



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

SCHOOL BOARD Regular Meeting

Monday, November 22, 2021

6:00 PM

MEETING AGENDA

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

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

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

2. Pledge of Allegiance

3. Oath of Office - New School Board Member Steve Bartz

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

4. Agenda Review and Approval (Action)

Approval of the agenda for the Monday, November 22, 2021 School Board of Independent School District 272, Eden Prairie Schools.

Motion _____ **Seconded** _____

5. Approval of Previous Minutes (Action)

Approval of the UNOFFICIAL Minutes of the School Board Regular Business Meeting on October 25, 2021, Special Business Meeting on November 8, 2021, and Workshop Notes on November 8, 2021.

Motion _____ **Seconded** _____

A. October 25, 2021 Regular Business Meeting 5

B. November 8, 2021 Special Meeting 8

C. November 8, 2021 Workshop Notes 9

6. Public Comment: 6:05 PM

7. Announcements 6:10 PM (Information)

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

Eden Prairie High School (EPHS) - Focusing on Each: New Student Clubs

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

A. Fiscal Year (FY) 2020-21 Audited Financial Presentation Information

1) FY 2020-21 Executive Summary - Annual Financial Audit 10

2) Audited Financial Presentation 11

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

4) Management Report (See Appendix "A")

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

10. Board Work 6:45 PM (Action)

A. Required Board Action

B. Policy Monitoring (Action)

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ **Seconded** _____
Evidence Motion _____ **Seconded** _____

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

OI Motion _____ Seconded _____

Evidence Motion _____ Seconded _____

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

1) 2020-21 Record of Board Policy Monitoring - Governance Policies **(Action)** 40
Motion _____ Seconded _____

2) 2020-21 Record of Board Policy Monitoring - Ends and Executive Limitations **(Action)** 49
Motion _____ Seconded _____

3) 2021-22 Record of Board Policy Monitoring - Ends (1.1 - 1.6) - *No Updates* 52

11. Superintendent Consent Agenda 7:00 PM (Action)

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

Motion _____ Seconded _____

A. Monthly Reports

1) Resolution of Acceptance of Donations 54

2) Human Resources Report 55

3) Business Services Reports

a. Board Business 58

b. Financial Report - Monthly Revenue/Expenditure Report 59

B. Minnesota State High School League (MSHSL Grant Application) 60

C. Building Services Contract 61

12. Superintendent's Incidental Information Report 7:05 PM (Information)

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

A. Community & Engagement Tools

1) Let's Talk 62

2) Thought Exchange

B. COVID Update

13. Board Action on Committee Reports & Minutes 7:30 PM (Action)

A. Board Development Committee

B. Community Linkage Committee

1) CLC Meeting Minutes from 10/27/21 Meeting **(Action)** 74
Motion _____ Seconded _____

2) CLC Meeting Minutes from 11/15/21 Meeting **(Action)** 75
Motion _____ Seconded _____

3) Article for Inspiring News **(Action)** 76
Motion _____ Seconded _____

4) Measuring What Matters **(Action)** 77

a. Third Grade Reading Metrics **(Action)** 78
Motion _____ Seconded _____

b. Graduation Rate Metrics **(Action)** 80
Motion _____ Seconded _____

C. Negotiations Committee

D. Policy Committee

14. Other Board Updates (AMSD, ECSU, ISD 287, MSHSL) 7:55 PM (Information)

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

B. ISD 287 (Intermediate School District 287) - *Adam Seidel*

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

D. MSHSL (Minnesota State High School League) - *Debjyoti Dwivedy*

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

A. Work Plan Changes Document (Action)

82

Motion _____ Seconded _____

B. 2020-21 Board Annual Work Plan

84

16. Adjournment (Action)

Motion _____ Seconded _____ to adjourn at _____ PM.

17. Appendix "A" - Fiscal Year 2019-20 Audited Financial Presentation Information

A. Annual Comprehensive Financial Report

108

B. Management Report

278

C. Special Purpose Audit Reports

306

INDEPENDENT SCHOOL DISTRICT 272 ~ EDEN PRAIRIE SCHOOLS
UNOFFICIAL MINUTES OF THE OCTOBER 25, 2021
SCHOOL BOARD MEETING

A Regular Meeting of the Independent School District 272, Eden Prairie Schools, was held on October 25, 2021 in the Eden Prairie District Administrative Offices, 8100 School Road, Eden Prairie, MN 55344.

1. Convene: 6:00 PM

Present: Karla Bratrud, Aaron Casper, Kim Ross, Adam Seidel, Charles "CJ" Strehl

Not Present: Debjyoti "DD" Dwivedy

Present: Superintendent Josh Swanson

2. Pledge of Allegiance

3. Agenda Review and Approval – Motion by A. Casper, **Seconded** by K. Bratrud to approve the agenda for the Monday, October 25, 2021, meeting of the School Board of Independent School District 272, Eden Prairie Schools – Passed 5-0

4. Approval of Previous Minutes – Motion by K. Ross, **Secocnded** by A. Seidel to approve the UNOFFICIAL Minutes of the School Board Regular Business Meetings for September 27, 2021 and the Workshop Notes for the October 11, 2021 Meeting – Passed 5-0

5. Public Comment - (2): M. Halbe – Eden Prairie School Calendar; D. Halbe – Eden Prairie School Calendar

6. Announcements – “Eagle Excellence” by Superintendent Swanson

- Ashwin Konduru, a 6th grade student at CMS, won first place for inline skating in the under 12 age group category at the Northshore Inline Marathon. He placed 8th in the overall age group which included 200 skaters. Way to go, Ashwin!
- 29 EPHS students earned top-tier language proficiency awards in 2020 and 2021. The languages mastered included Portuguese, Somali, Spanish, Hindi, Tamil and Korean. Earning a bilingual seal gives the student college credits, which helps them complete college faster.
- Congrats to the 27 National Merit Commended Students, who represent the top 5% of all junior students taking the PSAT.
- Adam Scott, 1st grade student at Oak Point, will be seen on a new Apple TV show called "Hello, Jack! The Kindness Show." Congratulations to Adam as he explores his passion of acting.
- Congratulations to EPHS students Harini Senthilkumar and Abi Rajasekaran who won the #GirloftheFuture award for their work on environmental science, STEM-driven projects that have been awarded at local, state and national science fairs. Girls of the Future elevates young girls in STEM and recognizes only a handful of participants across the country. Eden Prairie Schools is proud to represent two of the 12 girls chosen for this award!
- To celebrate National Principals Month, Eden Prairie Schools started a campaign in which each principal was interviewed on their journey to education and their passion to serve students. There was an incredible response from the community, especially parents of students, who appreciated and applauded our outstanding educators.
- To celebrate National School Bus Safety Week, October 18-22, Eden Prairie Schools recognized the efforts of our bus drivers, mechanics, crossing guards and all Transportation staff. Families can feel safe knowing our Transportation team is committed to providing a comfortable, clean and safe environment for our students.

7. Spotlight on Success – Forest Hills: Re-imagining Parent Information Night

8. Board Work

A. Decision Preparation

B. Required Board Action

C. Policy Monitoring

1) Ends 1.1, 1.2, 1.3 Evidence (FY 2020-21)

a. Ends Policy 1.1 – **Evidence Motion** by A. Casper, **Seconded** by A. Seidel to accept the

Superintendent’s assertion that the District did demonstrate expected progress – Passed 5-0

- (1) Ends Policy 1.1.1 – **Evidence Motion** by A. Seidel, **Seconded** by K. Ross to accept the Superintendent's assertion that the District did not demonstrate expected progress – Passed 5-0
- (2) Ends Policy 1.1.2 – **Evidence Motion** by A. Casper, **Seconded** by K. Bratrud to accept the Superintendent's assertion that the District did not demonstrate expected progress – Passed 5-0
- (3) Ends Policy 1.1.3 – **Evidence Motion** by A. Casper, **Seconded** by K. Ross to accept the Superintendent's assertion that the District did demonstrate expected progress – Passed 5-0
- 2) Ends Policy 1.2 – **Evidence Motion** by K. Ross, **Seconded** by A. Seidel to accept the Superintendent's assertion that the District did demonstrate expected progress – Passed 5-0
- 3) Ends Policy 1.3 – **Evidence Motion** by A. Seidel, **Seconded** by A. Casper to accept the Superintendent's assertion that the District did demonstrate expected progress – Passed 5-0
- Motion** by A. Seidel, **Seconded** by A. Casper to recess at 8:19 PM; Meeting resumed at 8:26 PM
- 4) Executive Limitations (EL's)
 - a. EL 2.4 - Treatment of Staff
 - OI Motion** by K. Ross, **Seconded** by K. Bratrud, that by exception, the overall Global Constraint for this OI and its child policies is reasonable as presented – Passed 5-0
 - Evidence Motion** by A. Seidel, **Seconded** by A. Casper, that by exception, the Evidence for the overall Global Constraint and its child policies supports the OI as presented – Passed 5-0
 - b. EL 2.8 - Compensation and Benefits
 - OI Motion** by K. Ross, **Seconded** by A. Seidel, that by exception, the overall Global Constraint for this OI and all its child policies is reasonable as presented – Passed 5-0
 - Evidence Motion** by A. Seidel, **Seconded** by A. Casper, that by exception, the Evidence for the overall Global Constraint and its child policies supports the OI as presented – Passed 5-0
- 5) Governance Process
 - a. **Motion** by K. Ross, **Seconded** by A. Seidel that by exception, the Board is compliant for GP 4.0, GP 4.1, GP 4.2, GP 4.3 and GP 4.9 – Passed 5-0
- D. Record of Board Self-Evaluation
 - 1) 2020-21 Record of Board Policy Monitoring - Governance Policies
 - Motion** by A. Casper, **Seconded** by A. Seidel to accept report as presented – Passed 5-0
 - 2) 2020-21 Record of Board Policy Monitoring - Ends & Executive Limitations
 - Motion** by A. Seidel, **Seconded** by A. Casper to accept report as presented – Passed 5-0
 - 3) 2021-22 Record of Board Policy Monitoring - Ends 1.1 - 1.6 (*No Updates*)
9. **Superintendent Consent Agenda – Motion** by A. Casper, **Seconded** by A. Seidel to approve the Consent Agenda as presented – Passed 5-0
 - A. Monthly Reports
 - 1) Resolution of Acceptance of Donations
 - 2) Human Resources Report
 - 3) Business Services Reports
 - a. Board Business
 - b. Financial Report - Monthly Revenue/Expenditure Report
 - B. Contract Agreement with Food Service
 - C. Seek Bid - ASC Program Area Updates
 - D. E-Learning Plan Update
10. **Board Education & Required Reporting** – Nothing to report
11. **Superintendent's Incidental Information Report**
 - A. Enrollment Report as of October 1, 2021
 - B. World's Best Workforce Report & Achievement & Integration Plan - 2020-2021 Summary of Progress
 - C. COVID Update

12. Board Action on Committee Reports & Minutes

A. Board Development Committee – A. Seidel provided update to Board

B. Community Linkage Committee

1) Committee Minutes from the 10/4/21 Meeting – **Motion** by C. Strehl, **Seconded** by A. Seidel to accept as presented – Passed 5-0

C. Negotiations Committee

D. Policy Committee

13. Other Board Updates (AMSD, ECSU, ISD 287, MSHSL)

A. AMSD (Association of Metropolitan Schools) – K. Ross provided update to Board

B. ISD 287 (Intermediate School District 287) – A. Seidel provided update to Board

C. ECSU (Metropolitan Educational Cooperative Service Unit) – No updates

D. MSHSL (Minnesota State High School League) - Debjyoti Dwivedy – N/A

14. Board Work Plan – Motion by A. Casper, **Seconded** by K. Bratrud to approve as presented – Passed 5-0

A. Work Plan “Change” Document

Eden Prairie School Board
2021–22 WORK PLAN CHANGES
“Proposed” Changes for the
October 25, 2021

Date of Meeting/Workshop	Changes Requested
Monday, November 8, 2021 – <i>Special Meeting</i>	- <i>Add – Vote on the School Board Candidate Appointment</i>
Monday, November 8, 2021 – <i>Workshop</i>	- <i>Measurement that Matters – DRAFT</i> - <i>Staff Appreciation Message - DRAFT</i>
Monday, November 15, 2021 – <i>Workshop</i>	-
Monday, November 22, 2021	
Monday, December 13, 2021	- <i>Add – Seating of new School Board Appointment</i>
Placeholder – General Board Work	
<ul style="list-style-type: none"> Assessment 101: Reading, Understanding, and Using Large Data Sets Technology Use & Screen Time Distance Learning-Hybrid Impact Positive Behavior Intervention & Support (PBIS) 	
Placeholder – Policy Review	

B. 2021-22 Board Annual Work Plan

15. Adjournment – Motion by A. Casper, **Seconded** by A. Seidel to adjourn meeting at 9:54 PM – Passed 5-0

 Adam Seidel – Board Chair

**INDEPENDENT SCHOOL DISTRICT 272 ~ EDEN PRAIRIE SCHOOLS
UNOFFICIAL MINUTES OF THE NOVEMBER 8, 2021
SCHOOL BOARD MEETING**

A Special Meeting of the Independent School District 272, Eden Prairie Schools, was held on November 8, 2021 in the Eden Prairie District Administrative Offices, 8100 School Road, Eden Prairie, MN 55344.

1. CONVENE - 6:00 PM

Present: Karla Bratrud, Aaron Casper, Kim Ross, Adam Seidel, Charles "CJ" Strehl

Not Present: Debjyoti "DD" Dwivedy

Present: Superintendent Josh Swanson

2. Agenda Review and Approval – Motion by A. Caspar, **Seconded** by K. Ross to approve the agenda for the Monday, November 8, 2021 Special Meeting of the School Board of Independent School District 272, Eden Prairie Schools – Passed 5-0

3. Board Work

A. Required Board Action

- 1) Resolution Approving Canvassing of Elections – **Motion** by A. Casper, **Seconded** by K. Ross, the Eden Prairie School Board of Independent School District No. 272 approves and adopts the *RESOLUTION CANVASSING RETURNS OF VOTES OF SCHOOL DISTRICT SPECIAL ELECTIONS* as presented – Yes: 5 (AC, AS, KB, KR, CS); No – 0; Passed 5-0
- 2) Resolution Authorizing Issuance of Certificates of Election – **Motion** by A. Casper, **Seconded** by A. Seidel, the Eden Prairie School Board of Independent School District No. 272 approves and adopts the *RESOLUTION AUTHORIZING ISSUANCE OF CERTIFICATES OF ELECTION AND DIRECTING THE SCHOOL DISTRICT CLERK TO PERFORM OTHER ELECTION RELATED DUTIES* as presented – Yes: 5 (AC, AS, KB, KR, CS); No – 0; Passed 5-0
- 3) Vote on School Board Candidate Appointment – **Motion** by K. Ross, **Seconded** by A. Casper to appoint Francesca Pagan-Umar to fill the vacant seat resulting from the resignation of Beth Fletcher until the winner of a special election to be held on November 8, 2022 is seated – Passed 5-0

4. Announcement/Acknowledgement – Departing of Appointed Board Member, Karla Bratrud

5. Adjournment – Motion by A. Caspar, **Seconded** by A. Seidel to adjourn meeting at 6:07 PM – Passed 5-0

Adam Seidel – Board Chair

School Board Workshop Notes – Monday, November 8, 2021

1. The Board welcomed its two new members, Steve Bartz and Francesca Pagan-Umar.
2. Operating Levy Conversation - Executive Director of Business Services Jason Mutzenberger reviewed the recent history and future options for operating levies. The board discussed the information they would like to see to inform their decision making regarding future levies.
3. Review of Board Treasurer’s Annual Report – Board Treasurer Aaron Casper presented the school board budget.
4. Staff Appreciation Message – The board discussed the recent challenges faced by school district staff and ways to let them know that we recognize and appreciate their extraordinary efforts.
5. Community Linkage Committee – The board discussed topics for the board article in the next Inspiring News mailing from the district. The CLC presented drafts of two “Measuring What Matters” communications from the board and discussed how they will be disseminated to the community.
6. Work Plan and Scheduling – The board discussed dates for future “Tools of Cultural Proficiency” training and reviewed its annual work plan and the work plan changes document.

Adam Seidel – Board Chair

November 22, 2021

To: Dr. Josh Swanson
From: Business Office
Re: FY20-21 Annual Financial Audit

We are pleased to present the year-end financial results for fiscal year 2021. There are three documents included in this package; Management Report, Special Purpose Audit Report, and the Annual Comprehensive Financial Report. The financial reports will be available on the district website for the community following this board meeting.

The District hired Malloy Montague Karnowski Radosevich & Co., P.A. (MMKR), an independent audit firm to conduct the financial audit. The auditors have issued a clean unmodified opinion on the audit report, the highest opinion they can provide, indicating the financial statements are fairly stated. The auditors did not identify any audit findings this year, as evidenced in the Special Purpose Audit Report and showing a tremendous accomplishment by school district staff.

The Annual Financial Statement contains the Management's Discussion and Analysis (pages 4-15) which provides a narrative overview and analysis of the financial activities during the fiscal year. The Management Report is designed to communicate information relevant to the financing of public education in Minnesota and to provide comments resulting from the audit process. I would encourage you to focus on these pages of the report which provide a great summary of the district's current financial condition.

This presentation also doubles as our year-end financial report to the school board. The general fund finished with an unassigned fund balance of \$17,811,019, which represents 14.2% of our annual expenditures and an increase of \$603,101 from the prior year.

Here are some important takeaways from the audit presentation:

- The operating financial position increased by 1.0% over the prior year.
- Federal revenue increased significantly due to the coronavirus relief and education stabilization funds recognized in the current year.
- Food Service and Community Education funds continue to experience challenges due to the pandemic; however, both funds stabilized fund balance this year.
- The Self-Insured Medical and Dental funds continue to perform well.
- The Other Post-Employment Benefits trust continued to perform well.

We are pleased with the year-end results in all funds across the district and continue to meet our financial targets as expected. The updated 5-year financial projection will be presented to the board in January 2022 and will reflect these audited financial numbers.

We are requesting the School Board accept the audit as presented.

INDEPENDENT SCHOOL DISTRICT NO. 272

Audit Report for Year Ended June 30, 2021

AUDITOR'S ROLE



OPINION ON FINANCIAL STATEMENTS

- DISTRICT AUDIT
- SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

INTERNAL CONTROLS AND COMPLIANCE

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

AUDIT RESULTS



DISTRICT FINANCIAL AUDIT

- Unmodified Opinion on Basic Financial Statements

13

INTERNAL CONTROL AND COMPLIANCE – FINANCIAL AUDIT

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

AUDIT RESULTS (CONTINUED)



MN LEGAL COMPLIANCE

- No instances of noncompliance with Minnesota laws and regulations reported in the current year.

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SINGLE AUDIT of FEDERAL AWARDS

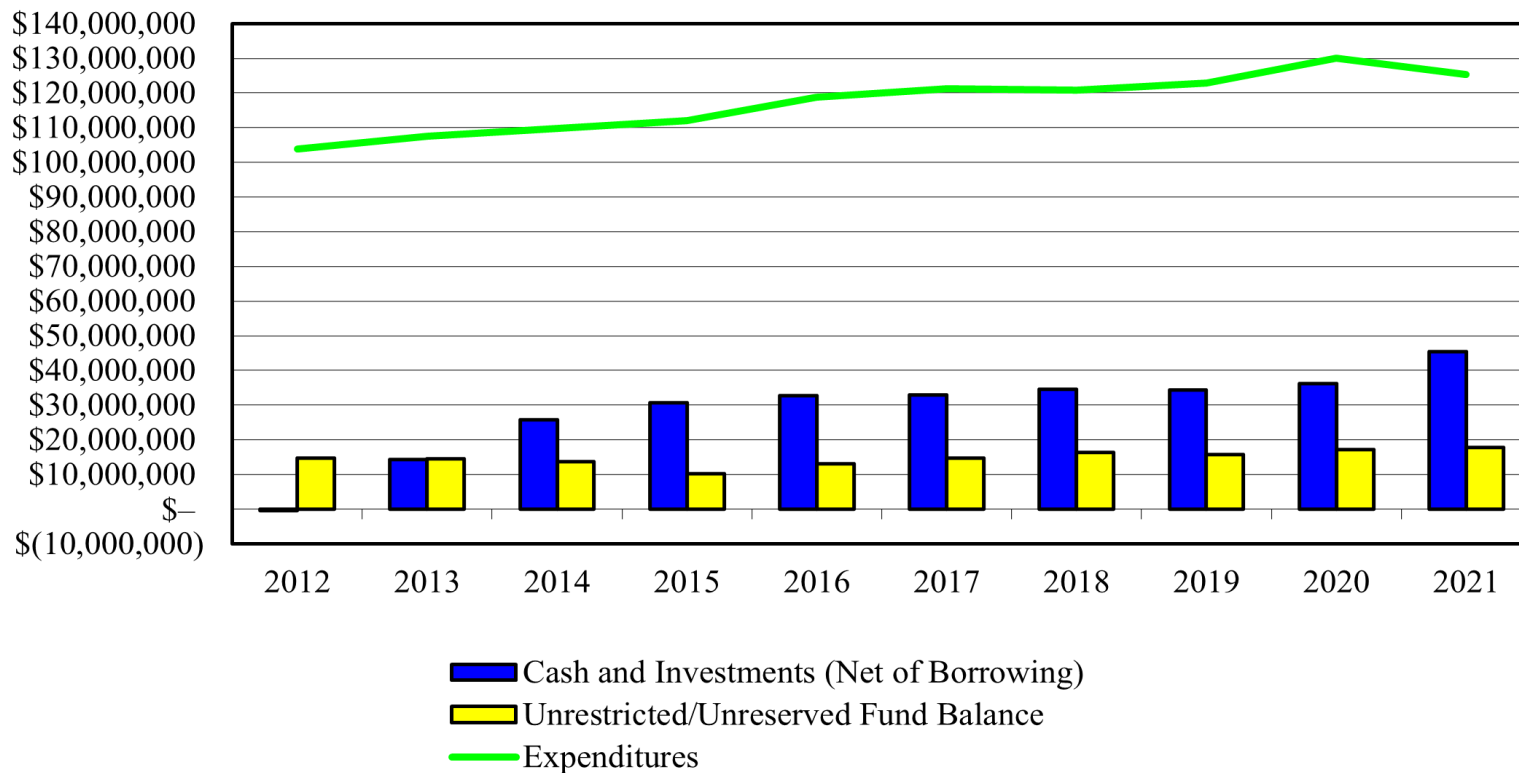
- Clean opinion on SEFA
- No material weaknesses or instances of noncompliance reported in the current year.

GENERAL FUND

FINANCIAL POSITION – TREND ANALYSIS



General Fund Financial Position
Year Ended June 30,



GENERAL FUND

FINANCIAL POSITION – TREND ANALYSIS

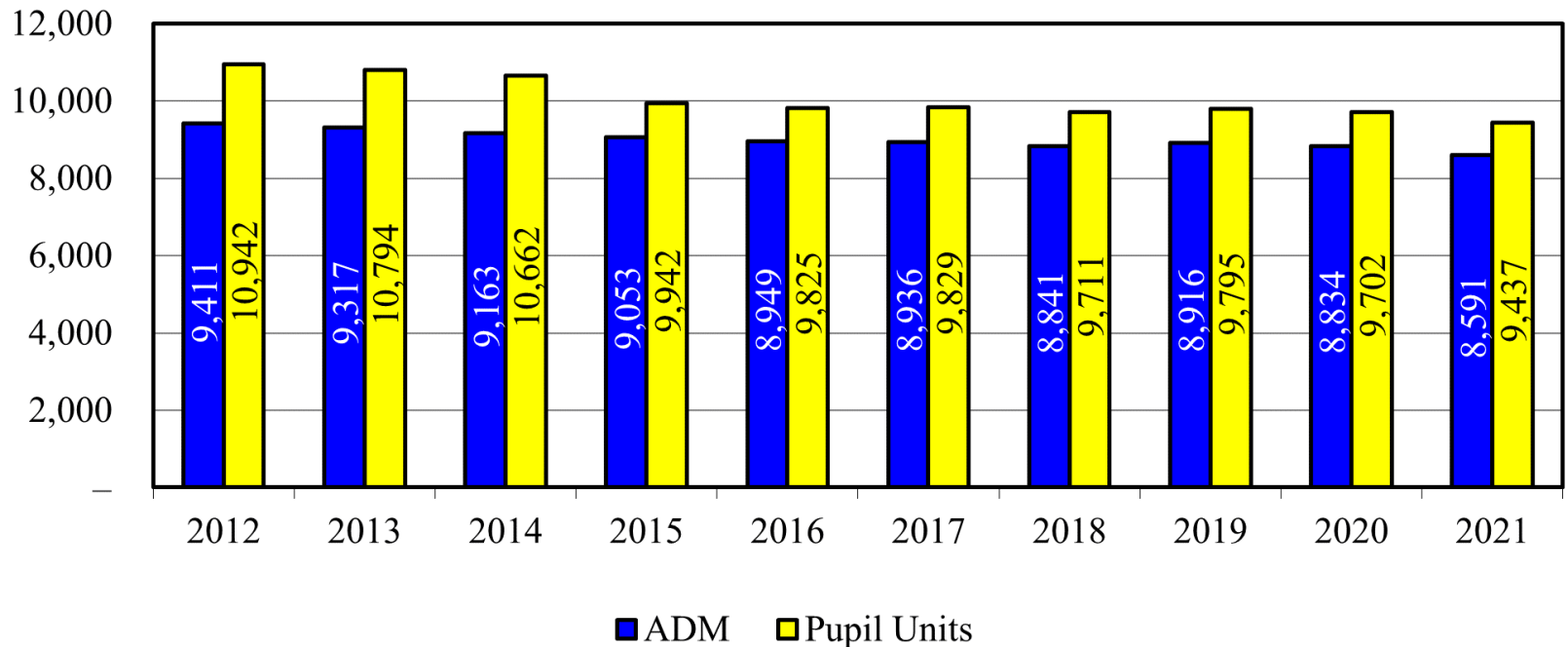
	June 30,				
	2017	2018	2019	2020	2021
Nonspendable fund balances	\$ 717,276	\$ 145,362	\$ 1,676,290	\$ 507,235	\$ 686,319
Restricted fund balances (1)	1,852,903	2,106,412	1,403,680	1,461,779	2,198,592
Unrestricted fund balances					
Assigned	2,409,257	1,685,452	2,826,715	4,320,382	11,053,757
Unassigned	14,655,207	16,349,250	15,751,476	17,207,918	17,811,019
Total fund balance	<u>\$ 19,634,643</u>	<u>\$ 20,286,476</u>	<u>\$ 21,658,161</u>	<u>\$ 23,497,314</u>	<u>\$ 31,749,687</u>
Total expenditures	<u>\$ 121,237,792</u>	<u>\$ 120,809,427</u>	<u>\$ 122,810,797</u>	<u>\$ 130,053,168</u>	<u>\$ 125,297,301</u>
Unrestricted fund balances as a percentage of expenditures	<u>14.1%</u>	<u>14.9%</u>	<u>15.1%</u>	<u>16.6%</u>	<u>23.0%</u>
Unassigned fund balances as a percentage of expenditures	<u>12.1%</u>	<u>13.5%</u>	<u>12.8%</u>	<u>13.2%</u>	<u>14.2%</u>

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

ADJUSTED ADM PUPIL UNITS SERVED



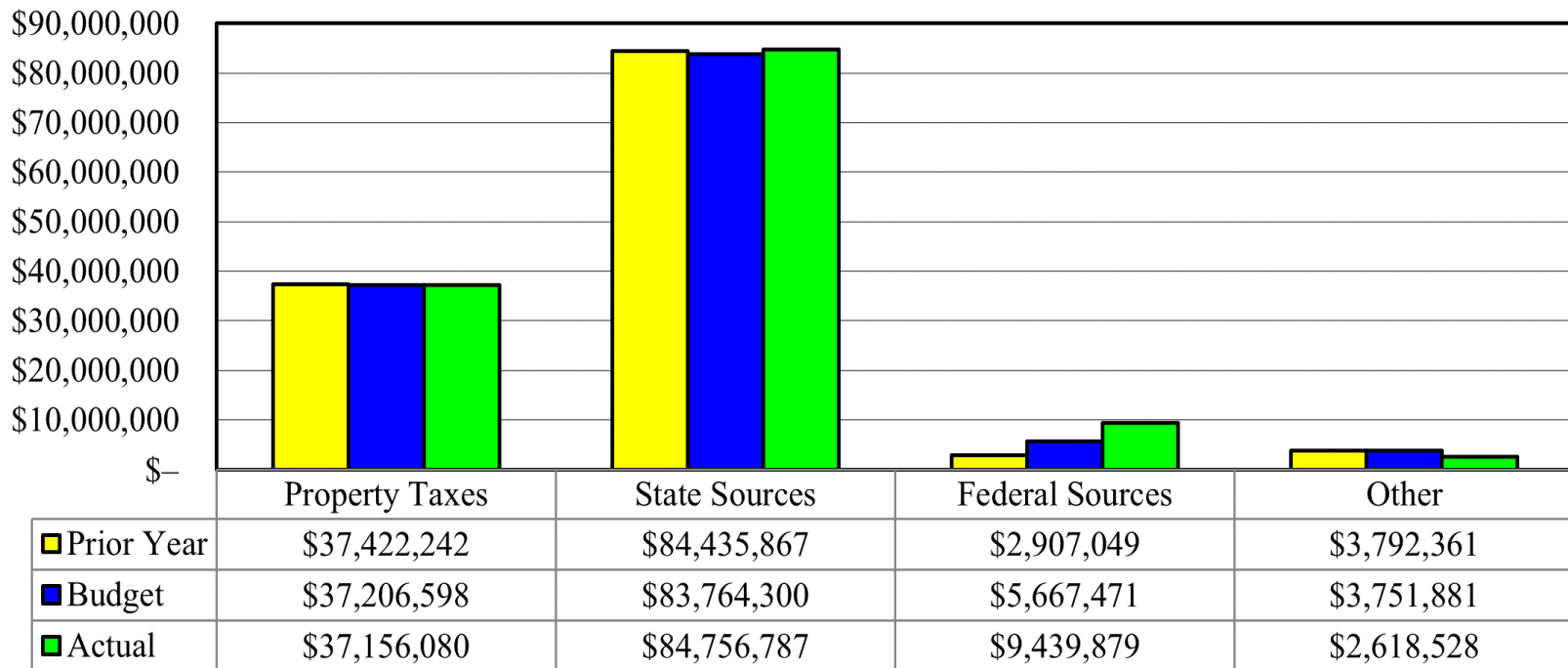
Adjusted ADM and Pupil Units Served



GENERAL FUND REVENUE



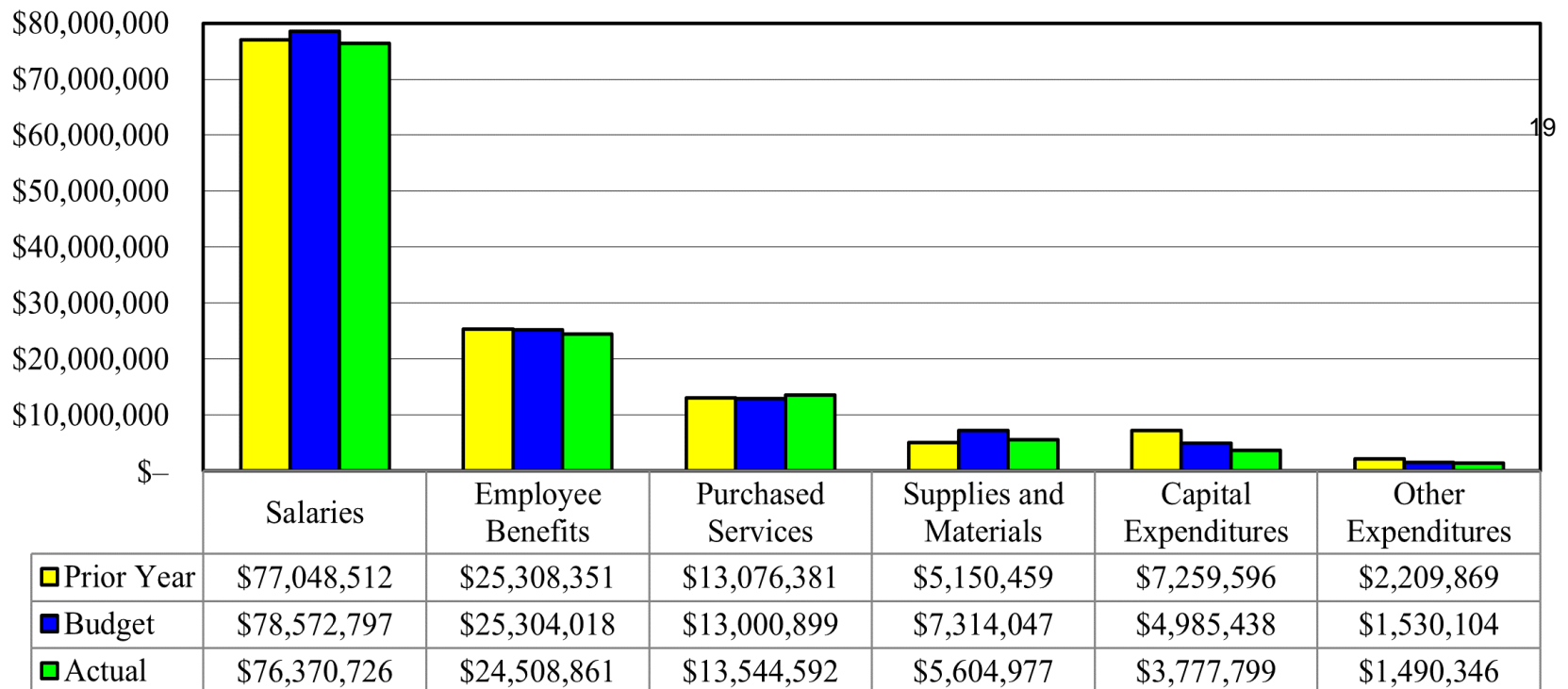
General Fund Revenue



GENERAL FUND EXPENDITURES



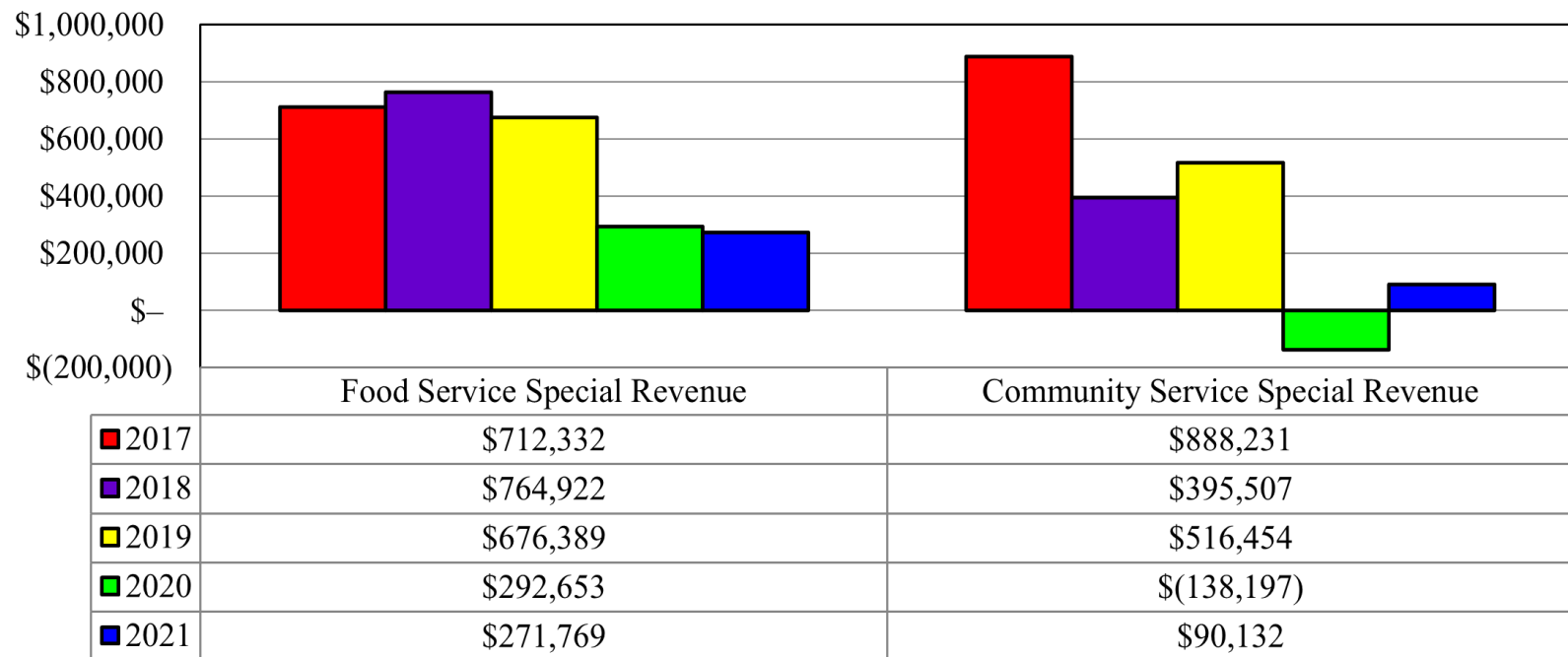
General Fund Expenditures



OTHER GOVERNMENTAL FUNDS



Other Operating Funds
Total Fund Balances



DISTRICT-WIDE

STATEMENT OF NET POSITION

	June 30,		
	2021	2020	Change
Net position – governmental activities			
Total fund balances – governmental funds	\$ 49,355,823	\$ 63,838,088	\$ (14,482,265)
OPEB asset, net of deferments	4,774,746	3,483,196	1,291,550
Total capital assets, net of depreciation	126,728,543	97,393,207	29,335,336
Bonds and leases payable	(105,193,590)	(101,950,195)	(3,243,395)
Pension liability, net of deferments	(125,596,093)	(121,180,955)	(4,415,138)
Other adjustments	6,016,387	5,148,393	867,994
Total net position – governmental activities	<u>\$ (43,914,184)</u>	<u>\$ (53,268,266)</u>	<u>\$ 9,354,082</u>
Net position			
Net investment in capital assets	\$ 38,298,795	\$ 36,712,713	\$ 1,586,082
Restricted	3,401,411	1,886,182	1,515,229
Unrestricted	(85,614,390)	(91,867,161)	6,252,771
Total net position	<u>\$ (43,914,184)</u>	<u>\$ (53,268,266)</u>	<u>\$ 9,354,082</u>

Eden Prairie School District 272 Superintendent Monitoring Report

Policy Name: EL 2.9 Communication and Support to the School Board	Monitoring Time Frame: December 1, 2019 – June 30, 2020 July 1, 2020 - June 30, 2021	Policy Monitoring Column FOR BOARD USE ONLY Compliance rating: <ul style="list-style-type: none"> • OI is/is not reasonable • Data does/does not provide adequate evidence of compliance Include specific evidence for rating conclusion and recommendations.
Policy Quadrant: Executive Limitations	Date of School Board Monitoring: November 23, 2020 November 22, 2021	
		Board member name:
Global Constraint: The Superintendent shall not cause or allow the School Board to be uninformed or unsupported in its work.		(enter rating and reasoning when appropriate) 22
<u>Operational Interpretation:</u> I interpret this policy to mean that I am ultimately responsible for arranging the logistical, informational and organizational systems necessary for the School Board to be an effective governing body with the support of the Superintendent's Cabinet and Office Staff. I believe the Board's subsequent policies 2.9.1 – 2.9.11 succinctly cover all areas of further interpretation of this global ("parent level") policy leaving no other areas of concern to be addressed in this interpretation.		
<u>Justification:</u> This was developed through reflection and a study of operational interpretations of similar organizations that approached it in a similar fashion.		
<u>Measurement Plan:</u> The organization will be in compliance with EL 2.9 if the Board finds the organization to be in compliance with policies 2.9.1 – 2.9.11.		
<u>Evidence:</u> Evidence of compliance is demonstrated by supporting data presented throughout EL Policies 2.9.1-2.9.11.		
<u>Statement of Assertion:</u> Report is Reasonable and Evidence supports the Operational Interpretation with the exception of 2.9.11.		

<p>2.9.1 Further, the Superintendent shall not: Neglect to submit monitoring reports required by the School Board in a timely, accurate, and understandable fashion.</p>	
<p><u>Operational Interpretation:</u> Our governance process dictates that the superintendent periodically report on whether the organization has (1) avoided conditions the Board has indicated as unacceptable, and (2) achieved certain end results. This policy requires that those reports, defined by Policy Governance as internal monitoring reports for Executive Limitation and Ends policies, be submitted with the following qualities:</p> <ol style="list-style-type: none"> 1. Timeliness – Timely information is information that is available when it is needed. I interpret this to mean that the reports will be made available to the Board twelve (12) days prior to the Board meeting at which the report will be monitored. 2. Accuracy – Accurate information provides a reliable and valid representation of reality. I interpret this to mean that all data provided will be fact-based and known to be true to the best of our ability. 3. Understandable – I interpret this to mean that the actual reports must be: <ol style="list-style-type: none"> a. Presented in a standardized format that clearly delineates each element of the report (Operational Interpretation, Justification, Measurement, Data, Statement of Compliance); b. Free of unnecessary material not directly related to demonstrating compliance with the policy interpretation; c. Carefully designed to express vast quantities of data that can be assimilated and absorbed by the reader quickly. 	
<p><u>Justification:</u> My interpretation of monitoring reports is guided by our understanding of the Policy Governance model as learned during joint training sessions, documentation reviewed, and shared experience since 2013. My interpretation of timeliness being twelve (12) days prior to monitoring. My interpretation of accuracy and understandable is guided by our joint understanding of the Policy Governance model.</p>	23
<p><u>Measurement Plan:</u> Compliance with this policy will be demonstrated by:</p> <ol style="list-style-type: none"> 1. Compliance is achieved when at least 90% of all reports are submitted no less than twelve (12) days before monitoring. 2. The operational interpretations, justifications and data provided are timely, accurate, and provide credibility to my assertions of compliance. 3. The format and content is not unnecessarily complicated as demonstrated by final board action on the report. 	

Evidence:

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

Table 1

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

Table 2

**Record of Board Policy Monitoring
Ends and Executive Limitations
July 1, 2019 – June 30, 2020
Monitoring 2019-2020 School Year Data**

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

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – demonstrates expected progress?		Date to bring back the district’s plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							
1.1 Each student graduates and is academically prepared to progress to multiple opportunities after high school	19-20 OI 5/18/20	Yes	Yes				Yes
	Evidence 19-20 10/26/20			Yes	Yes		Yes
	20-21 OI 6/22/20	Yes	Yes				Yes
	21-22 OI 6/28/21						
1.1.1 Each student is reading at grade level by the end of third grade	19-20 OI 5/18/20	Yes	Yes				Yes
	Evidence 19-20 10/26/20			Yes	Yes		Yes
	20-21 OI 6/22/20	Yes	Yes				Yes
	21-22 OI 6/28/21						

1.1.2 Each student achieves individual growth expectations and proficiency annually in, but not limited to, Language Arts, Math and Science	19-20 OI 5/18/20	Yes	Yes				Yes
	Evidence 19-20 10/26/20			No	No	<i>Ends 1.1.2 Board Update Report on 2/22/21</i>	Yes
	20-21 OI 6/22/20	Yes	Yes				Yes
	21-22 OI 6/28/21						
1.1.3 Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements	19-20 OI 5/18/20	Yes	Yes				Yes
	Evidence 19-20 10/26/20			Yes	Yes		Yes
	20-21 OI 6/22/20	Yes	Yes				Yes
	21-22 OI 6/28/21						
1.2 Each student demonstrates the 21 st century skills needed to succeed in the global economy	19-20 OI 5/18/20	Yes	Yes				Yes
	Evidence 19-20 10/26/20			Yes	Yes		Yes
	20-21 OI 6/22/20	Yes	Yes				Yes
	21-22 OI 6/28/21						

1.3 Each student demonstrates the knowledge that citizens and residents of the United States need to contribute positively to society	19-20 OI 5/18/20	Yes	Yes				Yes
	Evidence 19-20 10/26/20			Yes	Yes		Yes
	20-21 OI 6/22/20	Yes	Yes				Yes
	21-22 OI 6/28/21						

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – supports Operational Interpretation or not?		Date to re-monitor if either the OI is Not Reasonable or if Evidence doesn't support OI	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
EXECUTIVE LIMITATIONS							
EL 2.0 Global Executive Constraint	12/14/20	Yes	Yes	Yes	Yes		Yes
EL 2.1 Emergency Superintendent Succession	08/24/20	Yes	Yes	Yes	Yes		Yes
EL 2.2 Treatment of Students	08/24/20	Yes	Yes	Yes	Yes		Yes
EL 2.3 Treatment of Parents	09/28/20	Yes	Yes	Yes	Yes		Yes
EL 2.4 Treatment of Staff	10/26/20	Yes	Yes	Yes	Yes		Yes
EL 2.5 Financial Planning and Budgeting	12/14/20	Yes	Yes	Yes	Yes		Yes
EL 2.6 Financial Management and Operations	09/28/20	Yes	Yes	Yes	Yes		Yes
EL 2.7 Asset Protection	08/24/20	Yes	Yes	Yes	Yes		Yes
EL 2.8 Compensation and Benefits	10/26/20	Yes	Yes	Yes	Yes		Yes
EL 2.9 Communication and Support to the School Board	11/23/20	Yes	Yes	Yes	Yes		Yes

Statement of Assertion:

Report is Reasonable and Evidence supports the Operational Interpretation

2.9.2 Further, the Superintendent shall not: Be untimely in reporting any actual or anticipated noncompliance with any policy of the School Board.	
<p><u>Operational Interpretation:</u> I interpret this policy to mean that it is my responsibility to inform the Board if the organization swings significantly out of compliance or is likely to go out of compliance with any Executive Limitation or Ends policy independent of the timing for internal monitoring reports. In other words, I will not wait until a monitoring report is due to inform the Board of a compliance issue but will alert the Board as soon as is prudent and possible.</p> <p>I interpret “any policy” to include Executive Limitation and Ends policies.</p>	
<p><u>Justification:</u> I submit this as a reasonable interpretation on the merit of its common sense approach. In a crisis, I must first “secure the situation” and then communicate. Therefore, alerting the Board at my first possible convenience is a logical approach.</p>	
<p><u>Measurement Plan:</u></p> <ol style="list-style-type: none"> 1. Compliance will be measured using three (3) benchmarks: <ol style="list-style-type: none"> a. Administration’s timely notification to the Board of any unanticipated non-compliance with any Board policy prior to the scheduled date of monitoring report review. b. Administration’s adherence to the Monitoring Schedule per the Board Work Plan. c. The Board’s request for additional monitoring. 	29
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. There were no instances of: <ol style="list-style-type: none"> a. Unanticipated non-compliance with any Board policy prior to the scheduled date of monitoring report review. b. See evidence presented for EL 2.9.1. c. See evidence presented for EL 2.9.1. 	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence supports the Operational Interpretation</p>	

2.9.3 Further, the Superintendent shall not: Neglect to submit unbiased information required by the School Board or let the School Board be unaware of relevant trends.	
<p><u>Operational Interpretation:</u> I interpret “unbiased information required by the School Board” to be data that:</p> <ol style="list-style-type: none"> 1. Seeks to provide facts, multiple perspectives, and the positive and/or negative consequences of any proposed action when the School Board requests such information for their deliberations (e.g. considering a new EL or Ends policy; 2. Neither promotes nor suppresses the true nature or logical outcomes that may result from the review of said data <p>“Relevant trends” are interpreted as information that provides the School Board with key insights into emerging educational trends that might better inform the Board as they approach their governance responsibilities.</p>	
<p><u>Justification:</u> The reasonableness of this interpretation is based on my past experience supporting School Board process and an awareness of the key issues facing the School Board and organization.</p>	
<p><u>Measurement Plan:</u> Compliance shall be evidenced by:</p> <ol style="list-style-type: none"> 1. The operational interpretations, justifications and data provided are timely, accurate, and provide credibility to my assertions of compliance as evidenced by final board action on the report. 2. The Superintendent shall provide “Incidental Information” reports at the monthly business meetings; and 3. Assist the Board and Board Development Committee as they develop future focused workshop topics. 	30
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. See evidence for 2.9.1 2. See evidence for 2.9.4 3. Future focused topics presented during the monitoring period: <ol style="list-style-type: none"> a. Safe Learning Plan b. School Preparation c. School Site Visit Design d. EP Online Design e. Preliminary Financial Report f. Enrollment Update g. 5 Year Financial Forecast h. School Calendar Development Process i. Budget Assumptions and Timelines j. Finance 101 k. Capital Budget Development l. Negotiations Strategies Part 1 and 2 m. Special Election Information n. Community Survey o. Meal Pricing 	

<p>p. Multiple Readings During Budget Development</p> <p>q. Discussion on Ends 1.1-1.6 Operational Interpretations and Measurement Plans</p> <p>r. Information on CMS Flex</p> <p>s. Assessment 101 Overview</p> <p>t. Nutrition Services Update</p> <p>u. Calendar Information</p> <p>v. Budget Assumptions and Timelines</p> <p>w. 2020-2021 Budget Draft</p> <p>x. Negotiations Update</p> <p>y. Capital Budget Summary</p> <p>z. COVID Updates for Future Decision Making</p> <p>aa. Designing Pathways LTMFR and Construction Update</p> <p>bb. 2019-2020 Ends Measurement Plan Review</p>	
<p><u>Statement of Assertion:</u></p> <p>Report is Reasonable and Evidence support the Operational Interpretation</p>	
<p>2.9.4 Further, the Superintendent shall not: Let the School Board be unaware of any significant incidental information it requires, including district press releases, anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.</p>	31
<p><u>Operational Interpretation:</u></p> <p>I interpret this policy to mean that I must inform the School Board of:</p> <ol style="list-style-type: none"> 1. Incidental Information is interpreted as information that is significant to the organization but not information considered by the School Board to be educational or monitoring in nature. I think of it as “nice to know” items. Examples of this might range from the retirement of a staff member to an update on management’s strategic planning process. 2. A threatened or pending lawsuit will be interpreted as a situation where the District has been notified in writing that an individual or group has retained legal representation for purposes of legally challenging the District. 3. Material internal or external changes are interpreted to be situations or decisions that a reasonable person would consider to have a significant impact on the district. Examples might include potential changes in state funding, organizational restructuring or process changes, etc. 4. The Superintendent is responsible for determining whether the change rises to the level of School Board notification. When in doubt, the Superintendent will consult with the School Board Chair to determine whether an issue is worthy of School Board notification and the proper course of notification. 	
<p><u>Justification:</u></p> <p>The reasonableness of this interpretation is based on my past experience supporting the School Board process.</p>	

<p><u>Measurement Plan:</u></p> <p>Compliance shall be evidenced by:</p> <ol style="list-style-type: none"> 1. The Superintendent shall provide “Incidental Information” reports at their monthly business meeting. 2. The School Board’s comparison of my notifications of any real or threatened lawsuits against actuals during the period being monitored. 3. The Superintendent adequately informed the Board of material changes during the period being monitored. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. Incidental Information Reports <ol style="list-style-type: none"> a. COVID-19 Updates Throughout 2020-21 b. Instructional Model Shifts Throughout 2020-21 c. Strategic Plan Update d. CMS Schedule e. Start Time Changes f. EP Online Updates g. CMS Construction Updates h. Schoolwide Enrichment Model Inspire Choice Programming i. Mid-Year Budget Update j. Secondary Instructional Models k. District Communication Models/Strategies l. Academic and Social Emotional Learning m. EPS Program Partnerships n. Community Education Year to Date Plan and Update o. Tassel and Upstream Arts p. E-Cigarettes and Vaping q. Core Planning Team Update r. Mid-Year Budget Update s. COVID Updates t. Distance Learning Updates u. Reimagine MN Update v. Community Education Finance Update w. Food Service Finance Update x. 2019-2020 School Year Wrap Up and Planning for 2020-2021 2. The Superintendent notified the Board as needed during the period being monitored. 3. The Superintendent notified the Board as needed during the period being monitored. 	<p>32</p>
<p><u>Statement of Assertion:</u></p> <p>Report is Reasonable and Evidence supports the Operational Interpretation</p>	

<p>2.9.5 Further, the Superintendent shall not: Fail to advise the School Board if, in the Superintendent's opinion, the School Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of School Board behavior that is detrimental to the working relationship between the School Board and the Superintendent.</p>	
<p><u>Operational Interpretation:</u> The Superintendent, while subordinate to the School Board, is empowered to manage the business of the District (otherwise known as the Means) unless specifically directed to do otherwise via the Executive Limitations policies. This policy directs me to advise the School Board if the School Board attempts to guide or influence any management function not specifically entrusted to the School Board. The Policy Governance model will only be successful if both the School Board and Superintendent adhere to its policies and tenants.</p> <p>There is an inherent risk for the Superintendent in advising the School Board it is out of compliance. The Superintendent should be confident that any alleged violation of this policy can be brought forth without fear of retaliation or retribution from the School Board or one of its members.</p>	
<p><u>Justification:</u> In order for Policy Governance to function effectively, both the Superintendent and School Board must understand their roles and practice good governance.</p>	33
<p><u>Measurement Plan:</u></p> <ol style="list-style-type: none"> 1. Compliance is measured by instances when the Superintendent is compelled to notify the School Board Chair and Vice Chair that one or more School Board members allegedly violated this policy. The Chair and Vice Chair will inform the School Board of any unresolved issues. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. The Superintendent notified the Board Chair and Vice Chair as needed and appropriate during the period being monitored. During the monitoring period, the Board made no determinations that a violation of this policy has occurred. 	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation</p>	

<p>2.9.6 Further, the Superintendent shall not: Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and incidental.</p>	
<p><u>Operational Interpretation:</u></p> <ol style="list-style-type: none"> 1. Information that is unnecessarily complex and/or lengthy is characterized by a reporting style that provides more information than is required, or contains irrelevant information that hinders effective Board deliberation and decision-making. 2. Information provided to the School Board using the principles of Policy Governance should conform and be labeled per the three types indicated in this policy. 3. The following defines the three types of information: <ol style="list-style-type: none"> a. Monitoring information. This category includes internal monitoring reports, external monitoring reports (e.g. annual audit), and data and interpretations collected for direct inspections. b. Decision Preparation. This category is composed of information the School Board requests or the Superintendent proactively supplies (see 2.9.3) to support the School Board in its work. c. Incidental Information. This information covers the gamut...from the “nice to know” events that occur in an organization to updates on management processes. Its purpose is to inform the School Board and is not presented for discussion or input. 	34
<p><u>Justification:</u> The interpretations for the types of information were provided during School Board training.</p>	
<p><u>Measurement Plan:</u></p> <ol style="list-style-type: none"> 1. Compliance regarding complexity or length of the information format is measured by compliance with EL 2.9.1. 2. The appropriate placement, discussion, and action (if appropriate) of informational items on the board business meeting and workshop agendas each month. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. See evidence presented for EL 2.9.1. 2. Evidence of compliance is demonstrated by Board action to approve meeting agendas during the period being monitored. 	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation</p>	

2.9.7 Further, the Superintendent shall not: Provide a mechanism for official School Board, officer, or committee communications that is ineffective.	
<p><u>Operational Interpretation:</u></p> <ol style="list-style-type: none"> 1. An ineffective communication mechanism is interpreted as: <ol style="list-style-type: none"> a. Inefficient in reaching School Board members in a timely manner b. Unproductive in assisting School Board members in carrying out their duties c. Unsuccessful in clearly relaying the desired information and resulting actions for official School Board, officer, or committee communications are those defined as those mechanisms that provide timely, accurate, and understandable information that assists School Board members in carrying out their duties. <p>Therefore, I interpret this policy to mean that I must provide the School Board a system for connecting effectively to the organization and to necessary governing information (e.g. School Board meeting materials, past documents).</p>	
<p><u>Justification:</u></p> <p>The operational interpretation is justified by the School Board's own selection of BoardBook and MS Outlook as technology solutions and the District website as the repository for official public documents.</p>	
<p><u>Measurement Plan:</u></p> <ol style="list-style-type: none"> 1. Compliance will be measured by the School Board's use of BoardBook, MS Outlook, and the District website and feedback regarding their user experience. 	35
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. The Board has continued to use BoardBook, MS Outlook, and the District website as its main communication and information solutions. 	
<p><u>Statement of Assertion:</u></p> <p>Report is Reasonable and Evidence support the Operational Interpretation</p>	

<p>2.9.8 Further, the Superintendent shall not: Communicate with individual School Board members in addressing official School Board business except when responding to officers or committees duly charged by the School Board.</p>	
<p><u>Operational Interpretation:</u> Elected members of the School Board have binding authority only when acting as a School Board legally in session except where specific authority is provided to School Board members or officers individually. Generally, the School Board is not bound by an action or statement on the part of an individual School Board member unless the action is specifically directed or authorized by the School Board.</p>	
<p><u>Justification:</u> Minnesota Law provides for the specific powers and function of elected School Board members. Minnesota Statute §123.33 School Board Powers Minnesota Statute §123.34 School District Officers Minnesota Statute §123.35 General Powers</p> <p>BMD 3.1.2 provides guidance and instruction outlining the authority that an individual School Board member can exert upon the Superintendent.</p>	36
<p><u>Measurement Plan:</u></p> <ol style="list-style-type: none"> 1. Compliance is measured by the number of instances when the Superintendent is compelled to report to the School Board Chair and Vice Chair, School Board member non-compliance of BMD 3.1.1. The Chair and Vice Chair will inform the School Board of any unresolved issues. 	
<p><u>Evidence:</u></p> <ol style="list-style-type: none"> 1. The Superintendent notified the Board Chair and Vice Chair as needed and appropriate during the period being monitored. <p>During the monitoring period, the Board made no determinations that a violation of this policy has occurred.</p>	
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation</p>	

<p>2.9.9 Further, the Superintendent shall not: Neglect to supply for the School Board’s consent agenda, along with applicable supporting information, all decisions delegated to the Superintendent yet required by law, regulation, or contract to be School Board-approved.</p>	
<p><u>Operational Interpretation:</u> I interpret this policy to mean that the new School Board agenda template developed through our current governance process transition will include one “consent agenda” area and that I am responsible for bringing any items onto the agenda in this section. Items listed will include reference as to the reason School Board approval is required and any governance policies the item might reference. I interpret “consent agenda” items differently from “Required School Board Decision” items on the agenda template. “Required School Board Decisions” are items requiring School Board approval AND their deliberative involvement.</p>	
<p><u>Justification:</u> My interpretation of this policy is based on the Policy Governance model.</p>	
<p><u>Measurement Plan:</u> 1. Compliance with this policy shall be evidenced by the proper identification and placement of the items described in this policy on School Board agendas during the period being monitored.</p>	
<p><u>Evidence:</u> 1. Evidence of compliance is demonstrated by Board action to approve meeting agendas during the period being monitored.</p>	37
<p><u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation</p>	
<p>2.9.10 Further, the Superintendent shall not: Allow the School Board to be unaware of potential consequences to the district posed by pending legislation or regulation.</p>	
<p><u>Operational Interpretation:</u> I interpret this policy to mean that potential consequences of pending or realized legislation can be positive or negative and are the result of actions of the state and/or federal government. Pending legislation are those items that are introduced to the legislature in the form of new bills or modification to existing legislation. Regulations are the interpretation of enacted legislation by government entities charged with the responsibility of operationalizing approved legislation. Legislation and regulations are imposed upon the District as a political entity. The District is a political entity that is responsible to the State of Minnesota and the Federal government, and therefore is required to conform to and implement either direct legislation or the interpretation of legislation by government agencies. Pending legislation and resulting changes to expectations or established practices at the local level need to be communicated to the Board of Education. Therefore, my job related to this policy is to make sure the School Board is made aware of legislative impact to this district. I will normally use my “Incidental Report” to make the School Board aware of such situations unless the legislation causes the organization to go out of compliance. In such cases, the School Board may be informed via an Out of Compliance Email Alert.</p>	

<u>Justification:</u> I consider my interpretation to be justified based on a common understanding of public education regulation and legislation.	
<u>Measurement Plan:</u> 1. Compliance with this policy is evidenced by the multiple means by which the Board is kept apprised of proposed state and federal legislation or regulation, as well as inquiries from individual board members seeking further understanding or clarification of pending legislation.	
<u>Evidence:</u> 1. The Board is copied in on email updates from AMSD and MSBA on a regular basis. The Superintendent also forwards or provides a summary of additional information from MDE, MDH, MASA and AASA as needed and appropriate.	
<u>Statement of Assertion:</u> Report is Reasonable and Evidence support the Operational Interpretation	
2.9.11 Further, the Superintendent shall not: Send letters or surveys under the School Board's name or on behalf of the School Board without School Board approval.	
<u>Operational Interpretation:</u> It is not uncommon for information to be disseminated or gathered on behalf of the District as a whole or "on behalf of" the School Board. Due to the separation of duties as evidenced by School Board Policy, it is inherent upon Administration to clearly identify the source of the request and to whom the information will be divulged when sharing, communicating, or collecting data. <ol style="list-style-type: none"> Neither Superintendent nor any school employee may represent the "School Board" in any letter sent to stakeholders without the express approval of the School Board via official School Board approval. The Superintendent and designees shall clearly declare the origin and potential use of any survey seeking input from owners, and under no circumstance represent the request for information on behalf of the School Board without School Board approval. 	38
<u>Justification:</u> Policy Governance theory and policy clearly indicates the roles of the School Board and Superintendent which is the driving rationale for this interpretation.	
<u>Measurement Plan:</u> Compliance with this policy will be evidenced by: <ol style="list-style-type: none"> The existence of any formal requests by the Superintendent for School Board signoff of letters, etc. during the monitoring period. Surveys undertaken by the Administration do not attribute the Board as requesters or recipients of the collected data. No communication to the public on behalf of the board occurs without prior approval. 	

<u>Evidence:</u> <ol style="list-style-type: none"> 1. There were no requests by the Superintendent to have the Board sign off on any letters. 2. There were no surveys undertaken that were attributed to the Board as requestors. 3. There was one circumstance during the monitoring period where draft communication was sent to the public prior to final board approval via a district communication. Immediate corrective action was taken by the superintendent to ensure clear communication lines and timelines are followed in the future. 	
<u>Statement of Assertion:</u> Report is Reasonable and Evidence does not support the Operational Interpretation	
School Board member's summarizing comments:	

Record of Board Self-Evaluation
Governance Policies
(July 1, 2020 – June 30, 2021)
Monitoring July 1, 2020 – June 30, 2021 School Year Data

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

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
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BOARD-MANAGEMENT DELEGATION (BMD) POLICIES					
3.0 Single Point of Connection	09.27.21	Yes			40 Yes
3.0 Single Point of Connection	11.23.20	No	Board acknowledges that Director Stoltz was in violation during Board Meeting held on Aug 24, 2020.	Director Stoltz to bring forward a public statement regard violation for consideration for entry into the public record at the Dec 14, 2020 Board Meeting.	Public Statement Completed 12/14/20
3.1 Unity of Control	09.27.21	Yes			Yes
3.1.1	09.27.21	Yes			Yes
3.1.2	09.27.21	Yes			Yes
3.1.3	09.27.21	Yes			Yes
3.2 Delegation to the Superintendent	09.27.21	Yes			Yes
3.2.1	09.27.21	Yes			Yes
3.2.2	09.27.21	Yes			Yes
3.2.3	09.27.21	Yes			Yes
3.2.4	09.27.21	Yes			Yes

**Record of Board Self-Evaluation
Governance Policies
(July 1, 2020 – June 30, 2021)
Monitoring July 1, 2020 – June 30, 2021 School Year Data**

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

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
3.2.3	11.23.20	No	Board acknowledges that Director Stoltz was in violation during Board Meeting held on Aug 24, 2020.	Director Stoltz to bring forward a public statement regard violation for consideration for entry into the public record at the Dec 14, 2020 Board Meeting.	Public Statement Completed 12/14/20
3.3 Superintendent Accountability and Performance	09.27.21	Yes			Yes
3.3.1	09.27.21	Yes			Yes
3.3.2	09.27.21	Yes			Yes
3.3.3	09.27.21	Yes			Yes
3.3.4	09.27.21	Yes			Yes
3.3.5	09.27.21	Yes			Yes
4.0 Global Governance Commitment	10.25.21	Yes			Yes
4.0.1	10.25.21	Yes			Yes
4.0.2	10.25.21	Yes			Yes
4.1 Governing Style	10.25.21	Yes			Yes
4.1.1	10.25.21	Yes			Yes

Record of Board Self-Evaluation
Governance Policies
(July 1, 2020 – June 30, 2021)
Monitoring July 1, 2020 – June 30, 2021 School Year Data

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

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.1.2	10.25.21	Yes			Yes
4.1.3	10.25.21	Yes			Yes
4.1.4	10.25.21	Yes			Yes
4.1.5	10.25.21	Yes			Yes
4.1.6	10.25.21	Yes			Yes
4.2					
School Board Job Products	10.25.21	Yes			Yes
4.2.1	10.25.21	Yes			Yes
4.2.2	10.25.21	Yes			Yes
4.2.2 - A	10.25.21	Yes			Yes
4.2.2 - B	10.25.21	Yes			Yes
4.2.2 - C	10.25.21	Yes			Yes
4.2.2 - D	10.25.21	Yes			Yes
4.2.3	10.25.21	Yes			Yes
4.3					
Annual Work Plan	10.25.21	Yes			Yes
4.3.1	10.25.21	Yes			Yes
4.3.2	10.25.21	Yes			Yes
4.3.3	10.25.21	Yes			Yes

Record of Board Self-Evaluation
Governance Policies
(July 1, 2020 – June 30, 2021)
Monitoring July 1, 2020 – June 30, 2021 School Year Data

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

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.4 Officer Roles	09.27.21	Yes			Yes
4.4.1	09.27.21	Yes			Yes
4.4.1.1	09.27.21	Yes			Yes
4.4.1.2	09.27.21	Yes			Yes
4.4.1.3	09.27.21	Yes			Yes
4.4.1.4	09.27.21	Yes			Yes
4.4.1.5	09.27.21	Yes			Yes
4.4.1.6	09.27.21	Yes			Yes
4.4.1.7	09.27.21	Yes			Yes
4.4.1.8	09.27.21	Yes			Yes
4.4.1.9	09.27.21	Yes			Yes
4.4.2	09.27.21	Yes			Yes
4.4.3	09.27.21	Yes			Yes
4.4.4	09.27.21	Yes			Yes
4.5 School Board Members' Code of Conduct	09.27.21	Yes			Yes
4.5.1	09.27.21	Yes			Yes
4.5.2	09.27.21	Yes			Yes
4.5.2.1	09.27.21	Yes			Yes
4.5.2.2	09.27.21	Yes			Yes

Record of Board Self-Evaluation
Governance Policies
(July 1, 2020 – June 30, 2021)
Monitoring July 1, 2020 – June 30, 2021 School Year Data

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

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.5.2.3	09.27.21	Yes			Yes
4.5.3	09.27.21	Yes			Yes
4.5.3.1	09.27.21	Yes			Yes
4.5.3.2	09.27.21	Yes			Yes
4.5.4	09.27.21	Yes			Yes
4.5.5	09.27.21	Yes			Yes
4.5.6	09.27.21	Yes			Yes
4.5.7	09.27.21	Yes			Yes
4.5.8	09.27.21	Yes			Yes
4.5.8.1	09.27.21	Yes			Yes
4.5.8.2	09.27.21	Yes			Yes
4.5.8.3	09.27.21	Yes			Yes
4.5.8.4	09.27.21	Yes			Yes
4.5.8.5	09.27.21	Yes			Yes
4.5.8.6	09.27.21	Yes			Yes
4.5.8.7	09.27.21	Yes			Yes
4.5					
School Board Members' Code of Conduct	03.22.21	Yes	Board Director Stoltz' actions after the Board Meeting on Aug 24, 2020 were not ethical or businesslike and did not display appropriate decorum. Her actions led to significant risk of the Board committing a legal violation. Significant	Director Stoltz will be required by the Board to retake the Phase 1 and Phase 2 training as described in policy 4.5.8.2 and 4.5.8.3 by the end of January 2021 and the	-MSBA Phase 1 Completed 12/8/20
4.5.1	03.22.21	Yes			
4.5.2	03.22.21	Yes			

Record of Board Self-Evaluation
Governance Policies
(July 1, 2020 – June 30, 2021)
Monitoring July 1, 2020 – June 30, 2021 School Year Data

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

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.5.2.1	03.22.21	Yes	violations occurred on policies 4.5.1, 4.5.3, 4.5.4, 4.5.6, and 4.5.7. Director's Stoltz's actions caused division among the Board that have taken and will continue to take significant action to address.	Introduction to Policy Governance Course as described in 4.5.8.1 at a date to be determined in early 2021. Director Stoltz will also be removed from her appointment to the Board Development Committee. Director Stoltz will bring forward a public statement regarding these violations for consideration for entry into the public record at the December 14, 2020 Board meeting.	-MSBA Phase 2 Completed 12/17/20 -Public Statement Completed 12/14/20 -Intro to Policy Governance Training Completed 1/17/21
4.5.2.2	03.22.21	Yes			
4.5.2.3	03.22.21	Yes			
4.5.3	03.22.21	Yes			
4.5.3.1	03.22.21	Yes			
4.5.3.2	03.22.21	Yes			
4.5.4	03.22.21	Yes			
4.5.5	03.22.21	Yes			
4.5.6	03.22.21	Yes			
4.5.7	03.22.21	Yes			
4.5.8	03.22.21	Yes			
4.5.8.1	03.22.21	Yes			
4.5.8.2	03.22.21	Yes			
4.5.8.3	03.22.21	Yes			
4.5.8.4	03.22.21	Yes			
4.5.8.5	03.22.21	Yes			
4.5.8.6	03.22.21	Yes			
4.5.8.7	03.22.21	Yes			
4.6 Process for Addressing School Board Member Violations	09.27.21	Yes			Yes

Record of Board Self-Evaluation
Governance Policies
(July 1, 2020 – June 30, 2021)
Monitoring July 1, 2020 – June 30, 2021 School Year Data

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

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.6.1	09.27.21	Yes			Yes
4.6.2	09.27.21	Yes			Yes
4.6.3	09.27.21	Yes			Yes
4.6.4	09.27.21	Yes			Yes
4.6.4.1	09.27.21	Yes			Yes
4.6.4.2	09.27.21	Yes			Yes
4.6.4.2	11.09.20	No		Director Stoltz will be required by the Board to retake the Phase 1 and Phase 2 training as described in policy 4.5.8.2 and 4.5.8.3 by the end of January 2021 and the Introduction to Policy Governance Course as described in 4.5.8.1 at a date to be determined in early 2021. Director Stoltz will also be removed from her appointment to the Board Development Committee. Director Stoltz will bring forward a public statement regarding these violations for consideration for entry into the public record at the December 14, 2020 Board meeting.	-MSBA Phase 1 Completed 12/8/20 -MSBA Phase 2 Completed 12/17/29 -Public Statement Completed 12/14/20 -Intro to Policy Governance Training Completed 1/17/21

Record of Board Self-Evaluation
Governance Policies
(July 1, 2020 – June 30, 2021)
Monitoring July 1, 2020 – June 30, 2021 School Year Data

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

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
					47
4.7 School Board Committee Principles	09.27.21	Yes			Yes
4.7.1	09.27.21	Yes			Yes
4.7.2	09.27.21	Yes			Yes
4.7.3	09.27.21	Yes			Yes
4.7.4	09.27.21	Yes			Yes
4.8 School Board Committee Structure	09.27.21	Yes			Yes
4.8.1	09.27.21	Yes			Yes
4.8.2	09.27.21	Yes			Yes
4.8.3	09.27.21	Yes			Yes
4.8.4	09.27.21	Yes			Yes
4.9 Governance Investment	10.25.21	Yes			Yes
4.9.1	10.25.21	Yes			Yes
4.9.1.1	10.25.21	Yes			Yes
4.9.1.2	10.25.21	Yes			Yes

Record of Board Self-Evaluation
Governance Policies
(July 1, 2020 – June 30, 2021)
Monitoring July 1, 2020 – June 30, 2021 School Year Data

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

Policy	Date of Self-Evaluation	Board Behavior Fully Compliant? Y/N	Board behavior needing improvement or opportunity for continuous improvement	Commitment Made/Action Taken	Completed
4.9.1.3	10.25.21	Yes			Yes
4.9.2	10.25.21	Yes			Yes
4.9.3	10.25.21	Yes			Yes
4.10 Operation of the School Board Governing Rules	09.27.21	Yes			Yes
4.10.1	09.27.21	Yes			Yes
4.10.1.1	09.27.21	Yes			Yes
4.10.1.2	09.27.21	Yes			Yes
4.10.1.3	09.27.21	Yes			Yes
4.10 Operation of the School Board Governing Rules	Nov 9, 2020	No	Board acknowledges that Director Stoltz was in violation during Board Meeting held on Aug 24, 2020.	Director Stoltz to bring forward a public statement regard violation for consideration for entry into the public record at the Dec 14, 2020 Board Meeting	Public Statement Completed 12/14/20
4.10.1	Nov 9, 2020	No			
4.10.1.1	Nov 9, 2020	No			
4.10.1.2	Nov 9, 2020	No			
4.10.1.3	Nov 9, 2020	No			

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

Monitoring 2020-2021 School Year Data

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

Policy	School Year	Operational Interpretation – Reasonable or not?		Evidence – demonstrates expected progress?		Date to bring back the district’s plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							
1.1 Each student graduates and is academically prepared to progress to multiple opportunities after high school	2020-21	Yes 06/22/20	Yes 06/22/20	Yes 10/25/21	Yes 10/25/21		Yes 49 10/25/21
1.1.1 Each student is reading at grade level by the end of third grade	2020-21	Yes 06/22/20	Yes 06/22/20	No 10/25/21	No 10/25/21	TBD	No
1.1.2 Each student achieves individual growth expectations and proficiency annually in, but not limited to, Language Arts, Math and Science	2020-21	Yes 06/22/20	Yes 06/22/20	No 10/25/21	No 10/25/21	TBD	No

1.1.3 Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements	2020-21	Yes 06/22/20	Yes 06/22/20	Yes 10/25/21	Yes 10/25/21		Yes 10/25/21
1.2 Each student demonstrates the 21 st century skills needed to succeed in the global economy	2020-21	Yes 06/22/20	Yes 06/22/20	Yes 10/25/21	Yes 10/25/21		Yes 10/25/21 50
1.3 Each student demonstrates the knowledge that citizens and residents of the United States need to contribute positively to society	2020-21	Yes 06/22/20	Yes 06/22/20	Yes 10/25/21	Yes 10/25/21		Yes 10/25/21

Policy	Date	Operational Interpretation – Reasonable or not?		Evidence – supports Operational Interpretation or not?		Date to re-monitor if either the OI is Not Reasonable or if Evidence doesn’t support OI	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
EXECUTIVE LIMITATIONS							
EL 2.0 Global Executive Constraint	12/13/21						
EL 2.1 Emergency Superintendent Succession	08/23/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.2 Treatment of Students	08/23/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.3 Treatment of Parents	09/27/21	Yes	Yes	Yes	Yes	Yes	Yes 51
EL 2.4 Treatment of Staff	10/25/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.5 Financial Planning and Budgeting	12/13/21						
EL 2.6 Financial Management and Operations	09/27/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.7 Asset Protection	08/23/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.8 Compensation and Benefits	10/25/21	Yes	Yes	Yes	Yes	Yes	Yes
EL 2.9 Communication and Support to the School Board	11/22/21						

**Record of Board Policy Monitoring
Ends and Executive Limitations
July 1, 2021 – June 30, 2022**

Monitoring 2021-2022 School Year Data

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

Policy	School Year	Operational Interpretation – Reasonable or not?		Evidence – demonstrates expected progress?		Date to bring back the district’s plan to demonstrate expected progress in the future	Completed
		Superintendent Assertion	Board Finding	Superintendent Assertion	Board Finding		
ENDS							
1.1 Each student graduates and is academically prepared to progress to multiple opportunities after high school	2021-22	Yes 6/28/21	Yes 6/28/21				
	2022-23						52
1.2 Each student is reading at grade level by the end of third grade	2021-22	Yes 6/28/21	Yes 6/28/21				
	2022-23						
1.3 Each student achieves individual growth expectations and proficiency annually in, but not limited to, Language Arts, Math and Science	2021-22	Yes 6/28/21	Yes 6/28/21				
	2022-23						

1.4 Each student receives a broad-based education that exceeds the Minnesota State Graduation Requirements	2021-22	Yes 6/28/21	Yes 6/28/21				
	2022-23						
1.5 Each student demonstrates the 21 st century skills needed to succeed in the global economy	2021-22	Yes 6/28/21	Yes 6/28/21				
	2022-23						53
1.6 Each student demonstrates the knowledge that citizens and residents of the United States need to contribute positively to society	2021-22	Yes 6/28/21	Yes 6/28/21				
	2022-23						

Resolution of Acceptance of Donations

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

Eden Lake Elementary:

- Donation of \$2,500.00 –Christopher Papic (In Memory of Sharon Papic), Pittsburgh, PA – funds to be used to support the Music Department
- Donation of \$100.00 – Kim & Greg Bannwarth (In Memory of Darold Beekmann), Woodbury, MN – funds to be used to purchase new books

SUPERINTENDENT CONSENT AGENDA

A. Semi-Monthly Reports

HUMAN RESOURCES

1. Human Resources – Licensed Staff

a. New Hires

Adkins, Kathryn – Mathematics, 1.0 FTE, Central Middle School, effective 8/30/2021.

Anderson, Samantha – Elementary Classroom Teacher, 1.0 FTE, Eagle Heights Spanish Immersion, effective 9/20/2021.

Bacon, Stephen – Special Education, 0.8 FTE and Special Education Lead Teacher, 0.2 FTE, EP Online, effective 11/22/2021.

Bjerke, Debra – World Language – Spanish, 0.417 FTE, EP Online, effective 11/10/2021.

Brower, Sarah – Special Education, 1.0 FTE, EP Online, effective 11/15/2021.

Burnett, Kelly – Guidance Counselor, 1.0 FTE, EP Online, effective 11/10/2021 through 12/22/2021.

Holcombe, Margaret - Personalized Exploration, 1.0 FTE, Central Middle School, effective 11/15/2021.

Junkermeier, Tamara – Kindergarten, 1.0 FTE, Prairie View Elementary, effective 11/11/2021 through 2/3/2021.

Lhotka, Timothy – Social Studies, 1.0 FTE, Eden Prairie High School, effective 11/15/2021.

Martin, Mira – Speech Language Pathologist (Ages 3-5), 1.0 FTE, Early Childhood Special Education, effective 11/17/2021.

Moening, Patricia – Grade 3, 1.0 FTE, Eden Lake Elementary, effective 10/18/2021.

b. Change in Assignment

Brent, Dayna – From Permanent Building Substitute, to Kindergarten, 1.0 FTE, Cedar Ridge Elementary, 10/14/2021 through 12/22/2021.

Kielas, Abigail – From Permanent Building Substitute to Academic Interventionist, 1.0 FTE Cedar Ridge Elementary, effective 11/8/2021.

Ralston, Melanie – Early Childhood Special Education, 1.0 FTE, Community Education from Eagle Zone Program Lead, Community Education, effective 11/18/2021.

c. Resignation/Retirements

Arthur, Paula – School Psychologist, 1.0 FTE, Eden Lake Elementary, Prairie View Elementary, effective 11/15/2021.

Holloway, Sara – Physics, MOU, EP Online, effective 10/15/2021.

Sapp, Lauren – Personalized Exploration, 1.0 FTE, Central Middle School, effective 11/12/2021.

2. Human Resources – Classified Staff

a. New Hires

CLASS

Adams, Natasha – Personnel Assistant, Eden Prairie High School, 8 hours/day, 5 days/week, 225 days/year, effective 11/15/2021.

Babington, Elizabeth – Receptionist, Eagle Heights Spanish Immersion, 5.5 hours/day, 5 days/week, 191 days/year, effective 10/25/2021.

Loyland-Hitch, Jamie - Technology Support Specialist, Administrative Service Center, 8 hours/days, 5 days/week, 260 days/year, effective 11/15/2021.

Longie, Lori - Administrative Assistant-Personalized Learning, Administrative Service Center, 8 hours/days, 5 days/week, 260 days/year, effective 10/29/2021.

Lovagnini, Arden - Receptionist, Prairie View Elementary, 8 hours/days, 5 days/week, 191 days/year, effective 11/9/2021.

Nockel, Mirosława – Office Professional – Personnel & Finance, Central Middle School, 8 hours/day, 5 days/week, 260 days/year, effective 10/27/2021.

FOOD SERVICE

Chavez, Maria – Food Service Assistant I – Cashier, Central Middle School, 3.5 hours/day, 5 days/week, 177 days/year, effective 11/8/2021.

MSEA

Abdirahman, Asha – Little Eagles Preschool Paraprofessional, Community Education, 5 hours/day, 5 days/week, 178 days/year, effective 11/08/2021.

Abler, Samantha – Little Eagles Preschool Paraprofessional, Community Education, 3 hours/day, 4 days/week, 146 days/year, effective 10/18/2021.

Ahmed, Nimco – Little Eagles Preschool Paraprofessional, Community Education, 3.75 hours/day, 5 days/week, 178 days/year, effective 11/08/2021.

Davare, Nina – Special Education Paraprofessional, Central Middle School, 6.5 hours/day, 5 days/week, 178 days/year, effective 10/29/2021.

Johnson, Essence – Student Supervisor, Central Middle School, 7.5 hours/day, 5 days/week, 178 days/year, effective 10/25/2021.

Kelly, Rekha – Special Education Paraprofessional, Central Middle School, 6.5 hours/day, 5 days/week, 178 days/year, effective 10/25/2021.

Lhotka, Monica – Special Education Paraprofessional, Eden Prairie High School, 6.5 hours/day, 5 days/week, 178 days/year, effective 11/3/2021.

Mohamed, Dahabo – Special Education Paraprofessional, Prairie View Elementary, 5 hours/day, 5 days/week, 178 days/year, effective 11/16/2021.

Sohail, Fareeha – Eagle Zone Program Assistant, Community Education, 3.75 hours/day, 5 days/week, 178 days/year, effective 10/26/2021.

Valiton, Kristi – Special Education Paraprofessional, Central Middle School, 5.5 hours/day, 5 days/week, 178 days/year, effective 10/25/2021.

Whitlock, Serena – Lunchroom/Playground Paraprofessional, Oak Point Elementary, 3 hours/day, 5 days/week, 178 days/year, effective 11/15/2021.

Yurecko, Diane – Kindergarten/Lunchroom Paraprofessional, Forest Hills Elementary, 4.58 hours/day, 5 days/week, 178 days/year, effective 11/5/2021.

PRESCHOOL TEACHERS

Byrnes, Blair – Little Eagles Preschool Teacher, 0.992 FTE, Community Education, effective 11/17/2021.

TRANSPORTATION

Ashkir, Zakaria – Bus Driver, Transportation, 5.63 hours/day, 5 days/week, 178 days/year, effective 10/28/2021.

b. Change in Assignment

CLASS

Larrabee, Kalli – Youth Enrichment Specialist, Community Education, working 8 hours/day, 5 days/week, 260 days/year from Eagle Zone Program Lead, Community Education, effective 11/1/2021.

PRESCHOOL TEACHERS

Abler, Samantha – Little Eagles Preschool Teacher, 0.355 FTE, Community Education, from Little Eagles Preschool Paraprofessional, effective 11/1/2021.

Joe, Sharon – Little Eagles Preschool Teacher, 0.7288 FTE, Community Education, from Little Eagles Preschool Paraprofessional, effective 10/1/2021 through 12/22/2021.

Kelly, Nicholas – Little Eagles Preschool Teacher, 0.2625 FTE, Community Education, from Little Eagles Preschool Paraprofessional, effective 10/18/2021 through 12/22/2021.

Sheikhyusuf, Rahma – Little Eagles Preschool Teacher, 0.992 FTE, Community Education, from Little Eagles Preschool Paraprofessional, effective 10/27/2021.

c. Resignation/Retirements

CLASS

Paul, Kimberly – Administrative Assistant, Oak Point Elementary, effective 12/3/2021.

FOOD SERVICE

Voehl, Wendy – Food Service Assistant I, Eden Prairie High School, effective 11/11/2021.

MSEA

Benik, Abigail – Eagle Zone Program Assistant, Community Education, effective 11/5/2021.

Bharath Kumar, Shalini – Little Eagles Preschool Paraprofessional, Community Education, effective 11/23/2021.

Gaida, Sheryl – Office Professional – Media, Eagle Heights Spanish Immersion, effective 10/14/2021.

Gjervold, Debbie – Special Education Paraprofessional, Oak Point Elementary, effective 11/30/2021.

Gomez, Vanessa – Special Education Paraprofessional, Central Middle School, effective 10/16/2021.

Hotvedt, Debra – Special Education Bus Paraprofessional, Transportation, effective 11/26/2021.

Ismail, Hayat – Special Education Paraprofessional, Oak Point Elementary, effective 11/5/2021.

Rasul, Huvaydo – Eagle Zone Program Assistant, Community Education, effective 10/29/2021.

Schwebach, James – Special Education Bus Paraprofessional, Transportation, effective 12/3/2021.

Sejpal, Leena – Little Eagles Preschool Paraprofessional, Community Education, effective 11/05/2021.

Selman, Nabo – Education Paraprofessional, Eden Prairie High School, effective 5/28/2021.

Thao, Nellie – Playground Paraprofessional, Eden Lake Elementary, effective 5/28/2021.

Towhill, Donna – Kindergarten Paraprofessional, Forest Hills Elementary, effective 12/22/2021.

PRESCHOOL TEACHERS

Pedersen, Dylan – Little Eagles Preschool Teacher, Community Education, effective 10/26/2021.

TRANSPORTATION

Talcott, Daniel – Bus Driver, Transportation, effective 11/2/2021.

Board Business

General Consent Agenda

Approval of Payments, all Funds October 2021

Check #410974-411251	\$3,614,908.62
Electronic Disbursements	\$5,855,207.29
TOTAL	\$9,470,115.91

Acknowledgment of Electronic Transfers October 2021

INVEST DATE	FROM	TO	INTEREST RATE	MATURITY DATE	PRINCIPAL
09/27/2021	PMA Financial	MNTrust	.030%	10/25/2021	\$6,000,138.09
09/27/2021	PMA Financial	MNTrust	.030%	10/25/2021	\$2,000,046.04
09/27/2021	PMA Financial	MNTrust	.030%	10/25/2021	\$2,000,046.04
09/27/2021	PMA Financial	MNTrust	.030%	10/25/2021	\$5,500,126.58

EDEN PRAIRIE SCHOOLS
GENERAL FUNDS
MONTHLY REVENUE/EXPENDITURE REPORT
FOR THE MONTH ENDING: Oct-21

REVENUES/TRANSFERS IN (BY SOURCE CODE)					
SOURCE	DESCRIPTION	YEAR TO DATE RECEIVED	CURRENT FULL YEAR PROJECTION	THIS YEAR % RECEIVED	LAST YEAR % RECEIVED
001-020	TAXES	\$ 8,817,913	\$ 26,927,015	32.75%	36.53%
021-040	TUITION	-	60,000	0.00%	0.00%
041-089	FEES & ADMISSIONS	574,568	644,150	89.20%	21.11%
090-199	MISC REVENUE	157,770	833,770	18.92%	8.78%
200-399	STATE AID	22,567,637	82,789,885	27.26%	28.70%
400-499	FEDERAL PROGRAMS	22,373	5,879,753	0.38%	0.00%
600-649	SALES	41,808	56,100	74.52%	27.00%
		\$ 32,182,068	\$ 117,190,673	27.46%	29.65%
	CAPITAL OUTLAY	317,339	14,424,564	2.20%	0.17%
	STUDENT ACTIVITIES	919,024	1,500,000	61.27%	40.90%
	MEDICAL ASSISTANCE	18,947	150,000	12.63%	7.69%
	SCHOLARSHIPS	-	8,500	0.00%	0.00%
Revenue Notes:					

EXPENDITURES/TRANSFERS OUT (BY OBJECT CODE)					
OBJECT	DESCRIPTION	YEAR TO DATE EXPENDED	CURRENT FULL YEAR PROJECTION	THIS YEAR % EXPENDED	LAST YEAR % EXPENDED
100	SALARIES	\$ 15,492,813	\$ 76,818,948	20.17%	19.31%
200	BENEFITS	4,908,692	25,599,888	19.17%	20.46%
300	PURCHASED SVCS	2,964,757	9,423,748	31.46%	27.50%
400	SUPPLIES & EQUIPMENT	1,267,403	5,802,014	21.84%	45.23%
800	OTHER EXPENSES	109,575	627,163	17.47%	20.79%
900	TRANSFERS & CONTINGENCY	-	96,053	0.00%	0.00%
		\$ 24,743,240	\$ 118,367,814	20.90%	20.93%
	CAPITAL OUTLAY	5,262,515	14,244,305	36.94%	42.21%
	STUDENT ACTIVITIES	819,675	1,500,000	54.64%	38.43%
	MEDICAL ASSISTANCE	35,742	215,957	16.55%	41.99%
	SCHOLARSHIPS	15,500	11,000	140.91%	0.00%
Expenditure Notes:					

**RESOLUTION OF GOVERNING BOARD SUPPORTING
FORM A APPLICATION TO MINNESOTA
STATE HIGH SCHOOL LEAGUE FOUNDATION**

WHEREAS, the Minnesota State High School League Foundation was formed to provide support for Minnesota's high school youth to participate in athletics and fine arts;

WHEREAS, the Governing Board of Eden Prairie School Board #272 recognizes the value of student participation in extracurricular activities; and

WHEREAS, the MSHSL Foundation is offering grants and funding to assist schools in recognizing, promoting and funding extracurricular participation by high school students in athletic and fine arts programs.

THEREFORE, BE IT RESOLVED, that the Governing Board of Eden Prairie School Board #272 supports the school's application to the Minnesota State High School League Foundation for a FORM A grant to offset student activity fees.

Date

Board Chair, Adam Seidel

Date

Board Clerk, Debjyoti Dwivedy

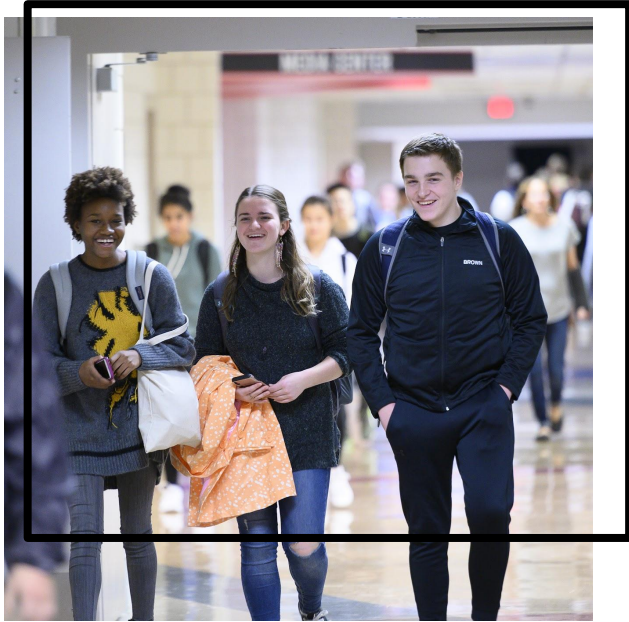
Approval of Agreement with Building Service Employees (SEIU Local 284)

RESOLVE to approve a two-year contract between Independent School District 272 and the Building Service Employees (SEIU Local 284) effective July 1, 2021 through June 30, 2023.

The following is a synopsis of the agreement.

1. Salary schedule improvement:
 - Year 1: 2.75% Increase
 - Year 2: 2.50% Increase
2. Single Health Insurance:
 - Year 1: 0% increase in district contribution
 - Year 2: 0% increase in district contribution
3. Family Health Insurance
 - Year 1: 0% increase in district contribution
 - Year 2: 0% increase in district contribution
4. Additional Irrigation Certification pay of \$1.75/hour.
5. Increase snow removal differential pay from \$0.50 to \$1.00/hour.
6. Increase vacation accrual by four (4) hours annually at years 11, 17, and 28.

Inspiring strong connections



New for 2021-22

- ThoughtExchange
- Let's Talk

How can we listen more effectively?

- Create dialogue
- Hear from across our community
- Analyze diverse opinions



Engage community with ThoughtExchange

September Exchange

As we consider one-time, federal coronavirus relief, how should resources be used to provide the greatest benefit to students to meet their social-emotional and academic needs?



PARTICIPATION

Breakdown of Participation



What is your relationship(s) with Eden Prairie Schools



1017

Responses




663

Thoughts



24,424

Ratings

%		Answer <i>(Multi-select)</i>
63%	(645)	Current parent/guardian
10%	(102)	Eden Prairie Schools employee (licensed teacher)
4%	(45)	Eden Prairie Schools employee (non- licensed staff)
23%	(241)	Student
3%	(35)	Parent/guardian of former student
5%	(53)	Eden Prairie resident (non- parent/guardian)
2%	(26)	Employee of an Eden Prairie-based business/organization



WORDCLOUD

Top Rated





Outdoor spaces

Air handling and ventilation

Mental health support, counseling

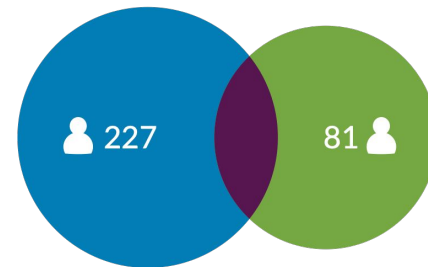
Academic boosts (i.e. tutoring, additional staff)

COVID protection (face coverings, testing)



DIFFERENCES

Mental Health | Social and Outdoor



Side A

Increased access to mental health counseling We've seen an increase in mental health concerns during the pandemic.

★ 4.5 ★ 2.1

These funds should be used to address the mental health needs of students

This is important because, due to the pandemic, virtual school did not sufficiently provide these supports

★ 4.5 ★ 1.9

Side A/B Common (high)

More outdoor/movement time Innovative equipment/programs and change in focus to allow kids more time to learn outside. If we want to improve mental health, this is how to do it!

★ 4.4 ★ 4.1

Increase outdoor education opportunities within school day.

Kids outside is key to positive mental health outcomes.

★ 4.2 ★ 3.9

Side B

Additional bussing Create opportunities for middle school and high school to be on same schedule.

★ 1.6 ★ 4.5

Add more windows This is a great way to have increased ventilation and long term benefits of extra exposure to the outdoors.

★ 1.7 ★ 4.4



- Scalable: Small groups or hundreds
- Mobile-friendly
- Integrated translation
- Confidential
- Synchronous or a-syn⁶⁹c

More about ThoughtExchange



Let's Talk

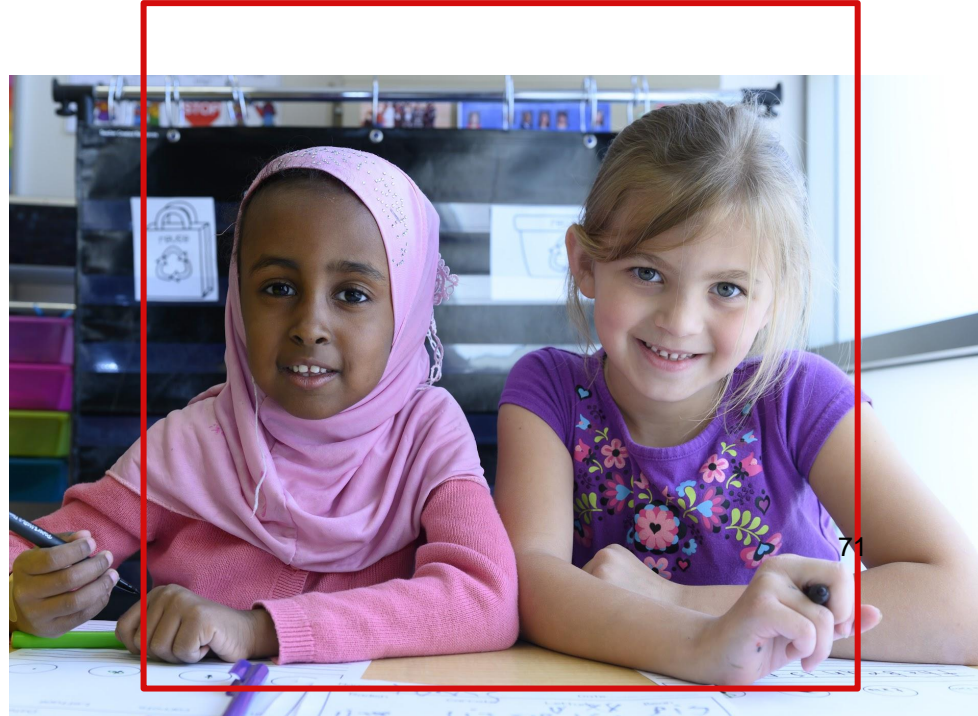
LAUNCHED

Sept. 13

52 dialogues

Avg. 1 day
response time

7.4 / 10 rating





- Chat bot learns
- Feedback improves FAQs
- Track internal progress

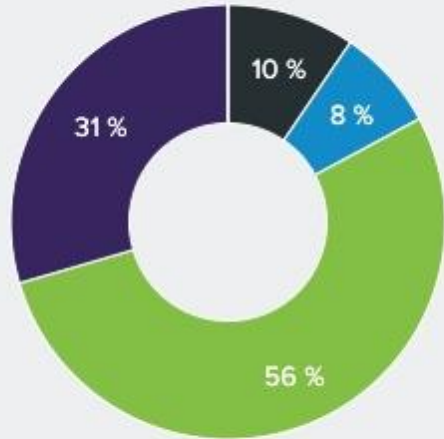
72

Continuous Improvements

METRICS

CUSTOMER TYPE

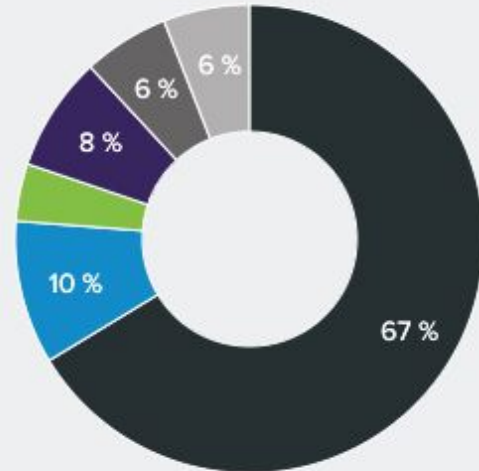
52 Dialogues



■ Student ■ Employee
■ Parent/Guardian
■ Community Member ■ Unknown

DIALOGUE TYPE

52 Dialogues



■ Question ■ Comment ■ Suggestion
■ Concern ■ Compliment ■ Unknown

**Eden Prairie School Board
Community Linkage Committee Minutes
Monday, October 27, 2021
6:00 PM via Zoom**

Charter per Board Policy GP 4.8: This committee will facilitate multiple methods of School Board communication with owners that provide input and inform the School Board of ownership values as they relate to School Board policies, as well as provide valuable information to owners.

Committee Members Present: Kim Ross, CJ Strehl, Karla Bratrud

Agenda:

1. Approval of Agenda
2. Approval of the minutes
3. Round robin: Voices from the community
4. Working Plan:
 - a. Ownership
 - b. Action items/deadlines
5. New Business
6. Committee report summary
7. Adjournment

Meeting began via zoom 600pm.

The agenda above is our standard operating agenda moving forward.

Round Robin:

- We did not do our round robin discussion. This meeting was focused on the Metric of the Month.

Working Plan:

Metrics

- This meeting was focused on dropping the updated ENDS info into the “Measuring What Matters” and getting the language correct. See workshop presentation notes and 11/22/2021 meeting for official approval.

Next steps:

- Present at the next workshop for approval.

Meeting Adjourned: 7:00 pm

Committee Report summary:

- CJ will report out on results on the updated metrics “Measuring What Matters”.

**Eden Prairie School Board
Community Linkage Committee Minutes
Monday, November 15, 2021
5:00 PM via Zoom, ASC/EDC**

Charter per Board Policy GP 4.8: This committee will facilitate multiple methods of School Board communication with owners that provide input and inform the School Board of ownership values as they relate to School Board policies, as well as provide valuable information to owners.

Committee Members Present: Kim Ross, CJ Strehl,

Agenda:

1. Approval of Agenda
2. Approval of the minutes
3. Round robin: Voices from the community
4. Working Plan:
 - a. Ownership
 - b. Action items/deadlines
5. New Business
6. Committee report summary
7. Adjournment

Meeting began at 5:06 pm.

The agenda above is our standard operating agenda moving forward.

Round Robin:

- We did not do our round robin discussion.

Working Plan:

- We worked on language for Inspiring News and “Measuring What Matters”

Meeting Adjourned: 5:28pm

Committee Report summary:

- Kim will report out the Inspiring New and Measuring what matters language for board approval.

Winter 2022 Inspiring News Article

First draft – 11/15/21

Responding to Adversity

Since the beginning of 2020, many in our community have faced challenges and experienced loss. We have all been reminded that how we respond to adversity matters a great deal. The Eden Prairie School Board is incredibly grateful for and proud of how our community has and continues to respond to adversity.

- School district staff has shown incredible creativity, flexibility, and, above all, unwavering dedication to students and families.
- Students have focused on their education and shown care and concern for their peers.
- Community members have supported each other in countless ways.

The achievement of our students demonstrates the impact of our collective response to adversity. The goal set before the pandemic for our third-grade students to be reading at grade level was missed by a mere 2.8 percentage points. The goal set for graduation rates was *exceeded* by 1.3 percentage points. In addition, the progress made over the last four years to reduce the gap in graduation rates between subgroups of students is truly commendable. In the coming weeks, watch for the new “Measuring What Matters” communications from the School Board. We’ll be sharing examples of how we monitor the results achieved by students and the operations of the district.

Yet and still, the challenges presented by the pandemic remain. Food service and other district departments aren’t always getting what they ordered. Staff members are pitching in daily to support and cover for each other. Teachers are working to identify gaps in students’ learning that exist as a function of non-traditional learning models during the past year. Eden Prairie School District staff has gone above and beyond for almost two years and the end is still not clearly in sight. Delivering a quality education is no small task but it’s never been more difficult than it is right now. Please say thanks to Eden Prairie Schools’ staff when you can. [Would the district like us to add an ask for volunteers?]

Because Eden Prairie is a place where people care about their neighbors and extend grace in difficult times, we have not experienced the conflict and division that is happening in other communities. That is something of which we can all be very proud. As we all navigate the challenges of a “new normal,” let’s continue to respond to adversity with creativity and flexibility and continue to support and care for each other. Thank you Eden Prairie!

“Measuring What Matters” - New Board Reporting for EP Residents:

Each year, the School Board measures key metrics to monitor academic progress and operations at Eden Prairie Schools. These outcomes are published on our website in the “ENDS Report” and “Executive Limitations” sections. To improve communication, the School Board has developed “Measuring What Matters” to provide visibility and transparency into the progress at EP schools.

The School Board hopes that “Measuring What Matters” will give the community concise, timely, and relevant information on the performance of our schools. Although these first two metrics represent a snapshot into School District student achievement, the School Board expects to expand the number and type of metrics included in “Measuring What Matters” to improve monitoring transparency. Look for these additional metrics as they are monitored by the School Board in 2022.

The School Board welcomes your feedback on “Measuring What Matters.” Please email us at SchoolBoard@edenpr.org and let us know what you think.



Measuring What Matters

Third Grade Reading Metrics

2020-2021 School Year
Academic Achievement

Introduction

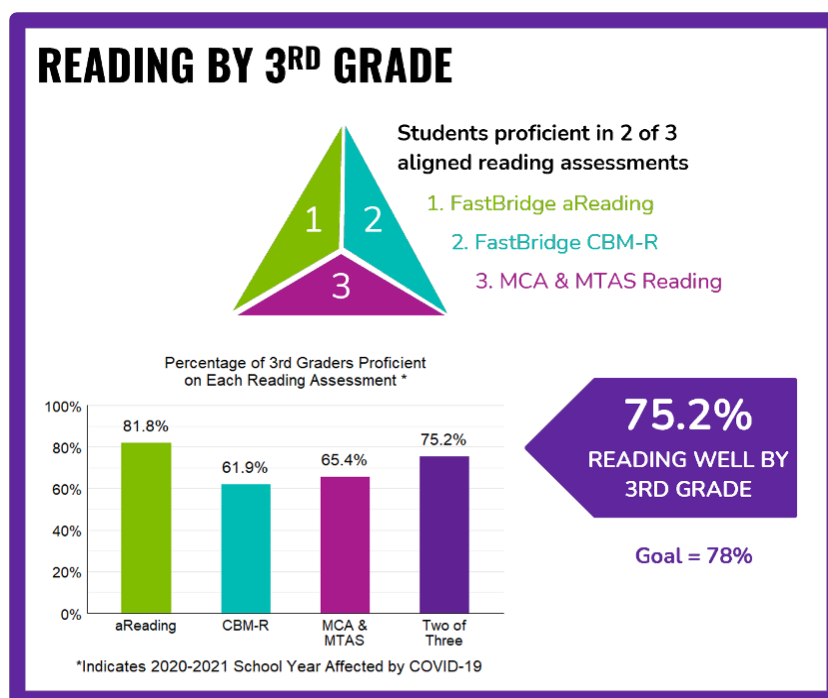
Third grade reading metrics are reviewed by the Eden Prairie School Board each year when Ends Policy 1.1.1 is monitored. This policy states: “Each student is reading at grade level by the end of third grade.” During the monitoring process the Superintendent must provide evidence that the district is making reasonable progress toward this goal.

Studies show that in third grade students transition from learning to read to reading to learn. If students are not reading at grade level in third grade it can negatively impact their academic achievement in future years, so the Board prioritized this goal in its policies.

Data

The data for the 2020-2021 school year was presented to the Board on October 25, 2021.

Target Set for 2020-2021: 78%: Level of Achievement: 75.2%



Reading by 3rd Grade: Meets Two of Three Criteria	
	2020-2021*
Overall	75.2%
Asian	95.7%
Black or African American	57.9%
Hispanic/Latino	58.8%
Two or more races	77.8%
White	78.6%
EL	34.3%
FRP	52.2%
SpEd	45.3%
<p>Note: American Indian or Alaska Native and Native Hawaiian or Other Pacific Islander groups have fewer than 10 students and are not shown to protect student confidentiality.</p> <p>* Indicates school year affected by COVID-19</p>	

School Board's Perspective on the Data

On October 25, 2021 when the school board monitored this policy, the Superintendent asserted and the board voted to find that reasonable progress had not been made. However, given that the target was set early in the pandemic, the fact that the target was missed by only 2.8 percentage points is remarkable. The board applauded the staff for their hard work.

Because reasonable progress was not made, in the coming months the Superintendent will provide updates to the board regarding what actions are being taken to remediate the shortfall in achievement and the gaps in achievement between different subgroups of students.

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



Measuring What Matters

Graduation Rate Metrics

Academic Achievement

Introduction

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

Data

This data for the 2020-2021 school year was presented to the Board on October 25, 2021.

Target Set for 2020-2021

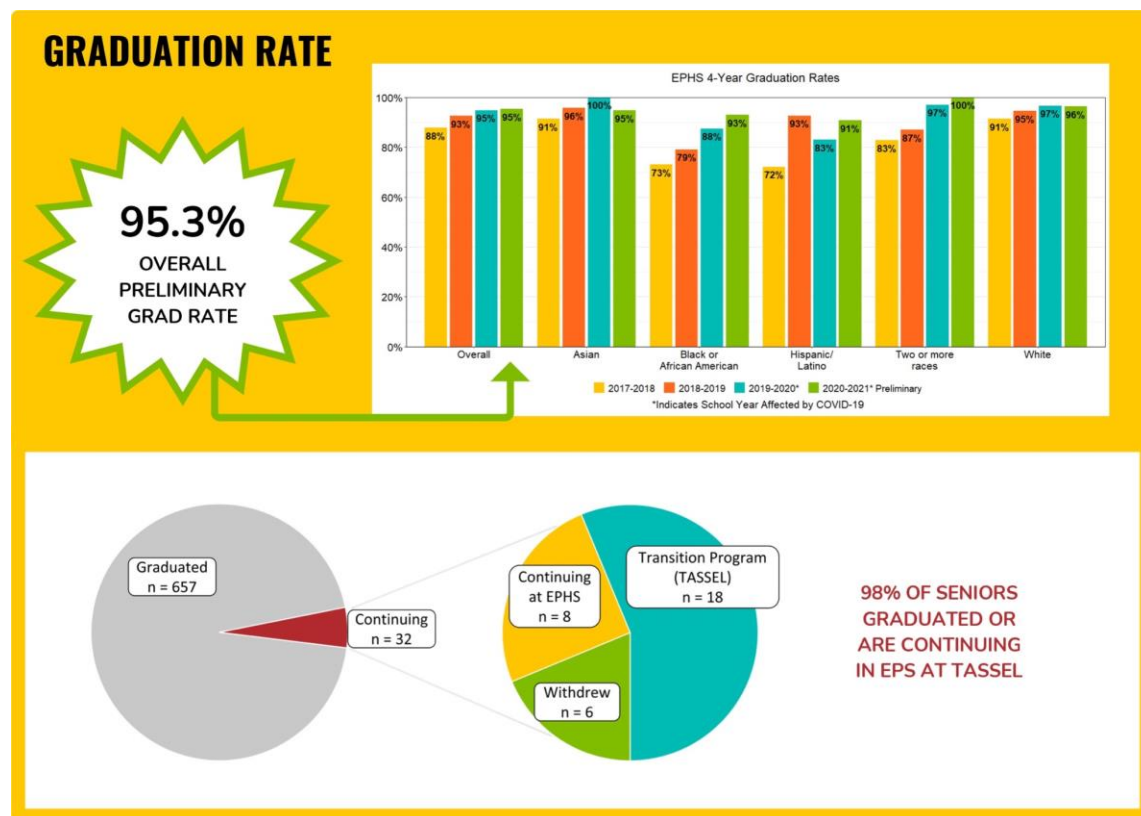
4-year: 94%

7-year: 97%

Level of Achievement

4-year: 95.3%

7-year: Not Available when monitored



School Board's Perspective on the Data

On October 25, 2021 when this policy was monitored, the Superintendent asserted and the board voted that reasonable progress had been made. The progress made over the last four years to reduce the gap in graduation rates between subgroups of students is truly commendable. The Eden Prairie School District can confidently say that the overwhelming majority of our students will graduate in four years, well prepared to continue on their college or career pathway.

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

Eden Prairie School Board
2021-22 WORK PLAN CHANGES
"Proposed" Changes for the
November 22, 2021

Date of Meeting/Workshop	Changes Requested
Monday, December 13, 2021	
Placeholder – General Board Work	
<ul style="list-style-type: none"> Assessment 101: Reading, Understanding, and Using Large Data Sets – <i>Moved to 1/24/22</i> Technology Use & Screen Time Distance Learning-Hybrid Impact Positive Behavior Intervention & Support (PBIS) 	
Placeholder – Policy Review	

Eden Prairie School Board
2021-22 WORK PLAN CHANGES
"Proposed" Changes

Date of Meeting/Workshop	Changes Requested
Monday, January 3, 2022 – Organization Meeting	
Monday, January 3, 2022 – Workshop	
Monday, January 24, 2022	<ul style="list-style-type: none"> Add: Closed Session for Safety & Security Update (MN Statue 13D.05, Subd. 3(d)) Assessment 101: Reading, Understanding, and Using Large Data Sets
Monday, February 14, 2022 – Workshop	
Monday, February 28, 2022	<ul style="list-style-type: none"> Add: Ends 1.1.1 Update
Monday, March 14, 2022 – Workshop	
Monday, March 28, 2022	<ul style="list-style-type: none"> Add: Closed Session for Negotiation Strategy (MN Statue 13D.03, Subd. 1) Ends 1.1.2 Update
Monday, April 11, 2022 – Workshop	
<i>Wednesday, April 20, 2022 – Workshop</i>	<ul style="list-style-type: none"> Add: School Board Training – 4:00 PM
Monday, April 25, 2022	
Monday, May 9, 2022 – Workshop	
Monday, May 23, 2022	
Monday, June 13, 2022 – Workshop	
Monday, June 27, 2022	
Placeholder – General Board Work	
Placeholder – Policy Review	

EDEN PRAIRIE SCHOOL BOARD
2021-2022 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
*****2021***** Board Meeting Mon, Jul 26, 2021 7:30 AM			Resolution Calling the Eden Prairie School District Election	Finalize DRAFT - Inspiring News Article	<ul style="list-style-type: none"> •Monthly Reports •TASSEL Student Handbook •Student Handbooks: <ul style="list-style-type: none"> —High School —Middle School —Elementary Schools (Summary Detail Included) – (Included in June 28, 2021 Mtg.) 		84
Board Workshop Sat, Aug 21, 2021 9:00 AM							Tools of Cultural Proficiency
Board Meeting Mon, Aug 23, 2021 6:00 PM	<ul style="list-style-type: none"> •EL 2.1 Emergency Supt. Succession •EL 2.2 Treatment of Students •EL 2.7 Asset Protection 		Record of Board Self-Evaluation	2021-22 School Site Visits	Monthly Reports	<ul style="list-style-type: none"> •Debrief DISC Training (Moved to 9/13/21) •Morris Leatherman Presentation – Parent Survey 	
Post Meeting Board Workshop Mon, Aug 23, 2021							School Board Mtg. Self-Assessment
Board Workshop Mon, Sep 13, 2021 6:00 PM							<ul style="list-style-type: none"> •ADMIN Proposals for FY 2021-22 Workshops •2020-21 Financial Update

EDEN PRAIRIE SCHOOL BOARD
2021-2022 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							<ul style="list-style-type: none"> •NEW Policy Development Discussion (Ends & EL Policies) •School Board Webpage Update Overview •Debrief DISC Training •Board Vacancy Conversation •Community Linkage Items: <ul style="list-style-type: none"> - Listen & Learn Feedback - Meet & Greet Events/Dates - Third Grade Reading Metrics Example - Metrics Communication Template •Policy Monitoring: All BMD Policies – BMD 3.0 – 3.3 •Policy Monitoring: GP's: 4.4, 4.5, 4.6, 4.7, 4.8, & 4.10 •Confirm agenda for next Board Workshop

EDEN PRAIRIE SCHOOL BOARD
2021-2022 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Meeting Mon, Sep 27, 2021 6:00 PM	<ul style="list-style-type: none"> •EL 2.3 Treatment of Parents •EL 2.6 Financial Management & Operations <hr/> <ul style="list-style-type: none"> •All BMD Policies •BMD 3.0 Single Point of Connection •BMD 3.1 Unity of Control •BMD 3.2 Delegation to the Superintendent •BMD 3.3 Superintendent Accountability & Performance <hr/> <ul style="list-style-type: none"> •GP 4.4 Officer Roles •GP 4.5 School Board Members Code of Conduct •GP 4.6 Process for Addressing School Board Member Violations •GP 4.7 School Board Committee Principles •GP 4.8 School Board Committee Structure •GP 4.10 Operation of the School Board Governing Rules 		<ul style="list-style-type: none"> •Resolution to Appoint Election Judges •Approval of Preliminary FY 2022-23 Levy -Tax Levy Comparison - Tax Levy Presentation Pay 22 <hr/> <ul style="list-style-type: none"> •Record of Board Self-Evaluation 		Monthly Reports	<u>Superintendent Incidentals:</u> <ul style="list-style-type: none"> • FY 2020-2021 Year-end Preliminary Financial Report •FY 2021-2022 Preliminary Enrollment Report •COVID-19 Update 	86

EDEN PRAIRIE SCHOOL BOARD
2021-2022 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Post Meeting Board Workshop Mon, Sep 27, 2021							School Board Mtg. Self-Assessment
Board Workshop Mon, Oct 11, 2021 6:00 PM							<ul style="list-style-type: none"> Administration: Setting Stage for FY 2022-23 Budget Guidelines Policy Monitoring: GP 4.0, 4.1, 4.2, 4.3, 4.9 Metric of the Month Update Confirm agenda for next Board Workshop
Board Meeting Mon, Oct 25, 2021 6:00 PM	<ul style="list-style-type: none"> Ends 1.1, 1.2, 1.3 Evidence (FY 2020-21) EL 2.4 Treatment of Staff EL 2.8 Compensation and Benefits <hr/> <ul style="list-style-type: none"> GP 4.0 Global Governance Commitment GP 4.1 Governing Style GP 4.2 School Board Job Products GP 4.3 Annual Work Plan GP 4.9 Governance Investment 		Record of Board Self-Evaluation		Monthly Reports	<u>Superintendent Incidentals:</u> <ul style="list-style-type: none"> Enrollment Report as of 10/1/2021 World's Best Workforce Report FY 2020-2021 Achievement Integration Summary Report 	

EDEN PRAIRIE SCHOOL BOARD
2021-2022 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Post Meeting Board Workshop Mon, Oct 25, 2021							• School Board Mtg. Self-Assessment
Board Special Meeting Mon, Nov 8, 2021 6:00 PM			<ul style="list-style-type: none"> • Canvass Election Results • Vote on School Board Candidate Appointment 				88
Board Workshop Mon, Nov 8, 2021 6:15 PM							<ul style="list-style-type: none"> • Welcome Newly Elected & Appointed School Board Members • “New Policy Introductions” • Review of Treasurer’s Annual Report • Discussion: Board Monitoring Process and Communication • Community Linkage: <ul style="list-style-type: none"> - Identify topics for the Inspiring News • Operating Levy Conversation • Measurement that Matters – Draft

EDEN PRAIRIE SCHOOL BOARD
2021-2022 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							<ul style="list-style-type: none"> • Staff Appreciation Message - <i>Discussion</i> • Confirm agenda for next Board Workshop
Board Workshop Mon, Nov 15, 2021 6:00 PM							Tools of Cultural Proficiency
Board Meeting Mon, Nov 22, 2021 6:00 PM	EL 2.9 Communication and Support to the School Board		Oath of Office <hr/> Record of Board Self-Evaluation	Inspire News Topic – DRAFT Presented	Monthly Reports	FY 2020-21 Audited Financial Presentation	
Post Meeting Board Workshop Mon, Nov 22, 2021							• School Board Mtg. Self-Assessment
Board Meeting Mon, Dec 13, 2021 6:00 PM	<ul style="list-style-type: none"> • EL 2.5 Financial Planning and Budgeting • EL 2.0 Global Executive Constraint 		<ul style="list-style-type: none"> • Approval of Final FY 2022-23 Levy • School Board Treasurer's Report • Seating of new School Board Appointment • <u>Closed Session:</u> Review of FY 2019-20 Superintendent Annual Review -Minn. Stat. 13D.05, Subd. 3 	Inspire News Article (DRAFT) Approval	Monthly Reports	Truth in Taxation Hearing	

EDEN PRAIRIE SCHOOL BOARD
2021-2022 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
			•Record of Board Self-Evaluation				
Post Meeting Board Workshop Mon, Dec 13, 2021							• School Board Mtg. Self-Assessment

90

<p>*****2022*****</p> <p>Annual Organizational Meeting Mon, Jan 3, 2022 6:00 PM</p>			<ul style="list-style-type: none"> • 2022 Annual Organizational Mtg. <ul style="list-style-type: none"> - Election of Officers - School Board Compensation - School Board Calendar •Resolution for Combined Polling Places for the General Elections •School Board Meeting Calendar: Jan 1, 2022 through Jun 30, 2022 •Appointment of Intermediate District 287 Representative 		<ul style="list-style-type: none"> •2022 Annual School District Organizational Items: <ul style="list-style-type: none"> - School District Newspaper - School District Depository/Financial Institutions - Money Wire Transfers - Early Claims Payment - School District Legal Counsel - School District Responsible Authority - Deputy Clerk & Deputy Treasurer - Facsimile Signature Authorization - Authorization to Sign Contracts - Local Education Agency (LEA) Representative - MDE Designation of Identified Official with Authority (IOWA) 		
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EDEN PRAIRIE SCHOOL BOARD
2021-2022 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Workshop Mon, Jan 3, 2022 6:15 PM Convene following the Annual Organizational Meeting							<ul style="list-style-type: none"> • 2022 Committees & Outside Organization Discussion • Budget: 5-Year Financial Forecast • Levy's & Schedule • Confirm agenda for next Board Workshop
Board Meeting Mon, Jan 24, 2022 6:00 PM		<ul style="list-style-type: none"> • FY 2022-23 Final School Calendar (Draft) • FY 2023-24 Preliminary School Calendar (Draft) • FY 2022-23 Budget Timelines – First Reading • FY 2022-23 Budget Assumptions – First Reading 	<ul style="list-style-type: none"> • FY 2021-22 Mid-Year Budget Approval • <i>Closed Session: Safety & Security Update (MN Statue 13D.05, Subd. 3(d))</i> • Record of Board Self-Evaluation 	2022 School Board Committee & Outside Organization Assignments	<ul style="list-style-type: none"> • Monthly Reports • FY 2022-23 Bus Purchase • Pay Equity Reporting 	<i>Assessment 101: Reading, Understanding, and Using Large Data Sets</i>	
Post Meeting Board Workshop Mon, Jan 24, 2022							School Board Meeting Self-Assessment
Board Workshop Mon, Feb 14, 2022 6:00 PM							<ul style="list-style-type: none"> • Finance 101 • Confirm agenda for next Board Workshop
Board Meeting Mon, Feb 28, 2022 6:00 PM			Record of Board Self-Evaluation		<ul style="list-style-type: none"> • Monthly Reports • Approval of FY 2022-23 School Calendar 	<i>Ends 1.1.1 Update</i>	

EDEN PRAIRIE SCHOOL BOARD
2021-2022 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
					<ul style="list-style-type: none"> • Approval of Preliminary FY 2023-24 School Calendar • American Indian Education Resolution 		
Post Meeting Board Workshop Mon, Feb 28, 2022							School Board Meeting Self-Assessment
Board Workshop Mon, Mar 14, 2022 6:00 PM							<ul style="list-style-type: none"> • Communications • Define Policy under Policy Governance: Ends, EL's, GP's and BMD's • Policy Workshop: Discuss Potential Policy Changes • Confirm agenda for next Board Workshop
Board Meeting Mon, Mar 28, 2022 6:00 PM		<ul style="list-style-type: none"> • FY 2022-23 Capital Budget – First Reading 	<ul style="list-style-type: none"> • Final FY 2022-23 Budget Assumptions • <u>Closed Session:</u> <i>Negotiation Strategy (MN Statue 13D.03, Subd.1)</i> 	Identify Topic for Inspiring News Article	<ul style="list-style-type: none"> • Monthly Reports • Achievement & Integration Budget • Resolution to Release Probationary Teachers 	<i>Ends 1.1.2 Update</i>	
Post Meeting Board Workshop Mon, Mar 28, 2022			<ul style="list-style-type: none"> • Record of Board Self-Evaluation 				School Board Meeting Self-Assessment

EDEN PRAIRIE SCHOOL BOARD
2021-2022 ANNUAL WORK PLAN

Board Meetings

Board Workshops

Other Meetings

November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Workshop Mon, Apr 11, 2022 6:00 PM							<ul style="list-style-type: none"> •Agenda Items: Sample Agenda & Discussion of Agenda Elements •Source of Agenda Items: Board Request for Information; Superintendent Information; Agenda Timeline •FY 2022-2023 Annual Work Plan Calendar Discussion •Review DRAFT of Inspiring News Article •Discussion/Review all items in Placeholder area on "Work Plan Changes Document" •FY 2022-2023 School Board Meeting Calendar Discussion •FY 2022-2023 School Board Budget Discussion •Mechanics of Monitoring

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							• Confirm agenda for next Board Workshop
<i>Board Workshop Wed, Apr 20, 2022 4:00 PM</i>							<i>Tools of Cultural Proficiency - Final</i> 94
Board Meeting Mon, Apr 25, 2022 6:00 PM		<ul style="list-style-type: none"> FY 2022-23 School Board Work Plan – First Reading FY 2022-23 School Board Budget – First Reading 	<ul style="list-style-type: none"> Approval of FY 2022-23 Capital Budget Approval of FY 2022-23 School Board Meeting Calendar <u>Closed Session:</u> Negotiation Strategy (MN Statue 13D.03, Subd.1) <hr/> <ul style="list-style-type: none"> Record of Board Self-Evaluation 	Approve Inspiring News Article DRAFT	Monthly Reports		
Post Meeting Board Workshop Mon, Apr 25, 2022							School Board Meeting Self-Assessment
Board Workshop Mon, May 9, 2022 6:00 PM							<ul style="list-style-type: none"> Strategic Plan Confirm agenda for next Board Workshop
Board Meeting Mon, May 23, 2022 6:00 PM		FY 2022-23 Budget – First Reading	<ul style="list-style-type: none"> Approval of FY 2022-23 School Board Work Plan 		<ul style="list-style-type: none"> Monthly Reports Approval of FY 2022-23 School Meal Prices 		

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
			<ul style="list-style-type: none"> •Approval of FY 2022-23 School Board Budget 				
Post Meeting Board Workshop Mon, May 23, 2022			<ul style="list-style-type: none"> •Record of Board Self-Evaluation 				<ul style="list-style-type: none"> •School Board Meeting Self-Assessment
Board Workshop Mon, June 13, 2022 6:00 PM							<ul style="list-style-type: none"> •General Fund Budget Q&A •All Ends OI's •Confirm agenda for next Board Workshop
Board Meeting Mon, June 27, 2022 6:00 PM	All Ends OI's (FY 2022-23)		<ul style="list-style-type: none"> •Approval of FY 2022-23 Adopted Budget •ISD 287 10-Year Facilities Maintenance Resolution 		<ul style="list-style-type: none"> •Monthly Reports •EPS 10-Year Facilities Maintenance Plan •Q-Comp Annual Report •Annual Review of District Mandated Policies •Summary Update of General District Policies •Approval of Updated District Policies •MSHSL Resolution for Membership 		
Post Meeting Board Workshop Mon, Jun 27, 2022							<ul style="list-style-type: none"> •School Board Meeting Self-Assessment

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
*****2021***** Board Meeting Mon, Jul 26, 2021 7:30 AM			Resolution Calling the Eden Prairie School District Election	Finalize DRAFT - Inspiring News Article	<ul style="list-style-type: none"> •Monthly Reports •TASSEL Student Handbook •Student Handbooks: <ul style="list-style-type: none"> —High School —Middle School —Elementary Schools (Summary Detail Included) – (Included in June 28, 2021 Mtg.) 		96
Board Workshop Sat, Aug 21, 2021 9:00 AM							Tools of Cultural Proficiency
Board Meeting Mon, Aug 23, 2021 6:00 PM	<ul style="list-style-type: none"> •EL 2.1 Emergency Supt. Succession •EL 2.2 Treatment of Students •EL 2.7 Asset Protection 		Record of Board Self-Evaluation	2021-22 School Site Visits	Monthly Reports	<ul style="list-style-type: none"> •Debrief DISC Training (Moved to 9/13/21) •Morris Leatherman Presentation – Parent Survey 	
Post Meeting Board Workshop Mon, Aug 23, 2021							School Board Mtg. Self-Assessment
Board Workshop Mon, Sep 13, 2021 6:00 PM							<ul style="list-style-type: none"> •ADMIN Proposals for FY 2021-22 Workshops •2020-21 Financial Update

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							<ul style="list-style-type: none"> •NEW Policy Development Discussion (Ends & EL Policies) •School Board Webpage Update Overview •Debrief DISC Training •Board Vacancy Conversation •Community Linkage Items: <ul style="list-style-type: none"> - Listen & Learn Feedback - Meet & Greet Events/Dates - Third Grade Reading Metrics Example - Metrics Communication Template •Policy Monitoring: All BMD Policies – BMD 3.0 – 3.3 •Policy Monitoring: GP's: 4.4, 4.5, 4.6, 4.7, 4.8, & 4.10 •Confirm agenda for next Board Workshop

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Meeting Mon, Sep 27, 2021 6:00 PM	<ul style="list-style-type: none"> •EL 2.3 Treatment of Parents •EL 2.6 Financial Management & Operations <hr/> <ul style="list-style-type: none"> •All BMD Policies •BMD 3.0 Single Point of Connection •BMD 3.1 Unity of Control •BMD 3.2 Delegation to the Superintendent •BMD 3.3 Superintendent Accountability & Performance <hr/> <ul style="list-style-type: none"> •GP 4.4 Officer Roles •GP 4.5 School Board Members Code of Conduct •GP 4.6 Process for Addressing School Board Member Violations •GP 4.7 School Board Committee Principles •GP 4.8 School Board Committee Structure •GP 4.10 Operation of the School Board Governing Rules 		<ul style="list-style-type: none"> •Resolution to Appoint Election Judges •Approval of Preliminary FY 2022-23 Levy -Tax Levy Comparison - Tax Levy Presentation Pay 22 <hr/> <ul style="list-style-type: none"> •Record of Board Self-Evaluation 		Monthly Reports	<u>Superintendent Incidentals:</u> <ul style="list-style-type: none"> • FY 2020-2021 Year-end Preliminary Financial Report •FY 2021-2022 Preliminary Enrollment Report •COVID-19 Update 	98

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Post Meeting Board Workshop Mon, Sep 27, 2021							School Board Mtg. Self-Assessment
Board Workshop Mon, Oct 11, 2021 6:00 PM							<ul style="list-style-type: none"> •Administration: Setting Stage for FY 2022-23 Budget Guidelines •Policy Monitoring: GP 4.0, 4.1, 4.2, 4.3, 4.9 •Metric of the Month Update •Confirm agenda for next Board Workshop
Board Meeting Mon, Oct 25, 2021 6:00 PM	<ul style="list-style-type: none"> •Ends 1.1, 1.2, 1.3 Evidence (FY 2020-21) <hr/> <ul style="list-style-type: none"> •EL 2.4 Treatment of Staff •EL 2.8 Compensation and Benefits <hr/> <ul style="list-style-type: none"> •GP 4.0 Global Governance Commitment •GP 4.1 Governing Style •GP 4.2 School Board Job Products •GP 4.3 Annual Work Plan •GP 4.9 Governance Investment 		Record of Board Self-Evaluation		Monthly Reports	<u>Superintendent Incidentals:</u> <ul style="list-style-type: none"> •Enrollment Report as of 10/1/2021 •World's Best Workforce Report •FY 2020-2021 Achievement Integration Summary Report 	

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Post Meeting Board Workshop Mon, Oct 25, 2021							• School Board Mtg. Self-Assessment
Board Special Meeting Mon, Nov 8, 2021 6:00 PM			<ul style="list-style-type: none"> • Canvass Election Results • Vote on School Board Candidate Appointment 				100
Board Workshop Mon, Nov 8, 2021 6:15 PM							<ul style="list-style-type: none"> • Welcome Newly Elected & Appointed School Board Members • “New Policy Introductions” • Review of Treasurer’s Annual Report • Discussion: Board Monitoring Process and Communication • Community Linkage: <ul style="list-style-type: none"> - Identify topics for the Inspiring News • Operating Levy Conversation • Measurement that Matters – Draft

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							<ul style="list-style-type: none"> Staff Appreciation Message - Discussion Confirm agenda for next Board Workshop
Board Workshop Mon, Nov 15, 2021 6:00 PM							Tools of Cultural Proficiency
Board Meeting Mon, Nov 22, 2021 6:00 PM	EL 2.9 Communication and Support to the School Board		Oath of Office <hr/> Record of Board Self-Evaluation	Inspire News Topic – DRAFT Presented	Monthly Reports	FY 2020-21 Audited Financial Presentation	
Post Meeting Board Workshop Mon, Nov 22, 2021							<ul style="list-style-type: none"> School Board Mtg. Self-Assessment
Board Meeting Mon, Dec 13, 2021 6:00 PM	<ul style="list-style-type: none"> EL 2.5 Financial Planning and Budgeting EL 2.0 Global Executive Constraint 		<ul style="list-style-type: none"> Approval of Final FY 2022-23 Levy School Board Treasurer's Report Seating of new School Board Appointment <u>Closed Session:</u> Review of FY 2019-20 Superintendent Annual Review -Minn. Stat. 13D.05, Subd. 3 	Inspire News Article (DRAFT) Approval	Monthly Reports	Truth in Taxation Hearing	

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
			•Record of Board Self-Evaluation				
Post Meeting Board Workshop Mon, Dec 13, 2021							• School Board Mtg. Self-Assessment

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<p>*****2022*****</p> <p>Annual Organizational Meeting Mon, Jan 3, 2022 6:00 PM</p>			<ul style="list-style-type: none"> • 2022 Annual Organizational Mtg. <ul style="list-style-type: none"> - Election of Officers - School Board Compensation - School Board Calendar •Resolution for Combined Polling Places for the General Elections •School Board Meeting Calendar: Jan 1, 2022 through Jun 30, 2022 •Appointment of Intermediate District 287 Representative 		<ul style="list-style-type: none"> •2022 Annual School District Organizational Items: <ul style="list-style-type: none"> - School District Newspaper - School District Depository/Financial Institutions - Money Wire Transfers - Early Claims Payment - School District Legal Counsel - School District Responsible Authority - Deputy Clerk & Deputy Treasurer - Facsimile Signature Authorization - Authorization to Sign Contracts - Local Education Agency (LEA) Representative - MDE Designation of Identified Official with Authority (IOWA) 		
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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Workshop Mon, Jan 3, 2022 6:15 PM Convene following the Annual Organizational Meeting							<ul style="list-style-type: none"> • 2022 Committees & Outside Organization Discussion • Budget: 5-Year Financial Forecast • Levy's & Schedule • Confirm agenda for next Board Workshop
Board Meeting Mon, Jan 24, 2022 6:00 PM		<ul style="list-style-type: none"> • FY 2022-23 Final School Calendar (Draft) • FY 2023-24 Preliminary School Calendar (Draft) • FY 2022-23 Budget Timelines – First Reading • FY 2022-23 Budget Assumptions – First Reading 	<ul style="list-style-type: none"> • FY 2021-22 Mid-Year Budget Approval • <i>Closed Session: Safety & Security Update (MN Statue 13D.05, Subd. 3(d))</i> • Record of Board Self-Evaluation 	2022 School Board Committee & Outside Organization Assignments	<ul style="list-style-type: none"> • Monthly Reports • FY 2022-23 Bus Purchase • Pay Equity Reporting 	<i>Assessment 101: Reading, Understanding, and Using Large Data Sets</i>	
Post Meeting Board Workshop Mon, Jan 24, 2022							School Board Meeting Self-Assessment
Board Workshop Mon, Feb 14, 2022 6:00 PM							<ul style="list-style-type: none"> • Finance 101 • Confirm agenda for next Board Workshop
Board Meeting Mon, Feb 28, 2022 6:00 PM			Record of Board Self-Evaluation		<ul style="list-style-type: none"> • Monthly Reports • Approval of FY 2022-23 School Calendar 	<i>Ends 1.1.1 Update</i>	

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
					<ul style="list-style-type: none"> • Approval of Preliminary FY 2023-24 School Calendar • American Indian Education Resolution 		
Post Meeting Board Workshop Mon, Feb 28, 2022							School Board Meeting Self-Assessment
Board Workshop Mon, Mar 14, 2022 6:00 PM							<ul style="list-style-type: none"> • Communications • Define Policy under Policy Governance: Ends, EL's, GP's and BMD's • Policy Workshop: Discuss Potential Policy Changes • Confirm agenda for next Board Workshop
Board Meeting Mon, Mar 28, 2022 6:00 PM		<ul style="list-style-type: none"> • FY 2022-23 Capital Budget – First Reading 	<ul style="list-style-type: none"> • Final FY 2022-23 Budget Assumptions • <u>Closed Session:</u> <i>Negotiation Strategy (MN Statue 13D.03, Subd.1)</i> 	Identify Topic for Inspiring News Article	<ul style="list-style-type: none"> • Monthly Reports • Achievement & Integration Budget • Resolution to Release Probationary Teachers 	<i>Ends 1.1.2 Update</i>	
Post Meeting Board Workshop Mon, Mar 28, 2022			<ul style="list-style-type: none"> • Record of Board Self-Evaluation 				School Board Meeting Self-Assessment

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
Board Workshop Mon, Apr 11, 2022 6:00 PM							<ul style="list-style-type: none"> •Agenda Items: Sample Agenda & Discussion of Agenda Elements •Source of Agenda Items: Board Request for Information; Superintendent Information; Agenda Timeline •FY 2022-2023 Annual Work Plan Calendar Discussion •Review DRAFT of Inspiring News Article •Discussion/Review all items in Placeholder area on "Work Plan Changes Document" •FY 2022-2023 School Board Meeting Calendar Discussion •FY 2022-2023 School Board Budget Discussion •Mechanics of Monitoring

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Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
							• Confirm agenda for next Board Workshop
<i>Board Workshop Wed, Apr 20, 2022 4:00 PM</i>							<i>Tools of Cultural Proficiency - Final</i> 106
Board Meeting Mon, Apr 25, 2022 6:00 PM		<ul style="list-style-type: none"> FY 2022-23 School Board Work Plan – First Reading FY 2022-23 School Board Budget – First Reading 	<ul style="list-style-type: none"> Approval of FY 2022-23 Capital Budget Approval of FY 2022-23 School Board Meeting Calendar <u>Closed Session:</u> Negotiation Strategy (MN Statue 13D.03, Subd.1) <hr/> <ul style="list-style-type: none"> Record of Board Self-Evaluation 	Approve Inspiring News Article DRAFT	Monthly Reports		
Post Meeting Board Workshop Mon, Apr 25, 2022							School Board Meeting Self-Assessment
Board Workshop Mon, May 9, 2022 6:00 PM							<ul style="list-style-type: none"> Strategic Plan Confirm agenda for next Board Workshop
Board Meeting Mon, May 23, 2022 6:00 PM		FY 2022-23 Budget – First Reading	<ul style="list-style-type: none"> Approval of FY 2022-23 School Board Work Plan 		<ul style="list-style-type: none"> Monthly Reports Approval of FY 2022-23 School Meal Prices 		

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November 22, 2021

Board Meeting or Board Workshop Type, Date and Time	Board Work				Supt Consent Agenda Items (Human Resources & Business Services Reports)	Board Education & Required Reporting	Workshop Topic(s)
	Policy Monitoring Ends, EL, BMD & GP Monitoring	Decision Preparation	Required Board Action	Board Action on Committee Reports & Minutes			
			<ul style="list-style-type: none"> •Approval of FY 2022-23 School Board Budget 				
Post Meeting Board Workshop Mon, May 23, 2022			<ul style="list-style-type: none"> •Record of Board Self-Evaluation 				<ul style="list-style-type: none"> •School Board Meeting Self-Assessment
Board Workshop Mon, June 13, 2022 6:00 PM							<ul style="list-style-type: none"> •General Fund Budget Q&A •All Ends OI's •Confirm agenda for next Board Workshop
Board Meeting Mon, June 27, 2022 6:00 PM	All Ends OI's (FY 2022-23)		<ul style="list-style-type: none"> •Approval of FY 2022-23 Adopted Budget •ISD 287 10-Year Facilities Maintenance Resolution 		<ul style="list-style-type: none"> •Monthly Reports •EPS 10-Year Facilities Maintenance Plan •Q-Comp Annual Report •Annual Review of District Mandated Policies •Summary Update of General District Policies •Approval of Updated District Policies •MSHSL Resolution for Membership 		
Post Meeting Board Workshop Mon, Jun 27, 2022							<ul style="list-style-type: none"> •School Board Meeting Self-Assessment

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Annual Comprehensive Financial Report



EDEN PRAIRIE SCHOOLS
Inspiring each student every day

2021

Eden Prairie Schools | ISD #272 | Eden Prairie, MN
Fiscal Year Ending June 30, 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021

INDEPENDENT SCHOOL DISTRICT NO. 272
EDEN PRAIRIE, MINNESOTA

8100 School Road
Eden Prairie, MN 55344

Prepared by
Finance Department

Jason Mutzenberger • Executive Director of Business Services

Matt Hippen • Director of Finance

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INDEPENDENT SCHOOL DISTRICT NO. 272

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SECTION I – INTRODUCTORY SECTION

October 29, 2021

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

PREFACE

The Annual Comprehensive Financial Report (Annual Report) of Independent School District No. 272, Eden Prairie Public Schools (the District) is submitted for the fiscal year ended June 30, 2021. The District's administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. An independent firm of certified public accountants audits this report.

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

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

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

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

DISTRICT GOALS

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

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

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

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

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

Executive Limitations

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

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

Ends Policies

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

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

DISTRICT FISCAL FRAMEWORK

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

- Flat to slightly declining enrollment
- Insufficient increases in state funding
- Inflationary pressures on key expenditure areas

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

- State economic and political conditions
- Enrollment projections and trends
- Necessary budget adjustments and expenditure reductions

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

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

LOCAL ECONOMIC CONDITION

Eden Prairie is a relatively stable suburban area southwest of the twin cities of Minneapolis and St. Paul that covers 36 square miles with an estimated population of 63,726. Eden Prairie residents enjoy amenities, including transportation, employment opportunities, housing, educational institutions, and a quality school district.

Learners in the District attend eight district sites. The District operates six kindergarten through sixth grade elementary schools with five boundary schools and a Spanish Immersion School. The Eagle Heights Spanish Immersion School is housed in the same building as the Oak Point Elementary School. Eden Prairie's seventh and eighth graders attend Central Middle School, while Eden Prairie High School is home to students in Grades 9 through 12. The District also has a thriving Education Center, which houses the Family Center, Early Childhood Special Education, TASSEL Transition Program, and Community Education programs for learners of all ages. In total, district-owned instruction and administrative buildings account for 1,851,588 square feet of space with an average age of 34 years.

As one of the largest employers in the city with approximately 1,500 staff members, the District plays a dual role in economic development. The highly skilled staff remains focused on the mission: "Inspire each student to learn continuously so they are empowered to reach personal fulfillment and contribute purposefully to our ever-changing world." The District's commitment to quality and service is among the reasons it operates its own student transportation system and food service program. Buildings and grounds staff members are responsible for maintaining the facilities to ensure a healthy and safe learning environment. A dedicated auxiliary staff, including a wide variety of positions, such as lunchroom/playground supervisors, computer assistants, network managers, special education inclusion assistants, secretarial/clerk staff, and health assistants, collaborate in advancing our goals.

The District has a long reputation for fiscal soundness and efficiency. District expenditures per pupil are consistently among the lowest in Hennepin County, while maintaining high achievement standards in both academic and extracurricular activities. A Citizen's Financial Advisory Committee meets quarterly to review and provide advice on fiscal and budget processes.

DISTRICT ECONOMIC CONDITION

The referendum that was passed in 2014 includes an inflation escalation clause that gives financial stability to protect the District against inflation. The District has built up a strong General Fund unassigned fund balance by increasing revenues with the referendum passage, as well as limiting expenditures by finding efficiencies in normal school operations. The District's School Board policy establishes the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of annual budgeted expenditures to ensure financial health and viability. Each year, the School Board is presented with a 5-year financial forecast that considers enrollment projections, expenditure increases, efficiencies, and other financial assumptions. Additionally, the District has a finance committee comprised of School Board member(s), community members, and staff that review a range of finance related elements several times per year. This ensures that the District is planning for the current reality, as well as the future.

In the spring of 2020, the District broke ground on the Central Middle School addition and remodel project. This project will span over three fiscal years and will be mostly funded by the voter-approved 2019 Designing Pathways bond.

Throughout the school year, the District transitioned between in-person, distance and hybrid learning models, due to the COVID-19 pandemic. The pandemic has proven to have a significant impact on the District's General, Food Service, and Community Service Funds. The District received over \$14 million in federal aid to help overcome the financial burdens that have been caused by the pandemic, as well as provide additional support to students whose learning was affected by the pandemic.

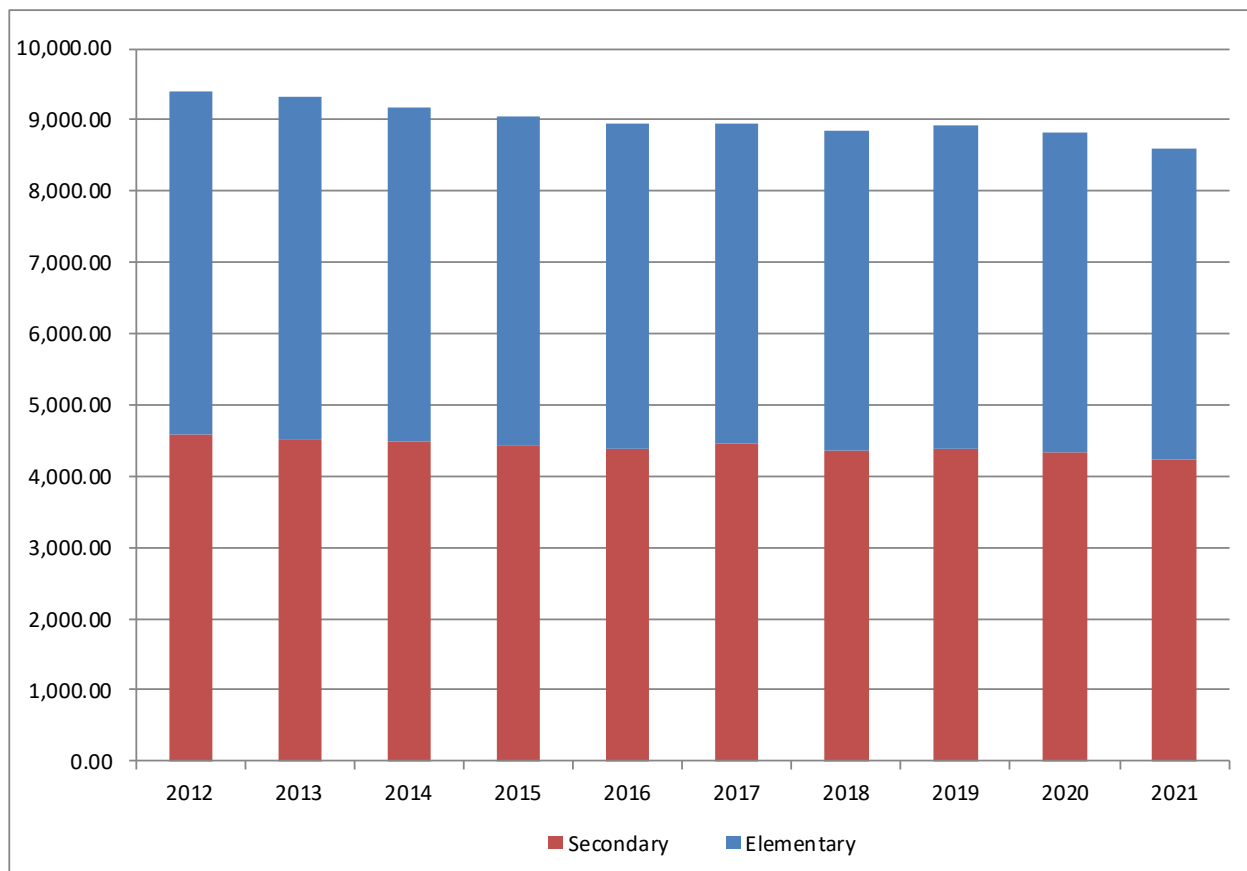
ENROLLMENT

Enrollment is a critical factor in determining funding levels. Approximately 66 percent of the General Fund revenue is enrollment driven. During fiscal year 2021, enrollment decreased 243 average daily memberships to 8,591.

Student Enrollment (Average Daily Membership)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre-K and HCP-K	89.25	106.10	104.31	123.38	126.05	116.98	121.66	154.09	133.61	118.09
Reg K	578.66	629.48	560.27	595.08	561.73	561.06	564.94	560.81	574.92	542.32
Elementary	4,150.02	4,080.75	4,006.32	3,889.68	3,880.82	3,791.63	3,804.19	3,807.70	3,788.77	3,699.71
Secondary	4,593.11	4,500.90	4,492.37	4,445.20	4,380.66	4,466.26	4,350.39	4,393.78	4,337.11	4,231.14
Total Students for Aid	9,411.04	9,317.23	9,163.27	9,053.34	8,949.26	8,935.93	8,841.18	8,916.38	8,834.41	8,591.26
Percent Change	-3.12%	-1.00%	-1.65%	-1.20%	-1.15%	-0.15%	-1.06%	0.85%	-0.92%	-2.75%

Student Enrollment (Average Daily Membership)



The graduation of comparably large student cohorts coupled with smaller incoming kindergarten cohorts continues to contribute to a decline in enrollment. Fiscal year 2021 enrollment was significantly affected by the COVID-19 pandemic. The District expects to have an increase in enrollment, due to the addition of the Eden Prairie Online learning option that is eligible to all students in Minnesota. The enrollment and demographic changes presented above offer both financial and strategic challenges and opportunities for the District.

INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROL

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

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

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

INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE

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

This report has been prepared following the guidelines provided by the Association of School Business Officials (ASBO) International and the Government Finance Officers Association (GFOA) for their Certificates of Excellence in Financial Reporting Programs. Achieving recognition by these programs provides a clear indication of the District's high standards for financial reporting. The District intends to submit this Annual Report to the ASBO International and the GFOA Certificate Programs for consideration. The District has received the ASBO International Certificate of Excellence in Financial Reporting for the Annual Report for the last 21 financial years and the GFOA Certificate of Achievement for Excellence in Financial Reporting for the past 7 years.

ACKNOWLEDGMENTS

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

Sincerely,



Dr. Josh Swanson
Superintendent

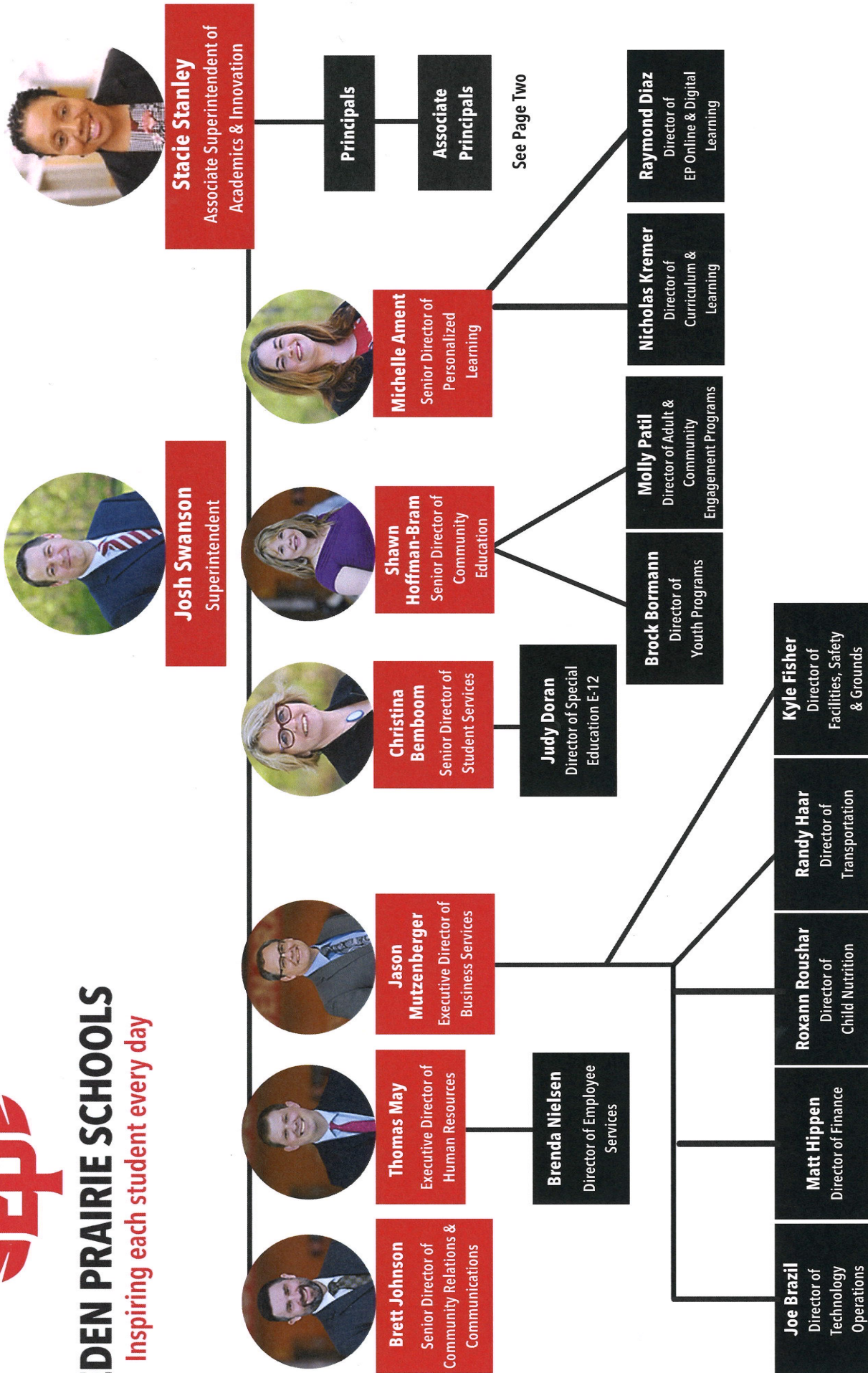


Jason Mutzenberger
Executive Director of Business Services



EDEN PRAIRIE SCHOOLS

Inspiring each student every day





EDEN PRAIRIE SCHOOLS

Inspiring each student every day

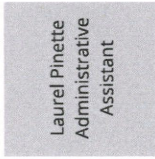
Cedar Ridge Elementary



Amy Kettunen Jahnke
Principal



Stephen Shepherd
Associate Principal



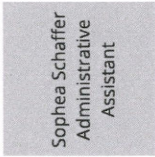
Laurel Pinette
Administrative Assistant



Hernan Moncada
Principal



Mitch Hegland
Associate Principal



Sophea Schaffer
Administrative Assistant

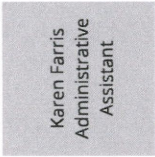
Eagle Heights Spanish Immersion



Tim Beekman
Principal



Valora Unowsky
Associate Principal



Karen Farris
Administrative Assistant

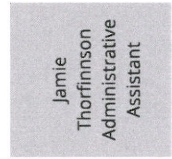
Forest Hills Elementary



Connie Hytjan
Principal

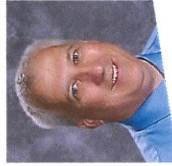


Tom Walters
Associate Principal



Jamie Thorfinnson
Administrative Assistant

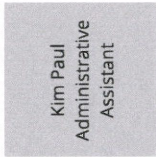
Oak Point Elementary



Joel Knorr
Principal



Stephanie Baker
Associate Principal



Kim Paul
Administrative Assistant

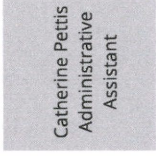
Prairie View Elementary



Felicia Thames
Principal



Brett Lobben
Associate Principal



Catherine Pettis
Administrative Assistant

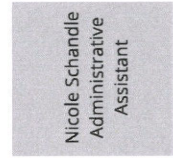
Central Middle School



Nathan Swenson
Principal



Richard Larson
Associate Principal



Nicole Schandle
Administrative Assistant

Eden Prairie High School



Robb Virgin
Principal



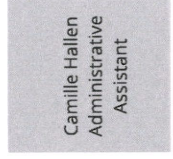
Meagan Bennett
Associate Principal



Clayton Ellis
Associate Principal



Victor Johnson
Associate Principal



Camille Hallen
Administrative Assistant

INDEPENDENT SCHOOL DISTRICT NO. 272

School Board and Administration
Year Ended June 30, 2021

SCHOOL BOARD

	<u>Board Position</u>
Adam Seidel	Chairperson
Beth Fletcher	Vice Chairperson
Aaron Casper	Treasurer
Debjyoti “DD” Dwivedy	Clerk
Kim Ross	Director
Charles “CJ” Strehl	Director
Vacant	Director

ADMINISTRATION

Dr. Joshua Swanson	Superintendent
Dr. Stacie Stanley	Associate Superintendent of Academics and Innovation
Jason Mutzenberger	Executive Director of Business Services
Thomas May	Executive Director of Human Resources
Dr. Shawn Hoffman-Bram	Senior Director of Community Education
Michelle Ament	Senior Director of Personalized Learning
Dr. Christina Bemboom	Senior Director of Student Services
Brett Johnson	Senior Director of Community Relations and Communications



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

**Eden Prairie Independent
School District #272**

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

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



W. Edward Chabal
President

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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SECTION II – FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 272
Eden Prairie, 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. 272 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general and major special revenue funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 2020 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 11, 2020. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021 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
October 29, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 272

Management's Discussion and Analysis Year Ended June 30, 2021

This section of Independent School District No. 272's (the District) Annual Comprehensive Financial Report (ACFR) presents management's narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the other components of the District's ACFR.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2021 by \$43,914,184 (net position deficit). The District's total net position increased by \$9,354,082 during the fiscal year ended June 30, 2021.
- Government-wide revenues totaled \$154,604,280 and were \$9,354,082 more than expenses of \$145,250,198.
- The General Fund's total fund balance (under the governmental fund presentation) increased \$8,252,373 over the prior year, to a year-end balance of \$31,749,687, compared to a \$735,117 decrease planned in the budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The District maintains the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1 Summary Statement of Net Position as of June 30, 2021 and 2020		
	2021	2020
Assets		
Current and other assets	\$ 133,760,276	\$ 138,441,984
Capital assets, net of depreciation	126,728,543	97,393,207
Total assets	\$ 260,488,819	\$ 235,835,191
Deferred outflows of resources		
Pension plan deferments	\$ 38,244,675	\$ 62,880,095
OPEB plan deferments	214,218	311,987
Total deferred outflows of resources	\$ 38,458,893	\$ 63,192,082
Liabilities		
Current and other liabilities	\$ 21,992,956	\$ 18,078,601
Long-term liabilities, including due within one year	200,446,980	184,730,059
Total liabilities	\$ 222,439,936	\$ 202,808,660
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 45,285,643	\$ 44,186,789
Pension plan deferments	69,073,724	101,927,977
OPEB plan deferments	6,062,593	3,372,113
Total deferred inflows of resources	\$ 120,421,960	\$ 149,486,879
Net position		
Net investment in capital assets	\$ 38,298,795	\$ 36,712,713
Restricted	3,401,411	1,886,182
Unrestricted	(85,614,390)	(91,867,161)
Total net position	\$ (43,914,184)	\$ (53,268,266)

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 compensated absences, pensions, and other post-employment benefits, which primarily impacts the unrestricted portion of net position.

Total net position increased by \$9,354,082 from current year operating results. Much of the increase is attributable to the change in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans, which contributed to the change in deferred outflows, long-term liabilities, deferred inflows, and unrestricted net position. The increase in net position restricted for capital asset acquisition, community service, and debt service contributed to the change in this portion of 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, 2021 and 2020		
	2021	2020
Revenues		
Program revenues		
Charges for services	\$ 4,406,558	\$ 8,584,449
Operating grants and contributions	25,241,395	22,112,519
Capital grants and contributions	1,806,435	1,123,755
General revenues		
Property taxes	48,100,356	46,357,703
General grants and aids	72,603,961	67,105,133
Other	2,445,575	3,628,817
Total revenues	<u>154,604,280</u>	<u>148,912,376</u>
Expenses		
Administration	3,980,844	3,949,663
District support services	6,676,889	6,472,025
Elementary and secondary regular instruction	61,082,057	65,891,819
Vocational education instruction	2,685,131	2,852,493
Special education instruction	22,133,695	21,849,529
Instructional support services	10,410,693	10,049,498
Pupil support services	9,867,763	9,856,855
Sites and buildings	15,633,381	18,815,863
Fiscal and other fixed cost programs	409,603	391,759
Food service	3,584,309	4,722,595
Community service	5,858,097	7,941,070
Interest and fiscal charges	2,927,736	3,484,725
Total expenses	<u>145,250,198</u>	<u>156,277,894</u>
Change in net position	9,354,082	(7,365,518)
Net position – beginning	<u>(53,268,266)</u>	<u>(45,902,748)</u>
Net position – ending	<u>\$ (43,914,184)</u>	<u>\$ (53,268,266)</u>

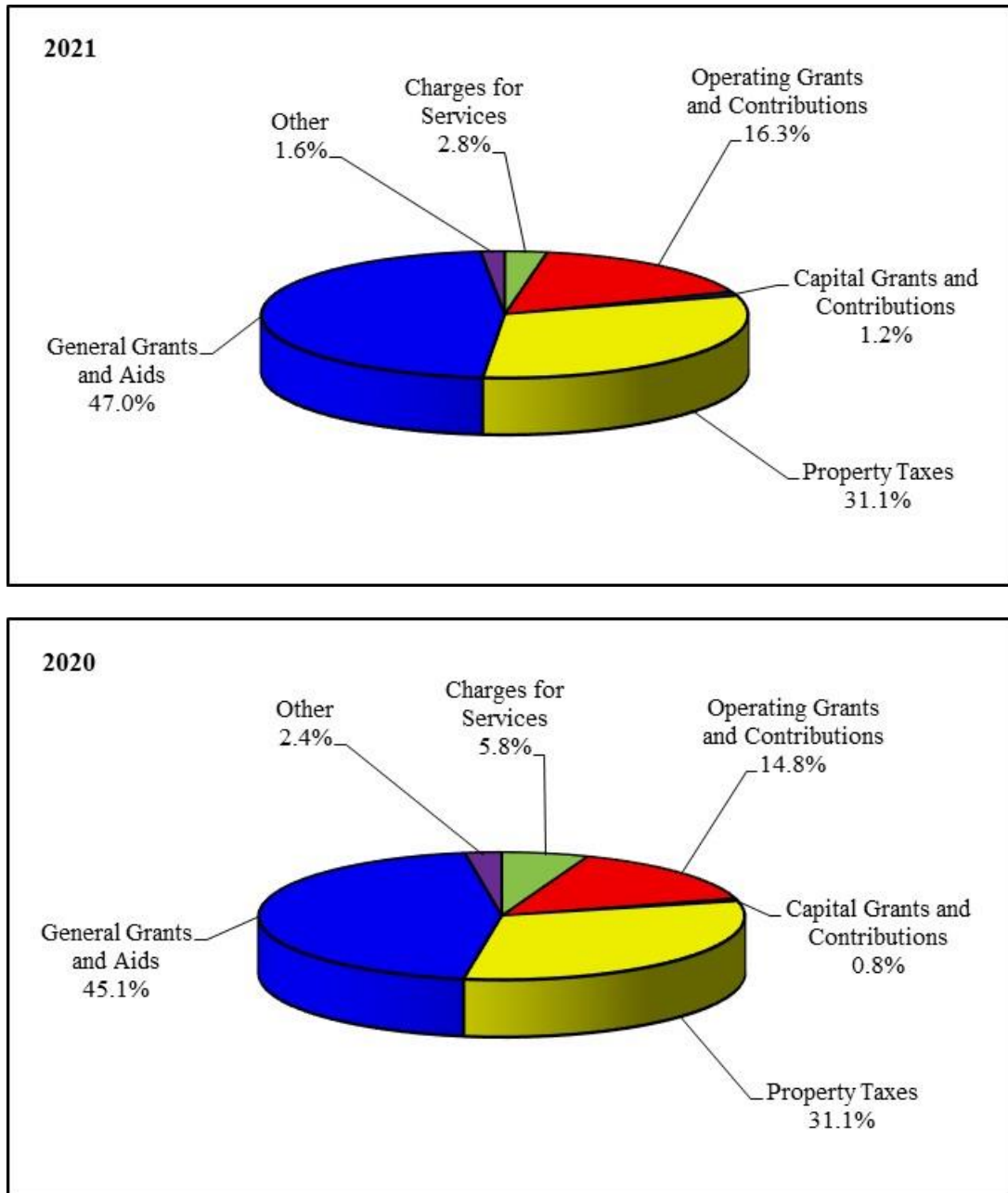
This table is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal. The COVID-19 pandemic impacted financial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

Governmental activities revenues increased \$5,691,904 (3.8 percent) from the previous year, primarily attributable to increases in revenues from federal sources recognized through new pandemic-related grants and improvements in the special education funding. These increases were partially offset by less charges for services and other local sources.

Governmental activity expenses decreased \$11,027,696 (7.1 percent) from last year, mainly due to an increase in capitalized construction projects in the current year. Expenses also changed to adapt to new distance and hybrid learning models impacting several program areas.

Figure A shows further analysis of these revenue sources:

Figure A – Sources of Revenues for Fiscal Years 2021 and 2020



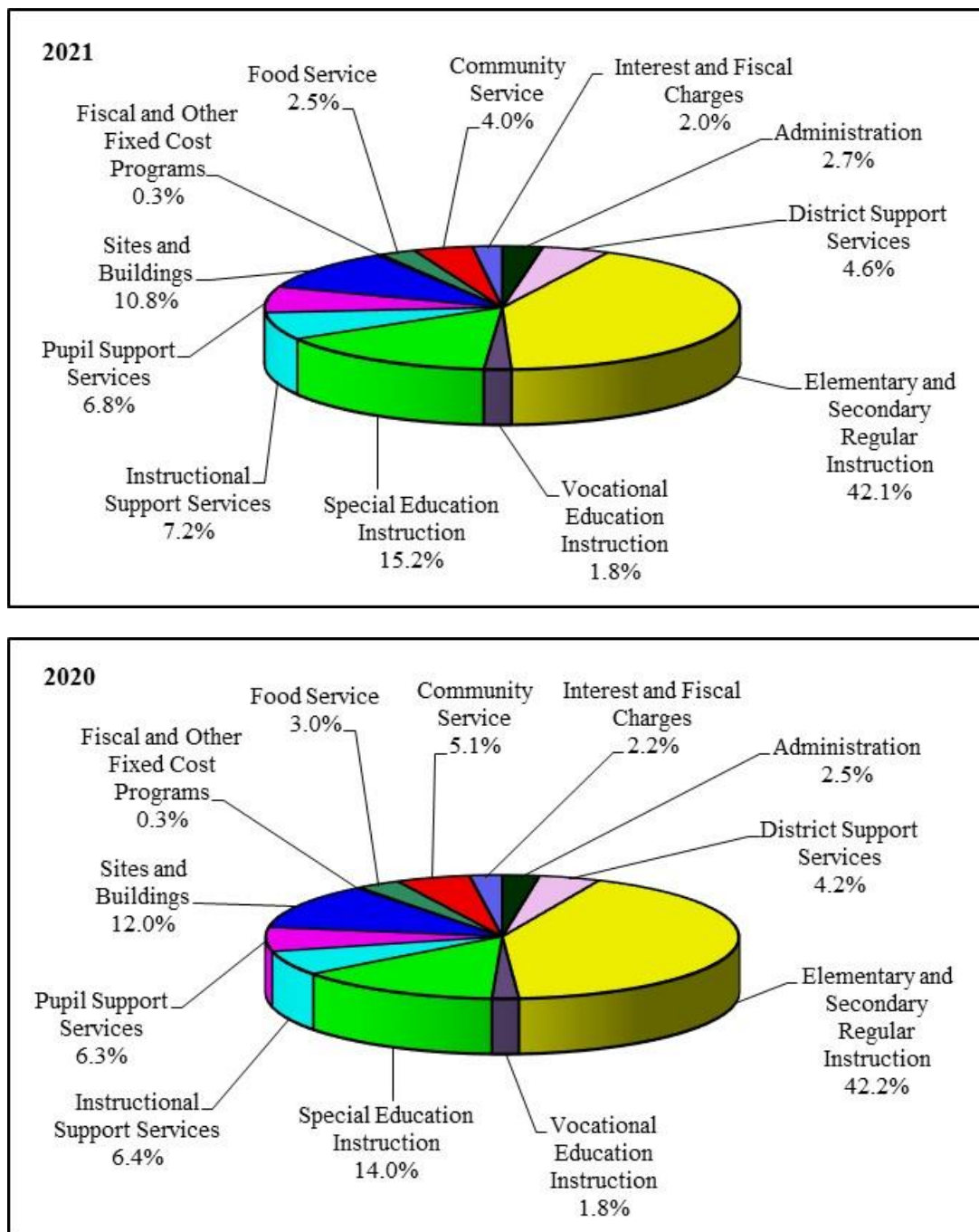
The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants.

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

The COVID-19 pandemic impacted current year revenue sources compared to the prior year as mentioned on the previous page.

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2021 and 2020



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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3 Governmental Fund Balances as of June 30, 2021 and 2020			
	2021	2020	Change
Major funds			
General	\$ 31,749,687	\$ 23,497,314	\$ 8,252,373
Food Service	271,769	292,653	(20,884)
Community Service	90,132	(138,197)	228,329
Capital Projects – Building			
Construction	15,090,377	38,765,065	(23,674,688)
Debt Service	2,153,858	1,421,253	732,605
Total governmental funds	<u>\$ 49,355,823</u>	<u>\$ 63,838,088</u>	<u>\$ (14,482,265)</u>

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

At June 30, 2021, the District's governmental funds reported combined fund balances of \$49,355,823, a decrease of \$14,482,265 in comparison with the prior year. Approximately 35.6 percent of this amount (\$17,586,370) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$922,101), 2) restricted for particular purposes (\$19,793,595), or 3) assigned for particular purposes (\$11,053,757). The majority of the decrease was the result of the District spending down proceeds from school building bonds issued in the prior year.

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>\$ 128,148,125</u>	<u>\$ 130,390,250</u>	<u>\$ 2,242,125</u>	<u>1.7%</u>
Expenditures and other financing uses	<u>\$ 128,700,417</u>	<u>\$ 131,125,367</u>	<u>\$ 2,424,950</u>	<u>1.9%</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 new debt issued.

Table 5 summarizes the operating results of the General Fund:

Table 5 General Fund Operating Results					
	<u>2021 Actual</u>	<u>Over (Under)</u> <u>Final Budget</u>		<u>Over (Under)</u> <u>Prior Year</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Revenue and other financing sources	\$ 134,439,184	\$ 4,048,934	3.1%	\$ 2,416,592	1.8%
Expenditures and other financing uses	<u>126,186,811</u>	<u>(4,938,556)</u>	(3.8%)	<u>(4,087,995)</u>	(3.1%)
Net change in fund balances	<u>\$ 8,252,373</u>	<u>\$ 8,987,490</u>		<u>\$ 6,504,587</u>	

The fund balance of the General Fund increased \$8,252,373, compared to a planned decrease of \$735,117 approved in the final budget.

General Fund revenues and other financing sources for 2021 increased \$2,416,592 (1.8 percent), compared to the prior year, and were \$4,048,934 (3.1 percent) more than budget. The largest revenue variance occurred in federal sources, which was \$3,772,408 more than projected in the budget, due to education stabilization funds recognized in the current year.

The increase from the prior year was primarily due to more federal sources for coronavirus relief and education stabilization funds recognized in the current year.

Total General Fund expenditures and other financing uses for 2021 decreased \$4,087,995 (3.1 percent) from the prior year. Current year expenditures and other financing uses of \$126,186,811 were \$4,938,556 (3.8 percent) under budget. The expenditure variance was spread across several programs and object categories of the General Fund, with the largest variances in purchased services and supplies and material in elementary and secondary regular instruction. This budget variance was due to lower than anticipated spending resulting from COVID restrictions and adapting to new distance and hybrid learning models.

The decrease from the prior year was primarily in capital expenditures within elementary and secondary regular instruction, due to the capital lease issued in the prior year, which was used to finance equipment.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER MAJOR FUNDS

Food Service Special Revenue Fund

The Food Service Special Revenue Fund ended the year with expenditures exceeding revenues and other sources, decreasing total fund balance by \$20,884, compared to a budgeted fund balance decrease of \$515,696. A current year transfer of \$250,000 was made from the General Fund to help support program activity in the Food Service Special Revenue Fund. Both revenues and expenditures were more than projected in the budget, with significant program activity, due to the U.S. Department of Agriculture's "Free Meals for Kids" program.

Community Service Special Revenue Fund

The Community Service Special Revenue Fund ended the year with revenues and other financing sources exceeding expenditures by \$228,329, compared to a planned fund balance decrease of \$111,859. A current year transfer of \$364,438 was made from the General Fund to help support program activity in the Community Service Special Revenue Fund. The variance to budget was primarily in revenues from other local sources exceeding anticipated amounts, which were difficult to predict with the ongoing pandemic.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. At June 30, 2021, the District had a fund balance of \$6,119,107 restricted for long-term facilities maintenance and \$8,971,270 restricted for capital projects. Fund balance decreased \$23,674,688 during the year, as the District spent down proceeds from bonds issued in previous years.

Debt Service Fund

The Debt Service Fund revenues and other financing sources exceeded expenditures and other financing uses by \$732,605 in the current year. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. The District issued \$15,195,000 of refunding bonds that were used to refund outstanding debt in the current year in order to reduce future debt service costs for district taxpayers. The remaining fund balance of \$2,153,858 at June 30, 2021 is restricted for meeting future debt service obligations.

COMMENTS ON OTHER FUNDS

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District maintains two internal service funds. These funds are used to account for the District's self-insured health and dental benefits insurance activities. The net position balance for all internal service funds as of June 30, 2021 was \$7,880,634, which represents a \$1,123,522 increase from the prior year. This was mainly due to positive operating results in the health fund in the current year.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation expense for fiscal years ending June 30, 2021 and 2020:

Table 6 Capital Assets			
	<u>2021</u>	<u>2020</u>	<u>Change</u>
Land	\$ 6,774,893	\$ 6,774,893	\$ —
Construction in progress	39,924,607	7,472,665	32,451,942
Land improvements	12,078,102	10,722,413	1,355,689
Buildings and improvements	210,383,386	210,121,243	262,143
Equipment	28,315,695	26,342,058	1,973,637
Less accumulated depreciation	<u>(170,748,140)</u>	<u>(164,040,065)</u>	<u>(6,708,075)</u>
Total	<u>\$ 126,728,543</u>	<u>\$ 97,393,207</u>	<u>\$ 29,335,336</u>
Depreciation expense	<u>\$ 7,260,858</u>	<u>\$ 7,087,318</u>	<u>\$ 173,540</u>

By the end of 2021, 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 2021, consistent with the activity of the Capital Projects – Building Construction Fund discussed on the previous page.

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

Additional details about capital assets can be found in Note 3 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			
	2021	2020	Change
General obligation bonds payable	\$ 98,665,000	\$ 95,585,000	\$ 3,080,000
Unamortized premiums/discount	4,855,125	3,860,559	994,566
Capital lease payable	1,673,465	2,504,636	(831,171)
Net pension liability	94,767,044	82,133,073	12,633,971
Compensated absences payable	486,346	646,791	(160,445)
Total	<u>\$ 200,446,980</u>	<u>\$ 184,730,059</u>	<u>\$ 15,716,921</u>

The change in general obligation bonds payable is due to the scheduled principal payments and payment on refunded debt offset by the sale of school building and refunding bonds in the current year.

The decrease in capital lease payable is due to the scheduled principal payments during fiscal year 2021.

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

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

Table 8 Limitations on Debt	
District's market value	\$ 10,788,136,550
Limit rate	<u>15.0%</u>
Legal debt limit	<u>\$ 1,618,220,483</u>

Additional details of the District's long-term debt activity can be found in Note 4 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 \$161, or 2.45 percent, per pupil to the basic general education funding formula for fiscal year 2022, and an additional \$135, or 2.00 percent, per pupil to the formula for fiscal year 2023.

The COVID-19 pandemic caused numerous financial and operational challenges for school districts in fiscal 2021, and is expected to continue to have a significant impact in fiscal 2022 and possibly beyond.

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

BASIC FINANCIAL STATEMENTS

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INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Net Position
as of June 30, 2021
(With Partial Comparative Information as of June 30, 2020)

	Governmental Activities	
	2021	2020
Assets		
Cash and temporary investments	\$ 81,945,712	\$ 93,112,960
Receivables		
Current taxes	24,614,784	25,008,696
Delinquent taxes	203,283	444,658
Accounts and interest	523,923	1,064,806
Due from other governmental units	13,884,789	11,215,670
Due from post-employment benefits trust	1,042,563	364,518
Inventory	184,502	180,119
Prepaid items	737,599	507,235
Net OPEB asset	10,623,121	6,543,322
Capital assets		
Not depreciated	46,699,500	14,247,558
Depreciated, net of accumulated depreciation	80,029,043	83,145,649
Total capital assets, net of accumulated depreciation	<u>126,728,543</u>	<u>97,393,207</u>
Total assets	260,488,819	235,835,191
Deferred outflows of resources		
Pension plan deferments	38,244,675	62,880,095
OPEB plan deferments	214,218	311,987
Total deferred outflows of resources	<u>38,458,893</u>	<u>63,192,082</u>
Total assets and deferred outflows of resources	<u>\$ 298,947,712</u>	<u>\$ 299,027,273</u>
Liabilities		
Salaries payable	\$ 5,142,039	\$ 5,293,409
Accounts and contracts payable	11,043,005	7,784,203
Accrued interest payable	1,581,184	1,406,586
Due to other governmental units	1,684,467	944,015
Claims payable	454,779	720,000
Unearned revenue	2,087,482	1,930,388
Long-term liabilities		
Due within one year	6,990,386	7,240,966
Due in more than one year	193,456,594	177,489,093
Total long-term liabilities	<u>200,446,980</u>	<u>184,730,059</u>
Total liabilities	222,439,936	202,808,660
Deferred inflows of resources		
Property taxes levied for subsequent year	45,285,643	44,186,789
Pension plan deferments	69,073,724	101,927,977
OPEB plan deferments	6,062,593	3,372,113
Total deferred inflows of resources	<u>120,421,960</u>	<u>149,486,879</u>
Net position		
Net investment in capital assets	38,298,795	36,712,713
Restricted for		
Capital asset acquisition	1,990,941	919,564
Food service	271,769	292,653
Community service	319,270	30,238
Debt service	611,780	101,512
Other purposes (state and other funding restrictions)	207,651	542,215
Unrestricted	(85,614,390)	(91,867,161)
Total net position	<u>(43,914,184)</u>	<u>(53,268,266)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 298,947,712</u>	<u>\$ 299,027,273</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Activities
Year Ended June 30, 2021
(With Partial Comparative Information for the Year Ended June 30, 2020)

		2021		
Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Administration	\$ 3,980,844	\$ —	\$ —	\$ —
District support services	6,676,889	—	—	—
Elementary and secondary regular instruction	61,082,057	536,082	3,845,747	—
Vocational education instruction	2,685,131	—	—	—
Special education instruction	22,133,695	179,824	16,281,452	—
Instructional support services	10,410,693	—	—	—
Pupil support services	9,867,763	31,455	957,108	—
Sites and buildings	15,633,381	122,638	—	1,806,435
Fiscal and other fixed cost programs	409,603	—	—	—
Food service	3,584,309	281,143	3,038,735	—
Community service	5,858,097	3,255,416	1,118,353	—
Interest and fiscal charges	2,927,736	—	—	—
Total governmental activities	<u>\$ 145,250,198</u>	<u>\$ 4,406,558</u>	<u>\$ 25,241,395</u>	<u>\$ 1,806,435</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		
		Total general revenues		
		Change in net position		
		Net position – beginning		
		Net position – ending		

	2020
Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Governmental Activities
\$ (3,980,844)	\$ (3,949,663)
(6,676,889)	(6,472,025)
(56,700,228)	(60,523,208)
(2,685,131)	(2,852,493)
(5,672,419)	(7,610,434)
(10,410,693)	(10,049,498)
(8,879,200)	(9,148,940)
(13,704,308)	(17,550,948)
(409,603)	(391,759)
(264,431)	(442,756)
(1,484,328)	(1,980,722)
(2,927,736)	(3,484,725)
(113,795,810)	(124,457,171)
36,967,459	37,483,741
1,063,574	974,111
10,069,323	7,899,851
72,603,961	67,105,133
2,005,400	2,066,406
440,175	1,562,411
123,149,892	117,091,653
9,354,082	(7,365,518)
(53,268,266)	(45,902,748)
\$ (43,914,184)	\$ (53,268,266)

INDEPENDENT SCHOOL DISTRICT NO. 272

Balance Sheet
Governmental Funds
as of June 30, 2021
(With Partial Comparative Information as of June 30, 2020)

	General Fund	Food Service Special Revenue Fund	Community Service Special Revenue Fund
Assets			
Cash and temporary investments	\$ 44,932,019	\$ 273,240	\$ 1,017,674
Receivables			
Current taxes	19,429,896	–	572,267
Delinquent taxes	159,688	–	4,489
Accounts and interest	242,869	1,160	221,662
Due from other governmental units	13,671,945	103,078	109,600
Due from other funds	1,042,563	–	–
Inventory	–	184,502	–
Prepaid items	686,319	1,120	50,160
	<u>\$ 80,165,299</u>	<u>\$ 563,100</u>	<u>\$ 1,975,852</u>
Liabilities			
Salaries payable	\$ 4,960,621	\$ 9,655	\$ 171,763
Accounts and contracts payable	5,952,523	21,380	121,355
Due to other governmental units	1,678,102	–	6,365
Due to other funds	493,995	–	–
Unearned revenue	272,795	260,296	435,229
Total liabilities	13,358,036	291,331	734,712
Deferred inflows of resources			
Property taxes levied for subsequent year	34,897,888	–	1,146,519
Unavailable revenue – delinquent taxes	159,688	–	4,489
Total deferred inflows of resources	35,057,576	–	1,151,008
Fund balances (deficit)			
Nonspendable	686,319	185,622	50,160
Restricted	2,198,592	86,147	264,621
Assigned	11,053,757	–	–
Unassigned	17,811,019	–	(224,649)
Total fund balances (deficit)	31,749,687	271,769	90,132
	<u>\$ 80,165,299</u>	<u>\$ 563,100</u>	<u>\$ 1,975,852</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 80,165,299</u>	<u>\$ 563,100</u>	<u>\$ 1,975,852</u>

Capital Projects – Building Construction Fund	Debt Service Fund	Total Governmental Funds	
		2021	2020
\$ 19,981,882	\$ 6,777,479	\$ 72,982,294	\$ 84,456,905
–	4,612,621	24,614,784	25,008,696
–	39,106	203,283	444,658
53,404	4,828	523,923	1,064,806
–	166	13,884,789	11,215,670
–	–	1,042,563	364,518
–	–	184,502	180,119
–	–	737,599	507,235
<u>\$ 20,035,286</u>	<u>\$ 11,434,200</u>	<u>\$ 114,173,737</u>	<u>\$ 123,242,607</u>
\$ –	\$ –	\$ 5,142,039	\$ 5,293,409
4,944,909	–	11,040,167	7,784,203
–	–	1,684,467	944,015
–	–	493,995	–
–	–	968,320	751,445
<u>4,944,909</u>	<u>–</u>	<u>19,328,988</u>	<u>14,773,072</u>
–	9,241,236	45,285,643	44,186,789
–	39,106	203,283	444,658
<u>–</u>	<u>9,280,342</u>	<u>45,488,926</u>	<u>44,631,447</u>
–	–	922,101	687,354
15,090,377	2,153,858	19,793,595	41,781,365
–	–	11,053,757	4,320,382
–	–	17,586,370	17,048,987
<u>15,090,377</u>	<u>2,153,858</u>	<u>49,355,823</u>	<u>63,838,088</u>
<u>\$ 20,035,286</u>	<u>\$ 11,434,200</u>	<u>\$ 114,173,737</u>	<u>\$ 123,242,607</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
as of June 30, 2021
(With Partial Comparative Information as of June 30, 2020)

	2021	2020
Total fund balances – governmental funds	\$ 49,355,823	\$ 63,838,088
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	297,476,683	261,433,272
Accumulated depreciation	(170,748,140)	(164,040,065)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.		
General obligation bonds payable	(98,665,000)	(95,585,000)
Unamortized premiums/discount	(4,855,125)	(3,860,559)
Capital lease payable	(1,673,465)	(2,504,636)
Net pension liability	(94,767,044)	(82,133,073)
Compensated absences payable	(486,346)	(646,791)
Net OPEB asset reported in the Statement of Net Position does not require the use of current financial resources and is not reported in the governmental funds.	10,623,121	6,543,322
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	7,880,634	6,757,112
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(1,581,184)	(1,406,586)
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	38,244,675	62,880,095
Deferred outflows of resources – OPEB plan deferments	214,218	311,987
Deferred inflows of resources – pension plan deferments	(69,073,724)	(101,927,977)
Deferred inflows of resources – OPEB plan deferments	(6,062,593)	(3,372,113)
Deferred inflows of resources – unavailable revenue – delinquent taxes	203,283	444,658
Total net position – governmental activities	<u>\$ (43,914,184)</u>	<u>\$ (53,268,266)</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021
(With Partial Comparative Information for the Year Ended June 30, 2020)

	General Fund	Food Service Special Revenue Fund	Community Service Special Revenue Fund
Revenue			
Local sources			
Property taxes	\$ 37,156,080	\$ —	\$ 1,068,589
Investment earnings	300,499	—	—
Other	2,318,029	302,199	3,513,378
State sources	84,756,787	16,475	779,915
Federal sources	9,439,879	3,041,000	430,852
Total revenue	<u>133,971,274</u>	<u>3,359,674</u>	<u>5,792,734</u>
Expenditures			
Current			
Administration	3,963,186	—	—
District support services	6,580,214	—	—
Elementary and secondary regular instruction	55,797,331	—	—
Vocational education instruction	2,608,998	—	—
Special education instruction	21,733,158	—	—
Instructional support services	10,288,448	—	—
Pupil support services	10,008,666	—	—
Sites and buildings	13,058,211	—	—
Fiscal and other fixed cost programs	409,603	—	—
Food service	—	3,619,295	—
Community service	—	—	5,928,843
Capital outlay	—	11,263	—
Debt service			
Principal	831,171	—	—
Interest and fiscal charges	18,315	—	—
Total expenditures	<u>125,297,301</u>	<u>3,630,558</u>	<u>5,928,843</u>
Excess (deficiency) of revenue over expenditures	8,673,973	(270,884)	(136,109)
Other financing sources (uses)			
Capital lease issued	—	—	—
Debt issued	—	—	—
Refunding debt issued	—	—	—
Premium on debt issued	—	—	—
(Discount) on debt issued	—	—	—
Payment on refunded debt	—	—	—
Sale of capital assets	467,910	—	—
Transfers in	—	250,000	364,438
Transfers (out)	(889,510)	—	—
Total other financing sources (uses)	<u>(421,600)</u>	<u>250,000</u>	<u>364,438</u>
Net change in fund balances	8,252,373	(20,884)	228,329
Fund balances (deficit)			
Beginning of year	<u>23,497,314</u>	<u>292,653</u>	<u>(138,197)</u>
End of year	<u>\$ 31,749,687</u>	<u>\$ 271,769</u>	<u>\$ 90,132</u>

See notes to basic financial statements

Capital Projects – Building Construction Fund	Debt Service Fund	Total Governmental Funds	
		2021	2020
\$ –	\$ 10,117,062	\$ 48,341,731	\$ 46,293,901
132,225	4,758	437,482	1,497,305
9,806	–	6,143,412	10,891,879
–	1,656	85,554,833	85,399,143
–	–	12,911,731	4,681,309
<u>142,031</u>	<u>10,123,476</u>	<u>153,389,189</u>	<u>148,763,537</u>
–	–	3,963,186	3,866,118
–	–	6,580,214	6,382,404
–	–	55,797,331	60,587,905
–	–	2,608,998	2,768,252
–	–	21,733,158	21,280,844
–	–	10,288,448	9,872,363
–	–	10,008,666	10,051,078
–	–	13,058,211	13,242,276
–	–	409,603	391,759
–	–	3,619,295	4,668,771
–	–	5,928,843	7,866,888
34,822,405	–	34,833,668	11,572,617
–	6,295,000	7,126,171	7,419,298
63,462	3,458,615	3,540,392	3,432,915
<u>34,885,867</u>	<u>9,753,615</u>	<u>179,496,184</u>	<u>163,403,488</u>
(34,743,836)	369,861	(26,106,995)	(14,639,951)
–	–	–	3,354,150
10,815,830	274,170	11,090,000	37,765,000
–	15,195,000	15,195,000	–
–	1,803,574	1,803,574	3,013,235
(21,754)	–	(21,754)	–
–	(16,910,000)	(16,910,000)	–
–	–	467,910	110,923
275,072	–	889,510	221,638
–	–	(889,510)	(221,638)
<u>11,069,148</u>	<u>362,744</u>	<u>11,624,730</u>	<u>44,243,308</u>
(23,674,688)	732,605	(14,482,265)	29,603,357
<u>38,765,065</u>	<u>1,421,253</u>	<u>63,838,088</u>	<u>34,234,731</u>
<u>\$ 15,090,377</u>	<u>\$ 2,153,858</u>	<u>\$ 49,355,823</u>	<u>\$ 63,838,088</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2021
(With Partial Comparative Information for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Total net change in fund balances – governmental funds	\$ (14,482,265)	\$ 29,603,357
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	36,596,194	9,915,025
Depreciation expense	(7,260,858)	(7,087,318)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	(11,090,000)	(37,765,000)
Refunding bonds payable	(15,195,000)	–
Capital lease payable	–	(3,354,150)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	23,205,000	5,810,000
Capital lease payable	831,171	1,609,298
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.		
	(174,598)	(443,542)
Debt issuance premiums/discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.		
	(994,566)	(2,621,503)
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	(12,633,971)	1,112,708
Net OPEB asset	4,079,799	(453,319)
Compensated absences payable	160,445	118,814
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.		
	1,123,522	2,895,198
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	(24,635,420)	(31,395,797)
Deferred outflows of resources – OPEB plan deferments	(97,769)	175,289
Deferred inflows of resources – pension plan deferments	32,854,253	23,534,674
Deferred inflows of resources – OPEB plan deferments	(2,690,480)	916,946
Deferred inflows of resources – unavailable revenue – delinquent taxes	(241,375)	63,802
Change in net position – governmental activities	<u>\$ 9,354,082</u>	<u>\$ (7,365,518)</u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Property taxes	\$ 37,346,460	\$ 37,206,598	\$ 37,156,080	\$ (50,518)
Investment earnings	200,000	200,000	300,499	100,499
Other	3,883,413	3,551,881	2,318,029	(1,233,852)
State sources	84,235,548	83,764,300	84,756,787	992,487
Federal sources	2,482,704	5,667,471	9,439,879	3,772,408
Total revenue	128,148,125	130,390,250	133,971,274	3,581,024
Expenditures				
Current				
Administration	3,773,480	4,025,201	3,963,186	(62,015)
District support services	7,128,474	7,229,429	6,580,214	(649,215)
Elementary and secondary regular instruction	58,497,321	60,581,042	55,797,331	(4,783,711)
Vocational education instruction	2,413,865	2,516,640	2,608,998	92,358
Special education instruction	22,217,152	21,579,630	21,733,158	153,528
Instructional support services	10,228,307	10,523,080	10,288,448	(234,632)
Pupil support services	10,639,967	10,747,431	10,008,666	(738,765)
Sites and buildings	12,291,716	12,244,715	13,058,211	813,496
Fiscal and other fixed cost programs	410,620	410,620	409,603	(1,017)
Debt service				
Principal	849,515	831,171	831,171	—
Interest and fiscal charges	—	18,344	18,315	(29)
Total expenditures	128,450,417	130,707,303	125,297,301	(5,410,002)
Excess (deficiency) of revenue over expenditures	(302,292)	(317,053)	8,673,973	8,991,026
Other financing sources (uses)				
Sale of capital assets	—	—	467,910	467,910
Transfers (out)	(250,000)	(418,064)	(889,510)	(471,446)
Total other financing sources (uses)	(250,000)	(418,064)	(421,600)	(3,536)
Net change in fund balances	\$ (552,292)	\$ (735,117)	8,252,373	\$ 8,987,490
Fund balances				
Beginning of year			23,497,314	
End of year			\$ 31,749,687	

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Food Service Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Local sources				
Investment earnings	\$ 10,000	\$ 1,000	\$ —	\$ (1,000)
Other – primarily meal sales	3,485,091	251,543	302,199	50,656
State sources	171,814	7,040	16,475	9,435
Federal sources	1,297,810	2,459,946	3,041,000	581,054
Total revenue	<u>4,964,715</u>	<u>2,719,529</u>	<u>3,359,674</u>	<u>640,145</u>
Expenditures				
Current				
Salaries	2,010,842	1,553,559	1,656,990	103,431
Employee benefits	826,039	596,043	671,159	75,116
Purchased services	279,150	187,450	152,098	(35,352)
Supplies and materials	1,866,400	1,026,448	1,134,354	107,906
Other expenditures	8,700	1,725	4,694	2,969
Capital outlay	30,000	30,000	11,263	(18,737)
Total expenditures	<u>5,021,131</u>	<u>3,395,225</u>	<u>3,630,558</u>	<u>235,333</u>
Excess (deficiency) of revenue over expenditures	(56,416)	(675,696)	(270,884)	404,812
Other financing sources				
Transfers in	<u>—</u>	<u>160,000</u>	<u>250,000</u>	<u>90,000</u>
Net change in fund balances	<u>\$ (56,416)</u>	<u>\$ (515,696)</u>	<u>(20,884)</u>	<u>\$ 494,812</u>
Fund balances				
Beginning of year			<u>292,653</u>	
End of year			<u>\$ 271,769</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Community Service Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Local sources				
Property taxes	\$ 1,070,477	\$ 1,071,174	\$ 1,068,589	\$ (2,585)
Other – primarily tuition and fees	4,361,155	2,922,360	3,513,378	591,018
State sources	723,760	724,911	779,915	55,004
Federal sources	–	283,000	430,852	147,852
Total revenue	<u>6,155,392</u>	<u>5,001,445</u>	<u>5,792,734</u>	<u>791,289</u>
Expenditures				
Current				
Salaries	3,898,271	3,690,116	3,866,171	176,055
Employee benefits	1,290,159	1,051,965	1,167,793	115,828
Purchased services	686,300	569,464	779,674	210,210
Supplies and materials	124,950	56,383	109,421	53,038
Other expenditures	<u>5,200</u>	<u>3,440</u>	<u>5,784</u>	<u>2,344</u>
Total expenditures	<u>6,004,880</u>	<u>5,371,368</u>	<u>5,928,843</u>	<u>557,475</u>
Excess (deficiency) of revenue over expenditures	150,512	(369,923)	(136,109)	233,814
Other financing sources				
Transfers in	<u>150,000</u>	<u>258,064</u>	<u>364,438</u>	<u>106,374</u>
Net change in fund balances	<u>\$ 300,512</u>	<u>\$ (111,859)</u>	<u>228,329</u>	<u>\$ 340,188</u>
Fund balances (deficit)				
Beginning of year			<u>(138,197)</u>	
End of year			<u>\$ 90,132</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Net Position
Internal Service Funds
as of June 30, 2021
(With Partial Comparative Information as of June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and temporary investments	\$ 8,963,418	\$ 8,656,055
Due from other funds	<u>493,995</u>	<u>—</u>
Total current assets	9,457,413	8,656,055
Liabilities		
Current liabilities		
Accounts payable	2,838	—
Unearned revenue	1,119,162	1,178,943
Claims payable	<u>454,779</u>	<u>720,000</u>
Total current liabilities	<u>1,576,779</u>	<u>1,898,943</u>
Net position		
Unrestricted	<u><u>\$ 7,880,634</u></u>	<u><u>\$ 6,757,112</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2021
(With Partial Comparative Information for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Operating revenue		
Charges for services		
Contributions from governmental funds	\$ 14,385,688	\$ 14,732,160
Operating expenses		
Health benefit claims	12,010,340	10,820,462
Dental benefit claims	<u>1,254,519</u>	<u>1,081,606</u>
Total operating expenses	<u>13,264,859</u>	<u>11,902,068</u>
Operating income	1,120,829	2,830,092
Nonoperating revenue		
Investment earnings	<u>2,693</u>	<u>65,106</u>
Change in net position	1,123,522	2,895,198
Net position		
Beginning of year	<u>6,757,112</u>	<u>3,861,914</u>
End of year	<u><u>\$ 7,880,634</u></u>	<u><u>\$ 6,757,112</u></u>

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INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021
(With Partial Comparative Information for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Contributions from governmental funds	\$ 13,831,912	\$ 14,761,023
Payment for health claims	(12,270,341)	(10,775,462)
Payment for dental claims	<u>(1,256,901)</u>	<u>(1,096,220)</u>
Net cash flows from operating activities	304,670	2,889,341
Cash flows from investing activities		
Investment income received	<u>2,693</u>	<u>65,106</u>
Net change in cash and cash equivalents	307,363	2,954,447
Cash and cash equivalents		
Beginning of year	<u>8,656,055</u>	<u>5,701,608</u>
End of year	<u><u>\$ 8,963,418</u></u>	<u><u>\$ 8,656,055</u></u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$ 1,120,829	\$ 2,830,092
Adjustments to reconcile operating income to net cash flows from operating activities		
Changes in assets and liabilities		
Due from other funds	(493,995)	—
Accounts payable	2,838	—
Unearned revenue	(59,781)	28,863
Claims payable	<u>(265,221)</u>	<u>30,386</u>
Net cash flows from operating activities	<u><u>\$ 304,670</u></u>	<u><u>\$ 2,889,341</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Fiduciary Net Position
as of June 30, 2021

	Custodial Fund	Post-Employment Benefits Trust Fund
Assets		
Receivables		
Accounts and interest	\$ —	\$ 46,337
Investments, at fair value		
Treasury securities	—	1,768,862
Agency securities	—	604,112
Corporate obligations	—	5,090,568
Equities	—	6,483,904
Real estate investment trusts	—	79,576
Mutual funds	—	6,221,631
Total assets	—	20,294,990
Liabilities		
Due to governmental funds	—	1,042,563
Net position		
Restricted for OPEB	\$ —	\$ 19,252,427

INDEPENDENT SCHOOL DISTRICT NO. 272

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2021

	Custodial Fund	Post-Employment Benefits Trust Fund
Additions		
Contributions		
Miscellaneous	\$ 734	\$ —
Investment earnings		
Total investment earnings	—	3,593,145
Less investment expense	—	134,352
Net investment earnings	—	3,458,793
Total additions	734	3,458,793
Deductions		
Miscellaneous	734	—
OPEB	—	1,042,563
Total deductions	734	1,042,563
Change in net position	—	2,416,230
Net position		
Beginning of year	—	16,836,197
End of year	\$ —	\$ 19,252,427

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INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Basic Financial Statements June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

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

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Fund Financial Statement Presentation

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

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

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Food service sales, community education tuition, and other miscellaneous revenues (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Proceeds of long-term debt and acquisitions under 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Description of Funds

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

Major Governmental Funds

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

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

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

Each June, the School Board adopts an annual budget for the following fiscal year for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. For the year ended June 30, 2021, actual expenditures exceeded budgeted appropriations in the following funds:

Fund	Budgeted Expenditures	Actual Expenditures	Excess
Food Service Special Revenue	\$ 3,395,225	\$ 3,630,558	\$ 235,333
Community Service Special Revenue	\$ 5,371,368	\$ 5,928,843	\$ 557,475
Capital Projects – Building Construction	\$ 24,832,228	\$ 34,885,867	\$ 10,053,639
Debt Service	\$ 9,751,753	\$ 9,753,615	\$ 1,862

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

F. Cash and Temporary Investments

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

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

At June 30, 2021, the District reported the following receivables due from other governmental units:

Due from the MDE	\$ 13,538,633
Due from other Minnesota school districts	42,616
Due from other governmental units	<u>303,540</u>
Total due from other governmental units	<u>\$ 13,884,789</u>

H. Inventories

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

I. Prepaid Items

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

J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$4,029,142 of the property tax levy collectible in 2021 as revenue to the District in fiscal year 2020–2021. The remaining portion of the taxes collectible in 2021 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)

K. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$3,000 or more for assets acquired through June 30, 2015 and \$5,000 or more for assets acquired thereafter, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The District does not possess material amounts of infrastructure capital assets, such as sidewalks or parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

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

L. Long-Term Obligations

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

M. Employee Benefits

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and 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.

N. Risk Management and Self-Insurance

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Year Ended June 30,	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2020	\$ 34,614	\$ 1,081,606	\$ 1,096,220	\$ 20,000
2021	\$ 20,000	\$ 1,254,519	\$ 1,256,901	\$ 17,618

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

Year Ended June 30,	Balance – Beginning of Year	Charges and Changes in Estimates	Claim Payments	Balance – End of Year
2020	\$ 655,000	\$ 10,820,462	\$ 10,775,462	\$ 700,000
2021	\$ 700,000	\$ 12,010,340	\$ 12,273,179	\$ 437,161

O. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, statements of financial position or balance sheets will sometimes report separate sections for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net 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, 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)

P. Net Position

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

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

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

Q. Fund Balance Classifications

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Use of Estimates

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

S. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, 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.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$ 7,052,252
Investments	95,135,779
Cash on hand	<u>6,334</u>
Total	<u><u>\$ 102,194,365</u></u>

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

Statement of Net Position	
Cash and temporary investments	\$ 81,945,712
Statement of Fiduciary Net Position	
Investments	
Employee benefit trust funds	<u>20,248,653</u>
Total	<u><u>\$ 102,194,365</u></u>

B. Deposits

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

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

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

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

At year-end, the carrying amount and bank balance of the District’s deposits were both \$7,052,252. At June 30, 2021, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District’s agent in the District’s name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk – Maturity Duration in Years					Total
	Rating	Agency		No Maturity Date	Less Than 1	1 to 5	6 to 10		
U.S. treasury securities	N/A	N/A	Level 1	\$ –	\$ –	\$ 1,768,862	\$ –	\$ 1,768,862	
U.S. agency securities	AA	S&P	Level 1	\$ –	\$ –	\$ 604,112	\$ –	604,112	
Corporate obligations	AAA	S&P	Level 1	\$ –	\$ –	\$ 214,718	\$ –	214,718	
Corporate obligations	AA	S&P	Level 1	\$ –	\$ –	\$ 238,098	\$ –	238,098	
Corporate obligations	A	S&P	Level 1	\$ –	\$ 278,738	\$ 1,856,390	\$ 215,454	2,350,582	
Corporate obligations	A	Moody's	Level 1	\$ –	\$ 110,885	\$ 162,440	\$ –	273,325	
Corporate obligations	BAA	Moody's	Level 1	\$ –	\$ –	\$ 525,239	\$ –	525,239	
Corporate obligations	BBB	S&P	Level 1	\$ –	\$ –	\$ 1,488,606	\$ –	1,488,606	
Negotiable certificates of deposit	Not Rated		Level 2	\$ –	\$ 1,245,949	\$ –	\$ –	1,245,949	
Equities	Not Rated		Level 1	\$ 7,136,564	\$ –	\$ –	\$ –	7,136,564	
Real estate investment trusts	Not Rated		Level 2	\$ 79,576	\$ –	\$ –	\$ –	79,576	
Real asset mutual funds	Not Rated		Level 2	\$ 1,076,347	\$ –	\$ –	\$ –	1,076,347	
OPEB mutual funds	Not Rated		Level 1	\$ 4,538,625	\$ –	\$ –	\$ –	4,538,625	
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	\$ 42,563,308	\$ –	\$ –	\$ –	42,563,308	
MNTrust Term Series	Not Rated		N/A	\$ –	\$ 15,500,000	\$ –	\$ –	15,500,000	
MNTrust Limited Term Duration	AAA	S&P	N/A	\$ 14,375,793	\$ –	\$ –	\$ –	14,375,793	
MSDLAF Liquid Class	AAA	S&P	N/A	\$ 1,156,075	\$ –	\$ –	\$ –	1,156,075	
Total investments								\$ 95,135,779	

N/A – Not Applicable

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

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

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

NOTE 3 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 6,774,893	\$ –	\$ –	\$ –	\$ 6,774,893
Construction in progress	7,472,665	33,807,631	–	(1,355,689)	39,924,607
Total capital assets, not depreciated	14,247,558	33,807,631	–	(1,355,689)	46,699,500
Capital assets, depreciated					
Land improvements	10,722,413	–	–	1,355,689	12,078,102
Buildings and improvements	210,121,243	262,143	–	–	210,383,386
Equipment	26,342,058	2,526,420	(552,783)	–	28,315,695
Total capital assets, depreciated	247,185,714	2,788,563	(552,783)	1,355,689	250,777,183
Less accumulated depreciation for					
Land improvements	(6,283,152)	(388,256)	–	–	(6,671,408)
Buildings and improvements	(139,154,513)	(5,494,260)	–	–	(144,648,773)
Equipment	(18,602,400)	(1,378,342)	552,783	–	(19,427,959)
Total accumulated depreciation	(164,040,065)	(7,260,858)	552,783	–	(170,748,140)
Net capital assets, depreciated	83,145,649	(4,472,295)	–	1,355,689	80,029,043
Total capital assets, net	\$ 97,393,207	\$ 29,335,336	\$ –	\$ –	\$ 126,728,543

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

Administration	\$ 3,088
District support services	182,428
Elementary and secondary regular instruction	3,034,658
Special education instruction	30,086
Instructional support services	35,113
Pupil support services	687,742
Sites and buildings	3,117,487
Food service	112,848
Community service	57,408
Total depreciation expense	\$ 7,260,858

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	04/07/2015	3.000%	\$ 10,310,000	02/01/2028	\$ 10,310,000
Facilities maintenance bonds	02/22/2017	3.000–4.000%	\$ 10,940,000	02/01/2032	10,940,000
Alternative facilities refunding bonds	11/15/2018	5.000%	\$ 8,410,000	02/01/2022	3,910,000
Facilities maintenance bonds	03/21/2019	2.875–4.000%	\$ 9,995,000	02/01/2036	9,995,000
School building bonds	07/18/2019	3.000–5.000%	\$ 37,765,000	02/01/2040	37,225,000
Facilities maintenance and refunding bonds	11/19/2020	2.000–4.000%	\$ 26,285,000	02/01/2041	26,285,000
Total general obligation bonds payable					<u>\$ 98,665,000</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.

In November 2020, the District issued \$26,285,000 of General Obligation Facilities Maintenance and Refunding Bonds, Series 2020A. The proceeds were used to refund, in advance of their stated maturities, the remaining maturities of the District's General Obligation Alternative Facilities Bonds, Series 2011A and General Obligation Alternative Facilities Bonds, Series 2013A. This current refunding reduced the District's total future debt service payments by \$1,628,086, and resulted in a present value savings of \$1,586,615. The difference between the carrying amount of the refunded debt and its reacquisition price was not material, and was included in current year expense on the government-wide financial statements.

B. Capital Lease Payable

On September 17, 2012, the District entered a master lease purchase agreement with Apple, Inc. for iPads and MacBooks. 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 zero percent to 0.99 percent and mature in fiscal year 2023. Upon payment in full of all scheduled lease payments, the lessor's (Apple, Inc.) interest in the equipment is transferred to the District, free and clear of any right or interest of Apple, Inc. The General Fund will be used to liquidate this liability. If the District does not pay the lease payments on the date which payments are due, the District shall pay lessor a charge at the rate of 12.00 percent per annum or the highest lawful rate, whichever is less, from such due date until paid. If the District breaches any term of this agreement, the lessor may require that the District return the equipment and pay 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.

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

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

C. Other Long-Term Liabilities

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

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

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	\$ 22,860,679	\$ 2,936,930	\$ 922,380	\$ 1,276,318
State-wide, multiple-employer – TRA	71,517,137	35,246,487	68,140,353	10,140,714
Single-employer – District	389,228	61,258	10,991	42,394
Total	<u>\$ 94,767,044</u>	<u>\$ 38,244,675</u>	<u>\$ 69,073,724</u>	<u>\$ 11,459,426</u>

D. Changes in Long-Term Liabilities

	Balance – Beginning of Year	Additions	Retirements	Balance – End of Year	Due Within One Year
General obligation bonds payable	\$ 95,585,000	\$ 26,285,000	\$ 23,205,000	\$ 98,665,000	\$ 6,030,000
Unamortized premiums/discount	3,860,559	1,781,820	787,254	4,855,125	–
Capital lease payable	2,504,636	–	831,171	1,673,465	836,173
Net pension liability	82,133,073	19,729,291	7,095,320	94,767,044	–
Compensated absences payable	646,791	–	160,445	486,346	124,213
	<u>\$ 184,730,059</u>	<u>\$ 47,796,111</u>	<u>\$ 32,079,190</u>	<u>\$ 200,446,980</u>	<u>\$ 6,990,386</u>

E. Minimum Debt Payments

Minimum principal and interest payments for general obligation bonds and capital leases are as follows:

Year Ending June 30,	General Obligation Bonds		Capital Lease	
	Principal	Interest	Principal	Interest
2022	\$ 6,030,000	\$ 3,550,711	\$ 836,173	\$ 13,341
2023	5,110,000	3,096,156	837,292	8,289
2024	5,175,000	2,883,756	–	–
2025	5,465,000	2,667,156	–	–
2026	5,590,000	2,464,856	–	–
2027–2031	23,880,000	9,363,681	–	–
2032–2036	23,395,000	5,368,300	–	–
2037–2041	24,020,000	1,773,125	–	–
	<u>\$ 98,665,000</u>	<u>\$ 31,167,741</u>	<u>\$ 1,673,465</u>	<u>\$ 21,630</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 herein since the District has specific authority to future resources for such deficits.

A. Classifications

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

	General Fund	Food Service Special Revenue Fund	Community Service Special Revenue Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Total
Nonspendable						
Inventory	\$ –	\$ 184,502	\$ –	\$ –	\$ –	\$ 184,502
Prepaid items	686,319	1,120	50,160	–	–	737,599
Total nonspendable	686,319	185,622	50,160	–	–	922,101
Restricted						
Student activities	47,894	–	–	–	–	47,894
Scholarships	47,018	–	–	–	–	47,018
Capital projects levy	1,476,704	–	–	–	–	1,476,704
Operating capital	514,237	–	–	–	–	514,237
Medical Assistance	112,739	–	–	–	–	112,739
Food service	–	86,147	–	–	–	86,147
Early childhood family education programs	–	–	92,713	–	–	92,713
School readiness	–	–	158,532	–	–	158,532
Community service	–	–	13,376	–	–	13,376
Long-term facilities maintenance	–	–	–	6,119,107	–	6,119,107
Capital projects	–	–	–	8,971,270	–	8,971,270
Debt service	–	–	–	–	2,153,858	2,153,858
Total restricted	2,198,592	86,147	264,621	15,090,377	2,153,858	19,793,595
Assigned						
Site carryover	1,226,891	–	–	–	–	1,226,891
Activity accounts	465,347	–	–	–	–	465,347
Construction	2,691,222	–	–	–	–	2,691,222
Curriculum adoption	1,000,000	–	–	–	–	1,000,000
Subsequent year's budget	1,245,297	–	–	–	–	1,245,297
Enrollment	1,250,000	–	–	–	–	1,250,000
Equipment	925,000	–	–	–	–	925,000
Designing Pathways	1,500,000	–	–	–	–	1,500,000
Program initiatives	750,000	–	–	–	–	750,000
Total assigned	11,053,757	–	–	–	–	11,053,757
Unassigned	17,811,019	–	–	–	–	17,811,019
Unassigned – community education programs restricted account deficit	–	–	(224,649)	–	–	(224,649)
Total unassigned	17,811,019	–	(224,649)	–	–	17,586,370
Total	<u>\$ 31,749,687</u>	<u>\$ 271,769</u>	<u>\$ 90,132</u>	<u>\$ 15,090,377</u>	<u>\$ 2,153,858</u>	<u>\$ 49,355,823</u>

B. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent of annual budgeted expenditures. At June 30, 2021, the unassigned fund balance of the General Fund was 16.3 percent of fiscal 2021 unassigned 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 (DCP) administered by Minnesota State.

B. Benefits Provided

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

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

1. GERF Benefits

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

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

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

2. TRA Benefits

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

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

Tier I Benefits

Step-Rate Formula	Percentage per Year
Basic Plan	
First 10 years of service	2.2 %
All years after	2.7 %
Coordinated Plan	
First 10 years if service years are up to July 1, 2006	1.2 %
First 10 years if service years are July 1, 2006 or after	1.4 %
All other years of service if service years are up to July 1, 2006	1.7 %
All other years of service if service years are 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 per year for Basic Plan members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statutes. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2021, were \$1,836,831. 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,					
	2019		2020		2021	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	11.71 %	11.00 %	11.92 %	11.00 %	12.13 %
Coordinated Plan	7.50 %	7.71 %	7.50 %	7.92 %	7.50 %	8.13 %

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2021, were \$4,625,157. 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 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 Comprehensive Annual Financial Report Statement of Changes in Fiduciary Net Position	\$ 425,223
Add employer contributions not related to future contribution efforts	(56)
Deduct the TRA's contributions not included in allocation	<u>(508)</u>
Total employer contributions	424,659
Total nonemployer contributions	<u>35,587</u>
Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations	<u>\$ 460,246</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, 2021, the District reported a liability of \$22,860,679 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$705,017. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.3813 percent at the end of the measurement period and 0.3737 percent for the beginning of the period.

District's proportionate share of the net pension liability	\$ 22,860,679
State's proportionate share of the net pension liability associated with the District	\$ 705,017

For the year ended June 30, 2021, the District recognized pension expense of \$1,214,960 for its proportionate share of the GERS's pension expense. In addition, the District recognized \$61,358 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

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

At June 30, 2021, 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	\$ 204,207	\$ 86,494
Changes in actuarial assumptions	–	835,886
Net collective difference between projected and actual investment earnings	453,686	–
Changes in proportion	442,206	–
District's contributions to the GERF subsequent to the measurement date	1,836,831	–
Total	<u>\$ 2,936,930</u>	<u>\$ 922,380</u>

The \$1,836,831 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	\$ (1,053,789)
2023	\$ 140,178
2024	\$ 539,006
2025	\$ 552,324

2. TRA Pension Costs

At June 30, 2021, the District reported a liability of \$71,517,137 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to 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 0.9680 percent at the end of the measurement period and 0.9591 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	\$ 71,517,137
State's proportionate share of the net pension liability associated with the District	\$ 5,993,222

For the year ended June 30, 2021, the District recognized pension expense of \$9,591,695. It also recognized \$549,019 as an increase to pension expense for the support provided by direct aid.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,434,208	\$ 1,106,182
Changes in actuarial assumptions	27,469,796	61,765,586
Net difference between projected and actual investment earnings on pension plan investments	929,098	—
Changes in proportion	788,228	5,268,585
District's contributions to the TRA subsequent to the measurement date	4,625,157	—
Total	<u>\$ 35,246,487</u>	<u>\$ 68,140,353</u>

A total of \$4,625,157 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, 2022. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2022	\$ 876,224
2023	\$ (24,141,123)
2024	\$ (16,001,385)
2025	\$ 1,355,103
2026	\$ 392,158

E. Actuarial Assumptions

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

Assumptions	GERF	TRA
Inflation	2.25%	2.50%
Wage growth rate		2.85% before July 1, 2028 and 3.25% thereafter
Projected salary increase	3.00%	
Active member payroll growth		2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	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 Pub-2010 General Employee Mortality Table for the GERF Plan and the RP-2014 tables for the TRA for males and females, as appropriate, with slight adjustments to fit the PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the GERF and 1.00 percent for January 2020 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, 2020 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. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. 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 2020:

1. GERP

CHANGES IN ACTUARIAL ASSUMPTIONS

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

CHANGES IN PLAN PROVISIONS

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

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- Employer contribution rate increased from 7.92 percent to 8.13 percent in July 2020.

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.50 %	5.10 %
Private markets	25.00	5.90 %
Fixed income	20.00	0.75 %
International equity	17.50	5.30 %
Cash equivalents	2.00	– %
Total	100.00 %	

F. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2020 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 2020 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

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

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:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.50%	7.50%	8.50%
District's proportionate share of the GERF net pension liability	\$ 36,637,737	\$ 22,860,679	\$ 11,495,711
TRA discount rate	6.50%	7.50%	8.50%
District's proportionate share of the TRA net pension liability	\$ 109,491,980	\$ 71,517,137	\$ 40,227,786

H. Pension Plan Fiduciary Net Position

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

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

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

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

These benefits are summarized as follows:

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

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

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

B. Contributions and Funding Policy

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

C. Membership

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

Active plan members

14

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

D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of July 1, 2020, and a measurement date as of June 30, 2021, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.10%
20-year municipal bond yield	2.10%
Inflation rate	2.50%
Salary increases	Service graded table

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

E. Discount Rate

The discount rate used to measure the total pension liability was 2.10 percent. The District discount rate used in the prior measurement date was 2.40 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds, as of the measurement date.

F. Changes in the Total Pension Liability

	Total Pension Liability
Beginning balance – July 1, 2020	\$ 338,801
Changes for the year	
Service cost	25,014
Interest	8,730
Assumption changes	(6,680)
Differences between expected and actual experience	23,513
Benefit payments	(150)
Total net changes	<u>50,427</u>
Ending balance – June 30, 2021	<u>\$ 389,228</u>

Assumption changes since the prior measurement date include the following:

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

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

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	1.10%	2.10%	3.10%
Total pension liability	\$ 406,194	\$ 389,228	\$ 372,083

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

For the current year ended, the District recognized pension expense of \$42,394. 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	\$ 47,430	\$ –
Changes in actuarial assumptions	13,828	10,991
Total	<u>\$ 61,258</u>	<u>\$ 10,991</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>
2022	\$ 8,650
2023	\$ 8,650
2024	\$ 8,650
2025	\$ 8,656
2026	\$ 9,928
Thereafter	\$ 5,733

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

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

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

B. Benefits Provided

All retirees of the District upon retirement have the option under state law to continue their medical insurance coverage through the District. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical insurance from the time of retirement until the employee reaches age 65. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District contributes 100 percent of the cost of the negotiated current year premiums for specified coverage levels of eligible retired plan members and their spouses. The District has established the Post-Employment Benefits Trust Fund to finance these obligations. The Post-Employment Benefits Trust Fund reimbursed the General Fund for the actual cost of medical insurance premiums paid for retirees and the implicit rate subsidy for the year ended June 30, 2021.

D. Membership

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

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

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

E. Net OPEB Liability (Asset) of the District

The District's net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The components of the net OPEB liability (asset) of the District at year-end were as follows:

Total OPEB liability	\$ 8,629,306
Plan fiduciary net position	<u>(19,252,427)</u>
District's net OPEB liability (asset)	<u><u>\$ (10,623,121)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>223.1%</u></u>

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, and a measurement date as of June 30, 2021, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.30%
Expected long-term investment return	5.30% (net of investment expenses)
20-year municipal bond yield	2.10%
Inflation rate	2.50%
Salary increases	Service graded table
Medical trend rate	6.50% grading to 5.00% over 6 years then to 4.00% over the next 48 years
Dental trend rate	4.00%

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2019 Generational Improvement Scale.

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

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

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equity	43.00 %	7.30 %
Fixed income	37.00	2.10 %
International equity	14.00	6.90 %
Real estate	6.00	7.70 %
Total	<u>100.00 %</u>	5.30 %

G. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 20.50 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

H. Discount Rate

The discount rate used to measure the total OPEB liability was 5.30 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been considered. The District discount rate used in the prior measurement date was 5.80 percent.

I. Changes in the Net OPEB Liability (Asset)

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Beginning balance – July 1, 2020	\$ 10,292,875	\$ 16,836,197	\$ (6,543,322)
Changes for the year			
Service cost	490,687	–	490,687
Interest	595,638	–	595,638
Assumption changes	46,255	–	46,255
Projected investment earnings	–	892,318	(892,318)
Differences between expected and actual experience	(1,753,586)	2,566,475	(4,320,061)
Benefit payments – paid by trust	(1,042,563)	(1,042,563)	–
Total net changes	<u>(1,663,569)</u>	<u>2,416,230</u>	<u>(4,079,799)</u>
Ending balance – June 30, 2021	<u>\$ 8,629,306</u>	<u>\$ 19,252,427</u>	<u>\$ (10,623,121)</u>

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Assumption changes since the prior measurement date include the following:

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

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	4.30%	5.30%	6.30%
Net OPEB liability (asset)	\$ (10,196,689)	\$ (10,623,121)	\$ (11,032,247)

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

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
OPEB medical trend rate	5.50% decreasing to 4.00% then 3.00%	6.50% decreasing to 5.00% then 4.00%	7.50% decreasing to 6.00% then 5.00%
OPEB dental trend rate	3.00%	4.00%	5.00%
Net OPEB liability (asset)	\$ (11,275,679)	\$ (10,623,121)	\$ (9,874,329)

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

For the current year ended, the District recognized negative OPEB expense of \$1,291,550. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ —	\$ 4,153,217
Changes in actuarial assumptions	214,218	44,574
Differences between projected and actual investment earnings	—	1,864,802
Total	<u>\$ 214,218</u>	<u>\$ 6,062,593</u>

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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
2022	\$ (1,342,695)
2023	\$ (1,308,586)
2024	\$ (1,345,710)
2025	\$ (1,380,265)
2026	\$ (227,218)
Thereafter	\$ (243,901)

NOTE 9 – FLEXIBLE BENEFIT PLAN

Plan Description

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

Before the beginning of the Plan year, which is from January 1 to December 31, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for total contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

All assets of the Plan are held in a separate bank 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 and are accounted for primarily in the District's General Fund. The medical reimbursement and dependent care activity in the financial statements is accounted for in the General Fund.

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

NOTE 10 – INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Receivables and Payables

The General Fund had a receivable of \$1,042,563 due from the Post-Employment Benefits Trust Fund at June 30, 2021, to reimburse OPEB payments the General Fund made during the year. Because fiduciary fund activity is not included in the government-wide financial statements, this receivable is included as due from the Post-Employment Benefit Trust Fund in the governmental activities on the Statement of Net Position.

The Internal Service Fund had an interfund receivable of \$493,995 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

The District transferred \$250,000 from the General Fund to the Food Service Special Revenue Fund to provide financing for certain costs incurred, due to the COVID-19 pandemic.

The District transferred \$364,438 from the General Fund to the Community Service Special Revenue Fund to help finance various program costs and to provide financing for certain costs incurred, due to the COVID-19 pandemic.

The District transferred \$275,072 from the General Fund to the Capital Projects – Building Construction Fund to allocate revenues levied by the General Fund and expended by the Capital Projects – Building Construction Fund.

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

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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

B. 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.

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Education Center Lease

The District had a lease agreement with the City of Eden Prairie (the City) for use of 51,315 square feet of space housing the District's Education Center. This site houses nearly all of the District's programs and administration for the following programs: Community Education, Family Education, and Early Childhood Special Education. In April 2021, the District signed a new lease agreement with the City, which modified the original lease agreement. This new lease agreement is for use of 10,000 square feet of space housing the District's TASSEL Transition Program commencing on January 1, 2022 and extending through December 31, 2031. Lease payments are due monthly, on the first day of each month. The District may cancel this lease at any time with 18 months' written notice.

In the event of any default, the District must pay to the City the base rent and other sums and charges to be paid up to the time of such termination, and thereafter until the end of what would have been the term of the lease.

The future minimum lease payments for this lease are as follows:

Year Ending June 30,	Amount
2022	\$ 230,208
2023	74,450
2024	76,350
2025	78,250
2026	80,200
2027–2031	432,000
2032	45,900
	<u>\$ 1,017,358</u>

Expenditures under the operating lease for the year ended June 30, 2021 were \$375,711.

D. Construction Contracts

At June 30, 2021, the District had commitments totaling \$12,864,643 under various construction contracts for which the work was not yet completed.

E. Purchase Power Commitment

Solar Gardens

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

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

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

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Solar Panels

The District has entered into various power purchase agreements to purchase the energy generated by solar panels contributed to the District and installed on various buildings of the District. At June 30, 2021, the equipment capitalized through these agreements is \$2,376,900, with accumulated depreciation of \$452,195.

Future power purchase payments are as follows:

Year Ending June 30,	Amount
2022	\$ 91,210
2023	98,773
2024	101,707
2025	105,235
2026	108,448
2027–2031	558,779
2032–2036	515,713
2037–2041	473,918
2042	7,487
	<u>\$ 2,061,270</u>

F. COVID-19

The COVID-19 pandemic has caused numerous financial and operation challenges for districts in fiscal 2021, and is expected to have a significant impact for fiscal 2022 and possibly beyond. Any potential effects it may have on the District's future operations and financial condition cannot be determined at this time and have not been reflected in these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 272

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2021

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	0.3926%	\$ 18,442,381	\$ —	\$ 18,442,381	\$ 20,638,451	89.36%	78.70%
06/30/2016	06/30/2015	0.3524%	\$ 18,263,198	\$ —	\$ 18,263,198	\$ 20,684,774	88.29%	78.20%
06/30/2017	06/30/2016	0.3631%	\$ 29,481,919	\$ 385,105	\$ 29,867,024	\$ 22,396,905	131.63%	68.90%
06/30/2018	06/30/2017	0.3681%	\$ 23,499,261	\$ 295,507	\$ 23,794,768	\$ 23,755,883	98.92%	75.90%
06/30/2019	06/30/2018	0.3705%	\$ 20,553,821	\$ 674,285	\$ 21,228,106	\$ 24,941,557	82.41%	79.50%
06/30/2020	06/30/2019	0.3737%	\$ 20,661,037	\$ 642,139	\$ 21,303,176	\$ 26,428,327	78.18%	80.20%
06/30/2021	06/30/2020	0.3813%	\$ 22,860,679	\$ 705,017	\$ 23,565,696	\$ 27,116,265	84.31%	79.10%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2021

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

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2021

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.1120%	\$ 51,240,159	\$ 3,604,593	\$ 54,844,752	\$ 50,758,363	100.95%	81.50%
06/30/2016	06/30/2015	1.0058%	\$ 62,218,677	\$ 7,631,910	\$ 69,850,587	\$ 51,428,891	120.98%	76.80%
06/30/2017	06/30/2016	1.0364%	\$247,206,129	\$ 24,812,446	\$272,018,575	\$ 54,216,148	455.96%	44.88%
06/30/2018	06/30/2017	1.0112%	\$201,853,864	\$ 19,511,695	\$221,365,559	\$ 54,659,806	369.29%	51.57%
06/30/2019	06/30/2018	0.9925%	\$ 62,338,290	\$ 5,856,612	\$ 68,194,902	\$ 54,876,205	113.60%	78.07%
06/30/2020	06/30/2019	0.9591%	\$ 61,133,235	\$ 5,410,224	\$ 66,543,459	\$ 54,469,575	112.23%	78.21%
06/30/2021	06/20/2020	0.9680%	\$ 71,517,137	\$ 5,993,222	\$ 77,510,359	\$ 56,157,098	127.35%	75.48%

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2021

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

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Pension Benefits Plan
Schedule of Changes in the District's
Total Pension Liability and Related Ratios
Year Ended June 30, 2021

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

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

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Net
OPEB Liability and Related Ratios
Year Ended June 30, 2021

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

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Other Post-Employment Benefits Plan
Schedule of Investment Returns
Year Ended June 30, 2021

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

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information
June 30, 2021

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2021

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2021

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued) June 30, 2021

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.
- 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.

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2021

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2021

PENSION BENEFITS PLAN

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN PLAN PROVISIONS

- The Eden Prairie Supervisor and Specialist post-employment lump sum benefit was changed from 100.00 percent paid to a VEBA, to 50.00 percent paid to a VEBA, and 50.00 percent paid to the 403(b) plan.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS PLAN

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN PLAN PROVISIONS

- The Eden Prairie Supervisor and Specialist post-employment lump sum benefit was changed from 100.00 percent paid to a VEBA, to 50.00 percent paid to a VEBA, and 50.00 percent paid to the 403(b) plan.
- The Classified Administrative and Support Staff post-employment subsidized benefit was extended through June 30, 2019.
- A subsidized lump sum benefit of \$1,000 payable to a VEBA was added for MSEA paraprofessionals retiring before June 30, 2019.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The expected long-term investment return was changed from 6.30 percent to 6.10 percent.
- The discount rate was changed from 6.30 percent to 6.10 percent.

2018 CHANGES IN PLAN PROVISIONS

- An early retirement incentive was offered for teachers retiring at the end of the 2017–2018 school year. Teachers retiring after age 55 with 10 years of service will receive \$15,000 placed in a VEBA account. Plan A teachers (hired before October 1, 1993) receive the payment on June 30, 2023. Plan B teachers receive the payment no later than June 30, 2018.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment return was changed from 6.10 percent to 6.30 percent.
- The discount rate was changed from 6.10 percent to 6.30 percent.

INDEPENDENT SCHOOL DISTRICT NO. 272

Notes to Required Supplementary Information (continued)
June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2000 projected to 2014 with Scale BB, to the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The withdrawal table for all employees and the retirement table for only employees eligible to retire with Rule of 90 also were updated.
- The discount rate was changed from 5.50 percent to 6.10 percent.

SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 272

General Fund
Comparative Balance Sheet
as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 44,932,019	\$ 35,928,514
Receivables		
Current taxes	19,429,896	19,192,112
Delinquent taxes	159,688	348,309
Accounts and interest	242,869	432,757
Due from other governmental units	13,671,945	10,879,017
Due from other funds	1,042,563	364,518
Prepaid items	<u>686,319</u>	<u>507,235</u>
Total assets	<u>\$ 80,165,299</u>	<u>\$ 67,652,462</u>
Liabilities		
Salaries payable	\$ 4,960,621	\$ 5,178,014
Accounts and contracts payable	5,952,523	4,708,696
Due to other governmental units	1,678,102	937,650
Due to other funds	493,995	—
Unearned revenue	<u>272,795</u>	<u>8,200</u>
Total liabilities	13,358,036	10,832,560
Deferred inflows of resources		
Property taxes levied for subsequent year	34,897,888	32,974,279
Unavailable revenue – delinquent taxes	<u>159,688</u>	<u>348,309</u>
Total deferred inflows of resources	35,057,576	33,322,588
Fund balances		
Nonspendable for prepaid items	686,319	507,235
Restricted for student activities	47,894	46,206
Restricted for scholarships	47,018	46,518
Restricted for capital projects levy	1,476,704	512,698
Restricted for operating capital	514,237	406,866
Restricted for achievement and integration	—	181,580
Restricted for safe schools levy	—	144,282
Restricted for Medical Assistance	112,739	123,629
Assigned for site carryover	1,226,891	540,140
Assigned for activity accounts	465,347	447,771
Assigned for construction	2,691,222	1,680,179
Assigned for curriculum adoption	1,000,000	600,000
Assigned for subsequent year's budget	1,245,297	552,292
Assigned for enrollment	1,250,000	—
Assigned for equipment	925,000	—
Assigned for Designing Pathways	1,500,000	—
Assigned for program initiatives	750,000	—
Assigned for COVID-19	—	500,000
Unassigned	<u>17,811,019</u>	<u>17,207,918</u>
Total fund balances	<u>31,749,687</u>	<u>23,497,314</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 80,165,299</u>	<u>\$ 67,652,462</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 37,206,598	\$ 37,156,080	\$ (50,518)	\$ 37,422,242
Investment earnings	200,000	300,499	100,499	525,670
Other	3,551,881	2,318,029	(1,233,852)	3,266,691
State sources	83,764,300	84,756,787	992,487	84,435,867
Federal sources	5,667,471	9,439,879	3,772,408	2,907,049
Total revenue	130,390,250	133,971,274	3,581,024	128,557,519
Expenditures				
Current				
Administration				
Salaries	2,969,028	2,931,260	(37,768)	2,857,727
Employee benefits	901,049	864,649	(36,400)	887,703
Purchased services	70,900	98,348	27,448	46,771
Supplies and materials	4,100	3,226	(874)	4,584
Other expenditures	80,124	65,703	(14,421)	69,333
Total administration	4,025,201	3,963,186	(62,015)	3,866,118
District support services				
Salaries	2,507,167	2,606,434	99,267	2,476,944
Employee benefits	779,685	876,705	97,020	779,308
Purchased services	1,728,786	1,511,885	(216,901)	1,617,653
Supplies and materials	1,280,388	1,206,657	(73,731)	1,032,483
Capital expenditures	905,078	354,450	(550,628)	458,668
Other expenditures	28,325	24,083	(4,242)	17,348
Total district support services	7,229,429	6,580,214	(649,215)	6,382,404
Elementary and secondary regular instruction				
Salaries	40,949,336	40,049,552	(899,784)	40,358,605
Employee benefits	12,719,224	12,149,830	(569,394)	12,817,530
Purchased services	2,696,553	649,676	(2,046,877)	1,409,320
Supplies and materials	3,774,663	1,896,900	(1,877,763)	2,143,788
Capital expenditures	103,364	730,641	627,277	3,580,089
Other expenditures	337,902	320,732	(17,170)	278,573
Total elementary and secondary regular instruction	60,581,042	55,797,331	(4,783,711)	60,587,905

INDEPENDENT SCHOOL DISTRICT NO. 272

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	1,150,158	1,146,182	(3,976)	1,281,449
Employee benefits	365,170	364,961	(209)	385,123
Purchased services	951,000	1,017,648	66,648	990,803
Supplies and materials	22,750	40,815	18,065	76,914
Capital expenditures	20,000	17,706	(2,294)	6,835
Other expenditures	7,562	21,686	14,124	27,128
Total vocational education instruction	2,516,640	2,608,998	92,358	2,768,252
Special education instruction				
Salaries	13,953,868	13,657,963	(295,905)	13,913,577
Employee benefits	4,769,730	4,653,343	(116,387)	4,624,938
Purchased services	2,618,981	3,252,866	633,885	2,566,768
Supplies and materials	124,410	85,486	(38,924)	93,676
Capital expenditures	2,250	2,339	89	—
Other expenditures	110,391	81,161	(29,230)	81,885
Total special education instruction	21,579,630	21,733,158	153,528	21,280,844
Instructional support services				
Salaries	6,233,591	5,816,130	(417,461)	5,617,992
Employee benefits	1,660,396	1,659,766	(630)	1,810,516
Purchased services	1,203,589	830,109	(373,480)	1,055,866
Supplies and materials	224,429	393,091	168,662	197,054
Capital expenditures	1,159,687	1,520,685	360,998	1,135,666
Other expenditures	41,388	68,667	27,279	55,269
Total instructional support services	10,523,080	10,288,448	(234,632)	9,872,363
Pupil support services				
Salaries	6,041,404	5,654,034	(387,370)	5,910,428
Employee benefits	2,486,287	2,445,265	(41,022)	2,417,619
Purchased services	682,505	602,158	(80,347)	242,434
Supplies and materials	844,505	598,512	(245,993)	677,040
Capital expenditures	665,000	678,996	13,996	771,532
Other expenditures	27,730	29,701	1,971	32,025
Total pupil support services	10,747,431	10,008,666	(738,765)	10,051,078

INDEPENDENT SCHOOL DISTRICT NO. 272

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	4,768,245	4,509,171	(259,074)	4,631,790
Employee benefits	1,622,477	1,494,342	(128,135)	1,585,614
Purchased services	2,658,585	5,183,799	2,525,214	4,766,507
Supplies and materials	1,038,802	1,380,290	341,488	924,920
Capital expenditures	2,130,059	472,982	(1,657,077)	1,306,806
Other expenditures	26,547	17,627	(8,920)	26,639
Total sites and buildings	12,244,715	13,058,211	813,496	13,242,276
Fiscal and other fixed cost programs				
Purchased services	390,000	398,103	8,103	380,259
Other expenditures	20,620	11,500	(9,120)	11,500
Total fiscal and other fixed cost programs	410,620	409,603	(1,017)	391,759
Debt service				
Principal	831,171	831,171	—	1,609,298
Interest and fiscal charges	18,344	18,315	(29)	871
Total debt service	849,515	849,486	(29)	1,610,169
Total expenditures	130,707,303	125,297,301	(5,410,002)	130,053,168
Excess (deficiency) of revenue over expenditures	(317,053)	8,673,973	8,991,026	(1,495,649)
Other financing sources (uses)				
Capital lease issued	—	—	—	3,354,150
Sale of capital assets	—	467,910	467,910	110,923
Transfers (out)	(418,064)	(889,510)	(471,446)	(221,638)
Total other financing sources (uses)	(418,064)	(421,600)	(3,536)	3,243,435
Net change in fund balances	\$ (735,117)	8,252,373	\$ 8,987,490	1,747,786
Fund balances				
Beginning of year		23,497,314		21,749,528
End of year		\$ 31,749,687		\$ 23,497,314

INDEPENDENT SCHOOL DISTRICT NO. 272

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 273,240	\$ 216,959
Receivables		
Accounts and interest	1,160	4,300
Due from other governmental units	103,078	246,159
Inventory	184,502	180,119
Prepaid items	<u>1,120</u>	<u>—</u>
Total assets	<u>\$ 563,100</u>	<u>\$ 647,537</u>
Liabilities		
Salaries payable	\$ 9,655	\$ 18,300
Accounts and contracts payable	21,380	16,340
Unearned revenue	<u>260,296</u>	<u>320,244</u>
Total liabilities	291,331	354,884
Fund balances		
Nonspendable for inventory	184,502	180,119
Nonspendable for prepaid items	1,120	—
Restricted for food service	<u>86,147</u>	<u>112,534</u>
Total fund balances	<u>271,769</u>	<u>292,653</u>
Total liabilities and fund balances	<u>\$ 563,100</u>	<u>\$ 647,537</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	\$ 1,000	\$ —	\$ (1,000)	\$ 9,182
Other – primarily meal sales	251,543	302,199	50,656	2,443,691
State sources	7,040	16,475	9,435	150,562
Federal sources	2,459,946	3,041,000	581,054	1,752,503
Total revenue	<u>2,719,529</u>	<u>3,359,674</u>	<u>640,145</u>	<u>4,355,938</u>
Expenditures				
Current				
Salaries	1,553,559	1,656,990	103,431	2,101,043
Employee benefits	596,043	671,159	75,116	757,969
Purchased services	187,450	152,098	(35,352)	196,937
Supplies and materials	1,026,448	1,134,354	107,906	1,607,992
Other expenditures	1,725	4,694	2,969	4,830
Capital outlay	30,000	11,263	(18,737)	70,903
Total expenditures	<u>3,395,225</u>	<u>3,630,558</u>	<u>235,333</u>	<u>4,739,674</u>
Excess (deficiency) of revenue over expenditures	(675,696)	(270,884)	404,812	(383,736)
Other financing sources				
Transfers in	<u>160,000</u>	<u>250,000</u>	<u>90,000</u>	<u>—</u>
Net change in fund balances	<u>\$ (515,696)</u>	<u>(20,884)</u>	<u>\$ 494,812</u>	<u>(383,736)</u>
Fund balances				
Beginning of year		<u>292,653</u>		<u>676,389</u>
End of year		<u>\$ 271,769</u>		<u>\$ 292,653</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 1,017,674	\$ 759,789
Receivables		
Current taxes	572,267	555,746
Delinquent taxes	4,489	9,504
Accounts and interest	221,662	113,609
Due from other governmental units	109,600	90,059
Prepaid items	<u>50,160</u>	<u>—</u>
Total assets	<u><u>\$ 1,975,852</u></u>	<u><u>\$ 1,528,707</u></u>
Liabilities		
Salaries payable	\$ 171,763	\$ 97,095
Accounts and contracts payable	121,355	59,641
Due to other governmental units	6,365	6,365
Unearned revenue	<u>435,229</u>	<u>423,001</u>
Total liabilities	<u>734,712</u>	<u>586,102</u>
Deferred inflows of resources		
Property taxes levied for subsequent year	1,146,519	1,071,298
Unavailable revenue – delinquent taxes	<u>4,489</u>	<u>9,504</u>
Total deferred inflows of resources	<u>1,151,008</u>	<u>1,080,802</u>
Fund balances (deficit)		
Nonspendable for prepaid items	50,160	—
Restricted for early childhood family education programs	92,713	—
Restricted for school readiness	158,532	20,734
Restricted for community service	13,376	—
Unassigned – community education programs restricted account deficit	(224,649)	(153,846)
Unassigned – early childhood family education programs restricted account deficit	<u>—</u>	<u>(5,085)</u>
Total fund balances (deficit)	<u><u>90,132</u></u>	<u><u>(138,197)</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 1,975,852</u></u>	<u><u>\$ 1,528,707</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Community Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 1,071,174	\$ 1,068,589	\$ (2,585)	\$ 973,575
Investment earnings	—	—	—	8,539
Other – primarily tuition and fees	2,922,360	3,513,378	591,018	5,175,059
State sources	724,911	779,915	55,004	811,669
Federal sources	283,000	430,852	147,852	21,757
Total revenue	<u>5,001,445</u>	<u>5,792,734</u>	<u>791,289</u>	<u>6,990,599</u>
Expenditures				
Current				
Salaries	3,690,116	3,866,171	176,055	5,043,358
Employee benefits	1,051,965	1,167,793	115,828	1,501,339
Purchased services	569,464	779,674	210,210	1,129,966
Supplies and materials	56,383	109,421	53,038	182,576
Other expenditures	3,440	5,784	2,344	9,649
Total expenditures	<u>5,371,368</u>	<u>5,928,843</u>	<u>557,475</u>	<u>7,866,888</u>
Excess (deficiency) of revenue over expenditures	(369,923)	(136,109)	233,814	(876,289)
Other financing sources				
Transfers in	<u>258,064</u>	<u>364,438</u>	<u>106,374</u>	<u>221,638</u>
Net change in fund balances	<u>\$ (111,859)</u>	<u>228,329</u>	<u>\$ 340,188</u>	<u>(654,651)</u>
Fund balances (deficit)				
Beginning of year		<u>(138,197)</u>		<u>516,454</u>
End of year		<u>\$ 90,132</u>		<u>\$ (138,197)</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 19,981,882	\$ 41,272,301
Receivables		
Accounts and interest	53,404	491,960
Due from other governmental units	<u>—</u>	<u>330</u>
Total assets	<u>\$ 20,035,286</u>	<u>\$ 41,764,591</u>
Liabilities		
Accounts and contracts payable	\$ 4,944,909	\$ 2,999,526
Fund balances		
Restricted for long-term facilities maintenance	6,119,107	5,417,938
Restricted for capital projects	<u>8,971,270</u>	<u>33,347,127</u>
Total fund balances	<u>15,090,377</u>	<u>38,765,065</u>
Total liabilities and fund balances	<u>\$ 20,035,286</u>	<u>\$ 41,764,591</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Capital Projects – Building Construction Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021		2020
	Budget	Actual	Over (Under) Budget
			Actual
Revenue			
Local sources			
Investment earnings	\$ 700,000	\$ 132,225	\$ (567,775)
Other	–	9,806	9,806
Total revenue	700,000	142,031	(557,969)
Expenditures			
Capital outlay			
Salaries	67,444	67,444	–
Employee benefits	14,726	15,103	377
Purchased services	6,592,663	1,439,343	(5,153,320)
Capital expenditures	18,093,933	33,300,515	15,206,582
Debt service			
Fiscal charges and other	63,462	63,462	–
Total expenditures	24,832,228	34,885,867	10,053,639
Excess (deficiency) of revenue over expenditures	(24,132,228)	(34,743,836)	(10,611,608)
Other financing sources (uses)			
Debt issued	10,815,830	10,815,830	–
Premium on debt issued	–	–	–
Transfers in	–	275,072	275,072
(Discount) on debt issued	(21,754)	(21,754)	–
Total other financing sources (uses)	10,794,076	11,069,148	275,072
Net change in fund balances	<u>\$ (13,338,152)</u>	<u>(23,674,688)</u>	<u>\$ (10,336,536)</u>
Fund balances			
Beginning of year		38,765,065	9,569,553
End of year		<u>\$ 15,090,377</u>	<u>\$ 38,765,065</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and temporary investments	\$ 6,777,479	\$ 6,279,342
Receivables		
Current taxes	4,612,621	5,260,838
Delinquent taxes	39,106	86,845
Accounts and interest	4,828	22,180
Due from other governmental units	<u>166</u>	<u>105</u>
Total assets	<u><u>\$ 11,434,200</u></u>	<u><u>\$ 11,649,310</u></u>
Deferred inflows of resources		
Property taxes levied for subsequent year	\$ 9,241,236	\$ 10,141,212
Unavailable revenue – delinquent taxes	<u>39,106</u>	<u>86,845</u>
Total deferred inflows of resources	9,280,342	10,228,057
Fund balances		
Restricted for debt service	<u>2,153,858</u>	<u>1,421,253</u>
Total deferred inflows of resources and fund balances	<u><u>\$ 11,434,200</u></u>	<u><u>\$ 11,649,310</u></u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Debt Service Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	\$ 10,138,348	\$ 10,117,062	\$ (21,286)	\$ 7,898,084
Investment earnings	20,000	4,758	(15,242)	56,752
State sources	1,656	1,656	—	1,045
Total revenue	10,160,004	10,123,476	(36,528)	7,955,881
Expenditures				
Debt service				
Principal	6,295,000	6,295,000	—	5,810,000
Interest	3,364,800	3,364,800	—	2,991,337
Fiscal charges and other	91,953	93,815	1,862	4,750
Total expenditures	9,751,753	9,753,615	1,862	8,806,087
Excess (deficiency) of revenue over expenditures	408,251	369,861	(38,390)	(850,206)
Other financing sources (uses)				
Debt issued	274,170	274,170	—	548,652
Refunding debt issued	15,195,000	15,195,000	—	—
Premium on debt issued	1,803,574	1,803,574	—	—
Payment on refunded debt	(15,195,000)	(16,910,000)	(1,715,000)	—
Total other financing sources (uses)	2,077,744	362,744	(1,715,000)	548,652
Net change in fund balances	\$ 2,485,995	732,605	\$ (1,753,390)	(301,554)
Fund balances				
Beginning of year		1,421,253		1,722,807
End of year		\$ 2,153,858		\$ 1,421,253

INDEPENDENT SCHOOL DISTRICT NO. 272

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2021
(With Comparative Totals as of June 30, 2020)

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2021	2020
Assets				
Current assets				
Cash and temporary investments	\$ 8,384,671	\$ 578,747	\$ 8,963,418	\$ 8,656,055
Due from other funds	454,831	39,164	493,995	—
Total current assets	<u>8,839,502</u>	<u>617,911</u>	<u>9,457,413</u>	<u>8,656,055</u>
Liabilities				
Current liabilities				
Accounts payable	2,838	—	2,838	—
Unearned revenue	1,028,857	90,305	1,119,162	1,178,943
Claims payable	437,161	17,618	454,779	720,000
Total current liabilities	<u>1,468,856</u>	<u>107,923</u>	<u>1,576,779</u>	<u>1,898,943</u>
Net position				
Unrestricted	<u>\$ 7,370,646</u>	<u>\$ 509,988</u>	<u>\$ 7,880,634</u>	<u>\$ 6,757,112</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2021	2020
Operating revenue				
Charges for services				
Contributions from governmental funds	\$ 13,164,815	\$ 1,220,873	\$ 14,385,688	\$ 14,732,160
Operating expenses				
Health benefit claims	12,010,340	—	12,010,340	10,820,462
Dental benefit claims	—	1,254,519	1,254,519	1,081,606
Total operating expenses	<u>12,010,340</u>	<u>1,254,519</u>	<u>13,264,859</u>	<u>11,902,068</u>
Operating income (loss)	1,154,475	(33,646)	1,120,829	2,830,092
Nonoperating revenue				
Investment earnings	<u>2,510</u>	<u>183</u>	<u>2,693</u>	<u>65,106</u>
Change in net position	1,156,985	(33,463)	1,123,522	2,895,198
Net position				
Beginning of year	<u>6,213,661</u>	<u>543,451</u>	<u>6,757,112</u>	<u>3,861,914</u>
End of year	<u>\$ 7,370,646</u>	<u>\$ 509,988</u>	<u>\$ 7,880,634</u>	<u>\$ 6,757,112</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	Health Benefits Self-Insurance	Dental Benefits Self-Insurance	Totals	
			2021	2020
Cash flows from operating activities				
Contributions from governmental funds	\$ 12,655,110	\$ 1,176,802	\$ 13,831,912	\$ 14,761,023
Payment for health benefit claims	(12,270,341)	—	(12,270,341)	(10,775,462)
Payment for dental benefit claims	—	(1,256,901)	(1,256,901)	(1,096,220)
Net cash flows from operating activities	384,769	(80,099)	304,670	2,889,341
Cash flows from investing activities				
Investment income received	2,510	183	2,693	65,106
Net change in cash and cash equivalents	387,279	(79,916)	307,363	2,954,447
Cash and cash equivalents				
Beginning of year	7,997,392	658,663	8,656,055	5,701,608
End of year	\$ 8,384,671	\$ 578,747	\$ 8,963,418	\$ 8,656,055
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ 1,154,475	\$ (33,646)	\$ 1,120,829	\$ 2,830,092
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Changes in assets and liabilities				
Due from other funds	(454,831)	(39,164)	(493,995)	—
Accounts payable	2,838	—	2,838	—
Unearned revenue	(54,874)	(4,907)	(59,781)	28,863
Claims payable	(262,839)	(2,382)	(265,221)	30,386
Net cash flows from operating activities	\$ 384,769	\$ (80,099)	\$ 304,670	\$ 2,889,341

SECTION III – STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 272's (the District) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Indicators

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

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

INDEPENDENT SCHOOL DISTRICT NO. 272

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

				Fiscal Year
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 37,922,925	\$ 41,721,166	\$ 46,150,573	\$ 49,968,770
Restricted	3,827,113	4,933,513	5,314,896	4,820,097
Unrestricted	14,591,609	13,424,028	12,945,749	(65,730,130)
Total governmental activities net position	<u>\$ 56,341,647</u>	<u>\$ 60,078,707</u>	<u>\$ 64,411,218</u>	<u>\$ (10,941,263)</u>

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately \$80.1 million. Prior years were not restated.

Note 2: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately \$11.3 million. Prior years were not restated.

Note 3: The District implemented GASB Statement No. 84 in fiscal 2020, reported as a change in accounting principle as a result of implementing this standard, which increased restricted net position by approximately \$91,000. Prior year amounts have not been restated.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 46,495,778	\$ 43,813,793	\$ 41,716,939	\$ 38,506,213	\$ 36,712,713	\$ 38,298,795
4,148,442	4,598,772	3,970,336	3,450,332	1,886,182	3,401,411
<u>(59,580,118)</u>	<u>(100,181,524)</u>	<u>(124,901,677)</u>	<u>(87,950,660)</u>	<u>(91,867,161)</u>	<u>(85,614,390)</u>
<u>\$ (8,935,898)</u>	<u>\$ (51,768,959)</u>	<u>\$ (79,214,402)</u>	<u>\$ (45,994,115)</u>	<u>\$ (53,268,266)</u>	<u>\$ (43,914,184)</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities				
Expenses				
Administration	\$ 4,138,483	\$ 4,453,035	\$ 3,659,478	\$ 3,318,266
District support services	3,237,176	3,223,136	6,767,218	6,168,708
Elementary and secondary regular instruction	49,895,524	53,349,424	53,878,287	53,765,254
Vocational education instruction	1,869,260	1,746,242	1,698,280	1,845,940
Special education instruction	17,253,839	17,062,035	17,107,046	18,620,390
Instructional support services	6,096,063	5,583,066	7,971,692	7,201,154
Pupil support services	8,905,444	8,630,429	9,376,195	9,119,888
Sites and buildings	15,980,936	14,734,120	11,067,099	11,811,681
Fiscal and other fixed cost programs	281,021	290,451	368,206	329,667
Food service	4,511,845	4,633,990	4,908,136	4,919,568
Community service	5,042,537	5,439,220	5,811,208	4,156,097
Interest and fiscal charges	3,164,787	3,211,059	2,743,155	2,034,145
Total governmental activities expenses	120,376,915	122,356,207	125,356,000	123,290,758
Program revenues				
Charges for services				
Elementary and secondary regular instruction	1,469,962	1,359,191	4,084,921	1,385,244
Special education instruction	—	—	433,841	463,135
Pupil support services	165,634	173,782	148,748	127,424
Sites and buildings	61,642	80,293	71,671	38,760
Food service	3,166,996	3,118,787	3,090,246	3,046,821
Community service	2,788,349	3,324,895	3,462,217	2,131,108
Operating grants and contributions	17,088,039	17,795,374	18,304,009	17,531,443
Capital grants and contributions	3,446,645	1,040,292	383,805	886,495
Total governmental activities program revenues	28,187,267	26,892,614	29,979,458	25,610,430
Net (expense) revenue	(92,189,648)	(95,463,593)	(95,376,542)	(97,680,328)
General revenues and other changes in net position				
Taxes				
Property taxes, levied for general purposes	23,222,475	25,272,782	16,665,577	25,962,472
Property taxes, levied for community service	1,203,912	1,332,721	721,453	1,171,597
Property taxes, levied for building construction	—	499,999	—	—
Property taxes, levied for debt service	13,271,401	13,328,797	12,206,366	12,320,333
General grants and aids	59,604,896	58,089,586	68,326,914	60,176,831
Unrestricted investment earnings	29,272	40,833	238,990	35,877
Gain on sale of capital assets	—	—	22,966	—
Miscellaneous	912,670	635,935	1,526,787	2,749,324
Total general revenues and other changes in net position	98,244,626	99,200,653	99,709,053	102,416,434
Change in net position	\$ 6,054,978	\$ 3,737,060	\$ 4,332,511	\$ 4,736,106

2016	2017	2018	2019	2020	2021
\$ 3,827,612	\$ 4,736,758	\$ 4,520,405	\$ 2,852,678	\$ 3,949,663	\$ 3,980,844
5,337,689	5,682,115	5,860,095	6,583,609	6,472,025	6,676,889
59,627,119	82,848,774	80,606,299	37,173,654	65,891,819	61,082,057
1,929,401	2,875,255	2,799,977	2,020,289	2,852,493	2,685,131
19,886,753	27,120,384	26,612,680	14,259,908	21,849,529	22,133,695
7,722,877	9,535,521	8,946,008	7,114,901	10,049,498	10,410,693
8,897,020	10,719,258	10,510,787	8,559,073	9,856,855	9,867,763
13,696,744	14,574,619	15,048,481	15,317,919	18,815,863	15,633,381
252,593	312,351	381,996	476,818	391,759	409,603
4,893,018	5,084,197	4,983,613	4,917,671	4,722,595	3,584,309
4,492,095	6,168,308	6,674,630	7,449,706	7,941,070	5,858,097
2,442,183	2,315,611	2,181,273	2,011,137	3,484,725	2,927,736
133,005,104	171,973,151	169,126,244	108,737,363	156,277,894	145,250,198
1,455,096	1,086,487	1,308,532	1,048,161	908,656	536,082
883,511	843,310	326,560	312,860	184,457	179,824
128,862	120,717	118,929	119,335	79,691	31,455
83,193	38,813	123,089	80,657	141,160	122,638
3,183,516	3,282,523	3,414,483	3,298,481	2,376,776	281,143
2,427,585	2,946,131	3,714,217	5,849,105	4,893,709	3,255,416
19,955,518	20,243,863	20,056,189	20,140,103	22,112,519	25,241,395
869,776	744,095	2,562,744	1,194,380	1,123,755	1,806,435
28,987,057	29,305,939	31,624,743	32,043,082	31,820,723	31,454,388
(104,018,047)	(142,667,212)	(137,501,501)	(76,694,281)	(124,457,171)	(113,795,810)
33,216,511	33,659,448	34,452,614	35,330,344	37,483,741	36,967,459
1,006,495	1,011,306	839,740	836,313	974,111	1,063,574
—	—	—	—	—	—
7,746,601	7,833,737	7,891,071	8,889,131	7,899,851	10,069,323
61,289,944	65,912,935	63,786,229	61,010,762	67,105,133	72,603,961
98,806	240,592	520,155	942,466	1,562,411	440,175
—	—	—	—	—	—
2,665,055	2,492,689	2,566,249	2,905,552	2,066,406	2,005,400
106,023,412	111,150,707	110,056,058	109,914,568	117,091,653	123,149,892
\$ 2,005,365	\$ (31,516,505)	\$ (27,445,443)	\$ 33,220,287	\$ (7,365,518)	\$ 9,354,082

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INDEPENDENT SCHOOL DISTRICT NO. 272

Governmental Activities Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Property Tax					Total
	General Purposes	Community Service	Capital Projects – Building Construction	Debt Service		
2012	\$ 23,222,475	\$ 1,203,912	\$ –	\$ 13,271,401	\$ 37,697,788	
2013	25,272,782	1,332,721	499,999	13,328,797	40,434,299	
2014	16,665,577	721,453	–	12,206,366	29,593,396	
2015	25,962,472	1,171,597	–	12,320,333	39,454,402	
2016	33,216,511	1,006,495	–	7,746,601	41,969,607	
2017	33,659,448	1,011,306	–	7,833,737	42,504,491	
2018	34,452,614	839,740	–	7,891,071	43,183,425	
2019	35,330,344	836,313	–	8,889,131	45,055,788	
2020	37,483,741	974,111	–	7,899,851	46,357,703	
2021	36,967,459	1,063,574	–	10,069,323	48,100,356	

Note: The change in “tax shift,” as approved in legislation, impacted the amount of tax revenue recognized in fiscal year 2014. Changes in the amount of revenue recognized due to the tax shift are offset by an adjustment to state aid payments by an equal amount.

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 337,027	\$ 244,799	\$ 952,663	\$ 422,808
Restricted	1,880,684	684,054	810,854	1,256,917
Assigned	804,305	708,318	1,834,953	3,036,146
Unassigned	<u>13,936,928</u>	<u>13,722,291</u>	<u>11,824,573</u>	<u>10,281,140</u>
Total General Fund	<u>\$ 16,958,944</u>	<u>\$ 15,359,462</u>	<u>\$ 15,423,043</u>	<u>\$ 14,997,011</u>
All other governmental funds				
Nonspendable	\$ 113,711	\$ 145,478	\$ 111,767	\$ 154,926
Restricted	22,525,907	15,744,487	10,746,472	15,064,990
Unassigned, reported in special revenue funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>(184,509)</u>
Total all other governmental funds	<u>\$ 22,639,618</u>	<u>\$ 15,889,965</u>	<u>\$ 10,858,239</u>	<u>\$ 15,035,407</u>
Total all governmental funds	<u>\$ 39,598,562</u>	<u>\$ 31,249,427</u>	<u>\$ 26,281,282</u>	<u>\$ 30,032,418</u>

2016	2017	2018	2019	2020	2021
\$ 462,195	\$ 717,276	\$ 145,362	\$ 1,676,290	\$ 507,235	\$ 686,319
1,207,446	1,871,785	2,106,412	1,403,680	1,461,779	2,198,592
2,727,888	2,409,257	1,685,452	2,826,715	4,320,382	11,053,757
13,111,310	14,636,325	16,349,250	15,751,476	17,207,918	17,811,019
<u>\$ 17,508,839</u>	<u>\$ 19,634,643</u>	<u>\$ 20,286,476</u>	<u>\$ 21,658,161</u>	<u>\$ 23,497,314</u>	<u>\$ 31,749,687</u>
\$ 199,906	\$ 186,341	\$ 154,757	\$ 168,408	\$ 180,119	\$ 235,782
9,241,713	13,284,487	8,120,963	12,316,795	40,319,586	17,595,003
(321,863)	(321,860)	(304,323)	—	(158,931)	(224,649)
<u>\$ 9,119,756</u>	<u>\$ 13,148,968</u>	<u>\$ 7,971,397</u>	<u>\$ 12,485,203</u>	<u>\$ 40,340,774</u>	<u>\$ 17,606,136</u>
<u>\$ 26,628,595</u>	<u>\$ 32,783,611</u>	<u>\$ 28,257,873</u>	<u>\$ 34,143,364</u>	<u>\$ 63,838,088</u>	<u>\$ 49,355,823</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Local sources				
Property taxes	\$ 40,992,041	\$ 40,508,045	\$ 29,522,943	\$ 39,380,714
Investment earnings	29,272	40,807	238,771	35,818
Other	8,799,079	9,315,124	12,469,887	10,254,894
State sources	71,410,243	72,240,750	82,458,725	74,137,366
Federal sources	5,313,914	4,062,261	4,032,872	3,987,082
Total revenues	126,544,549	126,166,987	128,723,198	127,795,874
Expenditures				
Current				
Administration	4,126,012	4,544,080	3,721,836	3,339,290
District support services	3,203,924	3,221,560	6,578,632	6,252,752
Elementary and secondary regular instruction	46,664,877	52,948,572	52,490,337	52,144,459
Vocational education instruction	1,869,260	1,746,242	1,855,742	1,868,424
Special education instruction	17,263,273	17,046,948	17,512,064	18,874,537
Instructional support services	6,116,035	5,575,141	7,803,481	7,278,407
Pupil support services	8,244,509	8,322,069	8,983,572	9,048,612
Sites and buildings	12,692,387	13,580,178	8,831,002	8,953,223
Fiscal and other fixed cost programs	281,021	290,451	368,206	329,667
Food service	4,448,639	4,695,697	5,080,318	4,806,685
Community service	4,989,977	5,386,661	5,758,648	4,052,806
Capital outlay	10,217,981	5,459,202	4,945,754	6,069,185
Debt service				
Principal	9,813,895	9,632,857	11,313,922	13,544,547
Interest and fiscal charges	3,993,854	4,391,302	3,291,854	2,915,695
Total expenditures	133,925,644	136,840,960	138,535,368	139,478,289
Excess of revenues over (under) expenditures	(7,381,095)	(10,673,973)	(9,812,170)	(11,682,415)
Other financing sources (uses)				
Sale of capital assets	—	—	22,966	1,935,052
Insurance recovery proceeds	—	—	871,675	—
Capital lease issued	—	3,865,771	3,949,384	2,925,198
Debt issued	11,520,000	25,170,000	—	10,310,000
Premium on debt issued	2,077,241	684,067	—	263,301
(Discount) on debt issued	—	—	—	—
Payment on refunded debt	—	(27,695,000)	—	—
Transfer in	509,805	513,349	345,710	213,684
Transfer (out)	(509,805)	(513,349)	(345,710)	(213,684)
Total other financing sources (uses)	13,597,241	2,024,838	4,844,025	15,433,551
Net change in fund balances	\$ 6,216,146	\$ (8,649,135)	\$ (4,968,145)	\$ 3,751,136
Debt service as a percentage of noncapital expenditures	11.0%	11.0%	11.3%	12.6%

2016	2017	2018	2019	2020	2021
\$ 42,043,669	\$ 42,513,230	\$ 43,113,033	\$ 45,070,839	\$ 46,293,901	\$ 48,341,731
98,544	235,548	502,542	873,891	1,497,305	437,482
11,199,258	11,196,024	11,841,851	13,820,831	10,891,879	6,143,412
77,667,614	78,997,964	80,447,376	82,421,906	85,399,143	85,554,833
4,075,184	4,366,037	4,260,545	4,094,548	4,681,309	12,911,731
135,084,269	137,308,803	140,165,347	146,282,015	148,763,537	153,389,189
3,584,683	3,685,730	3,742,489	3,821,305	3,866,118	3,963,186
5,494,082	5,420,285	5,793,381	6,614,803	6,382,404	6,580,214
57,391,706	57,571,373	56,621,307	55,929,788	60,587,905	55,797,331
1,946,168	2,198,932	2,226,472	2,621,806	2,768,252	2,608,998
19,999,874	19,933,386	21,373,181	20,817,558	21,280,844	21,733,158
7,755,337	7,470,572	7,421,018	8,816,341	9,872,363	10,288,448
9,002,606	9,574,415	9,481,647	10,058,348	10,051,078	10,008,666
11,225,225	10,607,283	11,870,809	11,583,684	13,242,276	13,058,211
252,593	312,351	381,996	476,818	391,759	409,603
4,834,354	4,903,381	4,872,931	4,999,856	4,668,771	3,619,295
4,469,778	5,547,410	6,252,847	8,082,430	7,866,888	5,928,843
5,738,416	6,830,546	4,391,705	5,873,791	11,572,617	34,833,668
7,424,957	9,790,936	7,767,965	8,317,049	7,419,298	7,126,171
2,760,168	2,583,448	2,577,313	2,401,758	3,432,915	3,540,392
141,879,947	146,430,048	144,775,061	150,415,335	163,403,488	179,496,184
(6,795,678)	(9,121,245)	(4,609,714)	(4,133,320)	(14,639,951)	(26,106,995)
70,551	1,389,100	83,976	23,800	110,923	467,910
—	—	—	—	—	—
3,321,304	2,620,690	—	—	3,354,150	—
—	10,940,000	—	18,405,000	37,765,000	26,285,000
—	326,471	—	550,011	3,013,235	1,803,574
—	—	—	—	—	(21,754)
—	—	—	(8,960,000)	—	(16,910,000)
187,683	162,423	178,419	151,257	221,638	889,510
(187,683)	(162,423)	(178,419)	(151,257)	(221,638)	(889,510)
3,391,855	15,276,261	83,976	10,018,811	44,243,308	11,624,730
\$ (3,403,823)	\$ 6,155,016	\$ (4,525,738)	\$ 5,885,491	\$ 29,603,357	\$ (14,482,265)
7.7%	9.0%	7.4%	7.4%	7.1%	7.4%

INDEPENDENT SCHOOL DISTRICT NO. 272

General Governmental Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax				
	General Fund	Community Service Fund	Capital Projects – Building Construction	Debt Service Fund	Total
2012	\$ 26,516,728	\$ 1,203,912	\$ –	\$ 13,271,401	\$ 40,992,041
2013	25,323,714	1,334,894	499,999	13,349,438	40,508,045
2014	16,618,372	719,110	–	12,185,461	29,522,943
2015	25,919,031	1,168,409	–	12,293,274	39,380,714
2016	33,239,697	1,010,283	–	7,793,689	42,043,669
2017	33,662,761	1,012,447	–	7,838,022	42,513,230
2018	34,390,488	838,786	–	7,883,759	43,113,033
2019	35,340,872	837,071	–	8,892,896	45,070,839
2020	37,422,242	973,575	–	7,898,084	46,293,901
2021	37,156,080	1,068,589	–	10,117,062	48,341,731

Note: The change in “tax shift,” as approved in legislation, impacted the amount of tax revenue recognized in fiscal year 2014. Changes in the amount of revenue recognized due to the tax shift are offset by an adjustment to state aid payments by an equal amount.

INDEPENDENT SCHOOL DISTRICT NO. 272

Assessed and Actual Value of Taxable Property
Last Ten Fiscal Years

Payable Year	(1) Residential Property	(1) Commercial Property	(1) Total Assessed Value	(2) Estimated Actual Taxable Value	Total Direct Tax Rate
2012	\$ 6,207,699,397	\$ 1,717,671,300	\$ 7,925,370,697	\$ 8,166,688,156	29.29 %
2013	6,311,618,573	1,860,094,000	8,171,712,573	7,909,976,999	29.07
2014	6,402,140,621	1,914,628,600	8,316,769,221	8,004,131,794	27.82
2015	6,585,945,500	2,041,177,200	8,627,122,700	8,402,678,939	22.03
2016	6,412,304,300	2,666,034,900	9,078,339,200	8,898,122,781	20.95
2017	6,839,600,000	2,793,643,700	9,633,243,700	9,129,810,474	21.87
2018	6,929,195,500	2,943,607,000	9,872,802,500	9,476,978,643	20.53
2019	6,809,813,100	3,399,801,800	10,209,614,900	9,927,938,697	20.76
2020	7,382,068,800	3,281,195,300	10,663,264,100	10,389,399,230	21.56
2021	7,873,430,100	3,248,404,900	11,121,835,000	10,715,931,040	21.72

(1) Source: City of Eden Prairie assessor. Includes all properties within the city boundaries. This breakdown is not available for property within school district boundaries. Residential includes single-family homes, townhomes and condominiums, and all other property, including vacant land, farm, utilities, personal property, and railroad property. Commercial property above includes both commercial and industrial property.

(2) Source: Hennepin County. Includes all properties within the school district boundaries.

INDEPENDENT SCHOOL DISTRICT NO. 272

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

Tax Collection Calendar Year	ISD No. 272 Direct Rate (1)				Overlapping Rates	
	General Fund	Community Service	General Obligation Debt Service	Total Direct School Tax Rate	City of Bloomington	City of Chanhassen
2012	13.365%	1.423%	14.504%	29.292%	44.776%	28.532%
2013	12.911%	1.623%	14.533%	29.067%	47.207%	28.429%
2014	12.514%	1.329%	13.974%	27.817%	50.545%	27.817%
2015	12.349%	1.109%	8.572%	22.030%	47.336%	24.634%
2016	11.824%	1.041%	8.083%	20.948%	45.909%	24.253%
2017	13.100%	0.844%	7.921%	21.865%	42.484%	23.856%
2018	11.331%	0.791%	8.403%	20.525%	42.127%	22.667%
2019	12.789%	0.874%	7.093%	20.756%	41.581%	21.105%
2020	11.926%	0.920%	8.709%	21.555%	41.082%	21.176%
2021	13.146%	0.946%	7.625%	21.717%	41.335%	22.113%

(1) Tax capacity rate method.

(2) Special districts include Metropolitan Mosquito Control District, Metropolitan Council, and Metro Transit.

Sources: Overlapping rate data provided by the District's financial advisor, Ehlers & Associates, and the School Tax Report from the County Auditor's office.

City of Eden Prairie	City of Edina	Special Districts (2)	Hennepin County	Three Rivers Park District	Other	Total Eden Prairie Resident
33.250%	26.247%	3.084%	48.231%	3.943%	2.941%	120.741%
34.617%	27.216%	3.242%	49.461%	4.054%	4.187%	124.628%
34.709%	27.920%	3.335%	49.959%	4.169%	4.547%	124.536%
33.954%	26.605%	3.006%	46.398%	3.789%	2.990%	112.167%
32.327%	27.137%	2.899%	45.356%	3.601%	4.263%	109.394%
32.667%	28.271%	2.821%	44.087%	3.365%	4.390%	109.195%
32.526%	27.849%	2.683%	42.808%	3.161%	4.333%	106.036%
31.690%	27.499%	2.542%	41.861%	2.961%	3.047%	102.857%
31.676%	28.082%	2.461%	41.084%	2.859%	2.899%	102.534%
31.589%	28.939%	2.268%	38.210%	2.793%	2.752%	99.329%

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INDEPENDENT SCHOOL DISTRICT NO. 272

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
United Healthcare Services, Inc.	\$ 2,999,250	1	2.20 %	\$ 452,270	7	0.41 %
CAPREF Eden Prairie LLC (Eden Prairie Mall)	2,046,250	2	1.50	2,239,250	1	2.01
FPACP3 Eden, LLC (Arrive Eden Prairie Apts.)	982,963	3	0.72	—	—	—
REEP-MF Fountain Place LLC (Fountain Place Apts.)	962,926	4	0.71	—	—	—
WPT Land 2 LP (Kroll Ontrack Campus)	824,250	5	0.61	—	—	—
AGNL Health (Optum Campus)	789,430	6	0.58	—	—	—
FPA/WC Parkway (Renew Eden Prairie)	775,000	7	0.57	—	—	—
WPT Properties LP (10400 Southwest Crossing)	703,320	8	0.52	—	—	—
Lifetouch, Inc.	642,130	9	0.47	609,250	5	0.55
OSWX Property LLC (One Southwest Crossing)	625,750	10	0.46	—	—	—
ADC Telecommunications Inc.	—	—	—	879,250	2	0.79
Liberty Property LTD Partnership	—	—	—	625,650	3	0.56
Geneva Office Exchange LLC	—	—	—	615,510	4	0.55
Flying Cloud Office Inc.	—	—	—	462,830	6	0.41
EP-MN LLC	—	—	—	412,570	8	0.37
Liberty Property LTD Partnership (7075 Flying Cloud Dr)	—	—	—	411,090	9	0.37
Liberty Property LTD Partnership (10400 Viking Dr)	—	—	—	407,150	10	0.36
Total principal taxpayers	11,351,269		8.33	7,114,820		6.38
All other taxpayers	124,862,943		91.67	104,456,549		93.62
Total	<u>\$ 136,214,212</u>		<u>100.00 %</u>	<u>\$ 111,571,369</u>		<u>100.00 %</u>

Source: City of Eden Prairie

INDEPENDENT SCHOOL DISTRICT NO. 272

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

For Taxes Collectible	Taxes Levied for the Fiscal Year					Collected Within the First Year of Levy	
	General Fund Basic Levy	Community Service Levy	Debt Service Levy	OPEB/Pension Levy	Total Tax Levy	Current Tax Collection	Percentage of Levy
2012	\$ 25,975,642	\$ 1,281,184	\$ 12,593,426	\$ 472,886	\$ 40,323,138	\$ 20,152,524	50.0 %
2013	25,444,223	1,419,490	11,189,819	1,521,684	39,575,216	19,897,572	50.3
2014	25,529,344	1,175,946	11,573,877	1,175,946	39,455,113	19,796,741	50.2
2015	33,319,644	1,022,125	4,092,167	3,808,316	42,242,252	20,739,473	49.1
2016	33,574,885	1,030,212	4,079,271	3,920,004	42,604,372	21,408,517	50.2
2017	34,640,296	852,158	3,968,095	4,029,712	43,490,261	21,844,359	50.2
2018	35,153,927	837,634	4,890,176	4,008,136	44,889,873	24,600,000	54.8
2019	37,754,091	979,789	7,951,882	—	46,685,762	23,500,000	50.3
2020	36,996,190	1,071,298	10,141,208	—	48,208,696	23,200,000	48.1
2021	38,927,029	1,146,519	9,241,236	—	49,314,784	24,700,000	50.1

Note: Delinquent taxes are written off after seven years.

Source: State of Minnesota School Tax Report

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percent	Outstanding Current Taxes	Percent
	Total Tax Collection	Percentage of Levy				
\$ 20,170,614	\$ 40,323,138	100.0 %	\$ —	— %	\$ —	— %
19,677,644	39,575,216	100.0	—	—	—	—
19,611,410	39,408,151	99.9	46,962	0.1	—	—
21,516,854	42,256,327	100.0	(14,075)	—	—	—
21,169,186	42,577,703	99.9	26,669	0.1	—	—
21,634,857	43,479,216	100.0	11,045	—	—	—
20,272,867	44,872,867	100.0	17,006	—	—	—
23,141,043	46,641,043	99.9	44,719	0.1	—	—
24,937,739	48,137,739	99.9	70,957	0.1	—	—
—	24,700,000	50.1	<u>—</u>	—	<u>24,614,784</u>	49.9
			<u>\$ 203,283</u>		<u>\$ 24,614,784</u>	

INDEPENDENT SCHOOL DISTRICT NO. 272

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Improvement Loans	Capital Leases	Special Assessments Payable	Total Primary Government		
2012	\$ 89,894,608	\$ 1,112,485	\$ –	\$ 32,325	\$ 91,039,418	– %	\$ 1,477
2013	77,926,451	909,628	2,812,956	4,105	81,653,140	–	1,317
2014	67,533,863	697,395	5,365,651	–	73,596,909	–	1,187
2015	67,926,290	475,351	4,573,346	–	72,974,987	–	1,163
2016	62,311,892	243,044	6,047,000	–	68,601,936	–	1,096
2017	67,930,803	–	4,489,798	–	72,420,601	–	1,133
2018	61,744,640	–	2,616,833	–	64,361,473	–	1,019
2019	64,869,056	–	759,784	–	65,628,840	–	1,030
2020	99,445,559	–	2,504,636	–	101,950,195	–	1,607
2021	103,520,125	–	1,673,465	–	105,193,590	–	1,651

(1) Presented net of issuance premiums and discounts.

(2) Personal income information for residents living within the District is not available.

(3) See Demographics and Economic Statistics table for source of estimated population.

Note: Details regarding the District's outstanding debt can be found in the notes to basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 272

Ratio of Net General Obligation Bonded Debt
to Market Value and Net General Obligation Bonded Debt
per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt (1)	Less Debt Service Funds on Hand (2)	Net Bonded Debt	Estimated Actual Taxable Value (3)	Percent of Net Debt to Estimated Actual Taxable Value	Estimated Population (4)	Net Bonded Debt per Capita
2012	\$ 89,894,608	\$ 15,477,778	\$ 74,416,830	\$8,166,688,156	0.91 %	61,657	\$ 1,207
2013	77,926,451	1,859,579	76,066,872	7,909,976,999	0.96	62,004	1,227
2014	67,533,863	1,079,474	66,454,389	8,004,131,794	0.83	62,004	1,072
2015	67,926,290	1,718,842	66,207,448	8,402,678,939	0.79	62,729	1,055
2016	62,311,892	1,475,305	60,836,587	8,898,122,781	0.68	62,593	972
2017	67,930,803	1,762,208	66,168,595	9,129,810,474	0.72	63,914	1,035
2018	61,744,640	1,243,673	60,500,967	9,476,978,643	0.64	63,163	958
2019	64,869,056	1,722,807	63,146,249	9,927,938,697	0.64	63,726	991
2020	99,445,559	101,512	99,344,047	10,389,399,230	0.96	63,456	1,566
2021	103,520,125	611,780	102,908,345	10,715,931,040	0.96	63,726	1,615

(1) Presented net of issuance premiums and discounts.

(2) Includes all restricted fund balances in the Debt Service Fund. We believe this is the most accurate and consistent representation of the resources restricted for debt service as it includes crossover refunding bond proceeds held in escrow when applicable, which are not included in the governmental activities net position restricted for debt service, due to the conversion for full accrual accounting.

(3) See Assessed and Actual Value of Taxable Property table for estimated actual taxable value.

(4) See Demographics and Economic Statistics table for source of estimated population.

Source: Annual school district census and U.S. Census

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INDEPENDENT SCHOOL DISTRICT NO. 272

Direct and Overlapping Debt
as of June 30, 2021

Governmental Unit	2020–2021 Taxable Net Tax Capacity	General Obligation Debt	Percent Allocable to ISD No. 272	Portion Allocable to ISD No. 272
Independent School District No. 272	\$ 121,080,355	\$ 105,193,590	100.00 %	\$ 105,193,590
Overlapping debt				
Hennepin County	2,261,068,019	1,117,430,000	5.36	59,838,377
City of Bloomington	167,302,024	67,640,000	0.29	197,702
City of Chanhassen	54,692,237	3,770,000	1.94	73,164
City of Eden Prairie	127,684,584	23,165,000	92.69	21,470,714
City of Edina	145,322,698	49,225,000	0.81	401,127
Metropolitan Council	4,884,505,255	193,320,000	2.48	4,792,144
Three Rivers Park District	1,563,969,505	52,870,000	7.74	4,093,122
Total overlapping debt				<u>90,866,349</u>
Total direct and overlapping debt				<u>\$ 196,059,939</u>

Note: The percentage of overlapping debt applicable is estimated using taxable net tax capacity values. Applicable percentages were estimated by determining the portion of the overlapping entity's taxable net tax capacity value that is within the District's boundaries and dividing it by the overlapping government's total taxable net tax capacity value.

Source: Taxable value data used to estimate applicable percentages and debt outstanding data provided by the District's financial advisor, Ehlers & Associates.

INDEPENDENT SCHOOL DISTRICT NO. 272

Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year			
	2012	2013	2014	2015
Debt limit	\$ 1,188,806	\$ 1,174,647	\$ 1,247,515	\$ 1,285,487
Total debt applicable to the limit	87,270	75,315	65,610	66,315
Legal debt margin	<u>\$ 1,101,536</u>	<u>\$ 1,099,332</u>	<u>\$ 1,181,905</u>	<u>\$ 1,219,172</u>
Total debt applicable to the limit as a percentage of debt limit	7.34%	6.41%	5.26%	5.16%

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

Source: State of Minnesota School Tax

2016	2017	2018	2019	2020	2021
\$ 1,354,606	\$ 1,388,302	\$ 1,438,249	\$ 1,503,556	\$ 1,570,049	\$ 1,618,221
60,970	66,540	60,645	63,630	94,164	96,511
<u>\$ 1,293,636</u>	<u>\$ 1,321,762</u>	<u>\$ 1,377,604</u>	<u>\$ 1,439,926</u>	<u>\$ 1,475,885</u>	<u>\$ 1,521,710</u>
4.50%	4.79%	4.22%	4.23%	6.00%	5.96%

Legal Debt Margin Calculation for Fiscal Year 2021

Market value	\$ 10,788,137
Debt limit (15% of market value)	1,618,221
Debt applicable to the limit	
General obligation bonds	98,665
Less amount set aside for repayment of general obligation debt	<u>(2,154)</u>
Total net debt applicable to the limit	<u>96,511</u>
Legal debt margin	<u>\$ 1,521,710</u>

INDEPENDENT SCHOOL DISTRICT NO. 272

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Eden Prairie			School Enrollment	Unemployment Rate
	Population	Personal Income (1)	Per Capita Personal Income (1)		
2012	61,657	\$ —	\$ —	9,162	5.2 %
2013	62,004	—	—	9,046	4.7
2014	62,004	—	—	9,011	4.0
2015	62,729	—	—	8,941	2.4
2016	62,593	—	—	8,844	2.3
2017	63,914	—	—	8,835	2.6
2018	63,163	—	—	8,780	2.4
2019	63,726	—	—	8,861	2.6
2020	63,456	—	—	8,759	2.2
2021	63,726	—	—	8,534	3.4

(1) Personal income information for residents living within the District is not available.

Note: Enrollment is as of October 1.

Source: City of Eden Prairie

INDEPENDENT SCHOOL DISTRICT NO. 272

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year					
	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Optum	3,312	1	19.37 %	1,800	1	14.86 %
Eden Prairie Mall LLC/Homart Development	2,310	2	13.51	—	—	—
C.H. Robinson	2,200	3	12.87	1,462	3	12.07
Starkey Labs	2,000	4	11.70	1,436	4	11.85
Emerson Process Management	1,500	5	8.77	—	—	—
ISD No. 272 (Eden Prairie)	1,477	6	8.64	1,500	2	12.38
Element Fleet Management	1,200	7	7.02	—	—	—
United Natural Foods, Inc.	1,100	8	6.43	—	—	—
MTS Systems Corporation	1,000	9	5.85	708	10	5.84
Eaton Corporation	1,000	9	5.85	850	9	7.02
Super Valu Stores, Inc.	—	—	—	1,260	5	10.40
Cigna	—	—	—	1,200	6	9.90
Dell-Compellent	—	—	—	1,000	7	8.25
GE Capital Fleet Services	—	—	—	900	8	7.43
Total	<u>17,099</u>		<u>100.00 %</u>	<u>12,116</u>		<u>100.00 %</u>
Total ISD No. 272 population (see the Demographic and Economic Statistics)	<u>63,726</u>			<u>61,657</u>		
Percent of principal employers to total ISD No. 272 population	<u>26.8%</u>			<u>19.7%</u>		

Note: Total number of employees working for employers in the District's boundaries is not readily available. The District has provided total population to provide a comparison to reference between current year and nine years ago.

Source: Ehlers & Associates

INDEPENDENT SCHOOL DISTRICT NO. 272

Employees by Classification
Last Ten Fiscal Years

Licensed Employees	Fiscal Year			
	2012	2013	2014	2015
Administrative staff	19.8	20.8	23.7	24.5
Support service staff	57.7	55.8	56.6	51.0
Classroom teachers	553.7	540.5	548.9	544.9
Special education teachers	54.0	43.1	21.7	19.0
Total	685.2	660.2	650.9	639.4

Source: Minnesota Department of Education STARS report (October 1)

2016	2017	2018	2019	2020	2021
24.5	20.8	19.8	21.0	22.0	22.0
53.0	51.9	53.5	54.8	53.7	51.2
570.7	558.2	557.2	558.8	561.0	557.3
20.7	25.5	34.1	34.6	35.4	35.8
668.9	656.4	664.6	669.2	672.1	666.3

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INDEPENDENT SCHOOL DISTRICT NO. 272

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Total Governmental Funds Expenditures	Cost per Pupil	Per Pupil Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2012	9,162	\$ 133,925,644	\$ 14,618	7.1 %	553.7	16.5
2013	9,046	136,840,960	15,127	3.5	540.5	16.7
2014	9,011	138,535,368	15,374	1.6	548.9	16.4
2015	8,941	139,478,289	15,600	1.5	544.9	16.4
2016	8,844	141,879,947	16,043	2.8	570.7	15.5
2017	8,835	146,430,048	16,574	3.3	558.2	15.8
2018	8,780	144,775,061	16,489	(0.5)	557.2	15.8
2019	8,861	150,415,335	16,975	2.9	558.8	15.9
2020	8,759	163,403,488	18,655	9.9	561.0	15.6
2021	8,534	179,496,184	21,033	12.7	557.3	15.3

Note: Enrollment is as of October 1.

Source: District records

INDEPENDENT SCHOOL DISTRICT NO. 272

School Building Information
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Elementary Schools				
Eden Lake (1987)				
Enrollment (1)	812.58	940.20	900.91	881.27
Square feet	110,469	110,469	110,469	110,469
Forest Hills (1972)				
Enrollment (1)	548.82	654.51	724.90	752.10
Square feet	93,000	93,000	93,000	93,000
Prairie View (1965)				
Enrollment (1)	542.05	651.84	658.30	657.17
Square feet	95,063	95,063	95,063	95,063
Cedar Ridge (1987)				
Enrollment (1)	707.59	842.69	776.56	750.92
Square feet	115,599	115,599	115,599	115,599
Oak Point Facility (1990)				
Square feet	278,887	278,887	278,887	278,887
Oak Point Elementary				
Enrollment (1)	1,305.10	795.10	782.16	757.16
Eagle Heights Spanish Immersion (2)				
Enrollment (1)	806.28	830.92	814.63	808.76
EP Distance Learning Academy (2021)				
Enrollment (1)	—	—	—	—
Middle School				
Central Middle School (1960)				
Enrollment (1)	1,416.84	1,396.94	1,424.11	1,415.40
Square feet	242,699	242,699	242,699	242,699
High School				
Eden Prairie High School (1981)				
Enrollment (1)	3,022.32	2,934.10	2,929.31	3,026.64
Square feet	693,771	693,771	693,771	693,771
Total enrollment	9,161.58	9,046.30	9,010.88	9,049.42
Total square feet	1,629,488	1,629,488	1,629,488	1,629,488
Athletics				
Football fields	2	2	2	2
Soccer fields	5	5	5	5
Running tracks	2	2	2	2
Baseball/softball	2	2	2	2
Swimming pools	1	1	1	1
Playgrounds	6	6	6	6

(1) Enrollment reflects average daily membership (ADM) served by site. Resident students served under tuition agreements are excluded from this enrollment data.

(2) Eagle Heights Spanish Immersion School was housed partially at the Oak Point facility from 2009 to 2012.

Source: Square footage, capacity, and athletic statistics are derived from district records. Enrollment was obtained from a combination of district records and school ADM reports available on the Minnesota Department of Education website.

2016	2017	2018	2019	2020	2021
727.95 110,469	803.15 110,469	823.88 110,469	773.34 110,469	779.38 110,469	550.65 110,469
773.48 93,000	636.19 93,000	650.28 93,000	694.65 93,000	617.64 93,000	398.54 93,000
682.87 95,063	709.83 95,063	727.42 95,063	728.39 95,063	753.58 95,063	557.67 95,063
723.29 115,599	673.38 115,599	631.72 115,599	641.40 115,599	632.36 115,599	450.16 115,599
278,887	278,887	278,887	278,887	278,887	278,887
757.58	738.30	740.28	742.68	813.15	499.09
814.13	824.38	830.05	825.85	815.57	798.88
—	—	—	—	—	1,029.30
1,377.65 242,699	1,368.09 242,699	1,341.93 242,699	1,317.97 242,699	1,321.25 242,699	1,317.16 242,699
2,893.37 693,771	2,989.96 693,771	2,937.77 693,771	2,962.76 693,771	2,904.26 693,771	2,825.94 693,771
8,750.32 1,629,488	8,743.28 1,629,488	8,683.33 1,629,488	8,687.04 1,629,488	8,637.19 1,629,488	8,427.39 1,629,488
2	2	2	2	2	2
5	5	5	5	5	5
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
6	6	6	6	6	6

INDEPENDENT SCHOOL DISTRICT NO. 272

Food Service
School Lunch Program Data
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>Program Adult Meals</u>	<u>Meals Served Students</u>	<u>Full Price Meals Served</u>	<u>Free Meals Served</u>	<u>Reduced-Price Meals Served</u>
2012	26,234	896,075	643,794	210,399	41,882
2013	23,978	833,667	577,623	218,766	37,278
2014	7,789	797,641	534,096	224,999	38,546
2015	5,633	845,853	578,949	222,388	44,516
2016	3,707	811,294	546,690	219,430	45,174
2017	4,083	798,449	543,414	210,444	44,591
2018	17,224	782,399	524,985	213,101	44,313
2019	17,556	770,876	518,229	211,279	41,368
2020	14,319	556,852	371,326	151,699	33,827
2021	5,153	746,803	—	746,803	—

<u>Year Ended June 30,</u>	<u>Student Regular Lunch Prices</u>		
	<u>Elementary</u>	<u>Middle</u>	<u>High School (1)</u>
2012	\$ 2.40	\$ 2.65	\$ 2.65
2013	2.40	2.65	2.65
2014	2.50	2.75	2.75
2015	2.60	2.85	2.85
2016	2.70	3.05	3.05
2017	2.70	3.05	3.05
2018	2.85	3.20	3.20
2019	2.85	3.20	3.20
2020	3.00	3.35	3.35
2021	3.00	3.35	3.35

(1) Includes new generation and ethnic food options.

INDEPENDENT SCHOOL DISTRICT NO. 272

Student Enrollment
Last Ten Fiscal Years

Year Ended June 30,	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					Total Pupil Units
	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary	Total	
2012	89.25	578.66	4,150.02	4,593.11	9,411.04	10,941.60
2013	106.10	629.48	4,080.75	4,500.90	9,317.23	10,794.31
2014	104.31	560.27	4,006.32	4,492.37	9,163.27	10,662.17
2015	123.38	595.08	3,889.68	4,445.20	9,053.34	9,942.38
2016	126.05	561.73	3,880.82	4,380.66	8,949.26	9,825.39
2017	116.98	561.06	3,791.63	4,466.26	8,935.93	9,829.18
2018	121.66	564.94	3,804.19	4,350.39	8,841.18	9,711.27
2019	154.09	560.81	3,807.70	4,393.78	8,916.38	9,795.13
2020	133.61	574.92	3,788.77	4,337.11	8,834.41	9,701.86
2021	118.09	542.32	3,699.71	4,231.14	8,591.26	9,437.49

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Beginning in fiscal 2015, changes in ADM weightings as noted below reduced the calculated pupil units.

Note 3: ADM is weighted as follows in computing pupil units:

	Pre-Kindergarten	Handicapped Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1-3	Elementary 4-6	Secondary
Fiscal 2012 through 2014	1.250	1.000	0.612	0.612	1.115	1.060	1.300
Fiscal 2015 through 2021	1.000	1.000	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

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Management Report
for
Independent School District No. 272
Eden Prairie, Minnesota
June 30, 2021

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PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

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

We have prepared this management report in conjunction with our audit of Independent School District No. 272, Eden Prairie, Minnesota's (the District) financial statements for the year ended June 30, 2021. 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 who have responsibility for oversight of the District's financial reporting process comments resulting from our audit and information relevant to school district financing in Minnesota. Accordingly, this report is not suitable for any other purpose.

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

Minneapolis, Minnesota
October 29, 2021

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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, 2021. 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, 2021:

- We have issued an unmodified opinion on the District's basic financial statements.
- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses. It should be understood that internal controls are never perfected, and those controls, which protect the District's funds from such things as fraud and accounting errors, need to be continually reviewed by management and modified as necessary.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the District's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the District's compliance with Minnesota laws and regulations.

FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

As a part of our audit of the District's financial statements for the year ended June 30, 2021, we performed procedures to follow-up on any findings and recommendations that resulted from the prior year audit. We reported the following findings that were corrected by the District in the current year:

- During our audit for the year ended June 30, 2020, we noted the District did not have sufficient controls over eligibility within its child nutrition cluster federal program to ensure that student applications for free and reduced-priced meals were approved for the correct level of benefit, which resulted in instances of noncompliance. Based on our testing, there was no similar finding in the current year.
- During our audit for the year ended June 30, 2020, we noted the District did not have sufficient controls in place within its child nutrition cluster federal program to ensure compliance with the federal special tests and provision requirements to accurately complete the verification testing packet. Based on our testing, there was no similar finding in the current year.
- During our audit of the year ended June 30, 2020, we noted one of three contracts tested were not in compliance with Minnesota Statutes requiring the District to obtain a Form IC134 or Contractor's Withholding Affidavit prior to making the final payment to a contractor. Based on our testing, there was no similar finding in the current year.

OTHER OBSERVATIONS AND RECOMMENDATIONS

Uniform Guidance Written Controls and Micro-Purchase Threshold

Federal Uniform Guidance requires that nonfederal entities must have and use documented procurement procedures consistent with 2CFR § 200.317-320 for the acquisition of property or services required under a federal award or subaward. Effective August 31, 2020, the federal micro-purchase threshold, which is the threshold that allows for procurements without soliciting competitive price or rate quotations given certain conditions, was increased from \$3,500 to \$10,000 in the Federal Acquisition Regulations (FAR).

Effective November 12, 2020, the Uniform Guidance was also revised to allow nonfederal entities to establish a micro-purchase threshold higher than the \$10,000 threshold established in the FAR under certain circumstances. The nonfederal entity may self-certify a micro-purchase threshold up to \$50,000 if the requirements in 2CFR § 200.320(a)(1)(iv) are followed. Requirements include an **annual** self-certification and clear documentation of the justification to support the increase in the threshold. Acceptable reasons for justification must meet **one** of the following criteria:

- A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit,
- An annual internal institutional risk assessment to identify, mitigate, and manage financial risks, or,
- A higher threshold consistent with state law.

This flexibility would allow Minnesota local governments to increase and align their federal procurement procedures, specifically the micro-purchase threshold, with state law, which allows for procurements below \$25,000 to be made without competitive price or rate quotations.

We recommend that the District review its current federal procurement policy. If the micro-purchase threshold in your currently adopted policy is below the allowable FAR limit of \$10,000, you would need to make a one-time amendment to the policy to adopt the \$10,000 FAR limit before using it. If you prefer to increase your federal micro-purchase threshold to \$25,000 to align it with state law, in addition to amending your federal procurement policy, you would need to annually certify the higher threshold and the justification for using the higher threshold.

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, 2021.

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

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

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

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies described in Governmental Accounting Standards Board (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.

DISAGREEMENTS WITH MANAGEMENT

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated October 29, 2021.

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

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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.

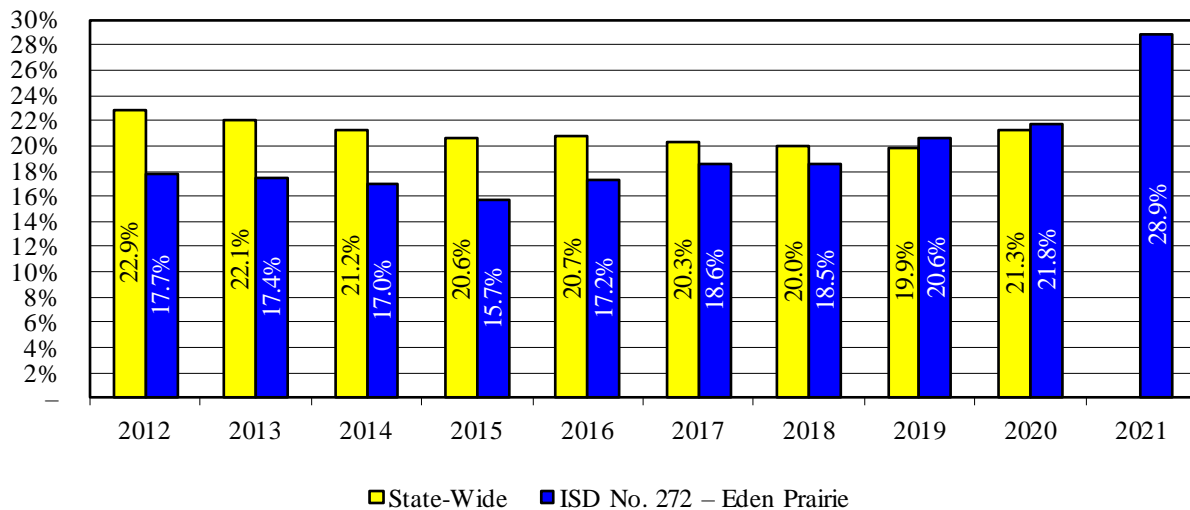
The table below presents a summary of the formula allowance for the past decade and as approved for the next two fiscal years. The 2021 Legislature approved per pupil increases of \$161 for fiscal 2022 and \$135 for fiscal 2023. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the “roll-in” of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The \$529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately \$105, or 2.0 percent, state-wide.

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2012	\$ 5,174	1.00 %
2013	\$ 5,224	1.00 %
2014	\$ 5,302	1.50 %
2015	\$ 5,831	2.00 %
2016	\$ 5,948	2.00 %
2017	\$ 6,067	2.00 %
2018	\$ 6,188	2.00 %
2019	\$ 6,312	2.00 %
2020	\$ 6,438	2.00 %
2021	\$ 6,567	2.00 %
2022	\$ 6,728	2.45 %
2023	\$ 6,863	2.00 %

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

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

State-Wide Unrestricted Operating Fund Balance
as a Percentage of Operating Expenditures



Note: State-wide information is not available for fiscal 2021.

The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts decreased gradually from 22.9 percent at the end of fiscal 2012 to 19.9 percent at the end of fiscal 2019, a period of relative stability in the state's economic condition and school funding. This ratio increased back up to 21.3 percent at the end of fiscal 2020, the highest level since 2014.

As of June 30, 2021, this ratio was 28.9 percent for the District, as compared to 21.8 percent at the end of the previous year.

The table below shows a comparison of governmental fund revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

Governmental Funds Revenue per Student (ADM) Served								
	State-Wide		Metro Area		ISD No. 272 – Eden Prairie			
	2019	2020	2019	2020	2019	2020	2021	
General Fund								
Property taxes	\$ 2,140	\$ 2,345	\$ 2,796	\$ 3,100	\$ 3,929	\$ 4,207	\$ 4,315	
Other local sources	556	538	454	417	539	426	304	
State	9,883	10,144	9,885	10,127	9,061	9,493	9,844	
Federal	475	480	499	499	291	327	1,096	
Total General Fund	13,054	13,507	13,634	14,143	13,820	14,453	15,559	
Special revenue funds								
Food Service	559	554	556	539	557	490	390	
Community Service	676	632	797	732	873	786	673	
Debt Service Fund	1,229	1,322	1,287	1,385	549	894	1,176	
Total revenue	<u>\$ 15,518</u>	<u>\$ 16,015</u>	<u>\$ 16,274</u>	<u>\$ 16,799</u>	<u>\$ 15,799</u>	<u>\$ 16,623</u>	<u>\$ 17,798</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>8,995</u>	<u>8,895</u>	<u>8,610</u>	
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.								
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE								

ADM used in the table above and on the next page are based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables.

The mix of local and state revenues vary from year to year primarily based on funding formulas and the state's financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The District earned \$153,247,158 in the governmental funds reflected above in fiscal 2021, an increase of \$5,387,221 (3.6 percent) from the prior year, or an increase of \$1,175 per ADM served. Total General Fund revenue increased \$1,106 per ADM. General Fund federal revenue increased \$769 per ADM, with coronavirus relief and education stabilization funds recognized for COVID-19 pandemic-related spending. State revenue increased \$351 per ADM, resulting from the increase in the basic general education formula allowance discussed earlier and improved special education funding. Revenues in the Food Service Special Revenue and Community Service Special Revenue Funds decreased, due to the COVID-19 pandemic, resulting in decreased meal sales and program participation. Debt Service Fund revenues increased \$282 per ADM, due to increased property tax levies for debt service.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction Fund and Post-Employment Benefits Debt Service 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. 272 – Eden Prairie			
	2019	2020	2019	2020	2019	2020	2021	
General Fund								
District and school administration	\$ 1,065	\$ 1,093	\$ 1,078	\$ 1,100	\$ 1,105	\$ 1,101	\$ 1,183	
Elementary and secondary regular instruction	5,787	5,881	6,112	6,231	6,193	6,409	6,396	
Vocational education instruction	180	186	165	171	291	310	301	
Special education instruction	2,380	2,481	2,505	2,626	2,293	2,392	2,524	
Community education	–	–	–	–	22	–	–	
Instructional support services	669	683	751	787	900	982	1,018	
Pupil support services	1,178	1,203	1,282	1,316	1,045	1,043	1,084	
Sites and buildings and other	960	952	907	910	1,377	1,567	1,608	
Total General Fund – noncapital	12,219	12,479	12,800	13,141	13,226	13,804	14,114	
General Fund capital expenditures	721	748	675	717	428	816	439	
Total General Fund	12,940	13,227	13,475	13,858	13,654	14,620	14,553	
Special revenue funds								
Food Service	561	556	556	548	566	533	422	
Community Service	675	661	799	774	876	884	689	
Debt Service Fund	1,313	1,360	1,308	1,379	542	990	1,133	
Total expenditures	<u>\$ 15,489</u>	<u>\$ 15,804</u>	<u>\$ 16,138</u>	<u>\$ 16,559</u>	<u>\$ 15,638</u>	<u>\$ 17,027</u>	<u>\$ 16,797</u>	
ADM served per MDE School District Profiles Report (current year estimated)					<u>8,995</u>	<u>8,895</u>	<u>8,610</u>	
Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.								
Source of state-wide and seven-county metro area data: School District Profiles Report published by the MDE								

Expenditure patterns also vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs. The differences from program to program reflect the District's particular character, such as its community service programs, as well as the fluctuations from year to year for such things as capital expenditures.

The District spent \$144,610,317 in the governmental funds reflected above in fiscal 2021, a decrease of \$6,855,500 (4.5 percent) from the prior year, or a decrease of \$230 per ADM served. General Fund expenditures, excluding capital, increased \$310 per ADM, with higher expenditures for special education instruction (\$132 per ADM), district and school administration (\$82 per ADM), pupil support services (\$41 per ADM), and sites and buildings and other (\$41 per ADM). General Fund capital expenditures decreased \$377 per ADM, due to capital leases issued in the prior year for technology. Food Service Special Revenue and Community Service Special Revenue Funds decreased \$111 per ADM and \$195 per ADM, respectively, resulting from decreased programming. Debt Service Fund expenditures increased \$143 per ADM, consistent with the increase in property tax levies previously discussed and as scheduled for outstanding bond issues.

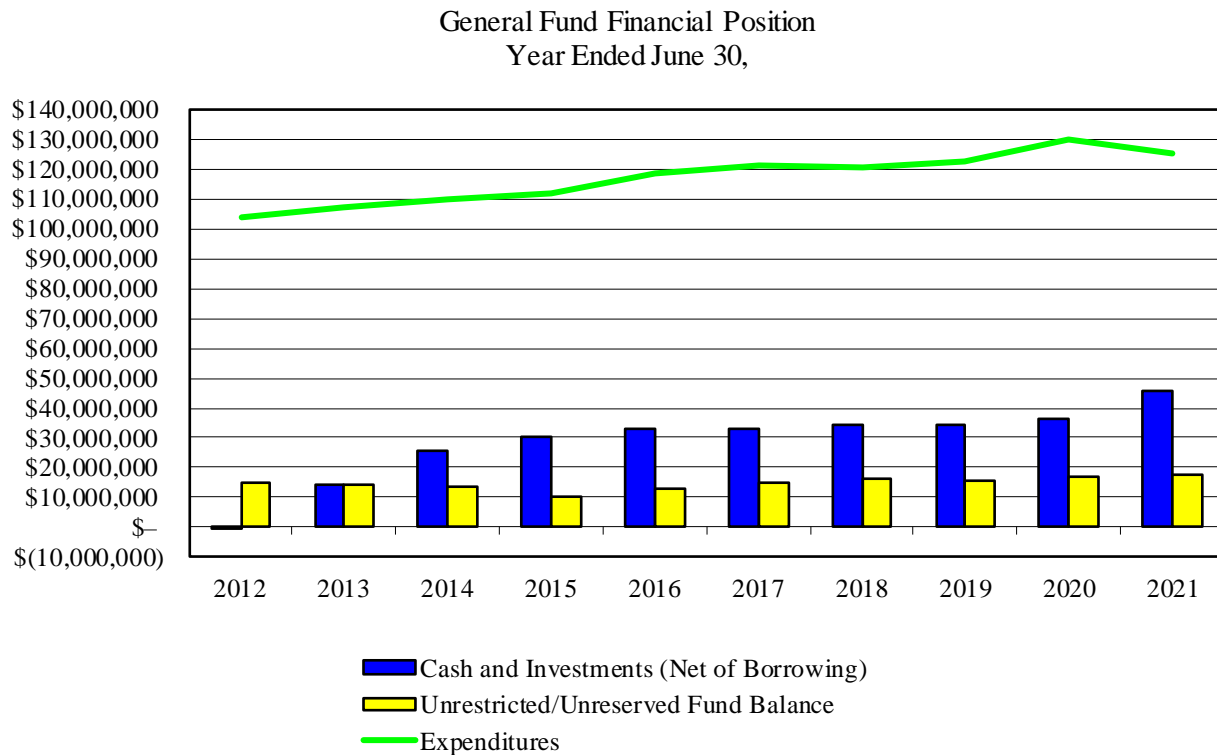
SUMMARY

The COVID-19 pandemic caused numerous financial and operational challenges for districts in fiscal 2021; creating instability in student populations, requiring numerous shifts in the delivery of educational services, and resulting in substantial new and unfamiliar federal revenue streams, to name a few. Such challenges are expected to continue into the foreseeable future, as districts strive to provide a safe and effective learning experience for their students in this uncertain and unprecedented environment.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

The following graph displays the District's General Fund trends of financial position and changes in the volume of financial activity. Unrestricted fund balance and cash balance are two indicators of financial health, while annual expenditures are often used to measure the size of the operation.



The General Fund cash balance (adjusted for interfund borrowing) at the end of fiscal year 2021 was \$45,480,587, an increase of \$9,187,555 from the prior year.

Total fund balance at year-end was \$31,749,687, an increase of \$8,252,373. The year-end unassigned fund balance was \$17,811,019.

Changes in the metering of state aid payments to school districts and in the tax shift, as legislatively-approved, has significantly impacted cash and investment balances in the years presented in the graph above.

GENERAL FUND COMPONENTS OF FUND BALANCE

The following table presents the components of the General Fund balance for the past five years:

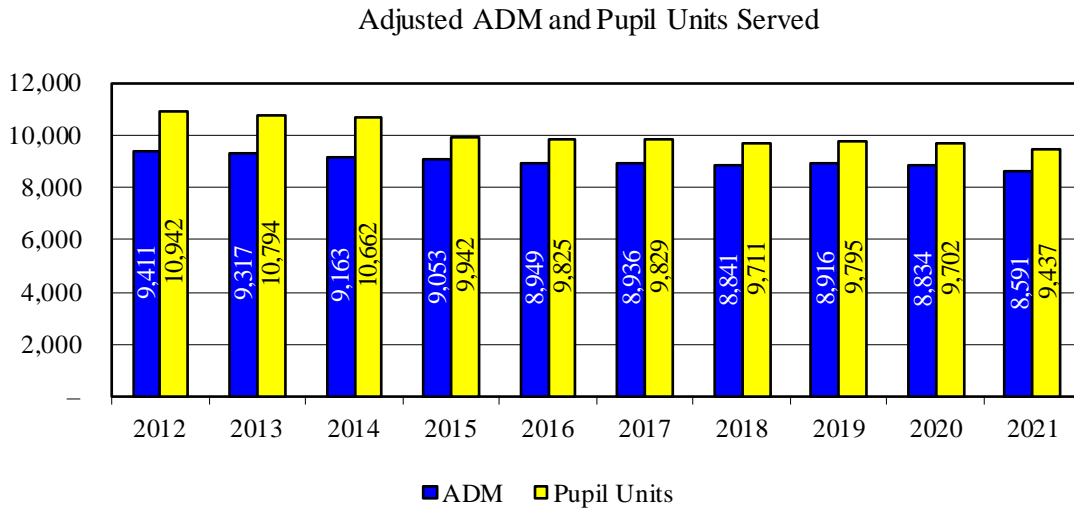
	June 30,				
	2017	2018	2019	2020	2021
Nonspendable fund balances	\$ 717,276	\$ 145,362	\$ 1,676,290	\$ 507,235	\$ 686,319
Restricted fund balances (1)	1,852,903	2,106,412	1,403,680	1,461,779	2,198,592
Unrestricted fund balances					
Assigned	2,409,257	1,685,452	2,826,715	4,320,382	11,053,757
Unassigned	14,655,207	16,349,250	15,751,476	17,207,918	17,811,019
Total fund balance	<u>\$ 19,634,643</u>	<u>\$ 20,286,476</u>	<u>\$ 21,658,161</u>	<u>\$ 23,497,314</u>	<u>\$ 31,749,687</u>
Total expenditures	<u>\$ 121,237,792</u>	<u>\$ 120,809,427</u>	<u>\$ 122,810,797</u>	<u>\$ 130,053,168</u>	<u>\$ 125,297,301</u>
Unrestricted fund balances as a percentage of expenditures	<u>14.1%</u>	<u>14.9%</u>	<u>15.1%</u>	<u>16.6%</u>	<u>23.0%</u>
Unassigned fund balances as a percentage of expenditures	<u>12.1%</u>	<u>13.5%</u>	<u>12.8%</u>	<u>13.2%</u>	<u>14.2%</u>
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.					

The table above reflects unrestricted and unassigned balances as a percentage of total General Fund expenditures, which differs from those in the previous discussion of state-wide fund balances, which are based on a state formula.

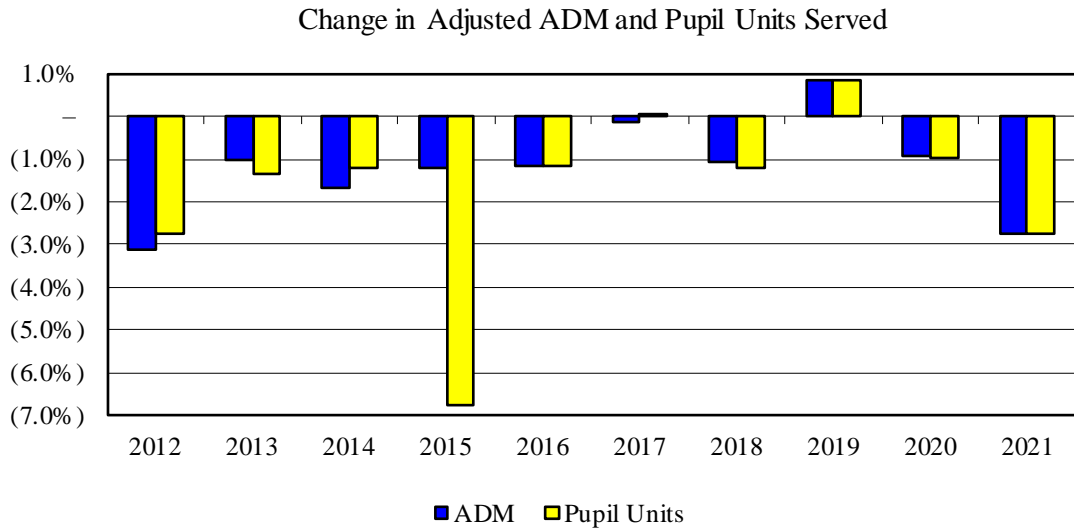
The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls. At June 30, 2021, unrestricted fund balances in the General Fund represented 23.0 percent of annual expenditures, or almost 12 weeks of operations, assuming level spending throughout the year.

AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

The following graph presents the District's adjusted ADM and pupil units served for the past 10 years:



The following graph shows the rate of change in ADM served by the District from year-to-year, along with the change in the resulting pupil units:



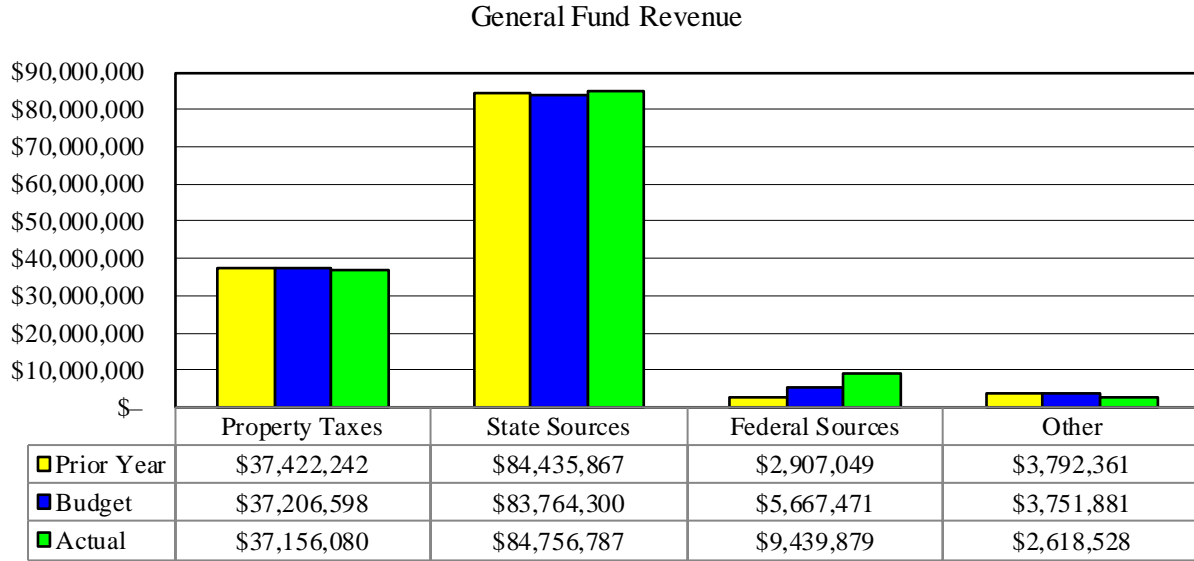
The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

ADM is a measure of students attending class, which is converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments which affect this year's revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated adjusted ADM of 8,591 in 2021, a decrease of 243 (2.8 percent) from the previous year. The resulting pupil units served by the District decreased by 265 to 9,437.

GENERAL FUND REVENUES

The following graph summarizes the District's General Fund revenue for 2021:

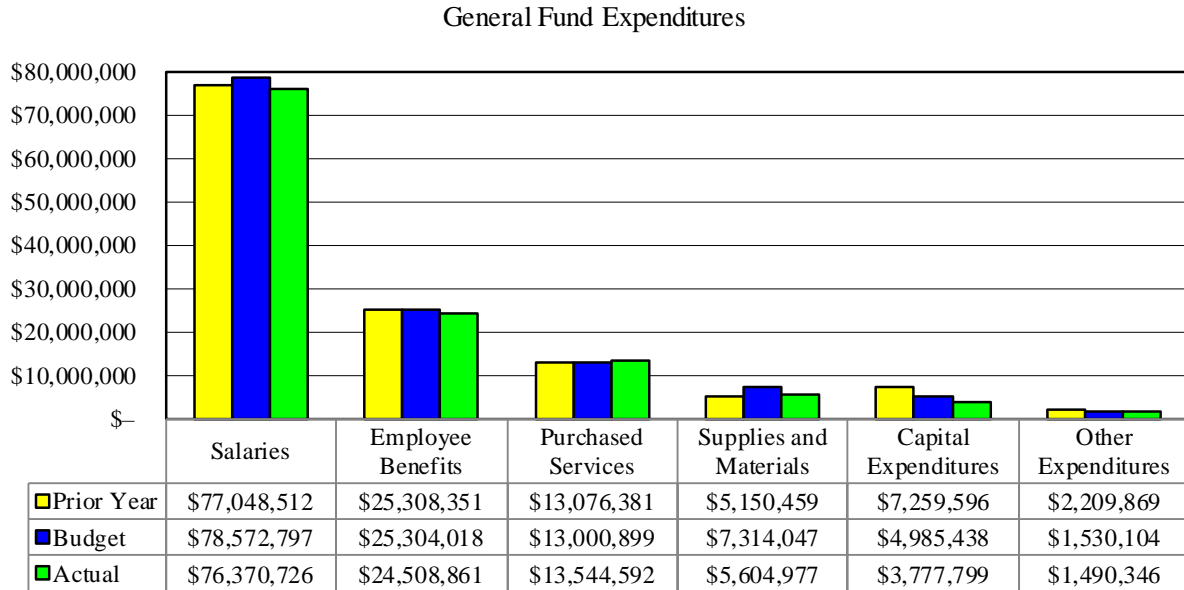


Total General Fund revenues were \$133,971,274 for the year ended June 30, 2021, which was \$3,581,024 (2.7 percent) over the final budget. Federal sources were \$3,772,408 over budget, due to education stabilization funds recognized in the current year that were not anticipated in the budget.

General Fund total revenues were \$5,413,755 (4.2 percent) more than the previous year. Revenue from federal sources was \$6,532,830 higher than the prior year, due to coronavirus relief and education stabilization funds recognized for COVID-19 pandemic-related spending as previously discussed. Revenues from other sources decreased \$1,173,833, mainly due to lost fees and charges, due to the COVID-19 pandemic.

GENERAL FUND EXPENDITURES

The following graph summarizes the District's General Fund expenditures for 2021:

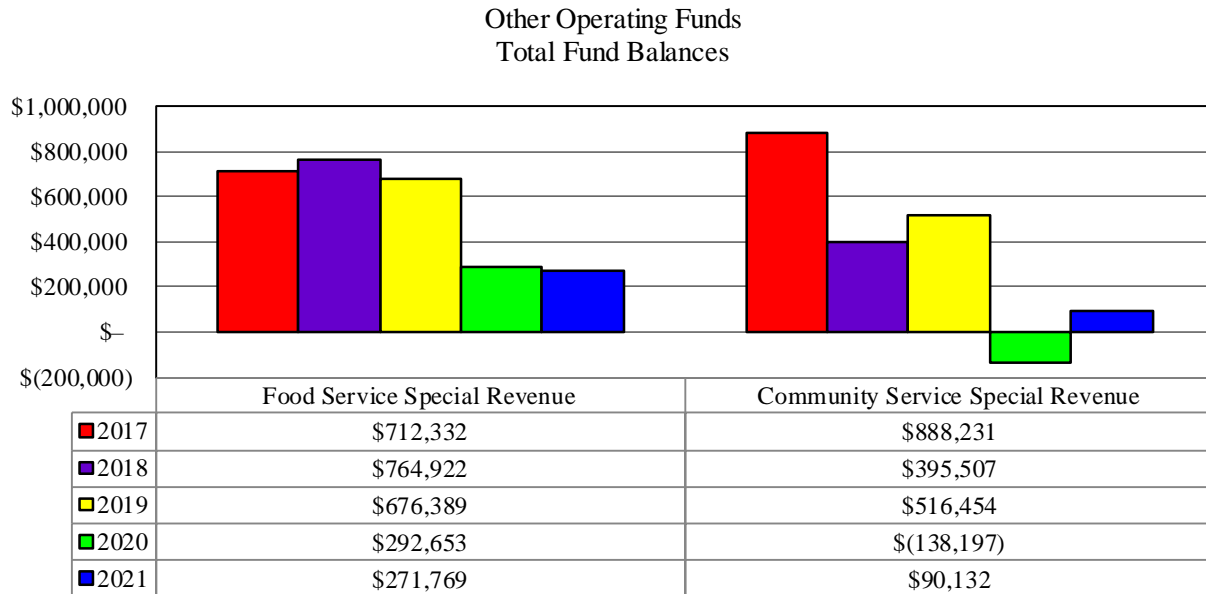


Total General Fund expenditures for 2021 were \$125,297,301, a decrease of \$4,755,867 (3.7 percent) from the prior year. Personnel-related costs were \$1,477,276 (1.4 percent) lower than last year, mainly due to efficiency savings in staffing, a decrease in severance payments, and the draw from the other post-employment benefit trust was significantly larger in the current year which offsets insurance costs. Capital expenditures were \$3,481,797 lower than the previous year, mainly due to capital leases issued for technology products in the prior year.

Total General Fund expenditures were under budget by \$5,410,002 (4.1 percent) in 2021, which was spread across several programs and object categories. Personnel-related costs were \$2,997,228 under budget, due to conservative budgeting, COVID-19-related cancellations of meetings and staff development, and lower substitute teacher costs than anticipated. Supplies and materials were \$1,709,070 under budget, mainly in elementary and secondary regular instruction, resulting from COVID-19 restrictions and adapting to new distance and hybrid learning models. Capital expenditures were \$1,207,639 under budget, due to project timing differences, largely for long-term facilities maintenance.

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 2021 with a fund balance of \$271,769, which is a decrease of \$20,884 from last year, compared to a budgeted decrease of \$515,696. A current year transfer of \$250,000 was made from the General Fund to help support program activity in the Food Service Special Revenue Fund. Food service revenue was \$3,359,674, which was over budget by \$640,145, mainly in federal sources. Total expenditures of \$3,630,558 were \$235,333 over budget. Participation levels were difficult to anticipate with the changing learning models, along with programming changes allowed under the federal Summer Food Service Program for Children during the ongoing COVID-19 pandemic, contributing to the variances in revenues and expenditures compared to budget.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended the year with a fund balance of \$90,132, an increase of \$228,329 from the prior year, compared to a budgeted decrease of \$111,859. A current year transfer of \$364,438 was made from the General Fund to help support program activity in the Community Service Special Revenue Fund. Actual revenues were more than projected amounts by \$791,289, while actual expenditures were more than budget by \$557,475. Conservative budgeting for program participation, which was significantly impacted by the COVID-19 pandemic, contributed to the budget variances.

Over the years, we have emphasized to our clients that food service and community service operations should be self-sustaining, and should not become an additional burden on general education funds. This would include the accumulation of fund balance for future capital improvements and to provide a cushion in the event of a negative trend in operations.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund reported a fund balance decrease of \$23,674,688 in fiscal 2021, compared to a budgeted decrease of \$13,338,152, due to the spend down of the 2019B General Obligation School Building Bond proceeds. The year-end fund balance of \$15,090,377 is restricted for capital projects (\$8,971,270) and the long-term facilities maintenance program (\$6,119,107).

Debt Service Fund

The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan. Fund balance increased \$732,605 in 2021 to a year-end balance of \$2,153,858, which is restricted to the payment of outstanding debt obligations of the District. The District issued \$15,195,000 of refunding bonds that were used to refund outstanding debt in the current year in order to reduce future debt service costs for district taxpayers.

Internal Service Funds

The internal service funds are considered proprietary funds and are used to account for health and dental insurance offered by the District to its employees as self-insured plans.

At June 30, 2021, the Self-Insured Dental Benefits Internal Service Fund had accumulated \$617,911 of cash and investments (adjusted for interfund borrowing) available to pay future dental benefits for the participating members of the District, including estimated claims payable of \$17,618 accrued at year-end. The Self-Insured Dental Benefits Internal Service Fund ended the year with a net position of \$509,988.

At June 30, 2021, the Self-Insured Health Benefits Internal Service Fund had accumulated \$8,839,502 of cash and investments (adjusted for interfund borrowing) available to pay future health benefits for the participating members of the District, including estimated claims payable of \$437,161 accrued at year-end. The Self-Insured Health Benefits Internal Service Fund ended the year with a net position of \$7,370,646.

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 \$19,252,427 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,		
	2021	2020	Change
Net position – governmental activities			
Total fund balances – governmental funds	\$ 49,355,823	\$ 63,838,088	\$ (14,482,265)
OPEB asset, net of deferments	4,774,746	3,483,196	1,291,550
Total capital assets, net of depreciation	126,728,543	97,393,207	29,335,336
Bonds and leases payable	(105,193,590)	(101,950,195)	(3,243,395)
Pension liability, net of deferments	(125,596,093)	(121,180,955)	(4,415,138)
Other adjustments	6,016,387	5,148,393	867,994
Total net position – governmental activities	<u>\$ (43,914,184)</u>	<u>\$ (53,268,266)</u>	<u>\$ 9,354,082</u>
Net position			
Net investment in capital assets	\$ 38,298,795	\$ 36,712,713	\$ 1,586,082
Restricted	3,401,411	1,886,182	1,515,229
Unrestricted	<u>(85,614,390)</u>	<u>(91,867,161)</u>	<u>6,252,771</u>
Total net position	<u>\$ (43,914,184)</u>	<u>\$ (53,268,266)</u>	<u>\$ 9,354,082</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 compensated absences, OPEB, and pensions.

Total net position increased \$9,354,082 in fiscal 2021. The District's net investment in capital assets increased \$1,586,082 this year. The change in this category of net position is typically determined by the relationship between the depreciation of capital assets and the repayment of the debt issued to construct or acquire the assets.

Restricted net position increased \$1,515,229, primarily in amounts restricted for capital asset acquisition, community service, and debt service.

Unrestricted net position increased \$6,252,771, mainly due to changes in the District's proportionate share of the Public Employees Retirement Association's and the Teachers Retirement Association's pension plan liabilities and related deferments. The improved financial position of the General Fund, as previously discussed, also contributed to the increase in unrestricted net position.

LEGISLATIVE SUMMARY

In a typical year, the primary focus of the 2021 Minnesota legislative session would have been the development of the state's fiscal year (FY) 2022–2023 biennial budget. However, given the significant events of the preceding year, including the COVID-19 pandemic and death of George Floyd while in police custody, the focus of the regular session shifted to legislation responding to the pressing issues that resulted from these events. The business of setting a biennial budget and passing an education finance bill were ultimately not addressed until a June special session.

There was positive news on the state's budget outlook entering the session. A May 2020 special pandemic budget projection had predicted the state would finish the FY 2020–2021 biennium with a \$2.4 billion shortfall. By the regular budget and economic forecast in February 2021, the state's fiscal outlook had improved, projecting a positive budgetary variance of \$940 million at the end of the biennium, reducing the threat of potential funding cuts to local government programs. The resulting education finance bill passed and signed by the Governor on June 30, 2021, included appropriation increases of approximately \$554 billion for the FY 2022–2023 biennium, and \$669 billion for the FY 2024–2025 biennium.

The following is a brief summary of specific legislative changes from the 2021 Legislature impacting Minnesota school districts in future years.

General Education Revenue – The Legislature approved annual increases of 2.45 percent and 2.00 percent to the basic general education formula allowance for the FY 2022–2023 biennium. The per pupil allowance will increase \$161 to \$6,728 for FY 2022, and another \$135 to \$6,863 for FY 2023.

English Learner Cross-Subsidy Aid – Approved annual appropriations of \$2 million to provide English learner cross-subsidy aid for FY 2022 through FY 2025. This new funding will be allocated annually to school districts and charter schools based on their proportionate share of English learner and concentration revenue from the preceding fiscal year, and must be used and accounted for within the basic skills program.

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, which 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. The 2021 Legislature approved an additional appropriation of \$10.425 million to fund a one-time increase to cross-subsidy for FY 2022, which is estimated to increase the percentage funded by 1.24 percent to a total of 7.67 percent. Charter schools are not eligible for cross-subsidy reduction aid.

Voluntary Pre-Kindergarten (VPK) and School Readiness Plus (SRP) – The Legislature approved continued funding for FY 2022 and FY 2023 to maintain 4,000 state-wide VPK and SRP seats set to expire after FY 2021. The Local Optional Revenue (LOR) second tier equalization factor was increased for FY 2023 only to offset the state-wide impact of levy changes for the VPK/SRP continuation, which should result in a levy increase for VPK/SRP districts and a levy decrease for most other districts.

Hiring Bonuses – Districts or schools are authorized to offer a hiring or retention bonus of \$2,500–\$5,000 to attract teachers who are American Indians or persons of color, or \$4,000–\$8,000 to meet staffing needs in shortage areas and to attract teachers who are American Indians or persons of color.

Sales Tax Exemption – A previous sales tax exemption for sales made by school-associated student groups for funding extracurricular student activities, that was eliminated by the 2019 omnibus education bill, was restored.

Staff Development – Teacher mentorship was added as an eligible use of general education aid restricted for staff development as part of a mandate for districts to develop teacher mentoring programs.

Lunch Shaming Prohibited – Students approved for free or reduced-price meal status must be served reimbursable meals irrespective of any outstanding individual student lunch account debt. Districts are required to post this policy.

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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Special Purpose Audit Report



EDEN PRAIRIE SCHOOLS
Inspiring each student every day

2021

Eden Prairie Schools | ³⁰⁶ISD #272 | Eden Prairie, MN
Fiscal Year Ending June 30, 2021

INDEPENDENT SCHOOL DISTRICT NO. 272
EDEN PRAIRIE, MINNESOTA

Special Purpose Audit Reports

Year Ended
June 30, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 272

Special Purpose Audit Reports
Year Ended June 30, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 272

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Federal Expenditures
U.S. Department of Agriculture		
Passed through Minnesota Department of Education		
Child nutrition cluster		
School Breakfast Program	10.553	\$ 1,691
National School Lunch Program	10.555	13,996
Summer Food Service Program for Children	10.559	\$ 267,289
COVID-19 – Summer Food Service Program for Children	10.559	2,739,284
Total ALN 10.559		3,006,573
Total child nutrition cluster		\$ 3,022,260
COVID-19 – Pandemic EBT Administrative Costs	10.649	3,388
U.S. Department of Treasury		
Passed through Minnesota Department of Education		
COVID-19 – Coronavirus Relief Fund	21.019	2,419,596
Passed through Minnesota Department of Human Services		
COVID-19 – Coronavirus Relief Fund	21.019	57,000
Total ALN 21.019		2,476,596
Passed through Minnesota Department of Education		
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	9,742
U.S. Department of Education		
Passed through Minnesota Department of Education		
Special education cluster		
Special Education Grants to States	84.027	2,011,000
Special Education Preschool Grants	84.173	56,612
Total special education cluster		2,067,612
Special Education – Grants for Infants and Families	84.181	40,670
Title I Grants to Local Educational Agencies	84.010	976,337
Supporting Effective Instruction State Grants	84.367	159,507
English Language Acquisition State Grants	84.365	111,928
Student Support and Academic Enrichment Program	84.424	100,003
Education Stabilization Fund		
COVID-19 – Governor's Emergency Education Relief (GEER) Fund	84.425C	146,649
COVID-19 – Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	3,649,101
Total ALN 84.425		3,795,750
Passed through Independent School District No. 284		
Career and Technical Education – Basic Grants to States	84.048	67,688
U.S. Department of Health and Human Services		
Passed through Minnesota Department of Human Services		
Child Care and Development Fund Cluster		
COVID-19 – Child Care and Development Block Grant	93.575	80,250
Total federal awards		\$ 12,911,731

- 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 Assistance Listing Number (ALN) as the federal grantors to identify these grants, and have not assigned any additional identifying numbers.
- Note 3: The District did not elect to use the 10 percent de minimis indirect cost rate.
- Note 4: The District had \$259,927 of noncash assistance included in the Summer Food Service Program, ALN 10.559.
- Note 5: Unaudited Disclosure – The District received donated personal protective equipment (PPE) with an estimated value of \$73,915. The District was unable to determine whether federal dollars were used to purchase the donated PPE.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2021.

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 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, Radosenich & Co., P. A.

Minneapolis, Minnesota
October 29, 2021

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

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Independent School District No. 272'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, 2021. 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, 2021.

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 above. In planning and performing our audit of compliance, we considered the District 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 29, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Minneapolis, Minnesota
October 29, 2021

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2021.

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
October 29, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 272

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

Financial Statements

What type of auditor's report is issued? X Unmodified
 Qualified
 Adverse
 Disclaimer

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to the financial statements noted? Yes X No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major programs?

U.S. Department of Agriculture – Child Nutrition Cluster	Unmodified
U.S. Department of Treasury – COVID-19 – Coronavirus Relief Fund	Unmodified
U.S. Department of Education – Title I Grants to Local Educational Agencies	Unmodified
U.S. Department of Education – COVID-19 – Education Stabilization Fund	Unmodified

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

Programs tested as major programs:

Program or Cluster(s)	Federal ALN
The U.S. Department of Agriculture – child nutrition cluster consisting of:	
– School Breakfast Program	10.553
– National School Lunch Program	10.555
– Summer Food Service Program for Children	10.559
– COVID-19 – Summer Food Service Program for Children	10.559
 The U.S. Department of Treasury – COVID-19 – Coronavirus Relief Fund	 21.019
The U.S. Department of Education – Title I Grants to Local Educational Agencies	84.010
The U.S. Department of Education – COVID-19 – Education Stabilization Fund	84.425
 Threshold for distinguishing type A and B programs.	 <u>\$750,000</u>
 Does the auditee qualify as a low-risk auditee?	 <u> </u> Yes <u> X </u> No

INDEPENDENT SCHOOL DISTRICT NO. 272

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2021

B. FINANCIAL STATEMENT FINDINGS

None.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

D. MINNESOTA LEGAL COMPLIANCE FINDINGS

None.

INDEPENDENT AUDITOR'S REPORT ON
UNIFORM FINANCIAL ACCOUNTING AND
REPORTING STANDARDS COMPLIANCE TABLE

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 272 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2021.

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

October 29, 2021

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INDEPENDENT SCHOOL DISTRICT NO. 272

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2021

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		\$ 133,971,274	\$ 133,971,274	\$ –
Total expenditures		\$ 125,297,301	\$ 125,297,301	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 686,319	\$ 686,319	\$ –
Restricted				
401	Student activities	\$ 47,894	\$ 47,894	\$ –
402	Scholarships	\$ 47,018	\$ 47,018	\$ –
403	Staff development	\$ –	\$ –	\$ –
407	Capital projects levy	\$ 1,476,704	\$ 1,476,704	\$ –
408	Cooperative revenue	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ –	\$ –	\$ –
414	Operating debt	\$ –	\$ –	\$ –
416	Levy reduction	\$ –	\$ –	\$ –
417	Taconite building maintenance	\$ –	\$ –	\$ –
424	Operating capital	\$ 514,237	\$ 514,237	\$ –
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	\$ –	\$ –	\$ –
451	QZAB payments	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
453	Unfunded severance and retirement levy	\$ –	\$ –	\$ –
459	Basic skills extended time	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ –	\$ –	\$ –
472	Medical Assistance	\$ 112,739	\$ 112,739	\$ –
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	\$ 11,053,757	\$ 11,053,757	\$ –
Unassigned				
422	Unassigned fund balance	\$ 17,811,019	\$ 17,811,019	\$ –
Food Service				
Total revenue		\$ 3,359,674	\$ 3,359,674	\$ –
Total expenditures		\$ 3,630,558	\$ 3,630,558	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ 185,622	\$ 185,622	\$ –
Restricted				
452	OPEB liability not in trust	\$ –	\$ –	\$ –
474	EIDL loans	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 86,147	\$ 86,147	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Community Service				
Total revenue		\$ 5,792,734	\$ 5,792,734	\$ –
Total expenditures		\$ 5,928,843	\$ 5,928,845	\$ (2)
Nonspendable				
460	Nonspendable fund balance	\$ 50,160	\$ 50,160	\$ –
Restricted				
426	\$25 taconite	\$ –	\$ –	\$ –
431	Community education	\$ (224,649)	\$ (224,649)	\$ –
432	ECFE	\$ 92,713	\$ 92,713	\$ –
440	Teacher development and evaluation	\$ –	\$ –	\$ –
444	School readiness	\$ 158,532	\$ 158,532	\$ –
447	Adult basic education	\$ –	\$ –	\$ –
452	OPEB liability not in trust	\$ –	\$ –	\$ –
473	PPP loans	\$ –	\$ –	\$ –
474	EIDL loans	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ 13,376	\$ 13,375	\$ 1
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

INDEPENDENT SCHOOL DISTRICT NO. 272

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2021

		Audit	UFARS	Audit – UFARS
Building Construction				
Total revenue		\$ 142,031	\$ 142,032	\$ (1)
Total expenditures		\$ 34,885,867	\$ 34,885,868	\$ (1)
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
407	Capital projects levy	\$ –	\$ –	\$ –
413	Projects funded by COP	\$ –	\$ –	\$ –
467	Long-term facilities maintenance	\$ 6,119,107	\$ 6,119,107	\$ –
464	Restricted fund balance	\$ 8,971,270	\$ 8,971,270	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Debt Service				
Total revenue		\$ 10,123,476	\$ 10,123,476	\$ –
Total expenditures		\$ 9,753,615	\$ 9,753,616	\$ (1)
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	\$ 2,153,858	\$ 2,153,857	\$ 1
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –
Trust				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
Custodial Fund				
Total revenue		\$ 734	\$ 734	\$ –
Total expenditures		\$ 734	\$ 734	\$ –
401	Student activities	\$ –	\$ –	\$ –
402	Scholarships	\$ –	\$ –	\$ –
448	Achievement and integration	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Internal Service				
Total revenue		\$ 14,388,381	\$ 14,388,381	\$ –
Total expenditures		\$ 13,264,859	\$ 13,264,858	\$ 1
422	Net position	\$ 7,880,634	\$ 7,880,634	\$ –
OPEB Revocable Trust Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
422	Net position	\$ –	\$ –	\$ –
OPEB Irrevocable Trust Fund				
Total revenue		\$ 3,458,793	\$ 3,458,794	\$ (1)
Total expenditures		\$ 1,042,563	\$ 1,042,563	\$ –
422	Net position	\$ 19,252,427	\$ 19,252,427	\$ –
OPEB Debt Service Fund				
Total revenue		\$ –	\$ –	\$ –
Total expenditures		\$ –	\$ –	\$ –
Nonspendable				
460	Nonspendable fund balance	\$ –	\$ –	\$ –
Restricted				
425	Bond refundings	\$ –	\$ –	\$ –
464	Restricted fund balance	\$ –	\$ –	\$ –
Unassigned				
463	Unassigned fund balance	\$ –	\$ –	\$ –

Note: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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