

**Independent School District No. 13
Columbia Heights, Minnesota**

**Annual Comprehensive
Financial Report**

For the Fiscal Year Ended June 30, 2022

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

OF THE

INDEPENDENT SCHOOL DISTRICT
NO. 13
COLUMBIA HEIGHTS, MINNESOTA

For the Fiscal Year Ended

June 30, 2022

Prepared by

THE BUSINESS DEPARTMENT

Bryan Hennekens, Director of Finance and Operations

Zena Stenvik, Superintendent

INDEPENDENT SCHOOL DISTRICT NO. 13
COLUMBIA HEIGHTS
1440 49th Avenue NE
Columbia Heights, Minnesota 55421

Independent School District No. 13
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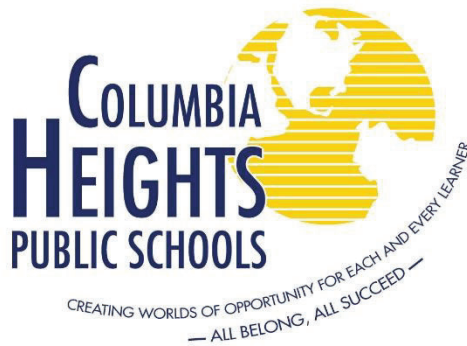
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**Independent School District No. 13
Board of Education and Administration
June 30, 2022**

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Naty Severson	Chairperson	January 1, 2025
Lorien Mueller	Vice Chairperson	January 1, 2025
Mary Granlund	Clerk	January 1, 2025
Molly Lewis	Treasurer	January 1, 2023
Laura Palmer	Director	January 1, 2023
Brenna Zeimet	Director	January 1, 2023
 <u>Administration</u>		
Zena Stenvik	Superintendent	
Bryan Hennekens	Director of Finance and Operations	



Leadership Organizational Chart





Columbia Heights Public Schools
1440 49th Avenue NE
Columbia Heights, MN 55421
763-528-4500
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November 30, 2022

To the School Board and Citizens
Independent School District No. 13
Columbia Heights, Minnesota

INTRODUCTION

We are submitting the Annual Comprehensive Financial Report (ACFR) of Columbia Heights Public Schools – Independent School District No. 13 (the District) for the year ended June 30, 2022. This report fairly presents the District's financial position and results of operations and cash flows in accordance with national and state standards. The District is responsible for its contents and has made every effort to ensure the accuracy and completeness of this presentation. An independent firm of certified public accountants audits this report.

As a part of required supplementary information, the Management's Discussion and Analysis (MD&A) allows the District to explain, in layman's terms, its financial position and results of operations of the past year.

REPORT FORMAT

This ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this Letter of Transmittal, an Organizational Chart, and a list of School Board members and administration personnel. The financial section includes the Independent Auditor's Report, MD&A, basic financial statements, and the combining and individual fund statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year comparative basis.

Accounting principles general accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the 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.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT

The District is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act amendments of 1996 and the U.S. Office of Management and Budget's Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). The District is also required to undergo an annual Minnesota State legal compliance audit under *Minnesota Statute 6.65*. Independent Auditor Reports and a Schedule of Expenditures of Federal Awards are included in a separately issued document. This report contains no significant findings or questioned costs.

REPORTING ENTITY AND ITS SERVICES

The legal name of the District is Independent School District No. 13 and it is commonly referred to as Columbia Heights Public Schools. The financial reporting entity includes all the funds of the primary government (the District). Component units are legally separate entities for which the District (primary government) is financially accountable. There are no organizations considered to be component units of the District.

The District provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through Grade 12. These include regular and enriched academic education, English Learner education, special education for exceptional children, and vocational education. Food service and transportation are provided as supporting programs. The District's community education program includes early childhood and extended day programs, along with a myriad of classes for lifelong learning experiences for children through adults.

The District was incorporated in 1957 and serves three suburban communities on the northeastern edge of Minneapolis/St. Paul metropolitan area in Anoka County. The District encompasses all or part of the cities of Columbia Heights, Fridley, and Hilltop.

The District is organized as a political subdivision of the state of Minnesota and is governed by an elected six-member School Board. The School Board has the power and duty to set budgets, certify tax levies, issue debt, and perform other tasks necessary to the operations of the District. The District is subject to the general oversight of the Minnesota Department of Education. This oversight generally includes an approval process that reviews compliance to standards enacted by legislative mandate.

During 2021-2022, the District operated one high school, one middle school, three elementary schools, one on site warehouse located in Valley View, one bus garage, three early childhood sites, one adult basic education location, and a District/Family Center. The instructional program is organized on the basis of PK, K-5, 6-8, and 9-12. The District enrolled 3,342 students from a population of 27,933.

The District is required to adopt an initial budget for the fiscal year no later than June 30th preceding the beginning of the fiscal year on July 1st. This annual budget serves as the foundation for the District's financial planning and control.

LOCAL ECONOMIC CONDITION AND OUTLOOK

Situated in the southern portion of Anoka County, the District is located just north of Minneapolis. The District expanded dramatically during the early 1960s as the suburbs of Columbia Heights, Hill Top, and Fridley grew. All five of the K-12 buildings were built during this short period of time, and although there have been some small additions since this time, the average age of the buildings is now over 50 years old.

LOCAL ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

The District's Average Daily Membership for FY 2022 is 3,342 and the District's future student enrollment is projected to slightly increase for FY 2023. Over the next four years a slight decrease in enrollment is projected. COVID-19 is assumed to continue to have an impact on enrollment within the District and school districts throughout Minnesota. Source data from the U.S Census Bureau shows that the media household income for Anoka County at \$88,410 with a 6.6% poverty rate. Within Columbia Heights the median household income at \$60,778 with a poverty rate at 12.4%. The poverty rate within Columbia Heights continues to be higher than the surrounding areas as a whole.

The District is dependent on the state of Minnesota for its revenue authority with exceptions for a voter-approved operating referendum, a capital projects levy, and a bond referendum. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation. Minnesota's economic and budget outlook has become more unpredictable based on the COVID-19 pandemic that has impacted the local, national and world economy. Significant funds were allocated to state and local governments as part of the American Rescue Plan. The state financial forecast is very positive. According to the state budget and economic forecast from the Minnesota Management and Budget (MMB), the state of Minnesota has a \$9.3 billion projected surplus.

In addition to current economic concerns, there are numerous factors affecting public school finance and need to be monitored on an on-going basis, such as:

- State aid versus local taxpayer funding for programs and services
- Economic factors, such as unemployment and overall revenue collections by the state
- Mandated programs that are not fully funded, such as special education
- Compliance and implementation of governmental pronouncements
- Impact to local taxpayers for funding requests
- Increased competition for students from other public schools, as well as charter schools
- Housing development and growth
- Enrollment trends
- Health and general property/liability insurance cost increases
- Pension obligations, both local and state
- Management of federal and other special funded state programs

STRATEGIC PLANNING AND MISSION STATEMENT

On October 23, 2018 the Columbia Heights Public Schools Board of Education approved the Strategic Roadmap outlines the District's mission, vision, core values and strategic directions. They are as follows:

District Mission - Our Core Purpose

Columbia Heights Public Schools Creating worlds of opportunity for each and every learner. "All Belong, All Succeed."

STRATEGIC PLANNING AND MISSION STATEMENT (CONTINUED)

Vision - What we intend to create

- Academic excellence supporting the whole student through individual choices and rigorous learning.
- Engaging and personalized learning, effective communication, and preparation for success in college, career and community.
- Staff supporting, challenging, affirming and caring for all of our students.
- Pride in, and by our students, schools, district and community.
- A district and community culture of collaborative partnerships.
- Safe and secure schools for all; physically and emotionally.
- Irresistible employment and a great place to work and learn.

Core Values - What drives our work and actions

Community:	<i>where we all belong and believe in ourselves and each other.</i>
Excellence:	<i>being our best, expecting our best, every day.</i>
Collaboration:	<i>working together for common goals</i>
Integrity:	<i>doing what is right, even when no one is watching</i>
Respect:	<i>celebrating who we are, honoring our differences, treating others well.</i>
Courage:	<i>facing challenges with hope and persistence</i>
Innovation:	<i>finding new ways to excel and grow</i>

Strategic Directions - Our key strategies towards vision

- A. Improving Each Student's Experience and School Climate
- B. Improving Each Student's Academic Achievement and Career/College Readiness.
- C. Improving our Daily Interactions with Students, Families and Community.
- D. Securing and Effectively Managing Our Resources, Human Resources, Financial, and Physical.

The District's Board of Education has developed an Equity Statement committing to providing a school culture that is free from obstacles that can impede our districts mission:

We, the Columbia Heights Public Schools Board of Education ISD #13, are accountable for each learner belonging and succeeding. We acknowledge that we have a beautiful and diverse student population. The District's Mission Statement is Creating Worlds of Opportunity for Each and Every Learner: All Belong, All Succeed. We are committed to providing a school culture that is free of obstacles that impede our mission and providing the resources necessary to accomplish this.

Therefore, we seek to have policies and practices in our schools that respect, honor and learn from all cultures represented in our school community. To that effect, we commit to identifying and removing barriers in CHPS policies, procedures, systems and practices that limit opportunities for our students and result in predictably lower academic achievement for any student group compared to their peers.

STRATEGIC PLANNING AND MISSION STATEMENT (CONTINUED)

In order to achieve our Mission, Columbia Heights Public Schools Board of Education ISD #13 commits:

To seek two-way communication with all stakeholders, and have positive, purposeful relationships with all students and all families so that barriers to learning at high levels are removed. We welcome our **COMMUNITY** to speak up and ask questions, as we learn more and build bridges.

To strive for **EXCELLENCE** and establish high expectations for all learners, integrating high quality, rigorous and relevant study, that reflects the diversity of our students. Students will leave CHPS feeling confident for their future and feel valued for exactly who they are. To engage in **COLLABORATION** with all stakeholders, including staff and students. Students will see themselves and their culture represented in curriculum, discussion and visuals, providing opportunities for students to see all cultures valued, integrated and represented. In **COLLABORATION** with the Administration, we commit to being intentionally representative of the diversity in our community in recruiting, hiring, retaining and advancement of staff that more closely reflects our student population. To demonstrate **INTEGRITY** by being equitable in our policy, programming, practice, curriculum and treatment of students. We will have brave conversations and challenge ourselves to be reflective on our own assumptions and biases. We commit to participating in District equity work each year.

To **RESPECT** our students and to acknowledge their experiences. We will seek out, amplify, and include those who have been unheard or ignored and will work to mitigate the effects of trauma on the educational outcomes of our students. We will seek to understand our community, listen to their stories, and **RESPECT** how they identify in regards to race, religion, culture, gender and ethnicity.

To show **COURAGE** by working toward building an anti-biased, anti-racist system that promotes academic and civil excellence. To provide specific anti-biased, anti-racist learning opportunities for board members, staff, students, families, and our community. To demonstrate **INNOVATION** by creating a strategic plan that addresses equity. We will provide the superintendent the support and resources needed to address systemic disparities. We will show **INNOVATION** and advocate for policy changes at the local, state, and federal levels working towards an educational system that truly benefits each and every learner.

The District has a current technology plan built with the District's mission statement as the foundation. Our Technology Philosophy is a belief that technology is a critical tool for excellence and engages all students, families, and staff in collaborative and innovative learning that is equitable, efficient, and effective. This plan gives direction for the use of technology in the District by providing a roadmap for the continued integration of technology into the curriculum and classrooms to provide a 21st Century education for our students.

STUDENT ASSESSMENT AND TESTING

The District uses student assessment data in many ways. The District follows MN Department of Education guidelines for determining an annual assessment calendar for state-wide and national exams.

STUDENT ASSESSMENT AND TESTING (CONTINUED)

Minnesota's accountability plan applies to all public schools. Each year, Minnesota Comprehensive Assessments (MCAs) are given to students in reading (grades 3-8 and 10), math (grades 3-8 and 11) and science (grades 5, 8 and HS). The assessments are used to measure how students are performing based on state standards. All schools and districts are expected to show yearly progress toward meeting required participation and proficiency levels on state assessments. In addition, schools are required to submit a plan to close the achievement gap over time. Each year, the District reviews data through a continuous improvement process and determines strategies for implementing programming that will support identified students.

FastBridge Learning Assessments are given to all students in grades K-10. In grades K, 1, 9 and 10, students are given the grade level suite of literacy assessments (earlyReading for K-1 and FASTtrack Reading for 9-10). Additionally, students in grades 2-8 take both the literacy and math suite of assessments. These assessments are given three times a year (Fall, Winter, Spring). Using these assessments, student scores are compared to grade level benchmarks and growth is measured by both grade level and individual student growth. FastBridge Learning Assessments are also used to monitor student progress toward standard mastery and provide multi-tiered interventions. This screening data is used to set goals (individual, grade level and/or school level) and improve overall achievement. Finally, these assessments support the District's K-8 Literacy Plans as well as the federal Read Well by Third Grade plan.

The District administers the PSAT assessment to grade 8 and 10 students and the SAT to grade 11 students. These assessments serve as an indicator of progress toward college readiness. Additionally, students take a career interest inventory as part of college and career readiness goals.

Multiple measures of student achievement are analyzed and presented on a comprehensive basis in the Annual Report for the World's Best Workforce. This information is published annually and is presented to the public. Student achievement on standardized assessments is combined with other information as a basis to monitor, develop and improve curriculum and instruction.

MANAGEMENT SYSTEMS AND CONTROLS

The District is committed to developing, maintaining, and improving effective management systems and controls. The District makes conscientious efforts to employ highly qualified employees through active recruitment and interview processes. Significant continuing professional education opportunities are provided to employees, and managers are encouraged to provide imbedded professional development activities as a means to ensure that an environment of continuous improvement is fostered. Further, operations are annually evaluated to assure they function effectively and provide appropriate levels of supervision and segregation of duties.

BUDGET AND FINANCIAL MANAGEMENT

The District's budget and financial management practices include the following district purposes:

- **Budget Timeline** – Establishes a timeline for the major processes related to the preparation, approval, execution, and review of the District's fiscal year financial budget. Each year's budget spans a three-year period and includes the following activities:
- **Budget Preparation** – The budget preparation cycle occurs during the 12 months prior to the District's upcoming year, which begins on the following July 1st. Major processes during the budget preparation cycle include development of a projection model to accurately predict student enrollment, revenue resources, and programmatic expenditures. Enrollment and other data are submitted to the state to generate both the local property tax levy as well as state and federal aid entitlement amounts for the upcoming year. A budget guideline is established to determine the proper allocation of district resources to the various expenditure categories based upon budget parameters and district priorities as included in the District's mission and vision statements. Recommendations and actions taken by the administration and the School Board during the budget preparation cycle are also included in the completed budget. A proposed financial and operational budget document is then submitted to the School Board for review and subsequent approval prior to July 1st.
- **Budget Approval and Execution** – The School Board is required by Minnesota Statutes to adopt a preliminary budget prior to July 1st. Once original budget is adopted, the District's administration begins its execution July 1st. During the 12-month period that the budget is executed, the administration is directed to update the budget to reflect changes that have taken place after the original approval of the budget occurred. The adopted budget is typically revised to reflect actual enrollment changes, grant awards, employee contract settlements, and changes in estimates and projections that may have occurred since the budget was originally approved. Buildings receive monthly budget reports comparing the current year's year-to-date results to the prior year's results.
- **Budget Review** – During the year and upon completion, the actual financial results for the year are compared to the budgeted amounts. Significant variations are investigated to determine if subsequent financial projections should be adjusted. In addition, as several state aid formulas are not finalized until state-wide data is available, the District's administration is constantly reviewing historical and current data and trends to further refine its projection models for future budget cycles.
- **Finance Committee** – The District has a finance committee that consists of administration and staff, parents, and community members. This committee reviews financial data quarterly and provides input for budget considerations to the administration.

FINANCIAL REPORTING

This is the fifteenth year the District has prepared a comprehensive report, known as an ACFR (previously called a Comprehensive Annual Financial Report). The District was awarded a Certificate of Excellence in Financial Reporting from the Association of School Business Officials International for their 2007 through 2021 reports.

FINANCIAL REPORTING (CONTINUED)

The District has quantified its liability for Other Post-Employment Benefits (OPEB) under GASB Statement No. 75. GASB Statement No. 75 is an all-encompassing and sweeping change to financial reporting requirements for governments. Public school districts will need to report liabilities for future benefits promised under collective bargaining agreements related to health insurance and other post-employment benefits. The District has taken active steps to limit future liabilities of this nature by negotiating defined contribution plans to replace defined benefit plans currently included in many of the District's employment agreements. The District's goal is to eventually sunset, and finally eliminate, unfunded defined benefit plans for these types of arrangements.

ACCOMPLISHMENTS

The District is focused on its mission of *Creating worlds of opportunity for each and every learner* “*All Belong, All Succeed*” by developing strong academic programming to prepare students to be college and career ready.

The District has an articulated college and career readiness pathway with key benchmarks identified for parents and students at each stage along the way. In addition, the District identified the key life skills that are explicitly taught and support what is essential for success in the 21st century.

To ensure students can reach these benchmarks and develop these life skills, the District has continued to expand and improve its college readiness programs throughout the district. The Early College Program is a partnership between Columbia Heights High School and two local colleges (Anoka Ramsey Community College and Century College). The Early College Program allows students to earn dual credit, college and high school credit, for free, without having to leave campus. This program, along with our robust Advanced Placement Program not only gives our students a head start in college, but also saves them thousands of dollars.

Our Career and Technical Education program began to develop pathways to support students with transferable workplace skills in applied learning contexts to provide opportunities to explore high-demand career options, and gives students the technology and skills needed for success in adult life.

The Advancement Via Individual Determination (AVID) program is offered in grades K-12. AVID is a program that teaches students the skills to be successful in rigorous coursework and prepares them for college and career. All seniors in the AVID program at the high school were accepted into college.

ENCORE, our after-school enrichment program is offered to students in grades 1-12. This enrichment program, funded by the 21st Century Community Learning Grant, provides opportunities for students to build on their passions while focusing on mathematics and literacy.

Other areas of note from this past year are:

- Columbia Heights continues to offer free Voluntary Pre-K for four-year old's.
- Columbia Heights Public Schools serves a very diverse student population. Over 35% of students are multilingual and the percentage continues to increase.
- Columbia Heights High School students saved hundreds of thousands in college credits through Early College, Advanced Placement and Post-Secondary Education Options.
- Columbia Heights High School Students received over \$270,000 in local and regional scholarships to support post-secondary education.

ACCOMPLISHMENTS (CONTINUED)

- Columbia Heights High School started an Introduction to Education pathway in collaboration with Century College to support students starting their education degree while in high school.
- About 72% of licensed staff have an advanced degree.

While the District faces great challenges in achieving its goal of college and career readiness for all students, we are proud of the strides our students and teachers have made over the past several years. We continue to strive for excellence in all that we do as we help our students become all that they can be.

ACKNOWLEDGEMENTS

The time, effort, and attention that go into the timely preparation of a ACFR require the commitment and cooperation of many people. Special appreciation is hereby extended to the entire Business Services Office staff for the dedication and to the School Board for their encouragement and leadership.



Zena Stenvik
Superintendent



Bryan Hennekens

**Independent School District No. 13
Certificate of Excellence in Financial Reporting**



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Columbia Heights Public Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'William A. Sutter'.

**William A. Sutter
President**

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

**David J. Lewis
Executive Director**

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Independent Auditor's Report

To the School Board
Independent School District No. 13
Columbia Heights, Minnesota

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 13, Columbia Heights, Minnesota, as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements 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. 13, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Independent School District No. 13 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Implementation of GASB 87

The District has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The management of Independent School District No. 13 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

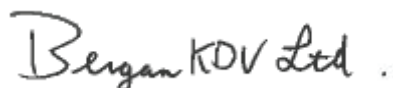
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Minneapolis, Minnesota
November 22, 2022

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**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

This section of Independent School District No. 13's (the "District") annual financial report presents a discussion and analysis of the District's financial performance during the year ended June 30, 2022. Please read it in conjunction with 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 GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. Certain comparative information between the current year (2021-2022) and the prior year (2020-2021) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 year include the following:

- The District's enrollment held steady after partially rebounding from the enrollment drop related to the COVID-19 pandemic.
- The overall fund balance of the District's General Fund for 2021-2022 is \$2,569,187, which is a decrease of \$495,382. The unassigned fund balance made up \$1,455,597 of this total fund balance amount and decreased by \$492,401 in the past year.
- The District's OPEB trust continues to be well funded, keeping this future liability in check.

OVERVIEW OF THE FINANCIAL STATEMENTS

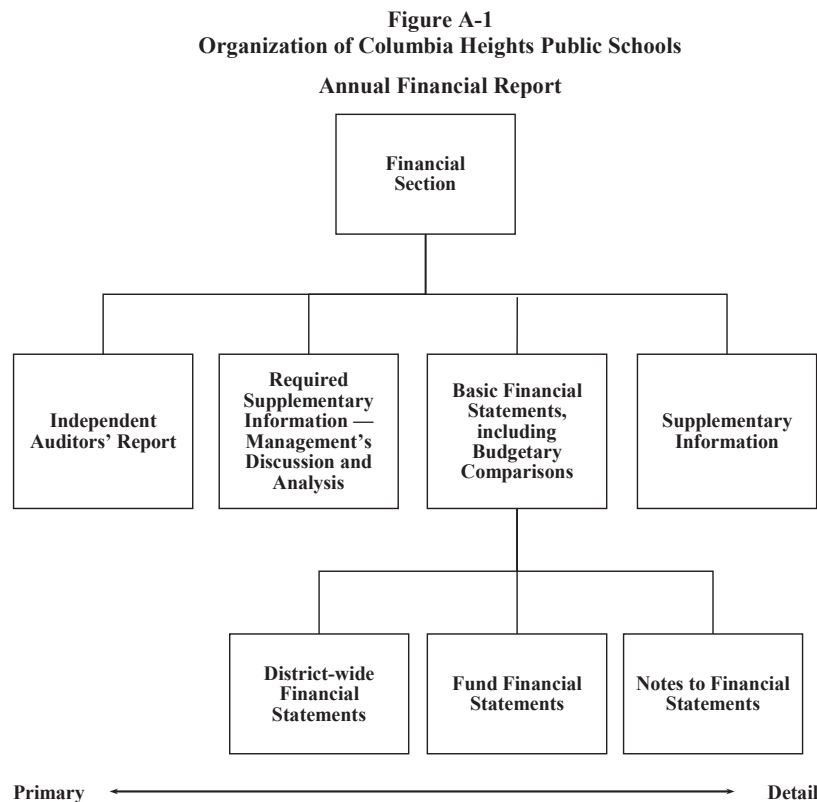
The financial section of the annual report consists of four parts – independent auditor's report, required supplementary information including the MD&A, the basic financial statements and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are the government-wide financial statements that provide both short 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 financial 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 District's self-insured risk management and other post-employment benefit activities.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The financial statements also include notes that explain in more detail information in the basic financial statements. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



Government-Wide Statements

The government-wide statements report information about the District as a whole position 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 they have changed. The term "net position" is defined as the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources and is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively. To assess the overall health of the District, 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.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Statements (Continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
	Government-Wide Statements	Fund Financial Statements		Fiduciary Funds
		Governmental	Proprietary Funds	
Scope	Entire District	The activities of the District that are not proprietary, such as special education, building maintenance, food service, and community education	Activities the District operates similar to private businesses <ul style="list-style-type: none"> • Internal service fund 	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be consumed and liabilities paid during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital and short-term and long-term	All Assets and liabilities, both short-term funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Statements (Continued)

In the government-wide financial statements, the District's activities are shown in one category, titled "governmental activities." Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state appropriations finance most of these activities.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts).

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 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 to determine whether the District's working capital will be sufficient to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide reconciliations between the governmental funds statements and the government-wide statements, which do present a long-term focus.

Proprietary Funds – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same manner as the government-wide statements. 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 one internal service fund that accounts for the District's Self-Insured Employee Dental Insurance Program.

Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring the assets reported in these funds are used only by those to whom the assets belong. The District's fiduciary activities (consisting of a trust fund held for scholarships, an agency fund for the Summer Academy, and an OPEB Irrevocable Trust Fund) are reported in a separate Statement of Fiduciary Net Position. The District excludes these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Table A-1
Independent School District No. 13
Net Position - Governmental Activities
June 30, 2022**

	6/30/22	6/30/21
Assets		
Current and other assets	\$ 25,918,967	\$ 27,826,167
Capital assets	43,488,691	42,727,325
Total assets	<u>69,407,658</u>	<u>70,553,492</u>
Deferred outflows of resources related to pensions	<u>11,649,873</u>	<u>13,421,388</u>
Total assets and deferred outflows of resources	<u><u>\$ 81,057,531</u></u>	<u><u>\$ 83,974,880</u></u>
Liabilities		
Noncurrent liabilities other than pensions	24,134,013	27,168,529
Other liabilities	8,798,956	8,688,061
Net pension liability	18,397,350	30,528,832
Total liabilities	<u>51,330,319</u>	<u>66,385,422</u>
Deferred inflows of resources	<u>41,322,611</u>	<u>34,304,144</u>
Net position		
Net investment in capital assets	19,606,844	15,879,009
Restricted	2,828,706	3,253,691
Unrestricted	<u>(34,030,949)</u>	<u>(35,847,386)</u>
Total net position	<u>(11,595,399)</u>	<u>(16,714,686)</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 81,057,531</u></u>	<u><u>\$ 83,974,880</u></u>

The District's financial position is the product of many factors. Net investment in capital assets represents the value of the District's investment in land, buildings and equipment net of the related outstanding debt and, therefore, is not available for funding ongoing operating expenses of the District. In addition to the investment in capital assets, the District has portions of the net position restricted in their use as mandated by the state.

For the year ended June 30, 2022, total net position increased by \$5,119,287. Net investments in capital assets increased by \$3,727,835 and the unrestricted portion increased by \$1,816,437. Restrictions decreased by \$424,985.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

**Table A-2
Independent School District No. 13
Change in Net Position
Year Ended June 30, 2021**

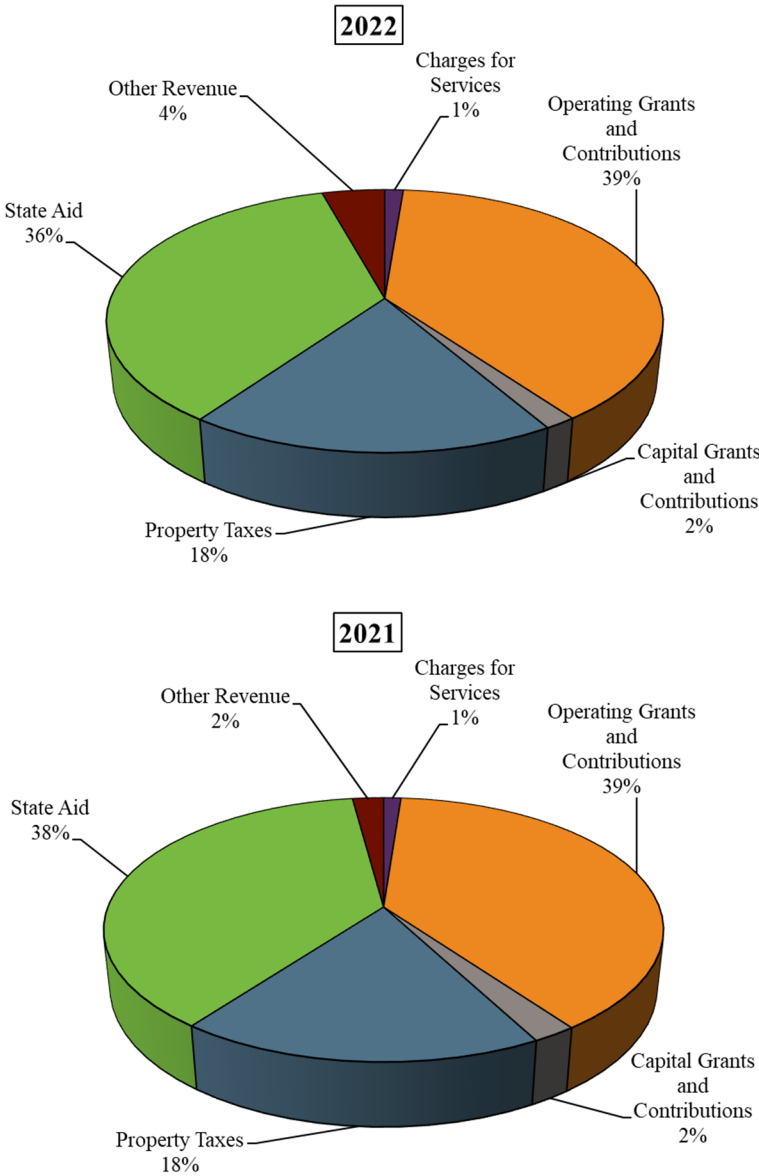
	<u>6/30/22</u>	<u>6/30/21</u>
Revenues		
Program revenues		
Charges for services	\$ 820,741	\$ 696,243
Operating grants and contributions	24,962,425	22,820,068
Capital grants and contributions	1,021,907	1,293,266
General revenues		
Property taxes	11,776,843	10,580,898
State aid	23,136,859	22,112,383
Other	2,775,748	1,245,355
Total revenues	<u>64,494,523</u>	<u>58,748,213</u>
Expenses		
District and school administration	1,759,741	1,692,527
District support services	1,678,513	1,434,818
Regular instruction	25,054,473	26,356,650
Vocational instruction	505,736	538,450
Special education instruction	9,604,307	9,523,193
Instructional support services	1,981,103	2,512,613
Pupil support services	7,928,977	5,435,177
Sites, buildings and equipment	5,378,289	4,389,972
Fiscal and other fixed costs	359,581	272,918
Food service	2,156,487	1,564,635
Community education and services	2,324,126	1,900,942
Interest on long-term debt	643,903	752,568
Total expenses	<u>59,375,236</u>	<u>56,374,463</u>
Change in Net Position	5,119,287	2,373,750
Beginning of year net position	<u>(16,714,686)</u>	<u>(19,088,436)</u>
End of Year Net Position	<u>\$ (11,595,399)</u>	<u>\$ (16,714,686)</u>

This table summarizes all of the governmental activities of the District and is presented on the accrual basis of accounting. Program revenues are allocated to specific programs and general revenues are shown separately and not allocated. Depreciation expense is included in expenses, but capital asset purchase costs and the repayment of debt principal are excluded.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Figure A-3 – Revenues for Fiscal Years 2022 and 2021

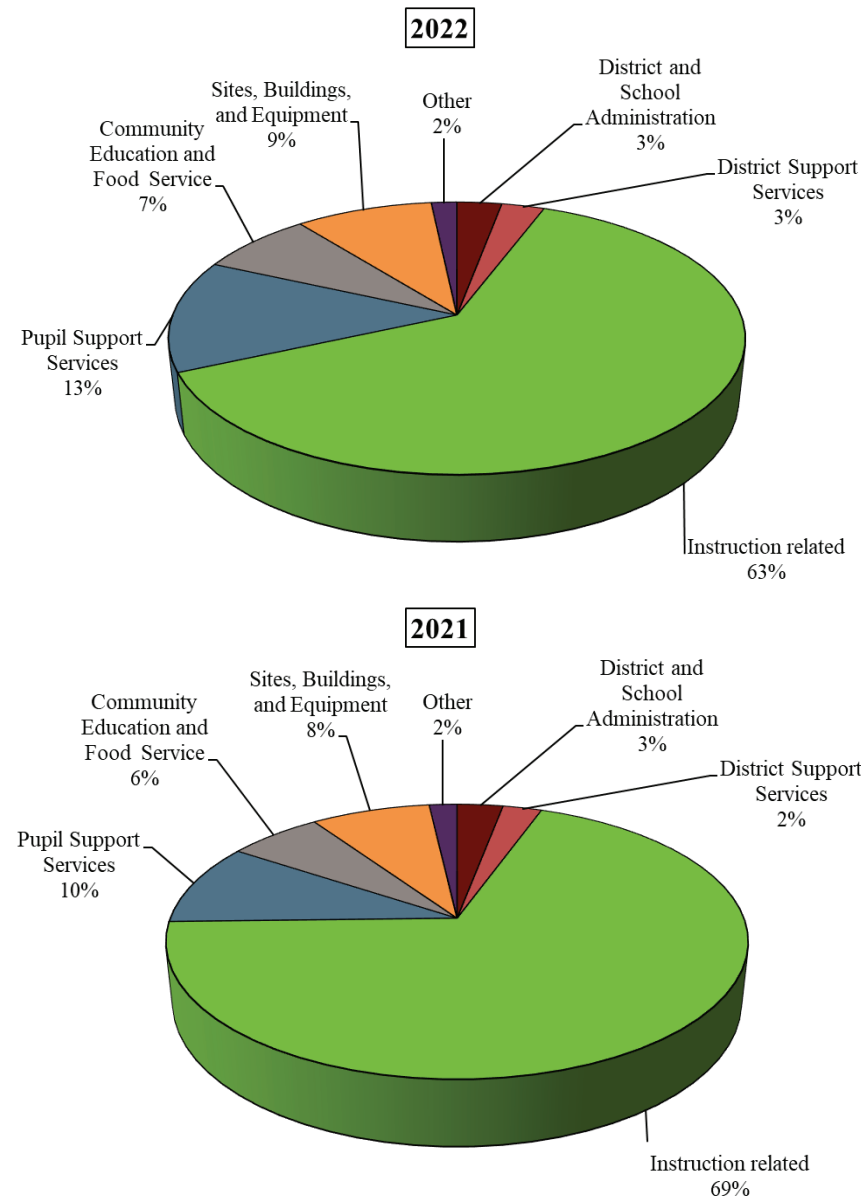


Two of the District's largest revenue sources are general state aid and property taxes, which make up 36% and 18% respectively, of the total revenue. The mix between local tax revenue and state aid is controlled by state law and is subject to change each year by legislative action. The District's funding pattern has shifted over the years to rely more heavily on state aid. Property tax revenue is derived from a combination of levies based on both market value as well as net tax capacity.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Figure A-4 – Expenses for Fiscal Years 2022 and 2021



The District's expenses are predominately related to educating students. The majority of the District's expenses were in the categories directly related to providing instruction, which include: elementary and secondary regular instruction, vocational education instruction, special education instruction, and instructional support services.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Some of the cost was paid by the users of the District's programs (\$820,741). The federal and state governments subsidized certain programs with grants and contributions (\$24,962,425) for operating purposes and (\$1,021,907) for capital purposes. The remaining portion of governmental activities were paid for with \$11,776,843 in property taxes, \$23,136,859 of state aid based on the state-wide education aid formula and \$2,775,748 with investment earnings and other general revenues.

**Table A-3
Independent School District No. 13
Net Cost of Governmental Activities**

	6/30/2022 Total Cost of Services	6/30/2022 Net Cost of Services	6/30/2021 Total Cost of Services	6/30/2021 Net Cost of Services
District and school administration	\$ 1,759,741	\$ 1,759,741	\$ 1,692,527	\$ 1,692,527
District support services	1,678,513	1,678,513	1,434,818	1,434,818
Regular instruction	25,054,473	12,458,102	26,356,650	14,036,020
Vocational instruction	505,736	480,653	538,450	522,370
Special education instruction	9,604,307	3,828,847	9,523,193	2,636,480
Instructional support services	1,981,103	1,463,400	2,512,613	1,518,515
Pupil support services	7,928,977	5,694,617	5,435,177	5,435,177
Sites, buildings and equipment	5,378,289	4,300,927	4,389,972	2,803,106
Fiscal and other fixed costs	359,581	359,581	272,918	272,918
Food service	2,156,487	(602,260)	1,564,635	(160,747)
Community education and services	2,324,126	504,139	1,900,942	621,134
Interest on long-term debt	643,903	643,903	752,568	752,568
Total	<u>\$ 59,375,236</u>	<u>\$ 32,570,163</u>	<u>\$ 56,374,463</u>	<u>\$ 31,564,886</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$4,784,708.

Revenues for the District's governmental funds were \$64,674,324, while total expenditures were \$65,424,675. There were also other financing sources of \$83,569. This resulted in a net decrease to fund balances of \$666,782.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

GENERAL FUND

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

The following schedule presents a summary of General Fund revenues.

	Year Ended June 30, 2022	Year Ended June 30, 2021	Amount of Increase (Decrease)	Percent Increase (Decrease)
Property taxes	\$ 7,126,995	\$ 6,045,133	\$ 1,081,862	17.9%
Other local and county revenue	944,960	661,839	283,121	42.8%
State sources	40,342,302	40,147,799	194,503	0.5%
Federal sources	7,005,353	4,076,674	2,928,679	71.8%
Sales and conversion of assets	-	135,643	(135,643)	-100.0%
Total general fund revenue	<u>\$ 55,419,610</u>	<u>\$ 51,067,088</u>	<u>\$ 4,352,522</u>	<u>8.5%</u>

Total General Fund revenue increased by \$4,352,522 or 8.5%, from the previous year. Property tax revenue increased by 17.9% due to student enrollment partially rebounding and previous years adjustments. Federal revenues increased by 71.8% due largely to the additional funding received in response to the COVID-19 pandemic under the Elementary and Secondary Schools Education Relief (ESSER) fund.

The following schedule presents a summary of General Fund expenditures.

	Year Ended June 30, 2022	Year Ended June 30, 2021	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries	\$ 26,279,097	\$ 25,021,839	\$ 1,257,258	5.0%
Employees benefits	10,558,660	10,024,569	534,091	5.3%
Purchased services	13,842,504	10,617,846	3,224,658	30.4%
Supplies, material and equipment	2,029,132	4,682,218	(2,653,086)	-56.7%
Other expenditures	3,287,068	1,218,804	2,068,264	169.7%
Total general fund expenditures	<u>\$ 55,996,461</u>	<u>\$ 51,565,276</u>	<u>\$ 4,431,185</u>	<u>8.6%</u>

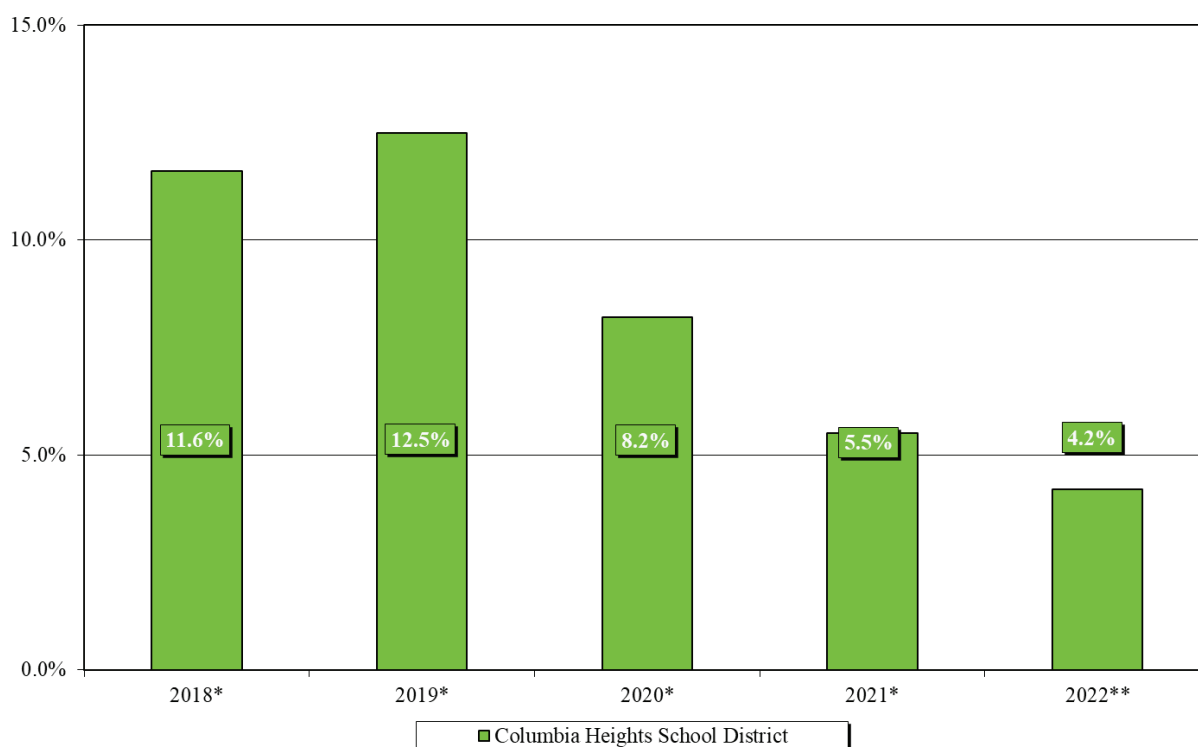
**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

GENERAL FUND (CONTINUED)

Total General Fund expenditures increased \$4,431,185 or 8.6% from the previous year. In 2022, salaries and benefits expenditures increased 5.0% and 5.3%, respectively. Salary and benefit increases consisted of step and lane increases and changes in staffing and unfilled positions throughout the year. Purchased services increased 30.4% mainly due to students returning to in-classroom instruction and increases in students receiving Special Education services. Supplies, material, and equipment decreased 56.7% due mainly to a decrease in equipment purchase. Other expenditures increased by 169.7% due to a large increase in Transportation costs.

In 2022, General Fund revenue was less than expenditures by \$576,851 and other financing sources were \$81,469. Therefore, total general fund balance decreased to \$2,569,187 at June 30, 2022. After deducting statutory reserves, the unassigned fund balance decreased from \$1,947,998 at June 30, 2021 to \$1,455,597 at June 30, 2022.

The following graph shows the General Fund unrestricted fund balance as a percentage of unrestricted expenditures.



The graph above is a visual snapshot of the financial unrestricted fund balance of the school district. The fund balance of \$1,455,597, at June 30, 2022 represents 4.2% of annual unrestricted expenditures. This is currently below School Board policy which sets this percentage to be at least 6 to 12 percent.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

GENERAL FUND (CONTINUED)

General Budgetary Highlights

The District amended its original budget during the year. The final amended budget anticipated revenues would exceed expenditures by \$279,672, the actual results for the year show expenditures exceeding revenues by \$495,382, after factoring in other financing sources.

- Actual revenues were \$1,601,589 more than expected due largely to the additional federal funding received.
- The actual expenditures were \$2,458,112 over budget, primarily in the areas of district support services, elementary and secondary regular instruction, special education instruction and pupil support services.

CAPITAL PROJECTS AND DEBT SERVICE FUNDS

The District completed the Valley View Boiler, High School Phase I roof replacement, High School FACS Lab, High School Area Separation, and North Park Elementary Windows replacement projects during 2021-22.

The High School HVAC, High School Pavement, and 2022 Roof Improvement Projects were started during the current year and are expected to be completed during 2022-23.

The Debt Service Fund revenues exceeded expenditures by \$7,763 resulting in a fund balance of \$590,323 at June 30, 2022.

OTHER NONMAJOR FUNDS

Revenues exceeded expenditures in the other nonmajor funds by \$486,774. These funds include operations of food service and community service.

INTERNAL SERVICE FUND

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost reimbursement basis. The District currently maintains one internal service fund. The fund is used to account for the District's self-insured dental insurance function.

Operating revenues for the Dental Insurance Fund for 2022 totaled \$323,862. Operating expenses totaled \$318,408.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2022, the District had invested \$85,265,097 in a broad range of capital assets, including land, buildings and equipment (See Table A-4). More detailed information about capital assets can be found in Note 3 to the financial statements.

**Table A-4
Independent School District No. 13
Capital Assets (Net of Accumulated Depreciation)
Governmental Activities**

	06/30/22	06/30/21	Amount of Increased (Decrease)	Percent Increase (Decrease)
Land	\$ 122,570	\$ 122,570	\$ -	0.00%
Construction in progress	855,860	1,422,323	(566,463)	-39.83%
Land improvements	28,847,312	27,309,818	1,537,494	5.63%
Leased assets	164,569	-	164,569	N/A
Buildings	12,020,176	12,388,755	(368,579)	-2.98%
Equipment	1,478,204	1,483,859	(5,655)	-0.38%
Total historical cost	<u>\$ 43,488,691</u>	<u>\$ 42,727,325</u>	<u>\$ 761,366</u>	<u>1.78%</u>

Construction – Next Five Years

Starting in the Summer of 2023, the District has the following projects forecasted: Highland Elementary and Valley View Elementary School Roof replacement project and Valley View Elementary School HVAC replacement. We have additional HVAC projects across the District's five buildings that will be a focus in the coming years.

Long-Term Liabilities

At year-end, the District had \$19,291,744 in general obligation (G.O.) bonds outstanding. The District also had \$252,166 in compensated absences payable and \$4,423,202 in financed purchases payable June 30, 2022. The lease liability balance of \$166,901 is the District's future obligations to current leases, an additional liability related to the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. The District is also obligated for post-employment health benefits for certain employees. More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities (Continued)

**Table A-5
Independent School District No. 13
Outstanding Long-Term Liabilities**

	Total School District		Amount of	Percent
	FY 2022	FY 2021	Increase (Decrease)	Increase (Decrease)
General obligation bonds	\$ 19,291,744	\$ 21,823,049	\$ (2,531,305)	-11.60%
Lease liability	166,901	-	166,901	N/A
Financed Purchase Payable	4,423,202	5,025,267	(602,065)	-11.98%
Compensated absences payable	252,166	320,213	(68,047)	-21.25%
Total	<u>\$ 24,134,013</u>	<u>\$ 27,168,529</u>	<u>\$ (3,034,516)</u>	<u>-11.17%</u>

Bond Ratings

The District's general obligation bonds carry a rating of AA1 according to the most recent Moody's Investor Service Rating.

Limitations on Debt

The state limits the amount of general obligation debt the District can issue to 15% of the market value of all taxable property within the District's corporate limits. Our outstanding debt is significantly below this limit, which is currently \$387,004,308.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District's 2022-2023 General Fund revenues are expected to exceed expenditures by \$54,742. The budget parameters included expenditures decreasing 3.7% and a slight decrease in enrollment projections. With the exception of the voter-approved operating referendum of \$308.93 per student, the District is dependent on the state of Minnesota for a majority of its revenue authority.

The general education program is the method by which school districts receive the majority of financial support. This source of funding is primarily state aid based on enrollment and, as such, school districts rely heavily on the State of Minnesota for educational resources. The Legislature has added \$135, or 2 percent per pupil, to the formula for fiscal year 2023 and future years are unknown at this time.

Though we have had revenue increases from the State, they have not kept up with the costs of inflation and required mandates.

**Independent School District No. 13
Columbia Heights, Minnesota
Management's Discussion and Analysis**

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)

The District has been forced to reduce the General Fund unassigned fund balance to maintain the current programming levels, but in future years will be cutting programming levels without additional funding from alternative sources. Additionally, the effect of the COVID-19 pandemic on student enrollment is still impacting the financial condition of the District. The District will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility. If we do not see a larger inflationary increase in funding from the state of Minnesota, the District will have to either cut programming or increase class size to allow for the lacking revenue.

Accordingly, the District continues to project two years into the future to allow sufficient time to resolve potential budget issues in a timely manner. The District will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of sound financial planning.

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, Columbia Heights Independent School District No. 13, 1440 49th Avenue NE, Columbia Heights, Minnesota 55421.

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BASIC FINANCIAL STATEMENTS

Independent School District No. 13
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash and investments	\$ 3,658,821
Current property taxes receivable	8,064,171
Delinquent property taxes receivable	108,207
Accounts receivable	203,338
Interest receivable	1,568
Due from Department of Education	5,192,230
Due from Federal Government through Department of Education	5,523,965
Due from federal government received directly	8,238
Due from other Minnesota school districts	62,913
Due from other governmental units	110,653
Inventory	185,600
Prepaid items	116,609
OPEB asset	2,682,654
Capital assets, not being depreciated	
Land	122,570
Construction in progress	855,860
Capital assets, net of accumulated depreciation	
Improvements	28,847,312
Buildings	12,020,176
Machinery and equipment	1,478,204
Leased assets, net of accumulated amortization	
Leased buildings	78,917
Leased equipment	85,652
Total assets	<u>69,407,658</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	10,770,859
Deferred outflows of resources related to OPEB	879,014
Total deferred outflows of resources	<u>11,649,873</u>
 Total assets and deferred outflows of resources	 <u><u>\$ 81,057,531</u></u>

Independent School District No. 13
Statement of Net Position
June 30, 2022

	Governmental Activities
Liabilities	
Accounts payable	\$ 1,124,259
Contracts payable	626,533
Salaries, benefits and severance payable	4,682,525
Interest payable	806,903
Due to other Minnesota school districts	1,423,312
Due to other governmental units	12,457
Unearned revenue	122,967
Noncurrent liabilities	
Payable within one year	
Bond principal payable, net of related premiums	2,350,000
Financed purchase agreements payable	626,906
Lease liability	104,942
Compensated absences payable	162,973
Payable after one year	
Bond principal payable, net of related premiums	16,941,744
Financed purchase agreements payable	3,796,296
Lease liability	61,959
Compensated absences payable	89,193
Net pension liability	18,397,350
Total liabilities	<u>51,330,319</u>
Deferred Inflows of Resources	
Property taxes levied for subsequent year's expenses	10,311,632
Deferred inflows of resources related to pensions	30,132,273
Deferred inflows of resources related to OPEB	878,706
Total deferred inflows of resources	<u>41,322,611</u>
Net Position	
Net investment in capital assets	19,606,844
Restricted for	
Debt service	331,398
Capital projects	95,443
Other purposes	2,401,865
Unrestricted	(34,030,949)
Total net position	<u>(11,595,399)</u>
 Total liabilities, deferred inflows of resources, and net position	 <u><u>\$ 81,057,531</u></u>

Independent School District No. 13
Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
Governmental activities					Governmental Activities
Administration	\$ 1,759,741	\$ -	\$ -	\$ -	\$ (1,759,741)
District support services	1,678,513	-	-	-	(1,678,513)
Elementary and secondary regular instruction	25,054,473	82,281	12,514,090	-	(12,458,102)
Vocational education instruction	505,736	-	25,083	-	(480,653)
Special education instruction	9,604,307	4,966	5,770,494	-	(3,828,847)
Instructional support services	1,981,103	-	517,703	-	(1,463,400)
Pupil support services	7,928,977	-	2,234,360	-	(5,694,617)
Sites and buildings	5,378,289	55,455	-	1,021,907	(4,300,927)
Fiscal and other fixed cost programs	359,581	-	-	-	(359,581)
Food service	2,156,487	22,463	2,736,284	-	602,260
Community education and services	2,324,126	655,576	1,164,411	-	(504,139)
Interest and fiscal charges on long-term debt	643,903	-	-	-	(643,903)
Total governmental activities	<u>\$ 59,375,236</u>	<u>\$ 820,741</u>	<u>\$ 24,962,425</u>	<u>\$ 1,021,907</u>	<u>(32,570,163)</u>
General revenues					
Taxes					
Property taxes, levied for general purposes					7,111,914
Property taxes, levied for community service					318,639
Property taxes, levied for capital projects					1,531,552
Property taxes, levied for debt service					2,814,738
State aid-formula grants					23,136,859
Other general revenues					2,770,959
Investment income					4,789
Total general revenues					<u>37,689,450</u>
Change in net position					5,119,287
Net position - beginning					<u>(16,714,686)</u>
Net position - ending					<u>\$ (11,595,399)</u>

See notes to basic financial statements.

Independent School District No. 13
Balance Sheet - Governmental Funds
June 30, 2022

	General	Debt Service	Capital Project	Other Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	\$ -	\$ 1,391,438	\$ 553,666	\$ 1,596,329	\$ 3,541,433
Current property taxes receivable	4,660,696	2,018,221	1,112,120	273,134	8,064,171
Delinquent property taxes receivable	67,692	25,801	11,798	2,916	108,207
Accounts receivable	192,944	-	-	10,394	203,338
Interest Receivable	1,568	-	-	-	1,568
Due from Department of Education	5,097,519	6	-	94,705	5,192,230
Due from Federal Government through Department of Education	5,317,644	-	-	206,321	5,523,965
Due from Federal Government directly	8,238	-	-	-	8,238
Due from other Minnesota school districts	56,600	-	-	6,313	62,913
Due from other governmental units	89,515	-	-	21,138	110,653
Due from other funds	-	-	-	10,686	10,686
Inventory	164,870	-	-	20,730	185,600
Prepaid items	115,121	-	-	1,488	116,609
Total assets	<u>\$ 15,772,407</u>	<u>\$ 3,435,466</u>	<u>\$ 1,677,584</u>	<u>\$ 2,244,154</u>	<u>\$ 23,129,611</u>
Liabilities					
Accounts payable	\$ 1,037,441	\$ -	\$ -	\$ 68,663	\$ 1,106,104
Contracts payable	614,113	-	12,420	-	626,533
Salaries, benefits and severance payable	4,535,144	-	7,771	139,610	4,682,525
Due to other Minnesota school districts	1,423,312	-	-	-	1,423,312
Due to other governmental units	8,512	-	-	3,945	12,457
Due to other funds	10,686	-	-	-	10,686
Unearned revenue	8,087	-	-	114,880	122,967
Total liabilities	<u>7,637,295</u>	<u>-</u>	<u>20,191</u>	<u>327,098</u>	<u>7,984,584</u>
Deferred Inflows of Resources					
Unavailable revenue - delinquent property taxes	34,300	10,700	2,491	1,196	48,687
Property taxes levied for subsequent year's expenditures	5,531,625	2,834,443	1,561,950	383,614	10,311,632
Total deferred inflows of resources	<u>5,565,925</u>	<u>2,845,143</u>	<u>1,564,441</u>	<u>384,810</u>	<u>10,360,319</u>
Fund Balances					
Nonspendable	279,991	-	-	22,218	302,209
Restricted	868,423	590,323	92,952	1,510,028	3,061,726
Unassigned	1,420,773	-	-	-	1,420,773
Total fund balances	<u>2,569,187</u>	<u>590,323</u>	<u>92,952</u>	<u>1,532,246</u>	<u>4,784,708</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,772,407</u>	<u>\$ 3,435,466</u>	<u>\$ 1,677,584</u>	<u>\$ 2,244,154</u>	<u>\$ 23,129,611</u>

Independent School District No. 13
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
June 30, 2022

Total fund balances - governmental funds	\$ 4,784,708
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Cost of capital assets	85,265,097
Less accumulated depreciation	(41,940,975)
Leased assets	263,985
Less accumulated amortization	(99,416)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bond principal payable (net of premiums)	(19,291,744)
Capital lease payable	(4,423,202)
Compensated absences payable	(252,166)
Lease liability	(166,901)
Net pension liability	(18,397,350)

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

Deferred outflows of resources related to pensions	10,770,859
Deferred inflows of resources related to pensions	(30,132,273)
Deferred outflows of resources related to OPEB	879,014
Deferred inflows of resources related to OPEB	(878,706)

Delinquent property tax receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	48,687
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Governmental funds do not report a liability for accrued interest on bonds until due and payable.	(806,903)
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Total OPEB asset created through treatment of employer contribution from the internal service fund to defined benefit OPEB plan is not recognized in the governmental funds.	2,682,654
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The Internal Service Funds are used by management to charge the cost of the self insurance plan. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

99,233

Total net position - governmental activities	<u><u>\$ (11,595,399)</u></u>
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Independent School District No. 13
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2022

	General	Debt Service	Capital Project	Other Nonmajor Funds	Total Governmental Funds
Revenues					
Local property taxes	\$ 7,126,995	\$ 2,819,337	\$ 1,534,235	\$ 319,518	\$ 11,800,085
Other local and county revenues	944,960	779	632	680,650	1,627,021
Revenue from state sources	40,342,302	60	-	841,305	41,183,667
Revenue from federal sources	7,005,353	-	-	3,035,735	10,041,088
Sales and other conversion of assets	-	-	-	22,463	22,463
Total revenues	<u>55,419,610</u>	<u>2,820,176</u>	<u>1,534,867</u>	<u>4,899,671</u>	<u>64,674,324</u>
Expenditures					
Current					
Administration	1,704,017	-	-	-	1,704,017
District support services	1,787,744	-	-	-	1,787,744
Elementary and secondary regular instruction	24,641,836	-	-	-	24,641,836
Vocational education instruction	531,265	-	-	-	531,265
Special education instruction	9,845,093	-	-	-	9,845,093
Instructional support services	1,959,323	-	-	-	1,959,323
Pupil support services	7,868,684	-	-	20,160	7,888,844
Sites and buildings	4,557,985	-	406,547	-	4,964,532
Fiscal and other fixed cost programs	359,581	-	-	-	359,581
Food service	-	-	-	2,049,187	2,049,187
Community education and services	-	-	-	2,223,328	2,223,328
Capital outlay					
Elementary and secondary regular instruction	119,449	-	-	-	119,449
Vocational education instruction	14,031	-	-	-	14,031
Special education instruction	12,463	-	-	-	12,463
Instructional support services	5,690	-	-	-	5,690
Pupil support services	31,569	-	-	-	31,569
Sites and buildings	1,649,426	-	1,796,357	-	3,445,783
Food service	-	-	-	120,222	120,222
Debt service					
Principal	704,627	2,285,000	-	-	2,989,627
Interest and fiscal charges	203,678	527,413	-	-	731,091
Total expenditures	<u>55,996,461</u>	<u>2,812,413</u>	<u>2,202,904</u>	<u>4,412,897</u>	<u>65,424,675</u>
Excess of expenditures over (under) revenues	(576,851)	7,763	(668,037)	486,774	(750,351)
Other financing sources					
Proceeds from sale of capital assets	5,550	-	-	2,100	7,650
Lease proceeds	53,494	-	-	-	53,494
Insurance recovery	22,425	-	-	-	22,425
Total other financing sources	<u>81,469</u>	<u>-</u>	<u>-</u>	<u>2,100</u>	<u>83,569</u>
Net change in fund balances	(495,382)	7,763	(668,037)	488,874	(666,782)
Fund Balances					
Beginning of Year	<u>3,064,569</u>	<u>582,560</u>	<u>760,989</u>	<u>1,043,372</u>	<u>5,451,490</u>
End of year	<u>\$ 2,569,187</u>	<u>\$ 590,323</u>	<u>\$ 92,952</u>	<u>\$ 1,532,246</u>	<u>\$ 4,784,708</u>

See notes to basic financial statements.

Independent School District No. 13
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement
of Activities - Governmental Funds
Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$ (666,782)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	3,104,232
Depreciation expense	(2,471,162)
Loss on disposal	(36,273)
Amortization expense	(104,894)

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	68,047
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Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities.

Principal payments	2,989,627
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OPEB obligations are recognized when paid in the governmental funds, but recognized when incurred in the Statement of Activities.	(27,927)
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Governmental funds recognized pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.	2,194,967
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(159,117)
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Governmental funds report debt issuance premiums and discounts as an other financing source or use at the time of issuance. Premiums and discounts are reported net of the related debt in the government-wide financial statements.

Premium amortization	246,305
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Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	(23,242)
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The internal service funds are used by management to charge the costs of the self insurance program to other funds. The operating income is reported within the governmental activities in the Statement of Activities.

5,506

Change in net position - governmental activities	\$ 5,119,287
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Independent School District No. 13
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Over (Under)
Revenues				
Local property taxes	\$ 7,134,603	\$ 7,134,602	\$ 7,126,995	\$ (7,607)
Other local and county revenues	1,079,225	802,861	944,960	142,099
Revenue from state sources	39,779,552	40,538,708	40,342,302	(196,406)
Revenue from federal sources	5,104,612	5,341,850	7,005,353	1,663,503
Sales and other conversion of assets	1,000	-	-	-
Total revenues	<u>53,098,992</u>	<u>53,818,021</u>	<u>55,419,610</u>	<u>1,601,589</u>
Expenditures				
Current				
Administration	1,778,221	1,641,313	1,704,017	62,704
District support services	1,491,319	1,446,523	1,787,744	341,221
Elementary and secondary regular instruction	23,993,087	23,982,050	24,641,836	659,786
Vocational education instruction	441,889	530,333	531,265	932
Special education instruction	9,491,931	9,623,425	9,845,093	221,668
Instructional support services	2,136,966	1,929,902	1,959,323	29,421
Pupil support services	6,317,356	6,844,084	7,868,684	1,024,600
Sites and buildings	4,181,272	3,975,861	4,557,985	582,124
Fiscal and other fixed cost programs	265,000	410,600	359,581	(51,019)
Capital outlay				
Elementary and secondary regular instruction	54,000	54,000	119,449	65,449
Vocational education instruction	14,024	14,024	14,031	7
Special education instruction	-	11,460	12,463	1,003
Instructional support services	-	3,768	5,690	1,922
Pupil support services	440,000	329,968	31,569	(298,399)
Sites and buildings	1,586,118	1,862,038	1,649,426	(212,612)
Debt service				
Principal	649,000	649,000	704,627	55,627
Interest and fiscal charges	230,000	230,000	203,678	(26,322)
Total expenditures	<u>53,070,183</u>	<u>53,538,349</u>	<u>55,996,461</u>	<u>2,458,112</u>
Excess of revenues over (under) expenditures	28,809	279,672	(576,851)	(856,523)
Other financing sources				
Proceeds from sale of capital assets	-	-	5,550	5,550
Lease proceeds	-	-	53,494	53,494
Insurance recovery	-	-	22,425	22,425
Total other financing sources	<u>-</u>	<u>-</u>	<u>81,469</u>	<u>81,469</u>
Net change in fund balance	<u>\$ 28,809</u>	<u>\$ 279,672</u>	<u>(495,382)</u>	<u>\$ (775,054)</u>
Fund Balance				
Beginning of Year			<u>3,064,569</u>	
End of year			<u>\$ 2,569,187</u>	

See notes to basic financial statements.

Statement of Fund Net Position - Proprietary Funds
June 30, 2022

	Governmental Activities - Dental Insurance Internal Service Fund
Assets	
Current assets	
Cash and cash equivalents	<u>\$ 117,388</u>
Liabilities	
Current liabilities	
Accounts payable	<u>\$ 18,155</u>
Net Position	
Unrestricted	<u>99,233</u>
Total liabilities and net position	<u><u>\$ 117,388</u></u>

Independent School District No. 13
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
Year Ended June 30, 2022

	Governmental Activities - Dental Insurance Internal Service Fund
Operating Revenue	
Charges for services	\$ 323,862
Operating Expenses	
Insurance	<u>318,408</u>
Operating income	5,454
Nonoperating Revenue	
Investment income	<u>52</u>
Net Income	5,506
Net Position	
Beginning of year	<u>93,727</u>
End of year	<u><u>\$ 99,233</u></u>

Independent School District No. 13
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2022

Governmental
Activities -
Dental
Insurance
Internal Service
Fund

Cash Flows - Operating Activities

Cash received from other funds

\$ 323,862

Cash paid to vendors

(313,383)

Net cash flows - operating activities

10,479

Cash Flows - Investing Activities

Interest received

52

Net Change in Cash and Cash Equivalents

10,531

Cash and Cash Equivalents

Beginning of year

106,857

End of year

\$ 117,388

Reconciliation of Operating Loss to

Net Cash Flows - Operating Activities

Operating income

\$ 5,454

Change in accounts payable

5,025

Net cash flows - operating activities

\$ 10,479

Independent School District No. 13
Statement of Fiduciary Net Position
June 30, 2022

	<u>Custodial Fund</u>	<u>Other Post Employment Benefits Irrevocable Trust Fund</u>
Assets		
Current		
Cash and cash equivalents	\$ 89,802	\$ -
Investments		
Equities	-	2,014,477
Brokered money markets	-	90,734
Government securities	-	924,190
Corporate securities	-	1,481,905
Real asset funds	-	461,476
Total investments	-	4,972,782
Other receivables	28,462	-
Total assets	<u>\$ 118,264</u>	<u>\$ 4,972,782</u>
Liabilities		
Accounts payable	\$ 35,870	\$ 189,169
Due to other governments	-	-
Total liabilities	<u>\$ 35,870</u>	<u>\$ 189,169</u>
Net Position		
Held for Summer Academy	\$ 82,394	\$ -
Held in trust for OPEB	-	4,783,613
Total net position	<u>\$ 82,394</u>	<u>\$ 4,783,613</u>

Independent School District No. 13
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

	Custodial Fund	OPEB Irrevocable Trust Fund
Additions		
Contributions	\$ 368,947	\$ -
Interest income	78	91,800
Net appreciation in fair value of investments	-	(555,863)
Less investment management fee	-	(5,767)
Net investment income	78	(469,830)
Total additions	369,025	(469,830)
Deductions		
Administrative Expense	73,027	-
Miscellaneous	319,185	255,024
Total deductions	392,212	255,024
Change in net position	(23,187)	(724,854)
Net Position		
Beginning of year	105,581	5,508,467
End of year	<u>\$ 82,394</u>	<u>\$ 4,783,613</u>

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District operates under a school board form of government for the purpose of providing educational services to individuals within the District areas. The governing body consists of a six member board elected by the voters of the District to serve four-year terms.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

A. Reporting Entity

The basic financial statements present the District and its component units. The District includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the District are financially accountable and are included within the basic financial statements of the District because of the significance of their operational or financial relationships with the District.

The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District.

As a result of applying the component unit definition criteria above, the District has no component units; however, a certain organization has been defined and is presented in this report as follows:

Joint Ventures – The relationship of the District with the entity is disclosed.

1. Joint Venture

City of Columbia Heights

On March 3, 2008, the District and the City of Columbia Heights, Minnesota, (the "City") entered into a joint powers agreement in relation to the construction, maintenance and operation of recreational facilities currently on the District campus at 1400 49th Ave. NE, Columbia Heights, Minnesota. Portions of the facilities are established for primary use by each party, of which they are responsible for controlling usage and maintenance. Various cost responsibilities are outlined within the agreement. There is not an explicit measurable equity interest in the joint venture; however, the related asset for the District's portion for the facilities is reported in the government-wide financial statements.

The activity of the City is shown separately in their own issued basic financial statements. No separate basic financial statements are issued.

The student activity accounts of the District are under board control and are reported in the General Fund.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statement Information

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

Depreciation expense that can be specifically identified by function is included in the direct expenses of that function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. The effect of interfund activity has been removed from these statements.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The custodial and trust funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

C. 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 the 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. 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.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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, including targeted services revenue, is recognized in the year to which it applies according to *Minnesota Statutes* and accounting principles generally accepted in the United States of America. *Minnesota Statutes* include state aid funding formulas for specific years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days.

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. The exceptions to this general rule are that interest and principal expenditures in the Debt Service Fund, compensated absences and claims and judgments are recognized when payment is due.

The District applies restricted resources first when an expenditure is incurred for a purpose for which both restricted and unrestricted fund balances are available. Further, the District applies unrestricted funds in this order if various levels of unrestricted fund balances exist: committed, assigned, unassigned.

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 revenues of the District's internal service funds are charges to customers for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Description of Funds:

Major Funds:

General Fund – This fund is the basic operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, general obligation (G.O.) bond principal, interest, and related costs.

Capital Projects-Building Construction Fund – This fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue.

Nonmajor Funds:

Food Service Special Revenue Fund – This fund is used to account for food service revenues and expenditures.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Description of Funds: (Continued)

Nonmajor Funds: (Continued)

Community Service Special Revenue Fund – This fund is used to account for services provided to residents in the areas of community education, school readiness, early childhood and family education or other similar services.

Fiduciary Funds:

OPEB Irrevocable Trust Fund – This fund is used to account for the financial resources relating to post-employment benefits.

Custodial Fund – This fund is used to account for the activity of the Summer Academy for a summer school program held at the District.

Internal Service Funds:

Dental Insurance Internal Service Fund – This fund is used to account for operations of the District's self – insured dental insurance plan. Premiums collected from employees are collected from other governmental funds and claims for dental claims are paid by this fund.

D. Deposits and Investments

The District's total deposits and investments are comprised of two major components, each with its own set of legal and contractual provisions as described below and on the following page.

District Funds Other than OPEB Trust Fund

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

District Funds Other than OPEB Trust Fund (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments held by investment pools are measured at amortized cost.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments (Continued)

District Funds Other than OPEB Trust Fund (Continued)

Cash and investments at June 30, 2022, were comprised of deposits, shares in the Minnesota School District Liquid Asset Fund (MSDLAF) and shares in the MNTrust Investment Shares Portfolio. The MSDLAF and the MNTrust Investment Shares Portfolio are valued at amortized cost, which approximates fair value.

Minnesota Statutes requires all deposits be protected by federal deposit insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

Minnesota Statutes authorizes the District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MSDLAF and MNTrust securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the MSDLAF or MNTrust. Investments in the MSDLAF MAX must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the State of Minnesota. Withdrawals prior to the 14-day restriction period may be subject to a penalty and there is a 24 hour hold on all requests for redemptions.

OPEB Trust Fund

These funds represent investments administered by the District's OPEB Trust Fund investment managers. As of June 30, 2022, the investments were comprised of brokered money markets, government securities, corporate securities, real estate funds, and equities.

Minnesota Statutes requires all deposits be protected by federal deposit insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

Minnesota Statutes authorize the OPEB Trust Fund to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, corporate bonds, common stock, and foreign stock of the highest quality, mutual funds, repurchase and reverse agreements, commercial paper of the highest quality with a maturity no longer than 270 days and in the State Board of Investments. Investments are stated at fair value.

The OPEB Trust Agreement does not address interest rate risk, concentration of credit risk, or custodial credit risk for investments.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments (Continued)

OPEB Trust Fund (Continued)

The OPEB Trust Agreement indicates the District has an investment horizon which is considered to be long-term, in excess of 11 years. The investment emphasis is on the production of current income with some consideration for capital preservation. District suitability, liquidity needs, investment minimum requirements, and investor qualifications will be considered before investments are made. The District has a medium risk tolerance, but moderate down years in investment performance are acceptable. The asset allocation strategy for the trust is as listed below.

<u>Asset Class</u>	<u>Range</u>
Equities	28%-48%
Fixed income	31%-51%

The allocation does not involve market timing and is intended to represent a diversified approach to investing based upon the District's investment horizon. The portfolio will be monitored, measured, and evaluated over a market cycle. The policy outlines a benchmark return for the portfolio of roughly 5.6% assuming an allocation as noted above.

E. Property Tax Receivable

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivables represent uncollected taxes for the past six years, and are deferred and included in the deferred inflows of resources section of the fund financial statements as unavailable revenue because they are not available to finance the operations of the District in the current year.

F. Property Taxes Levied for Subsequent Year's Expenditures

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2021, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in 2022. The remaining portion of the levy will be recognized when measurable and available.

G. Inventories

Inventories of commodities donated directly by the U.S. Department of Agriculture are recorded at market value. Other inventories are stated at cost as determined on a first-in, first-out (FIFO) basis. Inventories are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Property Taxes

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Anoka County is the collecting agency for the levy and remits the collections to the District three times a year. The Tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the basic financial statements.

J. Capital Assets

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements.

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized.

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 purpose. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress. The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has two items that qualify for reporting in this category. Deferred outflows of resources relating to pension activity and deferred outflows of resources related to OPEB are reported in the government-wide Statement of Net Position. Deferred outflows of resources related to pensions and OPEB are recorded for various estimate differences that will be amortized and recognized over future years.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Financial Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets 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 four types of items which qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied, and is reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. Deferred inflows of resources related to pensions is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years. Deferred inflows of resources related to OPEBs is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years.

L. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and bond issuance costs 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. Issuance costs, whether or not withheld or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Compensated Absences

Unused vacation is recorded as compensated absences payable. The District also maintains various early retirement incentive payment plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. No employee can receive early retirement incentive payments exceeding one year's salary. The amount of the early retirement incentive payment is calculated by converting a portion of accrued sick leave. If early retirement incentive payments are owed to a retired employee as of June 30, 2022, an accrual is made in the governmental fund incurring the liability. The amount of yearly retirement incentive payment that is based on convertible sick leave is recorded as a liability in the Statement of Net Position as it is earned and when it becomes probable that it will vest at some point in the future.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Post Employment Severance and Health Benefits

The District's severance and health benefits consist of lump sum early retirement incentive payments and post employment health care benefits.

Under the terms of collectively bargained employment contracts and state law, the District is required to pay portions of the health insurance premiums for retired teachers and administrators until they reach age 65 or are eligible for Medicare.

O. 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.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis, and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015.

P. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Q. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage during the year ending June 30, 2022.

R. Fund Equity

1. Classification

In the fund financial statements, governmental funds report various levels of spending constraints.

- **Nonspendable Fund Balances** – These are amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact and include inventory and prepaid items.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Equity (Continued)

1. Classification (Continued)

- Restricted Fund Balances – These are amounts that are restricted to specific purposes either by constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments or imposed by law through enabling legislation.
- Committed Fund Balances – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the School Board (highest level of decision making authority) through resolution.
- Assigned Fund Balances – The School Board delegates to the Superintendent within their fund balance policy, the authority to assign fund balances for specific purposes.
- Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose in the General Fund. Negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceed amounts restricted, committed, or assigned for those purposes.

The District's policy is to spend resources from fund balance classifications in the following order (first to last) if resources from more than one fund balance classification could be spent: restricted, committed, assigned, and unassigned.

2. Minimum Fund Balance Policy

The District will strive to maintain a General Fund balance of between 6% and 12% of fund balance to total unrestricted expenditures. The fund balance shall be defined as the sum of the unrestricted fund balance. When the District is projected to drop below its minimum fund balance, District administration shall initiate measures to either generate additional revenue or to reduce expenditures through a budget reduction plan, or a combination of both.

S. Net Position

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

T. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Budgetary Information

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. Prior to July 1, the School Superintendent submits to the School Board a proposed operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the School Board.
3. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Debt Service, and Capital Project Funds.
4. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Budgets are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year-end.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

District Funds Other than OPEB Trust Fund

In accordance with applicable *Minnesota Statutes*, the District maintains deposits at depository banks authorized by the School Board.

Custodial Credit Risk – Deposits: For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy that requires the District's deposits to be collateralized as required by *Minnesota Statutes* 118.03 for an amount exceeding Federal Deposit Insurance Corporation (FDIC), SAIF, BIF, or FCUA coverage. As of June 30, 2022, the District's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the District's name. As of June 30, 2022, the District had deposits of \$369,922.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

1. District Governmental Funds

As of June 30, 2022, the District had the following investments:

	Fair Value	Investment Maturities				S&P Credit Rating
		Less Than One Year	1-2 Years	2-5 Years	5-10 Years	
MSDLAF	\$ 155,668	\$ 155,668	\$ -	\$ -	\$ -	AAAm
MSDLAF MAX	442	442	-	-	-	AAAm
MNTrust Investment Shares Portfolio	3,217,591	3,217,591	-	-	-	AAA
Total investments	<u>\$ 3,373,701</u>	<u>\$ 3,373,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The District's investments policy requires their investments be rated as required by *Minnesota Statutes 118A.04*.

Concentration of Credit Risk: Concentration of credit risk is the limit on the amount the District may invest in any one issuer. The District's policy states the District shall diversify its investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. The District's investment policy also places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk: Managing exposure to fair value arising from increasing interest rates. The District's investment policy states the District should manage their interest rates in a manner to attain a market rate of return through various economic and budgetary cycles and taking into account constraints on risk and cash flow requirements.

Custodial Credit Risk – Investments: For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or securities that are in the possession of an outside party. The District's investment policy states all investments shall be held in third party safekeeping by an institution designated as custodial agent.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

2. OPEB Trust Fund

As of June 30, 2022, the District's OPEB Trust Fund had the following investments:

	Fair Value	Investment Maturities				Moody's Credit Rating
		Less Than One Year	1-2 Years	2-5 Years	5-10 Years	
Equities	\$ 2,014,477	\$ 2,014,477	\$ -	\$ -	\$ -	N/A
Brokered money markets	90,734	90,734	-	-	-	N/A
Fixed income						
Government securities	924,190	-	184,265	663,373	76,552	AAA
Corporate securities	1,481,905	34,837	129,908	1,051,624	265,536	BAA3
Real asset funds	461,476	461,476	-	-	-	N/A
Total investments	<u>\$ 4,972,782</u>	<u>\$ 2,601,524</u>	<u>\$ 314,173</u>	<u>\$ 1,714,997</u>	<u>\$ 342,088</u>	

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The OPEB Trust Agreement does not address this risk.

The OPEB Trust Fund has the following recurring fair value measurements as of June 30, 2022:

- \$4,511,306 of investments are valued using significant other observable inputs (Level 2 inputs).

C. Deposits and Investments

The following is a summary of total deposits and investments:

District governmental funds	
Deposits (Note 2.A.)	\$ 369,922
Investments (Note 2.B.1.)	3,373,701
Petty cash	5,000
OPEB trust fund	
Investments (Note 2.B.2.)	<u>4,972,782</u>
Total deposits and investments	<u>\$ 8,721,405</u>

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Deposits and Investments (Continued)

Cash and investments are presented in the June 30, 2022, basic financial statements as follows:

Statements of Net Position	
Cash and investments	\$ 3,658,821
Statement of Fiduciary Net Position	
Cash and cash equivalents - Custodial Fund	89,802
Investments - OPEB Irrevocable Trust Fund	<u>4,972,782</u>
Total cash and investments	<u><u>\$ 8,721,405</u></u>

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being Depreciated				
Land	\$ 122,570	\$ -	\$ -	\$ 122,570
Construction in progress	1,422,323	2,158,344	2,724,807	855,860
Total capital assets not being depreciated	<u>1,544,893</u>	<u>2,158,344</u>	<u>2,724,807</u>	<u>978,430</u>
Capital assets being depreciated				
Buildings	30,260,531	-	-	30,260,531
Improvements other than buildings	42,652,454	3,424,330	36,216	46,040,568
Machinery and equipment	8,687,622	246,368	948,422	7,985,568
Total capital assets being depreciated	<u>81,600,607</u>	<u>3,670,698</u>	<u>984,638</u>	<u>84,286,667</u>
Less accumulated depreciation for				
Buildings	17,871,776	368,579	-	18,240,355
Improvements other than buildings	15,342,636	1,877,237	26,617	17,193,256
Machinery and equipment	7,203,763	225,348	921,747	6,507,364
Total accumulated depreciation	<u>40,418,175</u>	<u>2,471,164</u>	<u>948,364</u>	<u>41,940,975</u>
Total capital assets being depreciated, net	<u>41,182,432</u>	<u>1,199,534</u>	<u>36,274</u>	<u>42,345,692</u>
Governmental activities, capital assets, net	<u>\$ 42,727,325</u>	<u>\$ 3,357,878</u>	<u>\$ 2,761,081</u>	<u>\$ 43,324,122</u>

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 3 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Leased assets being amortized				
Buildings	\$ -	\$ 151,762	\$ -	\$ 151,762
Equipment	-	117,701	5,478	112,223
Total capital assets being amortized	-	269,463	5,478	263,985
Less accumulated amortization for				
Buildings	-	72,847	-	72,847
Equipment	-	32,047	5,478	26,569
Total accumulated amortization	-	104,894	5,478	99,416
Total capital assets being amortized, net	-	164,569	-	164,569
Governmental activities, leased assets, net	<u>\$ -</u>	<u>\$ 164,569</u>	<u>\$ -</u>	<u>\$ 164,569</u>

Depreciation/amortization expense of \$2,576,056 for the year ended June 30, 2022, was charged to the following governmental functions:

Administration	\$ 136,038
District support services	568
Elementary and secondary regular instruction	1,587,137
Vocational education instruction	1,884
Special education instruction	236,256
Community service	198,729
Instructional support services	117,297
Pupil support services	71,148
Food service	130,694
Sites and buildings	96,305
	<u> </u>
Total depreciation expense	<u>\$ 2,576,056</u>

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 4 – LONG-TERM DEBT

A. Components of Long-Term Liabilities

	Issue Date	Interest Rates	Original Issue	Final Maturity	Principal Outstanding	Due Within One Year
Long-term liabilities						
G. O. Bonds, including						
refunding bonds						
2012A Capital Facilities Bonds	05/03/12	2.00%-2.75%	\$ 965,000	02/01/27	\$ 380,000	\$ 70,000
2013A Refunding Bonds	01/08/13	2.00%-4.00%	17,745,000	02/01/23	2,190,000	2,190,000
2019A School Building Bonds	02/21/19	2.00%-5.00%	10,000,000	02/01/33	9,580,000	90,000
2019B School Building Bonds	02/21/19	2.00%-3.45%	6,283,058	02/01/33	6,283,058	-
Total G.O. bonds					18,433,058	2,350,000
Unamortized premium on bonds					858,686	-
Total G.O. bonds, net of premium					19,291,744	2,350,000
Financed purchase agreement	06/19/08	4.10%	3,684,766	06/19/28	1,432,645	215,216
Financed purchase agreement	04/17/12	3.95%	2,950,000	12/30/27	1,289,544	214,033
Financed purchase agreement	04/01/14	4.10%	2,950,000	12/30/29	1,701,013	197,657
Lease liability					166,901	104,942
Total debt outstanding					23,881,847	3,081,848
Compensated absences					252,166	162,973
Total all long-term liabilities					<u>\$ 24,134,013</u>	<u>\$ 3,244,821</u>

Long-term bond liabilities listed above were issued to finance acquisition and construction of capital facilities or to refinance (refund) previous bond issues. Compensated absences are liquidated primarily through the District's General Fund, Community Education Fund, and Food Service fund.

B. Minimum Debt Payments

Minimum annual principal and interest payments required to retire bond and other debt liabilities:

Year Ending June 30,	G.O. Bonds		
	Principal	Interest	Total
2023	\$ 2,350,000	\$ 457,888	\$ 2,807,888
2024	1,589,035	469,604	2,058,639
2025	1,607,254	451,008	2,058,262
2026	1,629,039	431,661	2,060,700
2027	1,641,930	414,070	2,056,000
2028-2032	7,988,764	1,873,836	9,862,600
2033-2035	1,627,036	346,414	1,973,450
Total	<u>\$ 18,433,058</u>	<u>\$ 4,444,481</u>	<u>\$ 22,877,539</u>

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 4 – LONG-TERM DEBT (CONTINUED)

B. Minimum Debt Payments

Year Ending June 30,	Financed Purchases		
	Principal	Interest	Total
2023	\$ 626,906	\$ 174,735	\$ 801,641
2024	652,514	149,126	801,640
2025	679,712	121,929	801,641
2026	707,766	93,874	801,640
2027	736,980	64,661	801,641
2028-2032	1,019,324	50,035	1,069,359
Total	<u>\$ 4,423,202</u>	<u>\$ 654,360</u>	<u>\$ 5,077,562</u>

Year Ending June 30,	Lease Liability		
	Principal	Interest	Total
2023	\$ 104,942	\$ 1,805	\$ 106,747
2024	35,620	247	35,867
2025	10,888	85	10,973
2026	10,916	57	10,973
2027	4,535	6	4,541
Total	<u>\$ 166,901</u>	<u>\$ 2,200</u>	<u>\$ 169,101</u>

C. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance
Long-term liabilities				
G.O. bonds	\$ 20,718,058	\$ -	\$ 2,285,000	\$ 18,433,058
Bond premium	1,104,991	-	246,305	858,686
Financed purchase agreements	5,025,267	-	602,065	4,423,202
Lease liability	-	269,463	102,562	166,901
Compensated absences payable	320,213	494,004	562,051	252,166
Total long-term liabilities	<u>\$ 27,168,529</u>	<u>\$ 763,467</u>	<u>\$ 3,797,983</u>	<u>\$ 24,134,013</u>

D. Financed Purchase Agreement Obligations

On June 19, 2008, the District entered into an agreement for the construction of a new gymnasium. The obligation totaled \$3,684,766. The agreement is semiannual principal and interest payments totaling \$271,749 for the remaining years of the agreement.

On April 17, 2012, the District entered into an agreement for the construction of a classroom addition. The obligation totaled \$2,950,000. The agreement is semiannual principal and interest payments totaling \$131,778 for the remaining years of the agreement.

Independent School District No. 13
Notes to Basic Financial Statements

D. Financed Purchase Agreement Obligations (Continued)

On April 1, 2014, the District entered into an agreement for the construction of a classroom addition. The obligation totaled \$2,950,000. The agreement is monthly payments of \$9,743 to \$10,415 through December 30, 2014, and semiannual principal and interest payments totaling \$133,168 for the remaining years of the agreement.

E. Lease Liability

The District entered into lease agreements for buildings and equipment. The lease agreements include annual principal and interest payments as noted on the previous page. Interest and discount rates on the lease agreements range from 1.0% to 3.0%

F. Aid Anticipation Certificates

On February 17, 2021, the District issued short-term Aid Anticipation Certificates in the amount of \$1,010,000. The certificates were paid on September 10, 2021 with interest at rate of 2%.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 5 – FUND BALANCES/NET POSITION

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.

	General Fund	Debt Service	Capital Project	Other Nonmajor Funds	Total
Nonspendable for					
Inventory	\$ 164,870	\$ -	\$ -	\$ 20,730	\$ 185,600
Prepaid Items	115,121	-	-	1,488	116,609
Total nonspendable	<u>279,991</u>	<u>-</u>	<u>-</u>	<u>22,218</u>	<u>302,209</u>
Restricted/Reserved for					
Student Activities	146,559	-	-	-	146,559
Scholarships	227,268	-	-	-	227,268
Operating Capital	424,377	-	-	-	424,377
Medical Assistance	64,158	-	-	-	64,158
Safe School Crime	6,061	-	-	-	6,061
Early Childhood and Family					
Education	-	-	-	27,300	27,300
School Readiness	-	-	-	32,431	32,431
Adult Basic Education	-	-	-	499	499
Community Service	-	-	-	74,843	74,843
Community Education	-	-	-	3,086	3,086
Debt Service	-	590,323	-	-	590,323
Food Service	-	-	-	1,371,869	1,371,869
Capital Projects Levy	-	-	92,952	-	92,952
Total restricted	<u>868,423</u>	<u>590,323</u>	<u>92,952</u>	<u>1,510,028</u>	<u>3,061,726</u>
Unassigned for					
Long-Term Facilities					
Maintenance	(34,824)	-	-	-	(34,824)
General Purposes	1,455,597	-	-	-	1,455,597
Total unassigned	<u>1,420,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,420,773</u>
Total fund balances	<u>\$ 2,569,187</u>	<u>\$ 590,323</u>	<u>\$ 92,952</u>	<u>\$ 1,532,246</u>	<u>\$ 4,784,708</u>

A. Fund Equity

Fund equity balances are classified as listed below to reflect the limitations and restrictions of the respective funds.

Nonspendable for Inventory – This balance represents fund balance that has already been spent as inventory.

Nonspendable for Prepaid Items – This balance represents fund balance that has already been spent as prepaid items.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 5 – FUND BALANCES/NET POSITION (CONTINUED)

A. Fund Equity (Continued)

Restricted for Student Activities – This balance represents available resources to be used for the extracurricular activity funds raised by the students.

Restricted for Scholarships – This balance represents available resources for the scholarship funds.

Restricted for Operating Capital – This balance represents available resources in the General Fund to be used to purchase equipment and facilities.

Restricted for Medical Assistance – This balance represents available resources to be used for medical assistance expenditures (*Minnesota Statutes* 125A.21, subd. 3).

Restricted for Safe Schools Levy – The unspent resources available from the Safe Schools Levy must be restricted in this account for future use.

Restricted for Early Childhood and Family Education – This balance represents the resources available to provide for services for early childhood and family education programming.

Restricted for School Readiness – This balance represents the resources available to provide for services for school readiness programs (*Minnesota Statutes* 124D.16).

Restricted for Adult Basic Education – This account will represent the balance of carryover monies for all activity involving adult basic education. This would include all state aid and any grants or local funding used in support of ABE.

Restricted for Community Service – This balance represents the positive fund balance of the Community Service Fund.

Restricted for Community Education – This balance represents the resources available to provide programming such as: nonvocational, recreational and leisure time activities, programs for adults with disabilities, noncredit summer programs, adult basic education programs, youth development and youth service programming, early childhood and family education and extended day programs.

Restricted for Debt Service – This balance represents the resources available for the payment of G.O. bond principal, interest, and related costs.

Restricted for Food Service – This balance represents the accumulation of the activity to provide the Food Service Program.

Restricted for Capital Projects Levy – This balance represents available resources from the capital projects levy to be used for building construction and other projects under *Minnesota Statutes* 126C.10, subd. 14. All interest income attributable to the capital projects levy must be credited to this account.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 5 – FUND BALANCES/NET POSITION (CONTINUED)

A. Fund Equity (Continued)

Restricted for Long-Term Facilities Maintenance (LTFM) – This balance represents available resources to be used for LTFM projects in accordance with the 10-year plan (*Minnesota Statutes* 123B.595, subd. 12). This balance in the General Fund was in deficit at June 30, 2022, and has been reclassified as an unassigned balance for basic financial statement presentation.

B. Net Position

Net Investment in Capital Assets – This amount represents the net book value of the District's capital assets less the balance of outstanding debt used to acquire them.

Restricted for Debt Service – This amount represents those resources required to be used for debt service principal and interest requirements.

Restricted for Capital Projects – This amount represents those resources required to be used for capital projects.

Restricted for Other Purposes – This amount represents total positive General Fund restricted fund balances, plus the positive fund balances in the Community Service and Food Service Funds.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

The District participates in various pension plans. Total pension expense for the year ended June 30, 2022, was \$75,025. The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the Liability related to the pensions.

Teachers' Retirement Association

A. Plan Description

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with *Minnesota Statutes*, Chapters 354 and 356. TRA is a separate statutory entity and 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 teachers employed by St. Paul Schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Define Contribution Plan (DCR) administered by Minnesota State.

Independent School District No. 13
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

B. Benefits Provided

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

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

Tier I Benefits

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

With these provisions:

- Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- 3% per year early retirement reduction factor for all years under normal retirement age.
- Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

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 is applied. 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.

Independent School District No. 13
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

B. Benefits Provided (Continued)

Tier II Benefits (Continued)

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.

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

C. Contribution Rate

Per *Minnesota Statutes*, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2020, June 30, 2021, and June 30, 2022, were:

	<u>June 30, 2020</u>		<u>June 30, 2021</u>		<u>June 30, 2022</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
Basic	11.0%	11.92%	11.0%	12.13%	11.0%	12.34%
Coordinated	7.5%	7.92%	7.5%	8.13%	7.5%	8.34%

Independent School District No. 13
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

C. Contribution Rate (Continued)

The following is a reconciliation of employer contributions in TRA's ACFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations. Amounts are reported in thousands.

Employer contributions reported in TRA's ACFR Statement of Changes in Fiduciary Net Position	\$ 448,829
Add employer contributions not related to future contribution efforts	379
Deduct TRA's contributions not included in allocation	<u>(538)</u>
Total employer contributions	448,670
Total non-employer contributions	<u>37,840</u>
Total contributions reported in Schedule of Employer and Non-Employer Allocations	<u><u>\$ 486,510</u></u>

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

Independent School District No. 13
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information

Valuation date	July 1, 2021
Measurement date	June 30, 2021
Experience study	June 5, 2019 (demographic assumptions) November 6, 2017 (economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.00%
Price inflation	2.50%
Projected salary increase	2.85% to 8.85% before July 1, 2028 and 3.25 thereafter.
Cost of living adjustment	1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Mortality Assumptions

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

Independent School District No. 13
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	35.5 %	5.10 %
International stocks	17.5	5.30
Fixed income	20.0	0.75
Private markets	25.0	5.90
Unallocated cash	2.0	0.00
Total	100.0 %	

The TRA actuary has determined the average of the expected remaining services lives of all members for fiscal year 2022 is six years. The "Difference Between Expected and Actual Experience," "Changes of Assumptions," and "Changes in Proportion" use the amortization period of six years in the schedule presented. The amortization period for "Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments" is over a period of five years as required by GASB 68.

Changes in actuarial assumptions since the 2020 valuation:

- The investment return assumption was changed from 7.5% to 7.0%.

E. Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The discount rate used to measure the total pension liability at the prior measurement date was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2021 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. 13
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

F. Net Pension Liability

On June 30, 2022, the District reported a liability of \$14,664,978 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. District proportionate share was 0.3351% at the end of the measurement period and 0.3388% for the beginning of the year.

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

District's proportionate share of net pension liability	\$ 14,664,978
State's proportionate share of the net pension liability associated with the district	1,236,956

For the year ended June 30, 2022, the District recognized pension expense of \$139,153. Included in this amount, the District recognized (\$13,850) as pension expense for the support provided by direct aid.

Independent School District No. 13
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

F. Net Pension Liability (Continued)

On June 30, 2022, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 401,580	\$ 414,997
Net difference between projected and actual earnings on plan investment	-	12,273,660
Changes of assumptions	5,374,328	13,046,861
Changes in proportion	310,551	758,927
Contributions to TRA subsequent to the measurement date	1,769,874	-
Total	<u>\$ 7,856,333</u>	<u>\$ 26,494,445</u>

The \$1,769,874 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2023	\$ (10,039,511)
2024	(7,402,802)
2025	(1,716,021)
2026	(2,239,240)
2027	989,588
Total	<u>\$ (20,407,986)</u>

Independent School District No. 13
Notes to Basic Financial Statements

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

Teachers' Retirement Association (Continued)

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.0%) and 1 percent higher (8.0%) than the current rate.

District proportionate share of NPL		
1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
\$ 29,623,969	\$ 14,664,978	\$ 2,397,413

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis, and Minneapolis School District.

H. Pension Plan Fiduciary Net Position

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

Public Employees' Retirement Association

A. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by PERA. PERA's defined benefit pension plan is established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

The General Employees Retirement Plan covers certain full time and part time employees of the District. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

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

Independent School District No. 13
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

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 annuity accrual rate for a Coordinated Plan member is 1.2% for each of the first 10 years of service 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2022, were \$504,769. The District's contributions were equal to the required contributions as set by state statute.

Independent School District No. 13
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

D. Pension Costs

General Employees Fund Pension Costs

At June 30, 2022, the District reported a liability of \$3,732,372 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$114,018.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0874% at the end of the measurement period and 0.0917% for the beginning of the period.

District's proportionate share of net pension liability	\$ 3,732,372
State's proportionate share of the net pension liability associated with the district	114,018

For the year ended June 30, 2022, the District recognized pension expense of (\$64,128) for its proportionate share of the General Employees Plan's pension expense. Included in this amount, the District recognized \$9,199 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

Independent School District No. 13
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

At June 30, 2022, the District reported its proportionate share of deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 23,036	\$ 114,872
Changes in actuarial assumptions	2,278,909	85,452
Difference between projected and actual investments earnings	-	3,216,413
Change in proportion	107,812	221,091
Contributions paid to PERA subsequent to the measurement date	<u>504,769</u>	<u>-</u>
Total	<u>\$ 2,914,526</u>	<u>\$ 3,637,828</u>

The \$504,769 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Expense Amount
2023	\$ (197,088)
2024	(62,041)
2025	(87,294)
2026	<u>(881,648)</u>
Total	<u>\$ (1,228,071)</u>

Independent School District No. 13
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

E. Long-Term Expected Return on Investment

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

Asset Class	Final Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5 %	5.10 %
International stocks	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100.0 %	

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020, actuarial valuation.

Independent School District No. 13
Notes to Basic Financial Statements

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

Public Employees' Retirement Association (Continued)

F. Actuarial Methods and Assumptions (Continued)

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the previous valuation.

G. Discount Rate

The discount rate used to measure the total pension liability in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate (5.5%)	Current Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
District's proportionate share of the PERA net pension liability	\$ 7,612,133	\$ 3,732,372	\$ 548,791

I. Pension Plan Fiduciary Net Position

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

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 7 – 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. The District purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage during the year ended June 30, 2022.

All funds of the District participate in the program and make payments to the Dental Self-Insurance Internal Service Fund. Based on the requirements of GASB Statement No. 10, a liability is reported if information prior to the issuance of the basic financial statements indicates that it is probable a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. Interfund premiums are charged to user funds as quasi-external transactions. The Dental Self-Insurance Internal Service Fund includes a reserve of \$1,000 for catastrophe losses. The total claims liability reported in the Fund at June 30, 2022, was \$18,155, and includes amounts for known claims and for estimated incurred but not reported claims. These estimates are determined based on the probability a loss has occurred and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amounts for the past three years are as follows:

<u>Year</u>	<u>Beginning Balance</u>	<u>Claims Expense and Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2020	\$ 19,104	\$ 257,895	\$ 268,993	\$ 8,006
2021	8,006	284,541	279,417	13,130
2022	13,130	292,498	287,473	18,155

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The District provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical coverage. Medical coverage is administered by BlueCross BlueShield (BCBS). It is the District's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for District employees and retirees.

B. Benefits Provided

Teachers who apply for early retirement shall remain eligible to receive certain health insurance benefits until the end of the school year in which the teacher becomes Medicare eligible. Full vesting of such amounts occurs upon attaining 56 years of age.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

C. Members

As of June 30, 2020, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	18
Active employees	<u>357</u>
Total	<u><u>375</u></u>

D. Contributions

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the District, based on the contract terms with BCBS. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2022, the District contributed \$0 to the plan.

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation measured as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Investment rate of return	5.25%, net of investment expense
Inflation	2.25%
Healthcare cost trend increases	6.70% initially, decreasing to 3.80% by 2076
Mortality Assumption	RP-2014 mortality tables with projected mortality improvements based on scale MP-2015, and other adjustments.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2020.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic equity	38.00 %	6.67 %
International equity	10.00	7.16
Fixed income	44.00	3.25
Real estate and alternatives	6.00	6.23
Cash and equivalents	2.00	1.92
Total	100.00 %	

The details of the investments and the investment policy are described in Note 2. of the District's basic financial statements. For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (8.58%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

F. Discount Rate

The discount rate used to measure the total OPEB liability was 5.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

G. Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2021	\$ 2,108,314	\$ 5,508,467	\$ (3,400,153)
Changes for the year			
Service cost	109,162	-	109,162
Interest	111,452	-	111,452
Differences between expected and actual economic experience	(38,800)	-	(38,800)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Net investment income	-	(469,830)	469,830
Benefit payments	(189,169)	(189,169)	-
Administrative expense	-	(65,855)	65,855
Net changes	(7,355)	(724,854)	717,499
Balances at June 30, 2022	\$ 2,100,959	\$ 4,783,613	\$ (2,682,654)
Plan fiduciary net position as a percentage of the total OPEB liability			227.69%

H. OPEB Liability Sensitivity

The following presents the District's net OPEB asset calculated using the discount rate of 5.25% as well as the liability measured using 1 percent lower and 1 percent higher than the current discount rate.

	1% Decrease in Discount Rate (4.25%)	Current Discount Rate (5.25%)	1% Increase in Discount Rate (6.25%)
Net OPEB Asset	\$ 2,549,071	\$ 2,682,654	\$ 2,808,681

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

H. OPEB Liability Sensitivity (Continued)

The following presents the net OPEB asset of the District, as well as what the District's net OPEB asset would be if it were calculated using trend rates that are 1 percent lower and 1 percent higher than the trend rates.

	1% decrease (5.4% decreasing to 2.8%)	Current (6.4% decreasing to 3.8%)	1% increase (7.4% decreasing to 4.8%)
	<u> </u>	<u> </u>	<u> </u>
Net OPEB Asset	\$ 2,864,595	\$ 2,682,654	\$ 2,467,390

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$27,927. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual investment earnings	\$ 349,211	\$ -
Differences between expected and actual liability	529,803	397,907
Changes of assumptions	<u>-</u>	<u>480,799</u>
Total	<u>\$ 879,014</u>	<u>\$ 878,706</u>

Independent School District No. 13
Notes to Basic Financial Statements

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

**I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)**

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

Year Ending June 30,	Total
2023	\$ 34,177
2024	23,321
2025	2,654
2026	112,833
2027	(22,531)
Thereafter	<u>(150,146)</u>
Total	<u>\$ 308</u>

NOTE 9 - CONTINGENCIES

During the normal course of business, the District is subject to various claims and litigation. A review of this activity as of June 30, 2022, determined that it is not probable any would result in a material impact on the District's basic financial statements.

NOTE 10 – COMMITMENTS

At June 30, 2022, the District had various construction contract commitments for projects outstanding totaling \$1,651,390.

NOTE 11 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* establishes that a Subscription-Based Information Technology Arrangement (SBITA) results in a right-to-use subscription asset and a corresponding liability. Under this statement, a governmental entity generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. This statement will be effective for the year ending June 30, 2023.

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REQUIRED SUPPLEMENTARY INFORMATION

Independent School District No. 13
Schedule of Changes in Net OPEB Liability
and Related Ratios

	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB liability			
Service cost	\$ 109,162	\$ 139,495	\$ 134,732
Interest	111,452	175,138	178,871
Differences between expected and actual experience	(38,800)	(467,717)	-
Changes of assumptions	-	(181,731)	(40,620)
Changes of benefit terms	-	-	-
Benefit payments	(189,169)	(223,622)	(242,871)
Other changes	-	-	-
Net change in total OPEB liability	<u>(7,355)</u>	<u>(558,437)</u>	<u>30,112</u>
Beginning of year	<u>2,108,314</u>	<u>2,666,751</u>	<u>2,636,639</u>
End of year	<u><u>\$ 2,100,959</u></u>	<u><u>\$ 2,108,314</u></u>	<u><u>\$ 2,666,751</u></u>
Plan fiduciary net pension (FNP)			
Net investment income	\$ (469,830)	\$ 835,236	\$ 234,295
Benefit payments	(189,169)	(223,622)	(242,871)
Administrative expense	(65,855)	(64,655)	(62,128)
Net change in plan fiduciary net position	<u>(724,854)</u>	<u>546,959</u>	<u>(70,704)</u>
Beginning of year	<u>5,508,467</u>	<u>4,961,508</u>	<u>5,032,212</u>
End of year	<u><u>\$ 4,783,613</u></u>	<u><u>\$ 5,508,467</u></u>	<u><u>\$ 4,961,508</u></u>
Net OPEB asset	<u><u>\$ (2,682,654)</u></u>	<u><u>\$ (3,400,153)</u></u>	<u><u>\$ (2,294,757)</u></u>
Plan FNP as a percentage of the total OPEB liability	227.69%	261.27%	186.05%
Covered-employee payroll	<u><u>\$ 25,499,337</u></u>	<u><u>\$ 25,162,364</u></u>	<u><u>\$ 23,770,000</u></u>
Net OPEB liability as a percentage of covered-employee payroll	-10.52%	-13.51%	-9.65%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
\$ 138,215	\$ 152,982	\$ 143,726
143,584	135,384	137,076
938,915	-	-
(400,765)	(202,772)	-
10,256	-	-
(213,098)	(338,947)	(297,583)
-	-	-
<u>617,107</u>	<u>(253,353)</u>	<u>(16,781)</u>
<u>2,019,532</u>	<u>2,272,885</u>	<u>2,289,666</u>
<u>\$ 2,636,639</u>	<u>\$ 2,019,532</u>	<u>\$ 2,272,885</u>
\$ 294,670	\$ 329,302	\$ 418,650
(213,098)	(338,947)	(297,583)
(61,927)	(55,008)	-
<u>19,645</u>	<u>(64,653)</u>	<u>121,067</u>
<u>5,012,567</u>	<u>5,077,220</u>	<u>4,956,153</u>
<u>\$ 5,032,212</u>	<u>\$ 5,012,567</u>	<u>\$ 5,077,220</u>
<u>\$ (2,395,573)</u>	<u>\$ (2,993,035)</u>	<u>\$ (2,804,335)</u>
190.86%	248.20%	223.38%
<u>\$ 22,868,154</u>	<u>\$ 24,500,000</u>	<u>\$ 23,643,923</u>
-10.48%	-12.22%	-11.86%

Independent School District No. 13
Schedule of Investment Returns

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expense	-8.58%	16.94%	4.68%	5.91%	6.52%	8.45%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Independent School District No. 13
Schedule of District's and Non-Employer
Proportionate Share of Net Pension Liability
Last Ten Years General Employees Retirement Fund

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionated Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.1052%	\$ 4,941,769	\$ -	\$ 4,941,769	\$ 5,522,041	89.5%	78.75%
2015	0.0986%	5,109,964	-	5,109,964	5,697,480	89.7%	78.19%
2016	0.0953%	7,737,887	101,013	7,838,900	5,910,760	130.9%	68.91%
2017	0.0924%	5,898,755	74,175	5,972,930	5,952,893	99.1%	75.90%
2018	0.0898%	4,981,736	163,506	5,145,242	6,037,773	82.5%	79.53%
2019	0.0878%	4,854,265	150,827	5,005,092	6,212,627	78.1%	80.23%
2020	0.0917%	5,497,834	169,484	5,667,318	6,537,880	84.1%	79.06%
2021	0.0874%	3,732,372	114,018	3,846,390	6,345,053	58.8%	87.00%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Schedule of District's and Non-Employer
Proportionate Share of Net Pension Liability
Last Ten Years TRA Retirement Fund

For Plan's Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionated Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension of Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.3715%	\$ 17,118,453	\$ 1,204,156	\$ 18,322,609	\$ 16,956,614	101.0%	81.50%
2015	0.3487%	21,570,544	2,646,026	24,216,570	17,698,667	121.9%	76.77%
2016	0.3407%	81,265,079	8,156,950	89,422,029	17,723,853	458.5%	44.88%
2017	0.3337%	66,612,573	6,439,968	73,052,541	17,963,200	370.8%	51.57%
2018	0.3299%	20,720,808	1,946,810	22,667,618	18,228,533	113.7%	78.07%
2019	0.3360%	21,416,711	1,895,133	23,311,844	19,073,774	112.3%	78.21%
2020	0.3388%	25,030,998	2,097,713	27,128,711	19,685,480	127.2%	75.48%
2021	0.3351%	14,664,978	1,236,956	15,901,934	20,269,533	72.3%	86.63%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Independent School District No. 13
Schedule of District Contributions
General Employees Retirement Fund
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 400,348	\$ 400,348	\$ -	\$ 5,522,041	7.25%
2015	427,311	427,311	-	5,697,480	7.50%
2016	443,307	443,307	-	5,910,760	7.50%
2017	446,467	446,467	-	5,952,893	7.50%
2018	452,833	452,833	-	6,037,773	7.50%
2019	465,947	465,947	-	6,212,627	7.50%
2020	490,341	490,341	-	6,537,880	7.50%
2021	475,879	475,879	-	6,345,053	7.50%
2022	504,769	504,769	-	6,730,253	7.50%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Schedule of District Contributions
TRA Retirement Fund
Last Ten Years**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,186,963	\$ 1,186,963	\$ -	\$ 16,956,614	7.00%
2015	1,327,400	1,327,400	-	17,698,667	7.50%
2016	1,329,289	1,329,289	-	17,723,853	7.50%
2017	1,347,240	1,347,240	-	17,963,200	7.50%
2018	1,367,140	1,367,140	-	18,228,533	7.50%
2019	1,470,588	1,470,588	-	19,073,774	7.71%
2020	1,559,090	1,559,090	-	19,685,480	7.92%
2021	1,647,913	1,647,913	-	20,269,533	8.13%
2022	1,769,874	1,769,874	-	21,221,511	8.34%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Independent School District No. 13
Notes to the Required Supplementary Information

TRA Retirement Fund

2021 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.5% to 7.0%.

2020 Changes

Changes in Actuarial Assumptions

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

2019 Changes

Changes in Actuarial Assumptions

- None

2018 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 7.5% from 5.12%.
- The cost of living adjustment (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% on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% 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 July 1, 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 was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 5.12% from 4.66%.

Independent School District No. 13
Notes to the Required Supplementary Information

TRA Retirement Fund (Continued)

2017 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments 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 non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

2016 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

2015 Changes

Changes of Benefit Terms

- The DTRFA was merged into TRA on June 30, 2015.

Independent School District No. 13
Notes to the Required Supplementary Information

TRA Retirement Fund (Continued)

2015 Changes (Continued)

Changes in Actuarial Assumptions

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%.

Independent School District No. 13
Notes to the Required Supplementary Information

General Employees Fund

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023, and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

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

Independent School District No. 13
Notes to the Required Supplementary Information

General Employees Fund (Continued)

2019 Changes (Continued)

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changes prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% 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 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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 CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- 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 post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.

Independent School District No. 13
Notes to the Required Supplementary Information

General Employees Fund (Continued)

2016 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was 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 post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

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

Independent School District No. 13
Notes to the Required Supplementary Information

Other Post Employment Benefit Plan

2022 Changes

None noted

2021 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 6.50% to 5.25% based on updated expectations of long-term returns on trust assets and 20-year municipal bond rates.
- The long-term expected rate of return on OPEB plan investments was changed from 6.50% to 5.25% based on updated capital market assumptions.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality and salary increase rates were updated from the rates used in the 7/1/2018 PERA General Employees Retirement Plan and 7/1/2018 Teachers Retirement Association valuations to the rates used in the 7/1/20 valuations.
- The percent of future retirees eligible for a direct subsidy assumed to elect coverage at retirement changed from 75% to 60% to reflect recent plan experience.
- The percent of future retirees not eligible for an explicit subsidy assumed to elect coverage at retirement changed from 5% to % 15 to reflect recent plan experience.
- The inflation assumption was changed from 2.50% to 2.25% based pm an updated historical analysis of inflation rates and forward-looking market expectations.

2020 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 6.75% to 6.50% based on updated expectations of long-term returns on trust assets and 20-year municipal bond rates.
- Index rate for 20-year, tax-exempt municipal bonds changed from 3.13% to 2.45% used in discount rate determination
- Medical trend rates were updated to exclude the Affordable Care Act's Excise Tax on high-cost health insurance plan due to its repeal.

2019 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 7.00% to 6.75% based on updated expectations of long-term returns on trust assets and 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality and salary increase rates were updated from the rates used in the 7/1/2016 PERA General Employees Retirement Plan and 7/1/2016 Teachers Retirement Association valuations to the rates used in the 7/1/18 valuations.
- The percent of future retirees eligible for a direct subsidy assumed to elect coverage at retirement changed from 95% to 75% to reflect recent plan experience.
- The percent of retirees electing spouse coverage changed from 25% to 30% to reflect on recent plan experience.

Independent School District No. 13
Notes to the Required Supplementary Information

Other Post Employment Benefit Plan

2019 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- The inflation assumption was changed from 2.75% to 2.50% based pm an updated historical analysis of inflation rates and forward-looking market expectations.

SUPPLEMENTARY INFORMATION

Independent School District No. 13
Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds		Total Nonmajor Funds
	Food Service	Community Service	
Assets			
Cash and investments	\$ 1,404,909	\$ 191,420	\$ 1,596,329
Current property taxes receivable	-	273,134	273,134
Delinquent property taxes receivable	-	2,916	2,916
Accounts receivable	5,619	4,775	10,394
Due from Department of Education	-	94,705	94,705
Due from Federal Government			
through Department of Education	76,201	130,120	206,321
Due from other Minnesota school districts	-	6,313	6,313
Due from other governmental units	-	21,138	21,138
Due from other funds	-	10,686	10,686
Inventory	20,730	-	20,730
Prepaid items	-	1,488	1,488
Total assets	<u>\$ 1,507,459</u>	<u>\$ 736,695</u>	<u>\$ 2,244,154</u>
Liabilities			
Accounts and contracts payable	\$ 31,538	\$ 37,125	\$ 68,663
Salaries, benefits and severance payable	74,561	65,049	139,610
Due to other governmental units	-	3,945	3,945
Unearned revenue	8,761	106,119	114,880
Total liabilities	<u>114,860</u>	<u>212,238</u>	<u>327,098</u>
Deferred Inflows of Resources			
Unavailable revenue - delinquent property taxes	-	1,196	1,196
Property taxes levied for subsequent			
year's expenditures	-	383,614	383,614
Total deferred inflows of resources	<u>-</u>	<u>384,810</u>	<u>384,810</u>
Fund Balances			
Nonspendable	20,730	1,488	22,218
Restricted	1,371,869	138,159	1,510,028
Total fund balances	<u>1,392,599</u>	<u>139,647</u>	<u>1,532,246</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,507,459</u>	<u>\$ 736,695</u>	<u>\$ 2,244,154</u>

Independent School District No. 13
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2022

	<u>Special Revenue Funds</u>		Total Nonmajor Funds
	<u>Food Service</u>	<u>Community Service</u>	
Revenues			
Local property taxes	\$ -	\$ 319,518	\$ 319,518
Other local and county revenues	1,703	678,947	680,650
Revenue from state sources	72,727	768,578	841,305
Revenue from federal sources	2,663,100	372,635	3,035,735
Sales and other conversion of assets	22,463	-	22,463
Total revenues	<u>2,759,993</u>	<u>2,139,678</u>	<u>4,899,671</u>
Expenditures			
Current			
Pupil support services	-	20,160	20,160
Food service	2,049,187	-	2,049,187
Community education and services	-	2,223,328	2,223,328
Capital outlay			
Food service	120,222	-	120,222
Total expenditures	<u>2,169,409</u>	<u>2,243,488</u>	<u>4,412,897</u>
Excess of revenues over (under) expenditures	590,584	(103,810)	486,774
Other financing sources			
Proceeds from sale of capital assets	<u>2,100</u>	<u>-</u>	<u>2,100</u>
Net change in fund balances	592,684	(103,810)	488,874
Fund Balances			
Beginning of year	<u>799,915</u>	<u>243,457</u>	<u>1,043,372</u>
End of year	<u>\$ 1,392,599</u>	<u>\$ 139,647</u>	<u>\$ 1,532,246</u>

Independent School District No. 13
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Debt Service Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Over (Under)
Revenues				
Local property taxes	\$ 2,823,660	\$ 2,823,660	\$ 2,819,337	\$ (4,323)
Other local and county revenues	-	-	779	779
Revenue from state sources	-	-	60	60
Total revenues	<u>2,823,660</u>	<u>2,823,660</u>	<u>2,820,176</u>	<u>(3,484)</u>
Expenditures				
Debt service				
Principal	2,285,000	2,285,000	2,285,000	-
Interest and fiscal charges	528,250	528,250	527,413	(837)
Total expenditures	<u>2,813,250</u>	<u>2,813,250</u>	<u>2,812,413</u>	<u>(837)</u>
Net change in fund balance	<u>\$ 10,410</u>	<u>\$ 10,410</u>	7,763	<u>\$ (2,647)</u>
Fund Balance				
Beginning of year			<u>582,560</u>	
End of year			<u>\$ 590,323</u>	

Independent School District No. 13
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Capital Projects Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Over (Under)
Revenues				
Local property taxes	\$ 1,536,560	\$ 1,536,600	\$ 1,534,235	\$ (2,365)
Other local and county revenues	-	-	632	632
Total revenues	<u>1,536,560</u>	<u>1,536,600</u>	<u>1,534,867</u>	<u>(1,733)</u>
Expenditures				
Current				
Sites and buildings	203,852	271,906	406,547	134,641
Capital outlay				
Sites and buildings	<u>1,332,748</u>	<u>1,332,748</u>	<u>1,796,357</u>	<u>463,609</u>
Total expenditures	<u>1,536,600</u>	<u>1,604,654</u>	<u>2,202,904</u>	<u>598,250</u>
Net change in fund balance	<u>\$ (40)</u>	<u>\$ (68,054)</u>	<u>(668,037)</u>	<u>\$ (599,983)</u>
Fund Balance				
Beginning of year			<u>760,989</u>	
End of year			<u>\$ 92,952</u>	

Independent School District No. 13
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Food Service Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Over (Under)
Revenues				
Other local and county revenues	\$ 3,500	\$ 3,500	\$ 1,703	\$ (1,797)
Revenue from state sources	25,000	25,000	72,727	47,727
Revenue from federal sources	2,348,103	1,688,070	2,663,100	975,030
Sales and other conversion of assets	151,000	151,000	22,463	(128,537)
Total revenues	<u>2,527,603</u>	<u>1,867,570</u>	<u>2,759,993</u>	<u>892,423</u>
Expenditures				
Current				
Food service	2,315,214	1,800,797	2,049,187	248,390
Capital outlay				
Food service	<u>225,000</u>	<u>225,000</u>	<u>120,222</u>	<u>(104,778)</u>
Total expenditures	<u>2,540,214</u>	<u>2,025,797</u>	<u>2,169,409</u>	<u>143,612</u>
Excess of revenues over (under) expenditures	<u>(12,611)</u>	<u>(158,227)</u>	<u>590,584</u>	<u>748,811</u>
Other financing sources				
Proceeds from sale of capital asset	<u>-</u>	<u>-</u>	<u>2,100</u>	<u>2,100</u>
Net change in fund balance	<u>\$ (12,611)</u>	<u>\$ (158,227)</u>	<u>592,684</u>	<u>\$ 750,911</u>
Fund Balance				
Beginning of year			<u>799,915</u>	
End of year			<u>\$ 1,392,599</u>	

Independent School District No. 13
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Community Service Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Over (Under)
Revenues				
Local property taxes	\$ 319,340	\$ 319,340	\$ 319,518	\$ 178
Other local and county revenues	901,411	701,411	678,947	(22,464)
Revenue from state sources	440,884	440,884	768,578	327,694
Revenue from federal sources	265,095	484,740	372,635	(112,105)
Total revenues	<u>1,926,730</u>	<u>1,946,375</u>	<u>2,139,678</u>	<u>193,303</u>
Expenditures				
Current				
Pupil support services	32,031	32,098	20,160	(11,938)
Community education and services	<u>2,017,387</u>	<u>1,967,616</u>	<u>2,223,328</u>	<u>255,712</u>
Total expenditures	<u>2,049,418</u>	<u>1,999,714</u>	<u>2,243,488</u>	<u>243,774</u>
Net change in fund balance	<u>\$ (122,688)</u>	<u>\$ (53,339)</u>	<u>(103,810)</u>	<u>\$ (50,471)</u>
Fund Balance				
Beginning of year			<u>243,457</u>	
End of year			<u>\$ 139,647</u>	

Independent School District No. 13
Uniform Financial Accounting And Reporting Standards
Compliance Table
Year Ended June 30, 2022

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION FUND			
Total revenue	\$ 55,419,610	\$ 55,419,609	\$ 1	Total revenue	\$ 1,534,867	\$ 1,534,867	\$ -
Total expenditures	55,996,461	55,996,460	1	Total expenditures	2,202,904	2,202,905	(1)
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
4.60 Nonspendable fund balance	279,991	279,990	1	4.60 Nonspendable fund balance	-	-	-
<i>Restricted/reserved:</i>				<i>Restricted/reserved:</i>			
4.01 Student Activities	146,559	146,559	-	4.07 Capital Projects Levy	92,952	92,951	1
4.02 Scholarships	227,268	227,268	-	4.13 Building Projects Funded by COP/LP	-	-	-
4.03 Staff Development	-	-	-	4.67 Long-Term Facilities Maintenance	-	-	-
4.07 Capital Projects Levy	-	-	-	<i>Restricted:</i>			
4.08 Cooperative Programs	-	-	-	4.64 Restricted fund balance	-	-	-
4.13 Project Funded by COP	-	-	-	<i>Unassigned:</i>			
4.14 Operating Debt	-	-	-	4.63 Unassigned fund balance	-	-	-
4.16 Levy Reduction	-	-	-				
4.17 Taconite Building Maintenance	-	-	-	07 DEBT SERVICE FUND			
4.24 Operating Capital	424,377	424,377	-	Total revenue	\$ 2,820,176	\$ 2,820,175	\$ 1
4.26 \$ 25 Taconite	-	-	-	Total expenditures	2,812,413	2,812,413	-
4.27 Disabled Accessibility	-	-	-	<i>Nonspendable:</i>			
4.28 Learning and Development	-	-	-	4.60 Nonspendable fund balance	-	-	-
4.34 Area Learning Center	-	-	-	<i>Restricted/reserved:</i>			
4.35 Contracted Alternative Programs	-	-	-	4.25 Bond refundings	-	-	-
4.36 State Approved Alternative Program	-	-	-	4.33 Maximum effort loan aid	-	-	-
4.38 Gifted and Talented	-	-	-	4.51 QZAB Payments	-	-	-
4.40 Teacher Development & Evaluation	-	-	-	4.67 LTFM	-	-	-
4.41 Basic Skills Programs	-	-	-	<i>Restricted:</i>			
4.45 Career Technical Programs	-	-	-	4.64 Restricted fund balance	590,323	590,323	-
4.48 Achievement and Integration Revenue	-	-	-	<i>Unassigned:</i>			
4.49 Safe School Crime	6,061	6,061	-	4.63 Unassigned fund balance	-	-	-
4.51 QZAB Payments	-	-	-				
4.52 OPEB Liabilities not Held in Trust	-	-	-	08 TRUST FUND			
4.53 Unfunded Severance and Retirement Levy	-	-	-	Total revenue	\$ -	\$ -	\$ -
4.59 Basic Skills Extended Time	-	-	-	Total expenditures	-	-	-
4.67 Long-Term Facilities Maintenance	(34,824)	(34,824)	-	<i>Unassigned:</i>			
<i>Restricted:</i>				4.01 Student Activities	-	-	-
4.72 Medical Assistance	64,158	64,158	-	4.02 Scholarships	-	-	-
4.64 Restricted fund balance	-	-	-	4.22 Net position	-	-	-
4.75 Title VII - Impact Aid	-	-	-				
4.76 Payments in Lieu of Taxes	-	-	-	18 CUSTODIAL FUND			
<i>Committed:</i>				Total revenue	\$ 369,025	\$ 369,025	\$ -
4.18 Committed for separation	-	-	-	Total expenditures	392,212	392,213	(1)
4.61 Committed	-	-	-	4.01 Student Activities	-	-	-
<i>Assigned:</i>				4.02 Scholarships	-	-	-
4.62 Assigned fund balance	-	-	-	4.48 Achievement & Integration	-	-	-
<i>Unassigned:</i>				4.64 Restricted Fund Balance	82,394	82,393	1
4.22 Unassigned fund balance (net position)	1,455,597	1,455,596	1				
				20 INTERNAL SERVICE FUND			
02 FOOD SERVICES FUND				Total Revenue	\$ 323,914	\$ 323,913	\$ 1
Total revenue	\$ 2,759,993	\$ 2,759,993	\$ -	Total Expenditures	318,408	318,408	-
Total expenditures	2,169,409	2,169,407	2	<i>Unassigned:</i>			
<i>Nonspendable:</i>				4.22 Net position	99,233	99,233	-
4.60 Nonspendable fund balance	20,730	20,730	-				
<i>Restricted/reserved:</i>				25 OPEB REVOCABLE TRUST			
4.52 OPEB Liabilities not Held in Trust	-	-	-	Total Revenue	\$ -	\$ -	\$ -
<i>Restricted:</i>				Total Expenditures	-	-	-
4.64 Restricted fund balance	1,371,869	1,371,870	(1)	<i>Unassigned:</i>			
<i>Unassigned:</i>				4.22 Net position	-	-	-
4.63 Unassigned fund balance	-	-	-				
				45 OPEB IRREVOCABLE TRUST			
04 COMMUNITY SERVICE FUND				Total Revenue	\$ (469,830)	\$ (469,830)	\$ -
Total Revenue	\$ 2,139,678	\$ 2,139,679	\$ (1)	Total Expenditures	255,024	255,024	-
Total Expenditures	2,243,488	2,243,487	1	<i>Unassigned:</i>			
<i>Nonspendable:</i>				4.22 Net position	4,783,613	4,783,613	-
4.60 Nonspendable fund balance	1,488	1,488	-				
<i>Restricted/Reserved:</i>				47 OPEB DEBT SERVICE			
4.26 \$ 25 Taconite	-	-	-	Total revenue	\$ -	\$ -	\$ -
4.31 Community Education	74,843	74,843	-	Total expenditures	-	-	-
4.32 ECFE	27,300	27,300	-	<i>Nonspendable:</i>			
4.44 School Readiness	32,431	32,431	-	4.60 Nonspendable fund balance	-	-	-
4.47 Adult Basic Education	499	499	-	<i>Restricted:</i>			
4.52 OPEB Liabilities not Held in Trust	-	-	-	4.25 Bond refundings	-	-	-
<i>Restricted:</i>				4.64 Restricted fund balance	-	-	-
4.64 Restricted fund balance	3,086	3,088	(2)	<i>Unassigned:</i>			
<i>Unassigned:</i>				4.63 Unassigned fund balance	-	-	-
4.63 Unassigned fund balance	-	-	-				

STATISTICAL SECTION

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Independent School District No. 13
Statistical Section (Unaudited)

III. Statistical Section (Unaudited)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	114
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	122
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	130
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	136
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	139
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

Independent School District No. 13
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ (195,893)	\$ 573,915	\$ 2,069,257	\$ 3,584,841
Restricted	2,099,591	2,495,551	2,396,044	2,766,871
Unrestricted	9,435,909	7,880,807	(16,966,988)	(17,494,976)
Total governmental activities net position	<u>\$ 11,339,607</u>	<u>\$ 10,950,273</u>	<u>\$ (12,501,687)</u>	<u>\$ (11,143,264)</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 6,134,112	\$ 8,319,945	\$ 7,378,480	\$ 8,303,513	\$ 15,879,009	\$ 19,606,844
2,239,741	2,718,181	5,956,134	5,661,417	3,253,691	2,828,706
(30,298,745)	(39,434,278)	(29,351,961)	(33,053,366)	(35,847,386)	(34,030,949)
<u>\$ (21,924,892)</u>	<u>\$ (28,396,152)</u>	<u>\$ (16,017,347)</u>	<u>\$ (19,088,436)</u>	<u>\$ (16,714,686)</u>	<u>\$ (11,595,399)</u>

Independent School District No. 13
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities				
Administration	\$ 1,260,156	\$ 1,361,410	\$ 1,192,700	\$ 1,378,591
District support services	1,315,374	1,466,240	1,502,967	1,517,706
Elementary and secondary regular instruction	19,665,046	22,623,542	22,790,181	23,121,740
Vocational education instruction	547,757	460,417	438,772	455,403
Special education instruction	7,240,411	7,478,253	7,402,855	7,363,464
Instructional support services	1,052,112	1,188,621	1,882,794	1,947,516
Pupil support services	4,266,968	4,512,362	4,950,634	4,744,863
Sites and buildings	4,077,018	4,001,608	3,787,071	4,837,536
Fiscal and other fixed cost programs	87,593	99,673	99,928	99,141
Food service	1,855,907	2,170,479	2,129,511	2,089,900
Community service	1,629,753	1,761,747	1,533,855	1,598,680
Interest and fiscal charges on long-term debt	1,058,489	720,807	741,463	673,838
Total governmental activities expenses	44,056,584	47,845,159	48,452,731	49,828,378
Program Revenues				
Governmental activities				
Charges for services				
Elementary and secondary regular instruction	236,956	164,510	273,056	270,918
Vocational education instruction	-	-	-	-
Special education instruction	-	-	14,965	1,717
Pupil support services	-	-	-	-
Sites and buildings	11,685	14,020	15,336	12,396
Food service	181,674	222,291	172,823	92,452
Community service	475,316	700,087	783,106	775,872
Operating grants and contributions	15,314,333	18,291,095	18,705,644	18,136,264
Capital grants and contributions	333,851	387,668	559,529	549,170
Total governmental activities program revenues	16,553,815	19,779,671	20,524,459	19,838,789
Net expense	(27,502,769)	(28,065,488)	(27,928,272)	(29,989,589)
General Revenues				
Taxes				
Property taxes, levied for general purposes	5,639,326	3,769,653	5,107,176	5,010,843
Property taxes, levied for community service	329,335	177,636	401,489	378,705
Property taxes, levied for capital projects	-	-	-	1,000,591
Property taxes, levied for debt service	2,345,569	2,478,475	2,152,093	2,083,293
General grants and aids	18,507,605	21,118,460	21,237,453	22,446,617
Gain on sale of capital assets	3,868	3,881	4,000	-
Other general revenues	365,783	327,885	544,697	417,835
Investment earnings	20,197	15,707	10,572	10,128
Total general revenues	27,211,683	27,891,697	29,457,480	31,348,012
Change in net position	\$ (291,086)	\$ (173,791)	\$ 1,529,208	\$ 1,358,423

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 1,982,406	\$ 2,008,687	\$ 983,085	\$ 1,685,639	\$1,692,527	\$1,759,741
1,568,573	1,567,230	1,316,360	1,846,535	1,434,818	1,678,513
30,918,884	30,651,805	17,601,336	26,142,896	26,356,650	25,054,473
653,326	547,052	278,541	525,892	538,450	505,736
9,203,014	9,498,370	6,024,090	9,577,049	9,523,193	9,604,307
2,353,508	1,588,752	1,433,596	1,923,798	2,512,613	1,981,103
5,329,571	6,356,053	6,627,869	6,903,971	5,435,177	7,928,977
4,728,311	4,505,817	4,726,318	8,298,837	4,389,972	5,378,289
104,487	107,894	118,661	251,758	272,918	359,581
2,244,862	2,177,767	2,174,212	1,929,686	1,564,635	2,156,487
1,875,339	2,126,757	1,779,740	2,155,603	1,900,942	2,324,126
601,636	524,738	757,257	916,059	752,568	643,903
61,563,917	61,660,922	43,821,065	62,157,723	56,374,463	59,375,236
278,116	190,251	365,928	426,034	55,677	82,281
-	-	-	-	-	-
-	-	11,685	6,688	-	4,966
-	-	-	-	-	-
12,692	13,225	13,890	14,285	183,141	55,455
172,437	216,792	189,483	145,976	23,210	22,463
829,759	775,139	836,647	679,153	434,215	655,576
19,463,583	20,370,208	20,782,148	22,416,844	22,820,068	24,962,425
763,127	1,017,264	1,112,812	1,007,703	1,293,266	1,021,907
21,519,714	22,582,879	23,312,593	24,696,683	24,809,577	26,805,073
(40,044,203)	(39,078,043)	(20,508,472)	(37,461,040)	(31,564,886)	(32,570,163)
5,454,417	5,908,732	6,596,923	5,690,215	5,971,959	7,111,914
464,519	257,879	321,804	297,503	378,076	318,639
1,116,965	1,127,365	1,168,633	1,299,773	1,391,410	1,531,552
2,010,939	2,147,146	2,218,523	2,882,572	2,839,453	2,814,738
22,928,159	22,602,221	21,980,546	23,240,088	22,112,383	23,136,859
-	37,252	-	-	-	-
516,502	445,475	263,667	238,198	1,177,927	2,770,959
24,103	80,713	337,181	507,020	67,428	4,789
32,515,604	32,606,783	32,887,277	34,155,369	33,938,636	37,689,450
\$ (7,528,599)	\$ (6,471,260)	\$ 12,378,805	\$ (3,305,671)	\$ 2,373,750	\$ 5,119,287

Independent School District No. 13
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 85,090	\$ 233,487	\$ 143,337	\$ 131,362
Restricted	1,223,824	1,387,651	1,246,768	954,849
Assigned	131,975	136,114	131,542	108,631
Unassigned	3,371,525	2,197,908	2,099,644	1,656,458
Total general fund	<u>\$ 4,812,414</u>	<u>\$ 3,955,160</u>	<u>\$ 3,621,291</u>	<u>\$ 2,851,300</u>
All Other Governmental Funds				
Nonspendable	\$ 27,384	\$ 23,805	\$ 12,100	\$ -
Restricted	1,680,015	4,354,883	1,908,583	1,990,603
Unassigned, reported in				
Special revenue funds	-	-	-	(11,110)
Capital projects fund	-	-	-	-
Debt service fund	-	-	-	-
Total all other governmental funds	<u>\$ 1,707,399</u>	<u>\$ 4,378,688</u>	<u>\$ 1,920,683</u>	<u>\$ 1,979,493</u>
General Fund unassigned as a percentage of total expenditures	<u>8.6%</u>	<u>5.2%</u>	<u>4.7%</u>	<u>3.7%</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 105,926	\$ 198,317	\$ 181,623	\$ 124,602	\$ 136,061	\$ 279,991
871,922	1,324,530	2,642,726	717,899	1,048,185	868,423
505,718	990,554	888,347	-	-	-
2,427,368	2,590,823	3,294,956	2,720,256	1,880,323	1,420,773
<u>\$ 3,910,934</u>	<u>\$ 5,104,224</u>	<u>\$ 7,007,652</u>	<u>\$ 3,562,757</u>	<u>\$ 3,064,569</u>	<u>\$ 2,569,187</u>
\$ 7,344	\$ 390	\$ 20,010	\$ 10,209	\$ 9,924	\$ 22,218
1,568,788	1,576,191	18,058,753	5,188,046	2,400,979	2,193,303
(12,961)	(13,293)	-	-	(23,982)	-
(45,869)	(43,969)	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,517,302</u>	<u>\$ 1,519,319</u>	<u>\$ 18,078,763</u>	<u>\$ 5,198,255</u>	<u>\$ 2,386,921</u>	<u>\$ 2,215,521</u>
<u>5.4%</u>	<u>5.5%</u>	<u>6.8%</u>	<u>5.0%</u>	<u>3.6%</u>	<u>2.8%</u>

Independent School District No. 13
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Local sources				
Taxes	\$ 8,429,867	\$ 6,338,750	\$ 7,669,981	\$ 8,477,850
Investment earnings	19,987	15,142	10,292	10,128
Other	2,320,530	2,164,623	2,346,117	2,185,216
State sources	29,260,386	35,184,466	36,459,719	36,783,444
Federal sources	3,846,287	3,876,927	3,500,773	3,734,241
Total revenues	<u>43,877,057</u>	<u>47,579,908</u>	<u>49,986,882</u>	<u>51,190,879</u>
Expenditures				
Current				
Administration	1,134,333	1,217,236	1,109,996	1,263,781
District support services	1,301,541	1,441,953	1,497,065	1,495,563
Elementary and secondary regular instruction	18,414,826	21,239,609	22,083,868	21,957,628
Vocational education instruction	540,039	446,772	436,594	446,628
Special education instruction	7,048,809	7,234,416	7,208,222	7,238,505
Instructional support services	1,001,506	1,099,959	1,845,808	1,851,465
Pupil support services	3,749,298	4,116,579	4,575,930	4,596,585
Sites and buildings	3,841,118	4,064,783	4,079,335	4,581,454
Fiscal and other fixed cost programs	87,593	99,673	99,928	99,141
Food service	1,757,283	2,057,454	2,029,115	2,003,054
Community service	1,506,312	1,622,489	1,437,708	1,472,233
Capital outlay	4,398,643	1,464,676	3,462,004	1,884,911
Debt service				
Principal	21,121,284	1,887,897	1,972,452	2,133,079
Interest and fiscal charges	1,327,316	948,848	944,731	878,033
Total expenditures	<u>67,229,901</u>	<u>48,942,344</u>	<u>52,782,756</u>	<u>51,902,060</u>
Excess of revenues over (under) expenditures	(23,352,844)	(1,362,436)	(2,795,874)	(711,181)
Other Financing Sources (Uses)				
Refunding bonds issued	17,745,000	-	-	-
Bonds issued	-	-	-	-
Premium on bonds issued	1,834,435	-	-	-
Proceeds from sale of assets	3,868	7,612	4,000	-
Capital leases issued	-	3,168,859	-	-
Insurance Recovery	-	-	-	-
Total other financing sources (uses)	<u>19,583,303</u>	<u>3,176,471</u>	<u>4,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,769,541)</u>	<u>\$ 1,814,035</u>	<u>\$ (2,791,874)</u>	<u>\$ (711,181)</u>
Debt services as a percentage of noncapital expenditures	<u>35.25%</u>	<u>5.91%</u>	<u>5.90%</u>	<u>5.97%</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 9,051,684	\$ 9,453,315	\$ 10,312,563	\$ 10,065,160	\$ 10,709,865	\$ 11,800,085
24,556	81,679	338,511	507,597	67,069	4,791
2,314,244	2,398,928	2,160,189	1,810,390	1,277,391	1,644,693
37,681,179	39,558,416	40,674,183	41,635,875	40,595,023	41,183,667
3,938,010	3,681,633	4,183,187	4,717,979	6,166,333	10,041,088
53,009,673	55,173,971	57,668,633	58,737,001	58,815,681	64,674,324
1,302,465	1,365,159	1,395,651	1,737,507	1,456,952	1,704,017
1,510,240	1,563,615	1,546,620	1,833,715	1,461,340	1,787,744
21,890,411	22,842,133	23,351,866	23,397,108	23,507,929	24,641,836
458,223	390,326	435,354	488,953	500,935	531,265
7,173,841	7,580,992	7,798,730	9,010,335	8,991,781	9,845,093
1,721,391	1,183,721	1,838,411	1,752,765	2,338,979	1,959,323
4,904,931	5,861,833	6,529,279	6,528,300	5,336,687	7,888,844
4,250,194	4,039,889	4,523,296	6,965,263	5,401,825	4,964,532
104,487	107,894	118,661	251,758	272,918	359,581
2,095,814	2,065,435	2,103,933	1,834,142	1,482,735	2,049,187
1,528,109	1,779,192	1,847,654	1,979,488	1,738,863	2,223,328
2,434,008	2,175,579	1,619,926	15,918,716	6,004,195	3,749,207
2,231,267	2,322,156	2,388,326	2,689,877	2,778,180	2,989,627
806,849	737,992	876,445	909,059	851,884	731,091
52,412,230	54,015,916	56,374,152	75,296,986	62,125,203	65,424,675
597,443	1,158,055	1,294,481	(16,559,985)	(3,309,522)	(750,351)
-	-	-	-	-	-
-	-	16,283,058	-	-	-
-	-	885,333	-	-	-
-	37,252	-	-	-	7,650
-	-	-	-	-	53,494
-	-	-	-	-	22,425
-	37,252	17,168,391	-	-	83,569
\$ 597,443	\$ 1,195,307	\$ 18,462,872	\$ (16,559,985)	\$ (3,309,522)	\$ (666,782)
5.99%	5.80%	5.91%	5.87%	6.52%	6.31%

Independent School District No. 13
General Governmental Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Fiscal Year Ended June 30,	Property Tax				
	General Purposes	Community Service	Capital Projects	Debt Service	Total
2013	\$ 5,720,632	\$ 332,881	\$ -	\$ 2,376,356	\$ 8,429,869
2014	3,710,334	174,494	-	2,453,922	6,338,750
2015	5,114,679	400,980	-	2,154,322	7,669,981
2016	5,011,825	378,907	1,000,591	2,086,527	8,477,850
2017	5,456,332	464,333	1,116,965	2,014,054	9,051,684
2018	5,915,864	259,148	1,127,365	2,150,938	9,453,315
2019	6,609,830	322,412	1,159,058	2,221,263	10,312,563
2020	5,627,860	294,649	1,290,052	2,852,599	10,065,160
2021	6,045,133	382,492	1,405,532	2,876,708	10,709,865
2022	7,126,995	319,518	1,534,235	2,819,337	11,800,085

Independent School District No. 13
Governmental Activities Tax Revenues by Source and Levy Type
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Fiscal Year Ended June 30,	Property Tax				
	General Purposes	Community Service	Capital Projects	Debt Service	Total
2013	\$ 5,639,326	\$ 329,335	\$ -	\$ 2,345,569	\$ 8,314,230
2014	3,769,653	177,636	-	2,478,475	6,425,764
2015	5,107,176	401,489	-	2,152,093	7,660,758
2016	5,010,843	378,705	1,000,591	2,083,293	8,473,432
2017	5,454,417	464,519	1,116,965	2,010,939	9,046,840
2018	5,908,732	257,879	1,127,365	2,147,146	9,441,122
2019	6,596,923	321,804	1,168,633	2,218,523	10,305,883
2020	5,690,215	297,503	1,299,773	2,882,572	10,170,063
2021	5,971,959	378,076	1,391,410	2,839,453	10,580,898
2022	7,111,914	318,639	1,531,552	2,814,738	11,776,843

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Independent School District No.13
Principal Property Tax Payers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	2021			2012		
	Tax Capacity Value	Rank	% of Total City Tax Capacity Value	Tax Capacity Value	Rank	% of Total City Tax Capacity Value
Columbia Heights Leased Housing I	\$ 501,768	1	3.44%	N/A	N/A	N/A
Columbia Heights Leased Housing III	389,743	2	2.67%	N/A	N/A	N/A
Medtronic, Inc.	177,252	3	1.22%	207,988	1	1.48%
Crestview Corporation	157,740	4	1.08%	96,952	6	0.69%
Jones Family Investments LLC	148,625	5	1.02%	N/A	N/A	N/A
Burlington Northern	120,880	6	0.83%	N/A	N/A	N/A
Columbia Park Properties	104,956	7	0.72%	95,234	5	0.68%
Parkview Limited Partnership	99,450	8	0.68%	N/A	N/A	N/A
Xcel Energy/Northern States Power Co.	91,369	9	0.63%	58,712	10	0.42%
Health Care Reit, Inc	86,041	10	N/A	133,692	2	0.95%
Lynde Investment Co MN Partnership	N/A	N/A	N/A	67,690	8	0.48%
Stadium Village Properties LLC	N/A	N/A	N/A	109,286	3	0.78%
Consolidated Realty of Mpls	N/A	N/A	N/A	90,625	4	0.64%
Columbia Heights Center LLC	N/A	N/A	N/A	76,126	7	0.54%
Jeff's Bobby & Steve's Auto World	N/A	N/A	N/A	67,392	9	0.48%
Total	<u>\$ 1,877,824</u>		<u>12.30%</u>	<u>\$ 1,003,697</u>		<u>7.14%</u>
Total All Property	<u>\$ 14,570,559</u>			<u>\$ 14,398,494</u>		

Source: City of Columbia Heights, Minnesota, Principal Property Taxpayers, Current Year, and Ten Years Ago, furnished by the City of Columbia Heights

Note: This is the most recent information available for table presentation.

Independent School District No. 13
Tax Capacity Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)

Governmental Unit	Levy Year/Coll. Year		
	2012/2013	2013/2014	2014/15
Independent School District No. 13 (Columbia Heights)	27.449%	24.824%	32.562%
Overlapping Governments:			
Without Library	-	-	-
Anoka County With Library	44.411%	43.239%	38.123%
Anoka County/City Radio	0.350%	0.374%	0.320%
City of Columbia Heights	80.871%	78.177%	70.811%
City of Fridley	47.362%	48.577%	43.508%
Fridley/Six Cities WS	47.362%	48.577%	43.508%
City of Fridley/Six Cities and Stoney Brook	N/A	N/A	N/A
City of Fridley Market Value Referendum	0.01623%	1.75300%	0.01623%
City of Hilltop	96.620%	96.701%	96.622%
City of Hilltop/Six Cities	96.620%	96.701%	96.622%
Metropolitan Council	1.053%	1.061%	0.933%
Metropolitan Mosquito	0.587%	0.555%	0.485%
Metropolitan Transit District	1.840%	1.621%	1.429%
Columbia Heights HRA	1.436%	1.485%	1.161%
Fridley HRA	1.660%	1.645%	1.356%
Rice Creek Watershed	2.333%	2.219%	1.913%
Anoka County RR Authority	0.777%	0.882%	0.941%
Anoka County HRA	1.677%	1.670%	1.438%
Anoka County HRA/EDA	N/A	N/A	N/A
North Sub. Hospital	2.028%	1.939%	1.702%
Market Based Tax Rate	0.18702%	0.11859%	0.11543%

Note 1: Tax capacity rates are after reduction of state aids. This does not include the state-wide general property tax against commercial/industrial non-homestead resorts and seasonal recreational residential property which is effective with taxes payable in 2002.

Note 2: Tax rates for many cities, townships, and counties increased significantly for taxes payable in 2002, due primarily do reductions in state aids and in class rates used to calculate net tax capacity values.

Note 3: The State of Minnesota enacted significant property tax reform measures in 2001. Among these measures were several provisions which substantially reduced school district property tax levies, replacing the tax levy funds with districts state aid. As a result, tax levies and tax rates for most school districts for taxes payable in 2002 are are substantially less than the comparable figures from prior years.

Note 2: This is the most recent information available for table presentation.

Source: Anoka County

Levy Year/Coll Year						
2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
29.442%	27.633%	27.900%	33.148%	23.385%	28.771%	24.986%
-	-	-	-	-	-	-
38.894%	36.841%	35.334%	34.473%	33.078%	31.086%	29.254%
0.504%	0.432%	0.486%	0.435%	0.405%	0.383%	0.360%
74.841%	68.546%	67.645%	66.775%	64.306%	69.183%	67.296%
44.960%	48.218%	47.907%	45.382%	45.253%	44.928%	45.242%
44.960%	48.218%	47.907%	45.382%	45.253%	44.928%	45.242%
N/A	N/A	N/A	N/A	N/A	N/A	N/A
0.0160%	0.0146%	0.1450%	0.0138%	0.1351%	0.0132%	0.0136%
94.976%	94.971%	96.001%	96.833%	96.077%	96.537%	98.170%
94.976%	94.971%	96.001%	96.833%	96.077%	96.537%	98.170%
0.958%	0.866%	0.841%	0.627%	0.596%	0.645%	0.651%
0.501%	0.467%	0.453%	0.415%	0.398%	0.387%	0.372%
1.522%	1.416%	1.362%	1.388%	1.360%	1.248%	1.175%
1.536%	1.296%	1.366%	1.395%	1.208%	1.256%	1.473%
1.527%	1.390%	1.624%	1.399%	1.546%	1.541%	1.612%
2.069%	1.827%	1.778%	1.750%	1.795%	1.757%	1.715%
0.851%	0.802%	0.738%	0.685%	0.494%	0.481%	0.351%
1.616%	1.540%	1.413%	1.504%	1.513%	1.573%	1.505%
N/A	N/A	N/A	N/A	N/A	N/A	N/A
1.690%	N/A	N/A	N/A	N/A	N/A	NA
0.14127%	0.13400%	0.15423%	0.05240%	0.13479%	0.12803%	0.10430%

Independent School District No. 13
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

For Taxes Collectible	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 8,530,073	\$ 3,500,000	\$ 0	\$ 5,025,200	\$ 8,525,200	99.94%
2014	7,370,559	3,100,000	42.06%	4,261,444	7,361,444	99.88%
2015	8,582,278	3,500,000	40.78%	5,071,830	8,571,830	99.88%
2016	9,034,019	3,750,000	41.51%	5,272,896	9,022,896	99.88%
2017	9,336,295	3,800,000	40.70%	5,522,938	9,322,938	99.86%
2018	10,251,068	4,100,000	40.00%	6,125,455	10,225,455	99.75%
2019	9,996,803	4,000,000	40.01%	5,961,244	9,961,244	99.64%
2020	10,500,507	2,950,000	28.09%	7,491,976	10,441,976	99.44%
2021	11,764,464	4,433,089	37.68%	7,267,770	11,700,859	99.46%
2022	11,325,121	3,261,664	28.80%	-	3,261,664	28.80%

Note 1: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write-off of delinquent taxes receivable.

Note 2: A portion of the total tax levy is paid through various property tax credits which are paid through state aids.

Source: State of Minnesota School Tax Report and Anoka County Certification Report

Independent School District No.13
Tax Capacities and Market Values
Last Ten Fiscal Years
(Unaudited)

For Taxes Collectible	Personal and Non-Agricultural	Fiscal Disparities		Tax Increment	Total Taxable	Market Value	Tax Capacity as a Percentage of Market Value
		Contribution Valuation	Distribution Valuation				
2013	\$ 16,130,841	\$ (2,181,009)	\$ 5,239,659	\$ (1,221,204)	\$ 17,968,287	\$ 1,468,778,100	1.22%
2014	15,356,977	(1,849,744)	5,485,470	(1,345,603)	17,647,100	1,401,974,000	1.26%
2015	17,324,893	(1,798,079)	5,540,391	(1,367,638)	19,699,567	1,582,657,900	1.24%
2016	18,246,021	(1,926,388)	5,326,682	(1,765,656)	19,880,659	1,648,065,600	1.21%
2017	19,905,672	(2,133,282)	5,770,268	(2,080,383)	21,462,275	1,775,647,200	1.21%
2018	21,624,916	(2,308,383)	5,942,151	(2,326,667)	22,932,017	1,924,865,000	1.19%
2019	24,472,900	(2,593,715)	6,028,354	(3,353,843)	24,553,696	2,140,615,700	1.15%
2020	27,431,840	(2,917,936)	6,402,943	(4,070,461)	26,846,386	2,381,517,236	1.13%
2021	28,347,282	(3,139,564)	6,505,101	(4,166,736)	27,546,083	2,483,647,984	1.11%
2022	29,887,685	(3,460,290)	7,079,940	(4,303,319)	29,204,016	2,580,028,718	1.13%

Source: State of Minnesota School Tax Report

Independent School District No. 13
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>G.O. Bonds</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Estimated Actual Value of Taxable Property</u>	<u>Percentage of Estimated Actual Value of Taxable Property</u>	<u>Estimated Population</u>	<u>Net Bonded Debt per Capita</u>
2013	\$ 18,795,000	\$ 484,853	\$ 18,310,147	\$ 1,468,778,100	1.25%	25,194	\$ 726.77
2014	17,255,000	742,187	16,512,813	1,401,974,000	1.18%	25,194	655.43
2015	15,705,000	757,919	14,947,081	1,582,657,900	0.94%	25,194	593.28
2016	15,366,534	684,712	14,681,822	1,648,065,600	0.89%	25,194	582.75
2017	13,488,847	512,345	12,976,502	1,775,647,200	0.73%	25,194	515.06
2018	11,541,159	455,973	11,085,186	1,924,865,000	0.58%	25,194	439.99
2019	26,650,657	455,596	26,195,061	2,140,615,700	1.22%	25,194	1,039.73
2020	24,269,353	513,982	23,755,371	2,381,517,236	1.00%	25,194	942.90
2021	21,823,049	582,560	21,240,489	2,483,647,984	0.86%	27,904	761.20
2022	19,291,744	590,323	18,701,421	2,580,028,718	0.72%	27,933	669.51

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

Independent School District No. 13
Ratio of Annual Debt Service Expenditures for
General Bonded Debt
to Total General Fund Expenditures
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Total Principal</u>	<u>Interest and Other Charges</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
2013	\$ 20,905,000	\$ 1,065,650	\$ 21,970,650	\$ 39,127,266	56.2%
2014	1,540,000	657,784	2,197,784	42,548,109	5.2%
2015	1,550,000	588,663	2,138,663	44,550,042	4.8%
2016	1,620,000	540,912	2,160,912	45,296,212	4.8%
2017	1,695,000	492,962	2,187,962	44,755,440	4.9%
2018	1,765,000	444,763	2,209,763	46,817,311	4.7%
2019	1,855,000	374,181	2,229,181	48,215,602	4.6%
2020	2,135,000	669,944	2,804,944	54,103,131	5.2%
2021	2,200,000	613,963	2,813,963	51,565,276	5.5%
2022	2,285,000	527,413	2,812,413	55,996,461	5.0%

Note: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements.

Independent School District No. 13
Ratios of Total Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	G.O. Bonds	Financed Purchased and Leases	Total Debt	Estimated Population	Personal Income	Total Debt per Capita	Percentage of Total Debt to Personal Income
2013	\$ 20,624,595	\$ 5,899,642	\$ 26,524,237	\$ 25,194	\$ 478,616,112	\$ 1,053	5.54%
2014	18,901,908	8,720,604	27,622,512	25,194	502,434,612	1,096.39	5.50%
2015	17,169,221	8,298,152	25,467,373	25,194	497,427,408	1,010.85	5.12%
2016	15,366,534	7,785,073	23,151,607	25,194	478,137,360	918.93	4.84%
2017	13,488,847	7,248,806	20,737,653	25,194	494,536,335	823.12	4.19%
2018	11,541,159	6,691,650	18,232,809	25,194	537,178,215	723.70	3.39%
2019	26,650,657	6,158,324	32,808,981	25,194	575,375,689	1,302.25	5.70%
2020	24,269,353	5,603,447	29,872,800	25,194	568,971,264	1,185.71	5.25%
2021	21,823,049	5,025,267	26,848,316	27,904	714,737,744	962.17	3.76%
2022	19,291,744	4,590,103	23,881,847	27,933	N/A	854.97	N/A

Note: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements.

Independent School District No. 13
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Anoka County	\$ 50,555,000	2.2100%	\$ 1,117,266
City of Columbia Heights	23,810,000	3.2950%	784,540
City of Fridley	61,645,000	8.4960%	5,237,359
Anoka County RR Authority	18,860,000	0.3480%	65,633
Metropolitan Council	1,897,693,968	0.0690%	1,309,409
Subtotal, Overlapping Debt			8,514,206
Independent School District No. 13 - Direct Debt			20,718,058
Total Direct and Overlapping Debt			<u>\$ 29,232,264</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government. Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision.

Independent School District No. 13
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Market Value	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Net Debt Applicable to Limit as a Percentage of Debt Limit
2013	\$ 1,468,778,100	\$ 220,316,715	\$ 18,310,148	\$ 202,006,567	8.31%
2014	1,401,974,000	210,296,100	16,512,813	193,783,287	7.11%
2015	1,582,657,900	237,398,685	14,947,081	222,451,604	6.30%
2016	1,648,065,600	247,209,840	13,400,288	233,809,552	5.42%
2017	1,775,647,200	266,347,080	12,976,502	253,370,578	4.87%
2018	1,924,865,000	288,729,750	11,085,186	277,644,564	3.84%
2019	2,140,615,700	321,092,355	26,195,061	294,897,294	8.16%
2020	2,381,517,236	357,227,585	22,404,076	334,823,509	6.27%
2021	2,483,647,984	372,547,198	21,240,489	351,306,709	5.70%
2022	2,580,028,718	387,004,308	18,701,421	368,302,887	4.83%

Legal Debt Margin Calculation for Fiscal Year 2022

Market Value	<u>\$ 2,580,028,718</u>
Debt Limit (15% of Market Value)	\$ 387,004,308
Debt Applicable to Limit	
G.O. Bonds	19,291,744
Less Amount Set Aside for Repayment of	
G.O. Debt	<u>590,323</u>
Total Net Debt Applicable to Limit	<u>18,701,421</u>
Legal Debt Margin	<u>\$ 368,302,887</u>

Note 1: Beginning in fiscal year 2003, the debt limit changed from 10% to 15% of market value.

Note 2: Under state finance law, the District's outstanding G.O. debt should not exceed 15% of total market property value. By law, the G.O. debt subject to the limitation may be offset by amounts set aside for repaying G.O. bonds.

Independent School District No. 13
Demographic and Economic Statistics - Employment
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>District Population</u>	<u>Average Employment Anoka County</u>	<u>Average Unemployment Anoka County</u>	<u>Average Unemployment State of Minnesota</u>
2012	25,194	179,616	5.60%	5.20%
2013	25,194	179,917	4.50%	4.50%
2014	25,194	181,664	3.40%	4.20%
2015	25,194	184,454	3.60%	3.70%
2016	25,194	181,997	3.80%	4.00%
2017	25,194	189,642	3.10%	3.10%
2018	25,194	191,336	2.90%	2.80%
2019	25,194	192,851	3.20%	3.50%
2020	27,904	182,689	4.80%	4.60%
2021	27,933	188,500	3.60%	3.10%

Sources: U.S. Census and Anoka County 2021 Comprehensive Annual Financial Report

Note: This is the most recent information available for table presentation.

Independent School District No. 13
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Medtronic Inc	600	1	3.08%	600	1	0.34%
All Temporias/All Homecaring	500	2	N/A	100	6	0.06%
Independent School District 13 ⁽¹⁾	490	3	2.51%	484	2	0.27%
Crestview Corporation	290	4	1.49%	245	3	14.00%
City of Columbia Heights	220	5	1.13%	205	4	0.11%
Columbia Park Clinic	120	6	0.62%	120	5	0.07%
Invest Cast	70	7	0.36%	60	8	0.03%
Sarna's Classic Grill	60	8	0.31%	N/A	N/A	N/A
Bobby & Steve's Auto World	50	9	0.26%	53	10	0.03%
La Casita Mexican Restaurant	50	10	0.26%	60	9	0.03%
SAVERS/Unique Thrift Shop	N/A	N/A	N/A	75	7	0.04%
Total	<u>2,450</u>		<u>10.01%</u>	<u>2,002</u>		<u>14.98%</u>

Source: City of Columbia Heights, Minnesota, Principal Employers, Current Year and Nine Years Ago, furnished by the City of Columbia Heights.

Note: This is the most recent information available for table presentation and is based on a calendar year.

⁽¹⁾ Independent school district data

Independent School District No. 13
Demographic and Economic Statistics - Income
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income¹</u>	<u>Per Capita Personal Income²</u>	<u>Unemployment Rate²</u>
2012	25,194	\$ 507,408,600	\$ 41,820	5.6%
2013	25,194	478,616,112	42,207	4.5%
2014	25,194	502,434,612	43,412	3.4%
2015	25,194	497,427,408	45,556	3.6%
2016	25,194	478,137,360	46,901	3.8%
2017	25,194	494,536,335	48,563	3.1%
2018	25,194	537,178,215	51,258	2.9%
2019	25,194	575,375,689	52,250	3.2%
2020	27,904	568,971,264	55,694	4.8%
2021	27,933	714,737,744	Not Available	3.6%

Data Sources

¹ City of Columbia Heights 2021 Comprehensive Annual Financial Report

² Anoka County 2021 Comprehensive Annual Financial Report - County-Wide

Note: This is the most recent information available for table presentation.

Independent School District No. 13
Food Service Meals Served
Last Ten Fiscal Years
(Unaudited)

Type	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Full paid lunch	63,471	65,979	66,514	68,295	64,728	69,867	74,748	55,808	-	-
Reduced price lunch	32,051	35,834	40,131	44,882	43,243	54,232	55,367	48,435	-	-
Free lunch	306,283	315,076	322,798	313,552	312,370	285,334	259,982	210,443	215,971	386,240
Adult lunch	4,940	4,233	3,930	3,444	3,057	2,438	2,032	3,675	413	2,360
Total lunches served	<u>406,745</u>	<u>421,122</u>	<u>433,373</u>	<u>430,173</u>	<u>423,398</u>	<u>411,871</u>	<u>392,129</u>	<u>318,361</u>	<u>216,384</u>	<u>388,600</u>
Full paid breakfast	19,041	22,268	28,578	24,918	20,870	23,907	29,396	29,144	-	-
Reduced price breakfast	15,715	16,527	20,607	22,019	18,125	24,402	26,336	23,434	-	-
Free breakfast	192,303	189,540	196,130	175,229	169,276	154,949	143,821	130,429	193,675	228,382
Adult breakfast	781	482	277	263	184	257	150	310	12	53
Total breakfasts served	<u>227,840</u>	<u>228,817</u>	<u>245,592</u>	<u>222,429</u>	<u>208,455</u>	<u>203,515</u>	<u>199,703</u>	<u>183,317</u>	<u>193,687</u>	<u>228,435</u>

Independent School District No. 13
School Facilities
As of June 30, 2022
(Unaudited)

Facility	Year Constructed	Years of Addition	Grades Housed	Square Footage
Highland Elementary	1961	1998, 2012	K - 5	77,572
North Park Elementary	1965	1998, 2019	K - 5	84,908
Valley View Elementary	1959	1998, 2014	K - 5	77,500
Central Middle School	1964	None	6 - 8	144,000
Columbia Heights High School	1959	1968, 1999, 2008, 2019	9 - 12	353,013

Independent School District No. 13
Student Enrollment
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Fiscal Year Ended June 30,	Average Daily Membership (ADM) (Including Enrollment Option)					Total Pupil Units
	Handicapped and Pre-Kindergarten	Kindergarten	Elementary	Secondary	Total	
2013	56.04	251.40	1,465.73	1,275.97	3,049.14	3,473.07
2014	61.97	263.83	1,574.52	1,364.21	3,264.53	3,718.42
2015	50.89	210.71	1,567.20	1,466.61	3,295.41	3,588.74
2016	62.37	228.26	1,562.88	1,415.78	3,269.29	3,552.43
2017	106.26	227.30	1,528.89	1,497.40	3,359.85	3,659.34
2018	109.18	209.72	1,504.57	1,603.14	3,426.61	3,747.25
2019	123.16	206.11	1,468.44	1,660.27	3,457.98	3,790.03
2020	120.52	232.18	1,370.12	1,658.86	3,381.68	3,713.46
2021	113.13	203.35	1,270.68	1,720.24	3,307.40	3,651.47
2022	132.42	216.53	1,262.72	1,730.58	3,342.25	3,688.36

Note 1: Student enrollment numbers are estimated for the most recent fiscal year.

Note 2: Beginning in fiscal year 2004, ADM is limited to 1.0 ADM per student.

Note 3: ADM is weighted as follows in computing pupil units:

		<u>Handicapped</u>		<u>Elementary</u>	<u>Elementary</u>	
through 2008	1.250	1.000	0.557	1.115	1.060	1.300
Fiscal Year 2012 through 2014	1.250	1.000	0.612	1.115	1.060	1.300
Fiscal Year 2015 through 2022	1.000	1.000	1.000	1.000	1.000	1.200

Independent School District No. 13
General Fund - Operating Account Expenditures by Program
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Fiscal Year Ended June 30,	Administration	District Support Services	Elementary and Secondary Regular Instruction	Vocational Education Instruction	Special Education Instruction	Instructional Support Services
2013	\$ 1,134,333 2.9%	\$ 1,301,541 3.3%	\$ 18,414,826 47.1%	\$ 540,039 1.4%	\$ 7,048,809 18.0%	\$ 1,001,506 2.6%
2014	1,217,236 2.9%	1,441,953 3.4%	21,239,609 49.9%	446,772 1.1%	7,234,416 17.0%	1,099,959 2.6%
2015	1,109,996 2.5%	1,497,065 3.4%	22,083,868 49.6%	436,594 1.0%	7,208,222 16.2%	1,845,808 4.1%
2016	1,263,781 2.8%	1,495,563 3.3%	21,957,628 48.5%	446,628 1.0%	7,238,505 16.0%	1,851,465 4.1%
2017	1,302,465 2.9%	1,510,240 3.4%	21,890,411 48.9%	458,223 1.0%	7,173,841 16.0%	1,721,391 3.8%
2018	1,365,159 2.9%	1,563,615 3.3%	22,842,133 48.8%	390,326 0.8%	7,580,992 16.2%	1,183,721 2.5%
2019	1,395,651 2.9%	1,546,620 3.2%	23,351,866 48.4%	435,354 0.9%	7,798,730 16.2%	1,838,411 3.8%
2020	1,737,507 3.2%	1,833,715 3.4%	23,397,108 43.2%	488,953 0.9%	9,010,335 16.7%	1,752,765 3.2%
2021	1,456,952 2.8%	1,461,340 2.8%	23,507,929 45.6%	500,935 1.0%	8,991,781 17.4%	2,338,979 4.5%
2022	1,704,017 3.3%	1,787,744 3.5%	24,641,836 47.8%	531,265 1.0%	9,845,093 19.1%	1,959,323 3.8%

Pupil Support Services	Sites and Buildings	Fiscal and Other Fixed Cost Programs	Debt Service	Capital Outlay	Total	Percent Increase (Decrease) From Prior Year
\$ 3,737,144 9.6%	\$ 3,807,924 9.7%	\$ 87,593 0.2%	\$ 477,950 1.2%	\$ 1,575,601 4.0%	\$ 39,127,266 100.0%	5.83%
4,105,797 9.6%	3,860,506 9.1%	99,673 0.2%	638,961 1.5%	1,163,226 2.7%	42,548,108 100.0%	8.74%
4,568,415 10.3%	3,750,966 8.4%	99,928 0.2%	778,520 1.7%	1,170,660 2.6%	44,550,042 100.0%	4.71%
4,582,127 10.1%	4,467,179 9.9%	99,141 0.2%	850,200 1.9%	1,043,995 2.3%	45,296,212 100.0%	1.67%
4,888,694 10.9%	4,137,475 9.2%	104,487 0.2%	257,054 0.6%	1,311,159 2.9%	44,755,440 100.0%	-1.19%
5,844,751 12.5%	3,945,569 8.4%	107,894 0.2%	850,385 1.8%	1,142,766 2.4%	46,817,311 100.0%	4.61%
6,512,909 13.5%	3,836,211 8.0%	118,661 0.2%	801,430 1.7%	579,759 1.2%	48,215,602 100.0%	2.99%
6,510,474 12.0%	4,293,261 7.9%	251,758 0.5%	793,992 1.5%	4,033,263 7.5%	54,103,131 100.0%	12.21%
5,317,143 10.3%	4,757,495 9.2%	272,918 0.5%	816,101 1.6%	2,143,703 4.2%	51,565,276 100.0%	-4.69%
7,868,684 15.3%	4,557,985 8.8%	359,581 0.7%	908,305 1.8%	1,832,628 3.6%	55,996,461 108.6%	8.59%

Independent School District No. 13
Revenue and Expenditures -
Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Revenue				
General fund				
Operating account	\$ 36,719,182	\$ 39,910,286	\$ 42,726,798	\$ 42,960,649
Capital expenditure account	1,402,958	1,554,097	1,485,375	1,565,572
Special revenue funds				
Food service fund	1,912,273	2,049,204	2,079,228	2,008,948
Community service fund	1,442,396	1,605,033	1,538,227	1,565,957
Capital projects fund	22,707	6,169	2,859	1,002,048
Debt service fund - general obligation bonds	2,377,541	2,455,119	2,154,395	2,087,705
Total revenues	<u>\$ 43,877,057</u>	<u>\$ 47,579,908</u>	<u>\$ 49,986,882</u>	<u>\$ 51,190,879</u>
Expenditures				
Current				
Operating account	\$ 36,952,195	\$ 40,796,178	\$ 42,374,814	\$ 43,133,553
Capital expenditure account	2,175,071	1,751,930	2,175,228	2,162,659
Special revenue funds				
Food service fund	1,776,093	2,128,899	2,166,852	2,003,264
Community service fund	1,518,815	1,633,271	1,445,223	1,487,170
Capital projects fund	2,837,077	434,282	2,481,976	954,502
Debt service fund - general obligation bonds	21,970,650	2,197,784	2,138,663	2,160,912
Total expenditures	<u>\$ 67,229,901</u>	<u>\$ 48,942,344</u>	<u>\$ 52,782,756</u>	<u>\$ 51,902,060</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 44,470,462	\$ 47,198,465	\$ 49,109,042	\$ 49,539,679	\$ 49,810,047	\$ 54,322,193
1,344,612	774,884	1,009,988	883,975	1,257,041	1,097,417
2,276,865	2,164,498	2,138,185	1,928,045	1,724,410	2,759,992
1,784,646	1,754,625	1,842,726	1,858,858	1,663,470	2,139,679
1,117,493	1,128,108	1,339,888	1,663,114	1,478,172	1,534,867
2,015,595	2,153,391	2,228,804	2,863,330	2,882,541	2,820,176
<u>\$ 53,009,673</u>	<u>\$ 55,173,971</u>	<u>\$ 57,668,633</u>	<u>\$ 58,737,001</u>	<u>\$ 58,815,681</u>	<u>\$ 64,674,324</u>
\$ 42,910,164	\$ 45,320,311	\$ 47,429,394	\$ 49,297,695	\$ 48,123,224	\$ 53,329,998
1,845,276	1,497,000	786,208	4,805,436	3,442,052	2,666,463
2,112,498	2,066,360	2,108,711	1,835,517	1,535,409	2,169,407
1,544,346	1,796,274	1,864,024	1,997,314	1,758,817	2,243,490
1,811,984	1,126,208	1,956,634	14,556,080	4,451,738	2,202,904
2,187,962	2,209,763	2,229,181	2,804,944	2,813,963	2,812,413
<u>\$ 52,412,230</u>	<u>\$ 54,015,916</u>	<u>\$ 56,374,152</u>	<u>\$ 75,296,986</u>	<u>\$ 62,125,203</u>	<u>\$ 65,424,675</u>

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Independent School District No. 13
Expenditures per Student
Year Ended June 30, 2022
(With Comparative Amounts for the Year Ended June 30, 2021)
(Unaudited)

	State Average	Anoka County Average	ISD No. 13	
	2021	2021	2021	2022
Expenditures per student (ADM) (1)				
General fund - operating account				
District and school administration	\$ 703	\$ 557	\$ 568	\$ 536
District support services	542	456	414	562
Elementary and secondary regular instruction	6,140	5,641	6,928	7,749
Vocational education instruction	183	187	148	167
Special education instruction	2,641	2,695	2,651	3,096
Instructional support services	787	886	570	616
Pupil support services	1,210	1,337	1,573	2,474
Sites and buildings, fiscal and other fixed cost programs	1,061	1,031	1,171	1,546
Total general fund - operating account	13,267	12,790	14,023	16,747
Food service special revenue fund	529	455	454	682
Total PK - 12 operating expenditures	13,796	13,245	14,477	17,429
General fund - capital expenditure account	900	697	1,189	577
Community service special revenue fund	571	648	520	699
Capital projects fund	2,008	1,974	1,317	693
Debt service fund	1,457	1,429	833	884
Total expenditures per student	<u>\$ 18,732</u>	<u>\$ 17,993</u>	<u>\$ 18,336</u>	<u>\$ 20,282</u>
ADMs served	<u>\$ 856,493</u>	<u>\$ 9,762</u>	<u>\$ 3,380</u>	<u>\$ 3,180</u>

Source: Minnesota Department of Education School District Profiles

Note: The above data does not include non-public schools.

Independent School District No. 13
Cost Per Pupil on Weighted Average Daily Membership
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
District and school administration	\$ 1,134,333	\$ 1,217,236	\$ 1,109,996	\$ 1,263,781
District support services	1,302,203	1,441,953	1,497,065	1,495,563
Elementary and secondary regular instruction	18,721,316	21,239,609	22,083,868	21,957,628
Vocational education instruction	542,617	446,772	436,594	446,628
Special education instruction	7,054,952	7,234,416	7,208,222	7,238,505
Community education and services	1,506,661	1,622,489	1,437,708	1,472,233
Instructional support services	1,001,506	1,099,959	1,845,808	1,851,465
Pupil support services	4,315,138	4,116,579	4,575,930	4,596,585
Sites, buildings, and equipment	7,338,889	4,064,783	4,079,335	4,581,454
Fiscal and other fixed cost programs	87,593	99,673	99,928	99,141
Food service	1,776,093	2,057,454	2,029,115	2,003,054
Debt service principal, interest and fiscal charges	22,448,600	4,301,421	6,379,187	4,896,023
Total	\$ 67,229,901	\$ 48,942,344	\$ 52,782,756	\$ 51,902,060
 Weighted average daily membership	 \$ 3,473	 \$ 3,718	 \$ 3,590	 \$ 3,552
District and school administration	365	327	327	309
District support services	377	375	388	417
Elementary and secondary regular instruction	5,380	5,391	5,713	6,151
Vocational education instruction	157	156	120	122
Special education instruction	2,041	2,031	1,946	2,008
Community education and services	436	434	436	400
Instructional support services	253	288	296	514
Pupil support services	1,285	1,242	1,107	1,275
Sites, buildings and equipment	2,133	2,113	1,093	1,136
Fiscal and other fixed cost programs	25	25	27	28
Food service	514	511	553	565
Interest and fiscal charges	885	6,464	1,157	1,777
Total	\$ 13,852	\$ 19,358	\$ 13,164	\$ 14,703

Note: Includes all governmental funds.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 1,302,465	\$ 1,365,159	\$ 1,395,651	\$ 1,737,507	\$ 1,456,952	\$ 1,704,017
1,510,240	1,563,615	1,546,620	1,833,715	1,461,340	1,787,744
22,011,700	22,944,999	23,460,600	23,688,989	23,998,345	24,761,285
458,223	390,326	442,315	488,953	506,011	545,296
7,177,816	7,581,510	7,804,502	9,012,714	8,993,486	9,857,556
1,528,109	1,779,192	1,847,654	1,979,488	1,739,273	2,223,328
1,721,391	1,183,721	1,838,411	1,752,765	2,344,379	1,965,013
5,179,433	6,384,963	6,678,200	6,866,282	5,482,688	7,920,413
6,267,752	5,588,029	5,868,056	22,250,362	10,704,338	8,410,315
104,487	107,894	118,661	251,758	272,918	359,581
2,112,498	2,066,360	2,108,711	1,835,517	1,535,409	2,169,409
3,038,116	3,060,148	3,264,771	3,598,936	3,630,064	3,720,718
<u>\$ 52,412,230</u>	<u>\$ 54,015,916</u>	<u>\$ 56,374,152</u>	<u>\$ 75,296,986</u>	<u>\$ 62,125,203</u>	<u>\$ 65,424,675</u>
\$ 3,659	\$ 3,747	\$ 3,790	\$ 3,713	\$ 3,651	\$ 3,688
356	368	376	476	399	467
421	421	417	502	400	490
6,182	6,180	6,319	6,488	6,573	6,782
126	105	119	134	139	149
2,038	2,042	2,102	2,469	2,463	2,700
414	479	498	542	476	609
521	319	495	480	642	538
1,294	1,720	1,799	1,881	1,502	2,169
1,290	1,505	1,580	6,094	2,932	2,304
28	29	32	69	75	98
564	557	568	503	421	594
1,378	824	879	986	994	1,019
<u>\$ 14,612</u>	<u>\$ 14,548</u>	<u>\$ 15,183</u>	<u>\$ 20,624</u>	<u>\$ 17,016</u>	<u>\$ 17,920</u>

Independent School District No. 13
Employees by Program Expense
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District and school administration	8	8	14	8	8	8	9	8	8	8
District support services	12	13	12	11	11	11	14	13	12	13
Elementary and secondary										
regular instruction	232	236	249	232	230	228	224	222	230	219
Vocational education instruction	7	5	6	5	5	5	5	3	5	5
Special education instruction	98	102	97	91	93	94	93	95	95	107
Community education and services	11	20	26	22	21	22	28	39	30	24
Instructional support services	5	7	11	11	11	11	8	7	7	12
Pupil support services	15	9	14	14	14	14	10	14	16	12
Sites, buildings and equipment	30	29	29	30	29	27	28	28	27	28
Food service	24	27	26	26	25	25	25	22	20	24
Total	442	456	484	450	447	445	444	451	450	452