



MINNETONKA
PUBLIC SCHOOLS

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020



Minnetonka

Independent School District #276
Minnetonka, Minnesota

minnetonkaschools.org/finances
952.401.5000

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT OF

MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276

YEAR ENDED JUNE 30, 2020**

**PREPARED BY THE
BUSINESS SERVICES DEPARTMENT**

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MINNETONKA, MINNESOTA

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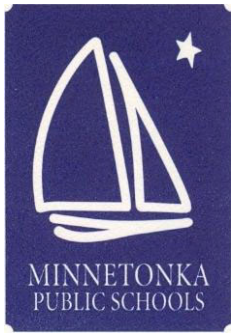
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INTRODUCTORY SECTION



Minnetonka Public Schools
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November 24, 2020

SERVING THE

COMMUNITIES OF:

MINNETONKA

CHANHASSEN

DEEPHAVEN

EDEN PRAIRIE

EXCELSIOR

GREENWOOD

SHOREWOOD

TONKA BAY

VICTORIA

WOODLAND

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

PREFACE

The Comprehensive Annual Financial Report of Minnetonka Independent School District No. 276 (District) is submitted for the fiscal year (FY) ended June 30, 2020. The District Administration accepts full responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. The report includes all funds of the District reported in compliance with Generally Accepted Accounting Principles (GAAP).

Minnetonka Independent School District No. 276, also known as Minnetonka Public Schools, is a public corporation of the state of Minnesota per Minnesota Statute #123A-55 established to function as an educational institution. The elected School Board is responsible for legislative and fiscal control of the Minnetonka School District. A Superintendent is appointed by the Board and is responsible for administrative control of the District. There are no other entities for which the District is considered financially accountable.

The Comprehensive Annual Financial Report is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

The introduction includes a list of principal officials, an organizational chart, and this transmittal letter. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A), basic financial statements, individual fund statements, and related schedules. The statistical section includes selected financial and demographic information generally presented on a multiyear comparative basis.

Management is required to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the District can be found immediately following the report of the independent auditors.

Governmental Accounting Standards (GASB) established five broad objectives which are used to organize the Statistical Section: 1) Financial trends; 2) Revenue capacity; 3) Debt capacity 4) Demographics and economics; and 5) Operations.

DISTRICT OPERATIONS

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the Single Audit is issued separately and is not included in this report.

Since its inception in 1952, the Minnetonka School District has been preparing students to be thoughtful, contributing members of society. During that time, our district has deservedly earned a reputation for excellent teaching, exceptional student achievement, and outstanding fiscal management.

Ensuring that this legacy of success continues is the primary responsibility of the School Board as elected officials. Toward that end, during the 2002-2003 school year, the School Board commissioned significant planning efforts, including articulating their Vision for our schools. The Vision, Strategic Plan, and Accountability Plan adopted in August 2003 and amended in June 2006 and June 2009 has propelled Minnetonka schools to become a world-class public school system.

In articulating their vision, the School Board acknowledged the significant contributions of students, teachers, administrators, support staff, past school board members, parents, and other community members who built Minnetonka's first half-century of success. To review the Board's Vision in its entirety, please visit the District web page at www.minnetonkaschools.org/district/about/mission or call 952-401-5004 to request a copy be mailed.

Mission

A Statement of our Highest Aspirations

The mission of the Minnetonka School District, a community that transcends traditional definitions of excellence and where dreams set sail, is to ensure all students envision and pursue their highest aspirations while serving the greater good, through learning and teaching which—

- Value and nurture each individual,
- Inspire in everyone a passion to excel with confidence and hope, and
- Instill expectations that stimulate extraordinary achievement in the classroom and in life.

We, in the Minnetonka Public Schools, take the responsibility captured in our mission statement very seriously. In order to provide students and their families with the best education possible, we must continually anticipate, assess, and improve the programs and services we provide. It is a never-ending process of innovation. While focusing on student learning, we must set high and rigorous standards and always think and act creatively.

Our Objectives

Objectives are an expression of the desired measurable, observable, or demonstrable results for the organization. For a school district, objectives are restricted to student success, performance, and/or achievement.

- All students will meet or exceed District academic standards.
- All students will achieve according to their individual potential.
- All students will continually achieve their stated aspirations.
- All students will possess an enlightened view of themselves, others, and the world.

ORGANIZATIONAL INFORMATION

Highlights: Student Academic Achievements 2019-20

- All students thrive in Minnetonka Schools. The average student performs above grade level. At third grade, our average student performs at the middle of fifth grade in reading and early sixth grade in math. By fifth grade, our average student performs beyond the eleventh-grade level in reading and math – six grade levels ahead of national norms based on NWEA measures of success.
- The Minnetonka High School (MHS) Class of 2020 posted an outstanding average ACT composite score of 27.7. The top 100 Minnetonka students earned an average score of 34.7; top 200, 33.3; and top 400, 30.8. Sixteen students earned a top score of 36 on the ACT exam (see Figure 1 for state, national and Minnetonka comparative data from 2018-19).
- Minnetonka High School graduated 789 students on June 9, 2020 (99% of the Class of 2020 graduated).
- This class included 180 students who graduated Summa Cum Laude with a 4.0 or higher GPA; Magna Cum Laude, 81; Cum Laude, 70.
- Based on student self-reporting, 85% of Class of 2020 graduates were college-bound. Seniors submitted 3,469 total applications to 417 colleges and universities. These students earned 2,394 acceptances from 371 institutions – and enrolled in 176 institutions.
- In fall 2019, 31 Minnetonka High School students from the Class of 2020 were named National Merit Semifinalists and 23 were named National Merit Commended scholars.
- 80.9% of students in the class of 2020 took at least one AP or IB course during high school.
- The College Board named 679 Advanced Placement (AP) Scholars from MHS for outstanding performance on AP exams.
- In spring 2020, 1,658 students took 2,875 AP exams with an 84.7% passing rate (score of three or higher). For the graduating classes of 2020-2023, 66 students have now earned National AP Scholar honors; 278 are AP Scholars with Distinction; 128 are AP Scholars with Honor; and 207 are AP Scholars.
- Tonka Online expanded its offerings to more than 50 courses, including computer science courses, AP U.S. Government and Politics and world language courses. Approximately 1,851 students enrolled in a Tonka Online course during the 2019-20 school year.
- Enrollment in the International Baccalaureate (IB) Diploma Programme is strong. In 2020, 44 MHS students earned the IB Diploma, which includes an extended essay, completion of the Creativity, Activity, Service component and passage of IB exams in each subject area. Of those, 20 earned an IB Bilingual Diploma in Chinese or Spanish. 700 students enrolled in at least one IB course during the 2019-20 school year. 1,029 IB scores were awarded, 90.8% of which were a 4 or higher. (IB exams did not take place due to the COVID-19 pandemic, but International Baccalaureate did award scores based upon submitted coursework and teacher feedback.)
- Offering both Spanish and Chinese, Minnetonka School District's Language Immersion Program is the state's premier program. More than 50% of Minnetonka parents choose language immersion for their students beginning in Kindergarten. The second graduating class of Immersion students, who enrolled as kindergarteners in 2007, graduated in 2020. Ninety-four students pursued language immersion courses through grade 12.
- Minnetonka High School's VANTAGE: Minnetonka Advanced Professional Studies program continues to grow, added a new strand in User Experience (UX) Design in 2019-20. Enrollment has increased from 40 students in 2013-14 to 338 for 2019-20.

ORGANIZATIONAL INFORMATION (CONTINUED)

Highlights: Student Academic Achievements 2019-20 (Continued)

- 75 students enrolled in Minnetonka Research (opened fall 2016), which gives students the opportunity to conduct authentic research based on their own questions and interests. Students are under the direction of a high school science teacher with further guidance from mentor-experts from around the world. Many students took advantage of the opportunity to compete in regional, state and national science fairs in 2020. One student advanced to the Regeneron International Science and Engineering Fair (ISEF).
- Minnetonka High School is a certified Project Lead the Way (PLTW) Engineering program school. Enrollment continues to grow. In spring 2020, 84% of Minnetonka students in the program earned college credit.
- In the Continental Math League national-level competition, 137 teachers and 3,342 students participated in meets. Grades 2, 3, 4, and 7 tied for first place, grades 5 and 6 placed second, and grade 8 placed third. In computer science, the competition was cut short due to the COVID-19 pandemic. However, grade 6 placed first, grades 7 and 8 placed third, grades 3, 4 placed second, and grade 5 placed fourth.
- The MHS DECA Team sent 83 students to the state competition and 34 to the International Career Development Conference.
- On the National German Exam, four students earned the Gold award; Silver, 2; Bronze, 1. Elsa Johnson '22 was ranked first in the state and Jerry Zhang '23 and Kruthica Dama '22 tied for second in the state, as placed by a committee of German language professors at the University of Minnesota Twin Cities.
- Olivia Graupmann '20 and Maya Schrof '20 were named state honorable mention recipients for the Minnesota Aspirations in Computing awards, a program of the National Center for Women and Information Technology.
- Nineteen students from MME and MMW qualified for the state level "You Be the Chemist" challenge.
- Five students from MME and MMW advanced from the regional science fair to go to the state competition.
- Middle school teams from both MME and MMW competed at the state level in the Stock Market Game, taking first, second, fourth and fifth place in the Junior High Division in Minnesota.
- Placing fifth at the state tournament and third in state this season, the MHS math team earned its highest ranking in 15 years. In addition to the team accomplishments, 5 team members placed in the top 50 individual scorers in the state.
- Mayonnaise is an Instrument, A FIRST Lego League team from Scenic Heights, won the regional and sectional tournaments, earning first place in the "Innovative Project" category at both events and qualifying to compete at the state tournament.
- National Scholastic Art Awards: 12 Gold Key winners, 8 Silver Key winners, 13 Honorable Mentions.
- National Scholastic Writing Awards: 3 Gold Key winners, 7 Silver Key winners, 3 Honorable Mentions.
- A 2020 Minnetonka parent survey found that 97% of District parents rate the quality of education in Minnetonka Schools as excellent or good.

ORGANIZATIONAL INFORMATION (CONTINUED)

Highlights: Student Academic Achievements 2019-20 (Continued)

Figure 1. Comparative AT Data for Minnetonka, the state of Minnesota and the U.S.

2018-2019 ACT Results	Number of Students	English	Math	Reading	Science	Composite
Minnetonka	726	27.6	26.7	28.6	27.6	27.7
Minnesota	59,186	20.3	21.4	21.7	21.6	21.4
National	1,782,820	20.1	20.4	21.2	20.6	20.7
Minnetonka Top 100	100					34.3

*most recent data available © 2019 by ACT, Inc. All rights reserved. www.act.org/research

Strong Community Support

The well-educated population strongly supports local education through parent teacher organizations and a thriving volunteer network.

Community support is also exemplified by the November 3, 2015 special election when District voters approved a unique two-step operating referendum levy increase of \$4.0 million in 2016, inflation increases in that amount for two years, followed by another \$4.0 million increase in 2019, with inflation increases through 2025. This 10-year increase in operating funds was approved by 72% of the voters. In that special election, the voters of the district also approve a 10-year extension of a \$5.3 million annual levy for technology in the District to run from 2016 through 2025.

Community support is the foundation for the District's continued ability to provide a quality education for the young people of our community.

ECONOMIC CONDITION AND OUTLOOK OF THE LOCAL ECONOMY

The District is part of the Minneapolis-St. Paul Metropolitan Statistical Area and is situated primarily in western Hennepin County with a small portion in Carver County. Minnetonka Schools encompasses 32.4 square miles and includes all or a part of the cities of Minnetonka, Greenwood, Deephaven, Woodland, Eden Prairie, Chanhassen, Excelsior, Shorewood, Tonka Bay, Orono, and Victoria. The District has a current population of 39,984. The community is residential and can be labeled a "bedroom community" with small pockets of retail development. Approximately 88% of the taxable valuation in the District is residential property. Within the District, there are 60 miles of lakefront residential property on the south shore of Lake Minnetonka, Christmas Lake, Lake Minnewashta, and Lotus Lake. The common jobs held by District residents are professional, managerial, and sales positions.

Projected Enrollment

The District has experienced significant enrollment growth over the past 14 years, growing from 7,665 students in FY2006 to 11,088 in FY2020. The strength of the District educational programs has drawn 3,684 open enrolled students to Minnetonka Public Schools, accounting for the bulk of the enrollment growth. In FY2020, students from 43 surrounding school districts attended Minnetonka Public Schools. Enrollment is projected to top out at approximately 11,100 K-12 students in FY2021 and remain steady in future years as the School Board implemented an enrollment cap of 11,100 in fall of 2019. Because of the strength of the District's academic programs, it is anticipated that the District will be able to maintain enrollment at full capacity into the future because of the demand for open enrollment from students living in other districts.

ECONOMIC CONDITION AND OUTLOOK OF THE LOCAL ECONOMY (CONTINUED)

District Facilities

District educational facilities consist of 10 educational buildings originally constructed from 1929 to 1967, meaning the newest building completed its 54th year of use in FY2020. Each building has had numerous additions over the years. In spite of the age of the facilities, all school buildings are maintained in a state of good repair, with building components modernized and updated on a systematic basis through the district's Long-Term Facilities Maintenance Plan. Because of this continual renewal, all educational facilities should be able to effectively serve the district for a minimum of 50-60 additional years. The total district square footage, including one administrative building and a technology support building, is 1,807,590.

ENROLLMENT

Enrollment is a critical factor in Minnesota School funding formulas with approximately 84% of General Fund Operating revenue based on enrollment. The following chart shows that the total number of students in FY 2020 increased by 161 students over FY 2019.

Figure #2
Five-Year Enrollment Trend
Average Daily Membership (ADM)

Grade	15-16	16-17	17-18	18-19	19-20
Kdgt.	848	878	833	936	924
1-3	2,309	2,374	2,458	2,439	2,483
4-6	2,387	2,493	2,507	2,517	2,518
7-12	4,545	4,733	4,931	4,991	5,121
Total K-12	10,089	10,479	10,729	10,884	11,046
DEC/ECSE	42	42	45	43	42
Total Budget ADM	10,131	10,521	10,774	10,927	11,088
ADM Change	273	390	253	153	161
Percent Change	2.8%	3.9%	2.4%	1.4%	1.5%
Pupil Units	11,040	11,468	11,760	11,925	12,112
WADM Change	298	428	292	165	187
Percent Change	2.8%	3.9%	2.5%	1.4%	1.6%

ENROLLMENT (CONTINUED)

In FY2020, resident pupil enrollment increased by 52 additional resident students compared to FY2019. The number of students from neighboring districts electing to enroll in Minnetonka Public Schools under the state's open enrollment program increased by 171. The District educational programs continue to be attractive to students from other communities. Nonresident students attending Minnetonka has increased from 2,957 in FY2016 to 3,684 in FY2020. Resident enrollment has remained stable, averaging 7,322 over that same time period. This is reflective of a mature community with nearly all residential lots built out.

Figure #3
Five-Year Open Enrollment Trend

ADM	15-16	16-17	17-18	18-19	19-20
In	2,957	3,212	3,404	3,575	3,684
Out	237	221	252	232	251
Difference	2,720	2,991	3,152	3,343	3,433
Total Enrollment	10,131	10,521	10,774	10,927	11,088
Percent	26.8%	28.4%	29.3%	30.6%	31.0%

Resident Enrollment	7,174	7,309	7,370	7,352	7,404
Resident Percent	70.8%	69.5%	68.4%	67.3%	66.8%

MINNETONKA SCHOOLS WELCOME ACCOUNTABILITY

Minnetonka residents are encouraged to look closely at Minnetonka School District's performance. Minnetonka students perform exceedingly well, and the financial management of our school district is among the top in the State. We welcome the opportunity to be fully accountable to our community.

- In 2010, Moody's Investor Service upgraded the District's bond rating to Aaa, the highest rating on a 23-step scale. The rating is reviewed with each new bond issues. The District has been able to maintain that rating over the years. Only 88 school districts of almost 13,600 in the country, less than 7/10 of 1% carry a bond rating this high. The District bond rating is also higher than that of 37 states. This high bond rating allows the district to borrow money at relatively low rates.
- Student performance on state tests is consistently among the top in the State.
- Citizen's Finance & Audit Advisory Committee meets monthly to review district financial records and make recommendations to the School Board.
- Recognized for Excellence in Financial Reporting twenty-five consecutive years beginning with the 94-95 Comprehensive Annual Financial Reports. The Comprehensive Annual Financial Report is available to the public and posted to the District website annually. The Annual Budget is also posted to the District website.
- Fund Balance Policy: Commitment to maintain a minimum unassigned fund balance of 6% of annual operating budget for emergency purposes. The 6% fund balance is roughly enough to operate the school district for three weeks if state revenue payments are ever interrupted.

ACCOUNTABILITY (CONTINUED)

In FY2019, based on Minnesota Department of Education Financial Profile Reports, (most recent comparable data available), the District ranked 138 among 331 Minnesota public school districts in operating expenditures on a per pupil basis. Local operating referendum dollars allow for expenditures approaching the state average. Absent that local support, Minnetonka Public Schools would be much lower in the ranking.

Figure #4 COMPARISON OF MINNETONKA 18-19 SPENDING WITH OTHER DISTRICTS

(Source: State Auditor Financial Trends 2014 to 2019)

	2013-2014 Per-Pupil Costs *	2018-2019 Per-Pupil Costs *	Dollar Change Percent Change
State Average	\$10,433	\$12,220	\$1,787 17.13%
Minnetonka	\$10,014	\$11,943	\$1,929 19.26%
Variance: State to Minnetonka	(\$419) -4.02%	(\$277) -2.27%	\$142

* Excludes food service costs, community education, debt service, and capital expenditures.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The District complies with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota Schools. UFARS, established in 1976, dictates a modified accrual basis of accounting. Subsequent to the June 30 year-end, audited annual financial information must be provided to the State Department of Education no later than November 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 internal control is weighed against the benefits received. Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line item budgets when issued. Specific expenditure, revenue and detail transaction reports are available through the District's financial software system at all sites for individuals with budget responsibilities and can be printed in hard copy at all sites if needed.

To accurately track and report financial activities with a focus on site-based accounting, approximately 34,000 accounts have been defined in the District's chart of accounts. The District has also developed a system of Cost Center Accounting to track expenditures in a more detailed level than the minimum detail required by UFARS.

BUDGET INFORMATION

The District's budget and financial management practices are evidenced by the following District policies:

Fund Balance Policy: Requires the District to maintain a minimum General Fund Unassigned balance of 6% of budgeted expenditures.

Budget Administration Policy: This policy establishes lines of authority and procedures for the establishment of the school district's revenue and expenditure budgets. Budget planning is an integral part of program planning so that the annual budget will effectively express and implement school board goals and the priorities of the school district.

The District's budget process is initially based on development of a budget projection model to accurately predict resources and expenditures over a multiple-year period. The budget projection is used to create the preliminary budget. The preliminary budget determines if action must be taken by the administration and Board to contain costs prior to setting the actual budget. As a result, the budget adopted in June is based upon actions taken by the School Board and administration during the budget planning process establishing program priorities and making budget adjustments. The board resolution adopting the budget includes a provision directing the administration to update the budget to reflect board decisions made subsequent to the start of the fiscal year. The budget is revised in January to reflect actual staff hiring and other dynamics, such as employee contract settlements, or legislative changes, that have taken place subsequent to approval of the budget in June.

Budgetary control regarding the level of staffing, compensation of employees, major capital expenditures, and budgetary adjustments is maintained at the District Administration level. Budgets for the support of day-to-day operations for various supplies and smaller equipment are maintained at each school site and department within the District. Budget managers are assigned responsibility for managing accounts in the cost centers that reside in their areas of responsibility. The legal level of budgetary control is at the fund level. Budget managers must obtain approval from the Superintendent for any budget increase at the cost center level. The Superintendent can make budget amendments within each fund as necessary. Budget amendments at the fund level require School Board approval.

The results of operations for the District's General Fund Accounts for ongoing school site operations, administration, and extracurricular activities produced an operating surplus of ongoing revenues over ongoing expenses of \$4,500,677 for FY2020. Inclusive of all capital costs, the results of operations for the District's overall General Fund showed a surplus of \$4,587,976. The surplus is a result of tight budget management with a budget surplus, augmented by \$340 per pupil in additional Operating Referendum Revenue for Fiscal Year 2020 that was approved by 71% of the voters of the District on November 3, 2015. The additional Operating Referendum Revenue and subsequent budget for FY2020 accounted for approximately \$3 million of the surplus for FY2020. The remaining surplus is a result of reduced expenditures between the dates of March 14 through June 30, 2020 due to a State-mandated shift to distance learning for that period in response to the COVID-19 pandemic which resulted in lower operating expenditures during that period.

These results plus the results of all funds are discussed further in the accompanying Management Discussion & Analysis.

DEBT ADMINISTRATION

As of June 30, 2020, the District had approximately \$162.3 million of par value bonds outstanding. This amount equates to 12.8% of the statutory maximum allowable debt limit of \$1.418 billion established by Minnesota Statutes 475.53 at 15% of the estimated market value of all taxable property in the District.

The District has issued bonded debt primarily to bring the facilities of the District into a state of good repair. Approximately 58% of the District's facility square footage is 50 years old or older, requiring a measure of rebuilding over the past decade to replace major facility components and ready the buildings for an additional 50-60 years of use. The District has also issued bonded debt as needed to provide additional classroom capacity as well as to provide purpose-built spaces for programmatic needs based on new curriculum development. The need for this type of debt will diminish over time as the District reaches stable enrollment of approximately 11,100 students in FY2021.

Resources for debt repayment are provided by property taxes and state aid revenues. School districts in Minnesota are required by statute to levy 105% of scheduled bonded debt payments to ensure sufficient resources are available to make scheduled bond payments even if there are property tax delinquencies.

Bonded debt financial management, including refunding and restructuring selected bonds as appropriate, is a key component of the overall District philosophy of affording capital improvements while keeping annual levies stable. The District constantly manages the status of all of its outstanding bond issues and seeks out refunding or restructuring opportunities by continually running simulations of potential transactions.

In FY2020, the District issued \$14,605,000 par value refunding General Obligation bonds and Certificates of Participation. The District also issued \$4,665,000 General Obligation bonds for long term facilities maintenance and \$1,160,000 par value Certificates of Participation to fund the purchase of property adjacent to Clear Springs Elementary School. More information on these bond issues is available in the Management Discussion & Analysis and Note 4 to the Financial Statements.

As capital needs of the District recede due to facilities having been brought to a state of good repair and sufficient capacity having been constructed to house enrollment, the total par value of bonds outstanding will decline over time. Outstanding par value declined by \$355,000 as of June 30, 2020 compared to June 30, 2019.

INDEPENDENT AUDIT AND CERTIFICATE OF EXCELLENCE

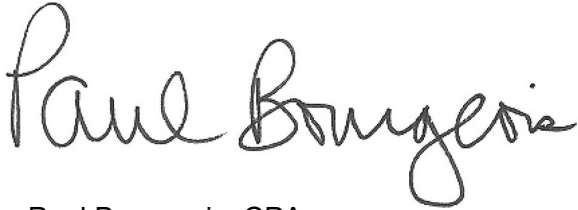
State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen LLP was initially selected by the School Board to conduct the annual audit for fiscal year 1998-99.

This report has been prepared following the guidelines provided by the Association of School Business Officials International (ASBO) for their Certificate of Excellence in Financial Reporting Program. Achieving recognition by this program provides a clear indication of the District's high standards for financial reporting. The District intends to submit this report, its twenty-sixth Comprehensive Annual Financial Report, to the ASBO Certificate Program for consideration. The District has received the ASBO Certificate of Excellence in Financial Reporting twenty-five consecutive years beginning with the 94-95 Comprehensive Annual Financial Reports.

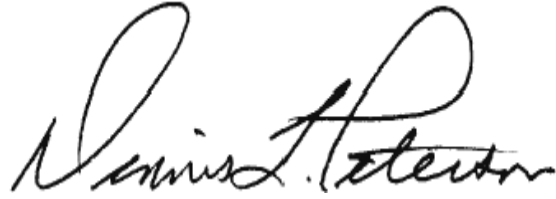
ACKNOWLEDGMENTS

We acknowledge the efforts of the entire accounting staff in providing complete and accurate data for this Comprehensive Annual Financial Report.

Sincerely,

A handwritten signature in cursive script that reads "Paul Bourgeois".

Paul Bourgeois, CPA
Executive Director of Finance
and Operations

A handwritten signature in cursive script that reads "Dennis L. Peterson".

Dr. Dennis Peterson
Superintendent

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2020**

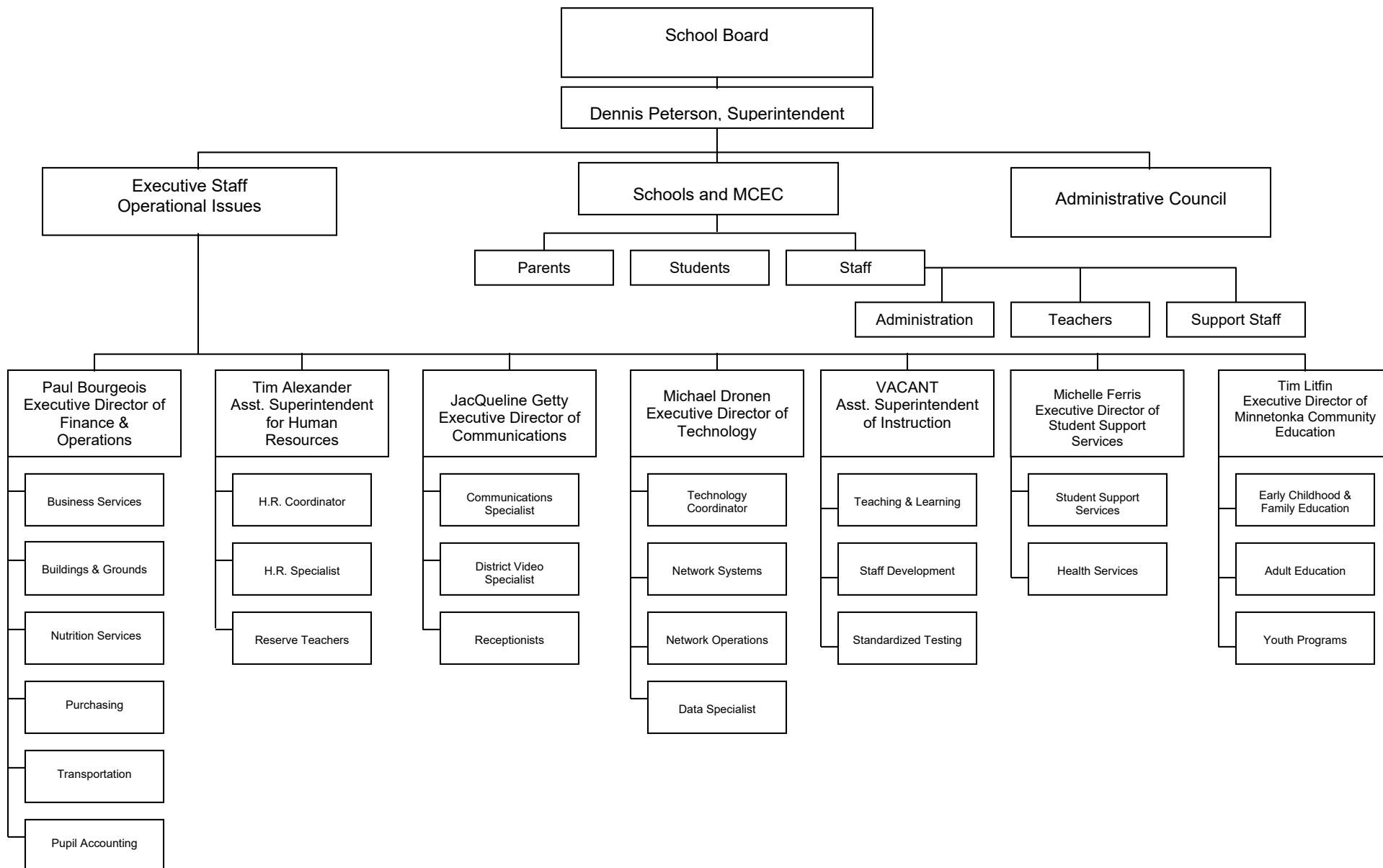
SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Katie Becker	01/2024	Chairperson
Chris Vitale	01/2022	Vice Chairperson
Mike Lesage	01/2022	Treasurer
John Holcomb	01/2022	Clerk
Mark Ambrosen	01/2024	Director
Lisa Wagner	01/2024	Director
Christine Ritchie	01/2024	Director

ADMINISTRATION

Dr. Dennis Peterson	Superintendent
Paul Bourgeois, CPA	Executive Director of Finance and Operations
Melissa Hallman, CPA (Inactive)	Controller
Bridget Merrill-Myhre, CPA	Coordinator of Accounting
District Offices:	Independent School District No. 276 Minnetonka Public Schools 5621 County Road 101 Minnetonka, MN 55345 (952) 401-5000

**MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
ORGANIZATIONAL CHART
JUNE 30, 2020**



MINNETONKA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 276
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING
JUNE 30, 2020



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

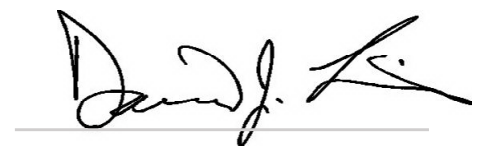
**Minnetonka Independent
School District # 276**

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

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

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

Claire Hertz, SFO
President

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

David J. Lewis
Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

School Board
Independent School District No. 276
Minnetonka Public Schools
Minnetonka, 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. 276, Minnetonka Public Schools, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Independent School District No. 276, Minnetonka Public Schools' 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 276, Minnetonka Public Schools as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Food Service, and Community Service funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Prior Year Summarized Information

We have previously audited Minnetonka Public Schools ISD No. 276's 2019 financial statements of the governmental activities, each major fund and the aggregate remaining fund information, and we have expressed an unmodified opinion on those audited financial statements in our report dated December 2, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

During fiscal year ended June 30, 2020, Minnetonka Public Schools adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, activity of the District which had previously been reported as fiduciary funds or agency funds is now reported either in the General Fund of the District or as a custodial fund. Our auditors' opinion was not modified with respect to the reclassification.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Independent School District No. 276, Minnetonka Public Schools' basic financial statements. The introductory section, combining and individual fund financial statements, the Uniform Financial Accounting and Reporting Standards (UFARS) compliance table and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the UFARS compliance table are the responsibility of management and were 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2019, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The individual fund financial statements for the year ended June 30, 2019, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other record used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2019 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

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.

School Board
Independent School District No. 276
Minnetonka Public Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2020, on our consideration of Independent School District No. 276, Minnetonka Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 276, Minnetonka Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Independent School District No. 276 Minnetonka Public Schools' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 24, 2020

REQUIRED SUPPLEMENTARY INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

This section of Independent School District No. 276 Minnetonka Public Schools' annual financial report (the District) presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section. The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year (FY2020) and the prior year (FY2019) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

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

- Net position of the District in total decreased \$2,096,164 or 2.8% below 2019. Much of the decrease was a result of pension expense incurred by the District as a result of being assigned a portion of the state Teachers Retirement Association's (TRA) unfunded liability as required by GASB 68.
- Final FY2020 average daily membership of 11,088 was an increase of 161 over FY2019 average daily membership of 10,927, an increase of 1.5%.
- General Fund revenues increased from \$141,710,770 in FY2019 to \$149,519,770 in FY2020, an increase of \$7,809,000, or 5.5%, primarily as a result of the following:
 - \$4.747 million in Operating Referendum Revenue over FY2019 due to a voter-approved increase of \$340 per pupil for FY2020 plus annual inflation in the total amount per pupil
 - \$2.895 million in Basic Revenue over FY2019 due to a 2% increase in the basic formula and additional pupils
 - \$218,995 in additional Special Education Revenue.
 - \$85,058 in additional interest earnings.
 - \$374,203 in Safe Schools one-time Aid.
- General Fund expenditures increased from \$142,382,288 in FY2019 to \$145,852,403 in FY2020, an increase of \$3,470,115 or 2.44%, primarily as the result of the addition of 26.19 teaching staff to support new students and program initiatives and contracted wage increases at a cost of approximately \$2.65 million, an increase in 15.96 other support staff and contracted wage increases at approximately \$1.04 million
- As a result of mandated distance learning from March 16, 2020 through June 10, 2020 due to the COVID-19 pandemic, expenditures for purchased services and supplies and materials for the General Fund ended up below budget by \$639,753 or approximately 3.5%.
- During FY2020, the District maintained its Aaa bond rating from Moody's Investors Service, the highest rating on a 23-step scale.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-Wide Statements

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

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Except for food services and community education, property taxes and state aids finance most of these activities. Both community education and food service derive 86% or more of resources from services provided to patrons. This reporting format has management limitations that will be explained later in this report.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- The District uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The District currently has two internal service funds for self-insurance of health and dental benefits and other postemployment health care benefits.
- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was \$(76,301,556) on June 30, 2020. This was a decrease of 2.82% from the prior year (see Table A-1). Net position decreased \$2,096,164 from current year activities.

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

	Governmental Activities as of June 30,		Percentage Change
	2020	0	
Current and Other Assets	\$ 138,120,623	\$ 129,718,199	6.48 %
Capital Assets	161,099,747	158,929,878	1.37
Total Assets	<u>299,220,370</u>	<u>288,648,077</u>	3.66
Deferred Outflows of Resources	79,746,191	113,306,932	(29.62)
Current Liabilities	19,968,018	18,217,868	9.61
Net Pension Liability	92,425,180	90,916,823	1.66
Long-Term Liabilities	183,328,557	183,488,063	(0.09)
Total Liabilities	<u>295,721,755</u>	<u>292,622,754</u>	1.06
Deferred Inflows of Resources	<u>159,546,362</u>	<u>183,537,647</u>	(13.07)
Net Position:			
Net Investment in Capital Assets	16,960,040	12,846,900	32.02
Restricted	6,057,675	9,970,960	(39.25)
Unrestricted	(99,319,271)	(97,023,252)	2.37
Total Net Position	<u>\$ (76,301,556)</u>	<u>\$ (74,205,392)</u>	2.82

Changes in Net Position

Net position of the District in total decreased \$2,096,164 or 2.82% from 2019. While there are many offsetting factors, the major factor was \$10.17 million of additional pension actuarially-calculated expenses incurred by the District as a result of being assigned a portion of the state Teachers Retirement Association's (TRA) and Public Employees Retirement Association unfunded liability as required by GASB 68.

Prior to GASB 34, financial operations were reported strictly on a fund basis. In Table A-2, Change in Net Position, operations are reported on an enterprise wide basis with no reference to funds.

GASB 68 requires that the District recognize an assigned portion of the unfunded pension liabilities of the Minnesota Teachers Retirement Association (TRA) and Minnesota Public Employees Retirement Association (PERA), even though they are legal entities that are separate and distinct from the District. The combined liability that the District must record for those entities is \$92,425,180 as of June 30, 2020. Inclusion of the TRA and PERA liability is the sole reason why the District's Net Position is negative (\$76,301,556). Factoring in the related deferred inflows and outflows, under pre-GASB 68 accounting rules the District would have a positive Net Position of approximately \$48.8 million.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

Changes in Net Position (Continued)

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

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2020	0	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 14,620,355	\$ 18,271,732	(19.98)%
Operating Grants and Contributions	22,465,001	17,935,361	25.26
Capital Grants and Contributions	1,809,399	1,821,327	(0.65)
<u>General Revenues</u>			
Property Taxes	51,765,992	47,868,613	8.14
Unrestricted State Aid	82,544,597	79,580,441	3.72
Investment Earnings	2,056,107	2,382,078	(13.68)
Other	547,067	688,716	(20.57)
Total Revenues	175,808,518	168,548,268	4.31
Expenses			
Administration	4,936,009	3,682,577	34.04
District Support Services	6,450,685	6,105,416	5.66
Regular Instruction	92,016,508	61,855,919	48.76
Vocational Education Instruction	961,154	382,774	151.10
Special Education Instruction	21,594,998	14,936,738	44.58
Instructional Support Services	6,914,441	5,192,665	33.16
Pupil Support Services	4,629,422	3,400,264	36.15
Sites and Buildings	11,665,056	10,323,572	12.99
Fiscal and Other Fixed Cost Programs	247,710	243,794	1.61
Food Service	4,933,756	5,615,714	(12.14)
Community Service	12,207,091	11,544,294	5.74
Transportation	5,382,421	4,771,172	12.81
Interest and Fiscal Charges on			
Long-Term Liabilities	5,965,431	6,318,176	(5.58)
Total Expenses	177,904,682	134,373,075	32.40
Change in Net Position	(2,096,164)	34,175,193	
Beginning Net Position	(74,205,392)	(108,380,585)	
Ending Net Position	<u>\$ (76,301,556)</u>	<u>\$ (74,205,392)</u>	

Combining the various funds, as is reported in Table A-2, infers all resources are interchangeable and can be allocated at the discretion of the District, which in actuality is not the case. Special revenue types must be used for special purposes. For example, Food Service and Community Service are special revenue funds operated on an entrepreneurial basis. If the information in Table A-2 were taken literally, an uninformed reader could conclude that resources in the Food Service program or Community Service programs are available to hire classroom teachers.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

Changes in Net Position (Continued)

When making General Fund budget reductions in past years, one suggestion of District residents was to increase lunch prices or fees for Community Education programs to offset increased costs in the General Fund. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received, for example, in the Food Service or Community Service Fund for fiscal services to enhance classroom instruction resources. The District cannot take funds from these restricted areas and use the funds to hire teachers for instructional programs or to avoid cuts in the instructional budget.

As a result, the above schedule does not reflect the relatively small latitude delegated to the District by the state legislature to allocate resources to instruction. By pooling all expenditures, the schedule implies that the District does have equal access to all funds to impact classroom instruction. In Minnesota, that is not an option due to statutory restrictions.

Consequently, while investment houses may find value in the single statement format, it is of little value to the School Board and administration as a management tool and may confuse the general public. The statement infers a school district is one financial entity, and while that may be theoretically true, it does not reflect the laws and regulations under which a Minnesota school district must operate. Decisions made at the local level reflect the state and federal laws and regulations under which a district must operate which in Minnesota is fund based.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District is reflected in its governmental funds statement as well as the statement of activities. As noted above, Governmental Funds includes the General Fund, Food Service Fund, Community Service Fund, Capital Projects Fund, and Debt Service Fund. As of June 30, 2020, Governmental Funds reported a combined fund balance of \$39,455,714. The total fund balance for Governmental Funds increased by \$947,347 compared to last year's ending fund balance of \$38,508,367. The Food Service Fund and Community Service Fund operated at a deficiency of revenues to expenditures of (\$340,191) and (\$895,679), respectively, due to a loss of revenue from March 16 through June 30 caused by the COVID-19 Pandemic. Expenditures in the Capital Projects Fund exceeded Revenues and Other Financing Sources and Uses by (\$1,699,128) as proceeds from debt instruments sold in the prior year to fund specific construction projects were utilized in FY2020. The Debt Service Fund had utilized \$705,631 accumulated from prior year levies to make bond payments in FY2020. All these deficiencies of revenues and other sources to expenditures and other uses were offset by the General Fund operating at a surplus of revenues and other sources to expenditures and other uses of approximately \$4.588 million primarily due to an increase in operating referendum revenue of approximately \$4.747 million.

**Table A-3
Net Change in Fund Balance - All Governmental Funds**

	Year Ended		Change
	June 30, 2020	June 30, 0	
Revenue	\$ 174,495,788	\$ 171,325,469	\$ 3,170,319
Expenditures	180,366,672	177,211,827	3,154,845
Difference	(5,870,884)	(5,886,358)	15,474
Other Financing Sources and Uses - Net	6,818,231	11,179,649	(4,361,418)
Net Change in Fund Balance	<u>\$ 947,347</u>	<u>\$ 5,293,291</u>	<u>\$ (4,345,944)</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

GENERAL FUND

General Fund Revenue

General Fund revenue is one component of the previous statement on All Governmental Funds. The General Fund report does not include Food Service, Community Service, Capital Projects, or Debt Service.

Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue. Other state-authorized revenue including operating levy referendum and the property tax shift also involves an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year-to-year without a net change on total revenue.

The following schedule presents a summary of General Fund Revenues.

**Table A-4
General Fund Revenues**

	Year Ended		Change	
	June 30, 2020	#####	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 42,472,695	\$ 37,805,891	\$ 4,666,804	12.3 %
Earnings on Investments	708,519	623,461	85,058	13.6
Other	5,573,242	6,041,586	(468,344)	(7.8)
State Sources	98,568,215	95,228,354	3,339,861	3.5
Federal Sources	2,197,099	2,011,478	185,621	9.2
Total General Fund Revenue	<u>\$ 149,519,770</u>	<u>\$ 141,710,770</u>	<u>\$ 7,809,000</u>	5.5

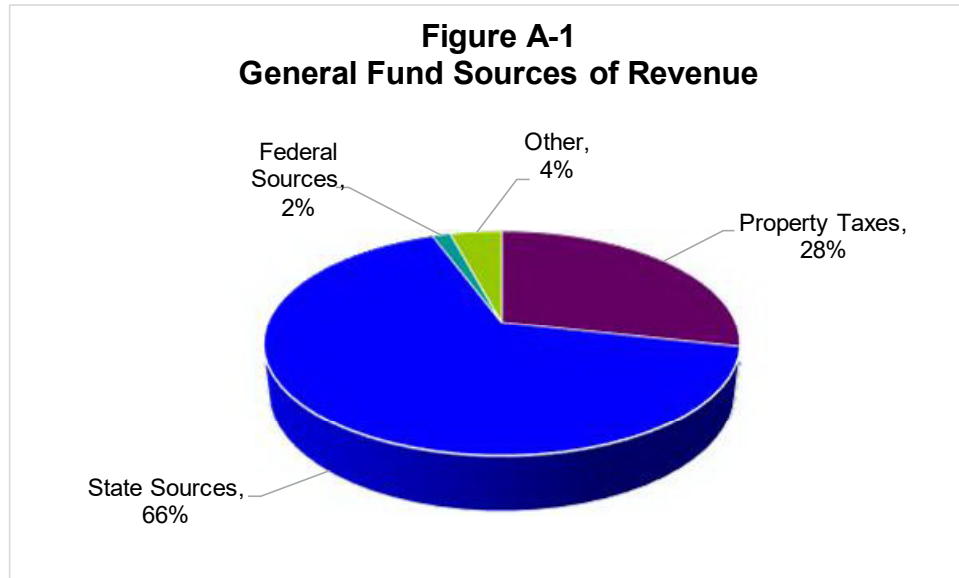
Total General Fund revenues increased from \$141,710,770 in FY2019 to \$149,519,770 in FY2020, an increase of \$7,809,000, or 5.5%, primarily as a result of the following:

- \$4.747 million in operating referendum revenue over FY2019 due to a voter-approved increase of \$340 per pupil for FY2020 plus annual inflation in the total amount per pupil
- \$2.895 million in Basic Revenue over FY2019 due to a 2% increase in the basic formula and additional pupils
- \$218,995 in additional Special Education revenue.
- \$85,058 in additional interest earnings.
- \$374,203 in Safe Schools one-time Aid.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

GENERAL FUND

General Fund Revenue (Continued)



General Fund Expenditures

The following schedule presents a summary of General Fund expenditures.

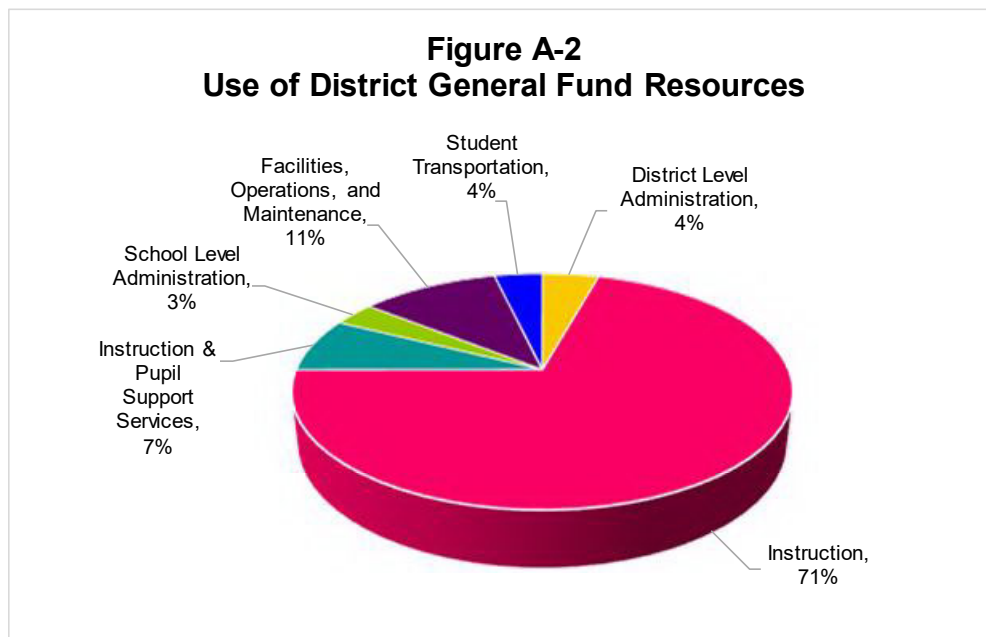
	Year Ended June 30, 2020	Percent of Total	Year Ended June 30, 2019	Percent of Total
USES OF REVENUE				
Instruction	\$ 102,985,211	70.6 %	\$ 100,464,889	70.6 %
Instructional and Pupil Support Services	10,816,037	7.4	10,789,554	7.6
School Level Administration	4,770,220	3.3	4,550,991	3.2
Facilities, Operations, and Maintenance	15,554,526	10.7	15,421,270	10.8
Subtotal, School Level Education Services	134,125,994	92.0	131,226,704	92.2
Student Transportation	5,382,421	3.7	4,993,905	3.5
District Level Administration	6,343,988	4.3	6,161,679	4.3
Total General Fund Expenditures	<u>\$ 145,852,403</u>		<u>\$ 142,382,288</u>	

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

GENERAL FUND (CONTINUED)

General Fund Expenditures (Continued)

- General Fund expenditures increased from \$142,382,288 in FY2019 to \$145,852,403 in FY2020, an increase of \$3,470,115, or 2.4%, primarily as the result of the addition of 26.19 teaching staff to support new students and program initiatives at a cost of approximately \$2.566 million in salaries and benefits, an increase of 15.96 other support staff at a cost of approximately \$0.549 million in salaries and benefits, and approximately \$0.260 million in one-time building expenditures to convert a former locker room into instructional space at Minnetonka High School.



**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

GENERAL FUND (CONTINUED)

Fund Balances – General Fund

Since implementation of the Fund Balance policy, the District has maintained a consistent unassigned fund balance of above 6% in the General Fund, which is key to maintaining the Aaa Bond Rating first received from Moody's in 2010.

**Table A-6
Undesignated/Unassigned General Fund Balance**

Year	Annual Expenditures	Undesignated/* Unassigned Fund Balance	Total Fund Balance	Undesignated/* Unassigned Percent	Total Percent
2000	\$ 58,268,217	\$ 2,874,577	\$ 3,953,323	4.93 %	6.78 %
2001	69,923,852	4,334,954	6,232,140 **	6.20	8.91
2002	61,852,250	5,020,969	7,283,331	8.12	11.78
2003	64,599,368	3,737,852	6,612,274	5.79	10.24
2004	66,023,507	4,591,901	6,272,136	6.95	9.50
2005	65,858,365	5,212,284	5,593,484	7.91	8.49
2006	66,657,817	6,133,090	7,061,237	9.20	10.59
2007	72,541,392	7,172,432	7,972,292	9.89	10.99
2008	76,280,966	8,463,830	10,100,999	11.10	13.24
2009	97,336,063 ***	11,915,358	13,765,928	12.24	14.14
2010	83,554,647	13,615,163	14,815,297	16.29	17.73
2011	86,847,689	10,551,950	16,904,256	12.15	19.46
2012	92,502,185	11,400,336	15,413,235	12.32	16.66
2013	94,897,463	14,400,463	20,284,928	15.17	21.38
2014	101,910,823	14,362,441	19,266,284	14.09	18.91
2015	109,080,060	13,821,183	19,055,503	12.67	17.47
2016	115,685,326	14,054,648	18,657,653	12.15	16.13
2017	120,974,763	16,065,042	21,102,336	13.28	17.44
2018	132,318,861	17,993,045	23,092,720	13.60	17.45
2019	142,382,288	19,357,141	28,367,299	13.60	19.92
2020	145,852,403	25,304,127	32,955,275	17.35	22.59

* For the years 2000 through 2010, prior to the implementation of GASB 54, the amounts represent Unreserved, Undesignated fund balance. For subsequent years the amounts presented represent Unassigned fund balance.

** Includes prior period adjustment

*** Includes transfers to OPEB Revocable Trust of \$17,742,555; without this transfer the Undesignated Percent would be 14.97% and the Total Percent would be 17.30%.

FOOD SERVICE FUND

Food Service Fund Revenue and Expenditure Comparison

Fund	Revenues			Expenditures		
	2020	0	Percent Change	2020	0	Percent Change
Food Service	\$ 4,764,643	\$ 6,213,010	-23.31%	\$ 5,104,834	\$ 5,572,946	(8.40)%

The Food Service Fund supports 100% of the direct costs to provide nutritious meals to students and staff. It is important to note that 77.8% of all revenue is generated by local sales with the balance provided by per meal federal and state child nutrition program subsidies. A total of 7.5% of District students participate in federal free and reduced-price meal programs.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

FOOD SERVICE FUND (CONTINUED)

The Food Service Fund is self-supporting for the department's cost of kitchen personnel, purchased services, supplies, direct utilities, custodial services associated with operation of the program and for lunchroom supervision, and replacement of capital equipment. General management expenditures charged to Nutrition Services are based upon a thorough analysis of General Fund operations to make certain all direct Nutrition Services expenditures are included in the inter-department charge back calculation and remaining management costs are allocated using the federal indirect cost rate method.

Revenue decreased by \$1,448,367, or 23.31%, compared to actual revenue for FY2019 due to the COVID-19 Pandemic, which forced the closure of all schools from March 16, 2020 through June 30, 2020.

Expenditures decreased by \$468,112, or 8.4%, compared to actual expenditures for FY2019 due to the COVID-19 Pandemic. The main drop in expenditures was in food supplies and materials for serving meals. The District maintained full payment of Nutrition Services salaries and benefits to maintain staff and have them available for FY2021 as mandated by Executive Order 20-19 of the Governor of Minnesota.

As a result, the Food Service Fund had a deficit of revenues to expenditures of (\$340,191) for FY2020.

COMMUNITY SERVICE FUND

Community Service Fund Revenue and Expenditure Comparison

Fund	Revenues			Expenditures		
	2020	0	Percent Change	2020	0	Percent Change
Community Ed & Sv	\$ 11,218,105	\$ 13,265,443	-15.43%	\$ 12,113,784	\$ 12,095,261	0.15%

The Community Service Fund recorded a deficit of revenues below expenditures of \$895,679. Community Education revenue from all sources decreased by \$2,047,338, or 15.43%, when compared to FY2019, due to the COVID-19 Pandemic, which forced the closure of all schools from March 16, 2020 through June 30, 2020.

Expenditures for FY2020 increased by \$18,523, or 0.15%. While the District was closed down from March 16, 2020 through June 30, 2020 due to the COVID-19 Pandemic, the Community Service Fund maintained employment to have staff available for FY2021 as mandated by Executive Order 20-19 of the Governor of Minnesota. The Community Service Fund also provided mandated free day-care to children of Essential workers.

As a result, the Community Service Fund had a deficit of revenues to expenditures of (\$895,679).

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

CAPITAL PROJECTS AND DEBT SERVICE FUNDS

The following is a summary of the Capital Projects and Debt Service Funds Revenue and Expenditures (including other financing sources and uses).

Capital Projects and Debt Service Funds Revenue and Expenditure Comparison						
Fund	Revenues and Other Financing Sources			Expenditures and Other Financing Uses		
	2020	0	Percent Change	2020	0	Percent Change
Debt Service	\$ 23,916,638	\$ 31,206,652	-23.36%	\$ 24,622,269	\$ 30,056,943	(18.08)%
Capital Project	6,282,943	8,148,887	-22.90%	7,982,071	7,790,130	2.46 %

In FY2020, the District performed major long-term facilities maintenance on all buildings, and completed renovation in August 2019 of conversion of 8,515 square feet of physical education locker room space into instructional space at Minnetonka High School.

In support of these projects and to also keep the District's approximately 1.8 million square feet of facilities in a state of good repair, during FY2020 the District issued the following bond issues:

- In July 2019, the District issued \$2,710,000 General Obligation Facilities Maintenance Bonds, Series 2019D. The proceeds of this issue were used to finance partial re-roofing projects at four schools, repaving projects at four schools, synthetic turf replacement at Minnetonka High School, mechanical systems component replacement at all schools and various deferred maintenance projects.
- In October 2019, the District issued \$1,955,000 General Obligation Facilities Maintenance Bonds, Series 2019F. The proceeds of this issue were used to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry replacement and various other long-term maintenance replacement items.
- In January 2020, the District issued \$1,175,000 General Obligation Alternative Facilities Refunding Bonds, Series 2020A. The proceeds of this issue were used to refund the February 1, 2021 through 2040 maturities of the 2012B Bonds. The refunding resulted in a cash flow savings of \$115,586 and a net present value gain of \$81,349.
- In February 2020, the District issued \$1,245,000 Taxable General Obligation Refunding Bonds, 2020C. The proceeds of this issue were used to refund the February 1, 2025 through 2034 maturities of the 2015C bonds. The refunding resulted in a cash flow savings of \$147,130 and a net present value savings of \$80,530.

Total Gross Bonded Debt of the District as of June 30, 2020 of \$111,144,166 along with \$2,495,990 in debt service funds available resulted in a net bonded debt of \$108,648,176. The value of taxable property in the District as of December 31, 2019 was \$9,386,134,354. The ratio of Gross Bonded debt to taxable property is 1.16%.

General Obligation Bonded Debt of the District is gradually declining year over year due to deferred long-term facilities maintenance being eliminated and the consistent expenditure levels needed to keep the District facilities in a state of good repair now that deferred maintenance has been eliminated.

**INDEPENDENT SCHOOL DISTRICT NO. 276
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YEAR ENDED JUNE 30, 2020**

CAPITAL PROJECTS AND DEBT SERVICE FUNDS (CONTINUED)

The District undertook the following sales of Certificates of Participation in FY2020:

- In July 2019, the District issued \$4,045,000 Refunding Certificates of Participation, Series 2019E. The proceeds of this issue were used to refund the October 1, 2019 through 2030 maturities of the 2010B Certificates. The refunding resulted in a cash flow loss of \$345,378 and a net present value gain of \$155,304.
- In January 2020, the District issued \$8,140,000 Taxable Refunding Certificates of Participation, Series 2020B. The proceeds of this issue were used to refund the February 1, 2021 through 2040 maturities of the 2018A Certificates, and the February 1, 2021 through 2042 maturities of the 2018C Certificates. The refunding resulted in a cash flow savings of \$2,180,287 and a net present value gain of \$1,226,995.
- In June 2020, the District issued \$1,160,000 Certificates of Participation, Series 2020D. The proceeds of this issue were used to finance the acquisition of property adjacent to Clear Springs Elementary School and demolish structures on the site.

Total Certificates of Participation outstanding as of June 30, 2020 was \$55,210,000.

INTERNAL SERVICE FUNDS

Proprietary funds such as the Internal Service Fund use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

The Internal Service Fund consists of Other Postemployment Benefits Revocable Trust for retiree health benefits and a Self-Insurance Program for Health and Dental Benefits. The OPEB Trust had an increase in net position of \$272,424 due to earnings on investments of \$1,066,762 less OPEB payments in FY2020 of \$794,338.

At June 30, 2020, the OPEB Trust Fund had net position of \$23,300,418 available to fund the OPEB Liability of \$11,092,793, or 210.9% of the actuary-calculated liability.

The Self Insurance Program for health and dental benefits had an increase in net position of \$3,099,856 as health care expenses per member decreased 20.4% in FY2020. With the onset of the COVID-19 Pandemic, subsequent quarantine periods and associated uncertainty as to the virulence of the virus, the cautious behavior of the plan members regarding obtaining medical care resulted in medical claims expense dropping between 55% and 60% for the months of April, May, and June 2020. During that time period, monthly premium revenue remained consistent.

The Self Insurance Program ended FY2020 with a net position of \$8,305,552, which equates to approximately 63.5% of operating expenses.

**INDEPENDENT SCHOOL DISTRICT NO. 276
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YEAR ENDED JUNE 30, 2020**

FUND BALANCES AND RESTRICTIONS

The General Fund Balance increased by a net \$4,587,976. The primary sources of the increase in the General Fund Balance was \$4.747 million in Operating Referendum Revenue over FY2019 due to a voter-approved increase of \$340 per pupil for FY2020 plus annual inflation in the total amount per pupil. Ongoing revenues to expenditures for school and administrative operations operated at a surplus of \$4,500,677 for FY2020.

The total Food Service Fund Balance of \$1,555,912 is retained to provide resources for the replacement of capital equipment. Any small net income margin in a given year is added to this restricted balance. It ensures that the Food Service Fund remains self-sufficient for revenues and expenditures so that no contribution is needed from the General Fund, thereby ensuring that General Fund revenues can be fully utilized for educational needs. The decrease in the Food Service Fund Balance of \$340,191 is due to the loss of revenue from student lunches and a la carte food sales in the period from March 16, 2020 through June 30, 2020 due to the mandated shutdown of schools in the state of Minnesota per the Governor of Minnesota's Executive Order 20-19. Revenue for the year came in at only 75% of budget due to the COVID-19 Pandemic shutdown. Expenditures for food supplies were also reduced to partially offset the loss of revenue and limit the loss for the year to \$340,191.

Capital Projects restricted balances totaling \$2,188,316 represent bond proceeds that have been issued and retained for specific construction or long-term facilities maintenance projects. Debt Service restricted fund balances totaling \$1,409,797 represent bond proceeds held for debt refunding and property tax revenues that have been collected for the purpose of paying scheduled interest payments and retiring debt principal.

**INDEPENDENT SCHOOL DISTRICT NO. 276
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YEAR ENDED JUNE 30, 2020**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of FY2020, the District had completed approximately \$6.26 million in long-term major maintenance. Construction in progress of approximately \$2.5 million consisted \$746,527 at the Minnetonka Community Education addition, with the remainder being long-term facilities maintenance projects that were to be completed in the summer of 2020, with work commencing prior to June 30, 2020. (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation expense for the year was approximately \$6.7 million.

**Table A-7
Capital Assets**

	2020	January 00, 1900	Percentage Change
Land	\$ 4,450,229	\$ 3,522,679	26.3 %
Construction in Progress	2,543,335	7,422,885	(65.7)
Land Improvements	23,759,272	22,939,284	3.6
Buildings and Improvements	212,245,815	201,904,465	5.1
Equipment	19,225,245	18,066,339	6.4
Less: Accumulated Depreciation	(101,124,149)	(94,925,774)	6.5
Total District Capital Assets	<u>\$ 161,099,747</u>	<u>\$ 158,929,878</u>	1.4

Construction – Next Five Years

As of June 30, 2020, building additions completed over the prior 10 years have brought the capacity of the District's facilities to an amount sufficient to hold 11,100 K-12 students, which is a cap in enrollment set by the School Board in October 2019.

As of June 30, 2020, the only new construction project in process is an addition to the Minnetonka Community Education Center at a total estimated cost of \$3.3 million. This project is being funded from a portion of the Community Service Fund Balance that built up over time. Special legislation enacted by the 2019 Minnesota Legislature approved \$3.3 million of the Community Education Fund Balance being transferred to General Fund Operating Capital account so that it could be used for construction of the addition. Completion of the project is expected by November 30, 2020.

There are no other immediate building addition projects or new building construction projects being considered by the District as of June 30, 2020. The District is studying options to provide space for a new Momentum Skilled Trades program which is planned to be offered to high school students in FY2022. This program will require space to meet the unique needs of the program. The District is also considering additional space for the Vantage Advanced Professional Studies program in future years as student participation in the program grows. A parcel of property has been purchased for a future facility site. The only other facility project activity is the annual major long-term maintenance program to keep existing facilities in a state of good repair, which is budgeted at \$4,900,000 annually to maintain the approximately 1.8 million square feet of buildings and 258 acres of land owned by the District. After 13 fiscal years of intense rebuilding of District school facilities, the level of bonding necessary to maintain the facilities in a state of good repair is dropping relative to the average for the previous decade and is expected to remain at a steady level in future years.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities

At year-end, the District had approximately \$162.3 million in outstanding par value of General Obligation bonds and Certificates of Participation. More detailed information about long-term liabilities can be found in Note 4 to the financial statements. The District continues to expect outstanding par value of long-term debt to decline each year. The total outstanding par value of General Obligation Bonds and Certificates of Participation decreased by \$355,000 as of June 30, 2020 compared to June 30, 2019.

The District estimates approximately \$11.61 million in postemployment severance and health benefits payable at June 30, 2020. The District also estimates Compensated Absences payable of approximately \$1.28 million.

Net Pension Liability of \$92.4 million reflects the District's assigned portion of the unfunded liabilities of the Teachers Retirement Association (TRA) and Public Employees Retirement Association (PERA) pension funds as required by GASB Statement 68.

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

	2020	January 00, 1900	Percentage Change
General Obligation Bonds	\$ 107,135,000	\$ 107,960,000	(0.8)%
Net Bond Premium and Discount	6,376,007	7,105,386	(10.3)
Certificates of Participation Payable	55,210,000	54,740,000	0.9
Capital Leases Payable	902,401	1,800,000	(49.9)
Promissory Note Payable	547,000	-	N/A
Net Pension Liability	92,425,180	90,916,823	1.7
Other Postemployment Benefits Payable	11,092,793	9,638,517	15.1
Severance Benefits Payable	516,327	616,094	(16.2)
Compensated Absences and Early Retirement Incentive Payable	1,549,029	1,628,066	(4.9)
Total Long-Term Liabilities	<u>\$ 275,753,737</u>	<u>\$ 274,404,886</u>	0.5
Bonds, Certificates of Participation, and Compensated Absences			
Due Within One Year	\$ 9,543,488	\$ 8,636,642	
Due in More Than One Year	162,692,276	165,212,904	
Total	<u>\$ 172,235,764</u>	<u>\$ 173,849,546</u>	

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

GENERAL FUND BUDGET

Included in this budget category are district operations, transportation, extra-curricular programs, capital, athletic equipment fees, Tonka Dome operations, Pagel Center operations, Art Center operations, and Capital Projects Levy. To provide focus to the budget management process, resources used to pay personnel costs, utilities, transportation, and supplies are separated from resources that are either restricted or committed for a specific purpose such as funds for capital, student fees collected to purchase extra-curricular equipment, funds designated to repay the other postemployment benefits commitment, and funds reserved for the Tonka Dome, Pagel Center, or Art Center facility. Those funds are reserved and not projected as available for operational expenditures. Table A-9 reflects the division of the General Fund for budget management purposes.

FY2020 actual revenue of approximately \$150.94 million exceeded FY2020 budgeted revenues of approximately \$150.91 million by \$28,855 or 0.02%.

**Table A-9
General Fund - Budget v. Actual
2019-2020**

	Budget	Actual	Variance	
			Over (Under)	Percent
Operational Budgets (Includes Transportation and Extra Curricular):				
Revenue	\$ 134,716,880	\$ 134,459,781	\$ (257,099)	(0.0)%
Expenditures	131,692,622	129,959,104	(1,733,518)	(1.3)
Revenue Over Expenditures	3,024,258	4,500,677	1,476,419	
Reserve General Fund Budgets:				
Revenue:				
Capital Expenditures	5,978,657	6,094,411	115,754	1.9
Athletic Equipment Fees	388,458	163,492	(224,966)	(57.9)
Fiduciary Funds	1,566,411	1,428,988	(137,423)	(8.8)
Arts Center	912,635	841,527	(71,108)	(7.8)
Tonka Dome	356,106	428,579	72,473	20.4
Pagel Center	533,806	533,806	-	-
Capital Projects Levy	6,458,092	6,989,316	531,224	8.2
Total Revenue	16,194,165	16,480,119	285,954	
Expenditures:				
Capital Expenditures	6,643,876	6,625,870	(18,006)	(0.3)
Athletic Equipment Fees	388,458	221,163	(167,295)	(43.1)
Fiduciary Funds	1,566,411	1,378,634	(187,777)	(12.0)
Arts Center	912,635	841,527	(71,108)	(7.8)
Tonka Dome	356,106	428,579	72,473	20.4
Pagel Center	559,504	584,878	25,374	4.5
Capital Projects Levy	6,655,027	6,312,167	(342,860)	(5.2)
Total Expenditures	17,082,017	16,392,820	(689,197)	
Revenue Over Expenditures	(887,852)	87,299	975,151	
Summary:				
Total Revenues	150,911,045	150,939,900	28,855	0.0
Total Expenditures	148,774,639	146,351,924	(2,422,715)	(1.6)
Revenue Over Expenditures	<u>\$ 2,136,406</u>	<u>\$ 4,587,976</u>	<u>\$ 2,451,570</u>	

*Interfund transfers in the General Fund are shown gross in this table but netted elsewhere.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

GENERAL FUND BUDGET (CONTINUED)

Actual expenditures of approximately \$146.4 million were \$2,422,715, or 1.6% less than budgeted expenditures of approximately \$148.8 million. The largest variances were due to lower expenditures for purchased services, supplies and materials in the period of March 16, 2020 through June 30, 2020, which is the period of time that the District was closed for distance learning as mandated by the Governor of Minnesota's Executive Order 20-19 in response to the COVID-19 Pandemic.

The District maintains several significant separate sub-funds that are rolled into the Operational General Fund results for reporting in the Comprehensive Annual Financial Report. These funds either have very specific function orientation or are utilized to fund noncapital equipment needs for various programs. As a result, they will typically maintain separate assigned fund balances and may accrue funds over several years for a specific project or purpose. As a result, it is not unusual for these funds to occasionally spend down a portion of their fund balance in addition to their annual revenues in a given year, with the expenditures going for that targeted purpose.

Under GASB 54, unassigned General Fund balances, plus General Fund assigned fund balances at the discretion of the School Board, are the best measure of school district health. The fund balances at the School Board's discretion in the assigned and unassigned categories totaled \$27,275,215 or 18.7% of FY2020 expenditures. The Board has had a fund balance policy in place since 1988 requiring maintenance of a general fund unassigned balance of a minimum 6% of expenditures.

The General Fund includes the operating expenditures incurred in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects. Management of General Fund resources is the primary focus of the School Board and administration.

With the exception of interest earnings, tickets receipts, and other miscellaneous revenue, all General Fund revenue is controlled by a complex set of state funding formulas. State formulas determine the basic level of funding by setting a uniform per pupil allowance for all Minnesota school districts. In addition, state formulas determine the amount of aid received for programs such as special education, concentrations of poverty, geographic dispersion of students, integration, English language learners, and nonpublic transportation. State formulas also set the maximum operating referendum revenue per pupil that districts may request of voters. Once the revenue is determined, another set of state formulas are used to calculate what portion of the revenue will be provided by property taxes and what portion will come from state aid.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

FACTORS BEARING ON THE DISTRICT'S FUTURE

For FY2020, the state of Minnesota provided funding increases including 2% on the main basic funding formula as the Minnesota economy has continued to recover from the Great Recession. Assuming the state can provide the revenues without any proration reductions, the major factor influencing the District's future will be the District's commitment to managing expenditures so that they do not exceed available resources. The District received approval from the voters of the District on November 3, 2015 for an operating referendum revenue extension and increase of \$340 per pupil for FY2017 and an increase of \$340 per pupil in FY2020. With the approval, additional ongoing revenue was generated in the amount of approximately \$4.3 million in FY2017 and approximately \$4.8 million in FY2020. The approval rate was 72%.

The District also received approval from the voters of the District for an extension of the technology referendum revenue on the November 3, 2015 ballot, which generates approximately \$6.2 million annually. The approval rate was 73%.

The District expects enrollment growth to stop at approximately 11,100 K-12 students in FY2021, as the School Board set that number as a cap on enrollment in October 2019. The District intends to operate its existing facilities at that 11,100 K-12-student level into the future.

Primary drivers of the District General Fund expense budget continue to be personnel related:

- Staffing salaries and benefits comprise approximately 88% of total General Fund expenditures
- The cost of collectively-bargained contracts with employee groups and unions
- Health insurance costs that increase approximately in the mid-single digits on an annual basis

As of the end of FY2020, as work is being done to provide in-school instruction during the COVID-19 Pandemic, factors exist that will raise operating costs for the FY2021 school year. Various mandates for instruction from the Minnesota Department of Health require school buildings to operate at only 50% capacity, buses to operate at only 50% capacity, and student lunches be provided in single serve containers. All operations must occur with staff and students wearing masks and other personal protective equipment, and disinfecting facilities on a frequent basis is necessary. These additional requirements add costs, while as of June 30, 2020, all state and local formula revenues for FY2021 are remaining at the same funded levels. Additional resources from the Federal Government will be available to offset a portion of the additional costs. Once the pandemic ends, with prudent budget management for subsequent years, the District is projected to have sufficient resources available in the District General Fund Balance to fund District education programs for FY2022 through at least FY2024 assuming continued modest financial support from the state of Minnesota. The District should be able to maintain a minimum 6% fund balance through the end of FY2024. Finances will continue to be monitored very closely into the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District 276, District Service Center, 5621 County Highway #101, Minnetonka, Minnesota 55345.

Bond Ratings

The District's bonds presently carry a Moody's "Aaa" rating.

Limitations on Debt

The state limits the amount of general obligation debt the District can issue to 15% of the assessed value of all taxable property within the District's corporate limits. Our outstanding debt is significantly below this limit – which is currently over \$1.4 billion.

BASIC FINANCIAL STATEMENTS

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 93,332,711
Cash with Fiscal Agent	1,264,388
Receivables:	
Property Taxes	28,633,437
Other Governments	12,754,200
Other	427,898
Prepaid Items	1,316,480
Inventories	391,509
Capital Assets:	
Land and Construction in Progress	6,993,564
Other Capital Assets, Net of Depreciation	154,106,183
Total Assets	<u>299,220,370</u>
DEFERRED OUTFLOWS OF RESOURCES	
Losses on Debt Refunding	1,839,208
Deferred Outflows - Pension Payments	76,584,031
Deferred Outflows - Other Postemployment Benefits	1,322,952
Total Deferred Outflows of Resources	<u>79,746,191</u>
LIABILITIES	
Salaries Payable	8,823,816
Accounts and Contracts Payable	5,471,418
Accrued Interest	1,707,305
Due to Other Governmental Units	190,848
Unearned Revenue	3,774,631
Long-Term Liabilities:	
Net Pension Liability	92,425,180
Other Postemployment Benefits Due Within One Year	870,423
Other Postemployment Benefits Liability Due in More Than One Year	10,222,370
Other Long-Term Liabilities Due Within One Year	9,543,488
Other Long-Term Liabilities Due in More Than One Year	162,692,276
Total Liabilities	<u>295,721,755</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	50,057,891
Deferred Inflows - Pensions	109,322,718
Deferred Inflows - Other Postemployment Benefits	165,753
Total Deferred Inflows of Resources	<u>159,546,362</u>
NET POSITION	
Net Investment in Capital Assets	16,960,040
Restricted for:	
General Fund Operating Capital Purposes	2,962,504
General Fund State-Mandated Reserves	339,827
Food Service	1,555,912
Community Service	1,141,606
Capital Projects - Building Construction	57,826
Unrestricted	(99,319,271)
Total Net Position	<u><u>\$ (76,301,556)</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
GOVERNMENTAL ACTIVITIES					
Administration	\$ 4,936,009	\$ -	\$ 403,963	\$ 149,973	\$ (4,382,073)
District Support Services	6,450,685	-	44,714	-	(6,405,971)
Regular Instruction	92,016,508	1,264,150	2,743,937	83,326	(87,925,095)
Vocational Education Instruction	961,154	-	25,331	-	(935,823)
Special Education Instruction	21,594,998	-	15,900,141	-	(5,694,857)
Instructional Support Services	6,914,441	141,938	32,291	-	(6,740,212)
Pupil Support Services	4,629,422	180,757	13,463	-	(4,435,202)
Sites and Buildings	11,665,056	-	902,655	1,575,013	(9,187,388)
Fiscal and Other Fixed Cost Programs	247,710	-	250,822	20	3,132
Food Service	4,933,756	3,702,981	1,027,669	-	(203,106)
Community Service	12,207,091	9,330,529	895,030	1,067	(1,980,465)
Transportation	5,382,421	-	224,985	-	(5,157,436)
Interest and Fiscal Charges on Long-Term Liabilities	5,965,431	-	-	-	(5,965,431)
Total School District	<u>\$ 177,904,682</u>	<u>\$ 14,620,355</u>	<u>\$ 22,465,001</u>	<u>\$ 1,809,399</u>	<u>(139,009,927)</u>
GENERAL REVENUES					
Property Taxes Levied for:					
General Purposes					42,493,968
Community Service					942,780
Debt Service					8,329,244
State Aid Not Restricted to Specific Purposes					82,544,597
Earnings on Investments					2,056,107
Miscellaneous					547,067
Total General Revenues					<u>136,913,763</u>
CHANGE IN NET POSITION					(2,096,164)
Net Position - Beginning					<u>(74,205,392)</u>
NET POSITION - ENDING					<u>\$ (76,301,556)</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2020	0
ASSETS							
Cash and Investments	\$ 45,441,111	\$ 1,938,401	\$ 2,365,600	\$ 1,579,524	\$ 5,497,913	\$ 56,822,549	\$ 53,535,805
Cash with Fiscal Agent	12,296	-	-	1,252,092	-	1,264,388	1,578,634
Receivables:							
Current Property Taxes	23,383,124	-	502,891	-	4,587,277	28,473,292	25,868,189
Delinquent Property Taxes	128,293	-	2,987	-	28,865	160,145	137,156
Accounts and Interest Receivable	221,207	456	202,226	4,009	-	427,898	892,885
Due from Other Minnesota School Districts	166,455	-	72,386	-	-	238,841	239,111
Due from Minnesota Department of Education	10,676,160	8,250	35,376	-	57,218	10,777,004	10,515,720
Due from Federal through Minnesota Department of Education	1,479,435	-	-	-	-	1,479,435	1,449,994
Due from Other Governmental Units	258,920	-	-	-	-	258,920	217,533
Due from Other Funds	794,338	-	-	-	-	794,338	707,637
Inventory	251,771	139,738	-	-	-	391,509	269,897
Prepays	1,578,958	14,646	56,493	-	1,086,193	2,736,290	3,239,507
Total Assets	\$ 84,392,068	\$ 2,101,491	\$ 3,237,959	\$ 2,835,625	\$ 11,257,466	\$ 103,824,609	\$ 98,652,068
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
Liabilities:							
Salaries and Compensated Absences Payable	\$ 5,468,053	\$ 32,476	\$ 357,462	\$ -	\$ -	\$ 5,857,991	\$ 4,907,441
Payroll Deductions and Employer Contributions Payable	2,963,801	471	1,553	-	-	2,965,825	2,633,846
Accounts and Contracts Payable	1,836,608	15,016	155,287	1,525,707	-	3,532,618	2,298,602
Due to Other Governmental Units	190,848	-	-	-	-	190,848	229,894
Unearned Revenue	481,257	497,616	624,704	-	-	1,603,577	2,148,835
Total Liabilities	10,940,567	545,579	1,139,006	1,525,707	-	14,150,859	12,218,618
Deferred Inflows of Resources:							
Unavailable Revenue - Contributions for Subsequent Years	-	-	-	-	-	-	350,000
Levied for Subsequent Year	40,367,933	-	957,347	-	8,732,611	50,057,891	47,437,927
Unavailable Revenue - Delinquent Property Taxes	128,293	-	2,987	-	28,865	160,145	137,156
Total Deferred Inflows of Resources	40,496,226	-	960,334	-	8,761,476	50,218,036	47,925,083
Fund Balance:							
Nonspendable:							
Inventory	251,771	139,738	-	-	-	391,509	269,897
Prepays	1,578,958	14,646	56,493	-	1,086,193	2,736,290	3,239,507
Restricted for:							
Student Activities	8,160	-	-	-	-	8,160	-
Scholarships	231,667	-	-	-	-	231,667	-
Projects Funded by Certificates of Participation	-	-	-	1,252,092	-	1,252,092	1,193,632
Operating Capital	2,962,504	-	-	-	-	2,962,504	3,678,713
Community Education	-	-	649,255	-	-	649,255	1,520,924
Early Childhood and Family Education	-	-	212,523	-	-	212,523	82,345
School Readiness	-	-	200,143	-	-	200,143	216,361
Adult Basic Education	-	-	14,524	-	-	14,524	14,524
Long-Term Facilities Maintenance	-	-	-	936,224	-	936,224	2,269,165
Restricted for Other Purposes	-	1,401,528	5,681	-	1,409,797	2,817,006	4,222,628
Restricted for Medical Assistance	100,000	-	-	-	-	100,000	56,484
Assigned for:							
Q Comp	263,376	-	-	-	-	263,376	666,458
Athletic Equipment	330,784	-	-	-	-	330,784	388,455
Operating Capital Deferred Use	-	-	-	-	-	-	219,483
Special Purposes	1,376,928	-	-	-	-	1,376,928	1,566,401
Capital Projects Tech Levy	547,000	-	-	-	-	547,000	-
Unassigned	25,304,127	-	-	(878,398)	-	24,425,729	18,903,390
Total Fund Balance	32,955,275	1,555,912	1,138,619	1,309,918	2,495,990	39,455,714	38,508,367
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 84,392,068	\$ 2,101,491	\$ 3,237,959	\$ 2,835,625	\$ 11,257,466	\$ 103,824,609	\$ 98,652,068

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total Fund Balance for Governmental Funds	\$ 39,455,714
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	4,450,229
Construction in Progress	2,543,335
Land Improvements, Net of Accumulated Depreciation	13,742,337
Buildings and Improvements, Net of Accumulated Depreciation	133,611,921
Equipment, Net of Accumulated Depreciation	6,751,925
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unearned revenue in the funds.	160,145
When a bond defeasance occurs the difference between the amount paid to the refunded bond escrow and the principal of the defeased debt is expensed in the governmental funds. These expenditures are capitalized on the statement of net position as deferred charges.	1,839,208
Interest on long-term debt which is paid prior to it becoming due is recorded as a prepaid item in the governmental funds, but for the government-wide purposes the interest accrues over time and, therefore, the prepaid is removed and expensed.	(1,419,810)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(1,707,305)
The District's net pension liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:	
Net Pension Liability	(92,425,180)
Deferred Inflows of Resources - Pensions	(109,322,718)
Deferred Outflows of Resources - Pensions	76,584,031
The District's OPEB liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year end are:	
Other Postemployment Benefits Liability	(11,092,793)
Deferred Inflows of Resources - Other Postemployment Benefits	(165,753)
Deferred Inflows of Resources - Other Postemployment Benefits	1,322,952
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:	
Bonds Payable	(107,135,000)
Unamortized Premiums	(6,376,007)
Certificates of Participation Payable	(55,210,000)
Promissory Note Payable	(547,000)
Obligations Under Capital Leases	(902,401)
Severance Benefits Payable	(516,327)
Compensated Absences Payable	(1,282,629)
Early Retirement Incentive Payable	(266,400)
Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:	31,605,970
Total Net Position of Governmental Activities	\$ (76,301,556)

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2020	0
REVENUES							
Local Sources:							
Property Taxes	\$ 42,472,695	\$ -	\$ 942,587	\$ -	\$ 8,327,721	\$ 51,743,003	\$ 47,752,873
Earnings and Investments	708,519	33,993	55,655	9,940	39,446	847,553	923,943
Other	5,573,242	3,707,821	9,700,858	37,500	-	19,019,421	23,423,379
State Sources	98,568,215	104,728	519,005	-	578,663	99,770,611	96,228,983
Federal Sources	2,197,099	918,101	-	-	-	3,115,200	2,996,291
Total Revenues	149,519,770	4,764,643	11,218,105	47,440	8,945,830	174,495,788	171,325,469
EXPENDITURES							
Current:							
Administration	4,443,920	-	-	-	-	4,443,920	4,270,151
District Support Services	6,343,341	-	-	-	-	6,343,341	6,150,430
Elementary and Secondary Regular Instruction	80,321,434	-	-	-	-	80,321,434	76,259,944
Vocational Education Instruction	896,121	-	-	-	-	896,121	582,801
Special Education Instruction	20,421,959	-	-	-	-	20,421,959	19,597,432
Instructional Support Services	6,499,566	-	-	-	-	6,499,566	6,738,998
Pupil Support Services	4,249,036	-	-	-	-	4,249,036	4,015,384
Sites and Buildings	8,734,327	-	-	-	-	8,734,327	8,481,626
Fiscal and Other Fixed Cost Programs	247,710	-	-	-	-	247,710	243,794
Food Service	-	4,878,178	-	-	-	4,878,178	5,491,043
Community Service	-	-	12,012,110	-	-	12,012,110	11,986,244
Transportation	5,382,421	-	-	-	-	5,382,421	4,993,905
Capital Outlay	3,402,382	226,656	101,674	7,982,071	-	11,712,783	13,567,874
Debt Service:							
Principal	2,592,599	-	-	-	5,390,000	7,982,599	8,556,614
Interest and Fiscal Charges	2,317,587	-	-	-	3,923,580	6,241,167	6,275,587
Total Expenditures	145,852,403	5,104,834	12,113,784	7,982,071	9,313,580	180,366,672	177,211,827
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,667,367	(340,191)	(895,679)	(7,934,631)	(367,750)	(5,870,884)	(5,886,358)
OTHER FINANCING SOURCES (USES)							
Sale of Bonds	-	-	-	4,665,000	2,420,000	7,085,000	12,430,000
Bond Premium	-	-	-	257,961	115,860	373,821	859,070
Issuance of Certificates of Participation	-	-	-	1,160,000	12,185,000	13,345,000	14,365,000
Premium on Certificates of Participation	-	-	-	152,542	249,894	402,436	1,423,426
Capital Leases	-	-	-	-	-	-	2,521,614
Proceeds from Other State and Nonstate Loans Received	547,000	-	-	-	-	547,000	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	(14,935,026)	(14,935,026)	(20,419,461)
Transfers In	373,663	-	-	-	54	373,717	3,566,280
Transfers Out	(54)	-	-	-	(373,663)	(373,717)	(3,566,280)
Total Other Financing Sources (Uses)	920,609	-	-	6,235,503	(337,881)	6,818,231	11,179,649
NET CHANGE IN FUND BALANCE	4,587,976	(340,191)	(895,679)	(1,699,128)	(705,631)	947,347	5,293,291
FUND BALANCES							
Beginning of Year	28,367,299	1,896,103	2,034,298	3,009,046	3,201,621	38,508,367	33,215,076
End of Year	<u>\$ 32,955,275</u>	<u>\$ 1,555,912</u>	<u>\$ 1,138,619</u>	<u>\$ 1,309,918</u>	<u>\$ 2,495,990</u>	<u>\$ 39,455,714</u>	<u>\$ 38,508,367</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balance - Total Governmental Funds **\$ 947,347**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period:

Capital Outlays	9,188,434
Loss on Disposal of Capital Assets	(311,541)
Depreciation Expense	(6,707,024)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unearned in the governmental funds.	22,989
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Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	(10,171,682)
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In the statement of activities, certain operating expenses - severance benefits, compensated absences, and retirement incentives - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).	178,804
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Payments to the District's OPEB liability are recognized as expenditures at the fund level while the change in the OPEB obligation and the related deferred inflows and outflows of resources are recognized in the statement of net position.	(55,875)
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The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in treatment is as follows:

General Obligation and Certificates of Participation Bond Proceeds	(20,430,000)
Bond Premium or Discount	(776,257)
Promissory Note Proceeds	(547,000)
Payment to Refunded Bond Escrow Agent	14,935,026
Bond Premium Included in Loss on Refunding	(1,061,779)
Repayment of Bond Principal	5,390,000
Repayment of Certificates of Participation Payable	2,592,599
Change in Accrued Interest Payable	230,789
Change in Prepaid Interest Expensed	(56,095)
Amortization of Bond Premium	1,505,636
Amortization of Deferred Charges on Refunding Bonds	(342,815)

Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.	3,372,280
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Total	\$ (2,096,164)
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**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	\$ 42,427,969	\$ 42,480,022	\$ 42,472,695	\$ (7,327)
Earnings and Investments	655,000	550,000	708,519	158,519
Other	5,386,705	5,727,583	5,573,242	(154,341)
State Sources	97,129,236	98,345,665	98,568,215	222,550
Federal Sources	2,075,902	2,910,295	2,197,099	(713,196)
Total Revenues	<u>147,674,812</u>	<u>150,013,565</u>	<u>149,519,770</u>	<u>(493,795)</u>
EXPENDITURES				
Current:				
Administration	4,618,507	4,265,298	4,443,920	178,622
District Support Services	7,466,490	6,365,939	6,343,341	(22,598)
Elementary and Secondary Regular Instruction	77,512,401	80,605,980	80,321,434	(284,546)
Vocational Education Instruction	838,915	915,063	896,121	(18,942)
Special Education Instruction	20,534,083	21,929,956	20,421,959	(1,507,997)
Instructional Support Services	7,485,147	6,890,064	6,499,566	(390,498)
Pupil Support Services	4,576,530	4,188,130	4,249,036	60,906
Sites and Buildings	8,161,859	8,260,563	8,734,327	473,764
Fiscal and Other Fixed Cost Programs	268,126	248,000	247,710	(290)
Transportation	4,913,349	5,330,692	5,382,421	51,729
Capital Outlay	2,716,046	3,964,712	3,402,382	(562,330)
Debt Service:				
Principal	1,885,000	2,897,599	2,592,599	(305,000)
Interest and Fiscal Charges	1,966,482	2,388,269	2,317,587	(70,682)
Total Expenditures	<u>142,942,935</u>	<u>148,250,265</u>	<u>145,852,403</u>	<u>(2,397,862)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,731,877</u>	<u>1,763,300</u>	<u>3,667,367</u>	<u>1,904,067</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Other State and Nonstate				
Loans Received	-	-	547,000	547,000
Transfers In	-	373,106	373,663	557
Transfers Out	-	-	(54)	(54)
Total Other Financing Sources (Uses)	<u>-</u>	<u>373,106</u>	<u>920,609</u>	<u>547,503</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,731,877</u>	<u>\$ 2,136,406</u>	<u>4,587,976</u>	<u>\$ 2,451,570</u>
FUND BALANCE				
Beginning of Year			28,367,299	
End of Year			<u>\$ 32,955,275</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – BUDGET AND ACTUAL – MAJOR FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Earnings and Investments	\$ 8,500	\$ 8,500	\$ 33,993	\$ 25,493
Other - Primarily Meal Sales	5,260,311	5,260,311	3,707,821	(1,552,490)
State Sources	140,468	140,468	104,728	(35,740)
Federal Sources	945,694	945,694	918,101	(27,593)
Total Revenues	<u>6,354,973</u>	<u>6,354,973</u>	<u>4,764,643</u>	<u>(1,590,330)</u>
EXPENDITURES				
Current:				
Food Service	5,570,585	5,815,587	4,878,178	(937,409)
Capital Outlay	<u>378,000</u>	<u>378,000</u>	<u>226,656</u>	<u>(151,344)</u>
Total Expenditures	<u>5,948,585</u>	<u>6,193,587</u>	<u>5,104,834</u>	<u>(1,088,753)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 406,388</u>	<u>\$ 161,386</u>	(340,191)	<u>\$ (501,577)</u>
FUND BALANCE				
Beginning of Year			<u>1,896,103</u>	
End of Year			<u>\$ 1,555,912</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – BUDGET AND ACTUAL – MAJOR COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Local Sources:				
Property Taxes	\$ 947,266	\$ 947,266	\$ 942,587	\$ (4,679)
Earnings and Investments	55,000	55,000	55,655	655
Other - Primarily Tuition and Fees	11,669,983	12,176,110	9,700,858	(2,475,252)
State Sources	<u>510,930</u>	<u>518,444</u>	<u>519,005</u>	<u>561</u>
Total Revenues	<u>13,183,179</u>	<u>13,696,820</u>	<u>11,218,105</u>	<u>(2,478,715)</u>
EXPENDITURES				
Current:				
Community Service	13,034,342	13,159,500	12,012,110	(1,147,390)
Capital Outlay	<u>411,150</u>	<u>276,700</u>	<u>101,674</u>	<u>(175,026)</u>
Total Expenditures	<u>13,445,492</u>	<u>13,436,200</u>	<u>12,113,784</u>	<u>(1,322,416)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (262,313)</u>	<u>\$ 260,620</u>	(895,679)	<u>\$ (1,156,299)</u>
FUND BALANCE				
Beginning of Year			<u>2,034,298</u>	
End of Year			<u>\$ 1,138,619</u>	

See accompanying Notes to Basic Financial Statements.

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)

	Governmental Activities - Internal Service Funds	
	2020	0
CURRENT ASSETS		
Cash and Investments	\$ 36,510,162	\$ 33,002,483
CURRENT LIABILITIES		
Accounts Payable	4,800	4,078
Claims Payable - Medical	1,934,000	1,993,200
Due to Other Funds	794,338	707,637
Unearned Revenue	2,171,054	2,063,878
Total Current Liabilities	4,904,192	4,768,793
NET POSITION		
Unrestricted	\$ 31,605,970	\$ 28,233,690

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN
NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

	Governmental Activities - Internal Service Funds	
	2020	0
OPERATING REVENUES		
Charges for Services:		
Health Insurance Premiums	\$ 14,996,794	\$ 13,843,001
Dental Insurance Premiums	1,049,031	1,049,031
Total Operating Revenues	<u>16,045,825</u>	<u>14,892,032</u>
OPERATING EXPENSES		
Salaries	104,358	91,229
VEBA Contributions	1,074,755	2,432,314
Wellness Payments	40,830	38,430
Health Insurance Claim Payments	10,149,201	11,290,890
Dental Insurance Claim Payments	904,971	959,208
OPEB Payments	794,338	707,637
General Administration Fees	810,290	1,044,006
Total Operating Expenses	<u>13,878,743</u>	<u>16,563,714</u>
OPERATING INCOME (LOSS)	2,167,082	(1,671,682)
NONOPERATING INCOME		
Earnings on Investments	<u>1,205,198</u>	<u>1,448,254</u>
CHANGE IN NET POSITION	3,372,280	(223,428)
Net Position - Beginning	<u>28,233,690</u>	<u>28,457,118</u>
NET POSITION - ENDING	<u><u>\$ 31,605,970</u></u>	<u><u>\$ 28,233,690</u></u>

See accompanying Notes to Basic Financial Statements.

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)

	Governmental Activities - Internal Service Funds	
	2020	0
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Interfund Services Provided	\$ 16,153,001	\$ 15,889,338
Payments for Administrative Costs	(810,290)	(1,044,006)
Payments for Salaries	(104,358)	(91,229)
Payments for Medical Fees and Insurance Claims	(11,112,650)	(12,072,202)
Payments for Wellness	(40,830)	(38,430)
Payments to Employee VEBA Accounts	(1,074,755)	(2,432,314)
Payments for Retirement Benefits	(707,637)	(627,570)
Net Cash Provided (Used) by Operating Activities	2,302,481	(416,413)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	138,436	169,185
Proceeds from Sale of Investments	707,637	627,570
Net Cash Provided by Investing Activities	846,073	796,755
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,148,554	380,342
Cash and Cash Equivalents - Beginning	9,266,852	8,886,510
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 12,415,406</u>	<u>\$ 9,266,852</u>
Total Cash and Investments per Statement of Net Position	\$ 36,510,162	\$ 33,002,483
Less: Investments Included in Cash and Investments	(24,094,756)	(23,735,631)
Total Cash and Cash Equivalents	<u>\$ 12,415,406</u>	<u>\$ 9,266,852</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 2,167,082	\$ (1,671,682)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Accounts Payable	722	(504)
Increase (Decrease) in Claims Payable	(59,200)	178,400
Increase in Due to Other Funds	86,701	80,067
Increase in Unearned Revenue	107,176	997,306
Total Adjustments	135,399	1,255,269
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,302,481</u>	<u>\$ (416,413)</u>
NONCASH INVESTING ACTIVITIES		
Increase in Fair Value of Investments	<u>\$ 2,263,397</u>	<u>\$ 1,575,355</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

	<u>Custodial Funds</u>
ASSETS	
Cash and Investments	\$ 339,367
LIABILITIES	
Accounts and Contracts Payable	<u> 1,494</u>
NET POSITION	
Restricted	<u><u>\$ 337,873</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2020**

	<u>Custodial Funds</u>
ADDITIONS	
Gifts and Donations	\$ 103,645
LCTS Grants	<u>289,257</u>
Total Additions	392,902
 DEDUCTIONS	
Grants Distributed	<u>369,533</u>
 CHANGE IN NET POSITION	23,369
 Net Position - Beginning of Year	<u>314,504</u>
 NET POSITION - END OF YEAR	<u><u>\$ 337,873</u></u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 276 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Financial Reporting Entity

Independent School District No. 276 (the District) is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

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

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

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. In accordance with Minnesota state statutes, the District's student activity accounts are included in these financial statements. As part of the implementation of GASB Statement No. 84 in the fiscal year ended June 30, 2020, the District's student activity funds were under board control and were moved into the District's General Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation

The government-wide financial statements (i.e. the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The Fiduciary Funds are only reported in the statements of fiduciary net position at the fund financial statement level.

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

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

Separate Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: custodial funds. 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 statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. Internal payments received in the internal service funds are eliminated on the government-wide statements as reductions to expenses and the net cost of these services is reported in the appropriate functional activity.

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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

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

1. Revenue Recognition

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

2. Recording of Expenditures

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

The District reports unearned revenue on its statement of net position and balance sheet. Unearned revenues arise when resources are received by the District before it has a legal claim to them. In subsequent periods when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and balance sheet and revenue is recognized.

Description of Funds

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

Major Governmental Funds

General Fund

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

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues recorded in this fund include meal sales to pupils along with state and federal reimbursements for meals.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services. Revenues recorded in this fund include property taxes restricted for Community Service purposes and tuition and fees charged for Community Education.

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. The Fund was established for building construction activity authorized by specific voter-approved bond issues.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Major Governmental Funds (Continued)

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs. The regular debt service account is used for all general obligation bond debt service, except for refunding bond issues, for which a separate refunding bond trust account has been established. Additionally, during fiscal year 2009, the District established a debt service fund to account for proceeds of taxable Other Postemployment Benefits bonds.

Proprietary Fund

Internal Service Fund

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

Fiduciary Fund

The District maintains a custodial fund which is used to account for money held by the District in the capacity of custodian, where both the principal and interest may be spent. Activity within this fund consists of grants which are awarded to individuals by external entities as well as funds related to Local Collaborative Time Study (LCTS) grant funds. The District receives these funds from the LCTS and disburses them to members at the determination and discretion of the LCTS.

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Capital Projects – Buildings Construction, and Debt Service Funds. The approved budget is published in electronic form to the District's website. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board. Individual amendments were not material in relation to the original appropriations.

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

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

No governmental funds of the District had expenditures in excess of budgeted amounts for fiscal year 2020, except for the Capital Projects Fund, as shown below. Overages were the result of timing differences in contributions projects that spanned fiscal years.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Capital Projects Fund	<u>\$ 6,948,272</u>	<u>\$ 7,982,071</u>	<u>\$ 1,033,799</u>

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

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

F. Cash and Investments

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

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment which meet the criteria included in GASB Statement No. 79 are measured at amortized cost.

G. Accounts Receivable

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed in the periods benefitted.

J. Property Taxes

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

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

In accordance with State law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$3,991,124) advance recognized as revenue in fiscal 2020 with no corresponding state aid adjustment. Certain other portions of the District's 2019 pay 2020 levy, normally revenue for the 2020-21 fiscal year, are also advance recognized as June 30, 2020, as required by state statute to match revenue with the same fiscal year as the related expenditures.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is shown as a deferred inflow of resources because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2020, are included in the Property Taxes Levied for Subsequent Year account to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

K. Capital Assets

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

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

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

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has two types of item that qualifies for reporting in this category. When refunding debt issuances, the difference between the reacquisition price of the refunded debt and the net carrying amount of that debt (net of any unamortized premium or discount) is considered a deferred outflow of resources and amortized as a component of interest expense over the shorter of the remaining life of the refunded debt or the life of the new refunding debt. The District also reports deferred outflows of resources related to pensions and other postemployment benefits. See Notes 7 and 12 for additional detail.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. The third type of deferred inflows reported is related to pensions and other postemployment benefits. See Notes 7 and 12 for additional detail.

M. Long-Term Obligations

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

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

N. Accrued Employee Benefits

Vacation Pay

The long-term portion of vacation liabilities is recorded as compensated absences payable in long-term debt in the government-wide financial statements.

Sick Pay

Certain district employees are entitled to sick leave at various rates. Unused sick leave is a factor in the calculation of an employee's severance pay upon retirement for certain employee groups.

Severance and Health Benefits

Severance and health benefits consist of convertible sick leave and postemployment health care benefits. Accounting policies for severance and health benefits are described below.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Accrued Employee Benefits (Continued)

Severance and Health Benefits (Continued)

1. Convertible Sick Leave

Certain bargaining unit members are eligible to be compensated for unused accumulated sick leave upon termination subject to certain conditions. If convertible sick leave payments are owed at year-end, an accrual is made in the governmental fund incurring the liability. The amount of convertible sick leave is recorded as a liability in the long-term debt as it is earned and when it becomes probable that it will vest at some point in the future.

During fiscal year 2020, the District's expenditures for convertible sick leave totaled approximately \$475,575. At June 30, 2020, the long-term portion of the convertible sick leave liability is included as part of long-term debt and represents \$516,327 of the total severance and health benefits payable amount.

2. Postemployment Health Care Benefits

In addition to retirement benefits, the District provides postretirement medical insurance benefits to teachers, administrators, principals, food service workers, custodians, and clerical employees, in accordance with their respective master employment agreements. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. See Note 12 for further information.

3. 403(b) Plan

Members of certain employee groups may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan established under IRC Section 403(b).

Pensions

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

O. Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments with an original maturity from the time of purchase by the District of three months or less to be cash equivalents. The Proprietary Fund's equity in the Government-wide cash and investment management pool is considered to be cash equivalents. Amounts invested in the OPEB trust included in the proprietary fund are not considered to be cash and cash equivalents.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Restricted Assets

Restricted assets are cash and investments whose use is limited by legal requirements such as a bond indenture. Restricted assets in these financial statements are labeled "Cash and Investments Held by Trustee".

Q. Fund Balance

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

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

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

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

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

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

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

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation is provided by SFM Insurance with property and casualty insurance provided by Lloyds of London/Brit Syndicate. Workers compensation is serviced through a local agent and property and casualty is serviced through ALPS, a consortium of seven local school districts, who assist in the annual review of coverage. In addition, safety specialists from SFM Insurance visit the District annually to inspect the work environment in an effort to assist District staff to identify unsafe work conditions. There were no insurance settlements exceeding claims in any of the previous three years.

S. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the Government-wide, Proprietary Fund, and Fiduciary Fund financial statements. Net investment in capital assets consists of capital assets, net of accumulation depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

T. Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

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

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral includes: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

At June 30, 2020, the District's deposits had a bank balance of \$37,840,473 and a carrying amount of \$35,470,962. At June 30, 2020, the District's petty cash fund totaled \$3,300.

B. Investments

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

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rate "A" or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers
- Investments related to the OPEB Revocable Trust Fund may be invested in accordance with Minnesota Statute 356A.06

At June 30, 2020, the District’s investment balances were as follows:

<u>Investments Measured at Fair Value</u>	<u>Fair Value</u>
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 3,334,604
Municipal Bonds	155,445
Corporate Bonds	4,596,871
Mutual Funds	1,198,767
Equities	12,156,248
Real Estate Investment Trusts	117,056
Real Asset Funds	1,675,236
Total Investments at Fair Value	<u>\$ 23,234,227</u>
<u>Investments Measured at Amortized Cost</u>	<u>Amortized Cost</u>
Federated Treasury Cash Series	\$ 624,630
MSDLAF+	23,051,866
MSDLAF CD Program	9,795,000
MN Trust Investment Shares	631,564
Money Markets	2,124,917
Total Investments at Amortized Cost	<u>\$ 36,227,977</u>

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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

Type	Total	Maturity Duration in Years				No Maturities	Rating
		Less Than 1	1 to 5	6 to 10	More Than 10		
U.S. Treasury Notes	\$ 3,334,604	\$ -	\$ 2,321,302	\$ 1,013,302	\$ -	\$ -	NR
Mutual Funds	1,198,767	-	-	-	-	1,198,767	NR
Real Estate Investment Trusts	117,056	-	-	-	-	117,056	NR
Municipal Bonds	155,445	-	155,445	-	-	-	AAA
Real Asset Funds	1,675,236	-	-	-	-	1,675,236	NR
Equities	12,156,248	-	-	-	-	12,156,248	NR
Corporate Bonds	4,596,871	-	3,360,234	1,236,637	-	-	BBB to AA+
Federated Treasury Cash Series	624,630	-	-	-	-	624,630	NR
MSDLAF+	23,051,866	-	-	-	-	23,051,866	AAAf
MSDLAF CD Program	9,795,000	9,795,000	-	-	-	-	AAAf
MN Trust Investment Shares	631,564	-	-	-	-	631,564	AAAm
Money Market Funds	2,124,917	-	-	-	-	2,124,917	AAA
Total	<u>\$ 59,462,204</u>	<u>\$ 9,795,000</u>	<u>\$ 5,836,981</u>	<u>\$ 2,249,939</u>	<u>\$ -</u>	<u>\$ 41,580,284</u>	

Concentration of Credit Risk – The District places no limit on the amount that the District may invest in any one issuer. The District had no investments at June 30, 2020 which individually comprised more than 5% of total investments.

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

Cash and Investments - Statement of Net Position	\$ 93,332,711
Cash and Investments Held by Trustee - Statement of Net Position	1,264,388
Cash and Investments - Statement of Fiduciary Net Position	339,367
Total Cash and Investments	<u>\$ 94,936,466</u>

Cash and Investments Held by Trustee – Cash and investments held by trustee are held by an escrow agent in accordance with escrow agreements established with the sale of various refunding bonds and capitalized interest.

C. Fair Value Measurements

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

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

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

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

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

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

Measured at <u>Fair Value Investment</u>	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$ -	\$ 155,445	\$ -	\$ 155,445
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	3,334,604	-	-	3,334,604
Corporate Bonds	4,596,871	-	-	4,596,871
Mutual Funds	1,198,767	-	-	1,198,767
Equities	12,156,248	-	-	12,156,248
Real Estate Investment Trusts	117,056	-	-	117,056
Real Asset Funds	458,309	-	1,216,927	1,675,236
Total	<u>\$ 21,861,855</u>	<u>\$ 155,445</u>	<u>\$ 1,216,927</u>	<u>23,234,227</u>
Investments Measured at Amortized Cost				36,227,977
Total				<u>\$ 59,462,204</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated					
Land	\$ 3,522,679	\$ 927,550	\$ -	\$ -	\$ 4,450,229
Construction in Progress	7,422,885	5,434,450	(10,314,000)	-	2,543,335
Total Capital Assets, Not Being Depreciated	10,945,564	6,362,000	(10,314,000)	-	6,993,564
Capital Assets, Being Depreciated					
Land Improvements	22,939,284	1,538,388	(718,400)	-	23,759,272
Buildings and Improvements	201,904,465	10,341,350	-	-	212,245,815
Equipment	18,066,339	1,260,696	(101,790)	-	19,225,245
Total Capital Assets, Being Depreciated	242,910,088	13,140,434	(820,190)	-	255,230,332
Accumulated Depreciation for:					
Land Improvements	(9,152,872)	(1,163,463)	434,033	(134,633)	(10,016,935)
Buildings and Improvements	(74,029,753)	(4,738,774)	-	134,633	(78,633,894)
Equipment	(11,743,149)	(804,787)	74,616	-	(12,473,320)
Total Accumulated Depreciation	(94,925,774)	(6,707,024)	508,649	-	(101,124,149)
Total Capital Assets, Being Depreciated, Net	147,984,314	6,433,410	(311,541)	-	154,106,183
Governmental Activities Capital Assets, Net	<u>\$ 158,929,878</u>	<u>\$ 12,795,410</u>	<u>\$ (10,625,541)</u>	<u>\$ -</u>	<u>\$ 161,099,747</u>

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

Governmental Activities	
Administration	\$ 2,715
District Support Services	113,768
Regular Instruction	6,336,310
Vocational Education Instruction	4,347
Special Education Instruction	1,018
Instructional Support Services	554
Pupil Support Services	782
Sites and Buildings	122,731
Food Service	90,847
Community Service	33,952
Total Depreciation Expense, Governmental Activities	<u>\$ 6,707,024</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 LONG-TERM LIABILITIES

The District has issued general obligation school building bonds and lease purchase obligations to finance the construction of capital facilities or to refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies are dedicated for the retirement of these bonds and loans. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

A. Components of Long-Term Debt

Issue Date	Net Interest Rate	Series Number	Original Issue	Maturities	Principal Outstanding	
					Due Within One Year	Total
11/1/2011	1.8% - 2.2%	2011D	\$ 2,140,000	2013-2022	\$ 230,000	\$ 465,000
7/1/2012	0.65% - 3.0%	2012C	1,400,000	2014-2033	65,000	980,000
11/1/2012	0.7% - 2.5%	2012F	1,205,000	2015-2023	135,000	420,000
10/1/2012	0.5% - 3.0%	2012G	1,245,000	2015-2034	55,000	915,000
1/1/2013	0.55% - 2.6%	2013B	2,200,000	2015-2034	100,000	1,615,000
2/1/2013	0.35% - 3.3%	2013E	24,095,000	2014-2031	885,000	20,270,000
7/1/2013	1.0% - 2.9%	2013F	1,230,000	2015-2029	80,000	775,000
7/1/2013	0.5% - 2.75%	2013G	3,475,000	2015-2023	400,000	1,220,000
11/7/2013	2.0% - 4.0%	2013H	13,325,000	2015-2026	1,115,000	7,400,000
1/1/2014	0.55% - 4.0%	2014A	1,650,000	2015-2034	70,000	1,240,000
7/1/2014	0.65% - 3.75%	2014D	1,950,000	2015-2035	85,000	1,560,000
2/11/2015	2.0% - 4.0%	2015A	3,005,000	2015-2035	130,000	2,510,000
2/11/2015	3.0% - 4.0%	2015B	1,765,000	2015-2034	-	1,765,000
4/25/2015	2.0% - 3.0%	2015D	1,595,000	2016-2024	260,000	855,000
7/13/2015	3.0% - 3.5%	2015E	4,000,000	2024-2035	-	4,000,000
11/30/2015	2.55% - 4.4%	2016A	705,000	2021-2038	25,000	610,000
11/30/2015	2.0% - 4.0%	2016B	2,540,000	2017-2038	100,000	2,175,000
1/12/2016	2.0% - 4.0%	2016E	5,870,000	2018-2036	255,000	5,135,000
2/2/2016	2.0% - 3.0%	2016I	15,260,000	2017-2028	345,000	14,375,000
3/2/2016	1.2% - 3.3%	2016J	1,420,000	2019-2031	100,000	1,220,000
7/6/2016	2.0% - 3.0%	2016M	5,785,000	2017-2037	-	4,910,000
10/23/2017	3.0% - 5.0%	2017B	14,415,000	2019-2038	580,000	13,455,000
9/27/2018	3.7% - 5.0%	2018E	5,060,000	2021-2040	155,000	5,060,000
1/10/2019	3.0% - 5.0%	2019B	2,000,000	2020-2038	-	1,930,000
3/6/2019	3.375% - 5.0%	2019C	5,370,000	2020-2039	175,000	5,245,000
7/8/2019	3.0% - 5.0%	2019D	2,710,000	2020-2039	-	2,655,000
10/3/2019	3.0%	2019F	1,955,000	2021-2040	55,000	1,955,000
1/31/2020	3.0% - 4.0%	2020A	1,175,000	2021-2030	100,000	1,175,000
2/26/2020	1.66% - 2.25%	2020C	1,245,000	2021-2030	115,000	1,245,000
Total General Obligation Bonds					<u>\$ 5,615,000</u>	<u>\$ 107,135,000</u>
Bond Premiums					<u>\$ -</u>	<u>\$ 6,376,007</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

	Principal Outstanding	
	Due Within One Year	Total
<u>Certificates of Participation</u>		
Certificates of Participation 2012A	\$ 170,000	\$ 2,345,000
Certificates of Participation 2012D	110,000	455,000
Certificates of Participation 2013A	-	2,400,000
Certificates of Participation 2013D	60,000	870,000
Certificates of Participation 2014B	70,000	1,360,000
Certificates of Participation 2014C	220,000	3,675,000
Certificates of Participation 2016C	75,000	1,795,000
Certificates of Participation 2016D	75,000	1,795,000
Certificates of Participation 2016F	170,000	3,895,000
Certificates of Participation 2016G	40,000	850,000
Certificates of Participation 2016H	105,000	2,510,000
Certificates of Participation 2016K	115,000	1,165,000
Certificates of Participation 2016L	80,000	1,805,000
Certificates of Participation 2016N	50,000	1,070,000
Certificates of Participation 2016O	65,000	1,415,000
Certificates of Participation 2017A	-	2,845,000
Certificates of Participation 2017C	85,000	2,110,000
Certificates of Participation 2018B	35,000	965,000
Certificates of Participation 2018D	40,000	1,240,000
Certificates of Participation 2019A	220,000	7,300,000
Certificates of Participation 2019E	150,000	4,045,000
Certificates of Participation 2020B	155,000	8,140,000
Certificates of Participation 2020D	-	1,160,000
Total Certificates of Participation	2,090,000	55,210,000
Promissory Note	109,400	547,000
Capital Leases Payable	902,401	902,401
Compensated Absences Payable	855,087	1,282,629
Severance Benefits Payable	-	516,327
Early Retirement Incentive Payable	81,000	266,400
Total	<u>\$ 9,543,488</u>	<u>\$ 172,235,764</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable	
	Principal	Interest	Principal	Interest
2021	\$ 5,615,000	\$ 3,588,857	\$ 2,090,000	\$ 1,949,424
2022	6,275,000	3,355,769	2,420,000	1,969,038
2023	6,330,000	3,170,878	2,415,000	1,869,270
2024	5,980,000	2,957,229	2,550,000	1,791,761
2025	10,150,000	2,749,121	2,645,000	1,701,576
2026-2030	42,870,000	9,085,805	14,330,000	7,011,784
2031-2035	21,045,000	3,584,554	14,730,000	4,324,332
2036-2040	8,870,000	675,588	11,000,000	1,745,453
2041-2045	-	-	3,030,000	172,574
Total	<u>\$ 107,135,000</u>	<u>\$ 29,167,801</u>	<u>\$ 55,210,000</u>	<u>\$ 22,535,212</u>

Year Ending June 30,	Promissory Note		Total	
	Principal	Interest	Principal	Interest
2021	\$ 109,400	\$ 17,969	\$ 7,814,400	\$ 5,556,250
2022	109,400	13,976	8,804,400	5,338,783
2023	109,400	9,983	8,854,400	5,050,131
2024	109,400	5,990	8,639,400	4,754,980
2025	109,400	1,996	12,904,400	4,452,693
2026-2030	-	-	57,200,000	16,097,589
2031-2035	-	-	35,775,000	7,908,886
2036-2040	-	-	19,870,000	2,421,041
2041-2045	-	-	3,030,000	172,574
Total	<u>\$ 547,000</u>	<u>\$ 49,914</u>	<u>\$ 162,892,000</u>	<u>\$ 51,752,927</u>

In addition to the above future payment schedule, the District had future capital lease payments of \$902,401 due in 2021. The capital lease is related to the leasing of iPads for instructional use. As each individual asset is below the District's capitalization threshold, they were not capitalized and, as such there is no related capital asset value or accumulated depreciation related to the leases which would warrant disclosure.

C. Description of Long-Term Debt

General Obligation School Building Bonds

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

In November 2011, the District issued \$2,140,000 of General Obligation Refunding Bonds, Series 2011D. The proceeds of this issue were used to restructure the principal and interest due for fiscal year 2012 for the District's 2004B Alternative Facilities bonds.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

General Obligation School Building Bonds (Continued)

In July 2012, the District issued \$1,400,000 of General Obligation Alternative Facilities bonds, Series 2012C. The proceeds of this issue were used to pay for long-term maintenance projects in FY2013 and FY2014 as part of the District's Alternative Facilities 10-Year Plan.

In November 2012, the District issued \$1,205,000 of General Obligation Refunding bonds, Series 2012F. The proceeds of this issue were used to restructure the principal and interest due for FY2013 for the District's 2004B Alternative Facilities bonds. This refunding allowed the District to distribute the payments due in FY2013 over a 10-year period.

In October 2012, the District issued \$1,245,000 General Obligation Alternative Facilities bonds, Series 2012G. The proceeds of this issue were used to pay for long-term maintenance projects at the Minnetonka Middle School West pool as part of the District's Alternative Facilities 10-Year Plan.

In January 2013, the District issued \$2,200,000 General Obligation Alternative Facilities bonds, Series 2013B. The proceeds of this issue were used to pay for long-term maintenance projects at the Minnetonka Middle School West pool as part of the District's Alternative Facilities 10-Year Plan.

In July 2013, the District issued \$1,230,000 General Obligation Alternative Facilities bonds, Series 2013F. The proceeds of this issue were used to finance future capital projects as part of the District's Capital Improvement Plan.

In July 2013, the District issued \$3,475,000 General Obligation Alternative Facilities bonds, Series 2013G. The proceeds of this issue were used to finance future capital projects as part of the District's Capital Improvement Plan.

In November 2013, the District issued \$13,325,000 General Obligation Refunding bonds, Series 2013H. The proceeds of this issue were used to refund, in advance of their stated maturities, the District's 2004B General Obligation Refunding bonds.

In January 2014, the District issued \$1,650,000 General Obligation Alternative Facilities bonds, Series 2014A. The proceeds of this issue were used to finance future capital projects as part of the District's Capital Improvement Plan.

In July 2014, the District issued \$1,950,000 General Obligation Alternative Facilities bonds, Series 2014D. The proceeds of this issue were used to finance future capital projects as part of the District's Capital Improvement Plan.

In February 2015, the District issued \$3,005,000 General Obligation Alternative Facilities bonds, Series 2015A. The proceeds of this issue were used to finance future capital projects as part of the District's Capital Improvement Plan.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

General Obligation School Building Bonds (Continued)

In February 2015, the District issued \$1,765,000 General Obligation Alternative Facilities Refunding bonds, Series 2015B. The proceeds of this issue were used to refund and pay the principal and interest due on the February 1, 2015 maturity of the Series 2008B.

In April 2015, the District issued \$1,595,000 Taxable General Obligation Alternative Facilities bonds, Series 2015D. The proceeds of this issue were used to finance future capital projects as part of the District's Capital Improvement Plan.

In July 2015, the District issued \$4,000,000 General Obligation Alternative Facilities Bonds, Series 2015E. The proceeds of this issue were used to finance projects including: replacement of windows, mechanical air handling systems, roof repair and replacement, pavement repair, plumbing repairs, tuck-pointing, pool tire repair, and deferred maintenance projects.

In November 2015, the District issued \$705,000 General Obligation Refunding Bonds, Series 2016A. The proceeds of this issue were used to refund and pay the principal and interest due on the February 1, 2017 maturities of the 2010A and 2010D bonds.

In November 2015, the District issued \$2,540,000 General Obligation Refunding Bonds, Series 2016B. The proceeds of this issue were used to refund and pay the principal and interest due on the February 1, 2016 maturity of the Series 2008B bonds and the principal and interest due on the February 1, 2017 maturities of the Series 2010C and 2011D bonds.

In January 2016, the District issued \$5,870,000 General Obligation Facilities Maintenance Bonds, Series 2016E. The proceeds of this issue were used to finance projects including the replacement of major school building infrastructure components that require long-term periodic replacement, such as roofing systems, pavement and parking areas, plumbing systems, electrical systems, lighting systems, etc.

In February 2016, the District issued \$15,260,000 General Obligation Refunding Bonds, Series 2016I. The proceeds of this issue were used to refund and pay the principal and interest due on the February 1, 2019 through February 1, 2029 maturities of the Series 2008E bonds.

In July 2016, the District issued \$5,785,000 General Obligation Facilities Maintenance Bonds, Series 2016M. The proceeds of this issue were used to finance projects including the replacement of major school building infrastructure components including such items as roofing systems, ceiling grid, heating, ventilation and cooling systems, flooring, doors, wall tile systems, and exterior window systems.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
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JUNE 30, 2020**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

General Obligation School Building Bonds (Continued)

In October 2017, the District issued \$14,415,000 General Obligation Refunding Bonds, Series 2017B. The proceeds of this issue were used to refund and pay the principal and interest due on the February 1, 2020 through 2023 maturities of the 2008A bonds, the February 1, 2019 through 2024 maturities of the 2008B bonds, the February 1, 2019 and 2020 maturities of the 2010A bonds, and the February 1, 2019 through 2021 maturities of the 2010D bonds.

In November 2018, the District issued \$5,060,000 General Obligation Refunding Bonds, Series 2018E. The proceeds of this issue were used to refund and pay the principal and interest due on the February 1, 2020 through 2030 maturities of the 2010C bonds.

In January 2019, the District issued \$2,000,000 General Obligation Facilities Maintenance Bonds, Series 2019B. The proceeds of this issue were used to finance projects including the partial re-roofing of four schools, repaving projects at four schools, synthetic turf replacement at Minnetonka High School, and various other deferred maintenance projects.

In March 2019, the District issued \$5,370,000 General Obligation Alternative Facilities Refunding Bonds, Series 2019C. The proceeds of this issue were used to refund and pay the principal and interest due on the July 1, 2020 through 2026 maturities of the 2009F bonds.

In July 2019, the District issued \$2,710,000 General Obligation Facilities Maintenance Bonds, Series 2019D. The proceeds of this issue were used to finance partial re-roofing projects at four schools, repaving projects at four schools, synthetic turf replacement at Minnetonka High School, mechanical systems component replacement at all schools and various deferred maintenance projects.

In October 2019, the District issued \$1,955,000 General Obligation Facilities Maintenance Bonds, Series 2019F. The proceeds of this issue were used to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry replacement and various other long-term maintenance replacement items.

In January 2020, the District issued \$1,175,000 General Obligation Alternative Facilities Refunding Bonds, Series 2020A. The proceeds of this issue were used to refund the March 1, 2021 through 2033 maturities of the 2012B bonds. The refunding resulted in a cash flow savings of \$115,586 and a net present value gain of \$81,349.

In February 2020, the District issued \$1,245,000 Taxable General Obligation Refunding Bonds, 2020C. The proceeds of this issue were used to refund the February 1, 2025 through 2034 maturities of the 2015C bonds. The refunding resulted in a cash flow savings of \$147,130 and a net present value savings of \$80,530.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
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JUNE 30, 2020**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

Certificates of Participation Payable

The District raised funds through the issuance of Certificates of Participation during various fiscal years.

The 2012A issue, in the amount of \$3,425,000 and sold on February 1, 2012, was issued to finance middle school classroom additions and the Groveland Media Center.

In July 2012, the District issued \$2,130,000 in Refunding Certificates of Participation, Series 2012D. The proceeds of this issue were used to refund the Certificates of Participation 2009D. This refunding allowed the District to distribute the payments due in FY2014 through 2018 over a 10-year period.

The 2013A issue, in the amount of \$2,400,000 and sold on January 1, 2013, was issued to finance a multipurpose room at Excelsior Elementary. The 2013D issue, in the amount of \$1,200,000 and sold on January 1, 2013, was used to finance classroom construction at Scenic Heights Elementary.

The 2014B issue, in the amount of \$1,700,000 and sold on February 27, 2014, and the 2014C issue, in the amount of \$4,700,000 and sold on May 15, 2014, were issued to finance the construction of additional classrooms at the elementary school level to provide space for all-day kindergarten classes and increased music room space.

The 2016C issue, in the amount of \$2,120,000 and sold on January 12, 2016, and the 2016D issue, in the amount of \$2,115,000 and sold on January 12, 2016, were issued to refund the 2008F and 2008G Certificates. The 2016F issue, in the amount of \$4,510,000 and sold on February 2, 2016, was issued to finance the renovation and conversion of the second-floor wing of Minnetonka High School into science lab space. The 2016G issue, in the amount of \$1,000,000 and sold on February 2, 2016, was issued to finance the construction of two parking lots at Minnetonka High School. The 2016H issue, in the amount of \$2,975,000 and sold on February 2, 2016, was issued to refund the 2008C Certificates. The 2016K issue, in the amount of \$1,620,000 and sold on March 30, 2016, was issued to refund the 2008D Certificates. The 2016L issue, in the amount of \$2,125,000 and sold on April 20, 2016, was issued to refund the 2013C certificates. The 2016N issue, in the amount of \$1,190,000 and sold on September 30, 2016, was issued to finance the Groveland Land and Parking Project. The 2016O issue, in the amount of \$1,585,000 and sold on September 30, 2016, was issued to finance the Minnetonka High School Instructional Venue Project.

The 2017A issue, in the amount of \$3,000,000 and sold on August 23, 2017, were issued to finance the construction of a new gymnasium at Groveland Elementary School. The 2017C issue, in the amount of \$2,250,000 and sold on October 25, 2017, were issued to refund the 2010E certificates.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
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JUNE 30, 2020**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

Certificates of Participation Payable (Continued)

The 2018B issue, in the amount of \$1,000,000 and sold on July 2, 2018, were issued to refund the 2008H Certificates. The 2018D issue, in the amount of \$1,265,000 and sold on October 9, 2018, were issued to refund the 2011B Certificates. The 2019A issue, in the amount of \$7,300,000 and sold on January 10, 2019, were issued to refund the 2009B, 2009E, and 2011A Certificates.

The 2019E issue, in the amount of \$4,045,000 and sold on July 8, 2019, were issued to refund the 2010B Certificates. This resulted in cash flow loss of \$345,377 and a net present value savings from cash flow of \$155,991. The 2020B issue, in the amount of \$8,140,000 and sold on February 26, 2020, were issue to refund the 2018A and 2018C Certificates. This resulted in total cash flow savings of \$2,180,287 and a net present value savings from cash flow of \$1,222,712. The 2020D issue, in the amount of \$1,160,000 and sold on June 29, 2020 were issued to finance the acquisition of a tract of land to serve as a site for a future school building, the demolition of existing buildings, structures, and improvements on the land.

General Obligation Taxable OPEB Bonds

The District raised funds for Other Postemployment Benefits through the issuance of General Obligation Taxable Bonds beginning in fiscal year 2009.

In February 2013, the District issued \$24,095,000 of General Obligation OPEB Refunding Bonds, Series 2013E. A portion of the proceeds of this issue, \$7,740,000, were used to pay the remaining payments of the 2008I General Obligation Taxable OPEB Bonds in fiscal year 2016. The remaining proceeds were paid into an irrevocable escrow to pay the remaining payments of the 2009A General obligation Taxable OPEB Bonds, which were called in fiscal year 2016.

In March 2016, the District issued \$1,420,000 of General Obligation OPEB Refunding Bonds, Series 2016J. The proceeds from this issue were paid into an irrevocable escrow to pay the 2019 through 2031 maturities of the 2010F Bonds.

Severance and Health Benefits Payable

Severance and health benefits payable consist of convertible sick leave, other severance pay, and postretirement health insurance benefits payable to employees upon retirement. Severance and health benefits are paid by the General and Special Revenue Funds. Annual payments to retire the severance and health benefits liability have not been determined and will depend on actual employee turnover. Resources for the payment of severance and compensated absences payable included in long-term debt will be provided primarily by the General Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Debt (Continued)

Severance and Health Benefits Payable (Continued)

During fiscal 2004, the District initiated a Health Reimbursement Plan. The purpose of the Plan is to provide certain Employees with an opportunity to receive reimbursement for certain Health Care Expenses as provided in the Plan. It is the intention of the Adopting Employer that the benefits payable under this Plan be eligible for exclusion from the gross income of Participants as provided by Sections 105(b) and 106 of the Code. In addition, it is the intention of the Adopting Employer that the Plan qualify as a Health Reimbursement Arrangement (HRA) under IRS Revenue Ruling 2002-41 (June 26, 2002) and IRS Notice 2002-45 (June 26, 2002). As part of this plan, the District implemented a Voluntary Employees' Benefit Association (VEBA) as a component of this program whereby the District contributes retirement benefits and other contributions as specified by contract to the VEBA.

Arbitrage Rebate Liability

The Tax Reform Act of 1986 requires school districts and other governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986.

Certain bond issues of the District are subject to the arbitrage rebate requirements. However, management does not expect to incur any significant arbitrage rebate liability.

D. Changes in Long-Term Debt

	June 30, 0	Additions	Retirements	June 30, 2020
Bonds Payable	\$ 107,960,000	\$ 7,085,000	\$ 7,910,000	\$ 107,135,000
Unamortized Premiums	7,105,386	776,257	1,505,636	6,376,007
Certificates of Participation	54,740,000	13,345,000	12,875,000	55,210,000
Capital Leases Payable	1,800,000	-	897,599	902,401
Notes from Direct Borrowings:				
Promissory Note	-	547,000	-	547,000
Severance Benefits Payable	616,094	-	99,767	516,327
Early Retirement Incentive Payable	355,800	-	89,400	266,400
Compensated Absences Payable	1,272,266	1,123,904	1,113,541	1,282,629
Total	<u>\$ 173,849,546</u>	<u>\$ 22,877,161</u>	<u>\$ 24,490,943</u>	<u>\$ 172,235,764</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

E. Debt Issued Subsequent to Year-End

On July 1, 2020, the District issued \$2,045,000 General Obligation Facilities Maintenance Bonds, Series 2020E, to finance the roofing replacement, paving replacement, mechanical systems replacement, cabinetry replacement, and various other long-term maintenance items. On October 5, 2020, the District issued \$2,070,000 General Obligation Alternative Facilities Refunding Bonds, Series 2020F, to refund the 2012C and 2014A General Obligation Alternative Facilities Bonds. On October 6, 2020, the District issued \$4,870,000 General Obligation Facilities Maintenance Bonds, Series 2020G, to finance roofing replacement, paving replacement, mechanical systems replacement, cabinetry replacement, and various other long-term maintenance items. On November 3, 2020, the District issued \$655,000 General Obligation Alternative Facilities Refunding Bonds, Series 2020H, to refund the 2013F General Obligation Alternative Facilities Bonds. On November 3, 2020, the District issued \$1,290,000, Refunding Certificates of Participation, Series 2020I, to refund the 2014B Certificates of Participation.

F. Outstanding Balances of Defeased Debt

Over the years, the District has issued refunding bonds which result in the in-substance defeasance of previous bond issuances, where the debt is removed from the District's books even though the debt has not yet been called and paid. The outstanding balance of refunded bonds which have not yet been called was \$14,025,000 at June 30, 2020.

NOTE 5 FUND BALANCES

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

Restricted, Committed, and Assigned fund balances at June 30, 2020 are as follows:

A. Restricted for Projects Funded by Certificates of Participation

Represents resources available from issuance of certificates of participation.

B. Restricted for Operating Capital

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

C. Restricted for Student Activities

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

D. Restricted for Scholarships

Represents accumulated resources available for scholarship funds.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 FUND BALANCES (CONTINUED)

- E. Restricted for Community Education Programs
Represents accumulated resources available to provide general community education programming.
- F. Restricted for Early Childhood and Family Education
Represents accumulated resources available to provide for services for early childhood family education programming.
- G. Restricted for School Readiness
Represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.
- H. Restricted for Adult Basic Education
Represents accumulated resources available to provide adult basic education services.
- I. Restricted for Long-Term Facilities Maintenance
Represents resources received from the capital projects levy to be used for long-term facilities maintenance.
- J. Restricted for Other Purposes
Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- K. Restricted for Medical Assistance
Represents available resources to be used for medical assistance expenditures.
- L. Assigned for Q Comp
Represents dollars assigned for the Quality Compensation – Alternative Teacher Professional Pay program.
- M. Assigned for Athletic Equipment
Represents dollars assigned for Athletic Fees and Athletic Equipment.
- N. Assigned for Operating Capital Deferred Use
Represents amounts which are assigned for Operating Capital but are not restricted or committed.
- O. Assigned for Special Purposes
Represents amounts which were either donated to the District or funds to be utilized for specific purposes.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 INTERFUND BALANCES AND OPERATING TRANSFERS

The District had the following interfund receivable and payable at June 30, 2020:

	Due from Other Fund	Due to Other Fund
General Fund	\$ 794,338	\$ -
Internal Service Fund:		
OPEB Revocable Trust	-	794,338
Total	<u>\$ 794,338</u>	<u>\$ 794,338</u>

The purpose of these interfund balances is as follows:

The Revocable Trust Fund owes the General Fund \$794,338 for OPEB payments which the General Fund has made.

The District had the following interfund transfers at June 30, 2020:

	Transfers In	Transfers Out
General Fund	\$ 373,663	\$ 54
Debt Service Fund	54	373,663
Total	<u>\$ 373,717</u>	<u>\$ 373,717</u>

The transfers between the General Fund and Debt Service Fund are related to the transfer of escrow account balances to move amounts to the funds which are servicing the new and/or refunding debt.

NOTE 7 DEFINED BENEFIT PENSION PLANS

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

A. Plan Description

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

1. General Employees Retirement Plan

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

2. Teachers Retirement Fund (TRA)

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

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

B. Benefits Provided

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

1. General Employees Plan Benefits

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Plan Benefits (Continued)

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. 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

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

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

Tier 1 Benefits

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

With these provisions:

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

Or

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier II Benefits

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

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

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.

C. Contributions

1. General Employees Fund Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2020 were \$1,900,475. The District's contributions were equal to the required contributions as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 rates for the fiscal year for coordinated were 7.5% for the employee and 7.92% for the employer. Basic rates were 11.00% for the employee and 11.92% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2020 were \$5,603,720. The District's contributions were equal to the required contributions for each year as set by state statute.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs

1. General Employees Plan Pension Costs

At June 30, 2020, the District reported a liability of \$18,499,284 for its proportionate share of the General Employees Plan's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million to the fund in 2019. The state of Minnesota is considered a nonemployer contributing District 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 \$574,975, for a total net pension liability of \$19,074,258 associated with the District. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2019, the District's proportion was 0.3346%, which was an increase of .002 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the District recognized pension expense of \$2,429,224 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$53,536 as pension expenditures (and corresponding grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

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

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 512,683	\$ -
Changes in Actuarial Assumptions	-	1,454,055
Net Difference Between Projected and Actual Earnings on Plan Investments	-	1,875,120
Changes in Proportion	447,871	-
District Contributions Subsequent to the Measurement Date	1,900,475	-
Total	<u>\$ 2,861,029</u>	<u>\$ 3,329,175</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Plan Pension Costs (Continued)

\$1,900,475 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to General Employees Plan pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2021	\$ (752,583)
2022	(1,306,621)
2023	(339,229)
2024	29,812
2025	-
Thereafter	-

2. TRA Pension Costs

At June 30, 2020, the District reported a liability of \$73,925,896 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 1.1598% at the end of the measurement period and 1.1537% for the beginning of the period.

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

<u>Description</u>	<u>Amount</u>
District's Proportionate Share of the TRA Net Pension Liability	\$ 73,925,896
State's Proportionate Share of the Net Pension Liability Associated with the District	6,542,018

For the year ended June 30, 2020, the District recognized pension expense of \$15,145,447. It also recognized \$497,286 as pension expense and grant revenue for the support provided by direct aid.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

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

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual		
Economic Experience	\$ 10,510	\$ 1,795,075
Changes in Actuarial Assumptions	62,211,750	98,072,298
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	6,126,170
Changes in Proportion	5,897,022	-
District Contributions Subsequent to the Measurement Date	<u>5,603,720</u>	<u>-</u>
Total	<u><u>\$ 73,723,002</u></u>	<u><u>\$ 105,993,543</u></u>

A total of \$5,603,720 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2021	\$ 5,989,638
2022	1,369,698
2023	(26,459,673)
2024	(18,732,144)
2025	(41,780)
Thereafter	-

The District recognized \$18,125,493 in total pension expense for all of the plans in which it participates. This includes expenses recognized for direct aid.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

<u>Assumptions</u>	<u>GERF</u>	<u>TRA</u>
Inflation	2.50% per Year	2.50% per Year
Active Member Payroll Growth	3.25% per Year	2.85% for 10 Years and 3.25% Thereafter
Investment Rate of Return	7.50%	7.50%

PERA Salary increases were based on a service-related table. PERA mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. PERA cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

TRA preretirement mortality rates were based on the RP-2014 white-collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale. Postretirement mortality rates were based on the RP-2014 white-collar annuitant table, male rates set back three years, and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

TRA assumptions are based on the full experience study dated June 2015 and the study of the economic assumptions presented to the Board in November 2017.

The following changes for General Employees Fund occurred in 2019:

Changes in Actuarial Assumptions:

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

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.

The following changes in actuarial assumptions for TRA occurred in 2019:

- The COLA was reduced from 2.0% each January 1 to 1.0% effective January 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next four years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

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

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

F. Discount Rate

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

The discount rate used to measure the TRA pension liability was 7.50%. There was no change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the fiscal year 2019 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

The following 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 one percentage point lower or one percentage point higher than the current discount rate:

Description	One Percent Decrease in Discount Rate	Current Discount Rate	One Percent Increase in Discount Rate
General Employees Plan Discount Rate	6.50%	7.50%	8.50%
District's Proportionate Share of the GERP Net Pension Liability	\$ 30,411,827	\$ 18,499,284	\$ 8,663,112
TRA Discount Rate	6.50%	7.50%	8.50%
District's Proportionate Share of the TRA Net Pension Liability	\$ 117,855,953	\$ 73,925,896	\$ 37,706,211

H. Pension Plan Fiduciary Net Position

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

Detailed information about TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-2409 or 1-800-652-9026.

NOTE 8 FLEXIBLE BENEFIT PLAN

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

Before the beginning of the plan year, which is January 1 to December 31, each participant designates a total amount of pre-tax dollars to be contributed to the plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants' annual contributions to the plan, whether or not such contributions have been made. Payments of insurance premiums (health and dental) are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General Fund.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 FLEXIBLE BENEFIT PLAN (CONTINUED)

Amounts withheld for medical reimbursement and dependent care are deposited into the District checking account on a monthly basis. All assets of the plan are held in the District bank account. The plan is administered by Further, a third-party administrator. Payments are made by Further to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the participant. Further submits a monthly ACH to the District bank account for the total employee reimbursements and administrative fees.

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

NOTE 9 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. Construction Commitments

At June 30, 2020, the District is committed to approximately \$4,080,157 of contracts in progress.

NOTE 10 SELF-INSURANCE

Health Self-Insurance Plan

The District maintains an Internal Service Fund to account for and finance a self-insurance program for health benefits. Accordingly, the District has not purchased outside insurance for the risks of losses to which it is exposed for amounts under its stop-loss limit of \$250,000 at which point reinsurance coverage is available. The District also has aggregate stop-loss coverage in place which limits the District's liability to 125% of the prior years' claims. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for health expenses.

Participants in the program make premium payments to the fund based on the insurance premium. The excess amount received above current year claims is used to establish a reserve for future claims. At June 30, 2020, there is a reserve of \$8,305,552.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 SELF-INSURANCE (CONTINUED)

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

There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$12,415,406 in cash and investments at June 30, 2020, for payment of claims.

Changes in the balances of claim liabilities during 2020 and 2019 were as follows:

	2020	0
Beginning of Fiscal Year Liability - July 1,	\$ 1,993,200	\$ 1,814,800
Current Year Claims, Changes in Estimates, and Other Charges	11,054,172	12,250,098
Current Year Claims Paid, Including an Estimate of Claims Incurred But Not Reported (IBNR)	(11,113,372)	(12,071,698)
End of Fiscal Year Liability - June 30,	<u>\$ 1,934,000</u>	<u>\$ 1,993,200</u>

General Liability and Property Insurance

As of July 1, 2014, the District entered into an intergovernmental agreement with two other Minnesota school districts to create the Alliance for Liability and Property Services (ALPS) to jointly provide or obtain casualty, property, employer liability, general liability, risk management, professional liability, and group coverages and other protections for the Member Districts so as to effectively manage and contain costs for insurance coverage and related administration. Annual payment amounts into the plan for each District are based on its pro rata share of insurance costs for mandatory and optional coverage and are to be determined at least 60 days prior to the start of each fiscal year. For fiscal year 2020, the District's payment into the plan totaled \$243,802.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PAYABLE

A. Plan Description

The District operates a single-employer retiree benefit plan (the Plan) that provides health and dental insurance to eligible employees and their spouses through the District's health insurance plan. There are 120 active participants and 115 retired participants. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

B. Funding Policy

Contribution requirements are also negotiated between the District and union representatives. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement. For the year ended June 30, 2020, the District contributed \$794,338 to the plan.

C. Actuarial Methods and Assumptions

The District's OPEB liability was measured as of June 30, 2020, and the total used to calculate the OPEB liability was determined by an actuarial valuation as of July 1, 2019. Procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	N/A
20-Year Municipal Bond Yield	3.36%
Health Care Trend Rates	7.75%
	Decreasing to 4.5% Over 14 Years

Mortality rates were based on the most recent headcount-weighted Pub-2010 table from the Society of Actuaries with any career-related adjustments selected based on the actuary's experience with plans of a similar workforce composition and discussion with the District. The most recent fully-generational "MP" improvement scale is used to reflect future mortality improvements.

The discount rate used to measure the total OPEB liability was 3.36%. The discount rate is based on the current twenty-year tax-exempt general obligation municipal bond index.

Since the prior valuation dated July 1, 2018, the following changes have been made:

- Discount rate was decreased from 3.45% to 3.36%
- The adjustments to healthcare trend to estimate the impact of future excise taxes on "Cadillac" benefits were removed as said taxes have been repealed
- Per-capita costs were updated to reflect experience since the previous valuation
- Mortality assumption was updated from the RP-2000 White-Collar tables with various adjustments, to the Pub-2010 Headcount Weighted Mortality tables for Teachers and General employees, with mortality improvement projected fully generationally with Scale MP-2019
- Retirement and Withdrawal assumptions were updated to match the current Minnesota TRA and PERA actuarial assumptions

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

D. Changes in the OPEB Liability

The following table shows the components of the changes in the District's OPEB liability:

	Total OPEB Liability
Balances at July 1, 2019	\$ 9,638,517
Changes for the Year:	
Service Cost	113,277
Interest Cost	372,784
Differences Between Expected and Actual Experience	419,644
Changes of Assumptions	1,342,909
Benefit Payments	(794,338)
Net Changes	1,454,276
Balances at July 1, 2020	\$ 11,092,793

E. OPEB Liability Costs

For the year ended June 30, 2020, the District recognized OPEB expense of \$912,797. At June 30, 2020, the District also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 944,420	\$ 165,753
Net Difference Between Expected and Actual Experience	315,948	-
Total	\$ 944,420	\$ 165,753

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

<u>Year Ending June 30.</u>	Future Recognition
2021	\$ 426,736
2022	474,362
2023	193,517
2024	-
Total	\$ 1,094,615

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

F. OPEB Liability Sensitivity

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

	One Percent Decrease (2.36%)	Discount Rate (3.36%)	One Percent Increase (4.36%)
Net OPEB Liability (Asset)	<u>\$ 12,266,094</u>	<u>\$ 11,092,793</u>	<u>\$ 10,034,033</u>

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

	Healthcare Cost		
	One Percent Decrease (6.75% Decreasing to 3.5% over 14 Years)	Current Trend Rates (7.75% Decreasing to 4.5% over 14 Years)	One Percent Increase (8.75% Decreasing to 5.5% over 14 Years)
Net OPEB Liability (Asset)	<u>\$ 10,055,945</u>	<u>\$ 11,092,793</u>	<u>\$ 12,242,267</u>

NOTE 12 DEFINED CONTRIBUTION PLAN

The District provides eligible employees future retirement benefits through the District's 403(b) Plan (the Plan). Employees of the District are eligible to participate in the Plan commencing on the date of their employment. Eligible employees may elect to have a percentage of their pay contributed to the Plan. Some employees are eligible to receive a District match of employee contributions up to the qualifying amount set forth in their respective bargaining agreements. Contributions are invested in tax-deferred annuities selected and owned by Plan participants. The District contributions were \$1,296,217 for the year ended June 30, 2020.

NOTE 13 NET INVESTMENT IN CAPITAL ASSETS

The District's net investment in capital assets as of June 30, 2020 is calculated as follows:

Capital Assets, Net of Depreciation	\$ 161,099,747
Bonds Payable at June 30, 2020	(107,135,000)
Certificates of Participation and Capital Leases Payable at June 30, 2020	(55,210,000)
Add Back: OPEB Bonds Payable at June 30, 2020 (Noncapital)	21,490,000
Unspent Bond and Certificate of Participation Proceeds	1,252,092
Deferred Outflows - Deferred Loss on Bond Refundings	1,839,208
Unamortized Premiums and Discounts at June 30, 2020	<u>(6,376,007)</u>
Net Investment in Capital Assets	<u>\$ 16,960,040</u>

REQUIRED SUPPLEMENTARY INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2020**

<u>Measurement Date</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 113,277	\$ 99,496	\$ 130,550
Interest	372,784	328,857	304,284
Ad Hoc Postemployment Benefit Changes	-	458,026	-
Difference Between Expected and Actual Experience	419,644	41,757	-
Changes of Assumptions	1,342,909	(115,591)	(341,415)
Benefit Payments	(794,338)	(707,637)	(627,570)
NET CHANGE IN TOTAL OPEB LIABILITY	<u>1,454,276</u>	<u>104,908</u>	<u>(534,151)</u>
Total OPEB Liability - Beginning	<u>9,638,517</u>	<u>9,533,609</u>	<u>10,067,760</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 11,092,793</u>	<u>\$ 9,638,517</u>	<u>\$ 9,533,609</u>
Covered-Employee Payroll	<u>\$ 102,593,652</u>	<u>\$ 96,909,091</u>	<u>\$ 94,184,542</u>
District's Total OPEB Liability as a Percentage of Covered-Employee Payroll	10.81%	9.95%	10.12%

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST SIX MEASUREMENT PERIODS ***

**TRA Schedule of the District's Proportionate Share of the
Net Pension Liability**

	Measurement Date June 30,					
	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	1.1598%	1.1537%	1.1109%	1.0785%	1.0517%	1.1065%
District's Proportionate Share of the Net Pension Liability	\$ 73,925,896	\$ 72,465,539	\$ 221,755,792	\$ 257,247,983	\$ 65,058,046	\$ 50,986,723
State's Proportionate Share of the Net Pension Liability Associated with District	6,542,018	6,808,170	21,436,647	25,822,002	7,979,983	3,586,724
Total	<u>\$ 80,467,914</u>	<u>\$ 79,273,709</u>	<u>\$ 243,192,439</u>	<u>\$ 283,069,985</u>	<u>\$ 73,038,029</u>	<u>\$ 54,573,447</u>
District's Covered Payroll	<u>\$ 69,246,760</u>	<u>\$ 64,247,960</u>	<u>\$ 59,980,707</u>	<u>\$ 56,489,813</u>	<u>\$ 53,376,373</u>	<u>\$ 50,509,200</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	106.76%	112.79%	369.71%	455.39%	121.89%	100.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.21%	78.07%	51.57%	44.88%	76.80%	81.50%

**General Employees Fund Schedule of the District's
Proportionate Share of the Net Pension Liability**

	Measurement Date June 30,					
	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.3346%	0.3326%	0.3232%	0.3198%	0.3254%	0.3502%
District's Proportionate Share of the Net Pension Liability	\$ 18,499,284	\$ 18,451,284	\$ 20,632,875	\$ 25,966,174	\$ 16,863,917	\$ 16,450,641
State's Proportionate Share of the Net Pension Liability Associated with District	574,974	605,218	259,463	339,152	-	-
Total	<u>\$ 19,074,258</u>	<u>\$ 19,056,502</u>	<u>\$ 20,892,338</u>	<u>\$ 26,305,326</u>	<u>\$ 16,863,917</u>	<u>\$ 16,450,641</u>
District's Covered Payroll	<u>\$ 23,681,587</u>	<u>\$ 22,374,387</u>	<u>\$ 20,876,400</u>	<u>\$ 19,945,773</u>	<u>\$ 19,127,119</u>	<u>\$ 18,385,503</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	78.12%	82.47%	98.83%	130.18%	88.17%	89.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.23%	79.50%	75.90%	68.90%	78.20%	78.70%

*Ten years of data is not available.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
LAST SEVEN FISCAL YEARS ***

**TRA Schedule of District Contributions
Last Seven Fiscal Years**

	Fiscal Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 5,603,720	\$ 5,193,507	\$ 4,818,597	\$ 4,498,553	\$ 4,236,736	\$ 4,003,228	\$ 3,535,644
Contributions in Relation to the Statutorily Required Contribution	(5,603,720)	(5,193,507)	(4,818,597)	(4,498,553)	(4,236,736)	(4,003,228)	(3,535,644)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 72,681,193</u>	<u>\$ 69,246,760</u>	<u>\$ 64,247,960</u>	<u>\$ 59,980,707</u>	<u>\$ 56,489,813</u>	<u>\$ 53,376,373</u>	<u>\$ 50,509,200</u>
Contributions as a Percentage of Covered Payroll	7.71%	7.50%	7.50%	7.50%	7.50%	7.50%	7.00%

**General Employees Fund Schedule of District Contributions
Last Seven Fiscal Years**

	Fiscal Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 1,900,475	\$ 1,776,119	\$ 1,678,079	\$ 1,565,730	\$ 1,495,933	\$ 1,410,625	\$ 1,332,949
Contributions in Relation to the Statutorily Required Contribution	(1,900,475)	(1,776,119)	(1,678,079)	(1,565,730)	(1,495,933)	(1,410,625)	(1,332,949)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 25,339,667</u>	<u>\$ 23,681,587</u>	<u>\$ 22,374,387</u>	<u>\$ 20,876,400</u>	<u>\$ 19,945,773</u>	<u>\$ 19,127,119</u>	<u>\$ 18,385,503</u>
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.38%	7.25%

*Ten years of data is not available.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

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

A. General Employees Fund

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and nonvested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for nonvested deferred member liability.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

2017 Changes (Continued)

Changes in Plan Provisions

- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.
- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions:

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

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

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

A. Coordinated Plan

2019 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 8.5% to 7.5%.
- The price inflation assumption was lowered from 3.0% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the Unfunded Actuarial Accrual Liability (UAAL) was reset to June 30, 2048 (30 years).
- The mechanism in the law that provided the TRA Board with some authority is set contribution rates was eliminated.

Changes in Plan Provisions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

2018 Changes (Continued)

- The employer contribution rate is increased each July 1 over the next five years, (7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 Changes

Changes in Actuarial Assumptions

- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- Adjustment were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the nonvested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for 10 years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The cost of living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back six years, and female rates set back five years. Generational projection uses the MP-2015 scale.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

2016 Changes (Continued)

- The postretirement mortality assumption was changed to the RP-2014 while collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustments.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2037.
- The investment return assumption was changed from 8.25% to 8.0%.

Changes in Plan Provisions

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

2014 Changes

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually once the legally specified criteria was met. This was estimated to occur July 1, 2031.

Changes in Plan Provisions

- The increase in the postretirement benefit adjustment (COLA) will be made once the System is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

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

2020

- Discount rate was decreased from 3.45% to 3.36%
- The adjustments to healthcare trend to estimate the impact of future excise taxes on "Cadillac" benefits were removed as said taxes have been repealed
- Per-capita costs were updated to reflect experience since the previous valuation
- Mortality assumption was updated from the RP-200 White-Collar tables with various adjustments, to the Pub 2010 Headcount Weighted Mortality tables for Teachers and General employees, with mortality improvement projected fully generationally with Scale MP-2019
- Retirement and Withdrawal assumptions were updated to match the current Minnesota TRA and PERA actuarial assumptions

2019

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

2018

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

SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
GENERAL FUND
BALANCE SHEET
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)

	2020	0
ASSETS		
Cash and Investments	\$ 45,441,111	\$ 38,383,423
Cash with Fiscal Agent	12,296	385,002
Receivables:		
Current Taxes	23,383,124	21,225,878
Delinquent Taxes	128,293	107,020
Accounts and Interest Receivable	221,207	370,537
Due from Other Minnesota School Districts	166,455	150,946
Due from Minnesota Department of Education	10,676,160	10,425,417
Due from Federal Through the Minnesota Department of Education	1,479,435	1,359,969
Due from Other Governmental Units	258,920	217,533
Due from Other Funds	794,338	707,637
Inventory	251,771	202,696
Prepays	1,578,958	2,231,468
	<u>84,392,068</u>	<u>75,767,526</u>
Total Assets	<u>\$ 84,392,068</u>	<u>\$ 75,767,526</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 5,468,053	\$ 4,435,596
Payroll Deductions and Employer Contributions Payable	2,963,801	2,624,822
Accounts and Contracts Payable	1,836,608	1,030,967
Due to Other Minnesota School Districts	190,672	229,228
Due to Other Governmental Units	176	605
Unearned Revenue	481,257	461,223
Total Liabilities	<u>10,940,567</u>	<u>8,782,441</u>
Deferred Inflows:		
Unavailable Revenue - Contributions for Subsequent Years	-	350,000
Unavailable Revenue - Property Taxes Levied for Subsequent Year	40,367,933	38,160,766
Unavailable Revenue - Delinquent Taxes	128,293	107,020
Total Deferred Inflows of Resources	<u>40,496,226</u>	<u>38,617,786</u>
Fund Balance:		
Nonspendable:		
Inventory	251,771	202,696
Prepays	1,578,958	2,231,468
Restricted for:		
Student Activities	8,160	-
Scholarships	231,667	-
Operating Capital	2,962,504	3,678,713
Restricted for Medical Assistance	100,000	56,484
Assigned for:		
Q Comp	263,376	666,458
Athletic Equipment	330,784	388,455
Operating Capital Deferred Use	-	219,483
Special Purposes	1,376,928	1,566,401
Capital Projects Tech Levy	547,000	-
Unassigned	25,304,127	19,357,141
Total Fund Balance	<u>32,955,275</u>	<u>28,367,299</u>
	<u>\$ 84,392,068</u>	<u>\$ 75,767,526</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 84,392,068</u>	<u>\$ 75,767,526</u>

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020
(SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)

	2020		0	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 42,480,022	\$ 42,472,695	\$ (7,327)	\$ 37,805,891
Earnings and Investments	550,000	708,519	158,519	623,461
Other	5,727,583	5,573,242	(154,341)	6,041,586
State Sources	98,345,665	98,568,215	222,550	95,228,354
Federal Sources	2,910,295	2,197,099	(713,196)	2,011,478
Total Revenues	150,013,565	149,519,770	(493,795)	141,710,770
EXPENDITURES				
Current:				
Administration:				
Salaries	2,953,565	3,006,546	52,981	2,890,988
Employee Benefits	953,679	904,444	(49,235)	917,739
Purchased Services	132,499	321,622	189,123	177,864
Supplies and Materials	125,770	121,778	(3,992)	188,523
Other Expenditures	99,785	89,530	(10,255)	95,037
Total Administration	4,265,298	4,443,920	178,622	4,270,151
District Support Services:				
Salaries	3,790,568	3,782,348	(8,220)	3,491,916
Employee Benefits	1,314,975	1,296,353	(18,622)	1,235,340
Purchased Services	395,080	568,794	173,714	726,898
Supplies and Materials	905,801	731,133	(174,668)	748,616
Other Expenditures	(40,485)	(35,287)	5,198	(52,340)
Total District Support Services	6,365,939	6,343,341	(22,598)	6,150,430
Elementary and Secondary Regular Instruction:				
Salaries	56,422,528	56,840,686	418,158	53,561,719
Employee Benefits	16,904,388	16,742,653	(161,735)	15,533,432
Purchased Services	2,221,763	1,753,198	(468,565)	2,497,333
Supplies and Materials	4,329,833	4,255,314	(74,519)	3,957,361
Other Expenditures	727,468	729,583	2,115	710,099
Total Elementary and Secondary Regular Instruction	80,605,980	80,321,434	(284,546)	76,259,944

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)

		2020		0
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 625,314	\$ 611,186	\$ (14,128)	\$ 386,513
Employee Benefits	180,708	176,692	(4,016)	109,770
Purchased Services	85,491	87,899	2,408	65,454
Supplies and Materials	18,850	16,122	(2,728)	18,248
Other Expenditures	4,700	4,222	(478)	2,816
Total Vocational Education Instruction	915,063	896,121	(18,942)	582,801
Special Education Instruction:				
Salaries	15,660,031	14,799,569	(860,462)	14,149,054
Employee Benefits	4,877,820	4,741,976	(135,844)	4,512,992
Purchased Services	969,782	577,770	(392,012)	658,973
Supplies and Materials	329,975	215,612	(114,363)	158,640
Other Expenditures	92,348	87,032	(5,316)	117,773
Total Special Education Instruction	21,929,956	20,421,959	(1,507,997)	19,597,432
Instructional Support Services:				
Salaries	5,061,523	4,920,214	(141,309)	4,924,184
Employee Benefits	1,226,828	1,195,176	(31,652)	1,186,466
Purchased Services	37,725	(39,764)	(77,489)	123,835
Supplies and Materials	527,972	388,814	(139,158)	470,214
Other Expenditures	36,016	35,126	(890)	34,299
Total Instructional Support Services	6,890,064	6,499,566	(390,498)	6,738,998
Pupil Support Services:				
Salaries	3,048,066	3,056,251	8,185	2,975,529
Employee Benefits	911,378	895,722	(15,656)	856,549
Purchased Services	153,706	231,156	77,450	104,912
Supplies and Materials	56,675	48,027	(8,648)	60,660
Other Expenditures	18,305	17,880	(425)	17,734
Total Pupil Support Services	4,188,130	4,249,036	60,906	4,015,384

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)

	2020		0
	Actual	Over (Under)	Actual
	Amounts	Final Budget	Amounts
EXPENDITURES (Continued)	<u>Final Budget</u>	<u>Final Budget</u>	<u>Final Budget</u>
Current (Continued):			
Sites and Buildings:			
Salaries	\$ 3,713,246	\$ 3,876,926	\$ 163,680
Employee Benefits	1,375,492	1,362,026	(13,466)
Purchased Services	2,049,071	2,328,939	279,868
Supplies and Materials	1,192,382	1,233,760	41,378
Other Expenditures	(69,628)	(67,324)	2,304
Total Sites and Buildings	<u>8,260,563</u>	<u>8,734,327</u>	<u>473,764</u>
Fiscal and Other Fixed Costs:			
Purchased Services	248,000	247,710	(290)
Transportation:			
Salaries	295,692	303,348	7,656
Employee Benefits	120,823	117,121	(3,702)
Purchased Services	4,887,677	4,941,094	53,417
Supplies and Materials	17,500	16,531	(969)
Other Expenditures	9,000	4,327	(4,673)
Total Transportation	<u>5,330,692</u>	<u>5,382,421</u>	<u>51,729</u>
Capital Outlay:			
Administration	309,746	326,300	16,554
District Support Services	366,457	647	(365,810)
Regular Instruction	567,049	412,736	(154,313)
Vocational Education Instruction	11,000	10,256	(744)
Special Education Instruction	67,464	10,648	(56,816)
Instructional Support Services	10,210	4,899	(5,311)
Pupil Support Services	88,532	62,536	(25,996)
Sites and Buildings	2,544,254	2,574,360	30,106
Total Capital Outlay	<u>3,964,712</u>	<u>3,402,382</u>	<u>(562,330)</u>
Debt Service:			
Principal	2,897,599	2,592,599	(305,000)
Interest and Fiscal Charges	2,388,269	2,317,587	(70,682)
Total Debt Service	<u>5,285,868</u>	<u>4,910,186</u>	<u>(375,682)</u>
Total Expenditures	<u>148,250,265</u>	<u>145,852,403</u>	<u>(2,397,862)</u>
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	1,763,300	3,667,367	1,904,067
OTHER FINANCING SOURCES (USES)			
Issuance of Capital Leases	-	-	-
Proceeds from Other State and Nonstate			
Loans Received	-	547,000	547,000
Transfers In	373,106	373,663	557
Transfers Out	-	(54)	(54)
Total Other Financing Sources (Uses)	<u>373,106</u>	<u>920,609</u>	<u>547,503</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,136,406</u>	<u>4,587,976</u>	<u>\$ 2,451,570</u>
FUND BALANCE			
Beginning of Year		28,367,299	23,092,720
End of Year		<u>\$ 32,955,275</u>	<u>\$ 28,367,299</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	<u>2020</u>	<u>0</u>
ASSETS		
Cash and Investments	\$ 1,938,401	\$ 1,996,453
Receivables:		
Accounts and Interest Receivable	456	2,030
Due from Minnesota Department of Education	8,250	20,137
Due from Federal Through the Minnesota Department of Education	-	90,025
Inventory	139,738	67,201
Prepays	<u>14,646</u>	<u>14,234</u>
 Total Assets	 <u><u>\$ 2,101,491</u></u>	 <u><u>\$ 2,190,080</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 32,476	\$ 6,923
Payroll Deductions and Employer Contributions Payable	471	7,144
Accounts and Contracts Payable	15,016	10,489
Unearned Revenue	<u>497,616</u>	<u>269,421</u>
Total Liabilities	545,579	293,977
 Fund Balance:		
Nonspendable:		
Inventory	139,738	67,201
Prepays	14,646	14,234
Restricted for:		
Other Purposes	<u>1,401,528</u>	<u>1,814,668</u>
Total Fund Balance	<u>1,555,912</u>	<u>1,896,103</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 2,101,491</u></u>	 <u><u>\$ 2,190,080</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
FOOD SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

		2020		0
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Earnings and Investments	\$ 8,500	\$ 33,993	\$ 25,493	\$ 32,923
Other - Primarily Meal Sales	5,260,311	3,707,821	(1,552,490)	5,136,774
State Sources	140,468	104,728	(35,740)	133,077
Federal Sources	945,694	918,101	(27,593)	910,236
Total Revenues	<u>6,354,973</u>	<u>4,764,643</u>	<u>(1,590,330)</u>	<u>6,213,010</u>
EXPENDITURES				
Current:				
Salaries	1,469,289	1,458,729	(10,560)	1,419,298
Employee Benefits	404,256	456,876	52,620	430,626
Purchased Services	489,492	409,708	(79,784)	460,988
Supplies and Materials	3,044,132	2,173,625	(870,507)	2,778,046
Other Expenditures	408,418	379,240	(29,178)	402,085
Capital Outlay	378,000	226,656	(151,344)	81,903
Total Expenditures	<u>6,193,587</u>	<u>5,104,834</u>	<u>(1,088,753)</u>	<u>5,572,946</u>
NET CHANGE IN FUND BALANCE	<u>\$ 161,386</u>	<u>(340,191)</u>	<u>\$ (501,577)</u>	<u>640,064</u>
FUND BALANCE				
Beginning of Year		<u>1,896,103</u>		<u>1,256,039</u>
End of Year		<u>\$ 1,555,912</u>		<u>\$ 1,896,103</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	<u>2020</u>	<u>0</u>
ASSETS		
Cash and Investments	\$ 2,365,600	\$ 3,733,689
Receivables:		
Current Taxes	502,891	472,002
Delinquent Taxes	2,987	2,794
Accounts and Interest Receivable	202,226	516,309
Due from Other Minnesota School Districts	72,386	88,165
Due from Minnesota Department of Education	35,376	31,613
Prepays	<u>56,493</u>	<u>192,812</u>
Total Assets	<u><u>\$ 3,237,959</u></u>	<u><u>\$ 5,037,384</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 357,462	\$ 464,922
Payroll Deductions and Employer Contributions Payable	1,553	1,845
Accounts and Contracts Payable	155,287	172,007
Due to Other Governmental Units	-	61
Unearned Revenue	<u>624,704</u>	<u>1,418,191</u>
Total Liabilities	<u>1,139,006</u>	<u>2,057,026</u>
Deferred Inflows:		
Property Taxes Levied for Subsequent Year	957,347	943,266
Unavailable Revenue - Delinquent Taxes	<u>2,987</u>	<u>2,794</u>
Total Deferred Inflows of Resources	<u>960,334</u>	<u>946,060</u>
Fund Balance:		
Nonspendable:		
Prepays	56,493	192,812
Restricted for:		
Community Education	649,255	1,520,924
Early Childhood and Family Education	212,523	82,345
School Readiness	200,143	216,361
Adult Basic Education	14,524	14,524
Other Purposes	<u>5,681</u>	<u>7,332</u>
Total Fund Balance	<u>1,138,619</u>	<u>2,034,298</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 3,237,959</u></u>	<u><u>\$ 5,037,384</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
COMMUNITY SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

		2020		0
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 947,266	\$ 942,587	\$ (4,679)	\$ 952,370
Earnings and Investments	55,000	55,655	655	120,071
Other - Primarily Tuition and Fees	12,176,110	9,700,858	(2,475,252)	11,712,619
State Sources	518,444	519,005	561	480,383
Total Revenues	13,696,820	11,218,105	(2,478,715)	13,265,443
EXPENDITURES				
Current:				
Salaries	6,879,548	6,531,745	(347,803)	6,266,784
Employee Benefits	1,950,775	1,874,600	(76,175)	1,730,198
Purchased Services	2,765,080	2,488,997	(276,083)	2,619,201
Supplies and Materials	1,359,622	990,309	(369,313)	1,196,889
Other Expenditures	204,475	126,459	(78,016)	173,172
Capital Outlay	276,700	101,674	(175,026)	109,017
Total Expenditures	13,436,200	12,113,784	(1,322,416)	12,095,261
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	260,620	(895,679)	(1,156,299)	1,170,182
OTHER FINANCING USES				
Transfers Out	-	-	-	(3,300,000)
NET CHANGE IN FUND BALANCE	<u>\$ 260,620</u>	(895,679)	<u>\$ (1,156,299)</u>	(2,129,818)
FUND BALANCE				
Beginning of Year		2,034,298		4,164,116
End of Year		<u>\$ 1,138,619</u>		<u>\$ 2,034,298</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	<u>2020</u>	<u>0</u>
ASSETS		
Cash and Investments	\$ 1,579,524	\$ 2,896,579
Cash with Fiscal Agent	1,252,092	1,193,632
Receivables:		
Accounts and Interest Receivable	<u>4,009</u>	<u>4,009</u>
Total Assets	<u><u>\$ 2,835,625</u></u>	<u><u>\$ 4,094,220</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Payroll Deductions and Employer Contributions Payable	\$ -	\$ 35
Accounts and Contracts Payable	<u>1,525,707</u>	<u>1,085,139</u>
Total Liabilities	<u>1,525,707</u>	<u>1,085,174</u>
Fund Balance:		
Restricted for:		
Projects Funded by Certificates of Participation	1,252,092	1,193,632
Long-Term Facilities Maintenance	936,224	2,269,165
Unassigned	<u>(878,398)</u>	<u>(453,751)</u>
Total Fund Balance	<u>1,309,918</u>	<u>3,009,046</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,835,625</u></u>	<u><u>\$ 4,094,220</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)**

		2020		0
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Earnings and Investments	\$ -	\$ 9,940	\$ 9,940	\$ 64,028
Other	62,500	37,500	(25,000)	532,400
Total Revenues	62,500	47,440	(15,060)	596,428
EXPENDITURES				
Current:				
Purchased Services	284,315	280,990	(3,325)	289,753
Capital Outlay	6,663,957	7,701,081	1,037,124	7,243,436
Total Expenditures	6,948,272	7,982,071	1,033,799	7,533,189
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(6,885,772)	(7,934,631)	(1,048,859)	(6,936,761)
OTHER FINANCING SOURCES (USES)				
Sale of Bonds	6,241,126	4,665,000	(1,576,126)	1,993,754
Bond Premium	-	257,961	257,961	-
Issuance of Certificates of Participation	-	1,160,000	1,160,000	4,861,046
Premium on Certificates of Participation	-	152,542	152,542	697,659
Transfers Out	-	-	-	(256,941)
Total Other Financing Sources (Uses)	6,241,126	6,235,503	(5,623)	7,295,518
NET CHANGE IN FUND BALANCE	<u>\$ (644,646)</u>	(1,699,128)	<u>\$ (1,054,482)</u>	358,757
FUND BALANCE				
Beginning of Year		3,009,046		2,650,289
End of Year		<u>\$ 1,309,918</u>		<u>\$ 3,009,046</u>

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)

	Regular Debt Service	OPEB Debt Service	Totals	
			2020	0
ASSETS				
Cash and Investments	\$ 4,693,187	\$ 804,726	\$ 5,497,913	\$ 6,525,661
Receivables:				
Current Taxes	3,698,011	889,266	4,587,277	4,170,309
Delinquent Taxes	23,135	5,730	28,865	27,342
Due from Minnesota Department of Education	57,218	-	57,218	38,553
Prepays	773,139	313,054	1,086,193	800,993
Total Assets	<u>\$ 9,244,690</u>	<u>\$ 2,012,776</u>	<u>\$ 11,257,466</u>	<u>\$ 11,562,858</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Deferred Inflows:				
Property Taxes Levied for Subsequent Year	\$ 7,039,729	\$ 1,692,882	\$ 8,732,611	\$ 8,333,895
Unavailable Revenue - Delinquent Taxes	23,135	5,730	28,865	27,342
Total Deferred Inflows of Resources	<u>7,062,864</u>	<u>1,698,612</u>	<u>8,761,476</u>	<u>8,361,237</u>
Fund Balance:				
Nonspendable:				
Prepays	773,139	313,054	1,086,193	800,993
Restricted for:				
Restricted for Other Purposes	1,408,687	1,110	1,409,797	2,400,628
Total Fund Balance	<u>2,181,826</u>	<u>314,164</u>	<u>2,495,990</u>	<u>3,201,621</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 9,244,690</u>	<u>\$ 2,012,776</u>	<u>\$ 11,257,466</u>	<u>\$ 11,562,858</u>

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)

	2020				0	
	Final Budgeted Amounts	Regular Debt Service	OPEB Debt Service	Total Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES						
Local Sources:						
Property Taxes	\$ 8,333,895	\$ 6,742,997	\$ 1,584,724	\$ 8,327,721	\$ (6,174)	\$ 8,994,612
Earnings and Investments	45,000	39,446	-	39,446	(5,554)	83,460
State Sources	561,566	578,661	2	578,663	17,097	387,169
Federal Sources	-	-	-	-	-	74,577
Total Revenues	8,940,461	7,361,104	1,584,726	8,945,830	5,369	9,539,818
EXPENDITURES						
Debt Service:						
Bond Principal	5,390,000	4,425,000	965,000	5,390,000	-	5,415,000
Bond Interest	3,525,361	2,881,701	643,660	3,525,361	-	3,713,625
Paying Agent Fees and Other	453,184	397,725	494	398,219	(54,965)	499,518
Total Expenditures	9,368,545	7,704,426	1,609,154	9,313,580	(54,965)	9,628,143
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	(428,084)	(343,322)	(24,428)	(367,750)	60,334	(88,325)
OTHER FINANCING SOURCES (USES)						
Sale of Bonds	14,966,197	2,420,000	-	2,420,000	(12,546,197)	10,436,246
Bond Premium	-	115,860	-	115,860	115,860	859,070
Issuance of Certificates of Participation	-	12,185,000	-	12,185,000	12,185,000	9,565,000
Premium on Certificates of Participation	-	249,894	-	249,894	249,894	664,721
Payment to Refunded Bond Escrow Agent	(14,879,143)	(14,935,026)	-	(14,935,026)	(55,883)	(20,419,461)
Transfers In	54	54	-	54	-	141,797
Transfers Out	(373,160)	(373,663)	-	(373,663)	(503)	(9,339)
Total Other Financing Sources (Uses)	(286,052)	(337,881)	-	(337,881)	(51,829)	1,238,034
NET CHANGE IN FUND BALANCE						
	<u>\$ (714,136)</u>	(681,203)	(24,428)	(705,631)	<u>\$ 8,505</u>	1,149,709
FUND BALANCE						
Beginning of Year		2,863,029	338,592	3,201,621		2,051,912
End of Year		<u>\$ 2,181,826</u>	<u>\$ 314,164</u>	<u>\$ 2,495,990</u>		<u>\$ 3,201,621</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	Self- Insurance Accounts	OPEB Revocable Trust	Totals	
			2020	0
ASSETS				
Cash and Investments	\$ 12,415,406	\$ 24,094,756	\$ 36,510,162	\$ 33,002,483
LIABILITIES				
Accounts Payable	4,800	-	4,800	4,078
Claims Payable - Medical	1,934,000	-	1,934,000	1,993,200
Due to Other Funds	-	794,338	794,338	707,637
Unearned Revenue	2,171,054	-	2,171,054	2,063,878
Total Liabilities	<u>4,109,854</u>	<u>794,338</u>	<u>4,904,192</u>	<u>4,768,793</u>
NET POSITION				
Unrestricted	<u>\$ 8,305,552</u>	<u>\$ 23,300,418</u>	<u>\$ 31,605,970</u>	<u>\$ 28,233,690</u>

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)

	Self- Insurance Accounts	OPEB Revocable Trust	Totals	
			2020	0
OPERATING REVENUES				
Charges for Services:				
Health Insurance Premiums	\$ 14,996,794	\$ -	\$ 14,996,794	\$ 13,843,001
Dental Insurance Premiums	1,049,031	-	1,049,031	1,049,031
Total Operating Revenues	16,045,825	-	16,045,825	14,892,032
OPERATING EXPENSES				
Salaries	104,358	-	104,358	91,229
VEBA Contributions	1,074,755	-	1,074,755	2,432,314
Wellness Payments	40,830	-	40,830	38,430
Health Insurance Claim Payments	10,149,201	-	10,149,201	11,290,890
Dental Insurance Claim Payments	904,971	-	904,971	959,208
OPEB Payments	-	794,338	794,338	707,637
General Administration Fees	810,290	-	810,290	1,044,006
Total Operating Expenses	13,084,405	794,338	13,878,743	16,563,714
OPERATING INCOME (LOSS)	2,961,420	(794,338)	2,167,082	(1,671,682)
NONOPERATING INCOME				
Earnings on Investments	138,436	1,066,762	1,205,198	1,448,254
CHANGE IN NET POSITION	3,099,856	272,424	3,372,280	(223,428)
Net Position - Beginning	5,205,696	23,027,994	28,233,690	28,457,118
NET POSITION - ENDING	<u>\$ 8,305,552</u>	<u>\$ 23,300,418</u>	<u>\$ 31,605,970</u>	<u>\$ 28,233,690</u>

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2019)

	Self- Insurance Accounts	OPEB Revocable Trust	Totals	
			2020	0
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Interfund Services Provided	\$ 16,153,001	\$ -	\$ 16,153,001	\$ 15,889,338
Payments for Administrative Costs	(810,290)	-	(810,290)	(1,044,006)
Payments for Salaries	(104,358)	-	(104,358)	(91,229)
Payments for Medical Fees and Insurance Claims	(11,112,650)	-	(11,112,650)	(12,072,202)
Payments for Wellness	(40,830)	-	(40,830)	(38,430)
Payments to Employee VEBA Accounts	(1,074,755)	-	(1,074,755)	(2,432,314)
Payments for Retirement Benefits	-	(707,637)	(707,637)	(627,570)
Net Cash Provided (Used) by Operating Activities	3,010,118	(707,637)	2,302,481	(416,413)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	138,436	-	138,436	169,185
Proceeds from Sale of Investments	-	707,637	707,637	627,570
Net Cash Provided by Investing Activities	138,436	707,637	846,073	796,755
Net Increase in Cash and Cash Equivalents	3,148,554	-	3,148,554	380,342
Cash and Cash Equivalents - Beginning	9,266,852	-	9,266,852	8,886,510
Cash and Cash Equivalents - Ending	<u>\$ 12,415,406</u>	<u>\$ -</u>	<u>\$ 12,415,406</u>	<u>\$ 9,266,852</u>
Total Cash and Investments per Statement of Net Position	\$ 12,415,406	\$ 24,094,756	\$ 36,510,162	\$ 33,002,483
Less: Investments Included in Cash and Investments	-	(24,094,756)	(24,094,756)	(23,735,631)
Total Cash and Cash Equivalents	<u>\$ 12,415,406</u>	<u>\$ -</u>	<u>\$ 12,415,406</u>	<u>\$ 9,266,852</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 2,961,420	\$ (794,338)	\$ 2,167,082	\$ (1,671,682)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Increase (Decrease) in Accounts Payable	722	-	722	(504)
Increase (Decrease) in Claims Payable	(59,200)	-	(59,200)	178,400
Increase in Due to Other Funds	-	86,701	86,701	80,067
Increase in Unearned Revenue	107,176	-	107,176	997,306
Total Adjustments	48,698	86,701	135,399	1,255,269
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,010,118</u>	<u>\$ (707,637)</u>	<u>\$ 2,302,481</u>	<u>\$ (416,413)</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
INTERNAL SERVICE FUND
UNIFORM FINANCIAL ACCOUNTING AND REPORTING
STANDARDS COMPLIANCE TABLE
JUNE 30, 2020**

	AUDIT	UFARS	DIFFERENCE		AUDIT	UFARS	DIFFERENCE
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$ 149,519,770	\$ 149,519,767	\$ 3	Total Revenue	\$ 47,440	\$ 47,440	\$ -
Total Expenditures	145,852,403	145,852,399	4	Total Expenditures	7,982,071	7,982,072	(1)
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	1,830,729	1,830,729	-	460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>				<i>Restricted:</i>			
401 Student Activities	8,160	8,160	-	407 Capital Projects Levy	-	-	-
402 Scholarships	231,667	231,667	-	409 Alternative Facility Program	-	-	-
403 Staff Development	-	-	-	413 Projects Funded by COP	1,252,092	1,252,092	-
405 Deferred Maintenance	-	-	-	467 LTFM	936,224	936,224	-
406 Health and Safety	-	-	-	464 Restricted Fund Balance	-	-	-
407 Capital Project Levy	(602,109)	(602,109)	-	<i>Unassigned:</i>			
408 Cooperative Programs	-	-	-	463 Unassigned Fund Balance	(878,398)	(878,399)	1
413 Projects Funded by COP	-	-	-				
414 Operating Debt	-	-	-	07 DEBT SERVICE			
416 Levy Reduction	-	-	-	Total Revenue	7,361,104	7,361,104	-
417 Taconite Building Maintenance	-	-	-	Total Expenditures	7,704,426	7,704,428	(2)
424 Operating Capital	2,962,504	2,962,504	-	<i>Nonspendable:</i>			
426 \$25 Taconite	-	-	-	460 Nonspendable Fund Balance	773,139	773,139	-
427 Disabled Accessibility	-	-	-	<i>Restricted:</i>			
428 Learning and Development	-	-	-	425 Bond Refunding	-	-	-
434 Area Learning Center	-	-	-	451 QZAB and QSCB Payments	-	-	-
435 Contracted Alternative Programs	-	-	-	464 Restricted Fund Balance	1,408,687	1,408,687	-
436 State-Approved Alternative Programs	-	-	-	<i>Unassigned:</i>			
438 Gifted and Talented	-	-	-	463 Unassigned Fund Balance	-	-	-
440 Teacher Development and Evaluations	-	-	-				
441 Basic Skills Programs	-	-	-	08 TRUST			
445 Career and Technical Programs	-	-	-	Total Revenue	-	-	-
448 Achievement and Integration	-	-	-	Total Expenditures	-	-	-
449 Sage Schools Crime Levy	-	-	-	<i>Restricted:</i>			
451 QZAB Payments	-	-	-	401 Student Activities	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-	402 Scholarship	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-	422 Restricted	-	-	-
467 LTFM	-	-	-				
472 Medical Assistance	100,000	100,000	-	18 CUSTODIAL			
<i>Restricted:</i>				Total Revenue	392,902	392,901	1
464 Restricted Fund Balance	-	-	-	Total Expenditures	369,533	369,532	1
<i>Committed:</i>				<i>Restricted:</i>			
418 Committed for Separation	-	-	-	401 Student Activities	-	-	-
461 Committed Fund Balance	-	-	-	402 Scholarships	-	-	-
<i>Assigned:</i>				448 Achievement and Integration	-	-	-
462 Assigned Fund Balance	2,518,088	2,518,088	-	464 Restricted	337,873	337,873	-
<i>Unassigned:</i>							
422 Unassigned Fund Balance	25,906,236	25,906,239	(3)	20 INTERNAL SERVICE			
				Total Revenue	16,184,261	16,184,261	-
02 FOOD SERVICE				Total Expenditures	13,084,405	13,084,406	(1)
Total Revenue	4,764,643	4,764,641	2	<i>Net Position:</i>			
Total Expenditures	5,104,834	5,104,829	5	422 Net Position	8,305,552	8,305,552	-
<i>Nonspendable:</i>							
460 Nonspendable Fund Balance	154,384	154,384	-	25 OPEB REVOCABLE TRUST			
<i>Restricted:</i>				Total Revenue	1,066,762	1,066,763	(1)
452 OPEB Liability Not Held in Trust	-	-	-	Total Expenditures	794,338	794,338	-
464 Restricted Fund Balance	1,401,528	1,401,529	(1)	<i>Net Position:</i>			
<i>Unassigned:</i>				422 Net Position	23,300,418	23,300,418	-
463 Unassigned Fund Balance	-	-	-				
				45 OPEB IRREVOCABLE TRUST			
04 COMMUNITY SERVICE				Total Revenue	-	-	-
Total Revenue	11,218,105	11,218,106	(1)	Total Expenditures	-	-	-
Total Expenditures	12,113,784	12,113,787	(3)	<i>Net Position:</i>			
<i>Nonspendable:</i>				422 Net Position	-	-	-
460 Nonspendable Fund Balance	56,493	56,493	-				
<i>Restricted:</i>				47 OPEB DEBT SERVICE			
426 \$25 Taconite	-	-	-	Total Revenue	1,584,726	1,584,726	-
431 Community Education	649,255	649,255	-	Total Expenditures	1,609,154	1,609,155	(1)
432 E.C.F.E.	212,523	212,523	-	<i>Nonspendable:</i>			
440 Teacher Development and Evaluations	-	-	-	460 Nonspendable Fund Balance	313,054	313,054	-
444 School Readiness	200,143	200,143	-	<i>Restricted:</i>			
447 Adult Basic Education	14,524	14,524	-	425 Bond Refunding	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-	464 Restricted Fund Balance	1,110	1,110	-
464 Restricted Fund Balance	5,681	5,678	3	<i>Unassigned:</i>			
<i>Unassigned:</i>				463 Unassigned Fund Balance	-	-	-
463 Unassigned Fund Balance	-	-	-				

STATISTICAL SECTION (UNAUDITED)

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 22,850,325	\$ 23,626,432	\$ 21,078,480	\$ 21,319,503	\$ 19,627,253	\$ 18,430,241	\$ 14,644,246	\$ 13,441,105	\$ 12,846,900	\$ 16,960,040
Restricted	6,283,759	7,155,824	15,037,395	11,068,622	11,838,485	7,074,898	6,808,222	7,245,813	9,970,960	6,057,675
Unrestricted	9,360,757	4,493,191	7,744,165	10,070,598	(63,764,777)	(57,419,114)	(85,657,524)	(129,067,503)	(97,023,252)	(99,319,271)
Total Governmental Activities										
Net Position	<u>\$ 38,494,841</u>	<u>\$ 35,275,447</u>	<u>\$ 43,860,040</u>	<u>\$ 42,458,723</u>	<u>\$ (32,299,039)</u>	<u>\$ (31,913,975)</u>	<u>\$ (64,205,056)</u>	<u>\$ (108,380,585)</u>	<u>\$ (74,205,392)</u>	<u>\$ (76,301,556)</u>

Source: District's financial records.

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental Activities:				
Administration	\$ 3,771,059	\$ 3,638,171	\$ 3,586,179	\$ 3,710,055
District Support Services	3,093,044	3,546,891	3,101,352	3,539,681
Regular Instruction	50,730,777	54,464,423	53,132,307	59,493,857
Vocational Education Instruction	741,661	837,772	609,015	488,223
Special Education Instruction	13,849,572	14,936,756	13,652,545	14,950,426
Instructional Support Services	4,639,035	4,895,421	4,774,986	5,212,539
Pupil Support Services	6,643,683	6,851,422	7,102,738	7,171,368
Sites and Buildings	10,381,527	10,925,785	12,576,151	14,914,742
Fiscal and Other Fixed Cost Programs	122,837	162,738	215,023	244,628
Food Service	4,279,333	5,415,967	4,873,049	4,902,588
Community Service	8,603,968	9,288,795	10,339,649	10,625,866
Interest on Long-Term Debt	5,491,717	5,074,997	6,617,640	5,516,550
Total Governmental Activities Expenses	<u>\$ 112,348,213</u>	<u>\$ 120,039,138</u>	<u>\$ 120,580,634</u>	<u>\$ 130,770,523</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Regular Instruction	\$ -	\$ -	\$ -	\$ -
Instructional Support Services	-	-	-	-
Pupil Support Services	-	-	-	-
Food Service	3,961,705	4,105,407	4,308,862	4,146,997
Community Service	6,572,122	7,494,306	8,237,658	8,447,774
Operating Grants and Contributions	20,741,942	17,552,515	21,853,403	21,611,798
Capital Grants and Contributions	239,606	422,120	616,445	731,378
Total Governmental Activities Program Revenue	<u>\$ 31,515,375</u>	<u>\$ 29,574,348</u>	<u>\$ 35,016,368</u>	<u>\$ 34,937,947</u>
Net Expense				
Governmental Activities	<u>\$ (80,832,838)</u>	<u>\$ (90,464,790)</u>	<u>\$ (85,564,266)</u>	<u>\$ (95,832,576)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes:				
General Purposes and Capital Projects	\$ 30,231,088	\$ 26,814,510	\$ 26,991,246	\$ 17,872,428
Community Service	989,945	926,919	894,413	415,723
Debt Service	10,725,807	6,294,303	6,794,959	7,691,916
Unrestricted Grants and Contributions	39,131,806	53,456,827	56,403,315	68,173,589
Unrestricted Investment Earnings	2,595,214	(281,808)	1,394,595	2,488,096
Miscellaneous	7,907	34,645	36,896	52,440
Total Governmental Activities	<u>\$ 83,681,767</u>	<u>\$ 87,245,396</u>	<u>\$ 92,515,424</u>	<u>\$ 96,694,192</u>
Change in Net Position	<u>\$ 2,848,929</u>	<u>\$ (3,219,394)</u>	<u>\$ 6,951,158</u>	<u>\$ 861,616</u>
Net Position - Beginning	35,645,912	38,494,841	35,275,447	43,860,040
Prior Period Adjustment	-	-	1,633,435	(2,262,933)
Net Position - Ending	<u>\$ 38,494,841</u>	<u>\$ 35,275,447</u>	<u>\$ 43,860,040</u>	<u>\$ 42,458,723</u>

Source: District's financial records.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 3,949,395	\$ 4,132,706	\$ 5,605,071	\$ 5,455,522	\$ 3,682,577	\$ 4,936,009
3,351,697	3,811,676	4,145,220	5,572,269	6,105,416	6,450,685
64,252,046	67,818,975	96,960,340	104,554,124	61,855,919	92,016,508
515,227	562,427	1,108,400	866,784	382,774	961,154
15,431,007	16,064,977	22,481,202	23,574,526	14,936,738	21,594,998
5,476,973	6,018,678	8,066,439	8,647,660	5,192,665	6,914,441
7,507,312	7,822,508	9,606,299	10,078,121	8,171,436	10,011,843
13,769,610	16,084,512	19,441,992	10,542,688	10,323,572	11,665,056
225,994	262,090	258,901	232,382	243,794	247,710
4,849,625	5,406,639	5,632,435	5,634,791	5,615,714	4,933,756
9,029,666	9,682,970	11,634,698	12,538,445	11,544,294	12,207,091
6,196,996	6,521,940	5,603,309	6,138,422	6,318,176	5,965,431
<u>\$ 134,555,548</u>	<u>\$ 144,190,098</u>	<u>\$ 190,544,306</u>	<u>\$ 193,835,734</u>	<u>\$ 134,373,075</u>	<u>\$ 177,904,682</u>
\$ -	\$ 1,309,999	\$ 1,403,750	\$ 1,481,610	\$ 1,466,906	\$ 1,264,150
-	222,990	195,169	196,370	207,151	141,938
-	252,275	239,780	253,070	253,665	180,757
4,358,266	4,628,754	4,806,658	4,988,142	5,134,896	3,702,981
7,019,527	8,768,689	9,474,151	10,387,741	11,209,114	9,330,529
22,129,831	17,222,701	22,145,571	19,259,894	17,935,361	22,465,001
1,271,341	1,293,101	1,335,854	1,640,719	1,821,327	1,809,399
<u>\$ 34,778,965</u>	<u>\$ 33,698,509</u>	<u>\$ 39,600,933</u>	<u>\$ 38,207,546</u>	<u>\$ 38,028,420</u>	<u>\$ 38,894,755</u>
<u>\$ (99,776,583)</u>	<u>\$ (110,491,589)</u>	<u>\$ (150,943,373)</u>	<u>\$ (155,628,188)</u>	<u>\$ (96,344,655)</u>	<u>\$ (139,009,927)</u>
\$ 29,302,585	\$ 31,079,686	\$ 35,766,057	\$ 35,987,087	\$ 37,897,822	\$ 42,493,968
1,012,885	948,638	914,505	918,485	954,512	942,780
6,788,554	8,041,734	6,616,212	7,706,340	9,016,279	8,329,244
63,077,322	70,294,970	72,666,001	76,233,324	79,580,441	82,544,597
344,758	(25,408)	2,310,084	2,022,260	2,382,078	2,056,107
280,137	537,033	379,433	1,191,246	688,716	547,067
<u>\$ 100,806,241</u>	<u>\$ 110,876,653</u>	<u>\$ 118,652,292</u>	<u>\$ 124,058,742</u>	<u>\$ 130,519,848</u>	<u>\$ 136,913,763</u>
\$ 1,029,658	\$ 385,064	\$ (32,291,081)	\$ (31,569,446)	\$ 34,175,193	\$ (2,096,164)
42,458,723	(32,299,039)	(31,913,975)	(64,205,056)	(108,380,585)	(74,205,392)
(75,787,420)	-	-	(12,606,083)	-	-
<u>\$ (32,299,039)</u>	<u>\$ (31,913,975)</u>	<u>\$ (64,205,056)</u>	<u>\$ (108,380,585)</u>	<u>\$ (74,205,392)</u>	<u>\$ (76,301,556)</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 926,215	\$ 363,650	\$ 531,999	\$ 590,355
Restricted	1,987,164	2,233,733	1,905,185	411,185
Assigned	3,438,927	1,415,516	3,447,281	3,902,303
Unassigned	10,551,950	11,400,336	14,400,463	14,362,441
Total General Fund	<u>16,904,256</u>	<u>15,413,235</u>	<u>20,284,928</u>	<u>19,266,284</u>
All Other Governmental Funds				
Nonspendable	636,968	785,644	421,693	765,935
Restricted, Reported in:				
Food Service Fund	1,724,479	1,308,264	1,616,011	778,523
Community Service Fund	1,272,524	1,635,961	1,925,296	1,654,874
Capital Projects Fund	8,455,999	6,600,072	6,551,716	5,673,567
Debt Service Funds	10,371,502	6,865,551	11,256,786	9,558,975
Unassigned, Reported in:				
Community Service Fund	(4,798)	(19,322)	(29,618)	(53,686)
Capital Projects Fund	-	-	-	-
Debt Service Funds	-	(396,518)	-	-
All Other Governmental Funds	<u>22,456,674</u>	<u>16,779,652</u>	<u>21,741,884</u>	<u>18,378,188</u>
Total All Funds	<u><u>\$ 39,360,930</u></u>	<u><u>\$ 32,192,887</u></u>	<u><u>\$ 42,026,812</u></u>	<u><u>\$ 37,644,472</u></u>

Source: District's financial records

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 781,333	\$ 779,705	\$ 1,168,168	\$ 1,677,381	\$ 2,434,164	\$ 1,830,729
29,151	628,474	469,509	227,459	3,735,197	3,302,331
4,173,836	3,194,826	3,399,617	3,194,835	2,840,797	2,518,088
13,821,183	14,054,648	16,065,042	17,993,045	19,357,141	25,304,127
18,805,503	18,657,653	21,102,336	23,092,720	28,367,299	32,955,275
1,441,573	905,977	1,228,773	1,129,474	1,075,240	1,297,070
352,237	493,812	735,438	1,192,036	1,814,668	1,401,528
1,914,375	2,804,355	3,484,248	4,026,146	1,841,486	1,082,126
309,828	8,724,062	5,418,769	2,650,289	3,462,797	2,188,316
11,018,614	6,070,506	4,332,850	1,183,399	2,400,628	1,409,797
(44,630)	(67,795)	(65,259)	-	-	-
-	-	-	-	(453,751)	(878,398)
-	(223,082)	-	(58,988)	-	-
14,991,997	18,707,835	15,134,819	10,122,356	10,141,068	6,500,439
<u>\$ 33,797,500</u>	<u>\$ 37,365,488</u>	<u>\$ 36,237,155</u>	<u>\$ 33,215,076</u>	<u>\$ 38,508,367</u>	<u>\$ 39,455,714</u>

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Local Sources:				
Property Taxes	\$ 42,028,912	\$ 34,058,153	\$ 34,706,680	\$ 25,930,101
Earnings on Investments	110,503	82,559	(59,996)	116,925
Other	14,073,789	15,536,692	18,551,066	18,427,849
State Sources	51,815,665	64,755,660	70,037,796	81,858,493
Federal Sources	4,765,634	2,773,468	2,861,974	2,877,634
Total Revenues	112,794,503	117,206,532	126,097,520	129,211,002
Expenditures				
Current:				
Administration	3,618,804	3,487,541	3,651,182	3,816,573
District Support Services	2,923,525	3,356,463	3,169,627	3,507,294
Regular Instruction	45,430,710	48,133,853	50,433,184	54,604,424
Vocational Education Instruction	715,770	821,442	640,262	491,507
Special Education Instruction	13,678,815	14,636,744	14,418,187	15,065,041
Instructional Support Services	4,559,203	4,777,572	4,982,039	5,242,570
Pupil Support Services	6,572,972	6,749,024	7,211,567	7,173,492
Sites and Buildings	5,865,019	6,089,213	5,946,473	8,309,773
Fiscal and Other Fixed Cost Programs	122,837	162,738	215,023	244,628
Food Service	4,195,977	4,424,455	4,782,099	4,813,827
Community Service Fund	8,526,237	9,192,032	10,150,874	10,608,808
Capital Outlay	15,146,027	16,675,428	18,713,971	19,846,429
Debt Service:				
Principal	6,246,692	5,885,000	8,972,367	7,359,633
Interest and Fiscal Charges	5,178,813	5,429,393	6,016,778	5,482,607
Total Expenditures	122,781,401	129,820,898	139,303,633	146,566,606
Deficiency of Revenues Under Expenditures	(9,986,898)	(12,614,366)	(13,206,113)	(17,355,604)
Other Financing Sources (Uses)				
Insurance Recovery	-	-	5,743	-
Other Loan Proceeds	-	-	-	-
Issuance of Bonds and Certificates of Participation	17,040,000	9,065,000	38,845,000	26,080,000
Premiums on Bonds and Certificates of Participation	202,122	145,457	145,681	958,264
Capital Leases	-	-	-	-
Payment to Refunded Bond Escrow Agent	(2,717,365)	(3,764,134)	(17,589,821)	(14,065,000)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	14,524,757	5,446,323	21,406,603	12,973,264
Net Change in Fund Balances	4,537,859	(7,168,043)	8,200,490	(4,382,340)
Fund Balance - Beginning	34,823,071	39,360,930	32,192,887	42,026,812
Prior Period Adjustment	-	-	1,633,435	-
Fund Balance - Ending	<u>\$ 39,360,930</u>	<u>\$ 32,192,887</u>	<u>\$ 42,026,812</u>	<u>\$ 37,644,472</u>
Debt Service as a Percentage of Noncapital Expenditures	10.60%	10.00%	12.40%	10.10%

Sources: District's financial records

INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 37,214,541	\$ 40,114,162	\$ 43,346,798	\$ 44,683,902	\$ 47,752,873	\$ 51,743,003
45,092	176,546	153,497	368,240	923,943	847,553
17,708,928	19,210,588	20,366,116	22,352,959	23,423,379	19,019,421
77,679,938	82,500,253	85,810,383	90,293,577	96,228,983	99,770,611
2,747,558	2,819,671	2,763,275	2,969,111	2,996,291	3,115,200
135,396,057	144,821,220	152,440,069	160,667,789	171,325,469	174,495,788
4,024,247	3,943,877	4,040,778	4,124,131	4,270,151	4,443,920
3,345,636	3,763,882	3,753,805	5,814,329	6,150,430	6,343,341
59,736,890	63,494,232	66,724,212	72,455,135	76,259,944	80,321,434
524,218	549,081	834,722	624,342	582,801	896,121
15,741,744	15,985,969	16,562,003	18,158,328	19,606,480	20,421,959
5,551,204	5,831,692	6,051,941	6,939,347	6,738,998	6,499,566
7,550,330	7,703,284	8,222,140	8,866,622	9,009,289	9,631,457
8,665,464	7,273,494	7,712,195	7,342,946	8,481,626	8,734,327
225,994	262,090	258,901	232,382	243,794	247,710
5,015,606	5,365,527	5,537,865	5,499,699	5,491,043	4,878,178
9,297,612	9,613,374	10,467,031	11,357,592	11,986,244	12,012,110
16,959,572	15,657,282	19,849,561	12,230,881	13,558,826	11,712,783
5,370,000	7,533,187	6,924,417	10,410,000	8,556,614	7,982,599
5,260,757	6,108,765	5,519,964	5,574,934	6,275,587	6,241,167
147,269,274	153,085,736	162,459,535	169,630,668	177,211,827	180,366,672
(11,873,217)	(8,264,516)	(10,019,466)	(8,962,879)	(5,886,358)	(5,870,884)
-	-	-	-	-	-
-	-	-	-	-	547,000
9,710,000	46,260,000	8,560,000	21,565,000	26,795,000	20,430,000
376,245	1,956,415	331,133	2,269,375	2,282,496	776,257
-	-	-	-	2,521,614	-
(1,810,000)	(36,633,911)	-	(17,893,575)	(20,419,461)	(14,935,026)
-	621,368	445,061	192,076	3,566,280	373,717
-	(621,368)	(445,061)	(192,076)	(3,566,280)	(373,717)
8,276,245	11,582,504	8,891,133	5,940,800	11,179,649	6,818,231
(3,596,972)	3,317,988	(1,128,333)	(3,022,079)	5,293,291	947,347
37,644,472	34,047,500	37,365,488	36,237,155	33,215,076	38,508,367
-	-	-	-	-	-
\$ 34,047,500	\$ 37,365,488	\$ 36,237,155	\$ 33,215,076	\$ 38,508,367	\$ 39,455,714
8.20%	9.40%	8.23%	9.94%	8.81%	8.31%

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)**

<u>Payable Year</u>	<u>Hennepin County Residential Property</u>	<u>Carver County Residential Property</u>	<u>Hennepin County Commercial Property</u>	<u>Carver County Commercial Property</u>	<u>Hennepin County Industrial Property</u>
2011	\$ 5,733,128,500	\$ 1,227,136,973	\$ 608,707,800	\$ 5,355,060	\$ 14,383,700
2012	5,560,100,100	1,165,938,687	598,639,200	4,014,780	19,260,700
2013	5,321,136,800	1,152,074,000	521,519,100	3,938,800	18,778,100
2014	5,278,778,900	1,338,971,313	603,332,100	4,215,920	18,768,000
2015	5,737,769,500	1,338,975,413	613,118,800	4,215,920	19,160,400
2016	6,101,387,100	1,386,241,207	774,298,100	4,305,860	19,312,000
2017	6,279,630,658	1,469,462,080	787,395,300	4,448,120	20,046,900
2018	6,692,151,700	1,572,785,318	795,547,500	4,523,840	21,437,000
2019	7,068,589,600	1,657,952,075	803,185,500	5,490,252	23,969,000
2020	7,384,381,200	1,699,405,100	825,842,600	4,549,800	26,435,200

Source: Hennepin County Taxpayer Services Department & Carver County Assessors Office

Notes:

- (1) The tax capacity (assessed taxable value) of the property is calculated by applying a statutory formula to the estimated market value of the property.
- (2) Carver County - Tax-Exempt Property is already deducted from each category.
- (3) The estimated actual value of property is not available as the Counties do not provide this information to the District.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY (CONTINUED)
LAST TEN YEARS
(UNAUDITED)**

<u>Carver County Industrial Property</u>	<u>Carver County Agricultural Property</u>	<u>Hennepin Cty Less Tax-Exempt Property</u>	<u>Hennepin County Assessed Value</u>	<u>Carver County Assessed Value</u>	<u>Total Direct School Tax Rate</u>
\$ 6,802,367	\$ 459,000	\$ 323,776,400	\$ 6,032,443,600	\$ 1,239,753,400	21.27
6,818,933	434,700	323,776,400	5,854,223,600	1,177,207,100	23.02
6,697,700	416,400	323,776,400	5,537,657,600	1,163,126,900	24.49
6,830,767	468,600	323,776,400	5,577,102,600	1,350,486,600	24.37
6,830,747	468,600	323,776,400	6,046,272,300	1,350,490,680	25.09
7,165,133	-	469,804,000	6,425,193,200	1,397,712,200	22.89
6,630,400	-	469,804,000	6,617,268,858	1,480,540,600	22.77
6,767,633	-	469,804,000	7,039,332,200	1,584,076,791	23.13
7,444,400	-	469,804,000	7,425,940,100	1,670,886,727	21.21
7,101,900	-	469,804,000	7,766,855,000	1,711,056,800	21.17

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

Tax Collection Year	ISD 276 Direct Rate			Overlapping Rates				
	Basic Rate	General Obligation		Municipalities				
		Debt Service	ISD No. 276	Chanhassen	Deephaven	Eden Prairie	Excelsior	Greenwood
2011	13.705	7.569	21.274	26.604	17.229	31.034	35.117	19.107
2012	16.163	6.852	23.015	28.532	17.798	33.036	35.463	20.336
2013	16.094	8.393	24.487	28.429	18.594	34.397	36.859	20.897
2014	16.173	8.201	24.374	27.238	19.169	34.493	37.045	22.246
2015	16.268	8.825	25.093	24.634	17.381	33.749	32.462	19.819
2016	16.543	6.344	22.887	24.253	16.338	32.137	30.253	18.963
2017	16.028	6.742	22.770	23.856	15.664	32.480	28.802	17.033
2018	15.379	7.754	23.133	22.667	15.316	32.348	27.133	16.102
2019	14.472	6.737	21.209	21.105	14.840	31.521	27.124	15.590
2020	14.480	6.687	21.167	21.176	16.821	31.513	28.492	14.316

(1) Tax Capacity Rate Method

(2) Special District includes Metropolitan Council Transit Operations, Metropolitan Mosquito Control, Metropolitan Council, Parks/Museum.

Source: Hennepin County Auditor Office
Carver County Auditor Office

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Overlapping Rates

									Total Direct & Overlapping
Municipalities						Counties		Special	Tax Rate
Minnetonka	Orono	Shorewood	Tonka Bay	Victoria	Woodland	Carver	Hennepin	District (2)	
33.511	14.991	28.461	16.514	37.422	8.754	21.274	45.840	7.529	364.661
35.384	16.283	29.984	17.518	39.554	9.613	23.015	48.231	7.529	385.291
36.996	17.667	31.554	18.889	39.574	10.518	24.487	49.461	8.050	400.859
37.651	17.815	32.713	19.583	37.887	11.470	24.374	49.959	8.256	404.273
36.565	17.387	30.723	18.081	31.730	11.380	25.093	46.398	7.497	377.992
35.674	17.325	30.227	18.117	31.520	10.692	22.887	45.356	7.212	363.841
36.378	16.759	29.450	17.685	31.432	10.169	22.770	44.087	6.897	356.232
35.710	16.555	28.635	17.025	31.495	10.148	23.133	42.808	6.554	348.762
34.676	16.406	28.539	17.560	31.271	10.125	21.209	41.861	6.208	339.244
36.574	16.512	29.008	17.229	31.043	10.534	21.167	41.084	6.030	342.666

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2020			2011		
	Net Tax Capacity	Rank	Percentage of Total Tax Capacity \$105,195,193	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Target Corporation	\$ 310,990	1	0.30 %	\$ 392,250	1	0.23 %
Briemor Spe 5 LLC	280,670	2	0.27			
MMB Medical Partners LLC	265,850	3	0.25			
KTJ 212 LLC	247,863	4	0.24			
The Waters of Excelsior	238,050	5	0.23			
ORP SW LLC	217,688	6	0.21			
DMA Investments, LLC	202,863	7	0.19			
ORP SW LLC	193,500	8	0.18			
Kraus Anderson	172,250	9	0.16			
Hunters Ridge Apartments	169,795	10	0.16			
Real Estate Equities-Apts				239,688	2	0.14
Centro Bradley Spec				234,450	3	0.14
Big Box One LLC				151,250	4	0.09
Haug Investment Properties LTD				134,250	5	0.08
Minco Realty Partners				129,590	6	0.08
Individual				123,250	7	0.07
Minnesota Associates LTD				109,250	8	0.06
Sev41 LLC				108,336	9	0.06
Individual				101,038	10	0.05
Total	<u>\$ 2,299,519</u>		2.19	<u>\$ 1,723,352</u>		1.00

Source: Hennepin County Property Tax Division

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Tax Collection Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy		Collections in Subsequent Years (1)	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Current Tax Collection	Percentage of Levy		Total Tax Collection	Percentage of Levy		
2011	\$ 27,735,733	\$ 6,388,854	\$ 34,124,587	\$ 33,825,367	99.1 %	\$ 299,220	\$ 34,124,587	100.0 %	-	- %
2012	27,320,639	6,803,948	34,124,587	33,826,686	99.1	297,901	34,124,587	100.0	-	-
2013	27,566,607	7,687,627	35,254,234	35,026,683	99.4	222,764	35,249,447	100.0	4,787	-
2014	30,169,983	6,814,387	36,984,369	36,708,555	99.3	279,269	36,987,824	100.0	(3,455)	-
2015	31,811,829	8,058,616	39,870,445	39,608,364	99.3	254,499	39,862,863	100.0	7,583	-
2016	36,460,412	6,626,471	43,086,884	42,769,714	99.3	383,749	43,153,463	100.2	(66,579)	(00.2)
2017	36,793,440	7,727,838	44,521,278	43,850,177	98.5	616,238	44,466,415	99.9	54,863	00.1
2018	38,588,794	9,016,785	47,605,579	47,145,809	99.0	393,856	47,539,665	99.9	65,914	00.1
2019	43,361,908	8,333,895	51,695,803	51,147,764	98.9	273,683	51,421,448	99.5	274,355	00.5
2020	45,471,610	8,732,611	54,204,221	25,730,929	47.5	-	25,730,929	47.5	28,473,291	52.5

Notes:

(1) Includes Abatements

Source: Tax Receivables Report from County Treasurer

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Governmental Activities							Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Improvement Loans	Special Assessments Payable	Certificates of Participation	Capital Lease	Other Long-Term Debt	Resources Restricted for Repayment			
2011	\$ 103,449,548	\$ -	\$ -	\$ 35,720,000	\$ -	\$ -	\$ (10,927,269)	\$ 128,242,279	{a}	\$ 3,207
2012	98,789,548	-	-	39,410,000	-	-	(7,024,611)	131,174,937	{a}	3,281
2013	107,882,181	-	-	44,635,000	-	-	(11,440,420)	141,076,761	{a}	3,528
2014	108,067,548	-	-	49,105,000	-	-	(10,029,289)	147,143,259	{a}	3,680
2015	113,075,169	-	-	47,045,000	-	-	(32,525,922)	127,594,247	{a}	3,191
2016	114,387,683	-	-	50,155,000	-	-	(6,546,006)	157,996,677	{a}	3,951
2017	118,111,979	-	-	51,462,261	-	-	(5,332,649)	164,241,591	{a}	4,108
2018	115,237,322	-	-	54,540,771	-	-	(2,051,914)	167,726,179	{a}	4,195
2019	111,914,067	-	-	57,891,319	1,800,000	-	(3,201,622)	168,403,764	{a}	4,212
2020	111,144,166	547,000	-	57,576,841	902,401	-	(2,495,990)	167,674,418	{a}	4,194

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

{a} Due to personal income information being unavailable for the school district, the percentage of personal income is not available.
See the Demographic and economic Statistics schedule for population data of the school district.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
RATIO OF NET GENERAL OBLIGATIONS BONDED DEBT
TO TAX CAPACITY AND NET OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Market Value of Taxable Property	Percent Net Debt to Market Value	Percent of Estimated Actual Market Value of Property (1)	Estimated Population	Net Bonded Debt per Capita
2011	\$ 103,449,548	\$ 10,927,269	\$ 92,522,279	\$ 7,156,127,942	1.29 %	1.27 %	39,984	\$ 2,314
2012	98,789,548	7,024,611	91,764,937	6,931,929,130	1.32	1.31	39,984	2,295
2013	107,882,181	11,440,420	96,441,761	6,670,583,639	1.45	1.44	39,984	2,412
2014	108,067,548	10,029,289	98,038,259	6,688,470,723	1.47	1.42	39,984	2,452
2015	113,075,169	32,525,922	80,549,247	7,307,055,627	1.10	1.09	39,984	2,015
2016	114,387,683	6,546,006	107,841,677	7,738,688,845	1.39	1.38	39,984	2,697
2017	118,111,979	5,332,649	112,779,330	8,021,915,058	1.41	1.39	39,984	2,821
2018	115,237,322	2,051,914	113,185,408	8,451,010,768	1.34	1.31	39,984	2,831
2019	111,914,067	3,201,622	108,712,445	8,953,757,649	1.21	1.20	39,984	2,719
2020	111,144,166	2,495,990	108,648,176	9,386,134,354	1.16	1.15	39,984	2,717

Source: Annual school district census, U.S. census and Minnesota Department of Education levy limitation and certification reports

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
(UNAUDITED)**

<u>Taxing Unit (a)</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (b)</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Direct Debt:</u>			
ISD #276	\$ 111,144,166	100.00 %	\$ 11,114,416,600
<u>Overlapping Debt:</u>			
Carver County	22,946,000	11.37	260,896,020
Hennepin County	996,820,000	4.08	4,067,025,600
Three Rivers Park District	53,070,000	5.80	307,806,000
Hennepin County Railroad Authority	99,385,000	4.08	405,490,800
Cities:			
Chanhassen	4,970,000	30.16	149,895,200
Eden Prairie	4,505,000	2.25	10,136,250
Excelsior	8,035,000	100.00	803,500,000
Minnetonka	26,155,000	24.06	629,289,300
Orono	1,550,000	55.00	85,250,000
Shorewood	-	95.74	-
Victoria	9,250,000	14.35	132,737,500
Metropolitan Transit District	221,425,000	4.89	1,082,768,250
Total Overlapping Debt			7,934,794,920
Total Debt			\$ 19,049,211,520

(a) Only those taxing units with general obligation debt outstanding are included here.

(b) Excludes general obligation debt supported by revenues and revenue debt.

Source: District's financial advisor

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year			
	2011	2012	2013	2014
Debt Limit	\$ 1,095,495,418	\$ 1,095,495,418	\$ 1,039,547,906	\$ 1,056,695,363
Total Net Debt Applicable to Limit	113,034,585	114,889,548	118,572,181	124,307,548
Legal Debt Margin	<u>\$ 982,460,833</u>	<u>\$ 980,605,870</u>	<u>\$ 920,975,725</u>	<u>\$ 932,387,815</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.32%	10.49%	11.41%	11.76%

Source: District's financial records.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Market Value	\$ 9,477,911,800
Legal Debt Limit	1,421,686,770
Net Debt Applicable to Limit	143,390,000
Legal Debt Margin	<u><u>\$ 1,278,296,770</u></u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,168,770,551	\$ 1,210,739,461	\$ 1,214,671,419	\$ 1,293,511,349	\$ 1,364,524,024	\$ 1,421,686,770
<u>130,310,169</u>	<u>138,497,683</u>	<u>146,757,683</u>	<u>147,039,201</u>	<u>141,445,000</u>	<u>143,390,000</u>
<u><u>\$ 1,038,460,382</u></u>	<u><u>\$ 1,072,241,778</u></u>	<u><u>\$ 1,067,913,736</u></u>	<u><u>\$ 1,146,472,148</u></u>	<u><u>\$ 1,223,079,024</u></u>	<u><u>\$ 1,278,296,770</u></u>
11.15%	11.44%	12.08%	11.37%	10.37%	10.09%

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2011	39,984	{a}	{a}	8,633	{b}
2012	39,984	{a}	{a}	9,057	{b}
2013	39,984	{a}	{a}	9,467	{b}
2014	39,984	{a}	{a}	9,624	{b}
2015	39,984	{a}	{a}	9,855	{b}
2016	39,984	{a}	{a}	10,131	{b}
2017	39,984	{a}	{a}	10,521	{b}
2018	39,984	{a}	{a}	10,774	{b}
2019	39,984	{a}	{a}	10,927	{b}
2020	39,984	{a}	{a}	11,088	{b}

Notes:

(1) Per the U.S. Census.

{a} Information from State Demographers Office (Bureau of Economic Analysis Report) not available for the school district.

{b} Information from Jobs Training Research Statistics Department not available for the school district.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment**
United Health Group	9,414	1	25.90 %	2,681	1	
Eden Prairie Center	2,424	2	6.67			
Cargill, Inc.	2,500	3	6.88	2,200	2	
ISD #276 Minnetonka Schools	2,058	4	5.66	1,050	13	
Emerson Process Mgmt-Rosemount, Inc.	1,600	5	4.40	1,100	10	
C.H. Robinson	1,517	6	4.17	1,092	12	
ISD #272 Eden Prairie Schools	1,477	7	4.06			
Starkey Laboratories	1,440	8	3.96	1,325	7	
Allina Health System/Medica	1,200	9	3.30	1,300	8	
St. Jude Medical, Inc.	1,100	10	3.03	1,800	5	
Carlson Companies	1,005	11	2.77	2,000	3	
GE Capital Fleet Services	900	12	2.48	900	15	
HSBC Bank Nevada, N.A.	900	13	2.48			
SuperValu Stores, Inc.	850	14	2.34	1,500	6	
Deli Express	673	15	1.85	940	14	
Ingenix				1,100	11	
Advance Circuits				1,200	9	
Micro-Tech, Inc.				2,000	4	
Total	29,058		79.95	22,188		-

Source: District's Financial Advisor

**Historical Data is not available

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Elementary Teachers (K-5)	254.80	270.39	280.83	287.15	299.72	302.64	304.85	315.76	323.75	329.85
Secondary Teachers (6-12)	236.20	236.47	230.43	250.61	264.70	266.47	276.43	294.51	297.97	312.60
Special Education Teachers	92.50	94.58	94.61	98.11	100.10	99.61	103.32	111.03	118.10	120.84
ECFE Teachers	9.00	8.85	8.65	9.36	8.76	9.83	9.14	12.08	10.85	10.82
Guidance Counselors	14.00	14.30	14.30	14.80	14.80	14.80	17.20	18.20	18.70	20.20
Social Workers	8.00	8.00	8.30	8.00	7.10	7.10	5.20	5.70	6.20	7.60
Psychologists	3.00	3.00	4.00	4.00	3.70	4.00	4.20	4.70	5.00	4.85
Librarians	8.50	8.50	8.50	8.50	8.50	8.50	8.50	7.00	7.00	7.00
Total Teaching Staff	<u>626.00</u>	<u>644.09</u>	<u>649.62</u>	<u>680.53</u>	<u>707.38</u>	<u>712.95</u>	<u>728.84</u>	<u>768.98</u>	<u>787.57</u>	<u>813.76</u>
Administrators	28.00	27.00	28.00	28.00	27.00	29.00	29.00	32.00	34.60	37.00
Principals and Assistant Principals	13.00	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.00	14.00
Total Administration Staff	<u>41.00</u>	<u>40.00</u>	<u>41.00</u>	<u>41.00</u>	<u>40.00</u>	<u>42.00</u>	<u>42.00</u>	<u>46.00</u>	<u>48.60</u>	<u>51.00</u>
Non-Licensed Support Staff	19.45	23.11	24.12	27.04	28.46	30.76	26.34	26.70	26.52	24.47
Paraprofessionals	195.66	200.44	193.17	202.87	201.81	207.61	216.44	238.64	263.43	282.20
Clerical	66.60	66.96	66.06	67.19	66.59	65.99	65.73	67.99	67.30	65.01
Custodial	59.00	59.00	62.00	62.00	66.00	66.00	66.00	67.00	70.00	70.00
Service Worker - Technology Support	13.00	12.00	11.80	11.80	11.80	11.80	11.80	12.80	12.80	12.80
Service Worker - Food Service	47.83	47.83	46.71	47.71	54.79	54.79	54.79	57.25	57.08	56.21
Total Support Staff	<u>401.54</u>	<u>409.34</u>	<u>403.86</u>	<u>418.61</u>	<u>429.45</u>	<u>436.95</u>	<u>441.10</u>	<u>470.38</u>	<u>497.13</u>	<u>510.69</u>
	<u>1,068.54</u>	<u>1,093.43</u>	<u>1,094.48</u>	<u>1,140.14</u>	<u>1,176.83</u>	<u>1,191.90</u>	<u>1,211.93</u>	<u>1,285.36</u>	<u>1,333.30</u>	<u>1,375.45</u>

Source: District Records

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil– Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>	<u>Student Attendance Percentage</u>
2011	8,633	\$ 99,675,302	\$ 11,546	4.03 %	626	13.8	8.68 %	94.93
2012	9,057	107,209,688	11,837	7.56	644	14.1	8.13	94.99
2013	9,467	110,125,748	11,633	2.72	650	14.6	8.17	95.17
2014	9,624	118,552,746	12,318	7.65	681	14.1	7.74	95.15
2015	9,855	124,161,476	12,599	4.73	707	13.9	7.78	94.46
2016	10,131	130,815,453	12,912	5.36	713	14.2	7.26	94.42
2017	10,521	137,258,400	13,046	4.93	729	14.4	6.98	94.52
2018	10,774	149,670,793	13,892	9.04	769	14.0	6.92	94.24
2019	10,927	160,050,491	14,647	6.94	788	13.9	6.22	93.85
2020	11,088	163,060,229	14,706	1.88	814	13.6	6.08	95.4

Source: Nonfinancial and financial information from district records.

Notes: Operating expenditures include General Fund, Food Service and Community Service Funds

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
School										
Elementary										
Clear Springs										
Square Feet	94,751	94,751	94,955	94,955	100,155	100,155	100,155	100,155	108,420	108,420
Capacity	700	700	700	700	850	850	880	880	920	916
Enrollment	615	678	767	774	798	824	860	864	879	882
Deephaven										
Square Feet	75,431	75,431	75,431	76,180	79,241	79,241	79,241	79,241	79,241	79,241
Capacity	625	625	625	625	700	700	700	700	745	739
Enrollment	561	560	636	658	667	652	669	668	665	656
Excelsior										
Square Feet	118,321	118,321	118,321	128,321	128,200	128,200	128,200	128,200	128,200	128,200
Capacity	750	750	750	750	850	850	850	850	901	918
Enrollment	771	813	792	769	740	773	802	806	808	816
Groveland										
Square Feet	93,331	98,599	98,599	98,599	101,639	101,639	101,639	110,039	110,039	110,039
Capacity	700	700	700	700	850	850	880	880	912	984
Enrollment	619	670	723	756	781	825	843	857	861	897
Minnewashta										
Square Feet	111,476	111,476	112,348	112,348	117,648	117,648	117,648	117,648	117,648	117,648
Capacity	775	775	775	775	900	900	900	900	1,024	1,056
Enrollment	817	860	875	856	846	868	894	893	929	950
Scenic Heights										
Square Feet	86,205	86,205	86,948	86,948	98,260	98,260	98,260	98,260	107,086	107,086
Capacity	700	700	700	700	850	850	900	900	963	995
Enrollment	586	679	730	757	799	842	870	878	876	905
Middle										
Middle School East										
Square Feet	198,250	203,250	205,495	205,495	206,009	206,009	206,009	206,009	206,009	206,009
Capacity	1,000	1,200	1,200	1,200	1,200	1,200	1,250	1,250	1,300	1,325
Enrollment	935	996	1,068	1,146	1,196	1,235	1,255	1,265	1,307	1,321
Middle School West										
Square Feet	195,687	195,687	195,687	200,187	189,317	189,317	189,317	189,317	189,317	189,317
Capacity	1,000	1,200	1,200	1,200	1,200	1,200	1,250	1,250	1,300	1,275
Enrollment	884	937	982	1,062	1,047	1,077	1,182	1,226	1,276	1,245
High										
Minnetonka High School										
Square Feet	583,321	583,321	583,321	587,821	577,055	577,065	577,065	577,065	577,065	577,065
Capacity	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,500	3,400
Enrollment	2,800	2,825	2,814	2,822	2,959	3,017	3,103	3,240	3,261	3,364
Other										
Deephaven Education Center										
Square Feet	77,207	77,207	77,207	77,207	70,730	70,730	70,730	70,730	70,730	77,051
District Service Center										
Square Feet	24,110	24,110	24,110	24,110	24,108	24,108	24,108	24,108	24,108	24,108
Warehouse and Technology Center										
Square Feet	8,000	8,000	8,000	8,000	7,760	7,760	7,760	7,760	7,760	7,760
Activity Center										
Square Feet	63,365	63,365	63,365	63,365	63,365	63,365	63,365	63,365	63,365	63,365
Highway 7 Building										
Square Feet							9,170	9,170	9,170	9,170
GRAND TOTAL SQUARE FEET	1,729,455	1,739,723	1,743,787	1,763,536	1,763,487	1,763,497	1,772,667	1,781,067	1,798,158	1,804,479

Source: District records.

Notes: The Deephaven Education Center is operated by Minnetonka Community Education serving both adult and youth programs.

**INDEPENDENT SCHOOL DISTRICT NO. 276
MINNETONKA PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Schools</u>										
Elementary										
Buildings	6	6	6	6	6	6	6	6	6	6
Square Feet	579,515	584,783	586,602	597,351	625,143	625,143	625,143	633,543	650,634	650,634
Capacity	4,250	4,250	4,250	4,250	5,000	5,000	5,110	5,110	5,465	5,608
Enrollment	3,969	4,260	4,523	4,570	4,631	4,784	4,938	4,966	5,018	5,106
Middle										
Buildings	2	2	2	2	2	2	2	2	2	2
Square Feet	393,937	398,937	401,182	405,682	395,326	395,326	395,326	395,326	395,326	395,326
Capacity	2,000	2,000	2,000	2,000	2,400	2,400	2,500	2,500	2,600	2,600
Enrollment	1,819	1,933	2,050	2,208	2,243	2,312	2,437	2,491	2,583	2,566
High										
Buildings	1	1	1	1	1	1	1	1	1	1
Square Feet	583,321	583,321	583,321	587,821	577,055	577,065	577,065	577,065	577,065	577,065
Capacity	3,100	3,100	3,100	3,100	3,400	3,400	3,400	3,400	3,500	3,400
Enrollment	2,800	2,825	2,814	2,822	2,959	3,017	3,103	3,240	3,261	3,364
Other										
Buildings	2	2	2	2	3	3	4	4	4	4
Square Feet	85,207	85,207	85,207	85,207	141,855	141,855	141,855	141,855	151,025	157,346
<u>Administrative</u>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square Feet	24,110	24,110	24,110	24,110	24,108	24,108	24,108	24,108	24,108	24,108
<u>Athletics</u>										
Football Fields	3	3	3	3	3	3	3	3	3	3
Soccer Fields	6	6	6	6	6	6	6	6	6	6
Running Tracks	3	3	3	3	3	3	3	3	3	3
Baseball/Softball	7	7	7	7	7	7	7	7	7	7
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Playgrounds	8	8	8	8	8	8	8	8	8	8
TOTAL CAPACITY	9,350	9,350	9,350	9,350	10,800	10,800	11,010	11,010	11,565	11,608

Source: District records.

Notes:

Capacity is based on 25 students per classroom grades K-12, allowing space for special education programs and