	GR K - 12 Distance Learning
18	19
	GR K - 12 Distance Learning
25	26
	GR K - 12 Distance Learning
3	4
	GR K - 11 Distance Learning
Last Day for Seniors	Graduation
GR K - 11 Distance Learning10	
Last Day Students	11
K - 12 End of Qtr 4	Grading Day Last Day Teachers
17	18
24	25
B Student Day	
hool	
k Day	

2020 - 2021 CALENDAR



C. Finance and Business Services
1. Monthly Financial Reports

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BOARD OF EDUCATION
Regular Meeting – December 14, 2020

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business

Monthly Financial Reports

Enclosed for School Board review and information are the following financial reports for the month ended October 31, 2020:

- Analysis of Financial Reports
- Statement of Revenues
- Statement of Expenditures
- Investment Summary

No School Board action is required.



Analysis of Financial Reports For the month ended October 30, 2020

Statement of Revenues

This report reflects revenue received by the month end noted above. Overall revenues are consistent with prior years except for the Food Service and Community Service funds as noted below:

- Food Service Fund revenues are lower in fiscal year 2021 due to significantly reduced food sales to pupils. The reduction in sales to pupils can be directly attributed to the COVID-19 pandemic and the corresponding shift to hybrid and distance learning models. The reduction in revenues from sales to pupils is partially offset by revenue received for meals served through the federal summer food service program.
- Community Service Fund revenue is lower in fiscal year 2021 due to reduced participation in Community Education and After School Enrichment programs. The reduced participation can be directly attributed to the COVID-19 pandemic.

Statement of Expenditures

This report reflects actual expenditures and does not include outstanding encumbrances. Overall expenditures are comparable with prior years except for the following:

- General Fund supply and material expenditures are lower in fiscal year 2021 than prior years due to COVID-19. Due to the shift from traditional instruction to hybrid and distance learning, many instructional supply and material purchases have not occurred.
- General Fund capital expenditures are higher in fiscal year 2021 compared to the previous year. The increase in expenditures is in part due to the District's Board approved acquisition of real property at 295 Highway 55 Medina, MN. The acquisition was finalized in October 2020.
- Food Service Fund expenses are lower in fiscal year 2021 due to cost reductions resulting from reduced food sales to pupils at school sites and a soft freeze on the hiring of vacant positions. Food Service is currently operating at approximately 70% of budgeted full-time equivalents.
- Community Service Fund expenditures are lower in fiscal year 2021 to compensate for the reduced participation noted above. Contracted services and supplies are notable expenditure types that have experienced reductions.
- Fluctuations within the LTFM & Capital Projects Fund are due to the timing of projects and the related expenditures.
- Year-to-Date expenditures as a percentage of budget for the Construction Fund are not presented due to multi-year projects and non-linear timing of expenditures.



Investment Summary
For the month ended October 31, 2020

General Fund

Investment Held At	Type of Investment	Purchase Date	Maturity Date	Investment Cost	Maturity Amount	Interest Earned	Yield
PMA/MN Trust	Money Market	N/A	NOW	N/A	\$ 7,890,729.99	N/A	0.03%
MSDLAF+ Liquid	Money Market	N/A	NOW	N/A	13,732,369.36	N/A	0.02%
MSDLAF+ Max	Money Market	N/A	NOW	N/A	2,397,594.79	N/A	0.04%
Total General Fund				\$ -	\$ 24,020,694.14	\$ -	

Fund 06 (Alt. Facilities Bonds)

Investment Held At	Type of Investment	Purchase Date	Maturity Date	Investment Cost	Maturity Amount	Interest Earned	Yield
MSDLAF+ Liquid	Money Market	N/A	NOW	N/A	\$ 2,966,250.59	N/A	0.02%
MSDLAF+ Max	Money Market	N/A	NOW	N/A	5,035,757.43	N/A	0.04%
Total Alt. Facilities Bonds Fund				\$ -	\$ 8,002,008.02	\$ -	

Fund 82 (2014 Building Bonds)

Investment Held At	Type of Investment	Purchase Date	Maturity Date	Investment Cost	Maturity Amount	Interest Earned	Yield
MSDLAF+ Liquid	Money Market	N/A	NOW	N/A	\$ 5,036,057.46	N/A	0.02%
MSDLAF+ Max	Money Market	N/A	NOW	N/A	1,044,148.31	N/A	0.04%
Total 2014 Building Bonds Fund				\$ -	\$ 6,080,205.77	\$ -	

Fund 86 (2018 Building Bonds)

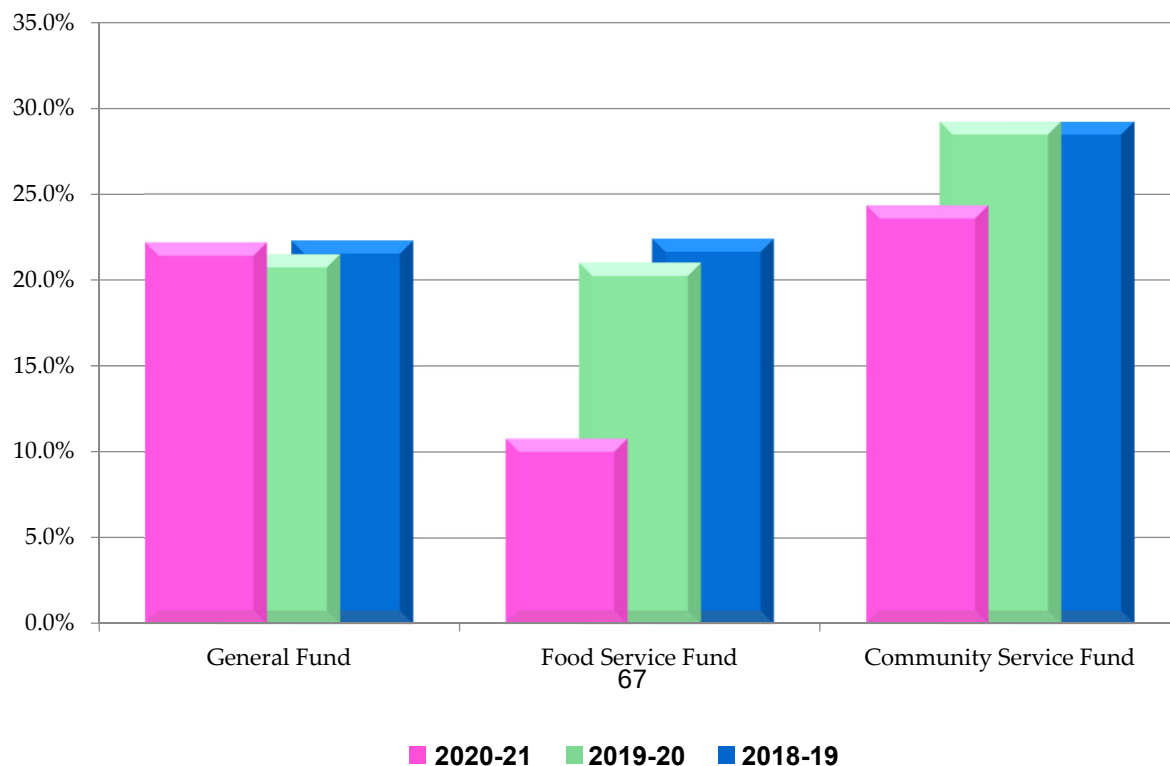
Investment Held At	Type of Investment	Purchase Date	Maturity Date	Investment Cost	Maturity Amount	Interest Earned	Yield
MSDLAF+ Liquid	Money Market	N/A	NOW	N/A	\$ 9,828,335.08	N/A	0.02%
MSDLAF+ Max	Money Market	N/A	NOW	N/A	3,976,943.31	N/A	0.04%
Total 2018 Building Bonds Fund				\$ -	\$ 13,805,278.39	\$ -	



Statement of Expenditures
For the month ended October 31, 2020

Fund	Year-To-Date	Budget	YTD as % of Budget		
			2020-21	2019-20	2018-19
General Fund					
Salaries	\$ 20,780,357	\$ 102,936,700	20.2%	20.6%	20.5%
Benefits	7,204,739	33,338,113	21.6%	22.1%	25.6%
Purchased Services	2,717,660	24,626,671	11.0%	14.0%	16.0%
Supplies & Materials	2,484,188	6,471,427	38.4%	48.2%	49.8%
Capital Expenditures	4,977,743	5,038,890	98.8%	72.0%	33.9%
Other Expenses	125,370	379,036	33.1%	2.0%	6.1%
Total General Fund	\$ 38,290,056	\$ 172,790,837	22.2%	21.5%	22.3%
Food Service Fund	\$ 783,128	\$ 7,287,596	10.7%	21.0%	22.4%
Community Service Fund	2,678,090	11,008,987	24.3%	29.2%	29.2%
LTFM & Capital Projects Fund	2,801,616	11,137,818	25.2%	57.5%	95.0%
Debt Service Fund	3,895,028	14,183,262	27.5%	29.4%	31.6%
Construction Fund	8,233,625	11,000,000	-	-	-
Total All Funds	\$ 56,681,541	\$ 227,408,500	24.9%	25.7%	22.9%

Percent Comparison
Year-To-Date to Total Budget

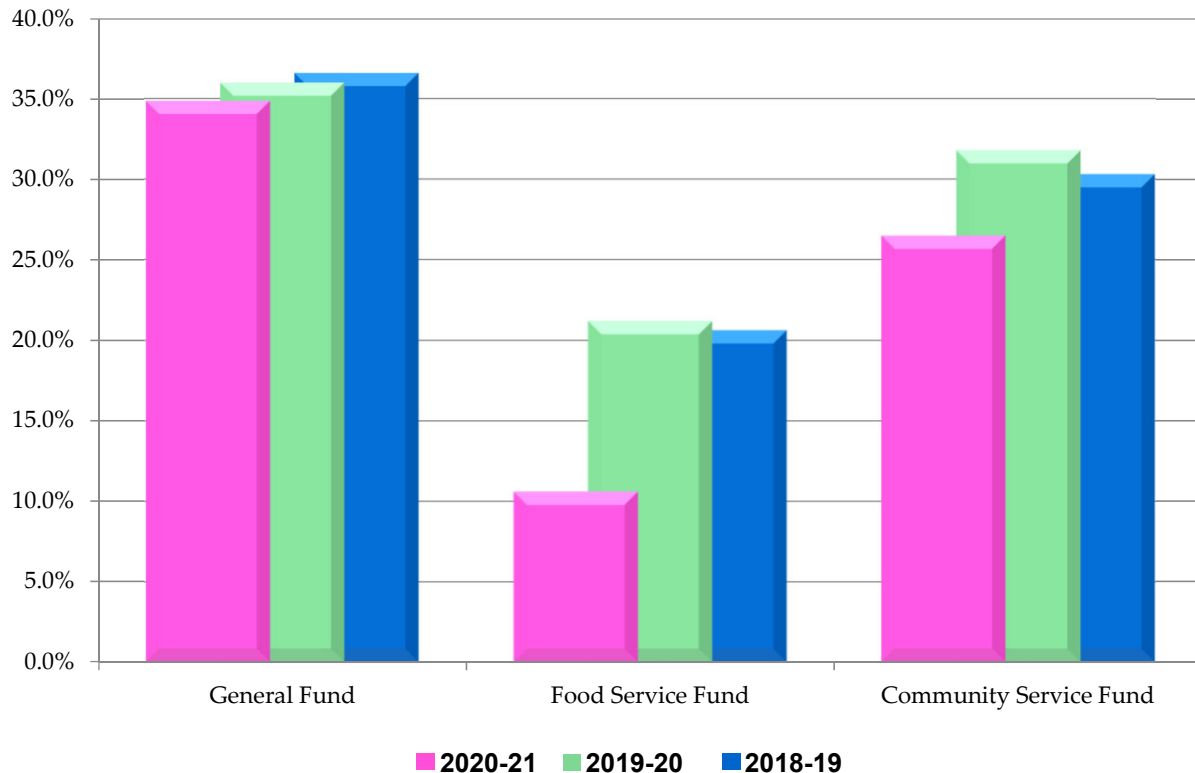




Statement of Revenues
For the month ended October 31, 2020

Fund	Year-To-Date	Budget	YTD as % of Budget		
			2020-21	2019-20	2018-19
General Fund	\$ 64,041,294	\$ 183,687,479	34.9%	36.0%	36.6%
Food Service Fund	741,010	7,011,600	10.6%	21.2%	20.6%
Community Service Fund	2,991,013	11,293,743	26.5%	31.8%	30.3%
Debt Service Fund	10,500,723	14,614,917	71.8%	70.8%	73.9%
Construction Fund	8,921	-	-	-	-
Total All Funds	\$ 78,282,961	\$ 216,607,739	36.1%	35.4%	37.0%

Percent Comparison
Year-To-Date to Total Budget





BOARD OF EDUCATION
Regular Meeting – December 14, 2020

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business

Fiscal Year 2020 Audit

The District's annual audit for the fiscal year ending June 30, 2020, has been completed by audit firm Malloy, Montague, Karnowski, Radosevich, & Co., P.A. The following reports have been issued:

- 1) Comprehensive Annual Financial Report - June 30, 2020
- 2) Management Report - June 30, 2020
- 3) Special Purpose Audit Reports on Single Audit, Internal Controls, and Compliance with Laws and Regulations – June 30, 2020

A portion of the General fund balance is assigned by administration for specific purposes and is ratified by the School Board on an annual basis. The assigned fund balances as of June 30, 2020 were as follows:

Local Collaborative Time Study	\$ 248,832
Reemployment Insurance	12,985
Site Carryover	2,053,501
Q-Compensation	901
School Opening Costs	695,305
Workers' Compensation Escrow	120,000
Post-Employment Obligations	2,156,636
Subsequent Year Budget	241,176
Total Assigned Fund Balance	<u>\$ 5,529,336</u>

Recommended Action: Approve the audited financial statements for the fiscal year ending June 30, 2020. Further, ratify the June 30, 2020 assigned fund balance in the amount of \$5,529,336, to be used for the specific purposes noted above.

Motion by: _____ **ROLL CALL** **Passed:** _____

Second by: _____ **Failed:** _____

Abstentions: _____ **70** _____

Independent School District No. 284 Wayzata Public Schools Wayzata, Minnesota

Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2020

Prepared by the

Department of Finance and Business Services



Excellence. For each and every student.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2020

INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA, MINNESOTA

210 County Road 101 North
P.O. Box 660
Wayzata, MN 55391

Prepared by the
Department of Finance and Business Services

Jim Westrum • Executive Director of Finance and Business Services
Jill Schwint • Controller

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INDEPENDENT SCHOOL DISTRICT NO. 284

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SECTION I
INTRODUCTORY SECTION

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District Administrative Offices

210 County Road 101 North, P.O. Box 660 | Wayzata, MN 55391-0660
763.745.5000 | Fax: 763.745.5091 | www.wayzata.k12.mn.us

November 24, 2020

To: Citizens of the District
Board of Education
Dr. Chace B. Anderson, Superintendent of Schools

INTRODUCTION

We respectfully submit the Comprehensive Annual Financial Report (CAFR) of Independent School District No. 284, Wayzata, Minnesota (the District) for the fiscal year ended June 30, 2020. Responsibility for the entire financial report rests with district management. The report contains all funds of the District in conformity with accounting principles generally accepted in the United States of America for defining the reporting entity.

As required, a part of required supplementary information by the Governmental Accounting Standards Board Statement No. 34 is a management's discussion and analysis (MD&A), which allows the District to explain, in layman's terms, its financial position and results of operations of the past fiscal year.

The CAFR is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

The introductory section includes a list of principal officials, an organizational chart, a certificate of excellence in financial reporting, and this transmittal letter. The financial section includes the basic financial statements, individual fund statements and related schedules, and required supplementary information. The Independent Auditor's Report is also included in the financial section. Notes to the financial section are provided to enhance the reader's understanding of the District's accounting policies and procedures. The statistical section includes selected financial and general information presented on a multiyear comparative basis.

ECONOMIC CONDITION AND OUTLOOK

The District is a public educational system serving a 38 square-mile area located in the western portion of Hennepin County. District boundaries encompass either the entire geographic area or portions of the communities of Wayzata, Plymouth, Minnetonka, Medicine Lake, Orono, Medina, Maple Grove, and Corcoran.

For 2019–2020, district facilities included nine elementary schools, three middle schools, a senior high school, a transition school, a district administration center, an educational services center, an early learning center, and a central service facility.

Enrollment for the 2019–2020 school year was 12,127 pupils in adjusted average daily membership, which represents an increase of 221 students from the prior year. Demographic forecasts project an increase in enrollment for the next several years. Projected enrollments for the near future per an independent demographer hired by the District are:

<u>Fiscal Year</u>	<u>Enrollment</u>
2021	12,464
2022	12,773
2023	13,058

The tax base of the District increased 6.81 percent during the past year. The market value of all taxable property in the District in fiscal year 2020 was \$13,916,257,860, compared to \$13,028,383,691 in fiscal year 2019.

The net tax capacity of the District for fiscal year 2020 was \$156,060,319, an increase of 6.75 percent over the prior year value of \$146,188,244.

The state fiscal disparities law provides for the pooling of 40 percent of all new commercial/industrial property valuation added since 1971 in the seven-county Minneapolis-Saint Paul metropolitan area. The pooled valuation is redistributed among the taxing jurisdictions according to population and a ratio measuring relative fiscal capacity. Local tax rates reflect the net contribution/distribution of fiscal disparities valuation. The District has been a net contributor to the fiscal disparities pool in recent years. The District contributed \$2,864,107 in fiscal year 2019 and \$3,359,074 in fiscal year 2020.

FINANCIAL INFORMATION

In developing and evaluating the District’s accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable assurance regarding: (1) the safeguarding of assets and (2) the reliability of financial records used in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that the costs of internal control should not exceed the benefits likely to be derived and that the value of costs and benefits requires estimates and judgments by management.

The legal level of budgetary control is demonstrated through an annual budget adopted by the Board of Education (the School Board) for the General, Special Revenue, Capital Projects – Building Construction, and Debt Service Funds. The Department of Finance and Business Services maintains budgetary control. Management and the School Board review monthly reports. The original budget is adopted by the School Board prior to the fiscal year beginning July 1. The administration presents midyear budget revisions based upon audited results of the prior year, enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenses. The revised budget is also adopted by the School Board.

The reader is directed to the MD&A report for a more in depth look at the General Fund and other major fund highlights.

DISTRICT FACILITIES

District educational facilities consist of 14 education buildings originally constructed from 1949 to 2019. Each building has had numerous additions over the years. In spite of the age of the facilities, all school buildings are maintained in a state of good repair, with building components modernized and updated on a systematic basis through the District’s long-term facilities maintenance plan. Because of the continual improvement, all educational facilities should be able to effectively service the District for many years. During fiscal year 2020, the District opened North Woods Elementary, as well as the Transition School. The total district square footage for educational facilities is 2,051,275. In addition, the District owns two buildings and leases space for administrative purposes.

LOOKING FORWARD

The District's commitment to fiscal responsibility has enabled the District to maintain positive fund balance reserves in recent years. Currently, the General Fund has an unassigned fund balance of approximately \$19.4 million, which represents 11.4 percent of total expenditures, in line with the School Board policy minimum fund balance of 5.0–7.0 percent of expenditures. The School Board has assigned an additional \$5.5 million of fund balance for specific purposes.

District voters approved an operating referendum to increase annual operating revenues in the initial amount of \$2,000 per pupil, expiring in fiscal year 2028. Voters also approved two capital projects levies to cover technology costs for existing and new services and equipment. The capital projects levies expire in fiscal years 2026 and 2029, respectively.

An indicator of continued financial health is the tremendous level of new private investment within the District. The City of Plymouth is the largest municipality within the District. The City's levy payable 2019 total estimated market value was \$12,219,492,800, an increase of \$869,819,800 from payable 2018. The increase in total market value between payable 2018 and payable 2019 was 7.7 percent. The City of Plymouth's population increased 29.0 percent from 1990 to 2000; 7.0 percent from 2000 to 2010; and 13.0 percent from 2010 to 2019. As of 2019, the population is 79,475.

The state support in the current economic environment, combined with the additional support approved by the voters, means the District's financial picture is stable. The District was able to maintain existing staff ratios and programs in fiscal year 2021 and has adequate reserves.

Below are some facts about the 2020–2021 budget:

- Student enrollment was expected to increase, however approximately 200 kindergarten students either postponed enrollment or chose alternative educational opportunities, due to the COVID-19 pandemic, resulting in a decrease of actual attendance.
- The General Fund unassigned balance at year-end was projected to remain stable, however, the District expects a slight decrease, due to the COVID-19 pandemic.

Revenues:

- General Fund revenue is projected to increase to almost \$183.7 million.
- Basic formula is \$6,567 for fiscal year 2021.
- The referendum levy is \$2,126.13 per pupil unit.
- Effective fiscal year 2021, the growth limit on state special education aid has been removed. The District continues to use its general resources to finance a great portion of special education services as the state and federal government reimbursement rates are insufficient to fully fund these costs.

Expenditures:

- General Fund expenditures will increase to \$183.9 million.
- Capital projects (technology) levy will increase to \$8.4 million.
- Alternative Compensation Plan spending is \$3.0 million for staff development, peer coaching, and performance bonuses for teachers.
- Health insurance premiums increased by 9.0 percent and dental insurance premiums increased 5.0 percent.

Construction Projects:

- The District continues to access long-term facilities maintenance pay-as-you-go district levy dollars to make improvements in the areas of deferred maintenance and health and safety. The project costs of approximately \$8–\$12 million per year are utilized for roof repairs, paving projects, boiler and chiller replacements, windows, doors, painting, flooring, and a variety of other deferred maintenance items.

COVID-19 PANDEMIC

In December 2019, a novel strain of coronavirus (COVID-19) was identified in Wuhan, Hubei Province, China. COVID-19 has since spread throughout the world, including to the United States, leading the World Health Organization to categorize the spread of the virus as a pandemic. The measures taken by federal, state, and local governments to limit the spread of COVID-19 have and will continue to have significant impacts to the global, national, state, and local economies. The exact extent to which COVID-19 affects the District and its financial condition are uncertain and cannot be predicted by the District at this time.

OTHER INFORMATION

State law requires an annual audit by independent certified public accountants. The accounting firm of Malloy, Montague, Karnowski, Radosevich & Co. P.A. was selected by the School Board to conduct the annual audit. In addition to meeting the requirements set forth in state law, the audit also was designed to meet the requirements of the federal Single Audit Act as amended in 1996, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The auditor's report on the financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are issued as a separate report which is available from the District upon request.

This report has been prepared following guidelines recommended by the Association of School Business Officials (ASBO) International for its Certificate of Excellence in Financial Reporting program. Achieving recognition by this program is a clear indication of the District's establishment of high standards for financial reporting. The District was awarded the ASBO International Certificate of Excellence in Financial Reporting for its 2019 CAFR. We believe our current report continues to conform to ASBO International's Certificate of Excellence program requirements.

We acknowledge the efforts of the entire accounting staff in providing complete and accurate data for fiscal year 2020 CAFR. Credit is also due to the School Board for its unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

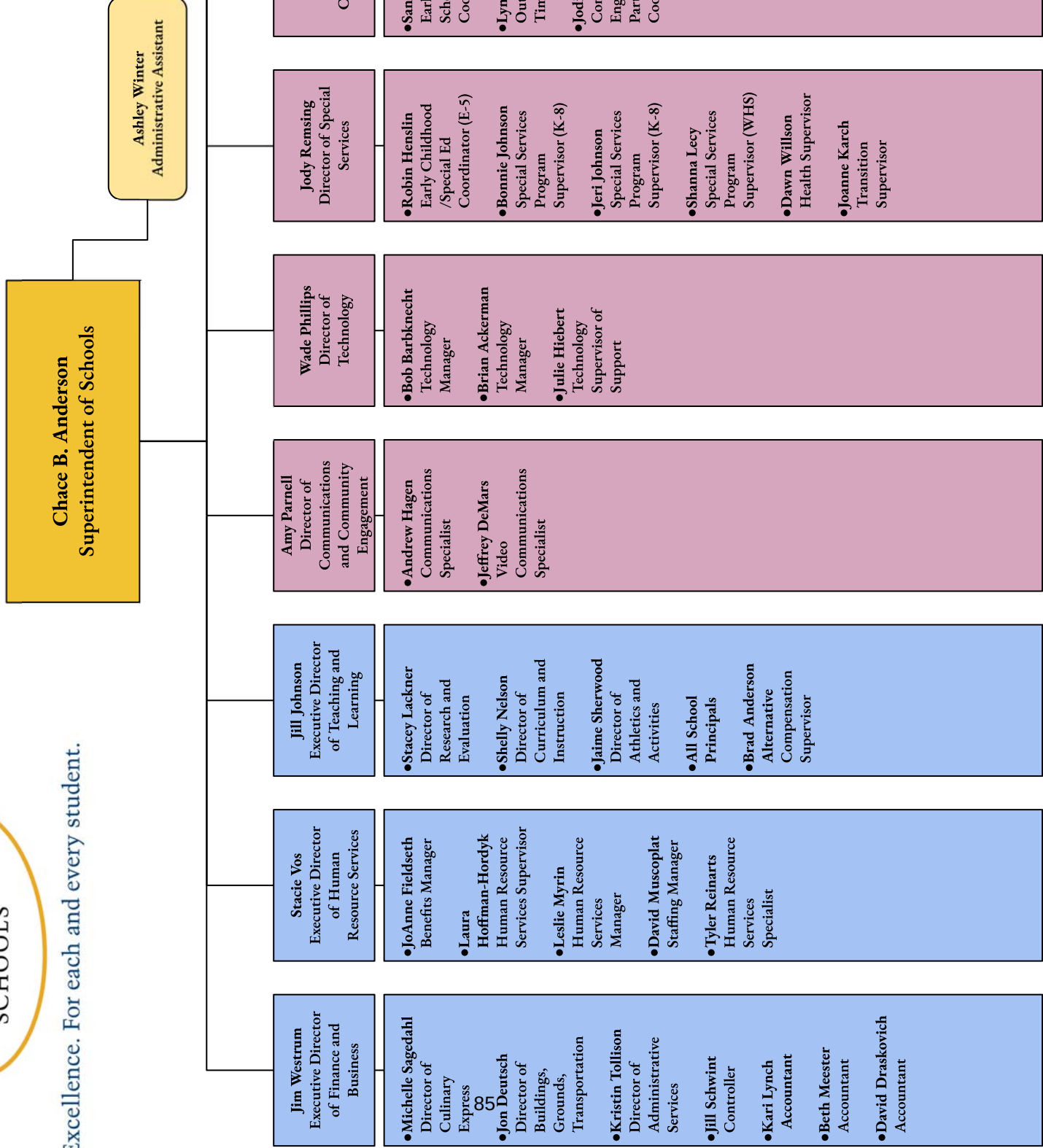
Respectfully submitted,



James R. Westrum
Executive Director,
Finance and Business Services



Excellence. For each and every student.



INDEPENDENT SCHOOL DISTRICT NO. 284

School Board and Administration
Year Ended June 30, 2020

SCHOOL BOARD

	<u>Board Position</u>
Ms. Andrea Cuene	Chairperson
Ms. Linda A. Cohen	Vice Chairperson
Ms. Sarah Johansen	Treasurer
Ms. Bonita Lucky	Clerk
Ms. Seanne Falconer	Director
Mr. Chris McCullough	Director
Ms. Cheryl Polzin	Director

ADMINISTRATION

Dr. Chace B. Anderson	Superintendent
Dr. Jill Johnson	Executive Director of Teaching and Learning
Ms. Stacie Vos	Executive Director of Human Resource Services
Mr. Jim Westrum	Executive Director of Finance and Business Services
Ms. Jenni Ebert	Director of Community Education
Ms. Jill Schwint	Controller



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Independent School District 284

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

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

David J. Lewis
Executive Director

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SECTION II
FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2020. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplemental 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

(continued)

Prior Year Comparative Information

We have previously audited the District's 2019 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 November 20, 2019. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
November 24, 2020

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INDEPENDENT SCHOOL DISTRICT NO. 284

Management's Discussion and Analysis Year Ended June 30, 2020

This section of Independent School District No. 284's (the District) Comprehensive Annual Financial Report (CAFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2020. Please read it in conjunction with the other components of the District's CAFR.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2020 by \$96,622,106 (net position deficit). The District's total net position decreased by \$22,541,814 during the fiscal year ended June 30, 2020, excluding the change in accounting principle as discussed below.
- The District recorded a change in accounting principle in the current year with the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The implementation of this standard changed the way the District reports certain fiduciary activities and student activities that were not previously included within the District's reporting entity. The implementation of this standard increased beginning net position in the government-wide statements and beginning fund balance in the General Fund by \$1,187,960.
- Government-wide expenses totaled \$227,958,548 and were \$22,541,814 more than revenues of \$205,416,734.
- The General Fund's total fund balance increased \$4,790,850 from the prior year, compared to an increase of \$16,218 planned in the budget, excluding the change in accounting principle discussed above.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or major funds, rather than the District as a whole. Funds (Food Service Special Revenue and Community Service Special Revenue) that do not meet the threshold to be classified as major funds are called nonmajor funds. Detailed financial information for nonmajor funds can be found in the supplemental information section.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America.

The District maintains the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1 Summary Statement of Net Position as of June 30, 2020 and 2019		
	2020	2019
Assets		
Current and other assets	\$ 156,748,434	\$ 153,179,454
Capital assets, net of depreciation	260,420,109	240,433,942
Total assets	<u>\$ 417,168,543</u>	<u>\$ 393,613,396</u>
Deferred outflows of resources		
Pension plan deferments	\$ 81,711,791	\$ 113,196,634
OPEB plan deferments	2,992,906	757,171
Total deferred outflows of resources	<u>\$ 84,704,697</u>	<u>\$ 113,953,805</u>
Liabilities		
Current and other liabilities	\$ 21,321,419	\$ 15,823,988
Long-term liabilities, including due within one year	384,339,690	353,018,396
Total liabilities	<u>\$ 405,661,109</u>	<u>\$ 368,842,384</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 75,636,264	\$ 68,520,635
Pension plan deferments	114,198,244	142,134,784
OPEB plan deferments	2,999,783	3,337,704
Total deferred inflows of resources	<u>\$ 192,834,291</u>	<u>\$ 213,993,123</u>
Net position		
Net investment in capital assets	\$ 27,572,468	\$ 37,050,317
Restricted	9,472,475	10,648,975
Unrestricted	(133,667,103)	(122,967,598)
Total net position	<u>\$ (96,622,160)</u>	<u>\$ (75,268,306)</u>

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. Another major factor in determining net position, as compared to fund balances, are the long-term liabilities for pension, other post-employment benefits (OPEB), and severance benefits, which are not reported in the governmental funds.

The District's decrease in net investment in capital assets is due mostly to the relationship between the rate at which the District's capital assets are being added, depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets. The District's decrease in net position restricted for food service and community service contributed to the change in the restricted portion of net position. The change in the District's share of the state-wide Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans also contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position.

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

Table 2 Summary Statement of Activities for the Years Ended June 30, 2020 and 2019		
	2020	2019
Revenues		
Program revenues		
Charges for services	\$ 14,297,419	\$ 16,770,456
Operating grants and contributions	20,694,796	16,952,023
Capital grants and contributions	1,517,914	1,534,850
General revenues		
Property taxes	72,831,176	68,768,868
General grants and aids	90,978,084	82,036,235
Investment earnings	2,476,239	3,191,342
Other	2,621,106	1,429,838
Total revenues	<u>205,416,734</u>	<u>190,683,612</u>
Expenses		
Administration	5,744,321	4,265,884
District support services	7,124,303	5,961,373
Elementary and secondary regular instruction	94,447,134	57,568,978
Vocational education instruction	3,448,696	2,163,529
Special education instruction	22,972,019	15,166,922
Instructional support services	20,521,549	13,281,310
Pupil support services	15,297,882	12,799,455
Sites and buildings	31,256,979	21,884,093
Fiscal and other fixed cost programs	539,743	541,321
Food service	6,743,253	6,943,797
Community service	11,509,169	10,774,854
Interest and fiscal charges on debt	8,353,500	7,556,619
Total expenses	<u>227,958,548</u>	<u>158,908,135</u>
Change in net position before special item	(22,541,814)	31,775,477
Special item	<u>—</u>	<u>3,035,310</u>
Change in net position	(22,541,814)	34,810,787
Net position – beginning, as previously reported	(75,268,306)	(110,079,093)
Change in accounting principle	1,187,960	—
Net position – beginning, as restated	<u>(74,080,346)</u>	<u>(110,079,093)</u>
Net position – ending	<u>\$ (96,622,160)</u>	<u>\$ (75,268,306)</u>

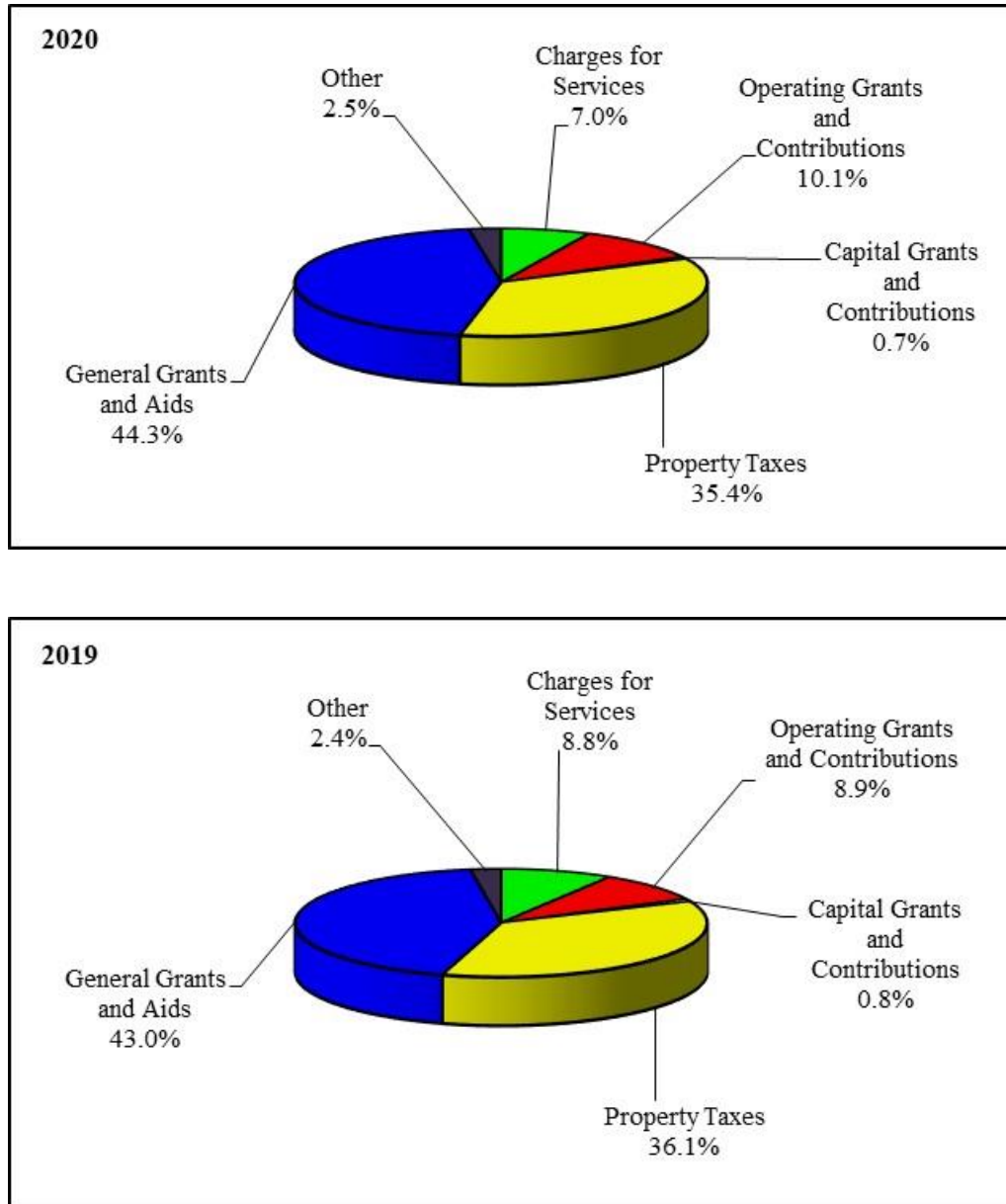
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Governmental activities revenues increased \$14,733,122 (7.7 percent) from the previous year, primarily attributable to increases in revenues from property taxes and improvements in the general education and special education funding.

Governmental activities expenses increased \$69,050,413 (43.5 percent) from last year, mainly due to the change in the PERA and the TRA multiple-employer defined benefit pension plans impacting functional areas based on salary and benefit levels.

Figure A shows further analysis of these revenue sources:

Figure A – Sources of Revenues for Fiscal Years 2020 and 2019



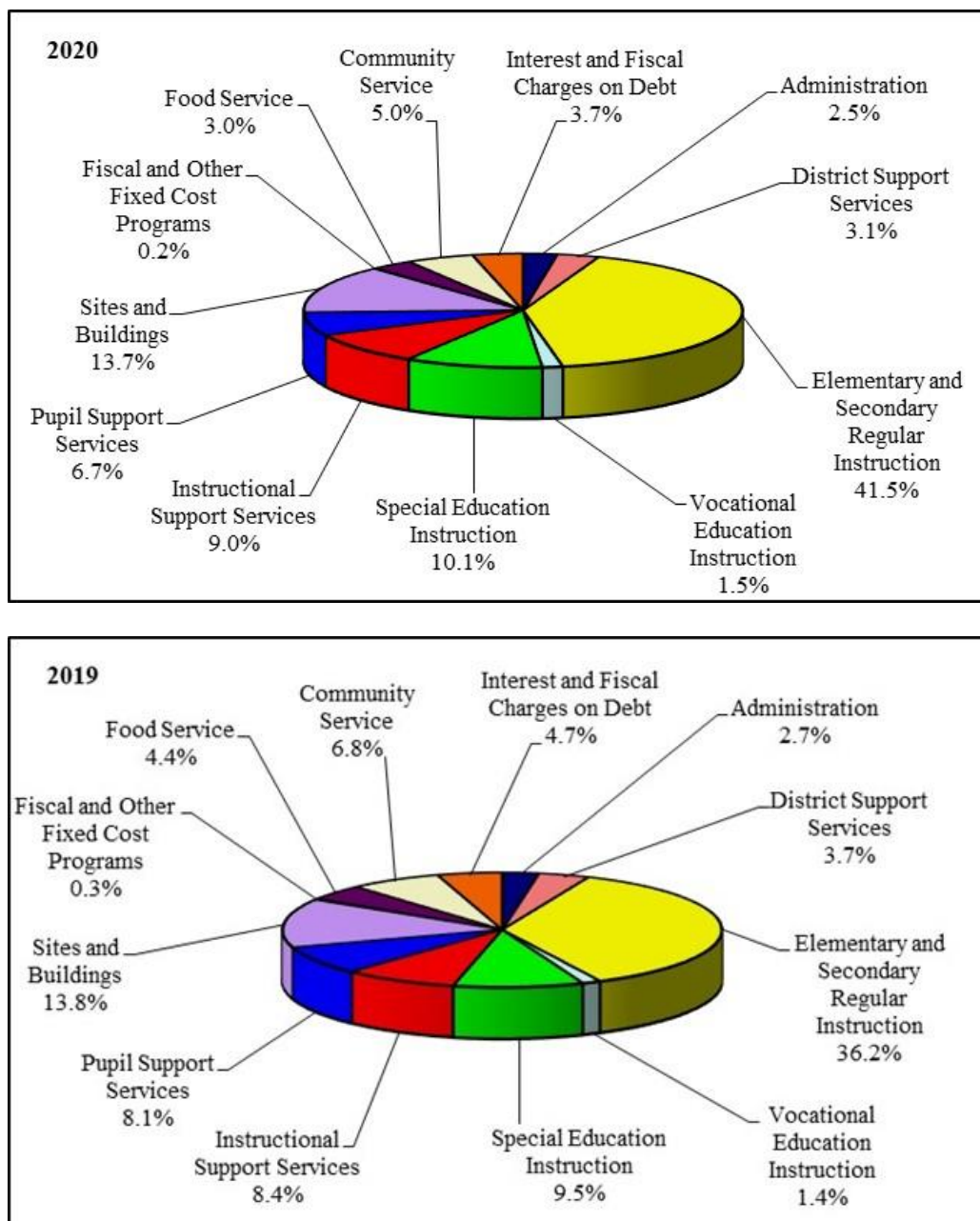
The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

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

Charges for services were down from the prior year directly related to the COVID-19 pandemic beginning in March through the end of the fiscal year.

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2020 and 2019



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

The significant year-to-year change in the percentage of expenses incurred in several program areas shown above was attributable to the change in expenses related to the two state-wide pension plans, which caused greater fluctuations in program areas with a higher proportion of salaries.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3 Governmental Fund Balances as of June 30, 2020 and 2019			
	2020	2019	Change
Major funds			
General	\$ 31,946,960	\$ 25,968,150	\$ 5,978,810
Capital Projects – Building Construction	18,904,352	32,549,669	(13,645,317)
Debt Service	2,683,374	2,833,280	(149,906)
Nonmajor funds			
Food Service Special Revenue	–	585,011	(585,011)
Community Service Special Revenue	854,947	1,982,518	(1,127,571)
Total governmental funds	<u>\$ 54,389,633</u>	<u>\$ 63,918,628</u>	<u>\$ (9,528,995)</u>

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

At June 30, 2020, the District's governmental funds reported combined fund balances of \$54,389,633, a decrease of \$9,528,995 from the prior year. Approximately 26.3 percent of this amount (\$14,281,389) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either 1) not in spendable form (\$749,427), 2) restricted for particular purposes (\$33,829,481), or 3) assigned for particular purposes (\$5,529,336).

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4 General Fund Budget				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>	<u>Percent Change</u>
Revenues and other financing sources	<u>\$ 172,700,000</u>	<u>\$ 183,790,086</u>	<u>\$ 11,090,086</u>	<u>6.4%</u>
Expenditures and other financing uses	<u>\$ 173,564,093</u>	<u>\$ 183,773,868</u>	<u>\$ 10,209,775</u>	<u>5.9%</u>

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

Table 5 summarizes the operating results of the General Fund:

Table 5 General Fund Operating Results					
	<u>2020 Actual</u>	<u>Over (Under) Final Budget</u>		<u>Over (Under) Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	\$ 184,241,867	\$ 451,781	0.2%	\$ 19,104,487	11.6%
Expenditures and other financing uses	<u>179,451,017</u>	<u>(4,322,851)</u>	(2.4%)	<u>20,206,601</u>	12.7%
Net change in fund balances	<u>\$ 4,790,850</u>	<u>\$ 4,774,632</u>		<u>\$ (1,102,114)</u>	

The fund balance of the General Fund increased \$4,790,850, compared to a planned increase of \$16,218 approved in the final budget. As previously discussed, the District reported a change in accounting principle that increased beginning fund balance by \$1,187,960.

General Fund revenues and other financing sources for 2020 increased \$19,104,487, or 11.6 percent, compared to the prior year. This was \$451,781, or 0.2 percent, more than budget. The largest variance to budget was in state sources, which was \$1,606,354 over budget mainly in special education. This was offset by other local sources, which was \$831,020 less than projected, due to the COVID-19 pandemic and less fees and charges for services received, compared to budget. The overall revenue increase from the prior year was mainly due to an increase in the tax levy combined with increases in students served and state funding for general education and special education. The District also received proceeds in the current year for the sale of a parcel of land.

Total General Fund expenditures and other financing uses for 2020 increased \$20,206,601, or 12.7 percent, over the prior year, and were \$4,322,851, or 2.4 percent, under budget. The budget variance was spread across several programs and object categories of the General Fund. Instructional support services experienced the largest program variance, with expenditures coming in under budget by \$1,797,179, mainly in staff development. Sites and buildings expenditures were \$1,059,269 under budget, due to a timing of projects. The increase from the prior year was mainly due to contractual increases in salaries and benefits. Transfers out also increased due to long-term facilities maintenance levy required to be reported in other funds.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. This fund also received a transfer of \$8,102,000 of long-term facilities maintenance levy proceeds from the General Fund to finance various capital projects. Fund balance decreased \$13,645,317, as the District spent down proceeds from bonds and certificates of participation issued. At June 30, 2020, the District had a fund balance of \$18,904,352, the majority of which is restricted for various capital projects.

Debt Service Fund

The Debt Service Fund expenditures exceeded revenues and other financing sources by \$149,906 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The remaining fund balance of \$2,683,374 at June 30, 2020 is available for meeting future debt service obligations.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with expenditures exceeding revenues and other financing sources, decreasing equity by \$585,011, compared to a planned fund balance decrease of \$296,505. This decrease was primarily caused by lower than anticipated revenues from meal sales caused by the COVID-19 pandemic. The District made a transfer of \$249,545 from the General Fund to eliminate the fund balance deficit in the current year.

The Community Service Special Revenue Fund ended the year with expenditures exceeding revenues and other financing sources, decreasing equity by \$1,127,571, compared to a planned fund balance increase of \$408,392. Revenues and expenditures were less than budgeted amounts, due to less program participation caused by the COVID-19 pandemic.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains two internal service funds. These funds are used to account for the District's self-insured medical and dental insurance activity, various early retirement benefit packages for employee groups, and post-retirement healthcare benefits.

Operating revenues for the internal service funds, consisting of charges to the District's governmental funds, for fiscal 2020 totaled \$19,431,294, an increase from the fiscal year 2019 operating revenue level of \$18,633,367. Operating expenses, consisting of health claims, dental claims, and other employee benefits totaled \$18,184,891, which represents a decrease from fiscal year 2019 operating expenses of \$21,690,650. Nonoperating revenues, consisting of investment earnings, totaled \$279,092, which is a decrease from the fiscal year 2019 amount of \$421,012. The net position balance for all internal service funds as of June 30, 2020 was \$1,669,104, which is an increase of \$1,232,175 from the prior year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ended June 30, 2020 and 2019:

Table 6 Capital Assets			
	<u>2020</u>	<u>2019</u>	<u>Change</u>
Land	\$ 33,220,187	\$ 39,471,187	\$ (6,251,000)
Construction in progress	35,744,141	29,423,450	6,320,691
Land improvements	9,687,055	9,687,055	—
Buildings and improvements	301,147,255	273,395,252	27,752,003
Equipment and transportation vehicles	13,593,731	13,265,288	328,443
Food service equipment	1,185,973	1,140,612	45,361
Less accumulated depreciation	<u>(134,158,233)</u>	<u>(125,948,902)</u>	<u>(8,209,331)</u>
Total	<u>\$ 260,420,109</u>	<u>\$ 240,433,942</u>	<u>\$ 19,986,167</u>
Depreciation expense	<u>\$ 8,209,331</u>	<u>\$ 7,900,803</u>	<u>\$ 308,528</u>

By the end of 2020, the District had invested in a broad range of capital assets, including school buildings, athletic facilities, and other equipment for various instructional programs (see Table 6).

The changes presented in the table above reflect the ongoing activity and completion of projects at district sites during fiscal year 2020, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

The District defines capital assets as those with an initial, individual cost of \$5,000 or more for equipment and \$20,000 or more for construction and improvements, which benefit more than one fiscal year.

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

Long-Term Liabilities

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

Table 7 Outstanding Long-Term Liabilities			
	2020	2019	Change
General obligation bonds payable	\$ 218,020,000	\$ 215,880,000	\$ 2,140,000
Certificates of participation payable	22,590,000	6,225,000	16,365,000
Unamortized premium	7,035,999	5,790,352	1,245,647
Capital leases payable	8,001,525	8,219,307	(217,782)
Net pension liability	107,693,203	101,396,725	6,296,478
Net OPEB liability	17,484,629	11,889,082	5,595,547
Severance benefits payable	2,731,496	2,924,240	(192,744)
Compensated absences payable	782,838	693,690	89,148
Total	<u>\$ 384,339,690</u>	<u>\$ 353,018,396</u>	<u>\$ 31,321,294</u>

The change in general obligation bonds payable, certificates of participation payable, and capital leases payable are primarily due to the scheduled principal payments offset by the sale of tax abatement bonds and certificates of participation and the issuance of a capital lease for technology in the current year.

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

The increase in the net OPEB liability is due to assumption changes in the current year.

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 8). The District's outstanding net general obligation debt was \$222,372,625 at June 30, 2020, or about 10.7 percent of the limit.

Table 8 Limitations on Debt	
District's market value	\$ 13,916,257,860
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 2,087,438,679</u>

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added \$129, or 2 percent, per pupil to the formula for fiscal year 2021.

The COVID-19 pandemic has impacted how the District provides instruction. The District completed the 2019–2020 school year with distance learning. Increased expenditures for personal protective equipment, sanitation supplies, and technology are expected in the upcoming fiscal year.

The amount of funding a district receives is also dependent on the number of students it serves, meaning attracting and retaining students is critical to the District's financial well-being. The COVID-19 pandemic will impact how many students the District attracts and maintains. Students choosing to enroll in other online schools, private school options, or kindergarten families choosing to wait a year, will mean less revenue for the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This CAFR is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 284, District Administrative Office, P.O. Box 660, Wayzata, Minnesota 55391-0660.

BASIC FINANCIAL STATEMENTS

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position
as of June 30, 2020
(With Partial Comparative Information as of June 30, 2019)

	Governmental Activities	
	2020	2019
Assets		
Cash and temporary investments	\$ 99,792,462	\$ 103,447,101
Cash and investments held by trustee	150,505	386,473
Receivables		
Current taxes	40,769,528	35,948,864
Delinquent taxes	481,946	366,674
Accounts and interest receivable	207,271	228,803
Due from other governmental units	10,604,087	12,022,141
Due from post-employment benefits trust	300,000	356,000
Inventory	296,404	219,662
Prepaid items	453,023	203,736
Restricted assets – temporarily restricted		
Cash and investments for capital asset acquisition	3,393,208	—
Cash and investments for debt service	300,000	—
Capital assets		
Not depreciated	68,964,328	68,894,637
Depreciated, net of accumulated depreciation	191,455,781	171,539,305
Total capital assets, net of accumulated depreciation	<u>260,420,109</u>	<u>240,433,942</u>
Total assets	<u>417,168,543</u>	<u>393,613,396</u>
Deferred outflows of resources		
Pension plan deferments	81,711,791	113,196,634
OPEB plan deferments	2,992,906	757,171
Total deferred outflows of resources	<u>84,704,697</u>	<u>113,953,805</u>
Total assets and deferred outflows of resources	<u>\$ 501,873,240</u>	<u>\$ 507,567,201</u>
Liabilities		
Salaries payable	\$ 457,683	\$ 625,200
Accounts and contracts payable	14,233,110	8,495,053
Accrued interest payable	3,657,482	3,230,839
Due to other governmental units	335,140	840,864
Unearned revenue	634,225	628,253
Claims incurred, but not reported	2,003,779	2,003,779
Long-term liabilities		
Due within one year	10,025,643	8,203,801
Due in more than one year	374,314,047	344,814,595
Total long-term liabilities	<u>384,339,690</u>	<u>353,018,396</u>
Total liabilities	<u>405,661,109</u>	<u>368,842,384</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	75,636,264	68,520,635
Pension plan deferments	114,198,244	142,134,784
OPEB plan deferments	2,999,783	3,337,704
Total deferred inflows of resources	<u>192,834,291</u>	<u>213,993,123</u>
Net position		
Net investment in capital assets	27,572,468	37,050,317
Restricted for		
Capital asset acquisition	7,328,981	7,253,450
Food service	—	562,902
Community service	769,215	1,931,782
Other purposes (state funding restrictions)	1,374,279	900,841
Unrestricted	<u>(133,667,103)</u>	<u>(122,967,598)</u>
Total net position	<u>(96,622,160)</u>	<u>(75,268,306)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 501,873,240</u>	<u>\$ 507,567,201</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Activities
Year Ended June 30, 2020
(With Partial Comparative Information for the Year Ended June 30, 2019)

		2020		
Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Administration	\$ 5,744,321	\$ 1,566	\$ —	\$ —
District support services	7,124,303	—	—	93,131
Elementary and secondary regular instruction	94,447,134	1,435,317	2,660,540	1,300,494
Vocational education instruction	3,448,696	—	498,214	—
Special education instruction	22,972,019	431,278	13,820,232	4,534
Instructional support services	20,521,549	12,733	—	—
Pupil support services	15,297,882	185,197	850,685	—
Sites and buildings	31,256,979	454,390	—	119,755
Fiscal and other fixed cost programs	539,743	—	—	—
Food service	6,743,253	4,000,966	1,894,738	—
Community service	11,509,169	7,775,972	970,387	—
Interest and fiscal charges	8,353,500	—	—	—
Total governmental activities	<u>\$ 227,958,548</u>	<u>\$ 14,297,419</u>	<u>\$ 20,694,796</u>	<u>\$ 1,517,914</u>
General revenue				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for community service				
Property taxes, levied for debt service				
General grants and aids				
Other general revenues				
Investment earnings				
Special item				
Total general revenues and special item				
Change in net position				
Net position – beginning, as previously reported				
Change in accounting principle				
Net position – beginning, as restated				
Net position – ending				

	2019
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
\$ (5,742,755)	\$ (4,148,682)
(7,031,172)	(5,808,708)
(89,050,783)	(52,705,233)
(2,950,482)	(1,693,891)
(8,715,975)	(3,749,583)
(20,508,816)	(13,266,841)
(14,262,000)	(11,799,318)
(30,682,834)	(21,015,787)
(539,743)	(541,321)
(847,549)	(401,352)
(2,762,810)	(963,471)
(8,353,500)	(7,556,619)
(191,448,419)	(123,650,806)
58,866,293	55,461,620
1,537,423	1,222,047
12,427,460	12,085,201
90,978,084	82,036,235
2,621,106	1,429,838
2,476,239	3,191,342
—	3,035,310
168,906,605	158,461,593
(22,541,814)	34,810,787
(75,268,306)	(110,079,093)
1,187,960	—
(74,080,346)	(110,079,093)
\$ (96,622,160)	\$ (75,268,306)

INDEPENDENT SCHOOL DISTRICT NO. 284

Balance Sheet
Governmental Funds
as of June 30, 2020
(With Partial Comparative Information as of June 30, 2019)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Assets			
Cash and temporary investments	\$ 55,246,328	\$ 23,946,236	\$ 9,513,399
Cash and investments held by trustee	120,000	3,423,713	300,000
Receivables			
Current taxes	32,336,857	–	7,467,387
Delinquent taxes	377,600	–	94,498
Accounts and interest	203,793	–	–
Due from other governmental units	10,083,540	–	643
Due from other funds	385,582	–	–
Inventory	158,933	–	–
Prepaid items	452,173	–	–
	<u>\$ 99,364,806</u>	<u>\$ 27,369,949</u>	<u>\$ 17,375,927</u>
Liabilities			
Salaries payable	\$ 244,722	\$ 2,472	\$ –
Accounts and contracts payable	5,699,919	8,463,125	–
Due to other governmental units	335,140	–	–
Due to other funds	1,624,796	–	–
Unearned revenue	58,343	–	–
Total liabilities	<u>7,962,920</u>	<u>8,465,597</u>	<u>–</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	59,136,907	–	14,610,680
Unavailable revenue – delinquent taxes	318,019	–	81,873
Total deferred inflows of resources	<u>59,454,926</u>	<u>–</u>	<u>14,692,553</u>
Fund balances (deficits)			
Nonspendable	611,106	–	–
Restricted	6,775,773	23,516,237	2,683,374
Assigned	5,529,336	–	–
Unassigned	19,030,745	(4,611,885)	–
Total fund balances	<u>31,946,960</u>	<u>18,904,352</u>	<u>2,683,374</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 99,364,806</u>	<u>\$ 27,369,949</u>	<u>\$ 17,375,927</u>

Nonmajor Funds	Total Governmental Funds	
	2020	2019
\$ 2,057,080	\$ 90,763,043	\$ 95,137,639
—	3,843,713	386,473
965,284	40,769,528	35,948,864
9,848	481,946	366,674
3,478	207,271	228,803
519,904	10,604,087	12,022,141
—	385,582	356,000
137,471	296,404	219,662
850	453,023	203,736
<u>\$ 3,693,915</u>	<u>\$ 147,804,597</u>	<u>\$ 144,869,992</u>
\$ 210,489	\$ 457,683	\$ 625,200
70,005	14,233,049	8,487,334
—	335,140	840,864
85,582	1,710,378	1,458,699
575,882	634,225	628,253
<u>941,958</u>	<u>17,370,475</u>	<u>12,040,350</u>
1,888,677	75,636,264	68,520,635
8,333	408,225	390,379
<u>1,897,010</u>	<u>76,044,489</u>	<u>68,911,014</u>
138,321	749,427	423,398
854,097	33,829,481	46,663,521
—	5,529,336	5,369,294
(137,471)	14,281,389	11,462,415
<u>854,947</u>	<u>54,389,633</u>	<u>63,918,628</u>
<u>\$ 3,693,915</u>	<u>\$ 147,804,597</u>	<u>\$ 144,869,992</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2020
(With Partial Comparative Information as of June 30, 2019)

	2020	2019
Total fund balances – governmental funds	\$ 54,389,633	\$ 63,918,628
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	394,578,342	366,382,844
Accumulated depreciation	(134,158,233)	(125,948,902)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance.		
General obligation bonds payable	(218,020,000)	(215,880,000)
Certificates of participation payable	(22,590,000)	(6,225,000)
Unamortized premium	(7,035,999)	(5,790,352)
Capital leases payable	(8,001,525)	(8,219,307)
Net pension liability	(103,208,626)	(96,814,428)
Net OPEB liability	(17,484,629)	(11,889,082)
Compensated absences payable	(782,838)	(693,690)
Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	1,669,104	436,929
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(3,657,482)	(3,230,839)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	81,405,008	112,923,453
Deferred outflows of resources – OPEB plan deferments	2,992,906	757,171
Deferred inflows of resources – pension plan deferments	(114,126,263)	(142,048,406)
Deferred inflows of resources – OPEB plan deferments	(2,999,783)	(3,337,704)
Deferred inflows of resources – delinquent property taxes	408,225	390,379
Total net position – governmental activities	<u>\$ (96,622,160)</u>	<u>\$ (75,268,306)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020
(With Partial Comparative Information for the Year Ended June 30, 2019)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Revenue			
Local sources			
Property taxes	\$ 58,852,589	\$ –	\$ 12,424,298
Investment earnings	1,619,758	577,389	–
Other	5,099,438	42,149	–
State sources	106,065,256	–	6,431
Federal sources	4,213,562	–	–
Total revenue	175,850,603	619,538	12,430,729
Expenditures			
Current			
Administration	5,067,908	–	–
District support services	6,694,187	–	–
Elementary and secondary regular instruction	81,936,301	–	–
Vocational education instruction	3,272,414	–	–
Special education instruction	21,779,719	–	–
Instructional support services	19,718,543	–	–
Pupil support services	15,049,233	–	–
Sites and buildings	14,028,350	–	–
Fiscal and other fixed cost programs	539,743	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	47,719,628	–
Debt service			
Principal	2,677,578	–	5,315,000
Interest and fiscal charges	313,348	491,461	7,566,500
Total expenditures	171,077,324	48,211,089	12,881,500
Excess (deficiency) of revenue over expenditures	4,773,279	(47,591,551)	(450,771)
Other financing sources (uses)			
Bonds issued	–	7,454,135	865
Certificates of participation issued	–	16,700,000	300,000
Premium on debt issued	–	1,690,099	–
Capital lease issued	1,824,796	–	–
Sale of capital assets	6,251,000	–	–
Transfers in	315,468	8,102,000	–
Transfers (out)	(8,373,693)	–	–
Total other financing sources (uses)	17,571	33,946,234	300,865
Net change in fund balances	4,790,850	(13,645,317)	(149,906)
Fund balances			
Beginning of year, as previously reported	25,968,150	32,549,669	2,833,280
Change in accounting principle	1,187,960	–	–
Beginning of year, as restated	27,156,110	32,549,669	2,833,280
End of year	\$ 31,946,960	\$ 18,904,352	\$ 2,683,374

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds	
	2020	2019
\$ 1,536,443	\$ 72,813,330	\$ 68,770,016
–	2,197,147	2,770,330
11,776,938	16,918,525	18,202,110
1,154,555	107,226,242	101,283,833
1,710,570	5,924,132	4,609,793
16,178,506	205,079,376	195,636,082
–	5,067,908	4,785,410
–	6,694,187	5,445,961
–	81,936,301	76,186,117
–	3,272,414	3,043,470
–	21,779,719	20,099,837
–	19,718,543	16,158,133
–	15,049,233	14,067,489
–	14,028,350	14,265,340
–	539,743	541,321
6,657,150	6,657,150	6,737,168
11,322,610	11,322,610	11,073,210
160,873	47,880,501	40,253,946
–	7,992,578	6,547,836
–	8,371,309	7,937,194
18,140,633	250,310,546	227,142,432
(1,962,127)	(45,231,170)	(31,506,350)
–	7,455,000	–
–	17,000,000	–
–	1,690,099	–
–	1,824,796	537,500
–	6,251,000	–
249,545	8,667,013	2,042,900
–	(8,373,693)	(2,042,900)
249,545	34,514,215	537,500
(1,712,582)	(10,716,955)	(30,968,850)
2,567,529	63,918,628	94,887,478
–	1,187,960	–
2,567,529	65,106,588	94,887,478
\$ 854,947	\$ 54,389,633	\$ 63,918,628

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INDEPENDENT SCHOOL DISTRICT NO. 284

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2020

(With Partial Comparative Information for the Year Ended June 30, 2019)

	2020	2019
Total net change in fund balances – governmental funds	\$ (10,716,955)	\$ (30,968,850)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.		
Capital outlays	34,446,498	36,337,427
Depreciation expense	(8,209,331)	(7,900,803)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
	(6,251,000)	(756)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	(7,455,000)	–
Certificates of participation payable	(17,000,000)	–
Capital leases payable	(1,824,796)	(537,500)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.		
	1,232,175	399,039
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	5,315,000	4,280,000
Certificates of participation payable	635,000	775,000
Capital leases payable	2,042,578	1,492,836
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.		
	(426,643)	(37,537)
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.		
	(1,245,647)	418,112
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	(6,394,198)	161,176,262
Net OPEB liability	(5,595,547)	(3,136,938)
Compensated absences payable	(89,148)	(1,478)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	(31,518,445)	(28,592,424)
Deferred outflows of resources – OPEB plan deferments	2,235,735	757,171
Deferred inflows of resources – pension plan deferments	27,922,143	(99,177,064)
Deferred inflows of resources – OPEB plan deferments	337,921	(470,562)
Deferred inflows of resources – delinquent property taxes	17,846	(1,148)
Change in net position – governmental activities	<u>\$ (22,541,814)</u>	<u>\$ 34,810,787</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 General Fund
 Year Ended June 30, 2020

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 58,975,486	\$ 58,975,486	\$ 58,852,589	\$ (122,897)
Investment earnings	1,200,000	1,200,000	1,619,758	419,758
Other	4,785,458	5,930,458	5,099,438	(831,020)
State sources	103,894,600	104,458,902	106,065,256	1,606,354
Federal sources	3,844,456	4,250,268	4,213,562	(36,706)
Total revenue	<u>172,700,000</u>	<u>174,815,114</u>	<u>175,850,603</u>	<u>1,035,489</u>
Expenditures				
Current				
Administration	5,069,613	5,021,133	5,067,908	46,775
District support services	5,596,835	6,173,832	6,694,187	520,355
Elementary and secondary regular instruction	78,921,059	82,993,335	81,936,301	(1,057,034)
Vocational education instruction	3,334,685	3,280,713	3,272,414	(8,299)
Special education instruction	22,272,854	22,756,631	21,779,719	(976,912)
Instructional support services	17,556,131	21,515,722	19,718,543	(1,797,179)
Pupil support services	15,861,933	15,310,494	15,049,233	(261,261)
Sites and buildings	13,261,994	15,087,619	14,028,350	(1,059,269)
Fiscal and other fixed cost programs	488,100	433,500	539,743	106,243
Debt service				
Principal	2,480,142	2,480,142	2,677,578	197,436
Interest and fiscal charges	618,747	618,747	313,348	(305,399)
Total expenditures	<u>165,462,093</u>	<u>175,671,868</u>	<u>171,077,324</u>	<u>(4,594,544)</u>
Excess (deficiency) of revenue over expenditures	7,237,907	(856,754)	4,773,279	5,630,033
Other financing sources (uses)				
Capital lease issued	—	1,824,796	1,824,796	—
Sale of assets	—	6,251,000	6,251,000	—
Transfer in	—	899,176	315,468	(583,708)
Transfers (out)	(8,102,000)	(8,102,000)	(8,373,693)	(271,693)
Total other financing sources (uses)	<u>(8,102,000)</u>	<u>872,972</u>	<u>17,571</u>	<u>(855,401)</u>
Net change in fund balances	<u>\$ (864,093)</u>	<u>\$ 16,218</u>	<u>4,790,850</u>	<u>\$ 4,774,632</u>
Fund balances				
Beginning of year, as previously reported			25,968,150	
Change in accounting principle			<u>1,187,960</u>	
Beginning of year, as restated			<u>27,156,110</u>	
End of year			<u>\$ 31,946,960</u>	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Net Position
Internal Service Funds
as of June 30, 2020
(With Partial Comparative Information as of June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 444,702	\$ 3,837
Investments	8,584,717	8,305,625
Due from other funds	<u>1,624,796</u>	<u>1,458,699</u>
Total current assets	10,654,215	9,768,161
Deferred outflows of resources		
Pension plan deferments	306,783	273,181
Liabilities		
Current liabilities		
Accounts and contracts payable	61	7,719
Claims incurred, but not reported	2,003,779	2,003,779
Severance benefits payable	<u>355,173</u>	<u>310,261</u>
Total current liabilities	2,359,013	2,321,759
Long-term liabilities		
Severance benefits payable	2,376,323	2,613,979
Total pension liability	<u>4,484,577</u>	<u>4,582,297</u>
Total long-term liabilities	6,860,900	7,196,276
Total liabilities	9,219,913	9,518,035
Deferred inflows of resources		
Pension plan deferments	<u>71,981</u>	<u>86,378</u>
Net position		
Unrestricted	<u>\$ 1,669,104</u>	<u>\$ 436,929</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2020
(With Partial Comparative Information for the Year Ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
Operating revenue		
Charges for services	\$ 19,431,294	\$ 18,633,367
Operating expenses		
Dental benefit claims	1,319,164	1,432,895
Health benefit claims	15,814,054	18,220,640
Early retirement incentive and sick leave benefits	1,051,673	2,037,115
Total operating expenses	<u>18,184,891</u>	<u>21,690,650</u>
Operating income (loss)	1,246,403	(3,057,283)
Nonoperating revenue		
Investment earnings	<u>279,092</u>	<u>421,012</u>
Income (loss) before transfers and special item	1,525,495	(2,636,271)
Transfers in	22,148	908,207
Transfers (out)	(315,468)	(908,207)
Special item	<u>—</u>	<u>3,035,310</u>
Change in net position	1,232,175	399,039
Net position		
Beginning of year	<u>436,929</u>	<u>37,890</u>
End of year	<u>\$ 1,669,104</u>	<u>\$ 436,929</u>

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INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2020
(With Partial Comparative Information for the Year Ended June 30, 2019)

	2020	2019
Cash flows from operating activities		
Charges for services	\$ 19,265,197	\$ 18,486,879
Payments for health and dental claims	(17,140,876)	(19,409,468)
Payments for retirement benefits	(1,390,136)	(1,938,028)
Net cash flows from operating activities	734,185	(2,860,617)
Cash flows from noncapital financing activities		
Cash paid to other funds	—	(17,292,359)
Purchase of investments	(1,701,767)	—
Sale of investments	1,701,767	20,156,813
Transfers in	22,148	908,207
Transfers (out)	(315,468)	(908,207)
Net cash flows from noncapital financing activities	(293,320)	2,864,454
Net change in cash and cash equivalents	440,865	3,837
Cash and cash equivalents		
Beginning of year	3,837	—
End of year	\$ 444,702	\$ 3,837
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ 1,246,403	\$ (3,057,283)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets		
Due from other funds	(166,097)	(146,488)
Prepaid items	—	3,500
Deferred outflows of resources – pension plan deferments	(33,602)	(273,181)
Changes in liabilities and deferred inflows		
Accounts and contracts payable	(7,658)	568
Claims incurred, but not reported	—	239,999
Severance benefits payable	(192,744)	147,013
Total pension liability	(97,720)	239,652
Deferred inflows of resources – pension plan deferments	(14,397)	(14,397)
Net cash flows from operating activities	\$ 734,185	\$ (2,860,617)
Noncash from operating activities		
Special item	\$ —	\$ 3,035,310

INDEPENDENT SCHOOL DISTRICT NO. 284

Statement of Fiduciary Net Position
as of June 30, 2020

	Post-Employment Benefits Trust Fund
Assets	
Investments held by trustee, at fair value	
Mutual funds	\$ 33,137,303
Liabilities	
Current liabilities	
Due to other funds	300,000
Net position	
Held in trust for employee benefits	\$ 32,837,303

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2020

	Post-Employment Benefits Trust Fund
Additions	
Investment earnings	
Total investment earnings	\$ 2,026,350
Less investment expense	110,785
Net investment earnings	1,915,565
Deductions	
Benefits to plan members	1,600,000
Change in net position	315,565
Net position	
Beginning of year	32,521,738
End of year	\$ 32,837,303

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Basic Financial Statements Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 284 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. A School Board elected by the voters of the District governs the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Financial Statement Presentation

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

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.
2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

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

Fiduciary funds are presented in the fiduciary fund financial statements by type: the District has a Post-Employment Benefits Trust Fund. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide financial statements.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds

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

Major Governmental Funds

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

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

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

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program.

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

Proprietary Funds

Internal Service Funds – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District has established two internal service funds to account for the District's liabilities for self-insured benefits and early retirement benefits.

Fiduciary Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

The School Board adopts an annual budget for all governmental funds prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted appropriations lapse at year-end.

F. Use of Estimates

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

G. Cash and Temporary Investments

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

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the General Fund, Capital Projects – Building Construction Fund, and Debt Service Fund, this represents assets held in escrow for specific purposes. In the Post-Employment Benefits Trust Fund, this represents assets contributed to an irrevocable trust established to finance the District's liability for post-employment insurance benefits. Interest earned on these investments is allocated directly to the escrow accounts.

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Receivables

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

At June 30, 2020, the District reported the following receivables due from other governmental units:

Due from the MDE	\$ 10,425,087
Due from other Minnesota school districts	87,390
Due from Hennepin County	<u>91,610</u>
Total due from other governmental units	<u><u>\$ 10,604,087</u></u>

I. Inventories

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

J. Prepaid Items

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

K. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$4,133,263 of the property tax levy collectible in 2020 as revenue to the District in fiscal year 2019–2020. The remaining portion of the taxes collectible in 2020 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$5,000 or more for equipment and \$20,000 or more for construction and improvements, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

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. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively.

N. Employee Benefits

1. **Compensated Absences** – Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for unused, accrued vacation to the limit specified in their labor contract or School Board policy upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.
2. **Severance Benefits** – The District provides lump sum severance benefits to eligible employees in accordance with provisions in certain collectively bargained contracts. Eligibility for these benefits is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary.

Severance payable is recorded as a liability in the government-wide financial statements, as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements when the liability matures, due to employee termination.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. **Early Retirement Incentive** – The District provides early retirement incentive benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. No individual can receive benefits in excess of one year's salary. See the Defined Benefit Pension Plan – District note for further information.
4. **Other Post-Employment Benefits (OPEB) Plan** – For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and certain investments that have a maturity at the time of purchase of one year or less, which may be reported at amortized cost. See the Other Post-Employment Benefits (OPEB) Plan note for further information.
5. **State-Wide Pension Plans** – District employees participate in cost-sharing, multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA), to which the District contributes. See the Defined Benefit Pension Plans – State-Wide note for further information.

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

The TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into the TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association in 2015.

The PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

O. Risk Management and Self-Insurance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District makes premium payments that include both employer and employee contributions to the Internal Service Fund on behalf of program participants based on rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

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

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

	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2019	\$ 1,763,780	\$ 18,032,283	\$ 17,792,284	\$ 2,003,779
2020	\$ 2,003,779	\$ 16,205,987	\$ 16,205,987	\$ 2,003,779

P. Deferred Outflows/Inflows of Resources

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position

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

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

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

R. Fund Balance Classifications

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2019, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

T. Restricted Assets

Restricted assets are cash and cash equivalents and the related interest receivable whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported only in the government-wide financial statements. In the fund financial statements, these assets have been reported as "cash and investments held by trustee."

U. Change in Accounting Principle

During the year ended June 30, 2020, the District adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes new criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by accounting for the extracurricular student activity funds in the General Fund and its governmental activities, rather than as a separate reporting entity as it has in the past. The District also previously presented a trust fund for scholarship activity, which has also been combined into the General Fund and its governmental activities, with the implementation of this new standard. This standard required retroactive implementation, which resulted in the restatement of fund balance in the General Fund and net position of governmental activities as of June 30, 2019. The restatement resulted in an increase in fund balance and net position of \$1,187,960 as of July 1, 2019.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$ 446,477
Investments	136,327,001
Total	\$ 136,773,478

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

Statement of Net Position	
Cash and temporary investments	\$ 99,792,462
Cash and investments held by trustee	150,505
Restricted assets – temporarily restricted	
Cash and investments for capital asset acquisition	3,393,208
Cash and investments for debt service	300,000
Statement of Fiduciary Net Position	
Investments held by trustee	
Post-Employment Benefits Trust Fund	33,137,303
Total	\$ 136,773,478

B. Deposits

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

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

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

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

At year-end, the carrying amount of the District’s deposits was \$446,477, while the balance on the bank records was \$408,475. At June 30, 2020, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value	Interest Risk –	Total
	Rating	Agency	Measurements Using	Maturity Duration	
Life insurance contracts	Not Rated		N/A	N/A	\$ 32,615,642
Investment pools/mutual funds					
First American Government Obligation Fund	AAA	S&P	Level 1	N/A	4,351,566
Mutual funds – fixed income	Not Rated		Level 1	N/A	13,539,457
Mutual funds – equities	Not Rated		Level 1	N/A	18,939,488
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	N/A	6,217,327
Minnesota School District Liquid Asset Fund	AAA	S&P	N/A	N/A	60,663,521
Total investments					<u>\$ 136,327,001</u>

N/A – Not Applicable

Investments in life insurance contracts are reported at cash surrender value and are not subject to fair value reporting standards.

The MNTrust Investment Shares Portfolio and Minnesota School District Liquid Asset Fund (MSDLAF) are external investment pools not registered with the Securities and Exchange Commission regulated by Minnesota Statutes. The District's investments in these investment pools are measured at the net asset value per share provided by the pools, which are based on an amortized cost method that approximates fair value. For these investment pools, there are no unfunded commitments, redemption frequency is daily, there is no redemption notice for the MNTrust investments or the MSDLAF Liquid Class, and the redemption notice period is 14 days for the MSDLAF MAX Class.

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

Concentration Risk – This is the risk associated with investing a significant portion of the District’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District’s investment policies do not address concentration risk.

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

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020 is as follows:

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 39,471,187	\$ –	\$ (6,251,000)	\$ –	\$ 33,220,187
Construction in progress	29,423,450	34,072,694	–	(27,752,003)	35,744,141
Total capital assets, not depreciated	68,894,637	34,072,694	(6,251,000)	(27,752,003)	68,964,328
Capital assets, depreciated					
Land improvements	9,687,055	–	–	–	9,687,055
Buildings and improvements	273,395,252	–	–	27,752,003	301,147,255
Equipment and transportation vehicles	13,265,288	328,443	–	–	13,593,731
Food service equipment	1,140,612	45,361	–	–	1,185,973
Total capital assets, depreciated	297,488,207	373,804	–	27,752,003	325,614,014
Less accumulated depreciation for					
Land improvements	(7,899,889)	(257,098)	–	–	(8,156,987)
Buildings and improvements	(105,712,589)	(7,597,737)	–	–	(113,310,326)
Equipment and transportation vehicles	(11,554,019)	(306,156)	–	–	(11,860,175)
Food service equipment	(782,405)	(48,340)	–	–	(830,745)
Total accumulated depreciation	(125,948,902)	(8,209,331)	–	–	(134,158,233)
Net capital assets, depreciated	171,539,305	(7,835,527)	–	27,752,003	191,455,781
Total capital assets, net	<u>\$ 240,433,942</u>	<u>\$ 26,237,167</u>	<u>\$ (6,251,000)</u>	<u>\$ –</u>	<u>\$ 260,420,109</u>

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

Administration	\$ 13,873
Elementary and secondary regular instruction	4,299,786
Instructional support services	90,953
Sites and buildings	3,761,356
Food service	43,363
Total depreciation expense	<u>\$ 8,209,331</u>

NOTE 4 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
General obligation bonds payable					
Alternative facilities bonds	05/02/2012	2.00–3.00%	\$ 15,800,000	02/01/2024	\$ 11,025,000
School building bonds	05/22/2014	1.50–4.00%	\$ 109,645,000	02/01/2035	107,105,000
Alternative facilities bonds	05/22/2014	3.00–4.00%	\$ 27,160,000	02/01/2036	27,160,000
School building bonds	02/15/2018	3.00–5.00%	\$ 66,895,000	02/01/2038	65,275,000
Tax abatement bonds	11/07/2019	2.00–4.00%	\$ 7,455,000	02/01/2035	7,455,000
Total general obligation bonds payable					<u>\$ 218,020,000</u>

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

B. Certificates of Participation Payable

The District currently has the following certificates of participation payable outstanding:

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
2013A Certificates of Participation	02/27/2013	2.00–2.60%	\$ 9,980,000	10/01/2027	\$ 5,590,000
2019B Certificates of Participation	11/14/2019	2.25–4.00%	\$ 17,000,000	02/01/2040	17,000,000
Total certificates of participation payable					<u>\$ 22,590,000</u>

These certificates of participation were issued to finance construction of capital facilities. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on these certificates. These certificates of participation are being paid by the General Fund.

C. Capital Leases Payable

On October 26, 2012, the District entered into a master lease purchase agreement with Apple, Inc. for iPads. The District acquires equipment from time to time under this master agreement as needed. Each lease schedule added under this master lease agreement adds equipment to the lease and carries its own lease term and payment schedule. The lease schedules have interest rates ranging from 0.89–1.69 percent and mature in fiscal year 2022. Upon payment in full of all scheduled lease payments, the lessor's (Apple, Inc.'s) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The assets acquired through this capital lease were not capitalized, as individual asset amounts do not meet the capitalization threshold requirements. The General Fund will be used to liquidate this liability. In the event of default, lessor may do any of the following: a) provide written notice to lessee of the event of default; b) declare due and payable any and all amounts which may then be due and payable under the lease, plus all lease payments remaining through the end of the then current fiscal period; c) with or without terminating the lease term under such lease, i) enter the premises where the equipment is located and retake possession of such equipment or require lessee at lessee's expense to promptly return any or all of such equipment to the possession of lessor and ii) at lessee's expense, sell or lease such equipment, or sublease such equipment continuing to hold lessee liable for the difference between the lease payment payable by lessee and net proceeds or any such sale, lease or sublease.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

The District entered into a capital lease agreement to finance the construction of a turf field. The lease has an effective interest rate of 2.28 percent and calls for annual principal and interest payments through February 1, 2026. The leased assets were recorded in buildings and improvements at \$3,986,000, and total accumulated depreciation on these assets at June 30, 2020 was \$697,550. The lease is being paid through the General Fund.

The District entered into a capital lease agreement to finance the construction of a building addition to Meadow Ridge Elementary School. The lease has an effective interest rate of 2.24 percent and calls for semiannual principal and interest payments through April 1, 2032. The leased assets were recorded in buildings and improvements at \$5,030,000, and total accumulated depreciation on these assets at June 30, 2020 was \$251,500. The lease is being paid through the General Fund.

The District entered into a capital lease agreement to finance the purchase of a web filter. This lease has an effective interest rate of 4.27 percent and calls for annual principal and interest payments through July 15, 2020. The leased assets were recorded in equipment at \$143,550, and total accumulated depreciation on these assets at June 30, 2020 was \$71,775. The lease is being paid through the General Fund.

D. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including compensated absences, severance benefits, pension benefits, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are paid primarily from the General Fund.

District employees participate in several pension plans described later in these notes, including two state-wide, cost-sharing, multiple-employer defined benefit plans administered by the PERA and the TRA, one single-employer defined benefit plan administered by the District, and one single-employer defined contribution plan administered by the District. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2020:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Defined benefit plans				
State-wide, multiple-employer – PERA	\$ 20,384,597	\$ 2,794,350	\$ 3,808,378	\$ 2,550,029
State-wide, multiple-employer – TRA	82,824,029	78,610,658	110,317,885	16,410,531
Single-employer – District	4,484,577	306,783	71,981	417,691
Defined contribution plan				
Single-employer – District	—	—	—	214,068
Total	<u>\$ 107,693,203</u>	<u>\$ 81,711,791</u>	<u>\$ 114,198,244</u>	<u>\$ 19,592,319</u>

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

E. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds, certificates of participation, and capital leases are as follows:

Year Ending June 30,	General Obligation Bonds		Certificates of Participation		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 6,445,000	\$ 7,733,262	\$ 1,130,000	\$ 778,561	\$ 1,312,632	\$ 159,897
2022	7,560,000	7,453,719	1,280,000	629,626	1,334,145	138,384
2023	8,645,000	7,180,219	1,320,000	591,476	742,410	116,456
2024	9,805,000	6,870,769	1,360,000	551,681	759,300	99,566
2025	10,985,000	6,559,819	1,400,000	509,881	776,575	82,291
2026–2030	65,125,000	26,178,294	6,140,000	1,882,581	2,281,590	211,780
2031–2035	77,640,000	13,450,513	4,670,000	1,045,256	794,873	22,380
2036–2040	31,815,000	2,049,750	5,290,000	426,944	–	–
	<u>\$ 218,020,000</u>	<u>\$ 77,476,345</u>	<u>\$ 22,590,000</u>	<u>\$ 6,416,006</u>	<u>\$ 8,001,525</u>	<u>\$ 830,754</u>

F. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds payable	\$ 215,880,000	\$ 7,455,000	\$ 5,315,000	\$ 218,020,000	\$ 6,445,000
Certificates of participation payable	6,225,000	17,000,000	635,000	22,590,000	1,130,000
Unamortized premium	5,790,352	1,690,099	444,452	7,035,999	–
Total bonds payable	<u>227,895,352</u>	<u>26,145,099</u>	<u>6,394,452</u>	<u>247,645,999</u>	<u>7,575,000</u>
Capital leases payable	8,219,307	1,824,796	2,042,578	8,001,525	1,312,632
Net pension liability	101,396,725	15,068,380	8,771,902	107,693,203	–
Net OPEB liability	11,889,082	7,261,101	1,665,554	17,484,629	–
Severance benefits payable	2,924,240	168,174	360,918	2,731,496	355,173
Compensated absences payable	693,690	1,408,888	1,319,740	782,838	782,838
	<u>\$ 353,018,396</u>	<u>\$ 51,876,438</u>	<u>\$ 20,555,144</u>	<u>\$ 384,339,690</u>	<u>\$ 10,025,643</u>

NOTE 5 – FUND BALANCES

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

NOTE 5 – FUND BALANCES (CONTINUED)

A. Classifications

At June 30, 2020, a summary of the District's governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	\$ 158,933	\$ –	\$ –	\$ 137,471	\$ 296,404
Prepaid items	452,173	–	–	850	453,023
Total nonspendable	611,106	–	–	138,321	749,427
Restricted					
Scholarships	279,947	–	–	–	279,947
Staff development	561,290	–	–	–	561,290
Capital projects levy	1,357,564	–	–	–	1,357,564
Operating capital	4,043,930	–	–	–	4,043,930
Safe schools levy	191,570	–	–	–	191,570
Medical Assistance	341,472	–	–	–	341,472
Projects funded by COP	–	1,448,716	–	–	1,448,716
Capital projects	–	22,067,521	–	–	22,067,521
Debt service	–	–	2,683,374	–	2,683,374
Community education programs	–	–	–	649	649
Early childhood family education programs	–	–	–	357,530	357,530
School readiness	–	–	–	114,044	114,044
Community service	–	–	–	381,874	381,874
Total restricted	6,775,773	23,516,237	2,683,374	854,097	33,829,481
Assigned					
Local collaborative time study	248,832	–	–	–	248,832
Reemployment insurance	12,985	–	–	–	12,985
Site carryover	2,053,501	–	–	–	2,053,501
Q compensation	901	–	–	–	901
School opening costs	695,305	–	–	–	695,305
Workers' compensation escrow	120,000	–	–	–	120,000
Post-employment obligations	2,156,636	–	–	–	2,156,636
Subsequent year budget	241,176	–	–	–	241,176
Total assigned	5,529,336	–	–	–	5,529,336
Unassigned					
Long-term facilities maintenance restricted account deficit	(421,471)	(4,611,885)	–	–	(5,033,356)
Unassigned	19,452,216	–	–	(137,471)	19,314,745
Total unassigned	19,030,745	(4,611,885)	–	(137,471)	14,281,389
Total	\$ 31,946,960	\$ 18,904,352	\$ 2,683,374	\$ 854,947	\$ 54,389,633

B. Minimum Unassigned Fund Balance Policy

The District's adopted fund balance policy for the General Fund establishes a year-end minimum unassigned fund balance of 5.0–7.0 percent of the previous year's expenditures, increased to compensate for any negative balances in the Food Service Special Revenue Fund and/or Community Service Special Revenue Fund. If the unassigned fund balance for the General Fund falls below the projected minimum balance of 7.0 percent, the District's administration will notify the School Board and present a plan to restore the fund balance to the acceptable level. At June 30, 2020, the unassigned fund balance of the General Fund, excluding restricted account deficits, was 11.4 percent of fiscal 2020 expenditures.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

B. Benefits Provided

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

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

1. GERF Benefits

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the post-retirement increase will be equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with the minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit 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 the Rule of 90 are exempt from the delay to normal retirement.

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Tier II Benefits

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

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

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

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

C. Contributions

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

1. GERS Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERS for the year ended June 30, 2020, were \$2,090,441. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

	Year Ended June 30,					
	2018		2019		2020	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	11.50 %	11.00 %	11.71 %	11.00 %	11.92 %
Coordinated Plan	7.50 %	7.50 %	7.50 %	7.71 %	7.50 %	7.92 %

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2020, were \$6,263,877. The District's contributions were equal to the required contributions for each year as set by state statutes.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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

	<i>in thousands</i>
Employer contributions reported in the TRA's CAFR Statement of Changes in Fiduciary Net Position	\$ 403,300
Add employer contributions not related to future contribution efforts	(688)
Deduct the TRA's contributions not included in allocation	<u>(486)</u>
Total employer contributions	402,126
Total nonemployer contributions	<u>35,588</u>
Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations	<u>\$ 437,714</u>

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

D. Pension Costs

1. GERS Pension Costs

At June 30, 2020, the District reported a liability of \$20,384,597 for its proportionate share of the GERS's net pension liability. The net pension liability was measured as of June 30, 2019, 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 the PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.3687 percent at the end of the measurement period and 0.3717 percent for the beginning of the period.

The District's net pension liability reflected a reduction, due to the state of Minnesota's contribution of \$16.0 million. The state of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The amounts recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 20,384,597
State's proportionate share of the net pension liability associated with the District	\$ 633,639

For the year ended June 30, 2020, the District recognized pension expense of \$2,502,575 for its proportionate share of the GERS's pension expense. In addition, the District recognized an additional \$47,454 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the GERS.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

At June 30, 2020, the District reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 564,640	\$ –
Changes in actuarial assumptions	–	1,604,891
Differences between projected and actual investment earnings	–	2,078,666
Changes in proportion	139,269	124,821
District's contributions to the GERF subsequent to the measurement date	<u>2,090,441</u>	<u>–</u>
Total	<u><u>\$ 2,794,350</u></u>	<u><u>\$ 3,808,378</u></u>

A total of \$2,090,441 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to the GERF pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2021	\$ (1,055,413)
2022	\$ (1,628,742)
2023	\$ (453,166)
2024	\$ 32,852

2. TRA Pension Costs

At June 30, 2020, the District reported a liability of \$82,824,029 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District's proportionate share was 1.2994 percent at the end of the measurement period and 1.2131 percent for the beginning of the period.

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

District's proportionate share of the net pension liability	\$ 82,824,029
State's proportionate share of the net pension liability associated with the District	\$ 7,329,713

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

For the year ended June 30, 2020, the District recognized pension expense of \$15,853,386. It also recognized \$557,145 as an increase to pension expense (and grant revenue) for the support provided by direct aid.

At June 30, 2020, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ —	\$ 1,896,260
Changes in actuarial assumptions	61,693,864	101,935,054
Difference between projected and actual investment earnings	—	6,313,363
Changes in proportion	10,652,917	173,208
District's contributions to the TRA subsequent to the measurement date	6,263,877	—
Total	<u>\$ 78,610,658</u>	<u>\$ 110,317,885</u>

A total of \$6,263,877 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to the TRA pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2021	\$ 4,951,736
2022	\$ 1,173,088
2023	\$ (26,434,343)
2024	\$ (18,411,457)
2025	\$ 749,872

E. Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.50%	2.50%
Wage growth rate		2.85% for 10 years, and 3.25% thereafter
Active member payroll	3.25%	2.85% to 8.85% for 10 years, and 3.25% to 9.25% thereafter
Investment rate of return	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the GERP and 1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually for the TRA.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Actuarial assumptions used in the June 30, 2019 valuations were based on the results of actuarial experience studies. The most recent four-year experience study in the GERP plan was completed in 2019. Economic assumptions were updated in 2018, based on a review of inflation and investment return assumptions. The most recent experience study in the TRA plan was completed in 2015, with economic assumptions updated in 2017.

The following changes in actuarial assumptions and plan provisions occurred in 2019:

1. GERP

CHANGES IN ACTUARIAL ASSUMPTIONS

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

CHANGES IN PLAN PROVISIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- None.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.5 %	5.10 %
Private markets	25.0	5.90 %
Fixed income	20.0	0.75 %
International equity	17.5	5.30/5.90 %
Cash equivalents	2.0	– %
Total	100.0 %	

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

F. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2019 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

The discount rate used to measure the total pension liability was 7.50 percent. There was no change since the prior measurement. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2019 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.

G. Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
GERF discount rate	6.50%	7.50%	8.50%
District's proportionate share of the GERF net pension liability	\$ 33,511,180	\$ 20,384,597	\$ 9,545,993
TRA discount rate	6.50%	7.50%	8.50%
District's proportionate share of the TRA net pension liability	\$ 132,041,754	\$ 82,824,029	\$ 42,244,741

H. Pension Plan Fiduciary Net Position

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

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

I. Subsequent Events and the COVID-19 Pandemic Subsequent to Year-End

The United States and global markets experienced declines in values, resulting from uncertainty caused by COVID-19. The resulting declines are expected to have a negative impact on the PERA's and the TRA's discount rate, as well as the value of each plan's investments. Any impact caused by the resulting declines have not been included in the schedules as of June 30, 2019.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible individuals and contract groups through its Defined Benefit Pension Plan, a single-employer defined benefit plan administered by the District. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing district employees and are renegotiated each two-year bargaining period. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

These benefits are summarized as follows:

Teacher Pension Benefits – For eligible full-time teachers with at least 20 years of in-district service (or 15 years with the District and 25 years of teaching in the state of Minnesota), hired before July 1, 1998 and at least Step 5, and at least 55 years of age, the District pays a pension benefit equal to 80 days' pay.

Specialists Pension Benefits – For eligible specialists with at least 20 years of in-district service (or 10 years in-district specialist capacity with a total of 20 years of in-district service, or 25 years of directly related service with 15 of the years in the District), hired before July 1, 2003, and at least 55 years of age, the District pays a benefit equal to 75 days' pay.

Secretaries and Paraprofessionals Pension Benefits – For eligible secretaries and paraprofessionals with at least 15 years of service, hired before June 30, 2018, and at least 55 years of age, the District pays a pension benefit equal to 80 days' pay (or 100 days' pay for secretaries and paraprofessionals with 20 years of service).

Support Staff and Food Service Pension Benefits – For eligible support staff and food service employees with at least 20 years of in-district service and at least 55 years of age, the District pays a pension benefit equal to 75 days' pay for support staff and 100 days' pay for food service workers.

Custodians and Home Base Site Manager Pension Benefits – For eligible custodians with at least 15 years of service, hired before June 30, 2018, and at least 55 years of age; and eligible Home Base site managers with at least 20 years of service (or 10 years in-district Home Base site manager capacity with a total of 20 years of in-district service, or 25 years of directly related service with 15 of the years in-district), hired before July 1, 2004, the District pays a pension benefit equal to 80 days' pay.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. There are no invested plan assets accumulated for payment of future benefits. The operating funds are used for the funding of all pension/retirement benefits, which are accounted for in an Internal Service Fund. The District has not established a trust fund to finance these pension benefits.

C. Membership

Membership in the plan consisted of 488 active plan members as of the latest actuarial valuation.

D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of July 1, 2018 and measurement date as of June 30, 2020, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.40%
20-year municipal bond yield	2.40%
Inflation rate	2.50%
Salary increases	3.00%

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

E. Discount Rate

The discount rate used to measure the total pension liability was 2.40 percent. The projection of cash flows used to determine the discount rate was determined by estimating the long-term investment yield on the employer funds that will be used to pay benefits as they come due. The District discount rate used in the prior measurement date was 3.10 percent.

F. Changes in the Total Pension Liability

	<u>Total Pension Liability</u>
Beginning balance – July 1, 2019	\$ 4,582,297
Changes for the year	
Service cost	241,804
Interest	140,881
Assumption changes	83,005
Benefit payments	<u>(563,410)</u>
Total net changes	<u>(97,720)</u>
Ending balance – June 30, 2020	<u>\$ 4,484,577</u>

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

Assumption changes since the prior measurement date include the following:

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

G. Total Pension Liability Sensitivity to Discount Rate Changes

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Pension discount rate	1.40%	2.40%	3.40%
Total pension liability	\$ 4,638,097	\$ 4,484,577	\$ 4,331,102

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

For the current year ended, the District recognized pension expense of \$417,691. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 192,049	\$ –
Changes in actuarial assumptions	114,734	71,981
Total	<u>\$ 306,783</u>	<u>\$ 71,981</u>

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

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2021	\$ 35,006
2022	\$ 35,006
2023	\$ 35,006
2024	\$ 35,006
2025	\$ 35,010
Thereafter	\$ 59,768

NOTE 8 – DEFINED CONTRIBUTION PENSION PLAN – DISTRICT

On July 1, 2015, the District established a single-employer defined contribution pension plan administered by the District. The plan is offered to all administrators. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing district employees and are renegotiated each bargaining period. Eligibility for these benefits is based on years of service and/or minimum age requirements. Annual employer contributions are equal to five percent of the eligible employees' annual salary as of June 30th of each year, paid annually for the 10 fiscal years prior to the employee reaching the eligibility requirements for retirement pay benefits as set forth in their respective contracts.

Employer contributions are payable within 60 days following June 30th of each of the 10 years the employee is eligible to receive the benefits, and are deposited into the Minnesota State Retirement System Healthcare Savings Plan and an IRC § 403(b) retirement account. All employer contributions are tax deferred until the time of withdrawal. At June 30, 2020, there were 26 active plan participants. The District has not established a trust fund to finance these pension benefits.

Total contributions made by the District during the fiscal year ended June 30, 2020 were \$214,068, which is equal to the required contributions and has been recognized as pension expense in the Early Retirement Accounts Internal Service Fund.

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

A. Plan Description

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

The District has established the Post-Employment Benefits Trust Fund to account for the assets of the plan and finance these obligations. The plan assets may be used only for the payment of benefits of the plan, in accordance with the terms of the plan. The plan does not issue a publicly available financial report.

B. Benefits Provided

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical and/or dental insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit and date of hire, with some contracts specifying a certain dollar amount per month, and some covering premium costs as defined within each collective bargaining agreement. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District.

D. Membership

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

Retirees and beneficiaries receiving benefits	227
Active plan members	<u>1,468</u>
Total members	<u><u>1,695</u></u>

E. Net OPEB Liability of the District

The District's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. The components of the net OPEB liability of the District at year-end were as follows:

Total OPEB liability	\$ 50,321,932
Plan fiduciary net position	<u>(32,837,303)</u>
District's net OPEB liability	<u><u>\$ 17,484,629</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>65.3%</u></u>

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.80%
Expected long-term investment return	4.00% (net of investment expenses)
20-year municipal bond yield	2.40%
Inflation rate	2.50%
Salary increases	3.00%
Medical trend rate	6.25% in 2019, grading to 5.00% over 5 years
Dental trend rate	4.00%

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

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

The District's policy regarding the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes allowable under state statutes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	39.00 %	4.90 %
International equity	21.00	4.80 %
Fixed income	36.00	3.00 %
Cash	4.00	0.80 %
Total	100.00 %	4.00 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 5.9 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Discount Rate

The discount rate used to measure the total OPEB liability was 2.80 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been taken into account. The District discount rate used in the prior measurement date was 3.70 percent.

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

I. Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning balance – July 1, 2019	\$ 44,410,820	\$ 32,521,738	\$ 11,889,082
Changes for the year			
Service cost	3,223,065	–	3,223,065
Interest	1,731,921	–	1,731,921
Assumption changes	2,621,680	–	2,621,680
Contributions – paid through operating funds	–	65,554	(65,554)
Projected investment return	–	1,290,620	(1,290,620)
Difference between expected and actual experience	–	624,945	(624,945)
Benefit payments – paid through trust	(1,600,000)	(1,600,000)	–
Benefit payments – paid through operating funds	(65,554)	(65,554)	–
Total net changes	5,911,112	315,565	5,595,547
Ending balance – June 30, 2020	\$ 50,321,932	\$ 32,837,303	\$ 17,484,629

Assumption changes since the prior measurement date include the following:

- The expected long-term investment return was changed from 5.10 percent to 4.00 percent.
- The discount rate was changed from 3.70 percent to 2.80 percent.

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

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB discount rate	1.80%	2.80%	3.80%
Net OPEB liability	\$ 21,075,230	\$ 17,484,629	\$ 14,064,080

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB medical trend rate	5.25% decreasing to 4.00% over 5 years	6.25% decreasing to 5.00% over 5 years	7.25% decreasing to 6.00% over 5 years
OPEB dental trend rate	3.00%	4.00%	5.00%
Net OPEB liability	\$ 13,848,601	\$ 17,484,629	\$ 21,698,654

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

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

For the current year ended, the District recognized OPEB expense of \$3,087,445. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ —	\$ 784,085
Changes in actuarial assumptions	2,992,906	803,214
Differences between projected and actual investment earnings	—	1,412,484
Total	<u>\$ 2,992,906</u>	<u>\$ 2,999,783</u>

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

Year Ending June 30,	OPEB Expense Amount
2021	\$ (576,918)
2022	\$ (245,398)
2023	\$ (44,990)
2024	\$ 15,074
2025	\$ 140,063
Thereafter	\$ 705,292

NOTE 10 – FLEXIBLE BENEFIT PLAN

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

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

All assets of the Plan are held in the District's general checking account and are administered by an employee of the District. Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated service providers. These payments are made on a timely basis and are accounted for primarily in the District's Self-Insurance Accounts Internal Service Fund. The medical reimbursement and dependent care activity in the financial statements is accounted for in the General Fund.

NOTE 10 – FLEXIBLE BENEFIT PLAN (CONTINUED)

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

NOTE 11 – INTERFUND BALANCES AND TRANSACTIONS**A. Interfund Receivables and Payables**

The District had the following interfund receivables and payables at June 30, 2020:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 385,582	\$ 1,624,796
Nonmajor Funds	—	85,582
Internal Service Fund	1,624,796	—
Post-Employment Benefits Trust Fund	—	300,000
	<u>\$ 2,010,378</u>	<u>\$ 2,010,378</u>

As of June 30, 2020, the District had an interfund receivable in the General Fund of \$300,000 due from the Post-Employment Benefits Trust Fund to reimburse post-employment benefit costs.

As of June 30, 2020, the District had an interfund receivable in the General Fund of \$85,582 due from the Food Service Special Revenue Fund to eliminate temporary cash balance deficits.

As of June 30, 2020, the District's Internal Service Fund had an interfund receivable of \$1,624,796 due from the General Fund for medical and dental insurance premiums.

Such interfund balances are reported in the fund financial statements but are eliminated as necessary in the government-wide financial statements.

B. Interfund Transfers

Transfers Out	Transfers In				
	Governmental Funds			Proprietary Funds	
	General Fund	Capital Projects – Building Construction Fund	Nonmajor Funds	Internal Service Fund	Total
Governmental funds					
General Fund	\$ —	\$ 8,102,000	\$ 249,545	\$ 22,148	\$ 8,373,693
Proprietary funds					
Internal Service Fund	315,468	—	—	—	315,468
Total	<u>\$ 315,468</u>	<u>\$ 8,102,000</u>	<u>\$ 249,545</u>	<u>\$ 22,148</u>	<u>\$ 8,689,161</u>

The General Fund transferred \$8,102,000 to the Capital Projects – Building Construction Fund to allocate revenues levied by the General Fund required to be expended by the Capital Projects – Building Construction Fund.

The General Fund also transferred \$249,545 to the Food Service Special Revenue Fund to eliminate a year-end fund balance deficit.

NOTE 11 – INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)

The General Fund also transferred \$22,148 to the Self-Insurance Internal Service Fund to allocate additional resources to the fund.

The Early Retirement Internal Service Fund transferred \$315,468 to the General Fund to allocate district contributions to the appropriate fund.

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Operating Leases

The District is obligated under several operating leases for buildings and office and other equipment. Annual minimum lease payments for the operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 409,222
2022	300,988
2023	192,333
2024	164,991
2025	14,162
	<u>\$ 1,081,696</u>

Expenditures under the operating leases for the year ended June 30, 2020 were \$417,963.

B. Legal Claims

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

C. Federal and State Revenues

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

D. Construction Contracts

At June 30, 2020, the District had commitments totaling \$13,429,283 under various construction contracts for which the work was not yet completed.

NOTE 13 – SUBSEQUENT EVENTS

A. General Obligation Bonds

In November 2020, the District issued \$8,340,000 of General Obligation Alternative Facilities Refunding Bonds, Series 2020A. The bonds bear a true interest cost of 0.39 percent.

B. Land Acquisition

In July 2020, the District approved the purchase of certain real property at a purchase price of \$2,500,000.

C. Capital Lease

In July 2020, the District entered into a capital lease for technology equipment totaling \$1,350,145 with an interest rate of zero percent and payments over three years. The lease matures in July 2022.

D. COVID-19

The COVID-19 pandemic has caused economic and financial market volatility in the United States and around the world, along with significant business and operational disruptions for many organizations. Due to the unknown breadth and duration of this pandemic, any potential impact it may have on the District's future operations and financial condition cannot be determined at this time and has not been reflected in these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 284

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2020

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.4010%	\$ 18,836,971	\$ —	\$ 18,836,971	\$ 21,580,149	87.29%	78.70%
06/30/2016	06/30/2015	0.3690%	\$ 19,123,495	\$ —	\$ 19,123,495	\$ 21,662,426	88.28%	78.20%
06/30/2017	06/30/2016	0.3669%	\$ 29,790,460	\$ 388,978	\$ 30,179,438	\$ 22,576,588	131.95%	68.90%
06/30/2018	06/30/2017	0.3681%	\$ 23,499,261	\$ 295,505	\$ 23,794,766	\$ 23,723,555	99.05%	75.90%
06/30/2019	06/30/2018	0.3717%	\$ 20,620,393	\$ 676,399	\$ 21,296,792	\$ 24,982,890	82.54%	79.50%
06/30/2020	06/30/2019	0.3687%	\$ 20,384,597	\$ 633,639	\$ 21,018,236	\$ 26,067,142	78.20%	80.20%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2020

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 1,591,536	\$ 1,591,536	\$ —	\$ 21,662,426	7.35%
06/30/2016	\$ 1,693,427	\$ 1,693,427	\$ —	\$ 22,576,588	7.50%
06/30/2017	\$ 1,778,667	\$ 1,778,667	\$ —	\$ 23,723,555	7.50%
06/30/2018	\$ 1,874,024	\$ 1,874,024	\$ —	\$ 24,982,890	7.50%
06/30/2019	\$ 1,957,080	\$ 1,957,080	\$ —	\$ 26,067,142	7.51%
06/30/2020	\$ 2,090,441	\$ 2,090,441	\$ —	\$ 27,873,561	7.50%

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2020

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.2442%	\$ 57,331,835	\$ 4,033,134	\$ 61,364,969	\$ 59,468,413	96.41%	81.50%
06/30/2016	06/30/2015	1.1745%	\$ 72,654,441	\$ 8,912,006	\$ 81,566,447	\$ 59,480,901	122.15%	76.80%
06/30/2017	06/30/2016	1.1661%	\$ 278,142,672	\$ 27,917,266	\$ 306,059,938	\$ 60,632,426	458.74%	44.88%
06/30/2018	06/30/2017	1.1747%	\$ 234,491,429	\$ 22,668,335	\$ 257,159,764	\$ 63,155,618	371.29%	51.57%
06/30/2019	06/30/2018	1.2131%	\$ 76,194,035	\$ 7,158,801	\$ 83,352,836	\$ 66,998,054	113.73%	78.07%
06/30/2020	06/30/2019	1.2994%	\$ 82,824,029	\$ 7,329,713	\$ 90,153,742	\$ 73,710,617	112.36%	78.21%

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2020

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	\$ 4,460,131	\$ 4,460,131	\$ —	\$ 59,480,901	7.50%
06/30/2016	\$ 4,549,049	\$ 4,549,049	\$ —	\$ 60,632,426	7.50%
06/30/2017	\$ 4,742,705	\$ 4,742,705	\$ —	\$ 63,155,618	7.51%
06/30/2018	\$ 5,026,531	\$ 5,026,531	\$ —	\$ 66,998,054	7.50%
06/30/2019	\$ 5,687,795	\$ 5,687,795	\$ —	\$ 73,710,617	7.72%
06/30/2020	\$ 6,263,877	\$ 6,263,877	\$ —	\$ 79,018,615	7.93%

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Defined Benefit Pension Plan
Schedule of Changes in the District's Total
Pension Liability and Related Ratios
Year Ended June 30, 2020

	District Fiscal Year-End Date			
	2017	2018	2019	2020
Total pension liability				
Service cost	\$ 252,269	\$ 235,778	\$ 211,666	\$ 241,804
Interest	177,900	178,321	211,234	140,881
Assumption changes	—	(115,172)	56,141	83,005
Plan changes	—	—	(1,726,541)	—
Difference between expected and actual experience	—	—	256,067	—
Benefit payments	(512,772)	(283,900)	(495,456)	(563,410)
Net change in total pension liability	(82,603)	15,027	(1,486,889)	(97,720)
Total pension liability – beginning of year	6,136,762	6,054,159	6,069,186	4,582,297
Total pension liability – end of year	<u>\$ 6,054,159</u>	<u>\$ 6,069,186</u>	<u>\$ 4,582,297</u>	<u>\$ 4,484,577</u>
Covered-employee payroll	<u>\$ 28,004,800</u>	<u>\$ 28,844,944</u>	<u>\$ 19,728,311</u>	<u>\$ 20,320,160</u>
Total pension liability as a percentage of covered-employee payroll	<u>21.62%</u>	<u>21.04%</u>	<u>23.23%</u>	<u>22.07%</u>

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

Note 2: The District implemented GASB Statement No. 73 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Net
OPEB Liability and Related Ratios
Year Ended June 30, 2020

	District Fiscal Year-End Date			
	2017	2018	2019	2020
Total OPEB liability				
Service cost	\$ 2,551,063	\$ 2,390,402	\$ 2,693,689	\$ 3,223,065
Interest	1,454,492	1,513,499	1,677,230	1,731,921
Assumption changes	—	(1,204,821)	851,818	2,621,680
Plan changes	—	(1,097,125)	871,345	—
Difference between expected and actual experience	—	—	(1,008,111)	—
Benefit payments	(1,993,798)	(2,327,031)	(1,956,000)	(1,665,554)
Net change in total OPEB liability	2,011,757	(725,076)	3,129,971	5,911,112
Total OPEB liability – beginning of year	39,994,168	42,005,925	41,280,849	44,410,820
Total OPEB liability – end of year	42,005,925	41,280,849	44,410,820	50,321,932
Plan fiduciary net position				
Contributions – employer	293,798	27,031	—	65,554
Projected investment earnings	1,366,041	1,456,650	1,648,705	1,290,620
Difference between expected and actual experience	1,657,592	1,002,046	300,328	624,945
Benefit payments	(1,993,798)	(2,327,031)	(1,956,000)	(1,665,554)
Net change in plan fiduciary net position	1,323,633	158,696	(6,967)	315,565
Plan fiduciary net position – beginning of year	31,046,376	32,370,009	32,528,705	32,521,738
Plan fiduciary net position – end of year	32,370,009	32,528,705	32,521,738	32,837,303
Net OPEB liability	<u>\$ 9,635,916</u>	<u>\$ 8,752,144</u>	<u>\$ 11,889,082</u>	<u>\$ 17,484,629</u>
Fiduciary net position as a percentage of the total OPEB liability	<u>77.06%</u>	<u>78.80%</u>	<u>73.23%</u>	<u>65.25%</u>
Covered-employee payroll	<u>\$ 82,333,402</u>	<u>\$ 84,803,404</u>	<u>\$ 91,067,372</u>	<u>\$ 93,799,393</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>11.70%</u>	<u>10.32%</u>	<u>13.06%</u>	<u>18.64%</u>

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2020

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2017	9.7%
2018	7.6%
2019	6.0%
2020	5.9%

Note: The District implemented GASB Statement Nos. 74 and 75 in fiscal 2017. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Required Supplementary Information
June 30, 2020

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Required Supplementary Information (continued)
June 30, 2020

TEACHERS RETIREMENT ASSOCIATION (TRA)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The cost of living adjustment (COLA) was reduced from 2.00 percent each January 1 to 1.00 percent, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.10 percent each year until reaching the ultimate rate of 1.50 percent on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit, are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.50 percent if the funded ratio was at least 90.00 percent for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.00 percent to 3.00 percent, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50 percent to 7.50 percent, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years, (7.71 percent in 2018, 7.92 percent in 2019, 8.13 percent in 2020, 8.34 percent in 2021, 8.55 percent in 2022, and 8.75 percent in 2023). In addition, the employee contribution rate will increase from 7.50 percent to 7.75 percent on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.
- The single discount rate changed from 5.12 percent to 7.50 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Required Supplementary Information (continued)
June 30, 2020

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Required Supplementary Information (continued)
June 30, 2020

PENSION BENEFITS PLAN

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality tables were updated from 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 3.50 percent to 3.10 percent.

2019 CHANGES IN PLAN PROVISIONS

- A sunset date of June 30, 2018 was added for custodians, food service employees, paraprofessionals, secretaries, and support staff. Only employees hired before this date are eligible for GASB 73 benefits.
- Secretaries and paraprofessionals with 15 years of service no longer need to retire by June 30, 2018 in order to receive a GASB 73 benefit.
- GASB 73 benefits were only valued for teachers who attained Step 5 or greater by July 1, 1998. Previously, all teachers hired by July 1, 1998 were assumed to receive a GASB 73 benefit.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 284

Notes to Required Supplementary Information (continued)
June 30, 2020

OTHER POST-EMPLOYMENT BENEFITS PLAN

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 5.10 percent to 4.00 percent.
- The discount rate was changed from 3.70 percent to 2.80 percent.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- 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-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 4.50 percent to 5.10 percent.
- The discount rate was changed from 3.90 percent to 3.70 percent.

2019 CHANGES IN PLAN PROVISIONS

- A sunset date of June 30, 2018 was added for custodians, food service employees, Home Base site managers, paraprofessionals, secretaries, specialists, and support staff. Only employees hired before this date are eligible for GASB 75 post-employment subsidies.
- The teachers' limits on post-employment medical subsidies were increased from \$920 to \$980 per month for employees and an additional increase of \$490 to \$540 per month for spouses.
- Post-employment subsidies were changed for Home Base site managers, specialists, and support staff. They now receive \$1,000 per month toward medical insurance and up to \$120 per month toward dental insurance (with the exception of Home Base site managers who will receive full single dental premiums while retired) payable from retirement until age 65, but calculated at retirement and paid as a lump sum to a Healthcare Savings Plan.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 4.40 percent to 4.50 percent.
- The discount rate was changed from 3.50 percent to 3.90 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS

- A hire by date of July 30, 2018 was added in order to be eligible for post-employment medical, dental, and life insurance subsidies for administrators, executive directors, and principals.
- For administrators, executive directors, and principals, the District's post-employment medical contributions were changed to equal \$1,000 per month payable from retirement until age 65. The District's post-employment dental contributions were changed to equal the full employee and spouse premiums but limited to \$120 per month. These subsidies will be calculated at retirement and will be paid as lump sums to a Healthcare Savings Plan within 60 days of retirement.
- The post-employment life insurance premium subsidies were updated to equal full salary at retirement payable until age 70 and \$25,000 thereafter for the administrators, executive directors, and principals.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 6.00 percent to 3.50 percent.
- The percentage of future retirees who are assumed to continue on one of the District's medical plans post-employment was reduced from 50.00 percent to 10.00 percent for part-time custodians, food service employees, and paraprofessionals.

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SUPPLEMENTAL INFORMATION

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GOVERNMENTAL FUNDS

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The governmental fund category for the District includes the General Fund, Capital Projects – Building Construction Fund, Debt Service Fund, Food Service Special Revenue Fund, and Community Service Special Revenue Fund.

The statements and schedules that follow are to provide further detail and support additional analysis for the District's major and nonmajor governmental funds.

INDEPENDENT SCHOOL DISTRICT NO. 284

Nonmajor Governmental Funds
Combining Balance Sheet
as of June 30, 2020

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	\$ —	\$ 2,057,080	\$ 2,057,080
Receivables			
Current taxes	—	965,284	965,284
Delinquent taxes	—	9,848	9,848
Accounts and interest	1,179	2,299	3,478
Due from other governmental units	405,514	114,390	519,904
Inventory	137,471	—	137,471
Prepaid items	—	850	850
Total assets	<u>\$ 544,164</u>	<u>\$ 3,149,751</u>	<u>\$ 3,693,915</u>
Liabilities			
Salaries payable	\$ 16,706	\$ 193,783	\$ 210,489
Accounts and contracts payable	23,676	46,329	70,005
Due to other funds	85,582	—	85,582
Unearned revenue	418,200	157,682	575,882
Total liabilities	<u>544,164</u>	<u>397,794</u>	<u>941,958</u>
Deferred inflows of resources			
Property taxes levied for subsequent year	—	1,888,677	1,888,677
Unavailable revenue – delinquent taxes	—	8,333	8,333
Total deferred inflows of resources	<u>—</u>	<u>1,897,010</u>	<u>1,897,010</u>
Fund balances			
Nonspendable for inventory	137,471	—	137,471
Nonspendable for prepaid items	—	850	850
Restricted	—	854,097	854,097
Unassigned	(137,471)	—	(137,471)
Total fund balances	<u>—</u>	<u>854,947</u>	<u>854,947</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 544,164</u>	<u>\$ 3,149,751</u>	<u>\$ 3,693,915</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2020

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	\$ —	\$ 1,536,443	\$ 1,536,443
Other	4,000,966	7,775,972	11,776,938
State sources	184,168	970,387	1,154,555
Federal sources	1,710,570	—	1,710,570
Total revenue	5,895,704	10,282,802	16,178,506
Expenditures			
Current			
Food service	6,657,150	—	6,657,150
Community service	—	11,322,610	11,322,610
Capital outlay	73,110	87,763	160,873
Total expenditures	6,730,260	11,410,373	18,140,633
Excess (deficiency) of revenue over expenditures	(834,556)	(1,127,571)	(1,962,127)
Other financing sources			
Transfers in	249,545	—	249,545
Net change in fund balances	(585,011)	(1,127,571)	(1,712,582)
Fund balances			
Beginning of year	585,011	1,982,518	2,567,529
End of year	\$ —	\$ 854,947	\$ 854,947

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
Comparative Balance Sheet
as of June 30, 2020 and 2019

	2020	2019
Assets		
Cash and temporary investments	\$ 55,246,328	\$ 44,448,547
Cash and investments held by trustee	120,000	356,046
Receivables		
Current taxes	32,336,857	29,036,938
Delinquent taxes	377,600	286,940
Accounts and interest	203,793	117,396
Due from other governmental units	10,083,540	11,772,392
Due from other funds	385,582	356,000
Inventory	158,933	155,912
Prepaid items	452,173	160,487
	<u>99,364,806</u>	<u>86,690,658</u>
Total assets	<u>\$ 99,364,806</u>	<u>\$ 86,690,658</u>
Liabilities		
Salaries payable	\$ 244,722	\$ 346,205
Accounts and contracts payable	5,699,919	3,117,689
Due to other governmental units	335,140	839,540
Due to other funds	1,624,796	1,458,699
Unearned revenue	58,343	103,420
Total liabilities	<u>7,962,920</u>	<u>5,865,553</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	59,136,907	54,552,640
Unavailable revenue – delinquent taxes	318,019	304,315
Total deferred inflows of resources	<u>59,454,926</u>	<u>54,856,955</u>
Fund balances (deficits)		
Nonspendable for inventory	158,933	155,912
Nonspendable for prepaid items	452,173	160,487
Restricted for scholarships	279,947	–
Restricted for staff development	561,290	601,110
Restricted for capital projects levy	1,357,564	2,123,511
Restricted for operating capital	4,043,930	3,654,931
Restricted for safe schools levy	191,570	–
Restricted for long-term facilities maintenance	–	921,418
Restricted for Medical Assistance	341,472	299,731
Assigned for local collaborative time study	248,832	207,392
Assigned for reemployment insurance	12,985	29,280
Assigned for site carryover	2,053,501	1,007,252
Assigned for Q compensation	901	65,290
Assigned for school opening costs	695,305	695,305
Assigned for workers' compensation escrow	120,000	344,046
Assigned for post-employment obligations	2,156,636	2,156,636
Assigned for subsequent year budget	241,176	864,093
Unassigned – long-term facilities maintenance restricted account deficit	(421,471)	–
Unassigned	19,452,216	12,681,756
Total fund balances	<u>31,946,960</u>	<u>25,968,150</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 99,364,806</u>	<u>\$ 86,690,658</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020		Over (Under)	2019
	Budget	Actual	Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 58,975,486	\$ 58,852,589	\$ (122,897)	\$ 55,454,141
Investment earnings	1,200,000	1,619,758	419,758	1,413,625
Other	5,930,458	5,099,438	(831,020)	3,950,187
State sources	104,458,902	106,065,256	1,606,354	100,246,377
Federal sources	4,250,268	4,213,562	(36,706)	3,535,550
Total revenue	174,815,114	175,850,603	1,035,489	164,599,880
Expenditures				
Current				
Administration				
Salaries	3,551,618	3,641,497	89,879	3,417,483
Employee benefits	1,221,287	1,203,212	(18,075)	1,125,136
Purchased services	148,394	94,964	(53,430)	131,918
Supplies and materials	36,769	78,905	42,136	49,298
Capital expenditures	10,850	7,844	(3,006)	20,386
Other expenditures	52,215	41,486	(10,729)	41,189
Total administration	5,021,133	5,067,908	46,775	4,785,410
District support services				
Salaries	3,254,654	3,105,935	(148,719)	3,052,169
Employee benefits	840,007	852,070	12,063	808,899
Purchased services	1,486,024	2,541,284	1,055,260	1,286,790
Supplies and materials	492,790	167,936	(324,854)	274,147
Capital expenditures	88,550	20,916	(67,634)	9,684
Other expenditures	11,807	6,046	(5,761)	14,272
Total district support services	6,173,832	6,694,187	520,355	5,445,961
Elementary and secondary regular instruction				
Salaries	57,372,105	56,481,359	(890,746)	53,070,033
Employee benefits	17,982,237	17,523,835	(458,402)	16,074,932
Purchased services	2,377,857	3,038,289	660,432	3,009,425
Supplies and materials	4,857,487	2,083,713	(2,773,774)	2,148,252
Capital expenditures	318,821	2,076,988	1,758,167	1,374,328
Other expenditures	84,828	732,117	647,289	509,147
Total elementary and secondary regular instruction	82,993,335	81,936,301	(1,057,034)	76,186,117

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020		2019
	Budget	Actual	Over (Under) Budget
			Actual
Expenditures (continued)			
Current (continued)			
Vocational education instruction			
Salaries	1,787,475	1,813,448	25,973
Employee benefits	616,198	601,038	(15,160)
Purchased services	816,689	800,286	(16,403)
Supplies and materials	26,851	33,183	6,332
Capital expenditures	8,000	3,368	(4,632)
Other expenditures	25,500	21,091	(4,409)
Total vocational education instruction	3,280,713	3,272,414	(8,299)
Special education instruction			
Salaries	16,016,418	15,752,802	(263,616)
Employee benefits	5,479,380	5,499,043	19,663
Purchased services	886,808	207,766	(679,042)
Supplies and materials	351,625	147,787	(203,838)
Capital expenditures	19,000	7,507	(11,493)
Other expenditures	3,400	164,814	161,414
Total special education instruction	22,756,631	21,779,719	(976,912)
Instructional support services			
Salaries	9,826,392	9,895,086	68,694
Employee benefits	3,104,342	3,273,600	169,258
Purchased services	2,552,849	824,638	(1,728,211)
Supplies and materials	2,364,242	2,250,836	(113,406)
Capital expenditures	3,646,796	3,439,294	(207,502)
Other expenditures	21,101	35,089	13,988
Total instructional support services	21,515,722	19,718,543	(1,797,179)
Pupil support services			
Salaries	2,941,564	2,904,315	(37,249)
Employee benefits	747,949	984,294	236,345
Purchased services	10,827,955	10,517,736	(310,219)
Supplies and materials	351,519	324,756	(26,763)
Capital expenditures	440,607	317,578	(123,029)
Other expenditures	900	554	(346)
Total pupil support services	15,310,494	15,049,233	(261,261)

INDEPENDENT SCHOOL DISTRICT NO. 284

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020		2019
	Budget	Actual	Over (Under) Budget
			Actual
Expenditures (continued)			
Current (continued)			
Sites and buildings			
Salaries	5,263,185	5,397,693	134,508
Employee benefits	2,051,204	2,150,204	99,000
Purchased services	3,686,268	3,375,485	(310,783)
Supplies and materials	907,412	1,030,958	123,546
Capital expenditures	3,000,550	2,057,653	(942,897)
Other expenditures	179,000	16,357	(162,643)
Total sites and buildings	15,087,619	14,028,350	(1,059,269)
Fiscal and other fixed cost programs			
Purchased services	433,500	511,043	77,543
Other expenditures	—	28,700	28,700
	433,500	539,743	106,243
Debt service			
Principal	2,480,142	2,677,578	197,436
Interest and fiscal charges	618,747	313,348	(305,399)
Total debt service	3,098,889	2,990,926	(107,963)
Total expenditures	175,671,868	171,077,324	(4,594,544)
Excess (deficiency) of revenue over expenditures	(856,754)	4,773,279	5,630,033
Other financing sources (uses)			
Capital lease issued	1,824,796	1,824,796	—
Sale of assets	6,251,000	6,251,000	—
Transfers in	899,176	315,468	(583,708)
Transfers (out)	(8,102,000)	(8,373,693)	(271,693)
Total other financing sources (uses)	872,972	17,571	(855,401)
Net change in fund balances	\$ 16,218	4,790,850	\$ 4,774,632
Fund balances			
Beginning of year, as previously reported		25,968,150	20,075,186
Change in accounting principle		1,187,960	—
Beginning of year, as restated		27,156,110	20,075,186
End of year		\$ 31,946,960	\$ 25,968,150

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and temporary investments	\$ —	\$ 812,933
Receivables		
Accounts and interest	1,179	—
Due from other governmental units	405,514	6,566
Inventory	137,471	63,750
Prepaid items	<u>—</u>	<u>5,425</u>
Total assets	<u>\$ 544,164</u>	<u>\$ 888,674</u>
Liabilities		
Salaries payable	\$ 16,706	\$ 14,001
Accounts and contracts payable	23,676	6,255
Due to other funds	85,582	—
Unearned revenue	<u>418,200</u>	<u>283,407</u>
Total liabilities	544,164	303,663
Fund balances		
Nonspendable for inventory	137,471	63,750
Nonspendable for prepaid items	—	5,425
Restricted for food service	—	515,836
Unassigned	<u>(137,471)</u>	<u>—</u>
Total fund balances	<u>—</u>	<u>585,011</u>
Total liabilities and fund balances	<u>\$ 544,164</u>	<u>\$ 888,674</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Other – primarily meal sales	\$ 5,634,200	\$ 4,000,966	\$ (1,633,234)	\$ 5,318,392
State sources	161,700	184,168	22,468	149,810
Federal sources	1,077,610	1,710,570	632,960	1,074,243
Total revenue	6,873,510	5,895,704	(977,806)	6,542,445
Expenditures				
Current				
Salaries	2,265,677	2,327,298	61,621	2,180,498
Employee benefits	1,165,388	928,179	(237,209)	835,734
Purchased services	616,100	727,752	111,652	770,598
Supplies and materials	3,032,100	2,659,032	(373,068)	2,935,099
Other expenditures	35,750	14,889	(20,861)	15,239
Capital outlay	55,000	73,110	18,110	36,530
Total expenditures	7,170,015	6,730,260	(439,755)	6,773,698
Excess (deficiency) of revenue over expenditures	(296,505)	(834,556)	(538,051)	(231,253)
Other financing sources				
Transfers in	—	249,545	249,545	—
Net change in fund balances	<u>\$ (296,505)</u>	(585,011)	<u>\$ (288,506)</u>	(231,253)
Fund balances				
Beginning of year		585,011		816,264
End of year		<u>\$ —</u>		<u>\$ 585,011</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and temporary investments	\$ 2,057,080	\$ 3,005,145
Receivables		
Current taxes	965,284	760,338
Delinquent taxes	9,848	6,658
Accounts and interest	2,299	58,007
Due from other governmental units	114,390	242,343
Prepaid items	<u>850</u>	<u>18,655</u>
Total assets	<u><u>\$ 3,149,751</u></u>	<u><u>\$ 4,091,146</u></u>
Liabilities		
Salaries payable	\$ 193,783	\$ 261,947
Accounts and contracts payable	46,329	61,369
Unearned revenue	<u>157,682</u>	<u>241,426</u>
Total liabilities	397,794	564,742
Deferred inflows of resources		
Property taxes levied for subsequent year	1,888,677	1,536,533
Unavailable revenue – delinquent taxes	<u>8,333</u>	<u>7,353</u>
Total deferred inflows of resources	1,897,010	1,543,886
Fund balances		
Nonspendable for prepaid items	850	18,655
Restricted for community education programs	649	919,607
Restricted for early childhood family education programs	357,530	344,805
Restricted for school readiness	114,044	13,469
Restricted for community service	<u>381,874</u>	<u>685,982</u>
Total fund balances	<u>854,947</u>	<u>1,982,518</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 3,149,751</u></u>	<u><u>\$ 4,091,146</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Community Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 1,532,721	\$ 1,536,443	\$ 3,722	\$ 1,222,755
Other – primarily tuition and fees	9,631,312	7,775,972	(1,855,340)	8,933,531
State sources	997,816	970,387	(27,429)	877,852
Total revenue	12,161,849	10,282,802	(1,879,047)	11,034,138
Expenditures				
Current				
Salaries	7,258,762	7,153,215	(105,547)	6,872,149
Employee benefits	2,386,869	2,408,176	21,307	2,203,173
Purchased services	1,265,990	1,316,770	50,780	1,433,027
Supplies and materials	753,375	434,781	(318,594)	549,439
Other expenditures	12,835	9,668	(3,167)	15,422
Capital outlay	84,576	87,763	3,187	94,979
Total expenditures	11,762,407	11,410,373	(352,034)	11,168,189
Excess (deficiency) of revenue over expenditures	399,442	(1,127,571)	(1,527,013)	(134,051)
Other financing sources				
Transfers in	8,950	–	(8,950)	–
Net change in fund balances	<u>\$ 408,392</u>	<u>(1,127,571)</u>	<u>\$ (1,535,963)</u>	<u>(134,051)</u>
Fund balances				
Beginning of year		1,982,518		2,116,569
End of year		<u>\$ 854,947</u>		<u>\$ 1,982,518</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and temporary investments	\$ 23,946,236	\$ 37,753,065
Cash and investments held by trustee	3,423,713	30,427
Receivables		
Accounts and interest	–	53,400
Prepaid items	<u>–</u>	<u>19,169</u>
Total assets	<u><u>\$ 27,369,949</u></u>	<u><u>\$ 37,856,061</u></u>
Liabilities		
Salaries payable	\$ 2,472	\$ 3,047
Accounts and contracts payable	8,463,125	5,302,021
Due to other governmental units	<u>–</u>	<u>1,324</u>
Total liabilities	<u>8,465,597</u>	<u>5,306,392</u>
Fund balances (deficits)		
Nonspendable for prepaid items	–	19,169
Restricted for projects funded by COP	1,448,716	–
Restricted for capital projects	22,067,521	33,749,841
Unassigned – long-term facilities maintenance restricted account deficit	<u>(4,611,885)</u>	<u>(1,219,341)</u>
Total fund balances	<u>18,904,352</u>	<u>32,549,669</u>
Total liabilities and fund balances	<u><u>\$ 27,369,949</u></u>	<u><u>\$ 37,856,061</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Capital Projects – Building Construction Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ –	\$ 577,389	\$ 577,389	\$ 1,356,705
Other	–	42,149	42,149	–
Total revenue	–	619,538	619,538	1,356,705
Expenditures				
Capital outlay				
Salaries	63,600	63,100	(500)	67,250
Employee benefits	–	9,235	9,235	9,734
Purchased services	10,062,291	5,849,324	(4,212,967)	6,704,940
Supplies and materials	175,622	–	(175,622)	302,615
Capital expenditures	38,059,709	41,797,969	3,738,260	33,037,898
Debt service				
Interest and fiscal charges	491,461	491,461	–	–
Total expenditures	48,852,683	48,211,089	(641,594)	40,122,437
Excess (deficiency) of revenue over expenditures	(48,852,683)	(47,591,551)	1,261,132	(38,765,732)
Other financing sources				
Bonds issued	7,454,135	7,454,135	–	–
Certificates of participation issued	16,700,000	16,700,000	–	–
Premium on debt issued	1,690,099	1,690,099	–	–
Transfers in	8,102,000	8,102,000	–	2,042,900
Total other financing sources	33,946,234	33,946,234	–	2,042,900
Net change in fund balances	<u>\$ (14,906,449)</u>	(13,645,317)	<u>\$ 1,261,132</u>	(36,722,832)
Fund balances				
Beginning of year		32,549,669		69,272,501
End of year		<u>\$ 18,904,352</u>		<u>\$ 32,549,669</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and temporary investments	\$ 9,513,399	\$ 9,117,949
Cash and investments held by trustee	300,000	—
Receivables		
Current taxes	7,467,387	6,151,588
Delinquent taxes	94,498	73,076
Due from other governmental units	<u>643</u>	<u>840</u>
Total assets	<u>\$ 17,375,927</u>	<u>\$ 15,343,453</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 14,610,680	\$ 12,431,462
Unavailable revenue – delinquent taxes	<u>81,873</u>	<u>78,711</u>
Total deferred inflows of resources	14,692,553	12,510,173
Fund balances		
Restricted for debt service	<u>2,683,374</u>	<u>2,833,280</u>
Total deferred inflows of resources and fund balances	<u>\$ 17,375,927</u>	<u>\$ 15,343,453</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Debt Service Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020			2019
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 12,430,758	\$ 12,424,298	\$ (6,460)	\$ 12,093,120
State sources	<u>1,600</u>	<u>6,431</u>	<u>4,831</u>	<u>9,794</u>
Total revenue	<u>12,432,358</u>	<u>12,430,729</u>	<u>(1,629)</u>	<u>12,102,914</u>
Expenditures				
Debt service				
Principal	5,315,000	5,315,000	—	4,280,000
Interest	7,564,363	7,564,363	—	7,593,716
Fiscal charges and other	<u>5,000</u>	<u>2,137</u>	<u>(2,863)</u>	<u>2,876</u>
Total expenditures	<u>12,884,363</u>	<u>12,881,500</u>	<u>(2,863)</u>	<u>11,876,592</u>
Excess (deficiency) of revenue over expenditures	(452,005)	(450,771)	1,234	226,322
Other financing sources				
Bonds issued	865	865	—	—
Certificates of participation issued	<u>300,000</u>	<u>300,000</u>	<u>—</u>	<u>—</u>
Total other financing sources	<u>300,865</u>	<u>300,865</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>\$ (151,140)</u>	(149,906)	<u>\$ 1,234</u>	226,322
Fund balances				
Beginning of year		<u>2,833,280</u>		<u>2,606,958</u>
End of year		<u>\$ 2,683,374</u>		<u>\$ 2,833,280</u>

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District maintains two internal service funds. These funds are used to account for the District's self-insured benefits and early retirement benefits.

The statements that follow are to provide further detail and support additional analysis for the District's internal service funds.

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2020
(With Comparative Totals as of June 30, 2019)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2020	2019
Assets				
Current assets				
Cash and cash equivalents	\$ 444,702	\$ —	\$ 444,702	\$ 3,837
Investments	3,967,501	4,617,216	8,584,717	8,305,625
Due from other funds	1,624,796	—	1,624,796	1,458,699
Total current assets	<u>6,036,999</u>	<u>4,617,216</u>	<u>10,654,215</u>	<u>9,768,161</u>
Deferred outflows of resources				
Pension plan deferments	—	306,783	306,783	273,181
Liabilities				
Current liabilities				
Accounts and contracts payable	61	—	61	7,719
Claims incurred, but not reported	2,003,779	—	2,003,779	2,003,779
Severance benefits payable	—	355,173	355,173	310,261
Total current liabilities	<u>2,003,840</u>	<u>355,173</u>	<u>2,359,013</u>	<u>2,321,759</u>
Long-term liabilities				
Severance benefits payable	—	2,376,323	2,376,323	2,613,979
Total pension liability	—	4,484,577	4,484,577	4,582,297
Total long-term liabilities	<u>—</u>	<u>6,860,900</u>	<u>6,860,900</u>	<u>7,196,276</u>
Total liabilities	2,003,840	7,216,073	9,219,913	9,518,035
Deferred inflows of resources				
Pension plan deferments	—	71,981	71,981	86,378
Net position				
Unrestricted	<u>\$ 4,033,159</u>	<u>\$ (2,364,055)</u>	<u>\$ 1,669,104</u>	<u>\$ 436,929</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2020	2019
Operating revenue				
Charges for services	\$ 19,431,294	\$ —	\$ 19,431,294	\$ 18,633,367
Operating expenses				
Dental benefit claims	1,319,164	—	1,319,164	1,432,895
Health benefit claims	15,814,054	—	15,814,054	18,220,640
Early retirement incentive and sick leave benefits	—	1,051,673	1,051,673	2,037,115
Total operating expenses	<u>17,133,218</u>	<u>1,051,673</u>	<u>18,184,891</u>	<u>21,690,650</u>
Operating income (loss)	2,298,076	(1,051,673)	1,246,403	(3,057,283)
Nonoperating revenue				
Investment earnings	<u>72,948</u>	<u>206,144</u>	<u>279,092</u>	<u>421,012</u>
Income (loss) before transfers and special item	2,371,024	(845,529)	1,525,495	(2,636,271)
Transfers in	22,148	—	22,148	908,207
Transfers (out)	—	(315,468)	(315,468)	(908,207)
Special item	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,035,310</u>
Change in net position	2,393,172	(1,160,997)	1,232,175	399,039
Net position				
Beginning of year	<u>1,639,987</u>	<u>(1,203,058)</u>	<u>436,929</u>	<u>37,890</u>
End of year	<u>\$ 4,033,159</u>	<u>\$ (2,364,055)</u>	<u>\$ 1,669,104</u>	<u>\$ 436,929</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	Self-Insurance Accounts	Early Retirement Accounts	Totals	
			2020	2019
Cash flows from operating activities				
Charges for services	\$ 19,265,197	\$ —	\$ 19,265,197	\$ 18,486,879
Payments for health and dental claims	(17,140,876)	—	(17,140,876)	(19,409,468)
Payments for retirement benefits	—	(1,390,136)	(1,390,136)	(1,938,028)
Net cash flows from operating activities	2,124,321	(1,390,136)	734,185	(2,860,617)
Cash flows from noncapital financing activities				
Cash paid to other funds	—	—	—	(17,292,359)
Purchase of investments	(1,701,767)	—	(1,701,767)	—
Sale of investments	—	1,701,767	1,701,767	20,156,813
Transfers in	22,148	—	22,148	908,207
Transfers (out)	—	(315,468)	(315,468)	(908,207)
Net cash flows from noncapital financing activities	(1,679,619)	1,386,299	(293,320)	2,864,454
Net change in cash and cash equivalents	444,702	(3,837)	440,865	3,837
Cash and cash equivalents Beginning of year	—	3,837	3,837	—
End of year	\$ 444,702	\$ —	\$ 444,702	\$ 3,837
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ 2,298,076	\$ (1,051,673)	\$ 1,246,403	\$ (3,057,283)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets				
Due from other funds	(166,097)	—	(166,097)	(146,488)
Prepaid items	—	—	—	3,500
Deferred outflows of resources – pension plan deferments	—	(33,602)	(33,602)	(273,181)
Changes in liabilities and deferred inflows				
Accounts and contracts payable	(7,658)	—	(7,658)	568
Claims incurred, but not reported	—	—	—	239,999
Severance benefits payable	—	(192,744)	(192,744)	147,013
Total pension liability	—	(97,720)	(97,720)	239,652
Deferred inflows of resources – pension plan deferments	—	(14,397)	(14,397)	(14,397)
Net cash flows from operating activities	\$ 2,124,321	\$ (1,390,136)	\$ 734,185	\$ (2,860,617)
Noncash from operating activities				
Special item	\$ —	\$ —	\$ —	\$ 3,035,310

SECTION III
STATISTICAL SECTION
(UNAUDITED)

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STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 284's (the District) Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.

Debt Capacity

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Indicators

These schedules contain service and infrastructure data to help the reader understand how the information in the District's CAFR relates to the services the District provides, and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the District's CAFR for the relevant year.

INDEPENDENT SCHOOL DISTRICT NO. 284

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

				Fiscal Year
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 46,774,439	\$ 41,301,936	\$ 46,152,372	\$ 60,689,911
Restricted	14,051,983	26,816,481	27,560,100	12,624,943
Unrestricted	<u>43,582,774</u>	<u>44,210,849</u>	<u>45,130,907</u>	<u>40,787,379</u>
Total governmental activities net position	<u>\$ 104,409,196</u>	<u>\$ 112,329,266</u>	<u>\$ 118,843,379</u>	<u>\$ 114,102,233</u>

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased net position by approximately \$87.5 million. Prior year amounts have not been restated.

Note 2: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$29.9 million. Prior year amounts have not been restated.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 65,253,780	\$ 31,901,934	\$ 40,112,576	\$ 37,679,712	\$ 37,050,317	\$ 27,572,468
13,091,641	13,662,842	7,822,506	10,695,169	10,648,975	9,472,475
<u>(50,117,797)</u>	<u>(46,927,869)</u>	<u>(122,259,148)</u>	<u>(158,453,974)</u>	<u>(122,967,598)</u>	<u>(133,667,103)</u>
<u>\$ 28,227,624</u>	<u>\$ (1,363,093)</u>	<u>\$ (74,324,066)</u>	<u>\$(110,079,093)</u>	<u>\$ (75,268,306)</u>	<u>\$ (96,622,160)</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities				
Expenses				
Administration	\$ 3,818,998	\$ 3,903,810	\$ 3,995,998	\$ 3,833,741
District support services	4,241,347	3,889,519	4,154,320	4,924,827
Elementary and secondary regular instruction	58,588,094	61,370,368	59,732,311	64,030,267
Vocational education instruction	2,456,472	2,244,616	2,629,151	2,376,614
Special education instruction	15,742,242	15,647,448	16,037,522	16,664,813
Instructional support services	9,018,954	9,285,367	8,464,618	9,446,640
Pupil support services	10,860,440	10,890,255	11,528,889	11,606,924
Sites and buildings	12,226,696	12,087,843	19,492,550	23,108,226
Fiscal and other fixed cost programs	313,591	296,088	318,578	355,757
Food service	4,978,695	5,140,315	5,193,226	5,367,185
Community service	7,945,819	7,960,867	7,913,272	8,343,413
Interest and fiscal charges	2,166,878	2,170,792	2,059,956	4,117,943
Unallocated depreciation	765,710	936,783	—	—
Total governmental activities expenses	133,123,936	135,824,071	141,520,391	154,176,350
Program revenues				
Charges for services				
Administration	194,753	151,210	275,959	202,982
Elementary and secondary regular instruction	1,002,420	1,002,847	1,080,264	1,021,619
Vocational education instruction	3,969	—	2,270	1,324
Special education instruction	6,606	9,404	4,441	560
Instructional support services	120	316	2,485	18,905
Pupil support services	89,244	88,946	14,543	28,369
Sites and buildings	487,538	471,737	461,493	662,870
Food service	3,747,616	3,860,359	3,884,424	3,806,157
Community service	6,034,944	5,865,887	6,137,955	6,529,492
Operating grants and contributions	14,898,308	17,204,917	15,850,856	15,171,555
Capital grants and contributions	—	—	252,929	346,713
Total governmental activities program revenues	26,465,518	28,655,623	27,967,619	27,790,546
Net (expense) revenue	(106,658,418)	(107,168,448)	(113,552,772)	(126,385,804)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	48,100,101	34,707,170	35,975,717	22,503,184
Property taxes, levied for community service	2,051,929	1,420,146	1,458,919	781,857
Property taxes, levied for debt service	10,086,556	10,416,814	10,992,579	11,203,441
General grants and aids	51,844,745	66,145,035	67,408,720	84,572,800
Other general revenues	1,434,200	1,544,009	3,459,844	1,413,287
Investment earnings	692,894	855,344	771,106	1,170,089
Special item	—	—	—	—
Total general revenues and other changes in net position	114,210,425	115,088,518	120,066,885	121,644,658
Change in net position	\$ 7,552,007	\$ 7,920,070	\$ 6,514,113	\$ (4,741,146)

Note: The District implemented GASB Statement No. 68 in fiscal 2015 and GASB Statement Nos. 73, 74, and 75 in fiscal 2017.

2015	2016	2017	2018	2019	2020
\$ 3,839,848	\$ 4,817,133	\$ 6,700,296	\$ 6,052,169	\$ 4,265,884	\$ 5,744,321
4,577,951	5,033,300	6,114,326	5,347,446	5,961,373	7,124,303
67,230,737	68,238,658	97,927,589	98,324,381	57,568,978	94,447,134
2,922,503	2,804,948	3,737,593	3,782,104	2,163,529	3,448,696
16,695,866	17,678,829	23,736,177	23,646,291	15,166,922	22,972,019
9,267,077	10,313,332	13,276,121	18,777,288	13,281,310	20,521,549
11,997,753	12,363,815	14,566,050	14,370,024	12,799,455	15,297,882
16,373,431	31,109,967	35,215,528	23,723,765	21,884,093	31,256,979
385,547	417,879	566,951	281,446	541,321	539,743
5,619,154	5,896,122	6,484,275	6,469,883	6,943,797	6,743,253
7,512,257	8,207,904	9,811,345	10,971,816	10,774,854	11,509,169
5,748,064	5,134,248	5,326,192	6,692,718	7,556,619	8,353,500
—	—	—	—	—	—
152,170,188	172,016,135	223,462,443	218,439,331	158,908,135	227,958,548
166,265	215,357	57,422	39,922	117,202	1,566
1,159,389	1,262,298	1,287,405	1,323,071	1,339,296	1,435,317
—	—	—	—	—	—
247,585	322,586	350,928	498,813	307,962	431,278
9,493	7,808	6,703	15,338	14,469	12,733
28,178	25,773	22,018	152,731	148,244	185,197
512,766	575,910	558,826	628,772	591,360	454,390
4,222,938	4,447,648	5,067,696	5,357,091	5,318,392	4,000,966
5,556,600	6,382,167	7,410,890	8,164,553	8,933,531	7,775,972
15,216,756	16,140,494	17,625,350	16,357,459	16,952,023	20,694,796
910,167	911,502	1,351,039	2,870,495	1,534,850	1,517,914
28,030,137	30,291,543	33,738,277	35,408,245	35,257,329	36,510,129
(124,140,051)	(141,724,592)	(189,724,166)	(183,031,086)	(123,650,806)	(191,448,419)
38,153,378	38,434,705	42,239,180	52,196,919	55,461,620	58,866,293
1,524,385	1,244,109	1,096,913	993,672	1,222,047	1,537,423
11,401,371	15,673,366	14,587,642	8,274,499	12,085,201	12,427,460
72,170,101	74,485,371	83,119,553	81,977,981	82,036,235	90,978,084
1,376,993	1,240,454	2,001,619	1,672,313	1,429,838	2,621,106
1,185,644	1,162,703	1,886,224	2,160,675	3,191,342	2,476,239
—	—	—	—	3,035,310	—
125,811,872	132,240,708	144,931,131	147,276,059	158,461,593	168,906,605
\$ 1,671,821	\$ (9,483,884)	\$ (44,793,035)	\$ (35,755,027)	\$ 34,810,787	\$ (22,541,814)

INDEPENDENT SCHOOL DISTRICT NO. 284

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 1,129,123	\$ 599,557	\$ 153,963	\$ 139,900
Restricted	7,103,320	7,276,447	9,081,101	6,474,793
Committed	—	—	2,889,790	2,889,790
Assigned	1,983,458	2,270,381	1,859,114	1,766,330
Unassigned	11,525,345	12,213,903	11,476,097	10,926,181
Total General Fund	<u>\$ 21,741,246</u>	<u>\$ 22,360,288</u>	<u>\$ 25,460,065</u>	<u>\$ 22,196,994</u>
All other governmental funds				
Nonspendable				
Special revenue funds	\$ 61,896	\$ 83,637	\$ 81,947	\$ 82,038
Capital Projects –				
Building Construction Fund	777,347	114,560	195,050	103,151
Restricted				
Special revenue funds	2,590,875	2,589,169	2,963,665	3,157,131
Capital Projects –				
Building Construction Fund	2,540,916	15,319,262	14,174,369	124,613,839
Debt Service Fund	2,003,402	2,373,561	1,948,293	4,904,822
Unassigned				
Special revenue funds	—	—	—	—
Capital Projects –				
Building Construction Fund	(29,889)	—	—	—
Total all other governmental funds	<u>\$ 7,944,547</u>	<u>\$ 20,480,189</u>	<u>\$ 19,363,324</u>	<u>\$ 132,860,981</u>
Total all governmental funds	<u>\$ 29,685,793</u>	<u>\$ 42,840,477</u>	<u>\$ 44,823,389</u>	<u>\$ 155,057,975</u>

2015	2016	2017	2018	2019	2020
\$ 170,070	\$ 196,566	\$ 355,711	\$ 287,085	\$ 316,399	\$ 611,106
6,549,824	5,838,351	2,824,355	5,770,694	7,600,701	6,775,773
2,889,790	2,889,790	—	—	—	—
2,508,237	5,482,867	4,918,059	5,712,743	5,369,294	5,529,336
9,306,757	9,347,456	8,050,979	8,304,664	12,681,756	19,030,745
<u>\$ 21,424,678</u>	<u>\$ 23,755,030</u>	<u>\$ 16,149,104</u>	<u>\$ 20,075,186</u>	<u>\$ 25,968,150</u>	<u>\$ 31,946,960</u>
\$ 90,176	\$ 94,839	\$ 100,667	\$ 108,812	\$ 87,830	\$ 138,321
29,382	3,795	370,688	357,895	19,169	—
2,763,831	2,777,607	3,131,609	2,824,021	2,479,699	854,097
94,734,895	25,480,370	8,669,298	68,914,606	33,749,841	23,516,237
2,044,497	2,618,143	2,475,932	2,606,958	2,833,280	2,683,374
—	—	—	—	—	(137,471)
<u>—</u>	<u>—</u>	<u>(528,128)</u>	<u>—</u>	<u>(1,219,341)</u>	<u>(4,611,885)</u>
<u>\$ 99,662,781</u>	<u>\$ 30,974,754</u>	<u>\$ 14,220,066</u>	<u>\$ 74,812,292</u>	<u>\$ 37,950,478</u>	<u>\$ 22,442,673</u>
<u>\$ 121,087,459</u>	<u>\$ 54,729,784</u>	<u>\$ 30,369,170</u>	<u>\$ 94,887,478</u>	<u>\$ 63,918,628</u>	<u>\$ 54,389,633</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Local sources				
Taxes	\$ 60,312,279	\$ 46,494,356	\$ 48,582,021	\$ 34,451,771
Investment earnings	37,490	18,459	29,798	37,847
Other	13,008,028	12,893,963	13,621,129	13,441,482
State sources	60,586,004	78,173,924	79,118,659	95,680,683
Federal sources	6,150,431	5,170,995	4,393,844	4,402,856
Total revenues	<u>140,094,232</u>	<u>142,751,697</u>	<u>145,745,451</u>	<u>148,014,639</u>
Expenditures				
Current				
Administration	3,792,268	3,882,175	3,942,490	3,809,563
District support services	3,725,315	3,725,817	3,966,678	3,812,160
Elementary and secondary regular instruction	50,484,858	54,146,054	55,749,366	57,161,164
Vocational education instruction	2,400,776	2,224,383	2,596,694	2,282,764
Special education instruction	15,382,312	15,542,974	15,890,551	16,143,749
Instructional support services	8,953,839	9,253,668	8,432,986	9,359,060
Pupil support services	10,779,639	10,753,896	11,487,282	11,181,875
Sites and buildings	9,050,432	9,023,841	9,429,780	9,618,077
Fiscal and other fixed cost programs	313,591	296,088	318,578	355,757
Food service	4,835,626	5,073,799	5,085,281	5,226,866
Community service	7,865,844	7,863,889	7,841,272	8,491,628
Capital outlay	15,193,084	12,957,206	21,516,463	38,000,191
Debt service				
Principal	8,165,000	8,695,000	9,580,000	10,130,000
Interest and fiscal charges	2,683,970	2,582,338	2,405,085	3,522,846
Total expenditures	<u>143,626,554</u>	<u>146,021,128</u>	<u>158,242,506</u>	<u>179,095,700</u>
Excess of revenues over (under) expenditures	(3,532,322)	(3,269,431)	(12,497,055)	(31,081,061)
Other financing sources (uses)				
Sale of equipment	9,842	5,370	2,900	—
Sale of real property	—	—	2,889,790	—
Insurance recovery proceeds	—	105,785	9,861	251,612
Bonds issued	—	16,312,660	—	136,805,000
Capital leases issued	—	—	1,383,350	1,235,860
Bond premium	—	—	214,066	3,023,175
Certificates of participation issued	—	—	9,980,000	—
Payment to refunded bond escrow agent	—	—	—	—
Transfers in	9,228,572	7,264,007	7,673,940	7,253,826
Transfers out	(9,228,572)	(7,264,007)	(7,673,940)	(7,253,826)
Total other financing sources (uses)	<u>9,842</u>	<u>16,423,815</u>	<u>14,479,967</u>	<u>141,315,647</u>
Net change in fund balances	<u>\$ (3,522,480)</u>	<u>\$ 13,154,384</u>	<u>\$ 1,982,912</u>	<u>\$ 110,234,586</u>
Debt service as a percentage of noncapital expenditures	<u>8.4%</u>	<u>8.5%</u>	<u>8.8%</u>	<u>9.7%</u>

2015	2016	2017	2018	2019	2020
\$ 51,053,987	\$ 55,577,523	\$ 57,642,494	\$ 61,547,600	\$ 68,770,016	\$ 72,813,330
144,163	135,329	538,191	838,461	2,770,330	2,197,147
13,280,276	14,480,001	17,174,010	17,856,126	18,202,110	16,918,525
84,196,712	87,767,205	93,888,892	96,910,458	101,283,833	107,226,242
4,100,243	3,770,162	4,239,619	4,329,494	4,609,793	5,924,132
152,775,381	161,730,220	173,483,206	181,482,139	195,636,082	205,079,376
3,882,636	3,960,854	4,307,817	4,380,862	4,785,410	5,067,908
3,831,038	4,214,722	4,856,373	4,807,590	5,445,961	6,694,187
61,261,179	61,793,156	64,754,485	68,352,055	76,186,117	81,936,301
2,898,253	2,775,891	2,782,707	2,953,500	3,043,470	3,272,414
16,675,799	17,390,283	17,738,153	18,658,389	20,099,837	21,779,719
9,518,374	10,107,948	9,841,449	15,992,693	16,158,133	19,718,543
12,151,446	12,289,246	13,117,743	13,098,157	14,067,489	15,049,233
10,212,586	10,577,248	18,089,426	17,692,885	14,265,340	14,028,350
385,547	417,879	566,951	281,446	541,321	539,743
5,574,751	5,705,994	6,173,350	6,403,380	6,737,168	6,657,150
7,537,839	8,008,491	8,912,116	10,298,600	11,073,210	11,322,610
37,044,922	82,087,300	26,537,306	18,646,356	40,253,946	47,880,501
11,526,756	11,364,273	11,554,610	5,789,891	6,547,836	7,992,578
5,410,994	6,467,926	6,023,460	6,081,787	7,937,194	8,371,309
187,912,120	237,161,211	195,255,946	193,437,591	227,142,432	250,310,546
(35,136,739)	(75,430,991)	(21,772,740)	(11,955,452)	(31,506,350)	(45,231,170)
—	—	21,653	—	—	—
—	—	—	—	—	6,251,000
—	—	—	—	—	—
10,255,000	1,820,000	—	66,895,000	—	7,455,000
1,099,078	6,750,775	767,400	6,172,455	537,500	1,824,796
867,145	57,459	—	3,406,305	—	1,690,099
—	—	—	—	—	17,000,000
(11,055,000)	(1,835,000)	—	—	—	—
6,901,900	9,709,564	13,006,244	6,779,299	2,042,900	8,667,013
(6,901,900)	(7,429,482)	(13,117,868)	(6,779,299)	(2,042,900)	(8,373,693)
1,166,223	9,073,316	677,429	76,473,760	537,500	34,514,215
\$ (33,970,516)	\$ (66,357,675)	\$ (21,095,311)	\$ 64,518,308	\$ (30,968,850)	\$ (10,716,955)
11.2%	10.3%	9.7%	6.7%	7.6%	7.6%

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INDEPENDENT SCHOOL DISTRICT NO. 284

Tax Capacities and Market Values
Last Ten Fiscal Years

Fiscal Year	Net Tax Capacity	Taxable Market Value	Percent Tax Capacity of Estimated Market Value
2011	\$ 118,450,131	\$ 10,679,667,300	1.1 %
2012	111,127,795	9,963,416,806	1.1
2013	109,891,883	9,821,945,763	1.1
2014	109,307,508	9,628,799,946	1.1
2015	111,197,389	9,846,198,999	1.1
2016	119,387,105	10,688,657,739	1.1
2017	127,889,211	11,410,014,227	1.1
2018	137,065,114	12,249,671,471	1.1
2019	146,188,244	13,028,383,691	1.1
2020	156,060,319	13,916,257,860	1.1

Note: Per discussions with Hennepin County Taxpayer Services Division, reliable information for the breakdown of assessed and actual residential, commercial, and industrial property values is not available.

Source: Hennepin County Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

Property Tax Rates – Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	ISD No. 284	Corcoran	Maple Grove	Medicine Lake	Medina
2011	23.311%	32.995%	33.845%	34.945%	17.241%
2012	24.034%	37.041%	36.890%	38.677%	18.977%
2013	25.325%	39.617%	39.640%	36.548%	21.342%
2014	25.236%	46.111%	42.342%	40.691%	24.639%
2015	24.571%	49.743%	42.463%	37.508%	25.501%
2016	26.252%	45.311%	39.831%	34.127%	23.577%
2017	26.106%	45.691%	39.196%	40.413%	23.301%
2018	26.290%	45.994%	38.245%	35.525%	22.270%
2019	25.464%	45.357%	36.709%	45.247%	21.521%
2020	24.833%	45.160%	34.746%	42.765%	21.529%

County Auditor's Gross Spread Levies

2011	\$ 46,026,906	\$ 138,081	\$ 2,117,238	\$ 414,242	\$ 3,083,803
2012	45,966,048	138,081	2,255,318	368,215	3,037,776
2013	47,606,841	142,834	2,523,404	380,891	3,047,129
2014	48,622,654	97,245	2,577,001	340,359	2,965,982
2015	49,995,136	100,000	2,699,999	350,000	3,149,999
2016	55,954,344	167,872	3,189,576	391,702	3,749,151
2017	58,429,819	233,740	3,272,362	409,045	4,090,453
2018	68,605,225	304,340	3,226,004	426,076	4,199,892
2019	72,641,789	480,237	3,567,472	480,237	4,802,366
2020	79,764,941	797,649	3,828,717	558,355	5,344,251

Note: Above tax rates are used to levy city, county, and school district taxes.

Source: Hennepin County Taxpayer Services Division

<u>Minnetonka</u>	<u>Orono</u>	<u>Plymouth</u>	<u>Wayzata</u>	<u>Hennepin County</u>	<u>Special Districts</u>
30.686%	13.677%	25.495%	20.358%	42.640%	8.138%
33.705%	14.991%	27.490%	23.032%	45.840%	9.172%
35.595%	16.283%	28.716%	24.274%	48.231%	9.523%
37.567%	17.667%	29.309%	26.020%	49.461%	8.400%
38.194%	17.815%	30.114%	26.311%	49.959%	8.858%
37.089%	17.387%	28.374%	25.705%	46.398%	9.785%
35.674%	17.325%	27.330%	24.673%	45.356%	9.530%
36.378%	16.759%	26.482%	23.352%	44.087%	9.319%
35.710%	16.555%	26.344%	21.749%	42.808%	8.973%
34.676%	16.406%	25.920%	21.672%	41.861%	8.550%
\$ 7,364,305	\$ 598,350	\$ 25,636,986	\$ 6,673,901	\$ 676,166,665	\$ 112,216,451
7,548,413	598,350	25,544,933	6,535,821	669,404,998	117,993,952
7,951,103	571,337	26,138,655	6,856,041	668,415,787	116,862,928
8,168,606	534,849	26,839,705	7,098,907	670,175,143	132,283,063
8,399,998	550,000	27,499,994	7,249,998	681,253,275	127,112,287
9,177,027	615,532	30,832,572	7,834,047	695,586,226	129,960,888
9,641,782	584,350	32,022,403	8,180,906	726,763,726	135,429,950
9,556,277	608,680	33,903,780	8,643,257	759,408,857	142,541,391
10,771,020	686,052	37,870,083	9,947,758	788,559,712	147,240,760
11,964,741	717,884	45,226,722	11,326,622	829,555,042	154,800,273

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INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Property	2020			2011		
		Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Ridgedale Center, LLC	Commercial	\$ 2,101,290	1	1.35 %	\$ 2,299,250	1	1.94 %
Medica Health Plans	Commercial	1,457,110	2	0.93	—	—	—
AX 601 Tower, LP	Commercial	1,270,870	3	0.81	—	—	—
IRET Properties	Apartment	1,187,275	4	0.76	—	—	—
TFO REVA Wildamerica PPC, LLC	Commercial	1,109,250	5	0.71	—	—	—
WHQ, LLC	Commercial	979,250	6	0.63	—	—	—
Pembroke TCM Atria LLC	Commercial	979,250	6	0.63	749,250	4	0.63
RREEFAmerica Reit II Corp.	Apartment	923,063	8	0.59	531,650	5	0.45
CVIII Vicksburg Village, LLC	Apartment	814,250	9	0.52	—	—	—
CenterPoint Energy	Utility	591,222	10	0.38	—	—	—
Carlson Real Estate Co., Inc.	Commercial	—	—	—	2,224,858	2	1.88
Individual	Commercial	—	—	—	785,250	3	0.66
Invesco Real Estate	Apartment	—	—	—	500,000	6	0.42
TCA R E LLC	Commercial	—	—	—	499,250	7	0.42
Plymouth Corp Center DE LLC	Industrial	—	—	—	445,750	8	0.38
Bay Holdings, LLC	Commercial	—	—	—	431,250	9	0.36
Pinnacle/Vicksburg Village	Apartment	—	—	—	383,663	10	0.32
Total		<u>\$ 11,412,830</u>		<u>7.31 %</u>	<u>\$ 8,850,171</u>		<u>7.47 %</u>

Source: Fiscal 2020 information: obtained from the Official Statement associated with the District's 2020A General Obligation Alternative Facilities Refunding Bonds (prepared by Ehlers)

Source: Fiscal 2011 information: Hennepin County Department of Property Tax and Public Records

INDEPENDENT SCHOOL DISTRICT NO. 284

Property Tax Levies, Collections, and Receivables
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year			Collections	
	Operating Tax Levy	Debt Tax Levy	Total	First Year Levy Recognized	
				Amount	Percentage of Levy
2011	\$ 35,773,599	\$ 10,253,307	\$ 46,026,906	\$ 45,566,841	99.0 %
2012	35,363,239	10,602,809	45,966,048	45,528,016	99.0
2013	36,564,682	11,042,159	47,606,841	47,324,720	99.4
2014	37,383,176	11,239,478	48,622,654	48,401,803	99.5
2015	38,442,757	11,552,379	49,995,136	49,855,092	99.7
2016	40,225,448	15,728,896	55,954,344	55,775,065	99.7
2017	43,779,692	14,650,127	58,429,819	58,223,020	99.6
2018	56,479,703	12,125,522	68,605,225	68,580,763	100.0
2019	60,211,031	12,430,758	72,641,789	72,441,691	99.7
2020	65,155,424	14,609,517	79,764,941	79,555,962	99.7

Note: Collections received in subsequent years includes adjustments and abatements.

Source: Minnesota Department of Education School Tax Reports and Hennepin County Tax Settlement Reports

Received in Subsequent Years	Total to Date		Delinquent	
	Amount	Percentage of Levy	Amount	Percent
\$ 460,065	\$ 46,026,906	100.0 %	\$ —	— %
438,032	45,966,048	100.0	—	—
282,121	47,606,841	100.0	—	—
220,851	48,622,654	100.0	—	—
111,564	49,966,656	99.9	28,480	0.1
141,871	55,916,936	99.9	37,408	0.1
128,983	58,352,003	99.8	77,816	0.1
(10,500)	68,570,263	99.9	34,962	0.1
105,797	72,547,488	99.8	94,301	0.1
—	79,555,962	99.7	<u>208,979</u>	0.3
			<u><u>\$ 481,946</u></u>	

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Premium (Discount) on Bonds	Certificates of Participation	Capital Leases	Total Primary Government		
2011	\$ 57,525,000	\$ 2,264,028	\$ 2,695,000	\$ 38,568	\$ 62,522,596	1.8 %	\$ 1,052
2012	65,135,000	2,349,744	2,190,000	9,019	69,683,763	2.0	1,161
2013	56,070,000	2,095,615	11,655,000	918,096	70,738,711	2.0	1,169
2014	184,045,000	4,628,582	10,355,000	1,300,465	200,329,047	5.3	3,246
2015	174,070,000	4,359,617	9,220,000	1,182,787	188,832,404	4.9	2,982
2016	165,110,000	3,625,490	8,495,000	6,239,289	183,469,779	4.5	2,826
2017	156,210,000	3,120,929	7,755,000	5,092,079	172,178,008	N/A	2,588
2018	220,160,000	6,208,464	7,000,000	9,174,643	242,543,107	N/A	3,646
2019	215,880,000	5,790,352	6,225,000	8,219,307	236,114,659	N/A	3,421
2020	218,020,000	7,035,999	22,590,000	8,001,525	255,647,524	N/A	3,600

N/A – Not Available

(1) See Demographic and Economic Statistics table for population and personal income.

Source: The District's outstanding debt can be found in the notes to the basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 284

Ratio of Net General Obligation Bonded Debt
to Tax Capacity and Net General Obligation Bonded Debt
per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Net Tax Capacity	Percent of Net Debt to Net Tax Capacity	Estimated Population (1)	Net Bonded Debt per Capita
2011	\$ 55,537,890	\$ 2,003,402	\$ 53,534,488	\$ 118,450,131	45.20 %	59,417	\$ 901
2012	62,801,663	2,373,561	60,428,102	111,127,795	54.38	60,017	1,007
2013	54,201,743	1,948,293	52,253,450	109,891,883	47.55	60,517	863
2014	179,273,752	4,904,822	174,368,930	109,307,508	159.52	61,717	2,825
2015	172,218,764	2,044,497	170,174,267	111,197,389	153.04	63,317	2,688
2016	168,735,490	2,618,143	166,117,347	119,387,105	139.14	64,917	2,559
2017	159,330,929	2,475,932	156,854,997	127,889,211	122.65	66,517	2,358
2018	226,368,464	2,606,958	223,761,506	137,065,114	163.25	66,517	3,364
2019	221,670,352	2,833,280	218,837,072	146,188,244	149.70	69,017	3,171
2020	225,055,999	2,683,374	222,372,625	156,060,319	142.49	71,017	3,131

(1) See Demographic and Economic Statistics table for population.

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INDEPENDENT SCHOOL DISTRICT NO. 284

Direct and Overlapping Debt
as of June 30, 2020

Governmental Unit	Tax Collection Calendar Year – 2020 Taxable Net Tax Capacity	Bonded Debt (1)	Debt Applicable to Tax Capacity in ISD No. 284 (2)	
			Percent	Amount
Direct debt				
Independent School District No. 284	\$ 158,753,434	\$ 218,020,000	100.00 %	\$ 218,020,000
Overlapping debt				
Hennepin County	2,112,707,400	1,070,610,000	7.88	84,362,997
Cities				
Corcoran	10,352,151	7,805,000	16.28	1,270,623
Maple Grove	113,098,214	76,695,000	7.45	5,713,471
Medina	19,548,544	8,645,000	55.33	4,783,668
Minnetonka	111,515,652	26,805,000	22.16	5,939,881
Orono	36,388,321	5,185,000	4.18	216,697
Plymouth	146,534,687	47,575,000	65.20	31,020,042
Wayzata	22,809,420	17,375,000	99.46	17,281,731
Other				
Metropolitan Council	4,576,187,142	230,225,000	3.64	8,375,355
Three Rivers Park District	1,487,545,247	53,830,000	11.19	6,024,384
Total overlapping debt				<u>164,988,849</u>
Total direct and overlapping debt				<u>\$ 383,008,849</u>

(1) Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does not include nongeneral obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

(2) The percent overlap is based on the percentage of tax capacity of the individual entities in the District.

Source: Hennepin County Department of General Services – Taxpayer Services Division

INDEPENDENT SCHOOL DISTRICT NO. 284

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Debt limit	\$ 1,668,698,016	\$ 1,523,458,227	\$ 1,468,885,209	\$ 1,470,794,289
Total net debt applicable to the limit	53,534,488	60,428,102	52,253,450	174,368,930
Legal debt margin	<u>\$ 1,615,163,528</u>	<u>\$ 1,463,030,125</u>	<u>\$ 1,416,631,759</u>	<u>\$ 1,296,425,359</u>
Total net debt applicable to the limit as a percentage of debt limit	3.21%	3.97%	3.56%	11.86%

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

Source: State of Minnesota School Tax Report

2015	2016	2017	2018	2019	2020
\$ 1,504,001,884	\$ 1,603,298,661	\$ 1,711,502,134	\$ 1,837,450,721	\$ 1,954,257,554	\$ 2,087,438,679
170,174,267	166,117,347	156,854,997	223,761,506	218,837,072	222,372,625
<u>\$ 1,333,827,617</u>	<u>\$ 1,437,181,314</u>	<u>\$ 1,554,647,137</u>	<u>\$ 1,613,689,215</u>	<u>\$ 1,735,420,482</u>	<u>\$ 1,865,066,054</u>
11.31%	10.36%	9.16%	12.18%	11.20%	10.65%

Legal Debt Margin Calculation for Fiscal Year 2020

Market value	\$ 13,916,257,860
Debt limit (15% of market value)	2,087,438,679
Debt applicable to the limit	
General obligation bonds	225,055,999
Less amount set aside for repayment of general obligation debt	<u>(2,683,374)</u>
Total net debt applicable to the limit	<u>222,372,625</u>
Legal debt margin	<u>\$ 1,865,066,054</u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2011	59,417	\$ 3,474,468,492	\$ 58,476	10,511	7.0 %
2012	60,017	3,548,565,142	59,126	10,544	5.7
2013	60,517	3,621,095,212	59,836	10,657	5.1
2014	61,717	3,754,121,676	60,828	10,708	4.5
2015	63,317	3,893,488,964	61,492	10,747	3.7
2016	64,917	4,103,857,989	63,217	10,858	3.7
2017	66,517	N/A	N/A	11,330	3.5
2018	66,517	N/A	N/A	11,640	2.8
2019	69,017	N/A	N/A	11,906	3.2
2020	71,017	N/A	N/A	12,127	9.8

N/A – Not Available

Sources: Population data based on information from property developers and cities; methodology approved by the State Demographer's Office

Per capita personal income data is for the state of Minnesota and is obtained from the United States Census Bureau

Enrollment information from district records

Unemployment rate is for Hennepin County as of June and is obtained from the Minnesota Department of Employment and Economic Development

INDEPENDENT SCHOOL DISTRICT NO. 284

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year			
	2020		2011	
	Employees	Rank	Employees	Rank
Carlson Companies (1)	4,500	1	2,000	2
Medica Health	1,700	2	—	—
Independent School District No. 284	1,587	3	1,484	3
Aimia	1,000	4	—	—
TCF National Bank	1,000	4	—	—
Abbott Laboratories	800	6	—	—
US Foods	500	7	—	—
Nilfisk-Advance, Inc.	450	8	547	9
Wagner Spray Tech Corp.	400	9	—	—
Deltak, LLC	300	10	—	—
Cargill, Inc.	—	—	2,200	1
Polaris	—	—	1,400	4
United Health Group	—	—	1,400	4
Independent School District No. 276	—	—	1,050	6
Ev3, LLC	—	—	700	7
Uniprise, Inc.	—	—	600	8
Mar Co Purification, Inc.	—	—	500	10
Total	<u>12,237</u>		<u>11,881</u>	
Total ISD No. 284 population (see the Schedule of Demographic and Economic Statistics)	<u>71,017</u>		<u>59,417</u>	
Percent of principal employers to total ISD No. 284 population	<u>17.2%</u>		<u>20.0%</u>	

(1) Includes entire metropolitan area. Carlson Marketing Travel Group is included in Carlson Companies.

Source: Fiscal 2020 information: obtained from the Official Statement associated with the District's 2020A General Obligation Alternative Facilities Refunding (prepared by Ehlers)

Fiscal 2011 information: Official Statement associated with the District's 2011 Aid Anticipation Certificates (prepared by Northland Securities)

INDEPENDENT SCHOOL DISTRICT NO. 284

Employees by Classification
Last Ten Fiscal Years

Employees	Fiscal Year			
	2011	2012	2013	2014
Administration				
Principals	11.0	11.0	11.0	11.0
Associate principals	8.0	8.0	8.0	8.0
Unaffiliated	38.8	36.1	37.2	35.4
Total administration	57.8	55.1	56.2	54.4
Instructional administrators				
High school classroom teachers	153.5	158.8	153.4	154.3
Middle school classroom teachers	131.2	126.3	132.5	132.3
Elementary classroom teachers	185.0	189.7	191.0	183.0
High school – area learning center	9.0	8.0	8.7	8.0
Middle school – area learning center	2.0	2.0	2.0	2.0
Community education – extended day kindergarten	5.5	6.0	8.0	16.0
Community education – early childhood family education	4.4	3.1	3.7	4.2
Special services	77.6	79.4	80.6	77.1
Elementary specialists and intervention	57.3	65.2	63.3	66.4
Total instructional administrators	625.5	638.5	643.2	643.3
Student services				
Curriculum and instruction – resource, peer, alt comp	19.8	19.5	20.5	20.0
Media centers – elementary	7.0	7.0	7.1	7.0
High school – professional development	0.3	0.3	0.3	0.3
High school – counselors, media, Vision 21, intervention	11.7	13.0	13.0	13.0
Middle schools – counselors, media, Vision 21, intervention	9.8	10.5	15.5	15.0
Technology	3.0	3.0	3.0	3.0
Special services – social workers, psychologists, nurses, etc.	45.3	43.6	44.9	45.4
Total student services	96.9	96.9	104.3	103.7
Support services				
Clerical/secretarial	45.9	46.0	48.0	48.0
Custodial	74.4	74.4	73.0	73.0
Food service	42.4	42.4	43.8	43.8
Paraprofessionals	260.5	256.8	254.2	254.2
Unaffiliated specialists	20.2	19.5	20.8	22.5
Unaffiliated support staff	7.0	6.0	5.0	5.0
Total support services	450.4	445.1	444.8	446.5
District-wide totals	1,230.6	1,235.6	1,248.5	1,247.9

N/A – Not Available

Note: All full-time equivalents are based on an 8-hour day.

Source: The District's Human Resources Department

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
12.0	12.0	12.0	12.0	13.0	13.0
8.0	6.0	6.0	6.0	7.0	7.0
<u>37.2</u>	<u>36.1</u>	<u>38.2</u>	<u>39.1</u>	<u>43.1</u>	<u>43.1</u>
57.2	54.1	56.2	57.1	63.1	63.1
157.5	153.0	155.7	155.4	157.8	162.3
134.6	131.7	133.4	137.2	139.5	139.7
213.0	203.0	219.0	230.0	241.0	250.0
8.0	6.3	7.7	6.7	6.7	6.7
2.0	1.5	1.5	1.0	3.0	3.3
N/A	N/A	N/A	N/A	N/A	N/A
3.8	5.5	3.5	3.5	3.5	3.7
77.0	66.0	68.6	96.6	92.3	88.6
<u>65.6</u>	<u>64.7</u>	<u>72.2</u>	<u>82.7</u>	<u>87.9</u>	<u>93.9</u>
661.5	631.7	661.5	713.1	731.7	748.3
20.0	21.0	15.5	16.5	23.0	25.0
7.0	7.0	8.0	7.9	8.0	9.0
0.3	0.3	0.3	0.3	0.3	—
13.0	17.0	18.7	18.5	20.4	23.0
14.0	15.5	18.2	19.3	20.0	19.4
3.0	3.0	3.0	3.0	3.0	3.0
<u>46.2</u>	<u>59.2</u>	<u>54.9</u>	<u>38.3</u>	<u>58.6</u>	<u>58.9</u>
103.5	123.0	118.6	103.8	133.3	138.3
49.9	50.9	50.9	49.9	47.9	45.7
73.0	75.0	83.5	85.5	86.0	88.2
44.9	46.2	48.8	49.4	57.0	55.0
244.6	246.9	238.6	239.7	228.2	243.7
22.8	22.8	20.9	21.9	20.5	29.1
<u>4.0</u>	<u>4.0</u>	<u>4.8</u>	<u>5.7</u>	<u>6.7</u>	<u>10.4</u>
439.2	445.8	447.5	452.1	446.3	472.1
<u><u>1,261.4</u></u>	<u><u>1,254.6</u></u>	<u><u>1,283.8</u></u>	<u><u>1,326.1</u></u>	<u><u>1,374.4</u></u>	<u><u>1,421.8</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 284

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
2011	10,511	\$ 117,584,500	\$ 11,187	2.1 %	469	22.4	13.2 %
2012	10,544	121,786,584	11,550	3.2	475	22.2	14.4
2013	10,657	124,740,958	11,705	1.3	477	22.3	14.6
2014	10,708	132,892,192	12,411	6.0	470	22.8	12.9
2015	10,747	133,929,448	12,462	0.4	505	21.3	13.0
2016	10,858	136,420,224	12,564	0.8	488	22.3	13.9
2017	11,330	143,803,361	12,692	1.0	508	22.3	14.0
2018	11,640	154,352,148	13,260	4.5	523	22.3	12.0
2019	11,906	167,080,676	14,033	5.8	538	22.1	12.0
2020	12,127	178,135,010	14,689	4.7	552	22.0	11.5

Note: Operating expenditures are total expenditures less debt service and capital outlays.

Source: Nonfinancial information from district records

INDEPENDENT SCHOOL DISTRICT NO. 284

Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary schools										
Birchview (1969)										
Square feet	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720	59,720
Capacity	592	592	592	592	592	592	550	550	550	550
Enrollment	671	651	653	647	622	586	481	499	474	447
Gleason Lake (1988)										
Square feet	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710	80,710
Capacity	690	690	690	690	690	690	690	690	690	690
Enrollment	692	663	655	663	636	622	571	568	586	634
Greenwood (1964)										
Square feet	72,007	72,007	72,007	88,016	88,016	88,016	88,016	88,016	88,016	88,016
Capacity	690	690	690	820	820	820	780	780	780	780
Enrollment	608	685	726	821	863	856	747	794	813	775
Kimberly Lane (1991)										
Square feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Capacity	690	690	690	690	690	690	710	710	710	710
Enrollment	806	757	717	744	764	718	649	760	778	628
Meadow Ridge (2016)										
Square feet	–	–	–	–	–	–	85,208	102,508	102,508	102,508
Capacity	–	–	–	–	–	–	710	828	828	828
Enrollment	–	–	–	–	–	–	758	853	869	768
North Woods (2020)										
Square feet	–	–	–	–	–	–	–	–	–	104,611
Capacity	–	–	–	–	–	–	–	–	–	760
Enrollment	–	–	–	–	–	–	–	–	–	569
Oakwood (1957)										
Square feet	85,490	85,490	85,490	95,476	95,476	95,476	95,476	95,476	95,476	95,476
Capacity	475	475	475	690	690	690	640	640	640	640
Enrollment	511	538	504	527	576	675	475	515	562	494
Plymouth Creek (1988)										
Square feet	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000	81,000
Capacity	690	690	690	690	690	690	710	710	710	710
Enrollment	765	772	866	746	747	762	669	690	714	675
Sunset Hill (1963)										
Square feet	64,983	64,983	64,983	73,598	73,598	73,598	73,598	73,598	73,598	73,598
Capacity	592	592	592	690	690	690	660	660	660	660
Enrollment	579	577	563	560	581	596	664	681	681	682
Middle schools										
East (1967)										
Square feet	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111	146,111
Capacity	800	800	800	800	800	800	850	850	850	850
Enrollment	763	777	821	772	771	743	780	733	747	690
West (1949)										
Square feet	167,000	167,000	167,000	167,000	167,000	167,525	167,525	167,525	167,525	167,525
Capacity	900	900	900	900	900	900	850	850	850	850
Enrollment	719	736	744	736	745	772	791	771	758	748
Central (1961)										
Square feet	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568	308,568
Capacity (1)	1,700	1,700	1,700	1,700	1,700	1,700	1,600	1,600	1,600	1,600
Enrollment	942	987	1,034	1,066	1,036	1,118	1,209	1,268	1,320	1,316
High school										
Peony (1997)										
Square feet	487,432	487,432	487,432	487,432	487,432	487,432	656,432	656,432	656,432	656,432
Capacity	3,200	3,200	3,200	3,200	3,200	3,200	3,900	3,900	3,900	3,900
Enrollment	3,235	3,266	3,265	3,257	3,305	3,334	3,410	3,453	3,558	3,669
Transition School (2020)										
Square feet	–	–	–	–	–	–	–	–	–	4,000
Capacity	–	–	–	–	–	–	–	–	–	30
Enrollment	–	–	–	–	–	–	–	–	–	15

(1) Through fiscal 2016, Central Middle School capacity includes space for 1,400 middle school students and 300 birth-to-kindergarten students.

Source: Information was obtained from district records. Enrollment data is as of October 1 of fiscal year.

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Management Report
for
Independent School District No. 284
Wayzata, Minnesota
June 30, 2020

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To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 284's (the District) financial statements for the year ended June 30, 2020. We have organized this report into the following sections:

- Audit Summary
- Funding Public Education in Minnesota
- Financial Trends of Your District
- Legislative Summary
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the District, management, and those with responsibility for oversight of the District's financial reporting process comments resulting from our audit and information relevant to school district financing in Minnesota. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota
November 24, 2020

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AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the School Board, administration, or those charged with governance of the District.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS*, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2020:

- We have issued an unmodified opinion on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* during the year. Our opinion was not modified with respect to this matter.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses. It should be understood that internal controls are never perfected, and those controls which protect the District's funds from such things as fraud and accounting errors need to be continually reviewed by your management and modified as necessary.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our testing indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

OTHER OBSERVATIONS AND RECOMMENDATIONS

Impact of Novel Coronavirus (COVID-19)

Starting in March 2020, the onset of the novel coronavirus (COVID-19) pandemic caused substantial volatility in economic conditions and tremendous disruption in the way schools, governments, businesses, and individuals function. Minnesota school districts may experience the impact of this pandemic in a myriad of financial areas, such as: declines in investment rates of return, cash flow issues, significant increases in the number and frequency of employees working remotely, challenges in processing general and payroll disbursements, disruption of prescribed internal control procedures, delays in internal and external financial reporting, and new compliance requirements attached to current and potential federal relief subsidies. As your District continues to adapt to the new normal of operating in a post-COVID-19 world, the assessment of and responses to new risks that may accompany operational changes will be critical to the safeguarding of resources and sound financial stewardship. We encourage management and governance to include a robust financial risk assessment process when planning responses to these challenges, and to reassess and adapt internal controls over financial transactions and reporting to align with significant changes made to daily operations, even those intended to be temporary.

Electronic Funds Transfer Fraud

As the use of electronic funds transfers and payment methods has become more prevalent, we have seen increases in both the incidences of fraud related to these transactions and the dollar amounts involved. Unfortunately, operational changes related to the COVID-19 pandemic, including greater reliance on technology and more employees working remotely, tend to increase risk in this area. We urge districts to carefully review controls over these transactions, and consider best practices to address this risk, such as:

- Ensuring segregation of duties over these transactions by involving more than one employee in the process.
- Requiring multi-factor authentication of requests for electronic payments from new vendors or for changes in wiring instructions for existing vendors. It is recommended that changes for existing vendors be verified with the vendor through trusted contact information used previously for that vendor, not as provided in the change request, to verify the accuracy of the change.
- Educate employees on the controls in place to protect the organization's financial assets and ensure management is supportive and accepting of the processes in place. These scams are often initiated using the profile of a supervisor. Employees must be comfortable questioning unusual transactions or requests, and instructed not to circumvent internal control procedures regardless of whom they believe initiated the transaction.
- Recommended cyber security measures, such as limiting network access and requiring robust passwords that are changed regularly, should be implemented and followed by all district employees, not just those directly involved with financial transactions.
- Review insurance policies to understand the coverage provided for financial losses due to cybersecurity risks, and evaluate whether they provide adequate coverage based on management's assessment of these risks.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2020. However, the District implemented the following governmental accounting standard during the fiscal year ended June 30, 2020:

- GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying fiduciary activities of local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.

Special education state aid includes an adjustment related to tuition billings to and from other school districts for special education services, which are computed using formulas derived by the Minnesota Department of Education (MDE). Because of the timing of the calculations, this adjustment for the current fiscal year is not finalized until after the District has closed its financial records. The impact of this adjustment on the receivable and revenue recorded for state special education aid is calculated using preliminary information available to the District.

The District has recorded a liability in the Statement of Net Position for severance benefits payable for which it is probable employees will be compensated. The "vesting method" used by the District to calculate this liability is based on assumptions involving the probability of employees becoming eligible to receive the benefits (vesting), the potential use of accumulated sick leave prior to termination, and the age at which such employees are likely to retire.

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies primarily described in GASB Statement Nos. 68, 73, 74, and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

The depreciation of capital assets involves estimates pertaining to useful lives.

The District's self-insured activities require recording a liability for claims incurred, but not yet reported, which are based on estimates.

We evaluated the key factors and assumptions used by management to develop the estimates discussed above in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to OPEB and pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated November 24, 2020.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental information accompanying the financial statements, and the separately issued Schedule of Expenditures of Federal Awards and the Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements, but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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FUNDING PUBLIC EDUCATION IN MINNESOTA

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this report. A summary of legislative changes affecting school districts included later in this report gives an indication of how complicated the funding system is. This section provides selected state-wide funding and financial trend information.

BASIC GENERAL EDUCATION REVENUE

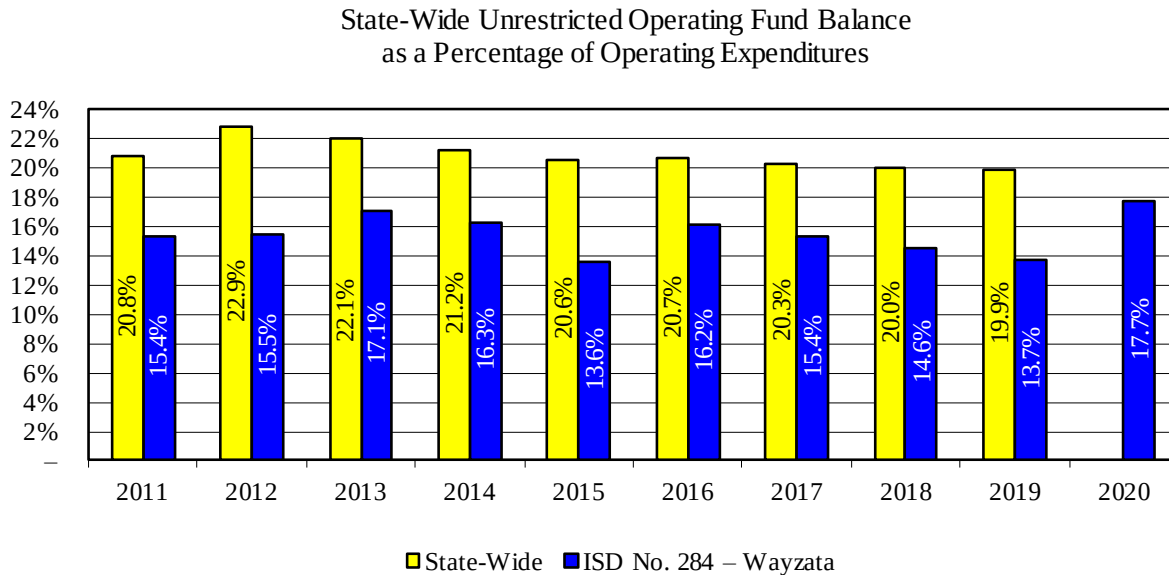
The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to average daily membership (ADM). Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

The table below presents a summary of the formula allowance for the past decade and as approved for the next year. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2011	\$ 5,124	– %
2012	\$ 5,174	1.0 %
2013	\$ 5,224	1.0 %
2014	\$ 5,302	1.5 %
2015	\$ 5,831	2.0 %
2016	\$ 5,948	2.0 %
2017	\$ 6,067	2.0 %
2018	\$ 6,188	2.0 %
2019	\$ 6,312	2.0 %
2020	\$ 6,438	2.0 %
2021	\$ 6,567	2.0 %

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

One of the most common and comparable statistics used to evaluate school district financial health is the unrestricted operating fund balance as a percentage of operating expenditures.



Note: State-wide information is not available for fiscal 2020.

The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

During the economic downturn that began in 2008, the average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts increased, peaking at 22.9 percent at the end of fiscal 2012. This trend reflected districts' efforts to limit budget cuts, retain educational programs, and maintain adequate operating cash flow during a period of uncertain funding. As the state's economic condition improved and funding stabilized in subsequent years, this ratio decreased gradually to 19.9 percent at the end of fiscal 2019.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 17.7 percent at the end of the current year, as compared to 13.7 percent at June 30, 2019.

The table below shows a comparison of governmental fund revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction Fund. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

Governmental Funds Revenue per Student (ADM) Served							
	State-Wide		Metro Area		ISD No. 284 – Wayzata		
	2018	2019	2018	2019	2018	2019	2020
General Fund							
Property taxes	\$ 2,024	\$ 2,140	\$ 2,638	\$ 2,796	\$ 4,468	\$ 4,622	\$ 4,820
Other local sources	520	556	433	454	397	447	550
State	9,614	9,883	9,625	9,885	8,217	8,355	8,687
Federal	450	475	474	499	280	295	345
Total General Fund	12,608	13,054	13,170	13,634	13,362	13,719	14,402
Special revenue funds							
Food Service	559	559	554	556	562	545	483
Community Service	642	676	752	797	848	920	842
Debt Service Fund	1,128	1,229	1,120	1,287	715	1,009	1,018
Total revenue	<u>\$ 14,937</u>	<u>\$ 15,518</u>	<u>\$ 15,596</u>	<u>\$ 16,274</u>	<u>\$ 15,487</u>	<u>\$ 16,193</u>	<u>\$ 16,745</u>
ADM served per MDE School District Profiles Report (current year estimated)					<u>11,684</u>	<u>11,999</u>	<u>12,209</u>
Note: Excludes the Capital Projects – Building Construction Fund.							
Source of state-wide and metro area data: School District Profiles Report published by the MDE							

ADM used in the table above and on the next page are based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables.

The mix of local and state revenues vary from year to year primarily based on funding formulas and the state's financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The District earned \$204,459,838 in the governmental funds reflected above in fiscal 2020, an increase of \$10,180,461 (5.24 percent) from the prior year, or \$552 per ADM. Total General Fund revenue increased \$683 per ADM from the previous year. General Fund property tax revenue was \$198 per ADM higher than last year, primarily due to increases in the tax levy. Revenue from state sources also increased \$332 per ADM, mainly due to an increase in students served and funding improvements to the general education aid formula and special education. Significant programming changes with the COVID-19 pandemic contributed to the change in the Food Service and Community Service Special Revenue Funds.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction Fund. Other financing uses, such as bond refundings and transfers, are also excluded.

Governmental Funds Expenditures per Student (ADM) Served								
	State-Wide		Metro Area		ISD No. 284 – Wayzata			
	2018	2019	2018	2019	2018	2019	2020	
General Fund								
Administration and district support	\$ 1,031	\$ 1,065	\$ 1,045	\$ 1,078	\$ 784	\$ 850	\$ 961	
Elementary and secondary regular instruction	5,646	5,787	5,976	6,112	5,813	6,235	6,541	
Vocational education instruction	170	180	154	165	252	254	268	
Special education instruction	2,298	2,380	2,418	2,505	1,596	1,674	1,783	
Instructional support services	658	669	748	751	1,207	1,215	1,333	
Pupil support services	1,118	1,178	1,209	1,282	1,120	1,171	1,207	
Sites and buildings and other	936	960	896	907	1,280	1,259	1,270	
Total General Fund – noncapital	11,857	12,219	12,446	12,800	12,052	12,658	13,363	
General Fund capital expenditures	658	721	636	675	733	444	650	
Total General Fund	12,515	12,940	13,082	13,475	12,785	13,102	14,013	
Special revenue funds								
Food Service	553	561	545	556	549	565	551	
Community Service	640	675	750	799	889	931	935	
Debt Service Fund	1,308	1,313	1,230	1,308	704	990	1,055	
Total expenditures	<u>\$ 15,016</u>	<u>\$ 15,489</u>	<u>\$ 15,607</u>	<u>\$ 16,138</u>	<u>\$ 14,927</u>	<u>\$ 15,588</u>	<u>\$ 16,554</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>11,684</u>	<u>11,999</u>	<u>12,209</u>	
Note: Excludes the Capital Projects – Building Construction Fund.								
Source of state-wide and metro area data: School District Profiles Report published by the MDE								

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs.

The District spent \$202,099,457 in the governmental funds reflected above in fiscal 2020, an increase of \$15,079,462 (8.1 percent) from the prior year, which represents an increase of \$966 per ADM. General Fund operating expenditures increased \$705 per ADM, mainly in elementary and secondary regular instruction (\$306 per ADM), instructional support services (\$118 per ADM), and special education instruction (\$109 per ADM), due to contractual salary and benefit increases and additional staffing. Administration and district support increased \$111 per ADM due to the early payoff of leases. General Fund capital expenditures increased \$206 per ADM, due to a capital lease issued for technology products.

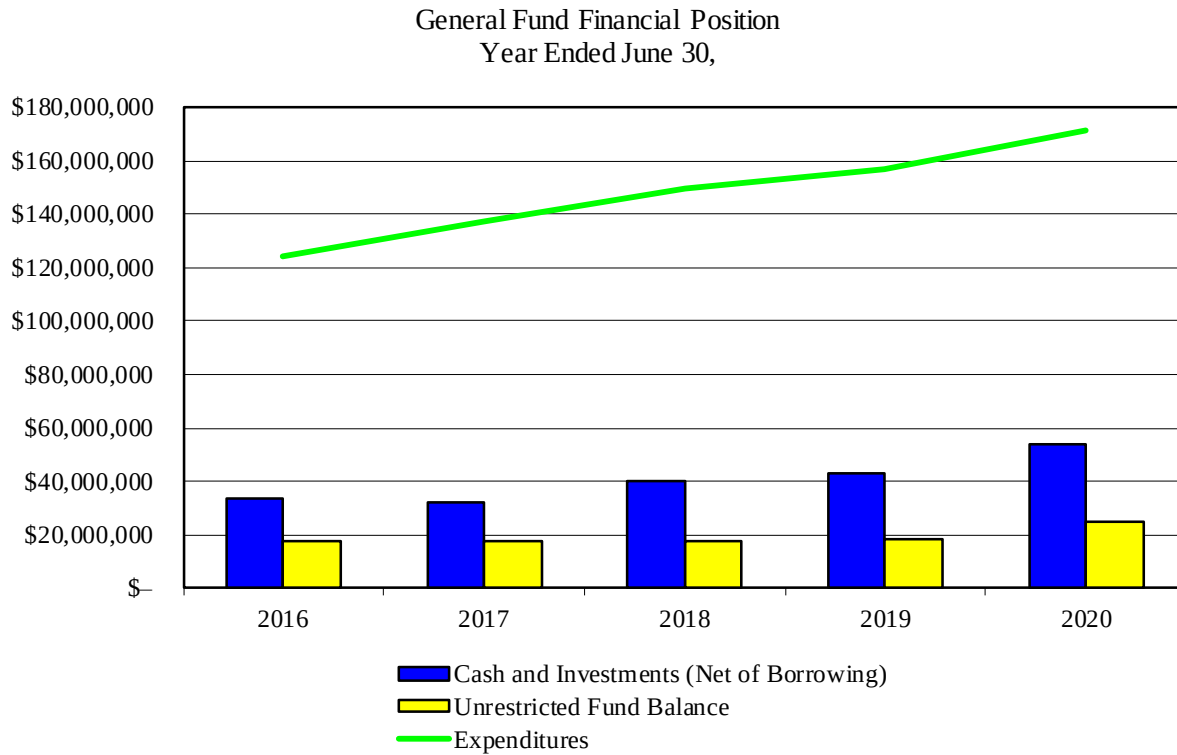
SUMMARY

Funding for Minnesota school districts generally has not kept pace with inflation and an increasing need for services, despite recent enhancements to the basic general education state aid formula and other categorical aids. This has increased reliance on local revenue sources like voter-approved operating referenda and user fees to maintain district programs. The recent COVID-19 pandemic has and will continue to create additional financial challenges, as districts struggle to provide a safe and effective learning experience for their students under unprecedented circumstances.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

The following graph displays the District's General Fund trends of financial position and changes in the volume of financial activity. Unrestricted fund balance and cash balance are two indicators of financial health, while annual expenditures are often used to measure the size of the operation.



The District ended fiscal year 2020 with a General Fund cash balance (net of interfund borrowing and excluding cash and investments held with trustee) of \$54,007,114, an increase of \$10,661,266 from the prior year. Total fund balance at year-end was \$31,946,960, an increase of \$5,978,810.

During fiscal year 2020, the District reported a change in accounting principle increasing fund balance by \$1,187,960 to report student activity and scholarship activity in the General Fund.

GENERAL FUND COMPONENTS OF FUND BALANCE

The following table presents the components of the General Fund balance for the past five years:

	June 30,				
	2016	2017	2018	2019	2020
Nonspendable fund balances	\$ 196,566	\$ 355,711	\$ 287,085	\$ 316,399	\$ 611,106
Restricted fund balances (1)	5,838,351	(2,117,536)	1,979,878	7,600,701	6,354,302
Unrestricted fund balances					
Committed	2,889,790	—	—	—	—
Assigned	5,482,867	4,918,059	5,712,743	5,369,294	5,529,336
Unassigned	9,347,456	12,992,870	12,095,480	12,681,756	19,452,216
Total fund balance	<u>\$ 23,755,030</u>	<u>\$ 16,149,104</u>	<u>\$ 20,075,186</u>	<u>\$ 25,968,150</u>	<u>\$ 31,946,960</u>
Total expenditures	<u>\$ 124,483,267</u>	<u>\$ 137,460,334</u>	<u>\$ 149,384,155</u>	<u>\$ 157,201,516</u>	<u>\$ 171,077,324</u>
Unrestricted fund balances as a percentage of expenditures	<u>14.2%</u>	<u>13.0%</u>	<u>11.9%</u>	<u>11.5%</u>	<u>14.6%</u>
Unassigned fund balances as a percentage of expenditures	<u>7.5%</u>	<u>9.5%</u>	<u>8.1%</u>	<u>8.1%</u>	<u>11.4%</u>
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

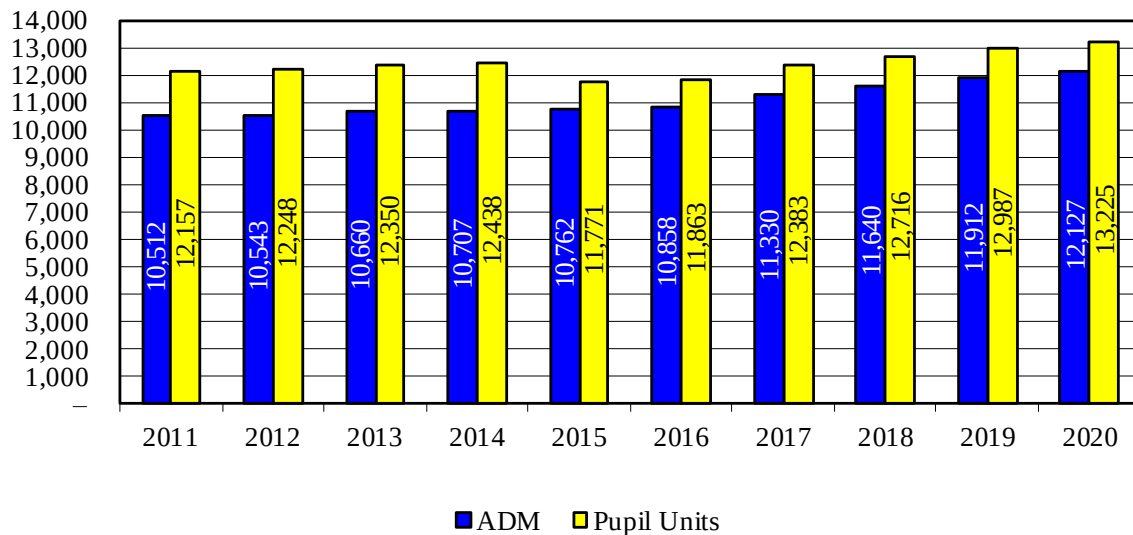
The table above reflects the total General Fund unrestricted fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

At June 30, 2020, unassigned fund balance in the General Fund (excluding restricted fund balance deficits) represented 11.4 percent of annual expenditures, or slightly less than six weeks of operations assuming level spending throughout the year.

AVERAGE DAILY MEMBERSHIP AND PUPIL UNITS

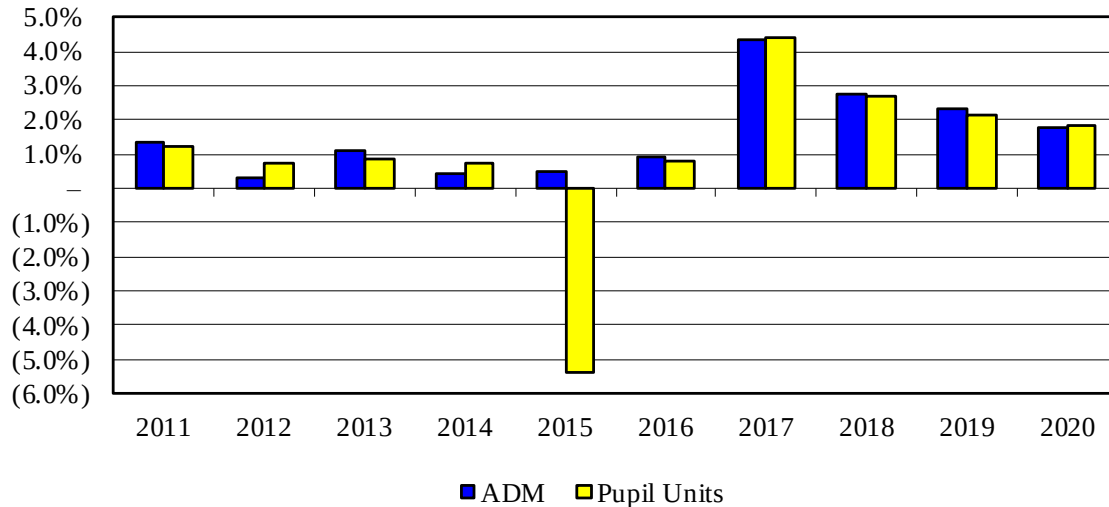
The following graph presents the District's adjusted ADM and pupil units served for the past 10 years:

Adjusted ADM and Pupil Units Served



The following graph shows the rate of change in ADM served by the District from year to year, along with the change in the resulting pupil units:

Change in Adjusted ADM and Pupil Units Served



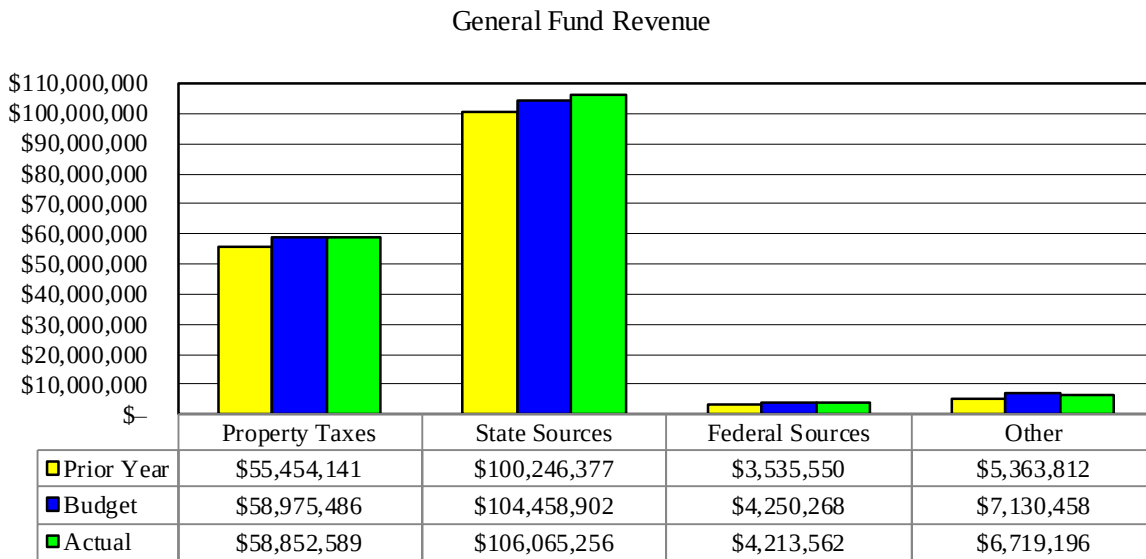
The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments which affect this year's revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated ADM of 12,127 in 2020, an increase of 215 ADM (1.8 percent) from the prior year. The resulting pupil units served by the District increased by 238 (1.8 percent) to 13,225.

GENERAL FUND REVENUES

The following graph presents the District's General Fund revenues for 2020:



Total General Fund revenues were \$175,850,603 for the year ended June 30, 2020, which was an increase of \$11,250,723 (6.8 percent) from the prior year, and \$1,035,489 (0.6 percent) more than projected in the final budget.

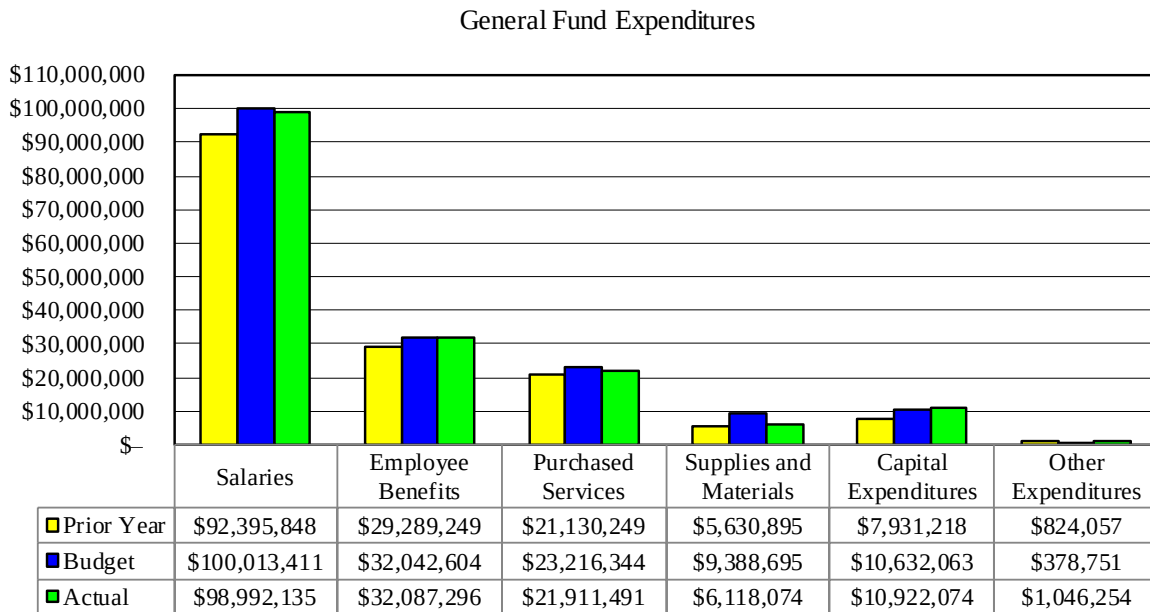
The variance to budget was in state sources, which was \$1,606,354 more than budget, due to higher than anticipated special education funding.

The increase from the prior year was mainly in state sources and property taxes. State sources increased \$5,818,879, primarily as a result of increases in the number of students served, the basic general education formula allowance, and special education funding. Property taxes increased \$3,398,448, as a result of the increased levy in fiscal 2020.

The graph above reflects the concentration of state sources (60.3 percent) followed by property taxes (33.5 percent) received to finance General Fund operations.

GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2020:



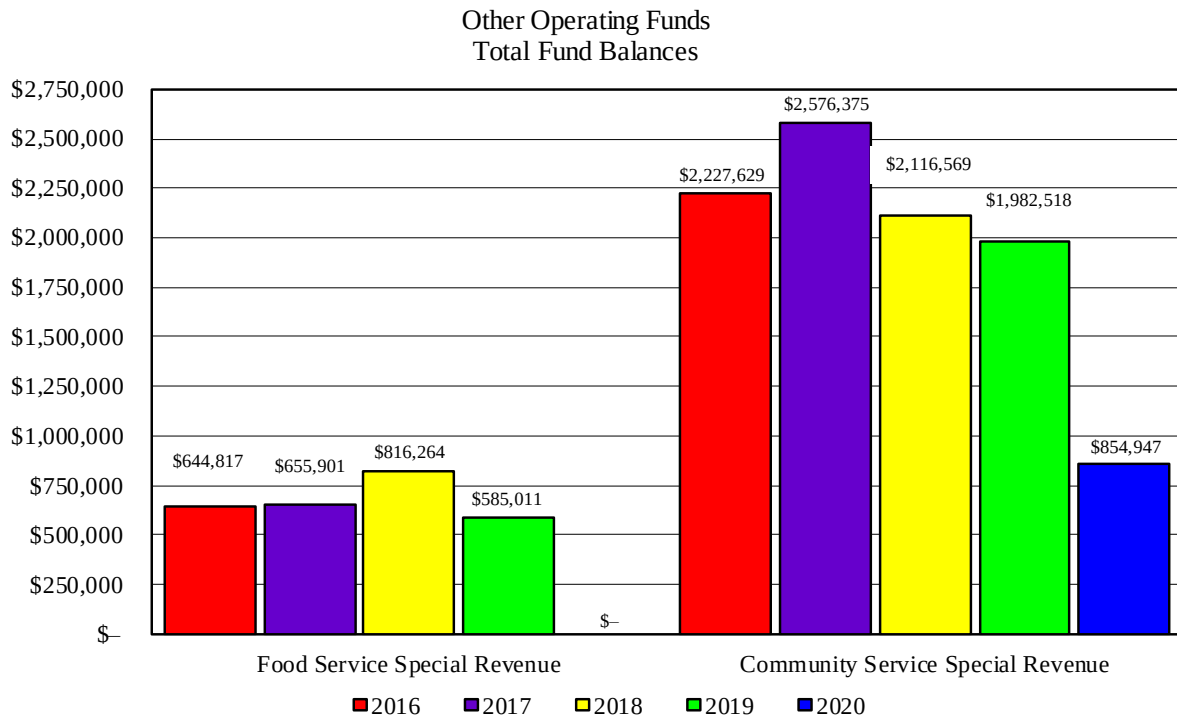
Total General Fund expenditures were \$171,077,324 for the year ended June 30, 2020, which was an increase of \$13,875,808 (8.8 percent) from the prior year, but \$4,594,544 (2.6 percent) under the final budget.

The variance to budget was primarily in supplies and materials and purchased services. Supplies and materials were \$3,270,621 under budget, due to reduced purchasing resulting from operational changes necessitated by the COVID-19 pandemic and changes for student activities recorded within the General Fund. Purchased services were \$1,304,853 under budget, mainly due to the timing of technology needs, the replacement of equipment, and professional development.

Expenditure increases were mainly in salaries, benefits, and capital expenditures. The increase in salaries and benefits is mostly due to contractual increases and additional staffing in the current year. The increase in capital expenditures is due to the timing of long-term facilities maintenance projects.

OTHER FUNDS OF THE DISTRICT

The following graph shows what is referred to as the other operating funds. The remaining nonoperating funds are only included in narrative form below, since their level of fund balance can fluctuate significantly, due to such things as issuing and spending the proceeds of refunding or building bonds and, therefore, the trend of fund balance levels is not necessarily a key indicator of financial health. It does not mean that these funds cannot experience financial trouble or that their fund balances are unimportant.



Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended fiscal 2020 with a fund balance decrease of \$585,011, compared to a budgeted decrease of \$296,505. Food service revenue was \$5,895,704, which was under budget by \$977,806, due to lower meal sales than anticipated. Expenditures of \$6,730,260 were under budget by \$439,755, as supplies and materials were less than projected. Both of these budget variances and the decrease in fund balance resulted from program changes, due to the COVID-19 pandemic. In the current year, the Board authorized a transfer from the General Fund to eliminate the year-end deficit of \$249,545.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended fiscal 2020 with a fund balance decrease of \$1,127,571, compared to a budgeted increase of \$408,392. Revenues of \$10,282,802 were under budget by \$1,879,047, while actual expenditures totaling \$11,410,373 were under budget by \$352,034. Program participation was significantly impacted by the COVID-19 pandemic causing significant changes to the prior year and budget, to actual results for both revenues and expenditures.

Over the years, we have emphasized to our clients that food service and community service operations should be self-sustaining, and should not become an additional burden on general education funds.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund ended the year with a fund balance decrease of \$13,645,317, consistent with a \$14,906,449 decrease anticipated in the budget. In fiscal 2020, the District issued \$8,078,823 in tax abatement bonds, including premium, and \$17,765,411 in certificates of participation (COP), including premium. The year-end fund balance of \$18,904,352 includes: \$1,448,716 restricted for projects funded by certificates of participation, \$22,067,521 restricted for capital projects, and a deficit \$4,611,885 for long-term facilities maintenance. The deficit in long-term facilities maintenance is allowable under state statute and may go into deficit to the extent of future levy authority.

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. It is important to remember that resources of the Debt Service Fund are restricted to the payment of outstanding debt obligations of the District. As of June 30, 2020, the District has \$2,683,374 available for general debt service.

Proprietary Funds – Internal Service Funds

The District uses internal service funds to account for the District's liabilities for self-insured benefits and early retirement benefits. The following table presents the combined activity reported for the past two fiscal years for the internal service funds:

	June 30,	
	2019	2020
Operating revenue		
Charges for services	\$ 18,633,367	\$ 19,431,294
Operating expenses		
Dental benefit claims	1,432,895	1,319,164
Health benefit claims	18,220,640	15,814,054
Early retirement incentive and sick leave benefits	2,037,115	1,051,673
Total operating expenses	21,690,650	18,184,891
Operating income (loss)	(3,057,283)	1,246,403
Nonoperating revenue		
Investment earnings	421,012	279,092
Income (loss) before transfers and special item	(2,636,271)	1,525,495
Transfers in	908,207	22,148
Transfers (out)	(908,207)	(315,468)
Special item	3,035,310	—
Change in net position	399,039	1,232,175
Net position		
Beginning of year	37,890	436,929
End of year	\$ 436,929	\$ 1,669,104

Post-Employment Benefits Trust Fund

The District has established a Post-Employment Benefits Trust Fund to account for an irrevocable trust account established to finance the District's liability for post-employment healthcare benefits. At year-end, trust net position of \$32,837,303 is available for future OPEB payments.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's financial statements include fund-based information that focuses on budgetary compliance, and the sufficiency of the District's current assets to finance its current liabilities. The governmental reporting model also requires the inclusion of two government-wide financial statements designed to present a clear picture of the District as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering educational services, including capital assets and long-term liabilities.

Theoretically, net position represents district resources available for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, this statement divides net position into three components: net investment in capital assets, restricted, and unrestricted. The following table presents a summarized reconciliation of the District's governmental fund balances to net position, and the separate components of net position for the last two years:

	June 30,		
	2020	2019	Change
Net position – governmental activities			
Total fund balances – governmental funds	\$ 54,389,633	\$ 63,918,628	\$ (9,528,995)
Total capital assets, net of depreciation	260,420,109	240,433,942	19,986,167
Bonds, certificates, and leases, net of premiums	(255,647,524)	(236,114,659)	(19,532,865)
Pensions, net of deferred outflows and inflows	(135,929,881)	(125,939,381)	(9,990,500)
OPEB, net of deferred outflows and inflows	(17,491,506)	(14,469,615)	(3,021,891)
Other adjustments	(2,362,991)	(3,097,221)	734,230
Total net position – governmental activities	<u>\$ (96,622,160)</u>	<u>\$ (75,268,306)</u>	<u>\$ (21,353,854)</u>
Net position			
Net investment in capital assets	\$ 27,572,468	\$ 37,050,317	\$ (9,477,849)
Restricted	9,472,475	10,648,975	(1,176,500)
Unrestricted	<u>(133,667,103)</u>	<u>(122,967,598)</u>	<u>(10,699,505)</u>
Total net position	<u>\$ (96,622,160)</u>	<u>\$ (75,268,306)</u>	<u>\$ (21,353,854)</u>

Some of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory restrictions) or by the nature of the fund they are in (e.g. Food Service Special Revenue Fund balance can only be spent for food service program costs). The unrestricted net position category consists mainly of the General Fund unrestricted fund balances, offset against noncapital long-term obligations, such as vacation payable, severance payable, net pension, and net OPEB liabilities.

Total net position decreased by \$21,353,854 during fiscal 2020. As presented in the table above, this change was primarily in unrestricted net position, due to changes in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association pension plan liabilities and related deferments.

The District's net investment in capital assets decreased \$9,477,849 this year. The change in this category of net position typically depends on the relationship between the rate at which the District's capital assets are being added, depreciated, and how that compares to the rate at which the District is repaying the debt issued to purchase or construct those assets.

LEGISLATIVE SUMMARY

The 2020 Minnesota Legislature session was expected to be short and focused on making tweaks to the biennial budget. By early March, it became clear the session would unfold differently than anyone could have predicted. As the novel coronavirus (COVID-19) spread reached Minnesota, Governor Walz issued an Executive Order declaring a peacetime emergency. The declaration was enacted, which allowed his administration to quickly impose measures aimed at mitigating the COVID-19 health threat. These measures, which were issued through dozens of executive orders over the months that would follow, included: closing schools and requiring instruction be provided through distance learning; allowing schools to offer summer programs and extended school year services through distance learning or a hybrid model; requiring districts to deliver meals and instructional materials; requiring districts to provide childcare for essential workers, and authorizing fund transfers and flexibility in the use of revenues for districts to cover school-age care, transportation, and other COVID-19 related costs.

The following is a brief summary of specific legislative changes from the 2020 regular and special sessions or previous legislative sessions impacting Minnesota school districts in future years.

Coronavirus Aid, Relief, and Economic Security (CARES) Act – The CARES Act provides federal economic relief to protect the American people from the public health and economic impacts of COVID-19.

This CARES funding includes an Education Stabilization Fund, which in turn contains two major sources of funding for schools that may be used for expenditures incurred from March 13, 2020 through September 30, 2022:

1. Governor’s Emergency Education Relief (GEER) Fund

These funds were allocated to support efforts in getting children back to school in the fall, while prioritizing the safety of students and staff. These funds support operational costs, such as: cleaning supplies and disinfectant sprayers, screening supplies, personal protective equipment, and increased transportation costs associated with transporting students in a socially distant manner. These funds also support student, family, and educator needs, such as technology devices and internet access, technology training, tutors or mentors to address learning loss, translation services, school-age care for essential workers, and professional development focused on learning models. To spend funds from this source, an expenditure must be a reasonably necessary expense that is directly related to the COVID-19 pandemic, and the expenditure must not be one that was planned for in the current school year budget.

2. Elementary and Secondary School Emergency Relief (ESSER) Fund

These funds are divided into two streams: a formula-based allocation and state-directed grants. The formula-based allocation to districts and charter schools is based on their allocations under Title I, Part A of the Elementary and Secondary Education Act (ESEA). These funds can be used for a wide range of expenses to meet local needs.

State-directed grants, provided to districts and charter schools that do not receive a formula-based allocation, districts and charter schools that receive less than \$10,000 from their formula-based allocation, and districts and charter schools whose share of students from historically underserved populations is more than their share of other ESSER funds, can be used for a combination of supplementing GEER funds for summer school programming, supporting mental health, and meeting the needs of historically underserved populations.

The CARES Act also provided funding through the Coronavirus Relief Fund (CRF). These funds were allocated to districts and charter schools based on a two-part formula: 1) 60 percent for operating costs based on average daily membership (ADM) as reported for the 2018–2019 school year, and 2) 40 percent for student, family and staff support costs allocated based 40 percent on ADM and 60 percent on the historically underserved population of students each district or charter school serves. The expenditure of these funds is not required to match the 60 percent/40 percent allocation breakdown, and may be used for costs incurred between July 1, 2020 and December 31, 2020.

General Education Revenue – The Legislature had previously approved annual increases of 2 percent to the basic general education formula allowance for the fiscal year (FY) 2020–2021 biennium. The per pupil allowance will increase \$129 to \$6,567 for FY 2021.

Compensatory Revenue – The requirement to reserve a portion of compensatory revenue for extended time programming is eliminated beginning in FY 2021.

Special Education Revenue – The Legislature had previously approved enhancements to special education funding designed to hold the state average cross subsidy per pupil constant at the FY 2019 level of \$82 per ADM for FY 2021. The changes included:

- Establishing a new component of the state special education funding formula, known as cross subsidy reduction aid. Cross subsidy reduction aid will equal a percentage of each district’s “initial cross subsidy” for the prior fiscal year, with the percentages set at 6.43 percent for 2021. Initial cross subsidy is defined as the district’s nonfederal special education costs, including transportation, less state special education aid after tuition adjustments and general education aid attributable to students receiving special education services outside of the regular classroom for at least 60.00 percent of the school day. Charter schools are not eligible for cross subsidy reduction aid.
- Updating the pupil-driven portion of the initial special education aid formula to use FY 2018 data beginning in FY 2021, rather than continuing to use 2011 data adjusted for inflation.
- Phasing out the special education aid cap over two years, with the cap eliminated for FY 2021 and beyond.
- Reducing the tuition rate paid by the resident school district for open enrolled special education students served by another district or charter school from 90.00 percent of unfunded costs to 80.00 percent for FY 2021 and later. Charter schools will be eligible for additional special education aid from the state to fully offset the impact of the tuition rate change.
- Reducing the hold harmless guarantee by changing the formula to reduce reliance on the FY 2016 base year so that schools where special education expenditures have fallen or grown slowly since FY 2016 do not benefit disproportionately from the hold harmless guarantee compared to other schools. The percentage of FY 2019 regular program costs used to calculate the hold harmless will decrease to 85.00 percent for FY 2021, 80.00 percent for FY 2022, and 75.00 percent for FY 2023. In addition, the annual inflation adjustment used to calculate the hold harmless will be reduced by 0.20 percent annually from the 4.60 percent factor used in FY 2019 until the adjustment reaches 2.00 percent.
- The 2020 Legislature added that for FY 2020, expenditures for employees and contracted services that would have been eligible for state aid in the absence of school closure due to COVID-19 must be included as eligible expenditures for calculation of aid and for tuition billing, regardless of whether special education services were actually provided during the closure.

Achievement and Integration Revenue – School districts are authorized to carry over any unspent balance of their approved achievement and integration budget from FY 2020 into FY 2021. If spent for approved purposes in FY 2021, the districts would generate additional FY 2021 revenue over and above the regular formula limitations.

Operating Referendum/Local Optional Revenue – Effective for the tax levy payable in FY 2021, the operating referendum and local optional revenue (LOR) levies were simplified by transferring \$300 per pupil unit (PU) of referendum revenue to LOR, thereby eliminating the board-approved referendum levy and increasing the LOR levy authority to \$724 per PU. The referendum cap is reduced by the \$300 per PU transferred to LOR. The annual recalculation of referendum allowances approved prior to FY 2014 based on the amount of LOR a district opts to receive is also eliminated. Inflation adjusted referendum authority transferred to LOR will continue to be adjusted for the life of the referendum. This change is revenue neutral for all districts.

Operating Referendum Equalization – Effective for the tax levy payable in FY 2021, the equalizing factor for Tier 2 of the referendum (New Tier 1) is increased from \$510,000 to \$567,000. This is expected to provide \$9.4 million of property tax relief to taxpayers, and result in \$600,000 of additional referendum state aid for charter schools.

Fund Transfers – For fiscal years 2020 and 2021 only, a school district, charter school, or a cooperative unit may transfer any funds not already assigned or encumbered by staff salary and benefits, or otherwise encumbered by federal law, from any accounts or operating fund to the undesignated balance in any other operating fund. A fund transfer is allowed if the transfer meets the following criteria from Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8:

1. The transfer does not increase state aid obligations to the district or school or result in additional property tax authority for the district.
2. A transfer is limited to the operating funds of a school district, charter school, or cooperative unit.
3. A school board must approve any fund or account transfer before the reporting deadline for the respective fiscal year.
4. A school district, charter school, or cooperative unit must maintain accounting records for the purposes of this section that are sufficient to document both the specific funds transferred and use of those funds. The accounting records are subject to auditor review.
5. Any execution of this flexibility must not interfere with or jeopardize funding per federal requirements.
6. Any transfer must not interfere with the equitable delivery of distance learning or social distancing models.

Debt Service Payments – For FY 2021 only, a school district unable to make a required debt service payment due to a delay in property tax receipts may apply for modified cash flow payments from the state under Minnesota Statutes, Section 127A.45.

Pension Benefit Reforms – The 2018 pension bill included a number of reforms to the various defined benefit pension plans across the state. Employer contribution rates were increased for the Teachers Retirement Association (TRA) plan (a total increase of 1.25 percent phased in over a 6-year period beginning in FY 2019) and the St. Paul Teachers Retirement Fund Association (SPTRFA) plan (a total increase of 2.50 percent phased in over a 6-year period beginning in FY 2019). Employee contribution rates were also increased by 0.25 percent beginning in FY 2024 for the TRA plan and beginning in FY 2023 for the SPTRFA plan. The pension adjustment component of the general education aid formula was increased by an amount equal to the product of the salaries paid to members of these two plans times the district's pension adjustment rate for the fiscal year to help offset the cost of the employer contribution increases.

Workers' Compensation Claims – COVID-19 Presumption – The Legislature added several provisions to state unemployment statutes related to COVID-19, including a presumption that an employee who contracts COVID-19 has an occupational disease arising out of and in the course of employment if the employee works in one of the specified occupations and has a confirmed case of COVID-19. Covered occupations include nurses, healthcare workers, and workers required to provide childcare for first responders and healthcare workers under Executive Orders 20-02 and 20-19.

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ACCOUNTING AND AUDITING UPDATES

The following is a summary of GASB standards expected to be implemented in the next few years. Due to the COVID-19 pandemic, the GASB has delayed the original implementation dates of these and other standards as described below.

GASB STATEMENT NO. 87, *LEASES*

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of the four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for fiscal years beginning after June 15, 2021.

GASB STATEMENT NO. 92, *OMNIBUS 2020*

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post-employment benefits

- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post-employment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

GASB STATEMENT NO. 96, *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS*

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

This statement provides an exception for short-term SBITAs with a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB STATEMENT NO. 97, CERTAIN COMPONENT UNIT CRITERIA, AND ACCOUNTING AND FINANCIAL REPORTING FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLANS—AN AMENDMENT OF GASB STATEMENT NO. 14 AND NO. 84, AND A SUPERSESSION OF GASB STATEMENT NO. 32

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this statement that (1) exempt primary governments that perform the duties that a government board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this statement.

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INDEPENDENT SCHOOL DISTRICT NO. 284
WAYZATA, MINNESOTA

Special Purpose Audit Reports

Year Ended
June 30, 2020

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INDEPENDENT SCHOOL DISTRICT NO. 284

Special Purpose Audit Reports
Year Ended June 30, 2020

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INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures	Passed Through to Subrecipients	Noncash Assistance
U.S. Department of Agriculture				
Passed through Minnesota Department of Education				
Child nutrition cluster				
School Breakfast Program	10.553	\$ 60,068		
National School Lunch Program	10.555	784,530		\$ 282,958
COVID-19 – Summer Food Service Program for Children	10.559	865,980		
Total child nutrition cluster		\$ 1,710,578		
U.S. Department of Education				
Passed through Minnesota Department of Education				
Special education cluster				
Special Education Grants to States	84.027	2,489,236		
Special Education Preschool Grants	84.173	58,916		
Total special education cluster		2,548,152		
Title I Grants to Local Educational Agencies	84.010	691,786		
Career and Technical Education – Basic Grants to States	84.048	498,271	\$ 301,622	
Special Education – Grants for Infants and Families	84.181	45,715		
English Language Acquisition State Grants	84.365	43,296		
Supporting Effective Instruction State Grants	84.367	196,909		
Student Support and Academic Enrichment Program	84.424	85,196		
Passed through Independent School District No. 271				
Education for Homeless Children and Youth	84.196	2,241		
U.S. Department of Health and Human Services				
Direct				
Drug-Free Communities Support Program Grants	93.276	102,052		
Total federal awards		\$ 5,924,196		

Note 1: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the District's basic financial statements.

Note 2: All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.

Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.

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

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 24, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

(continued)

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
November 24, 2020

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

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Independent School District No. 284's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

(continued)

OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

PURPOSE OF THIS REPORT

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

(continued)

REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 24, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Minneapolis, Minnesota
November 24, 2020

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 24, 2020.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

PURPOSE OF THIS REPORT

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

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

Minneapolis, Minnesota
November 24, 2020

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INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

Financial Statements

What type of auditor's report is issued?

<u> X </u>	Unmodified
<u> </u>	Qualified
<u> </u>	Adverse
<u> </u>	Disclaimer

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to the financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported

Type of auditor's report issued on compliance for major programs?

U.S. Department of Agriculture – child nutrition cluster	Unmodified

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

Programs tested as major programs:

<u>Program or Cluster(s)</u>	<u>CFDA No.</u>
The U.S. Department of Agriculture – child nutrition cluster consisting of:	
– School Breakfast Program	10.553
– National School Lunch Program	10.555
– COVID-19 – Summer Food Service Program for Children	10.559

Threshold for distinguishing type A and B programs.	<u>\$ 750,000</u>

Does the auditee qualify as a low-risk auditee?	<u> X </u> Yes	<u> </u> No

INDEPENDENT SCHOOL DISTRICT NO. 284

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2020

B. FINANCIAL STATEMENT FINDINGS

None.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

D. MINNESOTA LEGAL COMPLIANCE FINDINGS

None.



PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT ON UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE

To the School Board and Management of
Independent School District No. 284
Wayzata, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 284 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 24, 2020.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education (MDE), and is not a required part of the basic financial statements of the District. The UFARS Compliance Table is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the UFARS Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(continued)

The purpose of this report on the UFARS Compliance Table, required by the MDE, is solely to describe the scope of our testing of the UFARS Compliance Table and the results of that testing based on our audit. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota

November 24, 2020

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INDEPENDENT SCHOOL DISTRICT NO. 284

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2020

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		\$ 175,850,603	\$ 175,850,603	\$ –
Total expenditures		\$ 171,077,324	\$ 171,077,322	\$ 2
Nonspendable				
460	Nonspendable fund balance	\$ 611,106	\$ 611,106	\$ –
Restricted				
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ 279,947	\$ 279,947	\$ –
403	Staff development	\$ 561,290	\$ 561,290	\$ –
406	Health and safety	\$ –	\$ –	\$ –
407	Capital projects levy	\$ 1,357,564	\$ 1,357,564	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
423	Certain teacher programs	\$ –	\$ –	\$ –
424	Operating capital	\$ 4,043,930	\$ 4,043,930	\$ –
426	\$25 taconite	\$ –	\$ –	\$ –
427	Disabled accessibility	\$ –	\$ –	\$ –
428	Learning and development	\$ –	\$ –	\$ –
434	Area learning center	\$ –	\$ –	\$ –
435	Contracted alternative programs	\$ –	\$ –	\$ –
436	State approved alternative program	\$ –	\$ –	\$ –
438	Gifted and talented	\$ –	\$ –	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
441	Basic skills programs	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
449	Safe schools levy	\$ 191,570	\$ 191,570	\$ –
450	Pre-kindergarten	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459	Basic skills extended time	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ (421,471)	\$ (421,471)	\$ –
472	Medical Assistance	\$ 341,472	\$ 341,472	\$ –
473	PPP loans	\$ –	\$ –	\$ –
474	EIDL loans	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
475	Title VII – Impact Aid	\$ –	\$ –	\$ –
476	PILT	\$ –	\$ –	\$ –
Committed				
418	Committed for separation	\$ –	\$ –	\$ –
461	Committed fund balance	\$ –	\$ –	\$ –
Assigned				
462	Assigned fund balance	\$ 5,529,336	\$ 5,529,336	\$ –
Unassigned				
422	Unassigned fund balance	\$ 19,452,216	\$ 19,452,217	\$ (1)
Food Service				
Total revenue		\$ 5,895,704	\$ 5,895,704	\$ –
Total expenditures		\$ 6,730,260	\$ 6,730,260	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 137,471	\$ 137,471	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ (137,471)	\$ (137,471)	\$ –
Community Service				
Total revenue		\$ 10,282,802	\$ 10,282,802	\$ –
Total expenditures		\$ 11,410,373	\$ 11,410,374	\$ (1)
Nonspendable				
460	Nonspendable fund balance	\$ 850	\$ 850	\$ –
Restricted				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ 649	\$ 649	\$ –
432	ECFE	\$ 357,530	\$ 357,530	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
444	School readiness	\$ 114,044	\$ 114,044	\$ –
447	Adult basic education	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
473	PPP loans	\$ –	\$ –	\$ –
474	EIDL loans	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 381,874	\$ 381,874	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 284

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2020

		Audit	UFARS	Audit – UFARS
Building Construction				
Total revenue		\$ 619,538	\$ 619,538	\$ –
Total expenditures		\$ 48,211,089	\$ 48,211,088	\$ 1
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
407	Capital projects levy	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ 1,448,716	\$ 1,448,716	\$ –
467	Long-term facilities maintenance	\$ (4,611,885)	\$ (4,611,885)	\$ –
464	Restricted fund balance	\$ 22,067,521	\$ 22,067,521	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service				
Total revenue		\$ 12,430,729	\$ 12,430,729	\$ –
Total expenditures		\$ 12,881,500	\$ 12,881,500	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
433	Maximum effort loan	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 2,683,374	\$ 2,683,374	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Trust				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
Custodial Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Internal Service				
Total revenue		\$ 19,710,386	\$ 19,710,386	\$ –
Total expenditures		\$ 18,184,891	\$ 18,184,891	\$ –
422	Net position	\$ 1,669,104	\$ 1,669,104	\$ –
OPEB Revocable Trust Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
OPEB Irrevocable Trust Fund				
Total revenue		\$ 2,026,350	\$ 2,026,350	\$ –
Total expenditures		\$ 1,710,785	\$ 1,710,785	\$ –
422	Net position	\$ 32,837,303	\$ 32,837,303	\$ –
OPEB Debt Service Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

Note 1: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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INDEPENDENT SCHOOL DISTRICT NO. 284 WAYZATA, MINNESOTA

**Audit Report
Year Ended June 30, 2020**

- **Opinions on Financial Statements**
 - **District Audit**
 - **Schedule of Expenditures of Federal Awards**
- **Internal Controls and Compliance**
 - **Financial Statement Audit**
 - **Federal “Single Audit”**
 - **State Laws and Regulations**



AUDIT RESULTS – FINANCIAL STATEMENT AUDIT

- **Unmodified Opinion on Basic Financial Statements**
 - **Emphasis of GASB #84 standard implementation**
- **Internal Control and Compliance – Financial Statement Audit**
 - **No Internal Control Findings Reported**
 - **No Compliance Findings Reported**
- **Minnesota Legal Compliance Audit**
 - **No Compliance Findings Reported**

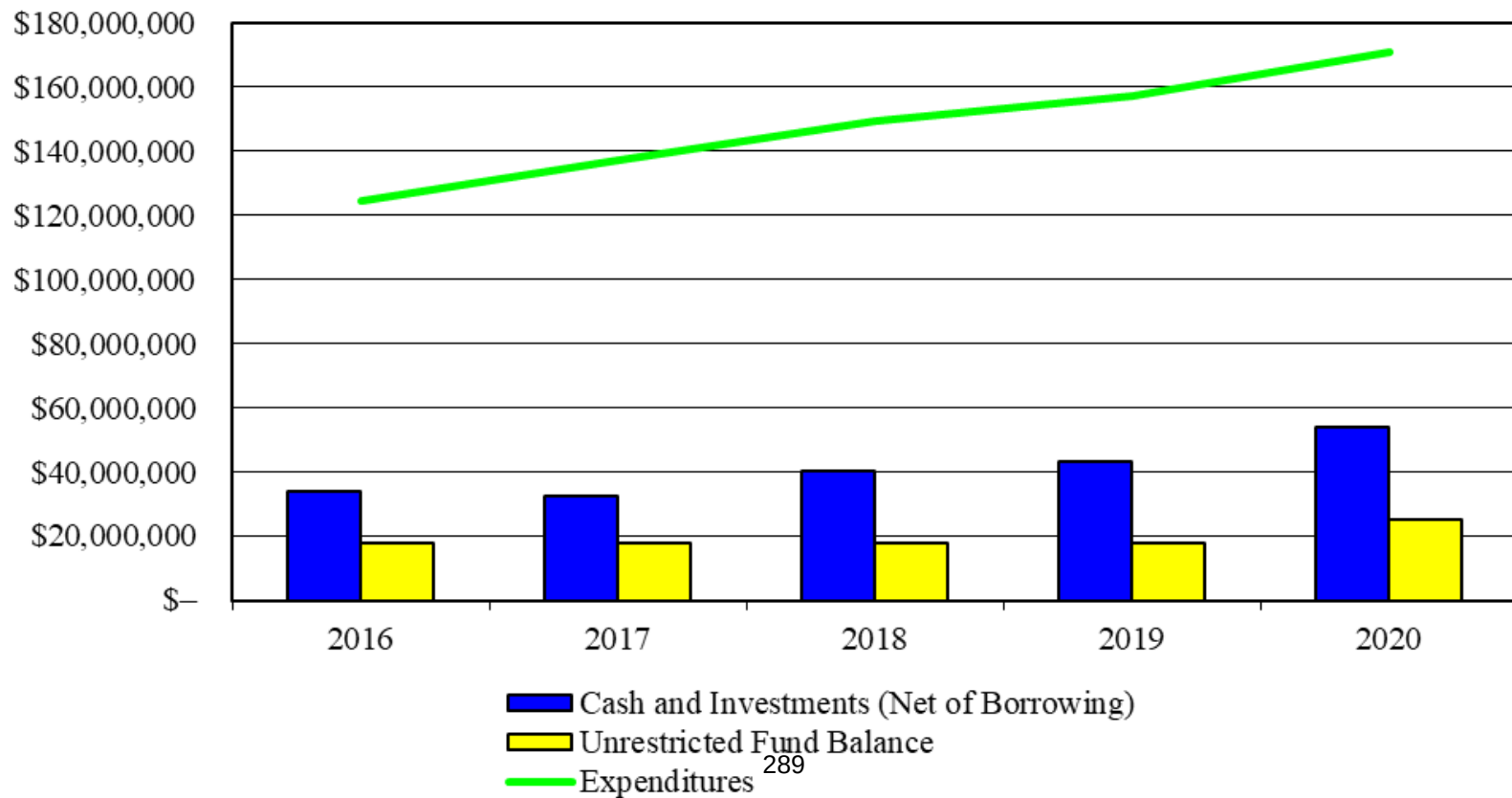


AUDIT RESULTS – FEDERAL SINGLE AUDIT

- **SEFA Fairly Stated in Relation to Basic Financial Statements**
- **Internal Controls Over Compliance**
 - No Internal Control Findings Reported
- **Compliance with Federal Single Audit**
 - No Compliance Findings Reported

GENERAL FUND FINANCIAL POSITION

General Fund Financial Position
 Year Ended June 30,



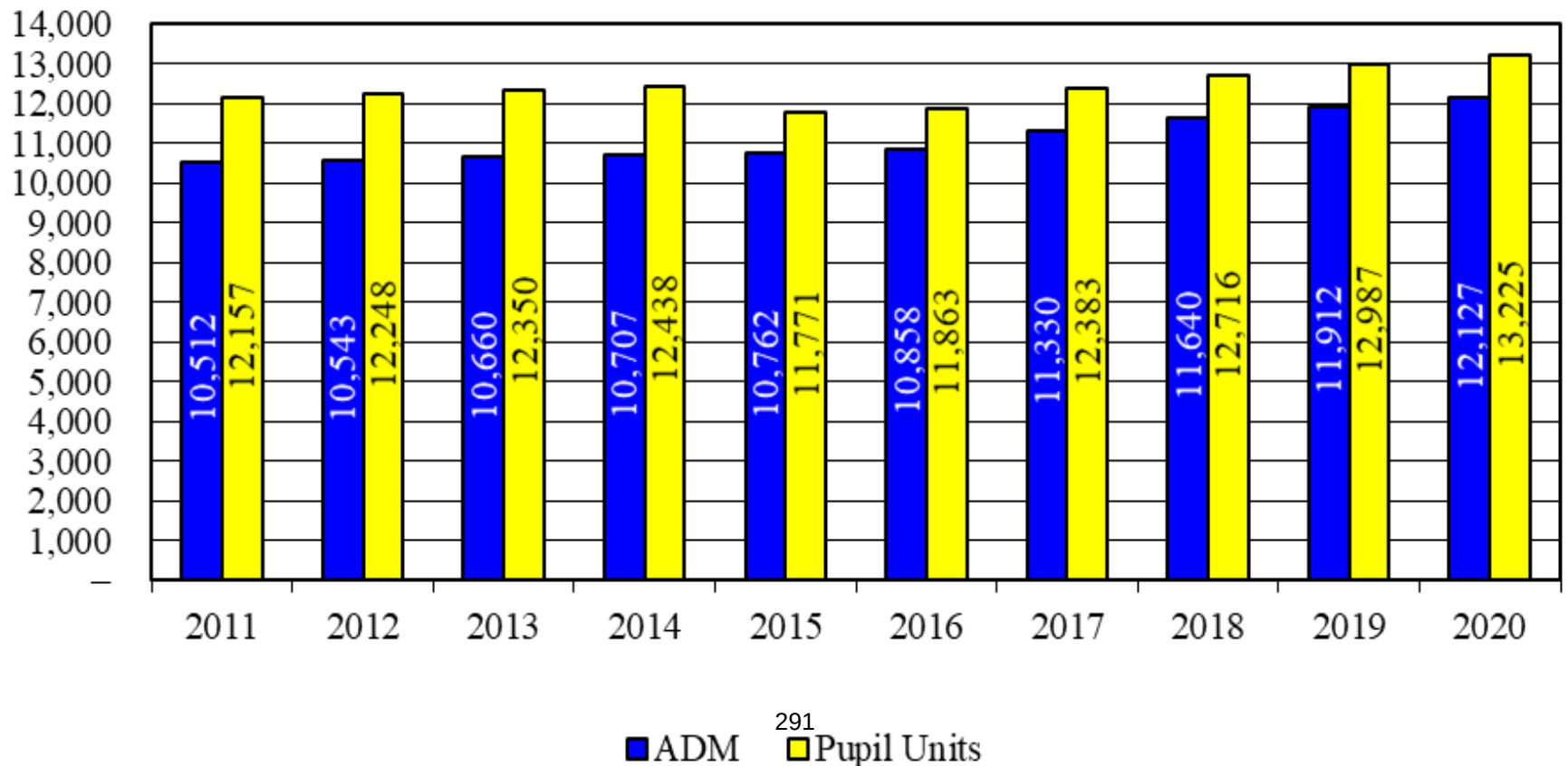
GENERAL FUND FINANCIAL POSITION

	June 30,				
	2016	2017	2018	2019	2020
Nonspendable fund balances	\$ 196,566	\$ 355,711	\$ 287,085	\$ 316,399	\$ 611,106
Restricted fund balances (1)	5,838,351	(2,117,536)	1,979,878	7,600,701	6,354,302
Unrestricted fund balances					
Committed	2,889,790	—	—	—	—
Assigned	5,482,867	4,918,059	5,712,743	5,369,294	5,529,336
Unassigned	9,347,456	12,992,870	12,095,480	12,681,756	19,452,216
 Total fund balance	 \$ 23,755,030	 \$ 16,149,104	 \$ 20,075,186	 \$ 25,968,150	 \$ 31,946,960
 Total expenditures	 \$ 124,483,267	 \$ 137,460,334	 \$ 149,384,155	 \$ 157,201,516	 \$ 171,077,324
 Unrestricted fund balances as a percentage of expenditures	 14.2%	 13.0%	 11.9%	 11.5%	 14.6%
 Unassigned fund balances as a percentage of expenditures	 7.5%	 9.5%	 8.1%	 8.1%	 11.4%

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

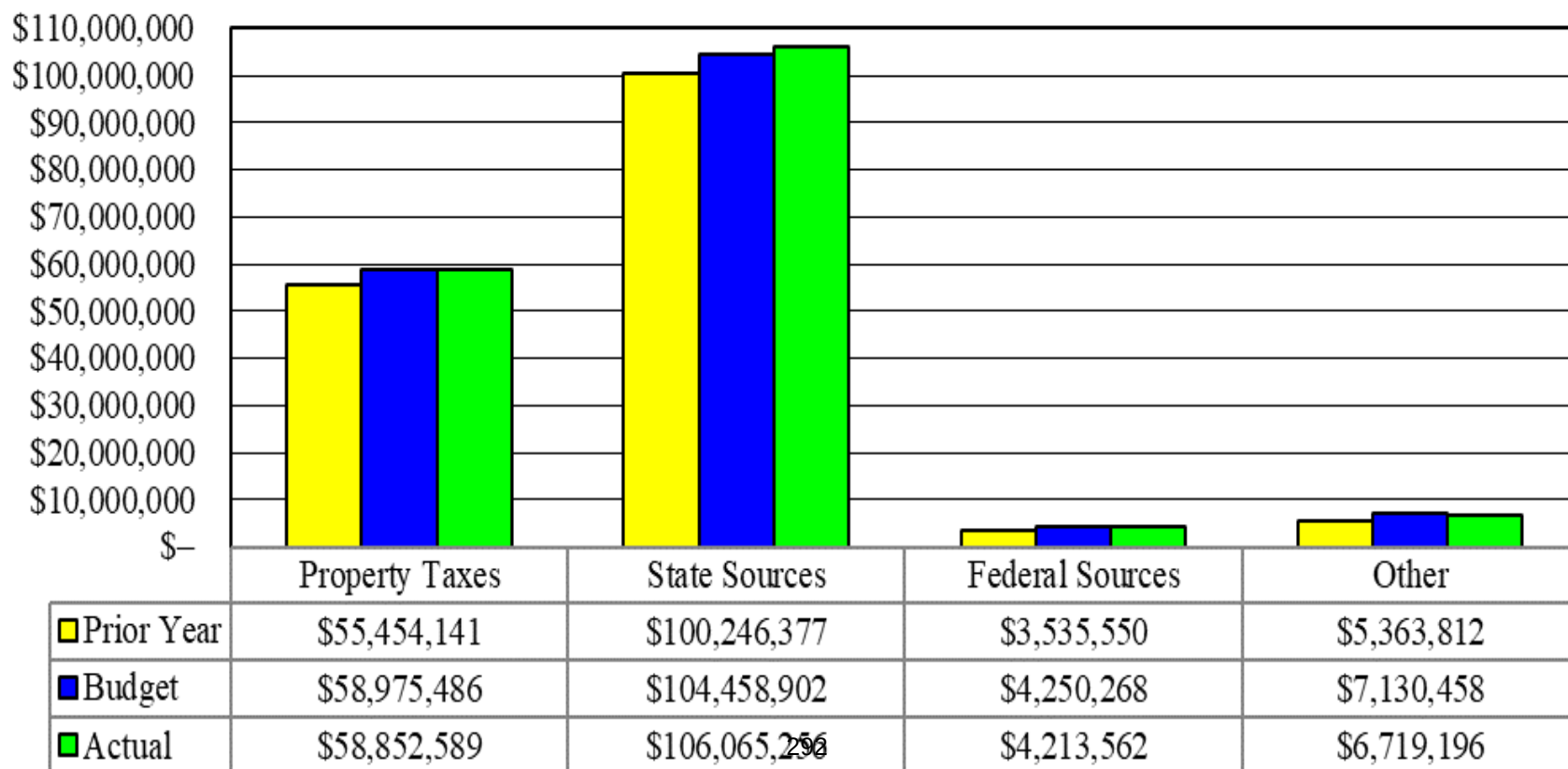
ADJUSTED ADM AND PUPIL UNITS SERVED

Adjusted ADM and Pupil Units Served



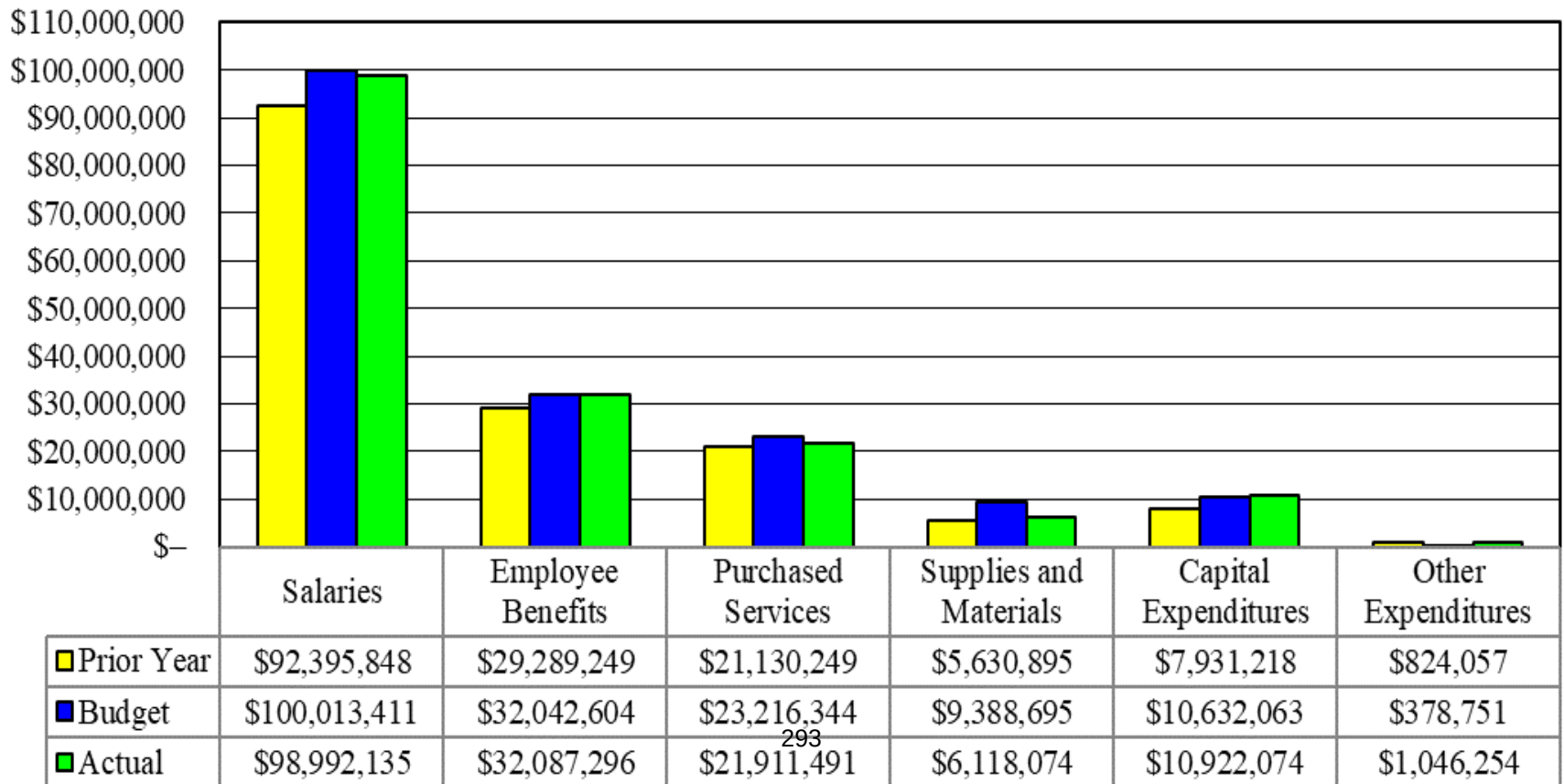
GENERAL FUND REVENUE

General Fund Revenue



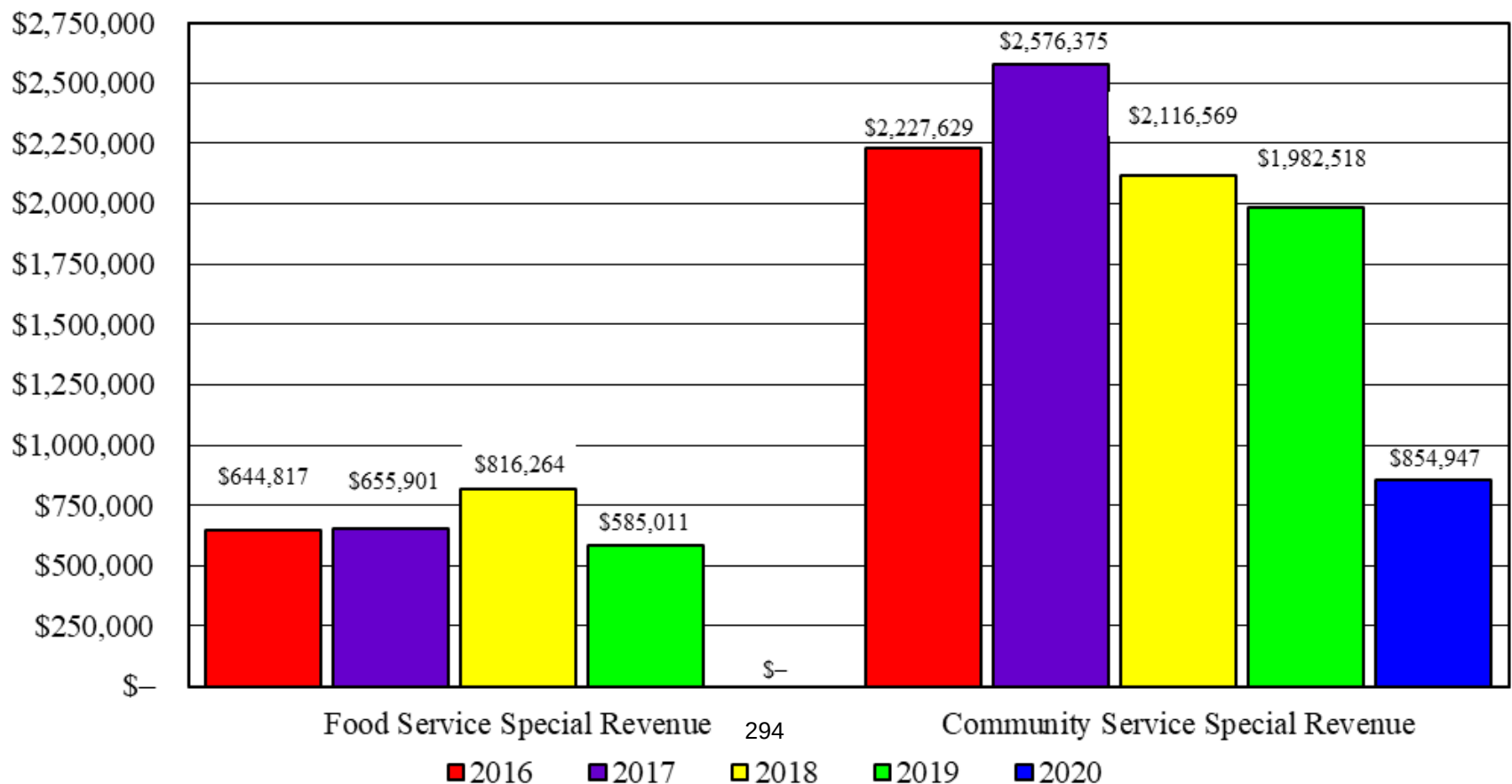
GENERAL FUND EXPENDITURES

General Fund Expenditures



OTHER OPERATING FUNDS – YEAR-END FUND BALANCES

Other Operating Funds
 Total Fund Balances



INTERNAL SERVICE FUNDS

	Self- Insurance Accounts	Early Retirement Accounts
Change in net position		
Operating revenue – charges for services	\$ 19,431,294	\$ –
Operating expenses – benefits	17,133,218	1,051,673
Operating income (loss)	2,298,076	(1,051,673)
Nonoperating revenue	72,948	206,144
Income (loss) before transfers	2,371,024	(845,529)
Transfers in	22,148	–
Transfers (out)	–	(315,468)
Change in net position	2,393,172	(1,160,997)
Net position		
Beginning of year	1,639,987	(1,203,058)
End of year	\$ 4,033,159	\$ (2,364,055)



DISTRICT-WIDE STATEMENT OF NET POSITION

	June 30,		
	2020	2019	Change
Net position – governmental activities			
Total fund balances – governmental funds	\$ 54,389,633	\$ 63,918,628	\$ (9,528,995)
Total capital assets, net of depreciation	260,420,109	240,433,942	19,986,167
Bonds, certificates, and leases, net of premiums	(255,647,524)	(236,114,659)	(19,532,865)
Pensions, net of deferred outflows and inflows	(135,929,881)	(125,939,381)	(9,990,500)
OPEB, net of deferred outflows and inflows	(17,491,506)	(14,469,615)	(3,021,891)
Other adjustments	(2,362,991)	(3,097,221)	734,230
Total net position – governmental activities	<u>\$ (96,622,160)</u>	<u>\$ (75,268,306)</u>	<u>\$ (21,353,854)</u>
Net position			
Net investment in capital assets	\$ 27,572,468	\$ 37,050,317	\$ (9,477,849)
Restricted	9,472,475	10,648,975	(1,176,500)
Unrestricted	<u>(133,667,103)</u>	<u>(122,967,598)</u>	<u>(10,699,505)</u>
Total net position	<u>²⁹⁶\$ (96,622,160)</u>	<u>\$ (75,268,306)</u>	<u>\$ (21,353,854)</u>



BOARD OF EDUCATION
Regular Meeting – December 14, 2020

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business

Truth in Taxation

School districts are required to meet the Truth in Taxation requirements for levy year 2020, taxes payable 2021. While school districts are no longer required to hold a separate Truth in Taxation hearing, they are required to discuss the payable 2021 levy and the current year budget at a regularly scheduled board meeting.

Truth in Taxation requirements are as follows:

- On or before September 30, 2020, each school district must adopt a proposed 2020 payable 2021 property tax levy and certify and submit it to the county auditor.
- The country auditor mails parcel specific tax notices to each owner in the district.
- The school district is required to discuss the payable 2021 levy and current year budget.
- The public is given time to speak.
- The school board must adopt a final levy by December 31, 2020.

No School Board action is required.

Truth-in-Taxation Presentation for Taxes Payable in 2021

December 14, 2020

School Board Regular Meeting

7:00 p.m.



Excellence. For each and every student.

Notice of
Proposed Property Taxes
Independent School District 284

The Wayzata Independent School District 284 will include in its regularly scheduled meeting a presentation on its current budget and on the amount of property taxes it is proposing to collect in 2021 to pay for a portion of the costs of the district for the 2021-2022 school year.

Attend the Regularly Scheduled School Board Meeting
All residents of the school district are invited to attend the Board Meeting to express their opinions on the current budget and on the proposed amount of 2021 property taxes.

The meeting may be held virtually. For current meeting details visit [Hennepin.us/TNT](https://hennepin.us/TNT):

Monday, December 14, 2020

at 7:00 p.m.



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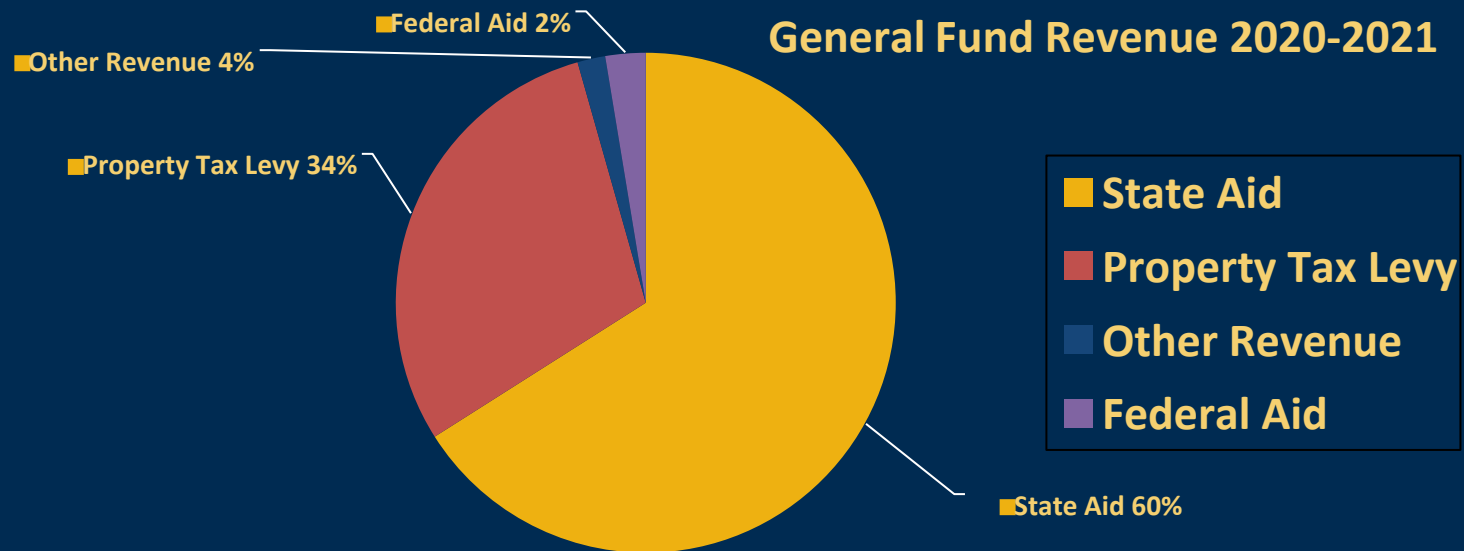
2020-2021 Budget

FUND	REVENUE	EXPENDITURES
General Fund	\$183,687,479	\$183,928,655
Food Service	7,011,600	7,287,596
Community Svc.	11,293,743	11,008,987
Construction	-	11,000,000
Debt Service	14,614,917	14,183,262
TOTAL	\$216,607,739	\$227,408,500



Excellence. For each and every student.

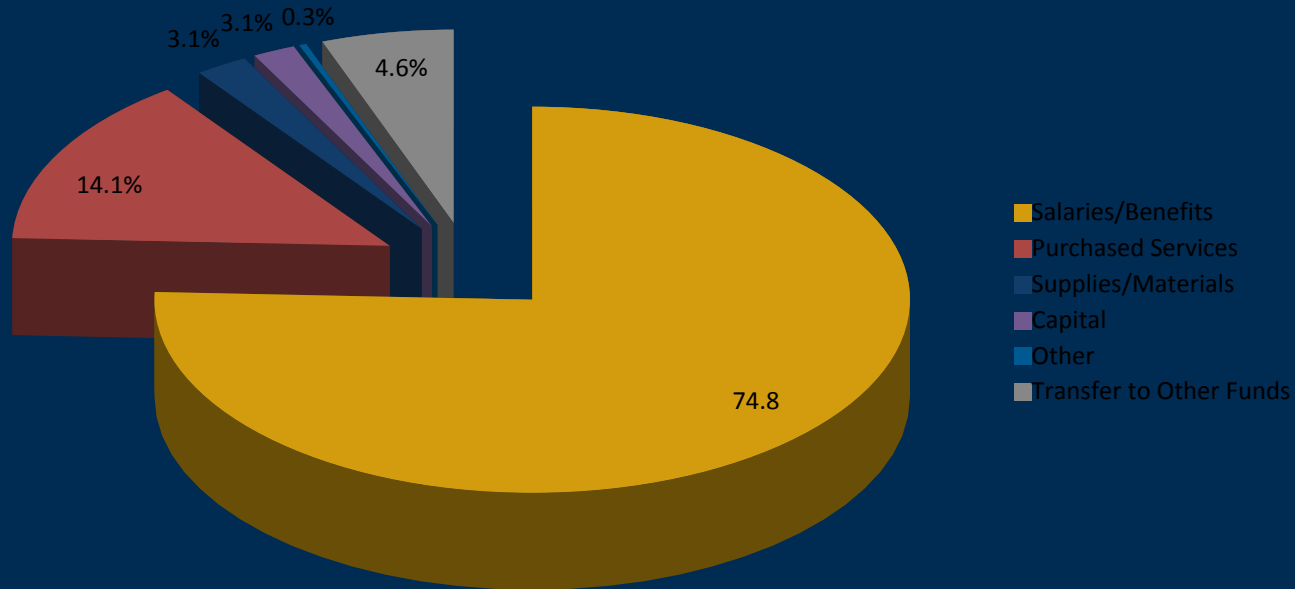
Budget Basics – Revenue Sources



Excellence. For each and every student.

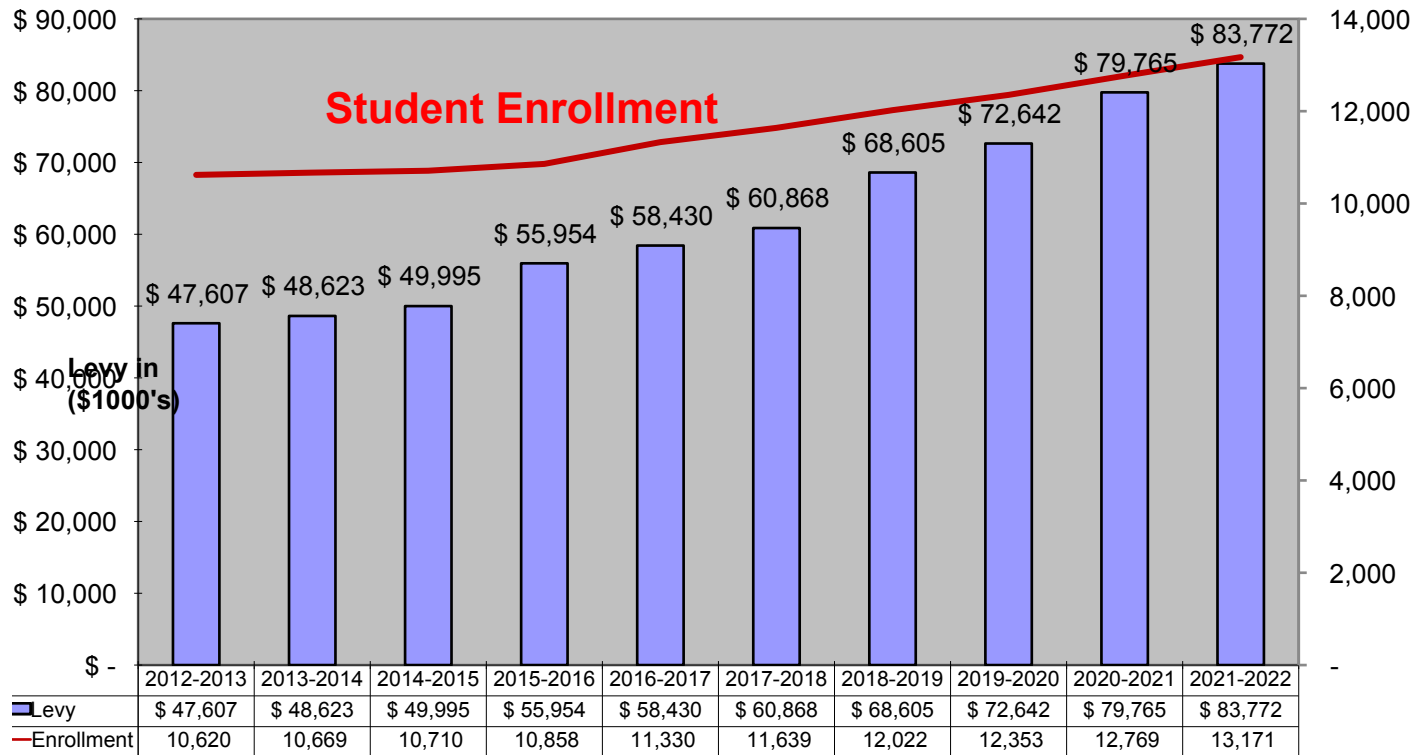
Budget Basics – Expenditure Categories

2020-2021 Object Amount



Excellence. For each and every student.

Property Tax Levy History



Excellence. For each and every student.

Final Proposed Pay 2021 Levy

- 2021 Proposed Levy: \$83,771,787.11
- 2020 Certified Levy: \$79,764,941.22
- Change: \$4,006,845.89, or 5.02% while District's property tax base increased 7%



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Total Levy All Funds - Proposed

<u>FUND</u>	Proposed <u>2021 Levy</u>	Payable <u>2020 Levy</u>	\$ <u>Change</u>	% <u>Change</u>
General	\$ 66,503,536	\$ 63,266,971	\$ 3,236,564	5.12%
Community Service	\$ 2,177,497	\$ 1,888,453	\$ 289,044	15.31%
Debt Service	\$ 15,090,755	\$ 14,609,517	\$ 481,237	3.29%
Total	\$ 83,771,787	\$ 79,764,942	\$ 4,006,845	5.02%



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Final Proposed Pay 2021 Levy

The School Board approved a 5.02% increase in its property tax levy in 2021 while the property tax base grew by 7%

These amounts reflect the items approved by voters in November 2017:

- Voters approved to increase the District's operating referendum beginning in 2018
- Voters approved issuing \$70 million in bond funding for District facilities
- Voters approved the renewal of technology funding beginning in 2018
- The Board reduced its Long-Term Facilities Maintenance Revenue by \$3 million



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Effect on Taxpayers

- The District's tax levy is spread to property owners based upon taxable market value
- There **is not** a direct correlation between the District's total levy change and what individual property owners will pay
- The District's tax base increased by more than **\$900 million** in market value from the prior year
- The District's tax base has increased by more than 46% over the last six years which has served to soften the impact of any increase in the District's total levy



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Effect on Taxpayers

						\$ Chg	% Chg	\$ Chg	% Chg
	<u>2020 Value</u>	<u>2021 Value</u>	<u>2019 taxes</u>	<u>2020 Taxes</u>	<u>2021 Taxes</u>	<u>2020 taxes</u>	<u>2020 taxes</u>	<u>2020 MV</u>	<u>2019 MV</u>
Corcoran	432,000.00	447,000.00	\$2,091.21	\$2,149.18	\$2,194.75	\$ 45.57	2.18%	15,000	3.47%
Maple Grove	532,000.00	535,400.00	\$2,651.47	\$2,667.98	\$2,652.75	\$ (15.23)	-0.57%	3,400	0.64%
Maple Grove	473,500.00	504,800.00	\$2,301.79	\$2,355.64	\$2,481.78	\$ 126.14	5.48%	31,300	6.61%
Medicine Lake	560,000.00	601,000.00	\$2,846.39	\$2,825.96	\$3,018.99	\$ 193.03	6.78%	41,000	7.32%
Medina	721,000.00	785,000.00	\$3,731.17	\$3,734.36	\$4,046.27	\$ 311.91	8.36%	64,000	8.88%
Medina	527,000.00	544,000.00	\$2,469.66	\$2,639.93	\$2,700.63	\$ 60.70	2.46%	17,000	3.23%
Minnetonka	483,900.00	509,700.00	\$2,245.62	\$2,407.39	\$2,509.07	\$ 101.68	4.53%	25,800	5.33%
Minnetonka	229,047.00	229,265.00	\$1,134.16	\$1,174.58	\$1,159.55	\$ (15.03)	-1.33%	218	0.10%
Plymouth	372,000.00	354,000.00	\$1,699.09	\$1,850.68	\$1,738.12	\$ (112.56)	-6.62%	(18,000)	-4.84%
Plymouth	391,130.00	399,850.00	\$1,832.03	\$1,950.09	\$1,965.93	\$ 15.84	0.86%	8,720	2.23%
Plymouth	484,000.00	500,000.00	\$2,125.08	\$2,407.88	\$2,455.00	\$ 47.12	2.22%	16,000	3.31%
Plymouth	453,000.00	477,000.00	\$2,178.33	\$2,253.66	\$2,342.06	\$ 88.40	4.06%	24,000	5.30%
Plymouth	719,000.00	735,000.00	\$3,643.77	\$3,723.07	\$3,767.11	\$ 44.04	1.21%	16,000	2.23%
Wayzata	907,000.00	892,000.00	\$4,610.60	\$4,783.64	\$4,643.50	\$ (140.14)	-3.04%	(15,000)	-1.65%
Wayzata	966,000.00	995,000.00	\$4,932.72	\$5,116.34	\$5,218.69	\$ 102.35	2.07%	29,000	3.00%



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Changes from Last Year

- Largest General Fund levy changes are attributed to continued resident student enrollment growth, voter approved referendum authority, and technology levies approved by voters in November 2017.
- Largest Community Services Fund levy changes are attributed to continued resident student enrollment growth and School Aged Care.
- Largest Debt Service fund changes are attributed to payments on \$70 million in voter approved bond authority approved by voters in November 2017, although the growth in the District's tax base is softening individual taxpayer's impact less than the amounts communicated in 2017.



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Truth-in-Taxation Presentation for Taxes Payable in 2021

Discussion and Opportunity
for the Public to comment.



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- i. Opportunity for Public Comment
- 4. Certification of Payable 2021 Property Tax Levy

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BOARD OF EDUCATION
Regular Meeting – December 14, 2020

AGENDA SECTION: Administrative Reports and Recommendations

ITEM: Finance and Business Services Recommendations

COMMENTS BY: Jim Westrum, Executive Director of Finance and Business

Certification of 2020 Payable 2021 Property Tax Levy

District administration recommends certification of the 2020 Payable 2021 Property Tax Levy in the amount of \$83,771,787.11. This amount represents a \$4.01 million, or 5.02% increase from the Payable 2020 levy, while the District's property tax base has grown by approximately 7%. Levy amounts by fund or type are as follows:

General Fund – Referendum Market Value – Voter Approved	\$24,923,180.60
General Fund – Referendum Market Value – Other	11,324,729.96
General Fund – Net Tax Capacity – Voter Approved	8,385,892.17
General Fund – Net Tax Capacity – Other	21,869,733.06
Community Service Fund	2,177,496.53
Debt Service Fund – Net Tax Capacity – Voter Approved	11,434,445.91
Debt Service Fund – Net Tax Capacity - Other	3,656,308.88
Total Certified Levy	<u>\$83,771,787.11</u>

Recommended Action: Approve and certify the maximum allowable levy amount of \$83,771,787.11 and authorize the Board Clerk to sign the attached final 2020 Payable 2021 Levy for Independent School District No. 284.

Motion by: _____ **ROLL CALL** **Passed:** _____

Second by: _____ **Failed:** _____

Abstentions: _____

Minnesota Department of Education
Levy Limitation and Certification Report
2020 Payable 2021

District Number-Type: 0284-01
District Name: Wayzata Public School District
Home County: HENNEPIN

Date Printed: 12/14/20
Limits Updated: 11/17/20
Certified Submitted: 12/14/20

	LIMIT	PROPOSED	CERTIFIED
SUBTOTALS BY LEVY CATEGORY			
GENERAL - RMV VOTER - JOBZ EXEMPT	24,923,180.60	24,923,180.60	24,923,180.60
GENERAL - RMV OTHER - JOBZ EXEMPT	11,324,729.96	11,324,729.96	11,324,729.96
GENERAL - NTC VOTER - JOBZ EXEMPT	8,385,892.17	8,385,892.17	8,385,892.17
GENERAL - NTC OTHER GENED - EXEMPT	0.00	0.00	0.00
GENERAL - NTC OTHER - JOBZ EXEMPT	21,869,733.06	21,869,733.06	21,869,733.06
COMMUNITY SERVICE - NTC OTHER - JOBZ EXEMPT	2,177,496.53	2,177,496.53	2,177,496.53
GENERAL DEBT - NTC VOTER - JOBZ NONEXEMPT	11,434,445.91	11,444,194.89	11,434,445.91
GENERAL DEBT - NTC OTHER - JOBZ NONEXEMPT	3,656,308.88	3,808,382.25	3,656,308.88
OPEB DEBT - NTC VOTER - JOBZ NONEXEMPT	0.00	0.00	0.00
OPEB DEBT - NTC OTHER - JOBZ NONEXEMPT	0.00	0.00	0.00
SUBTOTALS BY FUND			
GENERAL FUND	66,503,535.79	66,503,535.79	66,503,535.79
COMMUNITY SERVICES FUND	2,177,496.53	2,177,496.53	2,177,496.53
GENERAL DEBT SERVICE FUND	15,090,754.79	15,252,577.14	15,090,754.79
OPEB/PENSION DEBT SERVICE FUND	0.00	0.00	0.00
SUBTOTALS BY TAX BASE			
REFERENDUM MARKET VALUE	36,247,910.56	36,247,910.56	36,247,910.56
NET TAX CAPACITY	47,523,876.55	47,685,698.90	47,523,876.55
SUBTOTALS BY TRUTH IN TAXATION CATEGORY			
VOTER APPROVED	44,743,518.68	44,753,267.66	44,743,518.68
OTHER	39,028,268.43	39,180,341.80	39,028,268.43
TOTAL LEVY			
TOTAL LEVY	83,771,787.11	83,933,609.46	83,771,787.11

The school district must submit the completed original of this form to the home county auditor by December 28, 2020. A duplicate form must be submitted to Minnesota Department of Education, School Finance Division, 1500 Highway 36 West, Roseville, MN 55113, by January 7, 2021.

The certified levy listed above is the levy voted by the school board for taxes payable in 2021.

Signature of School Board Clerk

Date of Certification

- D. Human Resource Services
- 8. **OTHER BOARD ACTION**
- 9. **BOARD REPORTS**

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Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Board Reports

ITEM: Board Reports

COMMENTS BY: Andrea Cuene, Board Chair

This section of the agenda provides an opportunity for Board members to update school board members on school board-related work or to make announcements of interest to the public.



BOARD OF EDUCATION
Regular Meeting – December 14, 2020

AGENDA SECTION: Board Reports

ITEM: Legislative Action Committee (LAC) Platform

COMMENTS BY: Legislative Action Committee

The Legislative Action Committee has prepared the 2021 Legislative Platform for School Board review. Please see attached document.

Recommended Action: Affirm the Legislative Action Committee's Platform for the 2021 calendar year.

Motion by: _____

ROLL CALL

Passed: _____

Second by: _____

Failed: _____

Abstentions: _____

Key:

Text that is blue and bold is our ask

Text in blue and regular font is a brief summary of our ask.

Text in black is copy for Platform Supplemental Document.

2021 Wayzata Legislative Platform and Supplemental

The students and families of Wayzata Public Schools thank you for the important work you have completed on behalf of our community and throughout Minnesota. We depend on you to make decisions that support our mission.

During the 2021 legislative session, Wayzata Public Schools looks to the Governor and the Legislature to provide leadership and support these priorities.

The ongoing COVID-19 Pandemic has forced school districts across the state, nation and world to innovate teaching and learning practices as well as implement more stringent health and safety practices. Wayzata Public Schools received \$3 million in CARES Act funds to help offset additional costs of cleaning and staffing. However, Students, Families, Teachers and Staff have been adversely affected by changing conditions, expectations and sense of stability in their work and home lives and need additional mental, physical and logistical supports during this challenging time.

OUR MAIN PRIORITIES

Increase the State Funding Formula by 3% Each Year of the 2021-2023 Biennium

Our district lacks adequate resources for their students when State Funding, the largest funding source for school districts, doesn't keep-up with inflation.

Predictable, adequate and sustainable funding is essential for school districts to deliver on the Legislature's vision of the World's Best Workforce. If the per pupil funding formula had kept-up with inflation, school districts would realize \$503 per student of additional funding.

The vast majority of increased state general education spending during the last two bienniums does not represent new operating revenue for school districts and does not negate the need for investments in the basic education formula allowance.

Over the past decade, our district's expenses increased by approximately 3% every year.

We ask the Legislature to show their commitment to our students, to the World's Best Workforce and to closing the achievement and opportunity gap by providing predictable, adequate and sustainable funding.

Providing a consistent increase on the formula that accounts for cost increases and inflation will help Wayzata Public Schools meet its obligations to provide the best possible education for each and every student.

We ask the Legislature to recognize geographical operating cost differences. Metropolitan school districts face significantly higher labor costs than their rural counterparts. Unlike many states, Minnesota's education funding formula does not recognize the geographic wage differentials.

We ask the Legislature to mitigate the impact of the COVID-19 Pandemic by allowing school districts to use the greater of the 2019 or 2020 pupil counts for funding formulas. Bills have been introduced in both the House of Representatives and Senate during 2020 Special Sessions.

Work Toward Fully-Funding Special Education

Wayzata Public Schools pays 6.2% of our general fund on our Special Education cross-subsidy to cover mandated special education services. We ask that the Legislature make all recent aids permanent.

A cross-subsidy is the difference between revenues and expenditures.

The Federal and State Governments have not met their obligations to fully-fund special education. The special education cross-subsidy is the result of Federal and State mandates, inadequate Federal and State funding and the high-level of services needed by and delivered to Minnesota's special education students. Wayzata's 2017-2018 special education cross-subsidy was \$9,427,117.

Not only do we ask the Legislature to work toward fully-funding special education, we ask the Legislature to help reduce the cross-subsidy with a phased-in approach to increase funding to reduce the cross-subsidy by 50% over four years.

We thank the Legislature for creating a new category of special education aid called Cross-Subsidy Reduction Aid. Wayzata Public Schools will receive \$880,000 for the current 2019-2021 biennium. We ask this aid to be made permanent and increase 3% for the 2022-2023 biennium.

Due to the ongoing COVID-19 Pandemic, many students receiving special education services have been attending in-person when it is safe to do so.

Oppose New Unfunded Mandates

Federal and state mandates should have a clearly articulated purpose, and funding necessary to comply should be appropriated by the Legislature.

One-size-fits-all mandates stifle innovation and creativity. Locally elected school boards are in the best position to work with their students, parents and communities to address local needs and challenges. Refrain from enacting new unfunded mandates and reduce existing mandates and burdensome paperwork requirements.

Due to the ongoing COVID-19 Pandemic, school districts need the flexibility to manage the individual needs of each and every student.

FUTURE AND ONGOING CONSIDERATIONS

Increase Funding for Counselors, School Nurses and Social Workers

A truly robust system to ensure a safe and healthy environment for learning includes having both mental health and physical health supports in place for our students.

Wayzata Public Schools are committed to a world-class education for each and every student; including the support of Counselors, School Nurses and Social Workers. Ensuring schools have the resources to provide students access to these services and support is essential to providing a setting conducive to success.

The 2019 Minnesota Department of Education Student Survey for grades 5, 8, 9 and 11 illustrates the needs of students are growing both inside and outside of school. Compared to the last time this survey was conducted in 2016, the results show:

- More students are reporting long-term mental, behavioral and emotional problems.
- Fewer students report feeling safe - both at home, school, to/from school and their neighborhoods.
- Fewer students also report feeling engaged in school.
- Fewer students believe their school provides a good learning environment.
- Fewer students are reporting good health.

School nurses, counselors and social workers are vital in creating a healthy, safe and supportive school environment; however, Minnesota has higher ratios in these areas than the national recommendations. In order to meet the growing needs of our students, we ask for the Legislature's commitment to ensure that our students receive the support they need to succeed both in school and beyond.

During the COVID-19 Pandemic, school counselors, nurses, and social workers are providing more services to more students and families by providing virtual wellness check-in opportunities and tools that can be used at home.

Make Safe Schools Aid Permanent

School districts need adequate resources to fund safe learning environments. We ask that the Legislature make all recent school safety aids permanent.

We thank the Legislature for the one-time Safe Schools Aid being paid out in the 2020 fiscal year – approximately \$400,000. This aid helps schools with one-time costs like equipment and facilities, but districts also have recurring costs which they need to plan for long-term.

We ask the Legislature to make the Safe Schools Aid permanent and increase the funding to facilitate this long-term planning. Doing so would enable districts to adequately gauge the supports – such as School Resource Officers, Counselors, and other staff – they can provide beyond one year. These supports are essential to creating a safe school environment.

Wayzata Public Schools' Safe Schools Levy for 2019-2020 of approximately \$688,000 was insufficient to meet the actual cost of providing a safe learning environment. The District made-up the shortfall using other unassigned funds.

Increase access and provide funding for early childhood education, care, and supports

Closing the achievement and opportunity gaps depends on expanded access for quality early learning opportunities. Funding for school-based prekindergarten programs must expand access to Early Learning Scholarships.

The success of our school district depends on getting every child off to a great start. We know that getting our youngest learners ready for kindergarten can have powerful positive outcomes on their academic achievement and beyond.

The Early Childhood professionals in Wayzata Public Schools, including Early Childhood Family Education, Early Childhood Special Education and our Early Childhood Outreach team partner with District preschool and community preschools, childcare providers and Caring for Kids at Interfaith Outreach to support kindergarten readiness. A stable, high-quality early childhood education workforce that is adequately trained and compensated supports Wayzata Public Schools' mission of excellence for each and every student and Minnesota's World's Best Workforce plans.

Presently, 81.3% of our incoming kindergarteners arrive equipped with the pre-academic and social skills needed for kindergarten success. If additional funds were available for Early Learning Scholarships, Wayzata Public Schools could serve approximately an additional 200 children in need.

Increased access and predictable funding for high-quality early education are critical in getting each and every one of our youngest learners ready for kindergarten.

The value of early childhood education has been well documented through Art Rolnik and Rob Grunewald's work at the Federal Reserve Bank of Minneapolis.¹ Investments spent on targeted early childhood education can result in a 16% rate of return and 8-to-1 benefit-to-cost ratio on future real-world expenditures such as special education, healthcare or corrections.

COVID-19 has exacerbated an already under-resourced profession.

Support College & Career Readiness and Essential Life Skills

Research shows that students who participate in concurrent enrollment programs, like Wayzata's Compass program, are better prepared for success in college, career, and citizenship.

- Provide curriculum options for a variety of job categories and career paths.
- Provide high-quality early learning programs, stable funding for access to educational technology and support for programs that ensure college and career readiness.

¹ www.minneapolisfed.org/article/2003/early-childhood-development-economic-development-with-a-high-public-return

- Train students for jobs that presently do not exist; focusing on skills that include general business acumen, adaptability, lifelong learning, literacy with a variety of media, and social and emotional intelligence.
- Support student performance by providing innovative, job market-sensitive educational and training programs via strong curricula and robust teaching methods; all subject to continuous review and timely adaptation.
- Provide constant attention to content areas that include science disciplines, mathematics, computer technology, digital competency, experiential learning, interdisciplinary learning, lifelong learning, soft skills like communications, critical thinking, decision-making, and citizenship in an increasingly diverse society and world.
- Engage in public-private partnerships between employers and educators.
- Engage in efforts to influence public policy.
- Support an effective, integrated approach to workforce preparation by facilitating the development of essential life skills.

Support Educational Technology

Without a stable source of funding, many districts rely on community referendums to support this vital component of the educational experience.

- Teaching and learning depends on equitable access to educational technology to prepare each and every student for future success.
- Wayzata Public Schools currently received approximately \$7.8 million in 2019-2020 through two capital project levies to support personalized education and access to real-time educational resources for students.

Due to the ongoing COVID-19 Pandemic, many districts are providing WiFi hotspots for students and staff for whom at-home broadband internet is unavailable.

Support Partnerships

The school district cannot eliminate hurdles to an excellent education alone, so we have developed partnerships within our community to ensure students and educators have the support needed to be successful in school and life.

We ask our legislators to support the critical partnerships between Wayzata Public Schools and community organizations, local businesses, and civic organizations to encourage successful educational outcomes for each and every student.

Collaborative endeavors such as Great Expectations, Caring for Kids, Interfaith Outreach's Neighborhood Programs, Partners for Healthy Kids, Partners in Prevention, Reimagine Minnesota, the eight cities that make-up Wayzata Public Schools, and the TwinWest Chamber of Commerce are highly effective at reducing barriers and addressing challenges facing our students and their families with the goal of improving academic

outcomes.

Spend Public Dollars on Public Education, Not Private School Tuition

Support the integrity of public schools by opposing the diversion of taxpayer dollars to private schools through vouchers, tax credits and deductions, or scholarships.

The Wayzata Legislative Action Committee shares the Association of Metropolitan School Districts' (AMSD) position on taxpayer subsidies for K-12 Private Education. AMSD's position papers can be found at www.amsd.org/position-papers.

Due to the ongoing COVID-19 Pandemic, state policymakers should focus on adequately funding our public schools rather than subsidizing nonpublic schools.

Support Local Control, Including Employee Insurance Plan Decisions

Local control allows school districts to make decisions that best meet the needs of their students and communities. For example, employee health insurance plan decisions are best left to districts which allows school boards to work in partnership with employees and communities.

The most effective way to control health insurance costs is by lowering utilization through consumer education, implementing disease management and wellness programs and providing incentives to use less costly services. Simply creating a large pool is not the answer to getting health care costs under control.

Wayzata Public Schools has been able to achieve these goals working collaboratively with their local employee groups. We have established a Wellness committee that educates and incentivizes employees and we have kept annual premium increases well below the state average increase.



Board of Education
Regular Meeting – December 14, 2020

AGENDA SECTION: Adjourn

ITEM: Adjourn

COMMENTS BY: Andrea Cuene, Board Chair

This agenda item brings closure to the School Board meeting.

Recommended Action: Call the meeting to a close.

Motion by: _____ **Yes:** _____ **Passed:** _____

Second by: _____ **No:** _____ **Failed:** _____

Time of Adjournment: _____ 326 _____

WAYZATA PUBLIC SCHOOLS

Independent School District 284
Wayzata, Minnesota

MISSION

Our Core Purpose:

The mission of Wayzata Public Schools is to ensure a world-class education that prepares each and every student to thrive today and excel tomorrow in an ever-changing global society.

VISION

What We Intend to Create and Experience:

The vision of Wayzata Public Schools is to be a model of excellence where all students discover their unique talents, develop a love and tenacity for learning and demonstrate confidence and capacity for success through:

Exceptional Student Learning, Experiences and Relationships:

- High achievement by each and every student—no exceptions, no excuses;
- Content-rich, rigorous and personalized education;
- Meaningful relationships with teachers, staff, mentors and peers in a welcoming, nurturing and safe environment where all are valued for who they are and the contributions they make.

Community Trust, Confidence and Partnership:

- Comprehensive learning opportunities meeting diverse learner needs and community aspirations;
- Committed to being the first choice for students and families;
- Maintaining the highest levels of satisfaction and pride by staff, parents and community.

Operational Excellence:

- Attraction, development and retention of exemplary, creative and engaged employees;
- Accountability by all staff for individual and collective performance;
- Effective and efficient use of time and human, financial and physical resources;
- Culture of continuous improvement and responsive innovation;
- High performing district governance, management and partnerships.