This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 4, 2021

In the opinion of Kennedy & Graven, Chartered, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and, to the same extent, from taxable net income of individuals, estates and trusts for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. Such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "Tax Exemption" herein.

The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue **Rating Application Made: Moody's Investors Service, Inc.**

INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE), MINNESOTA
(Ramsey and Washington Counties)

(Minnesota School District Credit Enhancement Program)

$88,045,000* GENERAL OBLIGATION SCHOOL BUILDING AND REFUNDING BONDS, SERIES 2021A

PROPOSAL OPENING: November 17, 2021, 10:30 A.M., C.T.
CONSIDERATION: Not later than 11:59 P.M., C.T. on November 17, 2021 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The $88,045,000* General Obligation School Building and Refunding Bonds, Series 2021A (the "Bonds") are authorized pursuant to Minnesota Statutes, Sections 123B.62, 469.1814, and 475.67, subdivision 3, and Chapters 469 and 475, as amended, by Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Minnesota (the "District"), for the purpose of effecting a current refunding of certain outstanding general obligations of the District as more fully described herein and to finance the acquisition and betterment of school sites and facilities in the District. The Bonds will be general obligations of the District for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: December 16, 2021

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2023	$3,910,000	2027	$8,100,000	2031	$9,715,000
2024	5,240,000	2028	9,190,000	2032	6,005,000
2025	6,470,000	2029	10,600,000	2033	6,310,000
2026	7,135,000	2030	9,090,000	2034	6,280,000

MATURITY ADJUSTMENTS: * The District reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2022 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2030 and thereafter are subject to call for prior optional redemption on February 1, 2029 and any date thereafter, at a price of par plus accrued interest.

MINIMUM PROPOSAL: $88,045,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $1,760,900 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation

BOND COUNSEL: Kennedy & Graven, Chartered

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the District and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the District, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over $1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the District for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over $1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the District is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the District nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the District which indicates that the District does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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NORTH ST. PAUL-MAPLEWOOD-OAKDALE SCHOOL BOARD

		Term Expires
Michelle Yener	Board Chair	January 2023
Nancy Livingston	Vice Chair	January 2025
Ben Jarman	Clerk	January 2023
Caleb Anderson	Treasurer	January 2023
Steve Hunt	Member	January 2025
Julia Martens	Member	January 2025
Charlotte Nitardy	Member	January 2025

ADMINISTRATION

Christine Tucci Osorio, Superintendent of Schools

Randy Anderson, Director of Business Services

Janet Doman, Finance Supervisor

Travis Byrne, CPA, Accounting Supervisor

PROFESSIONAL SERVICES

Kennedy & Graven, Chartered, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(*Other offices located in Waukesha, Wisconsin and Denver, Colorado*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Minnesota (the "District") and the issuance of its $88,045,000* General Obligation School Building and Refunding Bonds, Series 2021A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution ratifying the issuance and sale of the Bonds ("Ratifying Resolution").

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the District's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 16, 2021. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Ratifying Resolution.

The District has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The District will pay the charges for Paying Agent services. The District reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the District, the Bonds maturing on or after February 1, 2030 shall be subject to optional redemption prior to maturity on February 1, 2029 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the District. If only part of the Bonds having a common maturity date are called for redemption, then the District or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are authorized pursuant to Minnesota Statutes, Sections 123B.62, 469.1814, and 475.67, subdivision 3, and Chapters 469, 475, as amended, and a special election held May 14, 2019, at which voters approved a building program by a vote of 3,941 - 2,220. by the District, for the purpose of effecting a current refunding of the District's $4,750,000 General Obligation School Building Crossover Refunding Bonds, Series 2010C (the "Series 2010C Bonds"); the $8,955,000 General Obligation Refunding Bonds, Series 2012A (the "Series 2012A Bonds"); the $9,505,000 General Obligation Alternative Facilities Refunding Bonds, Series 2012B (the "Series 2012B Bonds"); and the $6,040,000 General Obligation Capital Facilities and Tax Abatement Bonds, Series 2018B (the "Series 2018B Bonds"); and to provide funds for the acquisition and betterment of school sites and facilities (further breakout of portions listed on following pages).

For the Tax Abatement Refunding Portion of the Bonds, according to Minnesota Statutes, Chapter 469, in any year, the total amount of property taxes abated by a political subdivision under this section may not exceed (i) ten percent of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (ii) $200,000, whichever is greater.

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 662152
Series 2010C Bonds	10/1/10	2/1/22	Par	2023	3.100%	$460,000	AL1
				2024	3.200%	470,000	AM9
Total Series 2010C Bonds Being Refunded						$930,000	

A portion of the proceeds of the Bonds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance. The District will pay the principal and interest payment for the Series 2010C Bonds due on February 1, 2022 from the Debt Service Account for the Series 2010C Bonds.

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 662140
Series 2012A Bonds	4/1/12	2/1/22	Par	2023	2.250%	$865,000	8S4
				2024	2.250%	885,000	8T2
				2025	2.375%	910,000	8U9
Total Series 2012A Bonds Being Refunded						$2,660,000	

A portion of the proceeds of the Bonds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance. The District will pay the principal and interest payment for the Series 2012A Bonds due on February 1, 2022 from the Debt Service Fund for the Series 2012A Bonds.

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 662152
Series 2012B Bonds	10/25/12	2/1/22	Par	2023	2.125%	$810,000	BR7
				2024	2.375%	825,000	BS5
				2025	2.500%	845,000	BT3
				2026	2.625%	870,000	BU0
				2027	3.000%	895,000	BV8
Total Series 2012B Bonds Being Refunded						$4,245,000	

A portion of the proceeds of the Bonds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance. The District will pay the principal and interest payment for the Series 2012B Bonds due on February 1, 2022 from the Debt Service Account for the Series 2012B Bonds.

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 662152
Series 2018B Bonds	9/13/18	2/1/22	Par	2023	3.000%	$635,000	CX3
				2024	3.000%	655,000	CY1
				2025	3.000%	670,000	CZ8
				2026	3.000%	690,000	DA2
				2027	3.000%	535,000	DB0
				2028	3.000%	555,000	DC8
				2029	3.00%	570,000	DD6
Total Series 2018B Bonds Being Refunded						$4,310,000	

A portion of the proceeds of the Bonds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance. The District will pay the principal and interest payment for the Series 2018B Bonds due on February 1, 2022 from the Debt Service Account for the Series 2018B Bonds.

ESTIMATED SOURCES AND USES*

Sources	Alternative Facilities Refunding Portion	Capital Facilities Refunding Portion	Tax Abatement Refunding Portion	New Money Portion	Total Bond Issue
Par Amount of Bonds	$7,465,000	$3,395,000	$630,000	$76,555,000	$88,045,000
Reoffering Premium	438,000	282,883	37,347	4,808,456	5,566,685
Total Sources	**$7,903,000**	**$3,677,883**	**$667,347**	**$81,363,456**	**$93,611,686**
Uses					
Total Underwriter's Discount (0.500%)	$37,325	$16,975	$3,150	$382,775	$440,225
Costs of Issuance	26,934	12,249	2,273	276,209	317,665
Deposit to Construction Fund	-	-	-	80,704,471	80,704,471
Deposit to Redemption Fund	7,835,000	3,650,000	660,000	-	12,145,000
Rounding Amount	3,741	(1,342)	1,924	-	4,323
Total Uses	**$7,903,000**	**$3,677,882**	**$667,347**	**$81,363,456**	**$93,611,684**

Breakdown of Principal Payments*:

Payment Date	Alternative Facilities Refunding Portion	Capital Facilities Refunding Portion	Tax Abatement Refunding Portion	New Money Portion	Total Bond Issue
2/01/2023	$2,080,000	$470,000	$155,000	$1,205,000	$3,910,000
2/01/2024	2,060,000	450,000	160,000	2,570,000	5,240,000
2/01/2025	1,660,000	465,000	155,000	4,190,000	6,470,000
2/01/2026	820,000	480,000	160,000	5,675,000	7,135,000
2/01/2027	845,000	495,000	-	6,760,000	8,100,000
2/01/2028	-	510,000	-	8,680,000	9,190,000
2/01/2029	-	525,000	-	10,075,000	10,600,000
2/01/2030	-	-	-	9,090,000	9,090,000
2/01/2031	-	-	-	9,715,000	9,715,000
2/01/2032	-	-	-	6,005,000	6,005,000
2/01/2033	-	-	-	6,310,000	6,310,000
2/01/2034	-	-	-	6,280,000	6,280,000
Total	**$7,465,000**	**$3,395,000**	**$630,000**	**$76,555,000**	**$88,045,000**

*Preliminary, subject to change.

SECURITY

The Bonds are general obligations of the District to which its full faith, credit and taxing powers are pledged.

In accordance with Minnesota Statutes, the District will levy each year an amount not less than 105% of the debt service requirements on the Alternative Facilities Refunding, Capital Facilities Refunding and New Money Portions of the Bonds (collectively, the "Levy Supported Portion"), less estimated collections of other revenues pledged for payments on the Bonds[1]. In the event funds on hand for payment of principal and interest are at any time insufficient, the District is required to levy an ad valorem tax upon all taxable properties within its boundaries without limit as to rate or amount to make up any deficiency.

The District anticipates that the debt service on the Tax Abatement Refunding Portion of the Bonds will be paid from a combination of abating the District's portion of taxes from specific parcels up to an amount of the aggregate sum of abatements equal to the principal amount of the Tax Abatement Refunding Portion of the Bonds and from ad valorem property taxes. Receipt of tax abatement revenues and ad valorem property taxes will be sufficient to provide not less than 105% of principal and interest on the Tax Abatement Portion of the Bonds as required by Minnesota law.

Should the revenues pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the District is required to pay maturing principal and interest from moneys on hand in any other fund of the District not pledged for another purpose and/or to levy additional taxes for this purpose upon all the taxable property in the District, without limitation as to rate or amount.

RATING

The District will be participating in the State of Minnesota Credit Enhancement Program ("MNCEP") for this issue and is requesting a rating from Moody's Investors Service, Inc. ("Moody's"). Moody's has a policy which assigns a minimum rating of "Aa2" to issuers participating in the MNCEP. The "Aa2" rating is based on the State of Minnesota's current "Aa1" rating from Moody's. See "STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICTS" for further details.

The District currently has an "A1" underlying rating from Moody's and will be requesting an underlying rating on this issue. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the District nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

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[1] Prior to this issuance, for Capital Facilities Refunding Bonds issued pursuant to Minnesota Statutes Section 123B.62, the District is required to make an annual debt service levy equal to 105% of the debt service requirements on the Bonds. There will be an offsetting reduction each year in the District's general fund tax levy. Following this issuance, the New Money Portion will refund the Capital Facilities Portion of the Bonds, which will no longer require an offsetting reduction.

STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICTS

By resolution adopted for this issue on September 21, 2021 (the "Resolution"), the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55, which provides for payment by the State of Minnesota in the event of a potential default of a school district obligation (herein referred to as the "State Payment Law" or the "Law"). The provisions of the State Payment Law shall be binding on the District as long as any obligations of the issue remain outstanding.

Under the State Payment Law, if the District believes it may be unable to make a principal or interest payment for this issue on the due date, it must notify the Commissioner of Education as soon as possible, but not less than 15 working days prior to the due date (which notice is to specify certain information) that it intends to exercise the provisions of the Law to guarantee payment of the principal and interest when due. The District also covenants in the Resolution to deposit with the Paying Agent for the issue three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of the payment.

The Law also requires the Paying Agent for this issue to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal and interest on these obligations, or if, on the day two business days prior to the payment date, there are insufficient funds to make the payment or deposit with the Paying Agent.

The Law also requires, after receipt of a notice which requests a payment pursuant to the Law, after consultation with the Paying Agent and District, and after verifying the accuracy of the information provided, the Commissioner of Education shall notify the Commissioner of Management and Budget of the potential default. The State Payment Law provides that "upon receipt of this notice . . . the commissioner of management and budget shall issue a payment and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the [Department of Education] from the state general fund."

The Law requires that all amounts paid by the State on behalf of any School District are required to be repaid by the District to the State with interest, either via a reduction in State aid payable to the District, or through the levy of an ad valorem tax which may be made with the approval of the Commissioner of Education.

In its Official Statement dated September 9, 2021, for General Obligation State Bonds, Series 2021A and 2021B, the State of Minnesota disclosed the following information about the State Credit Enhancement Program for School Districts.

> "As of June 30, 2021, the date of this Official Statement, the total amount of principal on certificates of indebtedness and capital notes issued for equipment, certificates of participation and bonds, plus the interest on these obligations, through the year 2050, is approximately $16,995,000,000. Based upon these currently outstanding balances now enrolled in the program, during the Current Biennium the total amount of principal and interest outstanding as of June 30, 2021 is currently estimated at $2,500,000,000, with the maximum amount of principal and interest payable in any one month being $975,700,000. However, more certificates of indebtedness, capital notes, certificates of participation and bonds are expected to be enrolled in the program and these amounts are expected to increase.
>
> The State has not had to make any debt service payments on behalf of school districts or intermediate school districts under the program and does not expect to make any payments in the future. If such payments are made the State expects to recover all or substantially all of the amounts so paid pursuant to contractual agreements with the school districts and intermediate school districts."

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the District shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery of the Bonds, the District shall execute and deliver a Continuing Disclosure Certificate, under which the District will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the District are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the District to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Prior continuing disclosure undertakings entered into by the District included language stating that an Annual Report including the District's audited financial statements and operating data would be filed "as soon as available." Although the District did not provide financial statements "as soon as available", the Annual Reports were timely filed within the required twelve (12) month timeframe as provided for in each undertaking. Other than what is described in this paragraph, the District believes it has complied in all material respects with its prior disclosure undertakings under the Rule in the last five years. The District has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the District.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the District, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the District; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and decisions, interest on the Bonds is excludable from gross income of the owners thereof for purposes of federal income taxation and is excludable from taxable net income of individuals, estates and trusts for purposes of State of Minnesota income taxation, but is subject to State of Minnesota franchise taxes measured by income that are imposed upon corporations, including financial institutions.

Noncompliance following the issuance of the Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") and covenants of the Ratifying Resolution may result in the inclusion of interest on the Bonds in gross income (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals on alternative minimum taxable income.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year. For purposes hereof, the applicable percentage is 5.25% divided by the highest rate in effect under Section 11(b) of the Code.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Legislative proposals

Bond Counsel’s opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status on municipal bonds. For example, legislation has been proposed that would, among other things, limit the amount of exclusions (including tax-exempt interest) or deductions that certain higher-income taxpayers could use to reduce their tax liability. The likelihood of adoption of this or any other such legislative proposal relating to tax-exempt bonds cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt bonds (including the Bonds). Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such change in law.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, which permits financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the District, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the District under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the District for the fiscal year ended June 30, 2020 have been audited by Malloy, Montague, Karnowski, Radosevich & Co., P.A. ("MMKR"), Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the District, the ultimate payment of which rests in the District's ability to levy and collect sufficient taxes to pay debt service should other revenue (state aids and tax abatement revenues) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the District in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the District, the taxable value of property within the District, and the ability of the District to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the District or the taxing authority of the District.

Ratings; Interest Rates: In the future, the District's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Ratifying Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the District to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the District to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the District, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the District may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The District is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the District will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and the declaration of a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the District and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the District, including the duration of the outbreak and measures taken to address the outbreak.

On March 13, 2020, Minnesota Governor Tim Walz signed Emergency Executive Order 20-01 and declared a peacetime emergency. In subsequent executive orders, the Governor extended the peacetime emergency by 30 days. On May 14, 2021, the Governor signed Executive Order 21-23 to end the statewide mask requirement and align with new Centers for Disease Control and Prevention (CDC) guidance on face coverings. The Minnesota Legislature ended the peacetime emergency declaration on July 1, 2021.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional $130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2018/19	2019/20	2020/21
Residential homestead[1]	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%
Agricultural homestead[1]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,940,000 - 0.50% [2] Over $1,940,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,880,000 - 0.50% [2] Over $1,880,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,900,000 - 0.50% [2] Over $1,900,000 - 1.00% [2]
Agricultural non-homestead	Land - 1.00% [2]	Land - 1.00% [2]	Land - 1.00% [2]
Seasonal recreational residential	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]
Residential non-homestead:	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City[4] - 1.25% Affordable Rental: First $139,000 - .75% Over $139,000 - .25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: First $150,000 - .75% Over $150,000 - .25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: First $162,000 - .75% Over $162,000 - .25%
Industrial/Commercial/Utility[5]	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%

1 A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

2 Applies to land and buildings. Exempt from referendum market value tax.

3 Exempt from referendum market value tax.

4 Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

5 The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2020/21 Economic Market Value	$10,186,653,716[1]

2020/21 Assessor's Estimated Market Value

	Ramsey County	Washington County	Total
Real Estate	$ 5,011,741,700	$ 4,716,244,100	$ 9,727,985,800
Personal Property	41,327,300	31,312,000	72,639,300
Total Valuation	$ 5,053,069,000	$ 4,747,556,100	$ 9,800,625,100

2020/21 Net Tax Capacity

	Ramsey County	Washington County	Total
Real Estate	$ 58,687,778	$ 57,645,476	$116,333,254
Personal Property	812,333	617,620	1,429,953
Net Tax Capacity	$ 59,500,111	$ 58,263,096	$117,763,207
Less: Captured Tax Increment Tax Capacity[2]	(2,123,384)	(1,234,695)	(3,358,079)
Fiscal Disparities Contribution[3]	(7,129,818)	(9,023,680)	(16,153,498)
Taxable Net Tax Capacity	$ 50,246,909	$ 48,004,721	$ 98,251,630
Plus: Fiscal Disparities Distribution[3]	9,191,590	6,788,375	15,979,965
Adjusted Taxable Net Tax Capacity	$ 59,438,499	$ 54,793,096	$114,231,595

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1 According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the District is about 96.30% of the actual selling prices of property most recently sold in the District. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the District of $10,186,653,716.

2 The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts located in the District.

3 Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base since 1972 to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2020/21 NET TAX CAPACITY BY CLASSIFICATION

	2020/21 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$55,906,598	47.47%
Agricultural	159,950	0.14%
Commercial/industrial	43,097,265	36.60%
Public utility	480,048	0.41%
Railroad operating property	112,804	0.10%
Non-homestead residential	16,514,232	14.02%
Commercial & residential seasonal/rec.	62,357	0.05%
Personal property	1,429,953	1.21%
Total	$117,763,207	100.00%

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity[1]	Adjusted Taxable Net Tax Capacity[2]	Percent +/- in Estimated Market Value
2016/17	$7,578,916,600	$7,133,591,100	$90,392,768	$88,007,723	4.40%
2017/18	8,101,635,700	7,675,276,600	97,173,237	95,289,774	6.90%
2018/19	8,672,417,100	8,264,588,200	104,155,961	100,917,113	7.05%
2019/20	9,308,932,000	8,932,608,500	111,537,728	108,300,930	7.34%
2020/21	9,800,625,100	9,444,497,800	117,763,207	114,231,595	5.28%

1 Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

2 Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

LARGER TAXPAYERS

Taxpayer	Type of Property	2020/21 Net Tax Capacity	Percent of District's Total Net Tax Capacity
3M	Commercial/Industrial	$3,548,053	3.01%
Tamarack Village Shopping Center LP	Commercial/Industrial	2,057,446	1.75%
Xcel Energy	Utility	1,896,920	1.61%
Ramco-Gershenson Properties LP	Commercial/Industrial	1,523,196	1.29%
IRPF Woodbury City Place LLC	Commercial/Industrial	1,258,616	1.07%
Maplewood Mall LLC	Commercial	876,274	0.74%
RCG-Oakdale MN LLC	Commercial/Industrial	498,404	0.42%
Birch Run Station Shopping Center 14A	Commercial/Industrial	476,370	0.40%
Tria Orthopedic Center LLC	Commercial/Industrial	465,002	0.39%
Larson Family Real Estate LLLP	Commercial/Industrial	431,440	0.37%
Total		$13,031,721	11.07%

District's Total 2020/21 Net Tax Capacity $117,763,207

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Ramsey and Washington Counties.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedule following)

Total G.O. debt secured by tax abatement revenues and state aids[2] (includes the Tax Abatement Refunding Portions of the Bonds)*	$785,000
Total G.O. debt secured by taxes and state aids[2] (includes the Levy Supported Portion of the Bonds)*	430,740,000
Total General Obligation Debt*	$431,525,000

Lease Purchase Obligations (see schedule following)

Total lease purchase obligations paid by annual appropriations[3]	$10,095,155

Other debt**

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
05/21/2013	$15,655,000	Northeastern Metropolitan Intermediate School District No. 916 issued $15,655,000 Certificates of Participation, Series 2013A	02/01/2029	$9,325,000
10/28/2015	$21,415,000	Northeastern Metropolitan Intermediate School District No. 916 issued $21,415,000 Certificates of Participation, Series 2015A	02/01/2036	$18,760,000
12/03/2015	$12,600,000	Northeastern Metropolitan Intermediate School District No. 916 $600,000 Annual Levy	02/01/2042	$600,000

*Preliminary, subject to change.

** The District has a contractual obligation to make 11.55% of the debt service payments.

1 Outstanding debt is as of the dated date of the Bonds.

2 Based upon the LTFMR formula, the agricultural land valuation and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

3 Non-general obligation debt has not been included in the debt ratios.

STATE AID FOR DEBT SERVICE

The Minnesota Debt Service Equalization program provides state aid to finance a portion of the principal and interest payments on most school district bonds. Bonds and Certificates not eligible for the program include all alternative facilities bonds, facilities maintenance bonds, capital facilities bonds, OPEB bonds, building bonds with relatively short maturities, and Certificates of Participation (COPs).

Under the Debt Service Equalization Formula (the Formula) adopted by the 2001 Minnesota State Legislature, each school district is responsible for the amount of its qualifying annual debt service which is equal to 15.74% of its Adjusted Net Tax Capacity (ANTC). The District does not currently qualify for debt service equalization aid.

In addition to debt service equalization aid, some school districts will qualify for state Long Term Facilities Maintenance Aid to finance a portion of the payments on Alternative Facilities Bonds and Facilities Maintenance Bonds, pursuant to the Long Term Facilities Maintenance Revenue (LTFMR) program approved by the State in 2015. If any aid is received, it is deposited into the District's debt service fund and must be used for payments on the bonds; any payment of state aid into the debt service fund causes a reduction in the tax levy for Alternative Facilities Bonds and Facilities Maintenance Bonds. The amount of aid received in the debt service fund will vary each year, depending on a number of factors. Although the District expects to receive some Long Term Facilities Maintenance Aid in its debt service fund, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by state aid.

Some school districts will also receive aid for debt service payments through the state School Building Bond Agricultural Credit, which is paid to school districts to offset a portion of certain bond levies (Minn. Stat. Section 273.1387). The reimbursement percentages are 40% for taxes payable in 2018 and 2019, 50% for 2020, 55% for 2021, 60% for 2022, and 70% for 2023 and thereafter. The school building bond agricultural credit applies to farmland, excluding the house, garage and one acre, and to rural vacant land and managed forest land. The amount of agricultural credit received in the debt service fund for taxes payable 2022 is approximately 0.10% of total annual debt service levies, based on the District’s 2020/21 qualifying agricultural land valuation. Although the District expects to receive a small amount of Agricultural Credit in its debt service fund, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by state aid.

The District's $13,985,000 Taxable General Obligation OPEB Bonds, Series 2018D, $2,500,000 Certificates of Participation, Series 2010B, and $9,405,000 Certificates of Participation, Series 2018C do **not** qualify for the agricultural credit pursuant to Minnesota Statutes.

Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 12/16/2021)

	Tax Abatement Bonds 1) Series 2018B		Tax Abatement Refunding Bonds 2) Series 2021A							
Dated	09/13/2018		12/16/2021							
Amount	$1,095,000		$630,000*							
Maturity	02/01		02/01							
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2022	155,000	12,225	0	0	155,000	12,225	167,225	630,000	19.75%	**2022**
2023			155,000	21,263	155,000	21,263	176,263	475,000	39.49%	**2023**
2024			160,000	14,250	160,000	14,250	174,250	315,000	59.87%	**2024**
2025			155,000	9,450	155,000	9,450	164,450	160,000	79.62%	**2025**
2026			160,000	4,800	160,000	4,800	164,800	0	100.00%	**2026**
	155,000	12,225	630,000	49,763	785,000	61,988	846,988			

* Preliminary, subject to change.

1) This represents the $1,095,000 Tax Abatement portion of the $6,040,000 General Obligation Capital Facilities and Tax Abatement Bonds, Series 2018B.

2) This portion will refund the 2023 through 2026 maturities of the District's $6,040,000 General Obligation Capital Facilities and Tax Abatement Bonds, Series 2018B, dated September 13, 2018. This represents the $630,000 Tax Abatement Refunding portion of the $88,045,000 General Obligation School Building and Refunding Bonds, Series 2021A.

Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/16/2021)

	Alternative Facilities Refunding Bond Series 2010C		Alternative Facilities Refunding Bonds Series 2012A		Alternative Facilities Refunding Bonds Series 2012B		Refunding Bonds Series 2016A		Alternative Facility Refunding Bonds Series 2017A	
Dated	10/01/2010		04/01/2012		10/25/2012		11/17/2016		05/18/2017	
Amount	$4,750,000		$8,955,000		$9,505,000		$34,050,000		$6,600,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2022	445,000	21,325	840,000	39,944	820,000	66,109	4,170,000	363,875	600,000	71,175
2023							3,745,000	519,250	620,000	124,350
2024							3,095,000	332,000	650,000	105,750
2025							3,010,000	177,250	675,000	86,250
2026							260,000	26,750	705,000	66,000
2027							275,000	13,750	735,000	44,850
2028									760,000	22,800
2029										
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	445,000	21,325	840,000	39,944	820,000	66,109	14,555,000	1,432,875	4,745,000	521,175

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Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/16/2021)

	Facilities Maintenance Bonds Series 2018A		Capital Facilities Bonds 1) Series 2018B		Taxable OPEB Refunding Bonds 2) Series 2018D		Alternative Facility Refunding Bonds Series 2018E		School Building Bonds Series 2019A	
Dated	09/13/2018		09/13/2018		11/15/2018		11/15/2018		11/14/2019	
Amount	$44,885,000		$4,945,000		$13,985,000		$3,530,000		$195,050,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2022	0	771,578	465,000	61,725	1,645,000	181,458	305,000	70,150	2,125,000	3,023,750
2023	0	1,543,156			1,695,000	310,275	320,000	125,050	0	5,941,250
2024	0	1,543,156			1,750,000	254,340	340,000	109,050	0	5,941,250
2025	0	1,543,156			1,810,000	195,715	360,000	92,050	0	5,941,250
2026	210,000	1,543,156			1,870,000	134,175	380,000	74,050	0	5,941,250
2027	180,000	1,532,656			1,935,000	69,660	405,000	55,050	0	5,941,250
2028	1,740,000	1,523,656					425,000	34,800	0	5,941,250
2029	2,090,000	1,454,056					445,000	17,800	0	5,941,250
2030	2,420,000	1,391,356							1,375,000	5,941,250
2031	2,810,000	1,315,731							1,375,000	5,872,500
2032	3,275,000	1,224,406							1,600,000	5,803,750
2033	3,405,000	1,122,063							1,650,000	5,723,750
2034	3,540,000	985,863							1,675,000	5,641,250
2035	4,495,000	870,813							10,150,000	5,557,500
2036	4,875,000	719,106							10,650,000	5,253,000
2037	5,080,000	554,575							10,925,000	4,933,500
2038	5,280,000	376,775							11,225,000	4,605,750
2039	5,485,000	191,975							11,550,000	4,269,000
2040									16,300,000	3,922,500
2041									16,950,000	3,433,500
2042									17,450,000	2,925,000
2043									23,250,000	2,401,500
2044									24,175,000	1,704,000
2045									24,925,000	978,750
2046									7,700,000	231,000
	44,885,000	20,207,234	465,000	61,725	10,705,000	1,145,623	2,980,000	578,000	195,050,000	113,810,000

1) This represents the $4,945,000 Capital Facilities portion of the $6,040,000 General Obligation Capital Facilities and Tax Abatement Bonds, Series 2018B.

2) This issue is not subject to the debt limit.

--Continued on next page

Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/16/2021)

	Facilities Maintenance Bonds Series 2019B		Alternative Facilities Refunding Bonds Series 2019C		School Building & Refunding Bonds 3) Series 2021A							
Dated	11/14/2019		11/14/2019		12/16/2021							
Amount	$61,325,000		$7,040,000		$87,415,000*							
Maturity	02/01		02/01		02/01							
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2022	985,000	1,075,200	550,000	152,500	0	0	12,950,000	5,898,789	18,848,789	417,790,000	3.01%	2022
2023	325,000	2,101,150	570,000	277,500	3,755,000	2,529,506	11,030,000	13,471,488	24,501,488	406,760,000	5.57%	2023
2024	825,000	2,084,900	605,000	249,000	5,080,000	2,135,800	12,345,000	12,755,246	25,100,246	394,415,000	8.43%	2024
2025	995,000	2,043,650	625,000	218,750	6,315,000	1,983,400	13,790,000	12,281,471	26,071,471	380,625,000	11.63%	2025
2026	1,890,000	1,993,900	660,000	187,500	6,975,000	1,793,950	12,950,000	11,760,731	24,710,731	367,675,000	14.64%	2026
2027	2,055,000	1,899,400	690,000	154,500	8,100,000	1,584,700	14,375,000	11,295,816	25,670,816	353,300,000	17.98%	2027
2028	2,560,000	1,796,650	760,000	120,000	9,190,000	1,341,700	15,435,000	10,780,856	26,215,856	337,865,000	21.56%	2028
2029	2,735,000	1,668,650	790,000	82,000	10,600,000	1,066,000	16,660,000	10,229,756	26,889,756	321,205,000	25.43%	2029
2030	2,890,000	1,559,250	845,000	50,400	9,090,000	748,000	16,620,000	9,690,256	26,310,256	304,585,000	29.29%	2030
2031	3,050,000	1,443,650	415,000	16,600	9,715,000	566,200	17,365,000	9,214,681	26,579,681	287,220,000	33.32%	2031
2032	3,120,000	1,321,650			6,005,000	371,900	14,000,000	8,721,706	22,721,706	273,220,000	36.57%	2032
2033	3,220,000	1,196,850			6,310,000	251,800	14,585,000	8,294,463	22,879,463	258,635,000	39.96%	2033
2034	3,300,000	1,100,250			6,280,000	125,600	14,795,000	7,852,963	22,647,963	243,840,000	43.39%	2034
2035	3,425,000	1,001,250					18,070,000	7,429,563	25,499,563	225,770,000	47.59%	2035
2036	3,500,000	898,500					19,025,000	6,870,606	25,895,606	206,745,000	52.00%	2036
2037	3,600,000	793,500					19,605,000	6,281,575	25,886,575	187,140,000	56.55%	2037
2038	3,700,000	685,500					20,205,000	5,668,025	25,873,025	166,935,000	61.24%	2038
2039	3,800,000	574,500					20,835,000	5,035,475	25,870,475	146,100,000	66.08%	2039
2040	4,920,000	460,500					21,220,000	4,383,000	25,603,000	124,880,000	71.01%	2040
2041	5,135,000	312,900					22,085,000	3,746,400	25,831,400	102,795,000	76.14%	2041
2042	5,295,000	158,850					22,745,000	3,083,850	25,828,850	80,050,000	81.42%	2042
2043							23,250,000	2,401,500	25,651,500	56,800,000	86.81%	2043
2044							24,175,000	1,704,000	25,879,000	32,625,000	92.43%	2044
2045							24,925,000	978,750	25,903,750	7,700,000	98.21%	2045
2046							7,700,000	231,000	7,931,000	0	100.00%	2046
	61,325,000	26,170,650	6,510,000	1,508,750	87,415,000	14,498,556	430,740,000	180,061,966	610,801,966			

* Preliminary, subject to change.

3) This portion will refund (i) the 2023 through 2024 maturities of the District's $4,750,000 General Obligation School Building Crossover Refunding Bonds, Series 2010C, dated October 1, 2010; (ii) the 2023 through 2025 maturities of the District's $8,955,000 General Obligation Refunding Bonds, Series 2012A, dated April 1, 2012; (iii) the 2023 through 2027 maturities of the District's $9,505,000 General Obligation Alternative Facilities Refunding Bonds, Series 2012B, dated October 25, 2012; and (iv) the 2023 through 2029 maturities of the District's $6,040,000 General Obligation Capital Facilities and Tax Abatement Bonds, Series 2018B, dated September 13, 2018. This represents the $84,020,000 School Building and Refunding portions of the $88,045,000 General Obligation School Building and Refunding Bonds, Series 2021A.

Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Minnesota
Schedule of Bonded Indebtedness
Non-General Obligation Debt Secured by Annual Appropriation
(As of 12/16/2021)

	Certificates of Participation Series 2010B		Fiber Optic Project Lease Purchase Series 2016		School Bus Lease Purchase 1) Series 2018		Certificates of Participation Series 2018C							
Dated	09/30/2010		06/30/2016		08/15/2018		09/13/2018							
Amount	$2,500,000		$1,650,204		$853,607		$9,405,000							
Maturity	02/01		06/30 & 12/30		02/15 & 08/15		02/01							
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Fiscal Year Ending**
2022	195,000	13,753	246,053	9,600	87,592	4,889	530,000	144,316	1,058,645	172,557	1,231,203	9,036,510	10.49%	**2022**
2023	200,000	21,265	251,496	4,157	180,015	4,948	545,000	272,731	1,176,510	303,102	1,479,612	7,860,000	22.14%	**2023**
2024	210,000	14,665					560,000	256,381	770,000	271,046	1,041,046	7,090,000	29.77%	**2024**
2025	215,000	7,525					585,000	233,981	800,000	241,506	1,041,506	6,290,000	37.69%	**2025**
2026							610,000	210,581	610,000	210,581	820,581	5,680,000	43.74%	**2026**
2027							630,000	186,181	630,000	186,181	816,181	5,050,000	49.98%	**2027**
2028							660,000	160,981	660,000	160,981	820,981	4,390,000	56.51%	**2028**
2029							675,000	141,181	675,000	141,181	816,181	3,715,000	63.20%	**2029**
2030							700,000	120,931	700,000	120,931	820,931	3,015,000	70.13%	**2030**
2031							720,000	99,931	720,000	99,931	819,931	2,295,000	77.27%	**2031**
2032							740,000	76,531	740,000	76,531	816,531	1,555,000	84.60%	**2032**
2033							765,000	52,481	765,000	52,481	817,481	790,000	92.17%	**2033**
2034							790,000	26,663	790,000	26,663	816,663	0	100.00%	**2034**
	820,000	57,208	497,549	13,757	267,607	9,837	8,510,000	1,982,872	10,095,155	2,063,674	12,158,830			

1) This issue is not subject to the debt limit.

BONDED DEBT LIMIT

Minnesota Statutes, Section 475.53, subdivision 4, presently limits the "net debt" of a school district to 15% of the estimated market value of all taxable property situated within its corporate limits. The estimated market value of property within a district, on which its debt limit is based, is (a) the value certified by the county auditors, or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value. The current debt limit of the District is computed as follows:

2020/21 Economic Market Value	$10,186,653,716
Multiply by 15%	0.15
Statutory Debt Limit	$1,527,998,057
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes[1] (includes the Levy Supported Portion of the Bonds)*	(420,035,000)
Less: Long-Term Debt Outstanding Being Paid Solely from Annual Appropriations (applies to issues in excess of $1,000,000 originally issued after 6/1/97 which do not have revenues pledged)	(9,827,548)
Unused Debt Limit*	$1,098,135,509

*Preliminary, subject to change.

1 Does not include the $13,985,000 General Obligation Taxable OPEB Refunding Bonds, Series 2018D, as they are not subject to the debt limit calculation.

OVERLAPPING DEBT[1]

Taxing District	2020/21 Adjusted Taxable Net Tax Capacity	% In District	Total G.O. Debt[2]	District's Proportionate Share
Ramsey County	$718,083,757	8.2774%	$136,710,000	$11,316,034
Washington County	363,058,143	13.5349%	113,845,000	15,408,807
City of Lake Elmo	22,276,817	25.3782%	12,595,000	3,196,384
City of Maplewood	54,845,981	84.5376%	56,012,811	47,351,886
City of North St. Paul	13,061,629	4.7756%	17,970,000[3]	858,175
City of Oakdale	35,017,249	98.7024%	21,840,000	21,556,604
City of White Bear Lake	36,149,264	0.0316%	18,970,000	5,995
City of Woodbury	120,443,280	11.1513%	50,855,000	5,670,994
Metropolitan Council	4,884,505,255	2.3387%	193,320,000[4]	4,521,175
District's Share of Total Overlapping Debt				$109,886,053

DEBT PAYMENT HISTORY

The District has no record of default in the payment of principal and interest on its debt.

1 Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. It does ***not*** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

2 Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

3 Total outstanding debt includes the City's $2,395,000 General Obligation Refunding Bonds, Series 2021A, which are scheduled to close on November 18, 2021.

4 Hennepin County also has General Obligation Solid Waste Revenue Bonds outstanding which are payable entirely from the County's solid waste enterprise fund; General Obligation Bonds (Century Plaza Debt) which are expected to be paid from building rental fees from County departments and non-County tenants; and General Obligation Ice Arena Revenue Bonds which are expected to be paid from building rental payments from Augsburg College. These issues have not been included in the overlapping debt or debt ratios.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value ($10,186,653,716)	Debt/ Current Population Estimate (80,380)
Direct G.O. Debt Secured By:			
Tax Abatement Revenues and State Aids*	$785,000		
Taxes and State Aids*	430,740,000		
Total General Obligation Debt (includes the Bonds)*	$431,525,000	4.24%	$5,368.56
District's Share of Total Overlapping Debt	$109,886,053	1.08%	$1,367.08
Total*	$541,411,053	5.31%	$6,735.64

*Preliminary, subject to change.

FUTURE FINANCING

The District has no current plans for additional financing in the next 12 months.

LEVY LIMITS

Minnesota school district tax levies for most purposes are subject to statutory limitations. No limit, however, is placed on the debt service levy, and districts are required to levy 105% of actual principal and interest requirements to allow for delinquencies.

School districts receive a basic revenue amount per pupil unit from aid and levy proceeds in a variety of categorical state aids. They are also allowed to certify additional levies within limits for certain specified purposes. The State Department of Education and the applicable County Auditors review the levies of each school district to determine compliance with state levy limits.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy[1]	Total Collected Following Year	Collected to Date[2]	% Collected
2016/17	$47,633,077	$47,391,626	$47,605,772	99.94%
2017/18	47,563,908	47,259,889	47,522,433	99.91%
2018/19	48,074,298	47,779,361	47,995,770	99.84%
2019/20	54,255,410	53,881,020	53,881,020	99.31%
2020/21	55,566,826	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.[3] Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. Certain states have announced extended deadlines for payment of property taxes, although as of this date Minnesota has not taken such measures. The District cannot predict whether and how much payment of property taxes will be impacted. Any delays or reduction in the receipt of property taxes may materially adversely impact the District's finances and payment of debt obligations, including the Bonds.

1 This reflects the Final Levy Certification of the District after all adjustments have been made.

2 Collections are through December 31, 2020 for Ramsey and Washington Counties.

3 Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES[1]

	2016/17	2017/18	2018/19	2019/20	2020/21
I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale)	33.582%	30.089%	29.039%	32.504%	31.840%
Ramsey County	51.173%	49.473%	48.565%	48.081%	43.859%
Washington County	30.448%	29.983%	29.682%	28.944%	27.435%
City of Lake Elmo	20.018%	22.442%	22.927%	23.477%	23.638%
City of Landfall	56.649%	80.742%	50.012%	51.212%	64.491%
City of Maplewood	47.248%	45.911%	44.693%	44.646%	41.953%
City of North St. Paul	41.866%	42.465%	43.363%	40.689%	38.179%
City of Oakdale	39.721%	38.544%	39.227%	37.617%	38.821%
City of Pine Springs	9.110%	8.730%	9.285%	9.193%	9.034%
City of White Bear Lake	18.969%	19.058%	20.190%	20.629%	20.355%
City of Woodbury	35.122%	33.670%	33.177%	32.489%	32.298%
Metro Watershed	3.813%	3.746%	3.387%	3.248%	4.214%
Metropolitan Council	3.101%	2.969%	2.749%	2.587%	2.437%
Metro Mosquito	0.918%	0.880%	0.847%	0.793%	0.745%
Ramsey-Washington Metro Watershed	4.067%	3.878%	3.557%	3.289%	3.212%
Regional Rail	3.875%	3.830%	3.886%	3.918%	3.825%
Regional Rail 519	0.243%	0.224%	0.175%	0.165%	0.160%
South Washington Watershed	0.839%	0.819%	0.808%	0.766%	0.742%
Transit District 509	1.307%	1.226%	1.322%	1.243%	1.139%
Washington County CDA 187	1.475%	1.469%	1.423%	1.356%	1.289%
Woodbury HRA 316	0.276%	0.255%	0.237%	0.218%	0.207%
Valley Branch Watershed 54	1.887%	2.323%	3.980%	3.425%	4.074%
Referendum Market Value Rates:					
I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale)	0.21590%	0.19486%	0.18694%	0.18509%	0.16749%
City of Maplewood	0.00767%	0.00725%	0.00657%	0.00633%	N/A
City of North St. Paul	0.05321%	0.05024%	0.17127%	0.04304%	0.03994%
City of Woodbury	0.01187%	0.01116%	0.00664%	0.00615%	0.00584%
Washington County	0.00378%	0.00353%	0.00330%	0.00342%	0.00325%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Ramsey and Washington

1 After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

THE ISSUER

EMPLOYEES

The District is governed by an elected school board and employs a staff of 1,830, including 938 non-licensed employees and 892 licensed employees (842 of whom are teachers). The District provides education for 10,041 students in grades kindergarten through twelve.

PENSIONS; UNIONS

Teachers' Retirement Association (TRA)

All teachers employed by the District are covered by defined benefit pension plans administered by the State of Minnesota Teachers Retirement Association (TRA). TRA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. These plans are established and administered in accordance with Minnesota Statutes, Chapters 354 and 356.

Public Employees' Retirement Association (PERA)

All full-time and certain part-time employees of the District (other than those covered by TRA) are covered by a defined benefit plan administered by the Public Employees' Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Principals	June 30, 2021
Paraprofessionals	June 30, 2021
Teachers	June 30, 2023
Custodial/Bus Drivers	June 30, 2021
Nutrition Services	June 30, 2021
Clerical Office and Paraprofessional Employees	June 30, 2021
Education Assistants	June 30, 2021

Status of Contracts

The contracts which expired on June 30, 2021 are currently in negotiations.

POST EMPLOYMENT BENEFITS

The District has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 74 & 75 (GASB 74 & 75). The District's most recent Comprehensive Annual Financial Report (Audit) shows an actuarial accrued liability of $38,998,903 as of June 30, 2020. The District has been funding these obligations on a pay-as-you-go basis, but in February of 2009 they issued $30,000,000 in OPEB Bonds to fund an irrevocable trust. As of June 30, 2021 the net position of the trust was $13,817,550. Future OPEB costs will be paid partially from the trust and partially from operating funds.

Source: The District's most recent Audit.

STUDENT BODY

The number of students enrolled for the past four years and for the current year have been as follows:

Year	Kindergarten	Grades 1-6	Grades 7-12	Total
2017/18	709	4,475	5,211	10,395
2018/19	735	4,444	5,193	10,372
2019/20	742	4,366	5,190	10,298
2020/21	668	4,213	5,197	10,078
2021/22	674	4,195	5,172	10,041

Enrollments for the next three years are projected to be as follows:

Year	Kindergarten	Grades 1-6	Grades 7-12	Total
2022/23	675	4,229	5,012	9,916
2023/24	676	4,288	4,941	9,905
2024/25	674	4,267	4,934	9,875

SCHOOL BUILDINGS

School Building	Year Constructed	Years of Additions/ Remodelings
Carver Elementary	1958	1958, 1960, 1996, 2000, 2021
Castle Elementary	1969	1969, 1988, 2019
Cowern Elementary	1953	1953, 1958, 1962, 2004
Eagle Point Elementary	1965	1965, 1966, 2004
Oakdale Elementary	1967	1967, 1970, 1990, 2000
Richardson Elementary	1954	1954, 1966, 2004, 2019
Weaver Elementary	1967	1967, 1969
Webster Elementary	1964	1964, 1966
John Glenn Middle School	1962	1962, 1967, 1977, 1988
Maplewood Middle School	1961	1961, 1967
Skyview Community (K-8)	1996	1996
Harmony Living Center	1962	1962, 1992, 2000
North High School	1997	1997
Tartan High School	1971	1971, 1976
Beaver Lake Early Childhood Center	1951	1962, 2014
District Education Center	1967	1999
District Transportation Center	1988	2010, 2020
Operation and Maintenance Building	1972	--

FUNDS ON HAND (as of June 30, 2021)

Fund	Total Cash and Investments
General	$43,774,591
Food Service	2,895,220
Community Service	4,297,452
Debt Service	15,021,902
Building/Construction	168,581,426
Trust & Agency	12,545,717
Internal Service	10,039,101
Total Funds on Hand	$257,155,409

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the District or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State’s executive branch.

Currently there is no statutory authority for Minnesota school districts to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future while the Bonds are outstanding; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the District to file for relief under Chapter 9; or (c) whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. Such action could impact the rights of holders of the Bonds. Such modifications could be adverse to holders of the Bonds and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds.

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the District's General Fund. These summaries are not purported to be the complete audited financial statements of the District, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the District. Copies of the complete statements are available upon request. Appendix A includes the 2020 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING JUNE 30				
	2018 Audited	2019 Audited	2020 Audited	2021 Unaudited[1]	2021-22 Adopted Budget[2]
Revenues					
Property taxes	$32,975,199	$31,745,839	$31,638,741	$29,749,908	$29,298,455
Investment earnings	326,718	649,419	649,465	144,822	276,000
Other	4,411,517	2,488,928	4,086,695	2,009,005	2,872,555
Revenue from state sources	110,559,608	114,812,153	117,877,943	117,612,162	117,683,958
Revenue from federal sources	4,792,878	4,701,530	4,567,381	10,451,680	11,853,615
Total Revenues	$153,065,920	$154,397,869	$158,820,225	$159,967,577	$161,984,583
Expenditures					
Current:					
Adminitstration	$6,021,308	$6,123,786	$6,398,476	$6,958,610	$7,652,718
District support services	5,408,214	7,033,681	6,592,282	6,382,259	7,343,058
Elementary and secondary regular instruction	60,768,822	61,855,615	64,129,244	64,805,534	70,249,236
Vocational education instruction	2,881,870	2,856,573	3,199,061	3,155,373	3,687,514
Special education instruction	27,340,010	30,833,016	32,296,691	33,157,742	35,703,682
Instructional support services	7,094,088	7,313,652	7,125,288	11,119,969	8,134,047
Pupil support services	12,438,955	13,062,086	13,874,495	12,071,058	15,056,078
Sites and buildings	19,502,211	17,341,987	18,054,395	15,143,556	14,883,899
Fiscal and other fixed cost programs	489,040	579,213	627,090	722,769	717,000
Debt service	1,249,042	1,429,261	1,668,722	1,447,755	1,447,305
Total Expenditures	$143,193,560	$148,428,870	$153,965,744	$154,964,625	$164,874,537
Excess of revenues over (under) expenditures	$9,872,360	$5,968,999	$4,854,481	$5,002,952	($2,889,954)
Other Financing Sources (Uses)					
Sale of assets	$14,873	$17,962	$16,288	$0	$0
Capital lease issued	0	853,607	0	0	0
Operating transfers in	0	0	0	0	0
Operating transfers out	0	0	(74,403)	0	0
Total Other Financing Sources (Uses)	14,873	871,569	(58,115)	0	0
Net changes in Fund Balances	$9,887,233	$6,840,568	$4,796,366	$5,002,952	($2,889,954)
General Fund Balance July 1	$15,553,037	$25,440,270	$32,280,838	$38,412,433	$43,415,385
Prior Period Adjustment	0	0	1,335,229	0	0
Residual Equity Transfer in (out)	0	0	0	0	0
General Fund Balance June 30	$25,440,270	$32,280,838	$38,412,433	$43,415,385	$40,525,431
DETAILS OF JUNE 30 FUND BALANCE					
Nonspendable	$67,208	$168,115	$202,298	$205,978	
Restricted	11,167,322	12,673,306	14,218,265	14,954,207	
Assigned	0	0	1,627,333	2,889,954	
Unassigned	14,205,740	19,439,417	22,364,537	25,365,246	
Total	$25,440,270	$32,280,838	$38,412,433	$43,415,385	

1 Unaudited data is as of October 31, 2021. The School Board will approve the audit at the December 14, 2021 meeting.

2 The 2021-22 budget was adopted on June 22, 2021.

GENERAL INFORMATION

LOCATION

The District, with a 2010 U.S. Census population of 77,014 and a current population estimate of 80,380, and comprising an area of 42 square miles, is located in the Minneapolis-St. Paul metropolitan area, bordering the northeast part of the City of St. Paul.

LARGER EMPLOYERS[1]

Larger employers in the District include the following:

Firm	Type of Business/Product	Estimated No. of Employees
3M Company	Engineering	11,000
The District	Elementary and secondary education	1,830
M Health Fairview	Hospital and specialty clinics	1,500
REM Ramsey	Mentor network for human rights with disabilities	600
Target	Retail	550 [2]
First Student Charter	Buses-Charter and rental	400
Cub Foods	Grocery	420
City of Maplewood	Municipal government and services	345
Canvas Health	Counselors-licensed professionals	300
Berwald Roofing and Sheet Metal	Sheet metal fabricators	300

Source: *Data Axle Reference Solutions, written and telephone survey (April 2021), and the Minnesota Department of Employment and Economic Development.*

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1 This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "Risk Factors - Impact of the Spread of COVID-19").

2 Includes two locations within District boundaries.

U.S. CENSUS DATA

Population Trend: The District

2000 U.S. Census population	75,188
2010 U.S. Census population	77,014
2019 Population Estimate	80,380
Percent of Change 2000 - 2010	2.43%

Income and Age Statistics

	The District	Ramsey County	State of Minnesota	United States
2019 per capita income	$35,651	$35,013	$37,625	$34,103
2019 median household income	$71,746	$64,660	$71,306	$62,843
2019 median family income	$93,656	$85,923	$89,842	$77,263
2019 median gross rent	$1,094	$1,007	$977	$1,062
2019 median value owner occupied units	$222,900	$229,600	$223,900	$217,500
2019 median age	38.4 yrs.	35.0 yrs.	38.0 yrs.	38.1 yrs.

	State of Minnesota	United States
District % of 2019 per capita income	94.75%	104.54%
District % of 2019 median family income	104.25%	121.22%

Source: *2000 and 2010 Census of Population and Housing, and 2019 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov/cedsci).*

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	Average Employment	Average Unemployment	
Year	Ramsey County	Ramsey County	State of Minnesota
2017	277,726	3.2%	3.4%
2018	281,072	2.7%	3.0%
2019	283,379	3.0%	3.2%
2020	270,946	6.5%	6.2%
2021, September	274,298	3.4%	2.8%

Source: *Minnesota Department of Employment and Economic Development*.

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Bonds, the District represents that there have been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

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

INDEPENDENT SCHOOL DISTRICT NO. 622
NORTH ST. PAUL – MAPLEWOOD – OAKDALE, MINNESOTA

2520 East 12th Avenue
North St. Paul, MN 55109

Prepared by
Finance Department

Randy Anderson • Director of Business Services

Janet Doman • Finance Supervisor

Travis Byrne, CPA • Accounting Coordinator

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INDEPENDENT SCHOOL DISTRICT NO. 622

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Section I

INTRODUCTION

School District 622

NORTH ST. PAUL | MAPLEWOOD | OAKDALE

Ready for tomorrow

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School District 622
NORTH ST. PAUL | MAPLEWOOD | OAKDALE
Ready for tomorrow

December 4, 2020

To the School Board, Citizens, and Employees of Independent School District No. 622:

INTRODUCTION

State law requires that every public-school district publish, within six months of the close of each fiscal year, a complete set of audited financial statements. We are submitting the Comprehensive Annual Financial Report (CAFR) of Independent School District No. 622, North St. Paul – Maplewood – Oakdale (the District) for the fiscal year ended June 30, 2020. This report fairly presents the District's financial position and results of operations and cash flows in accordance with accounting principles generally accepted in the United States of America. Although the data was received from many sources, the District's administration accepts total responsibility for the accuracy, completeness, and fairness in presentation.

REPORT FORMAT

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this letter of transmittal, an organizational chart, a list of School Board members and administration personnel, a map of the District, and the Certificate of Excellence in Financial Reporting. The financial section includes the Independent Auditor's Report, management's discussion and analysis (MD&A), basic financial statements, required supplementary information, and supplemental information. The statistical section includes selected financial and demographic information, generally presented on a multi-year comparative basis.

Accounting principles generally 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 District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE REPORTING ENTITY AND ITS SERVICES

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 is an independent political subdivision of the state of Minnesota.

The District was incorporated in 1930 and serves a portion of seven suburban communities within Ramsey and Washington Counties located along the eastern edge of the Minneapolis/St. Paul metropolitan area. The District encompasses all or part of the communities of Lake Elmo, Landfall, Maplewood, North St. Paul, Oakdale, Pine Springs, and Woodbury.

Housed within district boundaries are 9 private schools and 1 charter school, which account for a total enrollment of approximately 2,000 students. The private schools receive their funding from tuition and minimal per pupil funding from the state, whereas the charter school is recognized as a Minnesota public school and is funded by the state. Although separate legal entities, the District is the flow through fiscal host for state aid to the private schools and is required by state statutes to provide transportation to private and charter school students who reside within the District boundaries.

The District's governing body is the School Board, consisting of seven members. School Board members are elected at large to serve four-year terms of office. Elections are held annually on the first Tuesday in November. The Superintendent of Schools is the Chief Administrative Officer and is appointed by the School Board.

Programs and Services

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 programs, special education programs, and career/vocational education. Food service and transportation are provided as supporting programs. The community education program in the District includes early childhood and family education programs, an adult basic education program, and a variety of classes for lifelong learning experiences for children and adults.

Student Enrollment

The District enrolled 10,454 students (average daily membership) in 2019–2020 from a population of 83,254 people residing in a 43-square mile area. In terms of the number of students, the District is Minnesota's 13th largest school district.

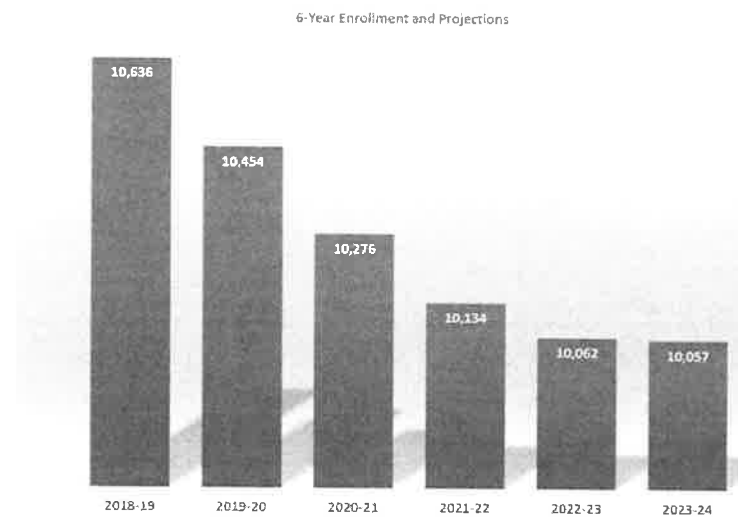
The District has an increasingly diverse population of students with a variety of needs. For the 2019–2020 school year, 34 percent of our students were white, 23 percent were of Asian descent, 19 percent of the District's student population were black, Hispanic students totaled 15 percent, 8 percent were multi-racial and American Indian, and Hawaiian/PI students totaled 1 percent.

In 2019–2020, 54.5 percent of our students qualified to receive free or reduced-price meals, this compared to a fall 2019 Minnesota average of 37.1 percent.

The District continues to support a learning environment that lets students and staff develop to their fullest potential. All students, staff and families, are welcomed no matter what their background or beliefs. Our staff empowers and enables all students to learn and achieve their best outcomes. The District proudly boasts a significantly smaller racial achievement gap when compared to other districts state-wide.

Six-Year Enrollment and Projections

After a slight increase in enrollment in 2018–2019, the COVID-19 pandemic has had an impact on the District's enrollment in 2019–2020; decreasing by 182 ADMs. This decrease is projected to continue into 2020–2021 and 2021–2022, and then stabilize over the next few years. With the District implementing a District-Wide Facilities Plan, and a planned increase in new housing developments over the next few years, the District could actually see a greater increase in student enrollment.



District Schools and Facilities

During the 2019–2020 school year, the District operated 18 school buildings: an Early Childhood Learning Center, 2 comprehensive (Grades 9–12) high schools, 3 middle schools (Grades 6–8), 9 elementary schools (Pre-K through Grade 5), 1 school (Kindergarten through Grade 12) for students with special needs and adult basic education, 1 school (Post-Grade 12) a special needs transition program, and 1 learning center dedicated to senior learning and early childhood education students. In addition to learning spaces, the District also operates 2 ice arenas, a District Education Center, and a Transportation Center.

The average age of the District's facilities is over 43 years; the District qualifies for long-term facilities maintenance funding and has been levying approximately $8 million per year to maintain our existing buildings and extending the useful life of the assets. The District will also use other resources, such as operating capital, long-term facilities maintenance revenue, lease levy revenue, and abatement revenue to renovate or expand its buildings.

FINANCIAL STATEMENTS

The District's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that the District's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The District is also required to undergo an annual Minnesota state legal compliance audit under Minnesota Statutes § 6.65. These reports are available in a separate document.

FINANCIAL AND BUDGETARY CONTROL

All financial transactions of the District are accounted for in specific funds. The accounting system provides for complete, self-balancing accounts for each fund of the District. The system provides budgetary control for the activities of all of the District's governmental funds, thereby ensuring legal compliance. Debt service requirements and project-length financial plans are adopted for Capital Projects – Building Construction Fund. The system also provides budgetary control at the sub-function level by encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors.

LOCAL ECONOMIC CONDITION AND OUTLOOK

According to the Minnesota Department of Management and Budget, amid the COVID-19 pandemic, Minnesota's budget and economic outlook has significantly worsened. A deficit of $2.426 billion is now projected for fiscal year 2020–2021. Compared to prior estimates, revenues are expected to be $3.611 billion lower, and spending is expected to be $391 million higher. The $2.359 billion budget reserve remains available to mitigate the budgetary impact of the crisis. Because of the COVID-19 pandemic and consumers', businesses', and governments' responses are uncertain, the economic outlook will remain volatile for some time. The gross domestic product growth for 2020 is projected at a 3.5 percent decline. However, this trend is expected to improve assuming a vaccine will be available in mid–2021.

Due to the COVID-19 pandemic, 2020 over the year job loss stood at 6.2 percent compared to the national average of 6.0 percent. Annual job joss was greatest in leisure and hospitality, down 24.5 percent with the least job loss in the professional and business services sector, which is down 2.7 percent. This broad-based job loss helped to drive up the state's jobless rate in October 2020 to 4.6 percent, which remains below the U.S. rate of 6.9 percent.

The state's recent updated October budget forecast indicates that fiscal years 2020–2021 budget deficit will be ($1.833 billion), mainly due to an anticipated decrease in individual income tax, sales tax receipts and corporate income tax. The budget reserve balance is $2.359 billion and the cash flow account balance is $350 million. The budget reserve and cash flow account are established in statute and use of these accounts do not occur automatically. Executive authority to use the budget reserve to mitigate the impact of the deficit is delineated in Minnesota Statutes.

The District boundaries are served by two counties, Washington and Ramsey. According to census information from the Washington County website, the county continued to experience growth, increasing 10.3 percent since 2011. Washington County's estimated population in 2020 is 266,209, making it the fifth largest county in the state of Minnesota. According to the Metropolitan Council, as reported on the county's website, Washington County's population is expected to continue to grow. By the year 2040, the county's population is projected to increase to 330,200.

According to census information from the Ramsey County website, it also has experienced growth, which increased 8.5 percent since 2011. Ramsey County's estimated population in 2020 is 559,594, making it the second largest county in Minnesota. By the year 2040, the county's population is projected to increase to 595,220.

The District's population has grown from 76,567 in 2011 to 83,254 in 2020. This represents more than an 8.7 percent increase.

Source data from the U.S. Census Bureau shows that the median household income in 2019 for Washington County was $92,376 and Ramsey County $62,304, as compared to $68,411 for the state of Minnesota. Source data from the U.S. Census Bureau shows that the per capita income in 2019 for Washington County was $43,789, and for Ramsey County was $34,049, while the state of Minnesota was $36,245.

Source data from the 2019 U.S. Census Bureau, as reported on the counties' website, shows that 4.2 percent of Washington County's and 14.6 percent of Ramsey County's family population was below the federal poverty level.

The state of Minnesota assumes major responsibility for funding public education. In the District, approximately 20 percent of our General Fund revenues are generated locally from property taxes, 74 percent from state aids, 3 percent from federal aids, and miscellaneous income made up the remaining 3 percent.

Reliance on the state for the majority of its operating revenues places the District in the position of being dependent on state-wide economic conditions that drive state tax collections. The 2019 Legislature has provided some increase to the basic general education formula allowance and other categorical funding for the 2019–2020 school year. However, the 2 percent formula allowance increase does not keep pace with general inflations and rising cost of providing quality education to all our students. Given that the path of the COVID-19 pandemic and the resulting economic impact continue to be uncertain, it is not possible to accurately project state revenue and spending into the fiscal year 2022–2023 biennium. However, it is likely that the negative impact of the state budget in the next biennium will be significant, forcing challenges to school district budgets.

The District will continue to respond to this challenge by curtailing expenditures when possible, and is committed to engage staff and community members in future budget discussions and to consider other options for increasing revenues and containing growth.

DISTRICT MISSION AND STRATEGIC PLAN

In the spring of 2016, the District convened a task force to develop a vision for education that will guide District goals for the next five years. The task force included parents, staff, School Board members, and a variety of leaders from the business, civic, and faith communities. Task force members had informational meetings to establish a shared base of knowledge about District enrollment and demographics, school finance, teaching and learning, community and partnerships, educational trends, and innovation. These informational meetings, led by a facilitator, were followed by planning meetings where the task force members developed mission outcomes for the District and four strategies for the future. The School Board approved the plan in December 2016. A brief summary of the plan is listed below.

Mission Statement: *We commit each day to develop and empower lifelong learners who thrive in diverse communities.*

Core Values: *We believe that:*

- ❖ Strong communities are inclusive and value diversity.
- ❖ Trust and transparency are essential to healthy and enduring relationships.
- ❖ Continuous learning and service to others are imperative to individual and community progress.
- ❖ Individuals learn and thrive through connections in a safe, caring, and supportive environment.
- ❖ Every individual has incredible potential and equal intrinsic value.
- ❖ High expectations with appropriate supports result in growth.
- ❖ School, family, and community partnerships enhance and support learning.

Strategies:

- **Strategy One** – We will engage our internal and external community to help us achieve our mission and mission outcomes.
- **Strategy Two** – We will develop and enhance community partnerships that support our mission and align with our core values.
- **Strategy Three** – We will develop and enhance programs and practices that ensure engagement of our diverse learners to achieve our mission outcomes.
- **Strategy Four** – We will build competitive 622 E-12 pathways that prepare all students for post-secondary.

LONG-TERM FINANCIAL PLANNING

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from theft, misuse, or losses and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and Minnesota Uniform Financial Accounting and Reporting Standards.

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of the costs and benefits requires estimates and judgments by management.

In addition, the District has also adopted the following policies to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board:

- **Fund Balance Policy** – Requires the District to maintain an unassigned fund balance of 8–10 percent of the expenditure budget.
- **Budget Policy** – Establishes a guideline for allocation of district resources.
- **Personnel Staffing Guidelines** – Personnel costs represent over 80 percent of General Fund expenditures. These guidelines, which set the staffing allocation for every allocated position in the District, are updated each February by the administration and the School Board.

The District's budget process is based, first, on development of a budget projection model that attempts to project resources and expenses over a multiple year period. The budget projection is used by the School Board and the administration to determine budget parameters and staffing guidelines. Second, the budget adopted in June is based upon the personnel staffing guidelines approved by the School Board and preparation of the nonpersonnel budget by school and department administrators, in accordance with School Board-approved budget parameters. The School Board resolution adopting the budget in June also includes a provision directing the administration to update the budget in January. This final budget reflects the District's actual enrollment count on December 31, the actual staff hired, and other dynamics, such as employee contract settlements.

The level of budgetary control is at the fund level. However, in the General Fund; operating, special education, pupil transportation, capital expenditure, and quality compensation are maintained as separate internal accounts for budgeting purposes. The District also maintains an encumbrance accounting system as one method of maintaining budgetary control. Encumbered amounts lapse at year-end. However, outstanding encumbrances generally are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

MAJOR INITIATIVES

Facilities Plan

The District updated its 10-year Long-Term Facilities Maintenance Plan to incorporate $60 million in projects beginning in June 2018 through fiscal year 2019–2020. These projects were the renovation of Castle Elementary School for $23 million and the renovation of Richardson Elementary School for $25 million, which completed Phase 1 in the District-Wide Facilities Plan. These projects were accomplished using nonvoter-approved funding.

On May 14, 2019, district voters approved a building bond referendum for a total of $275 million. The approved referendum provides the District with the opportunity to expand, remodel, and build new schools in the District. These voter-approved dollars, combined with long-term facilities maintenance bonds, will fund Phase 2 through Phase 4 of the District's Facilities Plan.

Phase 2 of the District's Facilities Plan began in the spring of 2019, and includes a $105 million renovation of Carver Elementary School and John Glenn Middle School. The $115 million Phase 3 of the Plan began in the fall of 2019, and includes the renovation of Skyview Middle School, and the construction of two new elementary schools. Phase 4 of the Plan began in the spring of 2020 and includes the renovation of both of the District's high schools.

The Facilities Plan will emphasize and include the following points during construction:

- Modify entrances at all schools to better control visitor access
- Upgrade security equipment at all schools
- Site improvements to improve pedestrian and traffic safety
- Replacement of worn out student furniture
- Improvements to meet district standards for improved learning spaces

Other Initiatives

The District began an initiative to improve and reduce its energy consumption with planned changes in behaviors, systems, and operations. Fiscal year 2019–2020, the District saw a financial impact of an additional $100,000 in cost avoidance.

In 2019–2020, the District started the implementation of 1 to 1 student to technology device beginning at the secondary schools and then eventually to the elementary schools. This initiative became of vital importance in the implementation of our distance learning program that occurred in late March 2020, due to the COVID-19 pandemic.

CERTIFICATE OF EXCELLENCE

This report will be submitted to the Association of School Business Officials (ASBO) International for consideration for the Certificate of Excellence in Financial Reporting.

The District received the Certificate of Excellence in Financial Reporting from ASBO International for excellence in the preparation and issuance of the District's CAFR for the year ended June 30, 2019. It is the second year the District has received the award, which was earned by fewer than 10 percent of all school districts in the state.

Superintendent Christine Tucci Osorio					Secretary to School Board & Supt Kim Cavallaro	
Communications & Technology Innovation	**Teaching & Learning**	**HR**	**Assistant Superintendents**	**Student Services**	**Community Education**	**Operations and Finance**
Josh Anderson	**Sean Cotherman**	**Julie Coffey**	**Troy Miller/Lisa Sayles-Adams**	**Tricia St. Michaels**	**Tamra Sieve**	**Randy Anderson**
COVID Response	Equity		COVID Response		Preschool	COVID Response
Communications	Instructional Practices	Hiring	Supervision of Elem Principals	Spec Ed	ECFE	Facilities
Social Media	CTE	Recruitment	Co-Supervision of Secondary Principals with Supt	504	Early Childhood Screening	Business/ Finance
Marketing	Title Programs	LOA	Development of APs, Deans, & Assoc Admin	ELL	Adventure Connection	Payroll
Collaboration with T & L Curriculum & PD	Curriculum & PD	Employee Wellness	Collaboration with T & L Curriculum & PD	Collaboration with T & L Curriculum & PD	Youth and Adult Enrichment	Transportation
Instruc Tech	College and Career	Well-at-Work Clinic	School Safety	Mental Health	Driver Education	Nutrition Services
Information Services	Teacher Eval	Contract Negotiations	School Resource Officers	Counselors, Social Workers, & Psych	Adult Basic Education	Contract Negotiations
PR	MTSS	Workers Compensation	Partnerships	Speech/DAPE	Aquatics	Operations and Maintenance
Crisis Response		New Teacher Orientation		Harmony & Next Step Transition	Senior Citizens	Arenas
Tech Support	Q-Comp	Benefits	Transportation Coordination with Operations (Restorative PD)	ECSE	Meals on Wheels	Procurement
Online Programs		Union relations	Athletics	Health Services	Facility Use	
Media Relations	Instructional Coaches		Research, Eval, Assessment	Care and Treatment	Homeschool	
Network Support			Elementary High Potential	Targeted Services	Non-Public School's	
Enrollment Center Support			Student Enrollment & 622 Reception Desk	Title IX		

ACKNOWLEDGMENTS

The preparation of this CAFR in a timely manner would not be possible without the assistance of the entire Business Department staff. I would like to particularly thank our Finance Supervisor, Janet Doman, Accounting Coordinator, Travis Byrne, Accounting Specialist, Jodi Schmidt, and Executive Administrative Assistant, Jo McCabe.

I would also like to thank the members of the School Board, administrative cabinet, and budget managers for their interest and support in planning and conducting the financial operations of the District in a fiscally responsible and progressive manner.

Respectfully submitted,

Randy Anderson
Director of Business

INDEPENDENT SCHOOL DISTRICT NO. 622

School Board and Administration
as of June 30, 2020

SCHOOL BOARD

	Position
Michelle Yener	Chairperson
Nancy Livingston	Vice Chairperson
Caleb Anderson	Treasurer
Becky Neve	Clerk
Theresa Auge	Director
Steve Hunt	Director
Ben Jarman	Director

ADMINISTRATION

Christine Osorio	Superintendent of Schools
Kim Cavallaro	Assistant to Superintendent
Troy Miller	Assistant Superintendent
Lisa Sayles-Adams	Assistant Superintendent
Josh Anderson	Director of Communications and Technology Innovation
Julie Coffey	Director of Human Resources
Tamra Sieve	Director of Community Education
Randy Anderson	Director of Business Services
Tricia St. Michaels	Director of Student Services
Sean Cotherman	Director of Teaching and Learning

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

**North St. Paul - Maplewood -
Oakdale Schools, ISD 622**

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

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

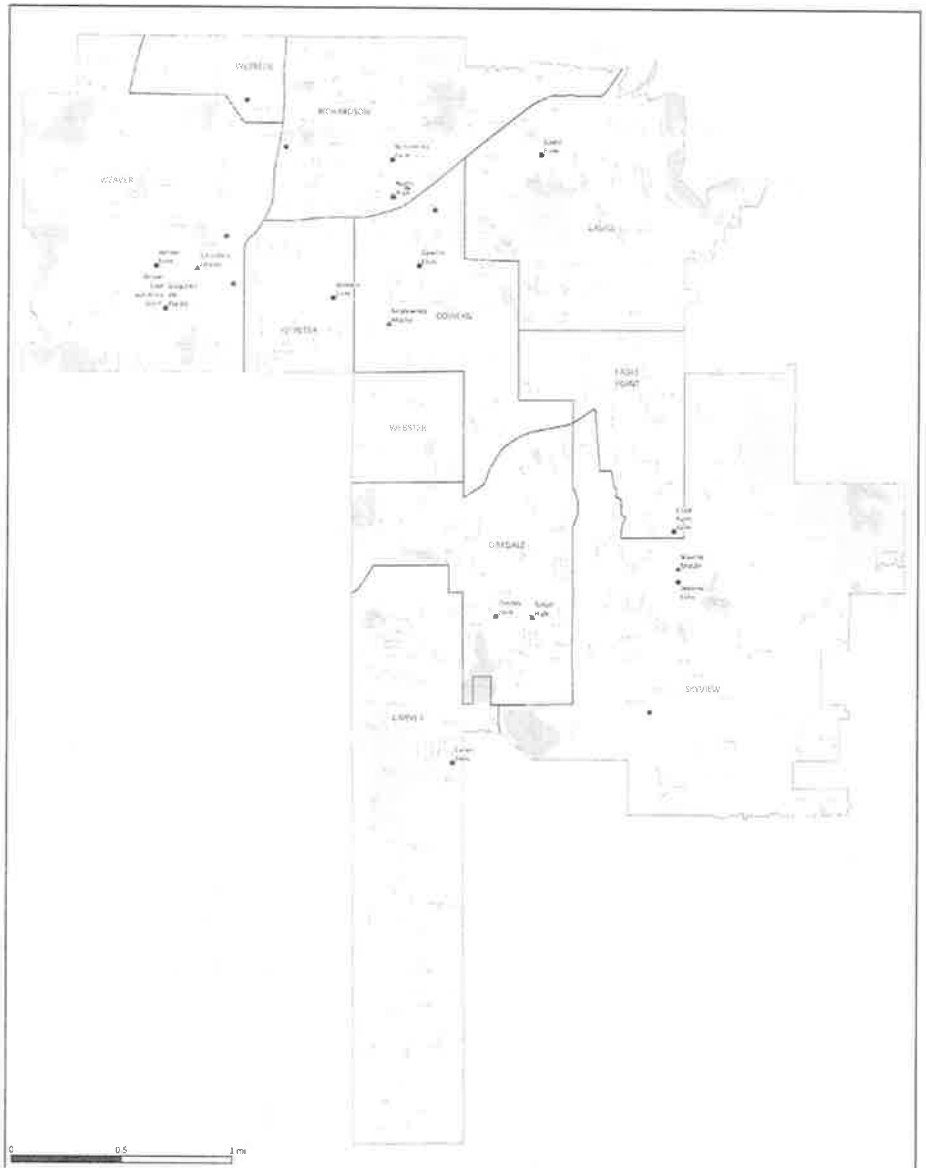
Claire Hertz

Claire Hertz, SFO
President

David J. Lewis
Executive Director

Public School District Attendance Areas and Locations
North St Paul-Maplewood Oakdale Public School District (0622-01)

DEPARTMENT OF EDUCATION



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Map Information

Public Schools

- Elementary
- Middle and Junior High Schools
- Secondary
- Other

Elementary School Attendance Area
Middle School Attendance Area
High School Attendance Area

This map is intended to display a single public school district and the pertinent attendance area boundaries and public school locations. Attendance areas are only labeled if more than one exist for the district. School locations are labeled if they are classified as elementary, middle, or high schools.

The school district boundary appearing on the map does not necessarily represent the legal boundary of the district. It is a generalization of the boundary maintained by the Department of Education, based on land parcel information from Minnesota counties. Please contact your county auditor or assessor to obtain an accurate legal description of the boundary.

Liability Statement:
The Minnesota Department of Education (MDE) does not warranty the results you may obtain by using this map. It is provided without express or implied warranties, including warranties of merchantability and fitness. In no event will MDE be liable for any consequential, incidental, or special damages, including any lost profits or lost savings, even if an MDE representative has been advised of the possibility of such da[illegible] other claim by any third party.

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MN Department of Education
1500 Highway 36 West

Last updated: 2020 04 14

Section II

FINANCIAL

School District 622
NORTH ST. PAUL | MAPLEWOOD | OAKDALE
Ready for tomorrow

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MMKR
CERTIFIED PUBLIC ACCOUNTANTS

PRINCIPALS
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INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 622
North St. Paul – Maplewood – Oakdale, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 622 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

(continued)

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OPINIONS

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

EMPHASIS OF MATTER

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

OTHER MATTERS

Required Supplementary Information

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

Other Information

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

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

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

(continued)

Prior Year Comparative Information

We have previously audited the District's 2019 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 5, 2019. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
December 4, 2020

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This section of Independent School District No. 622's (the District) Comprehensive Annual Financial Report (CAFR) presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2020. Please read it in conjunction with the other components of the District's CAFR.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2020 by $65,084,249 (net position deficit). The District's total net position increased by $3,661,052 during the fiscal year ended June 30, 2020, excluding the change in accounting principle as discussed below.
- The District recorded a change in accounting principle in the current year with the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which changed how the District reports certain fiduciary activities, including extracurricular student activities that were previously excluded from the District's reporting entity. The implementation of this standard increased beginning net position in the government-wide financial statements and beginning fund balance in the governmental funds by $1,392,903.
- Government-wide revenues totaled $195,601,154 and were $3,661,052 more than expenses of $191,940,102.
- The General Fund's total fund balance (under governmental fund presentation) increased $4,796,366 from the prior year (excluding the change in accounting principle), compared to a $1,307,501 increase planned in the budget.
- General Fund unassigned fund balance (excluding restricted account deficits) increased from 13.1 percent to 14.5 percent of expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

FUND FINANCIAL STATEMENTS

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

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

The District maintains the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1
Summary Statement of Net Position
as of June 30, 2020 and 2019

	2020	2019
Assets		
Current and other assets	$ 374,881,656	$ 149,617,037
Capital assets, net of depreciation	181,373,499	139,997,535
Total assets	$ 556,255,155	$ 289,614,572
Deferred outflows of resources		
Bond refunding deferments	$ 162,594	$ 182,918
OPEB plan deferments	1,159,636	984,682
Pension plan deferments	64,889,073	96,439,566
Total deferred outflows of resources	$ 66,211,303	$ 97,607,166
Liabilities		
Current and other liabilities	$ 19,586,541	$ 22,023,750
Long-term liabilities	509,715,556	256,572,286
Total liabilities	$ 529,302,097	$ 278,596,036
Deferred inflows of resources		
Bond refunding deferments	$ 616,045	$ 704,051
Property taxes levied for subsequent year	51,172,896	45,156,351
OPEB plan deferments	3,396,031	3,756,049
Pension plan deferments	103,063,638	129,147,455
Total deferred inflows of resources	$ 158,248,610	$ 178,763,906
Net position		
Net investment in capital assets	$ 60,029,619	$ 54,284,456
Restricted	19,124,929	18,041,164
Unrestricted	(144,238,797)	(142,463,824)
Total net position	$ (65,084,249)	$ (70,138,204)

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts. The other major factors in determining net position as compared to fund balances are the liabilities for long-term severance, compensated absences, pension, and other post-employment benefits, which impacts the unrestricted portion of net position.

The District's increase in net investment in capital assets is due to the District repaying debt at a faster rate than the assets being depreciated and capital assets financed with the "pay-as-you-go" long-term facilities maintenance levy. The increase in net position restricted for capital asset acquisition, food service, and other state funding restrictions contributed to the growth in the restricted portion of net position. Changes in the District's share of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) pension plans contributed to the change in deferred outflows of resources, long-term liabilities, deferred inflows of resources, and unrestricted net position.

The significant increase in current and other assets and long-term liabilities is due to bonds issued for future construction. The increase in capital assets is from projects in Phase 2 of the District-Wide Facilities Plan.

Table 2 presents a condensed version of the Statement of Activities of the District:

Table 2
Summary Statement of Activities
for the Years Ended June 30, 2020 and 2019

	2020	2019
Revenues		
Program revenues		
Charges for services	$ 5,331,865	$ 6,191,324
Operating grants and contributions	37,129,318	34,362,400
General revenues		
Property taxes	48,673,483	47,837,732
General grants and aids	97,804,719	92,067,945
Other	6,661,769	3,663,795
Total revenues	195,601,154	184,123,196
Expenses		
Administration	6,668,941	4,423,233
District support services	6,658,582	6,907,285
Elementary and secondary regular instruction	67,588,760	42,145,810
Vocational education instruction	3,332,719	1,993,449
Special education instruction	33,575,951	22,991,502
Instructional support services	7,660,257	4,192,984
Pupil support services	13,469,001	11,520,302
Sites and buildings	18,191,945	12,677,451
Fiscal and other fixed cost programs	627,090	579,213
Food service	6,570,489	6,646,397
Community service	10,489,222	9,504,655
Depreciation not included in other functions (excludes amounts directly allocated)	5,170,911	4,703,063
Interest and fiscal charges	11,936,234	5,314,873
Total expenses	191,940,102	133,600,217
Change in net position	3,661,052	50,522,979
Net position – beginning, as previously reported	(70,138,204)	(120,661,183)
Change in accounting principle	1,392,903	–
Net position – beginning, as restated	(68,745,301)	(120,661,183)
Net position – ending	$ (65,084,249)	$ (70,138,204)

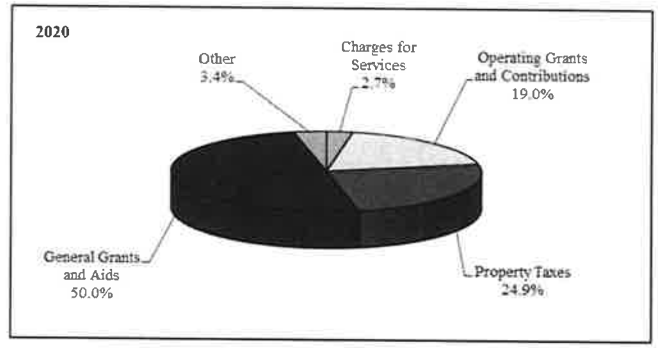
This statement is presented on an accrual basis of accounting, and it includes all of the governmental activities of the District. This statement includes depreciation expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

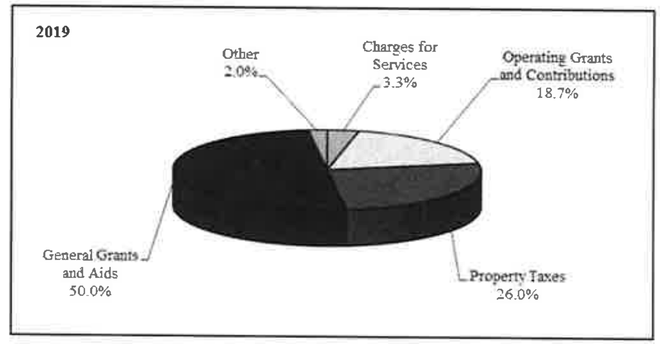
Governmental activities revenues increased $11,477,958 (6.2 percent) from the previous year, mainly due to increases in pension pass-through revenue, investment earnings, and improvements in special education funding.

Governmental activities expenses were $58,339,885 (43.7 percent) higher than last year, mainly due to the change in expenses related to the two state-wide pension plans mentioned earlier, which impact the various functional areas based on relative salary and benefit levels.

Figure A shows further analysis of these revenue sources:

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





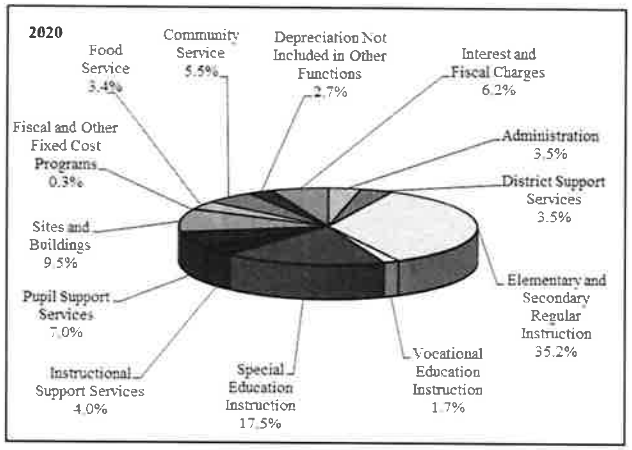
The largest share of the District's revenue is received from the state, including the basic general education aid and most of the operating grants.

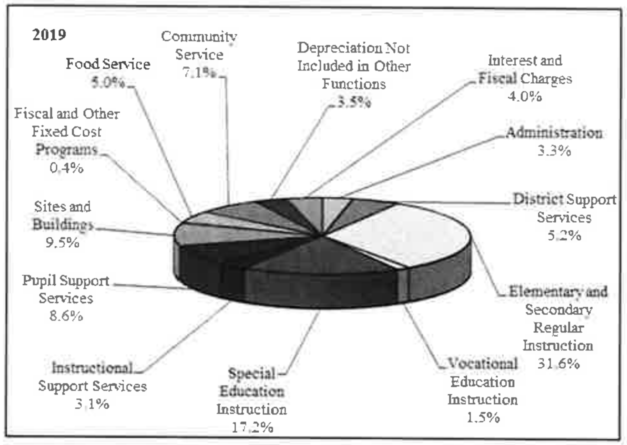
Property taxes are the next largest source of funding. The level of funding property tax sources provide is not only dependent on taxpayers of the District by way of operating and building referenda, but also by decisions made by the Legislature in the mix of state aid and local effort in a variety of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

The decrease in charges for services from the prior year was directly related to the COVID-19 pandemic, which caused the cancellation of numerous activities beginning in March through the end of the fiscal year.

Figure B shows further analysis of these expense functions:

Figure B – Expenses for Fiscal Years 2020 and 2019





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

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

The increase in interest and fiscal charges relates to bonds issued in recent years.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Table 3
Governmental Fund Balances
as of June 30, 2020 and 2019

	2020	2019	Change
Major funds			
General	$ 38,412,433	$ 32,280,838	$ 6,131,595
Capital Projects – Building Construction	257,413,206	40,189,225	217,223,981
Debt Service			
Regular	3,686,693	2,592,721	1,093,972
OPEB	613,006	572,826	40,180
Nonmajor funds			
Food Service Special Revenue	2,166,502	1,683,321	483,181
Community Service Special Revenue	2,727,058	3,294,150	(567,092)
Total governmental funds	$305,018,898	$ 80,613,081	$224,405,817

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

At June 30, 2020, the District's governmental funds reported combined fund balances of $305,018,898, an increase of $224,405,817 in comparison with the prior year (including the change in accounting principle). Of this amount, $22,364,537 constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either not in spendable form totaling $683,227, restricted for particular purposes totaling $280,343,801, or assigned for particular purposes totaling $1,627,333.

Changes in the table above are discussed on the following pages.

ANALYSIS OF THE GENERAL FUND

Table 4 summarizes the amendments to the General Fund budget:

Table 4
General Fund
Budget

	Original Budget	Final Budget	Change	Percent Change
Revenue	$ 150,424,612	$ 155,485,408	$ 5,060,796	3.4%
Expenditures	$ 150,371,896	$ 154,177,907	$ 3,806,011	2.5%

The District is required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. During the year, the District amends the budget for known changes in circumstances, such as enrollment levels, legislative funding, and employee contract settlements.

Table 5 summarizes the operating results of the General Fund:

Table 5
General Fund
Operating Results

		Over (Under) Final Budget		Over (Under) Prior Year	
	2020 Actual	Amount	Percent	Amount	Percent
Revenue and other financing sources	$ 158,836,513	$ 3,351,105	2.2%	$ 3,567,075	2.3%
Expenditures and other financing uses	154,040,147	(137,760)	(0.1%)	5,611,277	3.8%
Net change in fund balances	$ 4,796,366	$ 3,488,865		$ (2,044,202)	

The fund balance of the General Fund increased $4,796,366 from the prior year (excluding the change in accounting principle), compared to a $1,307,501 increase planned in the budget.

General Fund revenues and other financing sources were 2.2 percent over budget, primarily due to state special education aid and the impacts of the current year student and trust fund activity flowing through this fund after the change in accounting principle was implemented. The revenue growth over the prior year was due to an increase in state special education aid and the student and trust accounts being reported within the General Fund in the current year, which resulted from the change in accounting principle.

General Fund expenditures and other financing uses were 0.1 percent under budget, primarily due to planned activities that did not occur due to the COVID-19 pandemic. Expenditures increased from the prior year, due to contractual salary and benefit increases and the purchase of additional buses.

COMMENTS ON SIGNIFICANT ACTIVITIES IN OTHER FUNDS

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities. This fund ended the year with a fund balance increase of $217,223,981, due to the issuance of $195,050,000 General Obligation School Building Bonds and $61,325,000 General Obligation Facilities Maintenance Bonds. At June 30, 2020, this fund had a fund balance of $257,413,206 restricted for long-term facilities maintenance ($76,832,054), and capital projects ($180,581,152) for future construction in accordance with the District's Facilities Plan.

Debt Service Fund

The Debt Service Fund revenues and other financing sources exceeded expenditures and other financing uses by $1,134,152 in the current year. The funding of the Debt Service Fund is largely controlled with each individual debt obligation's financing plan. The District issued $7,040,000 of refunding bonds that were used to refund outstanding debt in the current year in order to reduce future debt service costs for district taxpayers. The remaining fund balance of $4,299,699 at June 30, 2020 is available for meeting future debt service obligations.

Other Governmental Funds

The Food Service Special Revenue Fund ended the year with revenues and other financing sources exceeding expenditures, increasing equity by $457,697 (excluding the change in accounting principle), compared to a planned fund balance decrease of $495,732. Revenues were $213,632 more than anticipated in the budget, mainly in state sources, due to additional funding received for the summer food service program. Expenditures were $665,394 less than expected, mainly in supplies and materials, due to lower food costs than anticipated. As of June 30, 2020, the fund balance increased to 32.8 percent of expenditures.

The Community Service Special Revenue Fund ended the year with expenditures exceeding revenues, decreasing equity by $599,282 (excluding the change in accounting principle), compared to a planned fund balance decrease of $827,215. Revenues exceeded budget by $240,312, due to an increase in state grants, while expenditures ended the year $12,379 over budget. As of June 30, 2020, the fund balance decreased to 26.3 percent of expenditures. This decrease was mainly caused by a decrease in program participation, due to COVID-19.

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, which is used to account for the District's self-insured health insurance activities.

Operating revenues for the Internal Service Fund for fiscal 2020 totaled $19,489,180, while operating expenses totaled $18,184,099.

The net position for the Internal Service Fund as of June 30, 2020 was $5,691,883, which represents a $1,386,006 increase from the prior year. This increase is a direct result of medical expenses being lower than insurance premiums. This decrease in medical expenses is due to individuals postponing medical assistance due to the COVID-19 pandemic. As of June 30, 2020, the net position represents 31.3 percent of operating expenses.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

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

Table 6
Capital Assets

	2020	2019	Change
Land	$ 19,577,877	$ 19,577,877	$ -
Construction in progress	22,400,164	23,120,257	(720,093)
Land improvements	12,621,784	11,009,255	1,612,529
Buildings and improvements	207,703,579	162,651,413	45,052,166
Furniture and equipment	21,698,060	22,031,408	(333,348)
Less accumulated depreciation	(102,627,965)	(98,392,675)	(4,235,290)
Total	$ 181,373,499	$ 139,997,535	$ 41,375,964
Depreciation expense	$ 6,533,754	$ 6,043,637	$ 490,117

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

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

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

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

Long-Term Liabilities

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

Table 7
Outstanding Long-Term Liabilities

	2020	2019	Change
General obligation bonds payable	$ 366,000,000	$ 121,610,000	$ 244,390,000
Certificates of participation payable	10,035,000	10,780,000	(745,000)
Premium (discount) on bonds payable and certificates of participation payable	13,309,293	5,319,827	7,989,466
Capital lease payable	1,259,342	1,656,344	(397,002)
Net/total pension liability	88,298,760	87,168,022	1,130,738
Net OPEB liability	25,808,173	25,375,348	432,825
Severance benefits payable	3,332,588	3,136,258	196,330
Compensated absences payable	1,672,400	1,526,487	145,913
Total	$ 509,715,556	$ 256,572,286	$ 253,143,270

The increase in general obligation bonds payable and premium/discount is due to the issuance of general obligations bonds during fiscal year 2020.

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

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

Table 8
Limitations on Debt

District's market value	$ 9,166,542,200
Limit rate	15.0%
Legal debt limit	$ 1,374,981,330

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

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

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

Given that the path of the COVID-19 pandemic and the resulting economic impact continue to be uncertain, it is not possible to accurately project state revenue and spending into the fiscal year 2022–2023 biennium. However, it is likely that the negative impact of the state budget in the next biennium will be significant, forcing challenges to school district budgets.

The District will continue to respond to this challenge by curtailing expenditures when possible, and is committed to engage staff and community members in future budget discussion, and to consider other options for increasing revenues and containing growth.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This CAFR is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives and utilizes. If you have questions about these statements, or need additional information, please contact Randy Anderson, Director of Business Services, Independent School District No. 622, 2520 – East 12th Avenue, North St. Paul, Minnesota 55109. Randy Anderson may also be reached by telephone at (651) 748-7511 or randerson@isd622.org.

BASIC FINANCIAL STATEMENTS

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INDEPENDENT SCHOOL DISTRICT NO. 622

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

	Governmental Activities 2020	Governmental Activities 2019
Assets		
Cash and temporary investments	$ 324,994,767	$ 96,153,729
Receivables		
Current taxes	31,065,061	27,191,850
Delinquent taxes	573,795	523,174
Accounts and interest	1,851,819	744,664
Due from other governmental units	15,708,186	17,018,872
Inventory	501,023	436,579
Prepaid items	187,005	150,615
Restricted assets – temporarily restricted		
Cash and investments for capital asset acquisition	-	7,329,499
Interest receivable for capital asset acquisition	-	68,055
Total restricted assets – temporarily restricted	-	7,397,554
Capital assets		
Not depreciated	41,978,041	42,698,134
Depreciated, net of accumulated depreciation	139,395,458	97,299,401
Total capital assets, net of accumulated depreciation	181,373,499	139,997,535
Total assets	556,255,155	289,614,572
Deferred outflows of resources		
Bond refunding deferments	162,594	182,918
OPEB plan deferments	1,159,636	984,682
Pension plan deferments	64,889,073	96,439,566
Total deferred outflows of resources	66,211,303	97,607,166
Total assets and deferred outflows of resources	$ 622,466,458	$ 387,221,738
Liabilities		
Salaries payable	$ 609,060	$ 663,305
Accounts and contracts payable	9,299,902	15,907,267
Accrued interest payable	7,058,475	2,938,027
Due to other governmental units	2,253,465	2,061,877
Unearned revenue	365,639	453,274
Long-term liabilities		
Due within one year	13,454,858	13,741,684
Due in more than one year	496,260,698	242,830,602
Total long-term liabilities	509,715,556	256,572,286
Total liabilities	529,302,097	278,596,036
Deferred inflows of resources		
Bond refunding deferments	616,045	704,051
Property taxes levied for subsequent year	51,172,896	45,156,351
OPEB plan deferments	3,396,031	3,756,049
Pension plan deferments	103,063,638	129,147,455
Total deferred inflows of resources	158,248,610	178,763,906
Net position		
Net investment in capital assets	60,029,619	54,284,456
Restricted for		
Capital asset acquisition	9,812,524	9,101,239
Debt service	-	376,095
Food service	2,166,502	1,683,321
Community service	2,740,162	3,308,442
Other purposes (state funding restrictions)	4,405,741	3,572,067
Unrestricted	(144,238,797)	(142,463,824)
Total net position	(65,084,249)	(70,138,204)
Total liabilities, deferred inflows of resources, and net position	$ 622,466,458	$ 387,221,738

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020			2020	2019
		Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Administration	$ 6,668,941	$ –	$ –	$ (6,668,941)	$ (4,423,233)
District support services	6,658,582	–	–	(6,658,582)	(6,907,285)
Elementary and secondary regular instruction	67,588,760	896,954	2,029,797	(64,662,009)	(39,283,716)
Vocational education instruction	3,332,719	–	28,742	(3,303,977)	(1,961,301)
Special education instruction	33,575,951	569,089	23,143,329	(9,863,533)	(1,491,253)
Instructional support services	7,660,257	–	20,919	(7,639,338)	(4,171,151)
Pupil support services	13,469,001	–	289,940	(13,179,061)	(11,192,442)
Sites and buildings	18,191,945	15,000	–	(18,176,945)	(12,649,060)
Fiscal and other fixed cost programs	627,090	–	–	(627,090)	(579,213)
Food service	6,570,489	1,433,227	5,522,055	384,793	300,969
Community service	10,489,222	2,417,595	6,094,536	(1,977,091)	(670,872)
Depreciation not included in other functions (excludes amounts directly allocated)	5,170,911	–	–	(5,170,911)	(4,703,063)
Interest and fiscal charges	11,936,234	–	–	(11,936,234)	(5,314,873)
Total governmental activities	$ 191,940,102	$ 5,331,865	$ 37,129,318	(149,478,919)	(93,046,493)
General revenues					
Taxes					
Property taxes levied for general purposes				31,668,746	31,837,809
Property taxes levied for capital projects				–	2,016,746
Property taxes levied for community service				1,169,525	1,224,887
Property taxes levied for debt service				15,835,212	12,758,290
General grants and aids				97,804,719	92,067,945
Other general revenues				2,600,958	1,360,208
Investment earnings				4,060,811	2,303,587
Total general revenues				153,139,971	143,569,472
Change in net position				3,661,052	50,522,979
Net position – beginning, as previously reported				(70,138,204)	(120,661,183)
Change in accounting principle				1,392,903	–
Net position – beginning, as restated				(68,745,301)	(120,661,183)
Net position – ending				$ (65,084,249)	$ (70,138,204)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds 2020	Total Governmental Funds 2019
Assets						
Cash and temporary investments	$ 35,827,063	$ 262,433,571	$ 14,505,799	$ 5,024,357	$ 317,790,790	$ 90,179,962
Cash and investments held by trustee	–	–	–	–	–	7,329,499
Receivables						
Current taxes	16,864,025	–	13,458,286	742,750	31,065,061	27,191,850
Delinquent taxes	389,897	–	168,121	15,777	573,795	523,174
Accounts and interest	275,055	1,498,080	–	78,684	1,851,819	812,719
Due from other governmental units	13,999,622	–	75,289	1,633,275	15,708,186	17,018,872
Inventory	20,647	–	–	480,376	501,023	436,579
Prepaid items	181,651	–	–	553	182,204	150,615
Total assets	$ 67,557,960	$ 263,931,651	$ 28,207,495	$ 7,975,772	$ 367,672,878	$ 143,643,270
Liabilities						
Salaries payable	$ 504,833	$ 853	$ –	$ 103,374	$ 609,060	$ 663,305
Accounts and contracts payable	952,057	6,517,592	546	312,812	7,783,007	14,239,377
Due to other governmental units	1,278,224	–	–	975,241	2,253,465	2,061,877
Unearned revenue	–	–	–	365,639	365,639	453,274
Total liabilities	2,735,114	6,518,445	546	1,757,066	11,011,171	17,417,833
Deferred inflows of resources						
Unavailable revenue – delinquent taxes	323,143	–	133,666	13,104	469,913	456,005
Property taxes levied for subsequent year	26,087,270	–	23,773,584	1,312,042	51,172,896	45,156,351
Total deferred inflows of resources	26,410,413	–	23,907,250	1,325,146	51,642,809	45,612,356
Fund balances						
Nonspendable	202,298	–	–	480,929	683,227	587,194
Restricted	14,218,265	257,413,206	4,299,699	4,412,631	280,343,801	60,586,470
Assigned	1,627,333	–	–	–	1,627,333	–
Unassigned	22,364,537	–	–	–	22,364,537	19,439,417
Total fund balances	38,412,433	257,413,206	4,299,699	4,893,560	305,018,898	80,613,081
Total liabilities, deferred inflows of resources, and fund balances	$ 67,557,960	$ 263,931,651	$ 28,207,495	$ 7,975,772	$ 367,672,878	$ 143,643,270

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020	2019
Total fund balances – governmental funds	$ 305,018,898	$ 80,613,081
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	284,001,464	238,390,210
Accumulated depreciation	(102,627,965)	(98,392,675)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums and discounts are excluded from net position until amortized, but are included in fund balances upon issuance as other financing sources and uses.		
General obligation bonds payable	(366,000,000)	(121,610,000)
Certificates of participation payable	(10,035,000)	(10,780,000)
Premiums and discounts on debt	(13,309,293)	(5,319,827)
Capital leases payable	(1,259,342)	(1,656,344)
Net/total pension liability	(88,298,760)	(87,168,022)
Net OPEB liability	(25,808,173)	(25,375,348)
Severance benefits payable	(3,332,588)	(3,136,258)
Compensated absences payable	(1,672,400)	(1,526,487)
Accrued interest payable on long-term debt is included in net position, but is excluded from fund balances until due and payable.	(7,058,475)	(2,938,027)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Fund is included in the governmental activities in the Statement of Net Position.	5,691,883	4,305,877
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – bond refunding deferments	162,594	182,918
Deferred outflows of resources – OPEB plan deferments	1,159,636	984,682
Deferred outflows of resources – pension plan deferments	64,889,073	96,439,566
Deferred inflows of resources – bond refunding deferments	(616,045)	(704,051)
Deferred inflows of resources – OPEB plan deferments	(3,396,031)	(3,756,049)
Deferred inflows of resources – pension plan deferments	(103,063,638)	(129,147,455)
Deferred inflows of resources – unavailable revenue – delinquent taxes	469,913	456,005
Total net position – governmental activities	$ (65,084,249)	$ (70,138,204)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds 2020	Total Governmental Funds 2019
Revenue						
Local sources						
Property taxes	$ 31,638,741	$ -	$ 15,850,121	$ 1,170,713	$ 48,659,575	$ 47,730,721
Investment earnings	649,465	3,038,320	188,560	103,541	3,979,886	2,200,477
Other	4,086,695	-	-	3,850,822	7,937,517	7,548,353
State sources	117,877,943	-	766,061	6,140,168	124,784,172	121,475,797
Federal sources	4,567,381	-	73,994	5,476,423	10,117,798	9,679,362
Total revenue	158,820,225	3,038,320	16,878,736	16,741,667	195,478,948	188,634,710
Expenditures						
Current						
Administration	6,398,476	-	-	-	6,398,476	6,123,786
District support services	6,592,282	-	-	-	6,592,282	7,033,681
Elementary and secondary regular instruction	64,129,244	-	-	-	64,129,244	61,855,615
Vocational education instruction	3,199,061	-	-	-	3,199,061	2,856,573
Special education instruction	32,296,691	-	-	-	32,296,691	30,833,016
Instructional support services	7,125,288	-	-	-	7,125,288	7,313,652
Pupil support services	13,874,495	-	-	-	13,874,495	13,062,086
Sites and buildings	18,054,395	-	-	-	18,054,395	17,341,987
Fiscal and other fixed cost programs	627,090	-	-	-	627,090	579,213
Food service	-	-	-	6,477,956	6,477,956	6,590,513
Community service	-	-	-	10,278,737	10,278,737	10,330,248
Capital outlay	-	46,581,641	-	200,962	46,782,603	22,816,994
Debt service						
Principal	1,142,002	-	10,875,000	-	12,017,002	11,496,478
Interest and fiscal charges	526,720	2,872,341	5,399,074	-	8,798,135	4,472,612
Total expenditures	153,965,744	49,453,982	16,274,074	16,957,655	236,651,455	202,706,454
Excess (deficiency) of revenue over expenditures	4,854,481	(46,415,662)	604,662	(215,988)	(41,172,507)	(14,071,744)
Other financing sources (uses)						
Capital lease issued	-	-	-	-	-	853,607
Sale of assets	16,288	-	-	-	16,288	17,962
Debt issued	-	255,906,500	468,500	-	256,375,000	50,925,000
Certificates of participation issued	-	-	-	-	-	9,405,000
Refunding debt issued	-	-	7,040,000	-	7,040,000	17,515,000
Premium on debt issued	-	7,733,143	1,170,990	-	8,904,133	955,346
Payment on refunded debt	-	-	(8,150,000)	-	(8,150,000)	(17,805,000)
Transfers in	-	-	-	74,403	74,403	-
Transfers (out)	(74,403)	-	-	-	(74,403)	-
Total other financing sources (uses)	(58,115)	263,639,643	529,490	74,403	264,185,421	61,866,915
Net change in fund balances	4,796,366	217,223,981	1,134,152	(141,585)	223,012,914	47,795,171
Fund balances						
Beginning of year, as previously reported	32,280,838	40,189,225	3,165,547	4,977,471	80,613,081	32,817,910
Change in accounting principle	1,335,229	-	-	57,674	1,392,903	-
Beginning of year, as restated	33,616,067	40,189,225	3,165,547	5,035,145	82,005,984	32,817,910
End of year	$ 38,412,433	$ 257,413,206	$ 4,299,699	$ 4,893,560	$ 305,018,898	$ 80,613,081

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020	2019
Total net change in fund balances – governmental funds	$ 223,012,914	$ 47,795,171
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded in net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase		
Capital outlays	47,996,480	29,010,714
Depreciation expense	(6,533,754)	(6,043,637)
A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.	(86,762)	(11,849)
The amount of debt issued is reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds payable	(256,375,000)	(50,925,000)
Certificates of participation payable	–	(9,405,000)
Refunding bonds payable	(7,040,000)	(17,515,000)
Capital lease payable	–	(853,607)
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances.		
General obligation bonds payable	19,025,000	27,985,000
Certificates of participation payable	745,000	915,000
Capital lease payable	397,002	401,478
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	(4,120,448)	(1,419,993)
Debt issuance premiums and discounts are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance as other financing sources and uses.	(7,989,466)	(445,296)
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net/total pension liability	(1,130,738)	149,892,596
Net OPEB liability	(432,825)	(811,464)
Severance benefits payable	(196,330)	(250,504)
Compensated absences payable	(145,913)	(63,004)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	1,386,006	(1,120,237)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – bond refunding deferments	(20,324)	(20,324)
Deferred outflows of resources – OPEB plan deferments	174,954	858,082
Deferred outflows of resources – pension plan deferments	(31,550,493)	(32,606,891)
Deferred inflows of resources – bond refunding deferments	88,006	88,006
Deferred inflows of resources – OPEB plan deferments	360,018	469,507
Deferred inflows of resources – pension plan deferments	26,083,817	(85,507,780)
Deferred inflows of resources – unavailable revenue – delinquent taxes	13,908	107,011
Change in net position – governmental activities	$ 3,661,052	$ 50,522,979

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 622

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

	Budgeted Amounts			
	Original	Final	Actual	Over (Under) Final Budget
Revenue				
Local sources				
Property taxes	$ 27,904,838	$ 31,120,899	$ 31,638,741	$ 517,842
Investment earnings	352,000	650,000	649,465	(535)
Other	3,785,200	2,990,405	4,086,695	1,096,290
State sources	113,739,574	116,081,104	117,877,943	1,796,839
Federal sources	4,643,000	4,643,000	4,567,381	(75,619)
Total revenue	150,424,612	155,485,408	158,820,225	3,334,817
Expenditures				
Current				
Administration	5,925,777	6,232,363	6,398,476	166,113
District support services	6,207,171	6,947,077	6,592,282	(354,795)
Elementary and secondary regular instruction	67,196,407	65,795,620	64,129,244	(1,666,376)
Vocational education instruction	2,861,106	2,823,898	3,199,061	375,163
Special education instruction	30,529,347	30,693,997	32,296,691	1,602,694
Instructional support services	7,561,626	7,740,411	7,125,288	(615,123)
Pupil support services	14,324,394	14,097,691	13,874,495	(223,196)
Sites and buildings	13,732,008	17,610,290	18,054,395	444,105
Fiscal and other fixed cost programs	550,000	567,500	627,090	59,590
Debt service				
Principal	980,818	1,140,818	1,142,002	1,184
Interest and fiscal charges	503,242	528,242	526,720	(1,522)
Total expenditures	150,371,896	154,177,907	153,965,744	(212,163)
Excess of revenue over expenditures	52,716	1,307,501	4,854,481	3,546,980
Other financing sources (uses)				
Sale of assets	-	-	16,288	16,288
Transfers (out)	-	-	(74,403)	(74,403)
Total other financing sources (uses)	-	-	(58,115)	(58,115)
Net change in fund balances	$ 52,716	$ 1,307,501	4,796,366	$ 3,488,865
Fund balances				
Beginning of year, as previously reported			32,280,838	
Change in accounting principle			1,335,229	
Beginning of year, as restated			33,616,067	
End of year			$ 38,412,433	

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020	2019
Assets		
Current assets		
Cash and temporary investments	$ 7,203,977	$ 5,973,767
Prepaid items	4,801	-
Total assets	7,208,778	5,973,767
Liabilities		
Current liabilities		
Accounts and contracts payable	23,949	328,400
Claims incurred, but not reported	1,492,946	1,339,490
Total liabilities	1,516,895	1,667,890
Net position		
Unrestricted	$ 5,691,883	$ 4,305,877

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020	2019
Operating revenue		
Charges for services	$ 19,489,180	$ 17,691,095
Operating expenses		
Claims and settlements	17,181,543	17,759,991
Fees and stop-loss	1,002,556	1,154,451
Total operating expenses	18,184,099	18,914,442
Operating income (loss)	1,305,081	(1,223,347)
Nonoperating revenue		
Investment earnings	80,925	103,110
Change in net position	1,386,006	(1,120,237)
Net position		
Beginning of year	4,305,877	5,426,114
End of year	$ 5,691,883	$ 4,305,877

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020	2019
Cash flows from operating activities		
Contributions from governmental funds	$ 19,489,180	$ 17,691,095
Payments for health claims	(17,337,339)	(17,322,937)
Payments for fees and stop-loss	(1,002,556)	(1,154,451)
Net cash flows from operating activities	1,149,285	(786,293)
Cash flows from investing activities		
Investment income received	80,925	103,110
Net change in cash and cash equivalents	1,230,210	(683,183)
Cash and cash equivalents		
Beginning of year	5,973,767	6,656,950
End of year	$ 7,203,977	$ 5,973,767
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	$ 1,305,081	$ (1,223,347)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Changes in assets and liabilities		
Prepaid items	(4,801)	-
Accounts and contracts payable	(304,451)	188,453
Claims incurred, but not reported	153,456	248,601
Net cash flows from operating activities	$ 1,149,285	$ (786,293)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 622

Statement of Fiduciary Net Position
as of June 30, 2020

	Private-Purpose Trust Fund	Post-Employment Benefits Trust Fund
Assets		
Cash and temporary investments	$ -	$ 2,808,701
Investments, at fair value		
Local government obligations	-	7,385,114
MNTrust Investment Shares Portfolio	-	1,557,407
Investment pools/mutual funds	-	1,257,455
Receivables		
Accounts and interest	-	182,053
Total assets	-	13,190,730
Net position		
Held in trust for OPEB	$ -	$ 13,190,730

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	Private-Purpose Trust Fund	Post-Employment Benefits Trust Fund
Additions		
Contributions		
Employee	$ -	$ 1,134,151
Investment earnings		
Total investment earnings	-	331,375
Less investment expense	-	18,485
Net investment earnings	-	312,890
Total additions	-	1,447,041
Deductions		
Benefits paid to plan members	-	1,134,151
Change in net position	-	312,890
Net position		
Beginning of year, as previously reported	1,248,835	12,877,840
Change in accounting principle	(1,248,835)	-
Beginning of year, as restated	-	12,877,840
End of year	$ -	$ 13,190,730

See notes to basic financial statements

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 622 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a School Board elected by voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

C. Government-Wide Financial Statement Presentation

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For capital assets that can be specifically identified with or allocated to functional areas, depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. For capital assets that essentially serve all functional areas, depreciation expense is reported as "depreciation not included in other functions." Interest on debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements. The Proprietary Fund (Internal Service Fund) is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statement of the Proprietary Fund (Internal Service Fund) is consolidated into the governmental activities in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity. Fiduciary funds are presented in the fiduciary fund financial statements by type: pension (or other benefit) trust. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, this fund is excluded from the government-wide financial statements.

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

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are generally considered as available if collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to funding formulas established by Minnesota Statutes. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within 60 days. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds

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

Major Governmental Funds

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

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of general obligation debt principal, interest, and related costs. The regular debt service account is used for all general obligation debt service except for the financial activities of the other post-employment benefits (OPEB) debt service account. The OPEB debt service account is used to pay principal, interest, and related costs on the 2018D Taxable OPEB Refunding Bond issue.

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is used primarily to record financial activities of the District's child nutrition program.

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

Proprietary Funds

Internal Service Fund – The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The District's Internal Service Fund is used to account for health insurance offered by the District to its employees as a self-insured plan.

Fiduciary Funds

Private-Purpose Trust Fund – The Private-Purpose Trust Fund was used to account for scholarship activity and other purposes in previous years that was moved to the General Fund through a change in accounting principle in the current year.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Information

Each June, the School Board adopts an annual budget for the following fiscal year for all governmental funds. The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level.

Budgeted expenditure appropriations lapse at year-end. Expenditures in the Community Service Special Revenue Fund and Capital Projects – Building Construction Fund exceeded budgeted appropriations by $12,379 and $4,516,641, respectively. The excess expenditures were approved by the School Board as required by Minnesota Statutes, and were financed with revenues in excess of budget, other financing sources, or available fund balances.

F. Cash and Temporary Investments

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

Earnings from the investments of the Capital Projects – Building Construction Fund are allocated specifically to that fund.

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

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

Investments are generally stated at fair value, except for investments in certain external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less may also be reported at amortized cost. Investment income is accrued at the Balance Sheet date. Guaranteed investment contracts are valued on a cost-basis measure and, therefore, are not subject to the fair value disclosure.

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

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

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

Due from the MDE	$ 14,216,578
Due from other Minnesota school districts	615,953
Due from Ramsey County	853,428
Due from other governmental units	22,227
Total due from other governmental units	$ 15,708,186

H. Inventories

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

I. Prepaid Items

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

J. Property Taxes

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

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes $3,399,641 of the property tax levy collectible in 2020 as revenue to the District in fiscal year 2019–2020. The remaining portion of the taxes collectible in 2020 is recorded as deferred inflow of resources (property taxes levied for subsequent year).

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

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is reported as a deferred inflow of resources (unavailable revenue) in the fund financial statements because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes is considered necessary.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

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

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

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

L. Long-Term Obligations

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

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

M. Compensated Absences Payable

1. **Vacation Pay** – Under the terms of union contracts, certain employees accrue vacation at varying rates, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation and related benefits upon termination. Vacation pay is accrued when incurred in the government-wide financial statements. Unused vacation pay is accrued in governmental fund financial statements only when it has matured, due to employee termination or similar circumstances.

2. **Sick Pay** – Substantially all district employees are entitled to sick leave at various rates. Unused sick leave enters into the calculation of severance benefits for some employees upon termination.

N. Severance Benefits

The District provides lump sum severance benefits to eligible employees in accordance with provisions in certain collectively bargained contracts. Eligibility for these benefits is based on years of service and/or minimum age requirements. The amount of the severance or retirement benefit is calculated by converting a portion of unused accumulated sick leave. No individual can receive severance benefits in excess of one year's salary.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Members of certain employee groups may also elect to receive district matching contributions paid into tax-deferred matching contribution plans. The amount of any severance or retirement benefit due to an individual is reduced by the total contributions made to such a plan over the course of that individual's employment. Severance or retirement benefits are required to be paid out within 30 days following the effective date of retirement. Retirement benefits for eligible teachers are paid into a post-employment healthcare savings plan, administered by the Minnesota State Retirement System. For all other employees, severance benefits are paid out directly to the employee.

The amount of severance is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance or retirement pay is accrued in the governmental fund financial statements only when it becomes due and payable.

O. State-Wide Pension Plans

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

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

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

P. Other Post-Employment Benefits (OPEB) Plan

The District provides post-employment healthcare benefits to eligible employee groups in accordance with provisions in certain collectively bargained contracts based on years of service and/or minimum age requirements. See the Other Post-Employment Benefits (OPEB) Plan note for further information.

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

Q. Risk Management and Self-Insurance

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal 2020.

2. **Self-Insurance** – The District has established an Internal Service Fund to account for and finance its self-insured risk of loss for employee health insurance plans. Under these plans, the Internal Service Fund provides coverage to participating employees and their dependents for various healthcare costs as described in the plans.

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

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

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

Fiscal Year Ended June 30,	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2019	$ 1,090,889	$ 17,571,538	$ 17,322,937	$ 1,339,490
2020	$ 1,339,490	$ 17,490,795	$ 17,337,339	$ 1,492,946

R. Net Position

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

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

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

S. Fund Balance Classifications

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

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

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

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

T. Deferred Outflows/Inflows of Resources

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

The District reports deferred outflows and inflows of resources related to bond refunding deferments in the government-wide Statement of Net Position. A bond refunding deferment results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

U. Use of Estimates

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

V. Prior Period Comparative Financial Information/Reclassification

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

W. Change in Accounting Principle

During the year ended June 30, 2020, the District adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes new criteria for identifying and reporting fiduciary activities. The implementation of this statement resulted in the presentation of the District's extracurricular student activity accounts in the General Fund and its governmental activities, rather than excluding them from the reporting entity as it has in the past. The District previously presented a private-purpose trust fund for scholarship and other activity, which has also been combined into the General, Food Service Special Revenue, and Community Service Special Revenue Funds, and its governmental activities. The standard required retroactive implementation, which resulted in increases of $1,335,229, $25,484, and $32,190 in the fund balances in the General, Food Service Special Revenue, and Community Service Special Revenue Funds, respectively, and net position of governmental activities as of July 1, 2019, and a decrease in the net position of the previously reported Private-Purpose Trust Fund of $1,248,835.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	$ 163,365,765
Investments	174,634,281
Cash on hand	3,398
Total	$ 338,003,444

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

Statement of Net Position	
Cash and temporary investments	$ 324,994,767
Statement of Fiduciary Net Position	
Cash and temporary investments	
Post-Employment Benefits Trust Fund	2,808,701
Investments	
Post-Employment Benefits Trust Fund	10,199,976
Total	$ 338,003,444

B. Deposits

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

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

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

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

The District's deposit policy does not further limit depository choices.

At year-end, the carrying amount of the District's deposits was $163,365,765, while the balance on the bank records was $170,081,529. At June 30, 2020, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the District's agent in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

Investment Type	Credit Risk: Credit Rating	Credit Risk: Rating Agency	Fair Value Measurements Using	Interest Risk – Maturity Duration in Years: Less Than 1	Interest Risk – Maturity Duration in Years: 1 to 5	Total
Local government obligations	AAA	S&P	Level 2	$ 2,043,160	$ 3,578,815	$ 5,621,975
Local government obligations	Aaa	Moody's	Level 2	$ –	$ 322,710	322,710
Local government obligations	AA	S&P	Level 2	$ 5,517,255	$ 10,109,600	15,626,855
Local government obligations	Aa	Moody's	Level 2	$ 1,545,831	$ 3,837,774	5,383,605
Guaranteed investment contract	N/R	N/A	N/A	$ 146,635	$ –	146,635
Negotiable certificates of deposit	N/R	N/A	Level 2	$ 1,458,542	$ 2,025,398	3,483,940
Investment pools/mutual funds						
Minnesota School District Liquid Asset Fund – Liquid Class	AAA	S&P	N/A	N/A	N/A	55,380
Minnesota School District Liquid Asset Fund – MAX Class	AAA	S&P	N/A	N/A	N/A	324,251
MNTrust Investment Shares Portfolio	AAA	S&P	N/A	N/A	N/A	59,443,232
MNTrust Term Series	N/R	N/A	N/A	$ 75,600,000	$ –	75,600,000
MNTrust Limited Term Duration	AAA	S&P	N/A	N/A	N/A	7,368,117
First American Government Obligations Fund	AAA	S&P	Level 1	N/A	N/A	126
Goldman Sachs Government Institutional Fund	AAA	S&P	Level 3	N/A	N/A	6,036
Vanguard Total Bond Market ETF	N/R	N/A	Level 1	N/A	N/A	3,092
Vanguard Total Stock Market ETF	N/R	N/A	Level 1	N/A	N/A	1,248,327
Total						$ 174,634,281

N/A – Not Applicable
N/R – Not Rated

The Minnesota School District Liquid Asset Fund (MSDLAF), Minnesota Trust (MNTrust) Investment Shares Portfolio, MNTrust Term Series, and MNTrust Limited Term Duration are regulated by Minnesota Statutes and are external investment pools not registered with the Securities and Exchange Commission. The District's investment in these investment pools is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For the MSDLAF and MNTrust, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice for the MSDLAF Liquid Class; the redemption notice period is 14 days for the MSDLAF MAX Class and 7 days for the MNTrust Term Series. MNTrust Term Series Portfolios are intended to be held until maturity; a participant's withdrawal prior to maturity will require 7-days' notice of redemption and will likely carry a penalty, which could be substantial in that it would be intended to allow the MNTrust Term Series Portfolio to recoup any associated penalties, charges, losses, or other costs associated with the early redemption of the investments therein.

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

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

At year-end, $1,257,455 of the District's investments were uninsured and not registered in the District's name, with the securities held by the purchasing agent, or by its trust department or agent, but not in the District's name.

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

Post-Employment Benefits Trust Fund – This fund represents investments administered by the District's OPEB Trust Fund investment managers. The District's investment policy extends to the OPEB Trust Fund investments.

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 repurchase agreements, and commercial paper if issued by a United States corporation or its Canadian subsidiary and if rated in the highest two quality categories by a nationally recognized rating agency; and in the State Board of Investments. Investments are stated at fair value.

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

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

NOTE 3 – CAPITAL ASSETS

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

	Balance – Beginning of Year	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated					
Land	$ 19,577,877	$ -	$ -	$ -	$ 19,577,877
Construction in progress	23,120,257	45,503,665	-	(46,223,758)	22,400,164
Total capital assets, not depreciated	42,698,134	45,503,665	-	(46,223,758)	41,978,041
Capital assets, depreciated					
Land improvements	11,009,255	-	-	1,612,529	12,621,784
Buildings and improvements	162,651,413	440,937	-	44,611,229	207,703,579
Furniture and equipment	22,031,408	2,051,878	(2,385,226)	-	21,698,060
Total capital assets, depreciated	195,692,076	2,492,815	(2,385,226)	46,223,758	242,023,423
Less accumulated depreciation for					
Land improvements	(4,444,993)	(525,316)	-	-	(4,970,309)
Buildings and improvements	(80,496,002)	(4,494,065)	-	-	(84,990,067)
Furniture and equipment	(13,451,680)	(1,514,373)	2,298,464	-	(12,667,589)
Total accumulated depreciation	(98,392,675)	(6,533,754)	2,298,464	-	(102,627,965)
Net capital assets, depreciated	97,299,401	(4,040,939)	(86,762)	46,223,758	139,395,458
Total capital assets, net	$ 139,997,535	$ 41,462,726	$ (86,762)	$ -	$ 181,373,499

Depreciation expense for the year ended June 30, 2020 was charged to the following governmental functions:

Elementary and secondary regular instruction	$ 93,205
Special education instruction	30,795
Pupil support services	1,112,734
Food service	126,109
Depreciation not included in other functions	5,170,911
Total depreciation expense	$ 6,533,754

NOTE 4 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

Issue	Issue Date	Interest Rate	Original Issue	Amounts of Installments	Remaining Maturities	Principal Outstanding
General obligation bonds payable						
2010C Crossover Refunding Bonds	10/28/2010	3.00–3.20%	$ 4,750,000	$415,000–$470,000	02/01/2021–02/01/2024	$ 1,805,000
2012A Refunding Bonds	04/25/2012	2.00–2.38%	8,955,000	800,000–910,000	02/01/2021–02/01/2025	4,325,000
2012B Alternative Facility Refunding Bonds	10/25/2012	2.15–3.00%	9,505,000	770,000–895,000	02/01/2021–02/01/2027	5,860,000
2016A Refunding Bonds	11/17/2016	5.00%	34,050,000	260,000–5,200,000	02/01/2021–02/01/2027	19,295,000
2017A Alternative Facility Refunding Bonds	05/18/2017	3.00%	6,600,000	575,000–760,000	02/01/2021–02/01/2028	5,320,000
2018A Facilities Maintenance Bonds	09/13/2018	3.00–5.00%	44,885,000	210,000–5,485,000	02/01/2026–02/01/2039	44,885,000
2018B Capital Facilities and Tax Abatement Bonds	09/13/2018	3.00%	6,040,000	510,000–690,000	02/01/2021–02/01/2029	5,530,000
2018D Taxable OPEB Refunding Bonds	11/15/2018	2.90–3.60%	13,985,000	1,595,000–1,935,000	02/01/2021–02/01/2027	12,300,000
2018E Alternative Facilities Refunding Bonds	11/15/2018	4.00–5.00%	3,530,000	265,000–445,000	02/01/2021–02/01/2029	3,265,000
2019A School Building Bonds	11/14/2019	3.00–5.00%	195,050,000	1,375,000–24,925,000	02/01/2022, 02/01/2030–02/01/2046	195,050,000
2019B Facilities Maintenance Bonds	11/14/2019	3.00–5.00%	61,325,000	325,000–5,295,000	02/01/2022–02/01/2042	61,325,000
2019C Alternative Facility Refunding Bond	11/14/2019	4.00–5.00%	7,040,000	415,000–845,000	02/01/2021–02/01/2031	7,040,000
Total general obligation bonds payable						$ 366,000,000

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

In November 2019, the District issued $7,040,000 of General Obligation Alternative Facilities Refunding Bonds, Series 2019C. The proceeds of this issue were used to refund, in advance of their stated maturities, the remaining maturities of the District's General Obligation Alternative Facility Bonds, Series 2010A and 2011A. This current refunding reduced the District's total future debt service payments by $426,958, and resulted in a present value savings of approximately $379,972. The difference between the carrying amount of the refunded debt and its reacquisition price was not material, and was included in current year expense on the government-wide financial statements.

B. Certificates of Participation Payable

Issue	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Certificates of participation payable					
2010B Certificates of Participation	09/30/2010	2.00–3.50%	$ 2,500,000	02/01/2025	$ 1,010,000
2018C Certificates of Participation	09/13/2018	3.00–4.00%	$ 9,405,000	02/01/2034	9,025,000
Total certificates of participation payable					$ 10,035,000

The District sold certificates of participation under Minnesota Statutes § 123B.51 and § 465.71 to finance additions and improvements to existing school facilities or to refund prior certificates of participation issued. Scheduled future ad valorem lease obligation tax levies will be made to finance the retirement of principal and interest payments on the certificates. These certificates of participation are being paid by the General Fund.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

C. Capital Lease Payable

During fiscal year 2017, the District entered into a capital lease purchase to provide funds to finance the purchase of fiber optic equipment. The total amount of this capital lease was $1,650,204, at a 2.20 percent interest rate, and a final payment date of June 30, 2023. This lease will be repaid through the General Fund. If the District does not pay the lease payments on the date which payments are due, the District shall pay lessor a charge at the rate of 12.00 percent per annum or the highest lawful rate, whichever is less, from such due date until paid. If the District breaches any term of this agreement, the lessor may require that the District return the equipment and pay any and all amounts which may then be due and payable under the lease, plus all lease payments remaining through the end of the then current fiscal period. The leased asset was recorded at $1,650,204 (the present value of future minimum lease payments as of the inception date of the lease) as furniture and equipment. Total accumulated depreciation on this asset at June 30, 2020 was $254,406.

During fiscal year 2019, the District entered into a capital lease purchase to provide funds to finance the purchase of school buses. The total amount of this capital lease was $853,607, at a 3.65 percent interest rate, and a final payment date of February 15, 2023. This lease will be repaid through the General Fund. The leased asset was recorded at $853,607 (the present value of future minimum lease payments as of the inception date of the lease) as furniture and equipment. Total accumulated depreciation on this asset at June 30, 2020 was $183,891.

D. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including severance benefits, OPEB, pension benefits, and compensated absences. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General Fund. The District has also established a Post-Employment Benefits Trust Fund to finance OPEB obligations.

The District has three defined benefit pension plans, including two state-wide, cost-sharing, multiple-employer plans administered by the PERA and the TRA, and one single-employer plan administered by the District.

The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2020:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	$ 19,184,852	$ 2,464,336	$ 3,755,398	$ 1,640,670
State-wide, multiple-employer – TRA	68,750,191	62,403,864	99,030,034	12,447,492
Single-employer – District	363,717	20,873	278,206	(3,097)
Total	$ 88,298,760	$ 64,889,073	$ 103,063,638	$ 14,085,065

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

E. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds payable	$121,610,000	$263,415,000	$ 19,025,000	$366,000,000	$ 10,375,000
Certificates of participation payable	10,780,000	–	745,000	10,035,000	705,000
Plus premium (discount)	5,319,827	8,904,133	914,667	13,309,293	–
Total bonds and certificates of participation payable	137,709,827	272,319,133	20,684,667	389,344,293	11,080,000
Capital lease payable	1,656,344	–	397,002	1,259,342	408,167
Net/total pension liability	87,168,022	8,574,260	7,443,522	88,298,760	–
Net OPEB liability	25,375,348	2,122,516	1,689,691	25,808,173	–
Severance benefits payable	3,136,258	345,689	149,359	3,332,588	294,291
Compensated absences payable	1,526,487	1,444,033	1,298,120	1,672,400	1,672,400
	$256,572,286	$284,805,631	$ 31,662,361	$509,715,556	$ 13,454,858

F. Minimum Debt Payments

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

Year Ending June 30,	General Obligation Bonds		Certificates of Participation		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 10,375,000	$ 14,062,066	$ 705,000	$ 337,571	$ 408,167	$ 32,449
2022	13,105,000	11,822,028	725,000	316,136	419,666	20,950
2023	10,045,000	11,269,188	745,000	293,996	431,509	9,105
2024	10,100,000	10,876,668	770,000	271,046	–	–
2025	9,900,000	10,481,096	800,000	241,506	–	–
2026–2030	36,200,000	47,470,754	3,275,000	819,856	–	–
2031–2035	50,505,000	40,197,875	3,015,000	255,606	–	–
2036–2040	100,890,000	28,238,681	–	–	–	–
2041–2045	117,180,000	11,914,500	–	–	–	–
2046	7,700,000	231,000	–	–	–	–
	$366,000,000	$186,563,856	$ 10,035,000	$ 2,535,717	$ 1,259,342	$ 62,504

NOTE 5 – FUND BALANCES

A. Classifications

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

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	$ 20,647	$ –	$ –	$ 480,376	$ 501,023
Prepaid items	181,651	–	–	553	182,204
Total nonspendable	202,298	–	–	480,929	683,227
Restricted					
Student activities	151,033	–	–	–	151,033
Staff development	458,031	–	–	–	458,031
Operating capital	9,812,524	–	–	–	9,812,524
Basic skills	80,538	–	–	–	80,538
Achievement and integration	568,895	–	–	–	568,895
Safe schools	1,756,702	–	–	–	1,756,702
Medical Assistance	1,390,542	–	–	–	1,390,542
Long-term facilities maintenance	–	76,832,054	–	–	76,832,054
Capital projects	–	180,581,152	–	–	180,581,152
Debt service	–	–	3,686,693	–	3,686,693
OPEB debt service	–	–	613,006	–	613,006
Food service	–	–	–	1,686,126	1,686,126
Community education programs	–	–	–	1,809,016	1,809,016
Early childhood family education programs	–	–	–	392,480	392,480
School readiness	–	–	–	326,907	326,907
Adult basic education	–	–	–	195,113	195,113
Community service	–	–	–	2,989	2,989
Total restricted	14,218,265	257,413,206	4,299,699	4,412,631	280,343,801
Assigned					
Subsequent year's budget	1,627,333	–	–	–	1,627,333
Unassigned					
Long-term facilities maintenance restricted account deficit	(37,183)	–	–	–	(37,183)
Unassigned	22,401,720	–	–	–	22,401,720
Total unassigned	22,364,537	–	–	–	22,364,537
Total	$ 38,412,433	$ 257,413,206	$ 4,299,699	$ 4,893,560	$ 305,018,898

B. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes that the District will strive to maintain a minimum unassigned General Fund balance of 8.0 percent to 10.0 percent of the annual budget. At June 30, 2020, the unassigned fund balance of the General Fund (excluding restricted account deficits) was 14.5 percent of current year expenditures.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

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

1. General Employees Retirement Fund (GERF)

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

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

2. Teachers Retirement Association (TRA)

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

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

B. Benefits Provided

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

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

1. GERF Benefits

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

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the post-retirement increase will be equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with the minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit at least one month but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

2. TRA Benefits

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

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

Tier I Benefits

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

With these provisions:

(a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.

(b) Three percent per year early retirement reduction factor for all years under normal retirement age.

(c) Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Tier II Benefits

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

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

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

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

C. Contributions

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

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2020, were $1,927,545. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

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

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

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2020, were $5,027,197. The District's contributions were equal to the required contributions for each year as set by state statutes.

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

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

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

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

D. Pension Costs

1. GERF Pension Costs

At June 30, 2020, the District reported a liability of $19,184,852 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.3470 percent at the end of the measurement period and 0.3500 percent for the beginning of the period.

The District's net pension liability reflected a reduction, due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The amounts recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 19,184,852
State's proportionate share of the net pension liability associated with the District	$ 596,307

For the year ended June 30, 2020, the District recognized pension expense of $1,596,012 for its proportionate share of the GERF's pension expense. In addition, the District recognized an additional $44,658 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of $16.0 million to the GERF.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 536,791	$ -
Changes in actuarial assumptions	-	1,527,021
Difference between projected and actual investment earnings	-	1,972,686
Changes in proportion	-	255,691
District's contributions to the GERF subsequent to the measurement date	1,927,545	-
Total	$ 2,464,336	$ 3,755,398

A total of $1,927,545 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to the GERF pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2021	$ (1,144,449)
2022	$ (1,675,926)
2023	$ (429,148)
2024	$ 30,916

2. TRA Pension Costs

At June 30, 2020, the District reported a liability of $68,750,191 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Special School District No. 1, Minneapolis Public Schools. The District's proportionate share was 1.0786 percent at the end of the measurement period and 1.0682 percent for the beginning of the period.

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

District's proportionate share of the net pension liability	$ 68,750,191
State's proportionate share of the net pension liability associated with the District	$ 6,084,429

For the year ended June 30, 2020, the District recognized pension expense of $11,985,003. It also recognized $462,489 as an increase to pension expense (and grant revenue) for the support provided by direct aid.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ –	$ 1,661,962
Changes in actuarial assumptions	56,546,091	90,376,969
Difference between projected and actual investment earnings	–	5,651,596
Changes in proportion	830,576	1,339,507
District's contributions to the TRA subsequent to the measurement date	5,027,197	–
Total	$ 62,403,864	$ 99,030,034

A total of $5,027,197 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to the TRA pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2021	$ 2,781,125
2022	$ (682,231)
2023	$ (25,610,033)
2024	$ (18,123,645)
2025	$ (18,583)

E. Actuarial Assumptions

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

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

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

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

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

1. **GERF**

   CHANGES IN ACTUARIAL ASSUMPTIONS

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

   CHANGES IN PLAN PROVISIONS

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

2. **TRA**

   CHANGES IN ACTUARIAL ASSUMPTIONS

   - None.

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

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

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

F. Discount Rate

1. GERF

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

2. TRA

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

G. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF discount rate	6.50%	7.50%	8.50%
District's proportionate share of the GERF net pension liability	$ 31,538,865	$ 19,184,852	$ 8,984,160
TRA discount rate	6.50%	7.50%	8.50%
District's proportionate share of the TRA net pension liability	$ 109,604,614	$ 68,750,191	$ 35,066,321

H. Pension Plan Fiduciary Net Position

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

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

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

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

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The District provides post-employment benefits to certain eligible employees through the OPEB Plan, a single-employer defined benefit plan administered by the District. Management of the plan is vested with the School Board of the District. All post-employment benefits are based on contractual agreements with employee groups. The District is phasing out post-employment medical and dental insurance to all district employees, in accordance with their respective master employment agreements. The eligibility for, amount of, duration of, and the District's contribution to the cost of the benefits provided varies by contract, hire dates, and date of retirement. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements.

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

B. Benefits Provided

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

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has established the Post-Employment Benefits Trust Fund to finance these obligations.

D. Membership

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

Retirees and beneficiaries receiving benefits	585
Active plan members	1,469
Total members	2,054

E. Net OPEB Liability of the District

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

Total OPEB liability	$ 38,998,903
Plan fiduciary net position	(13,190,730)
District's net OPEB liability	$ 25,808,173
Plan fiduciary net position as a percentage of the total OPEB liability	33.8%

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the entry-age, level percentage of pay actuarial cost method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.40%
Expected long-term investment return	3.00% (net of investment expenses)
20-year municipal bond yield	2.40%
Inflation rate	2.50%
Salary increases	3.00%
Healthcare trend rate	6.50%, grading to 5.00% over 6 years
Dental trend rate	3.00%
Vision trend rate	5.00%
Medicare supplemental trend rate	4.00%

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale.

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

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

The long-term expected rate of return on OPEB Plan investments was set based on the plan's target investment allocation described below, along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. 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 Allocation	Long-Term Expected Rate of Return
Domestic equity	10.00 %	4.00 %
Fixed income	85.00	3.00 %
Cash	5.00	1.00 %
Total	100.00 %	3.00 %

G. Concentrations

At year-end, the District's OPEB Plan held investments in Cobb County, Kane County Forest Preserve District, Lexington-Fayette Urban County Government, and State of Utah that represented 5 percent or more of the OPEB Plan's fiduciary net position.

H. Rate of Return

For the current year ended, the annual money-weighted rate of return on investments, net of investment expense, was 2.40 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

I. Discount Rate

The discount rate used to measure the total OPEB liability was 2.40 percent. The projection of cash flows used to determine the discount rate was determined by projecting forward the fiduciary net position (assets) as of the valuation date, increasing by the investment return assumption, and reducing by benefit payments in each period until assets are exhausted. Expected benefit payments by year were discounted using the expected asset return assumptions for the years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate. The contribution and benefit payment history, as well as the funding policy, have also been taken into account. The District discount rate used in the prior measurement date was 3.10 percent.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

J. Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning balance – July 1, 2019	$ 38,253,188	$ 12,877,840	$ 25,375,348
Changes for the year			
Service cost	1,725,232	-	1,725,232
Interest	1,205,112	-	1,205,112
Assumption changes	297,277	-	297,277
Plan changes	(135,589)	-	(135,589)
Contributions – employer	-	1,090,512	(1,090,512)
Contributions – employee	-	1,134,151	(1,134,151)
Projected investment return	-	386,335	(386,335)
Differences between expected and actual experience	(121,654)	(73,445)	(48,209)
Benefit payments – employer-financed	(1,090,512)	(1,090,512)	-
Benefit payments – employee-financed	(1,134,151)	(1,134,151)	-
Total net changes	745,715	312,890	432,825
Ending balance – June 30, 2020	$ 38,998,903	$ 13,190,730	$ 25,808,173

Plan changes since the prior measurement date include the following:

- Only custodians hired before July 1, 2018 and not electing to participate in the Matching Retirement Plan are eligible to receive district paid medical and dental benefits.

Assumption changes since the prior measurement date include the following:

- The expected long-term investment rate was changed from 2.60 percent to 3.00 percent.
- The discount rate was changed from 3.10 percent to 2.40 percent.
- The healthcare trend rates, mortality tables, and salary increases were updated.

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

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB discount rate	1.40%	2.40%	3.40%
Net OPEB liability	$ 29,660,878	$ 25,808,173	$ 22,512,238

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
OPEB healthcare trend rate	5.50% decreasing to 4.00% over 6 years	6.50% decreasing to 5.00% over 6 years	7.50% decreasing to 6.00% over 6 years
OPEB dental trend rate	2.00%	3.00%	4.00%
OPEB vision trend rate	4.00%	5.00%	6.00%
OPEB Medicare supplement trend rate	3.00%	4.00%	5.00%
Net OPEB liability	$ 21,435,605	$ 25,808,173	$ 31,171,857

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

For the current year ended, the District recognized OPEB expense of $2,122,516. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 2,964,376
Changes in actuarial assumptions	1,007,249	431,655
Difference between projected and actual investment earnings	152,387	-
	$ 1,159,636	$ 3,396,031

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

Year Ending June 30,	OPEB Expense Amount
2021	$ (285,905)
2022	$ (327,007)
2023	$ (327,833)
2024	$ (344,796)
2025	$ (359,482)
Thereafter	$ (591,372)

NOTE 8 – PENSION BENEFITS PLAN – DISTRICT

A. Plan Description

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

The District maintains various early retirement incentive payment plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. No employee can receive severance or retirement benefits in excess of one year's salary.

B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the District. There are no invested plan assets accumulated for payment of future benefits.

C. Membership

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

Retirees and beneficiaries receiving benefits	2
Active plan members	65
Total members	67

D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of July 1, 2019, and a measurement date as of June 30, 2020, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.40%
20-year municipal bond yield	2.40%
Inflation rate	2.50%
Salary increases	Service graded table

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale. The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

E. Discount Rate

The discount rate used to measure the total pension liability was 2.40 percent. The District discount rate used in the prior measurement date was 3.10 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

NOTE 8 – PENSION BENEFITS PLAN – DISTRICT (CONTINUED)

F. Changes in the Total Pension Liability

	Total Pension Liability
Beginning balance – July 1, 2019	$ 658,500
Changes for the year	
Service cost	23,798
Interest	20,912
Assumption changes	9,739
Differences between expected and actual economic experience	(333,649)
Benefit payments – employer-financed	(15,583)
Total net changes	(294,783)
Ending balance – June 30, 2020	$ 363,717

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.10 percent to 2.40 percent.
- The mortality tables and salary increases were updated.

G. Total Pension Liability Sensitivity to Discount Rate Changes

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Pension discount rate	1.40%	2.40%	3.40%
Total pension liability	$ 371,448	$ 363,717	$ 355,897

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

For the current year ended, the District recognized a negative pension expense of $3,097. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 12,050	$ 278,040
Changes in actuarial assumptions	8,823	166
	$ 20,873	$ 278,206

NOTE 8 – PENSION BENEFITS PLAN – DISTRICT (CONTINUED)

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

Year Ending June 30,		Pension Expense Amount
2021	$	(47,807)
2022	$	(47,805)
2023	$	(53,751)
2024	$	(53,985)
2025	$	(53,985)

NOTE 9 – FLEXIBLE BENEFIT PLAN

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

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

Payments of insurance premiums (health, dental, life, and disability) are made by the District directly to the designated service providers. These payments are made on a monthly basis and are accounted for in the General Fund, special revenue funds, and self-insurance fund.

Amounts withheld for medical reimbursement and dependent care are paid by the District to a trust account maintained by an outside administrator on a monthly basis. Payments are made by the outside administrator to participating employees upon submitting a request for reimbursement of eligible expenses incurred by the employee. The medical reimbursement and dependent care activity is included in the financial statements in the General Fund and special revenue funds.

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

NOTE 10 – INTERFUND BALANCES AND TRANSACTIONS

The District transferred $74,403 from the General Fund to the Food Service Special Revenue Fund to help finance various program costs. Such transfers are eliminated in the government-wide financial statements.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Receivables

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

B. Construction Contracts

The District is committed to various contracts awarded for construction and maintenance projects. The District's commitment for uncompleted work on these contracts at June 30, 2020 was $71,310,073.

C. Legal Claims

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

D. Operating Leases

The District leases buildings and equipment under operating leases that expire through June 30, 2024. Total costs for such leases were $321,750 for the year ended June 30, 2020. The future minimum lease payments for these leases are as follows:

Year Ending June 30,		Amount
2021	$	228,800
2022		228,800
2023		228,800
2024		19,067
Total	$	705,467

NOTE 12 – SUBSEQUENT EVENTS

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

Effective July 1, 2020, the District will be self-insured for dental benefits.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 622

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

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.4593%	$ 21,575,613	$ -	$ 21,575,613	$ 24,110,024	89.49%	78.70%
06/30/2016	06/30/2015	0.4116%	$ 21,331,249	$ -	$ 21,331,249	$ 24,164,168	88.28%	78.20%
06/30/2017	06/30/2016	0.3541%	$ 28,751,165	$ 375,475	$ 29,126,640	$ 21,939,530	131.05%	68.90%
06/30/2018	06/30/2017	0.3541%	$ 22,605,512	$ 284,216	$ 22,889,728	$ 22,809,532	99.11%	75.90%
06/30/2019	06/30/2018	0.3500%	$ 19,416,564	$ 636,932	$ 20,053,496	$ 23,496,733	82.64%	79.50%
06/30/2020	06/30/2019	0.3470%	$ 19,184,852	$ 596,307	$ 19,781,159	$ 24,554,191	78.13%	80.20%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 1,784,137	$ 1,784,137	$ -	$ 24,164,168	7.38%
06/30/2016	$ 1,645,472	$ 1,645,472	$ -	$ 21,939,530	7.50%
06/30/2017	$ 1,710,720	$ 1,710,720	$ -	$ 22,809,532	7.50%
06/30/2018	$ 1,762,249	$ 1,762,249	$ -	$ 23,496,733	7.50%
06/30/2019	$ 1,841,562	$ 1,841,562	$ -	$ 24,554,191	7.50%
06/30/2020	$ 1,927,545	$ 1,927,545	$ -	$ 25,700,593	7.50%

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

INDEPENDENT SCHOOL DISTRICT NO. 622

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

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	1.2242%	$ 56,410,255	$ 3,968,323	$ 60,378,578	$ 55,880,148	100.95%	81.50%
06/30/2016	06/30/2015	1.1144%	$ 68,936,661	$ 8,455,794	$ 77,392,455	$ 56,560,535	121.88%	76.80%
06/30/2017	06/30/2016	1.0688%	$254,934,302	$ 25,589,195	$280,523,497	$ 55,599,679	458.52%	44.88%
06/30/2018	06/30/2017	1.0712%	$213,830,952	$ 20,669,481	$234,500,433	$ 57,658,824	370.86%	51.57%
06/30/2019	06/30/2018	1.0682%	$ 67,092,958	$ 6,303,801	$ 73,396,759	$ 59,013,621	113.69%	78.07%
06/30/2020	06/30/2019	1.0786%	$ 68,750,191	$ 6,084,429	$ 74,834,620	$ 61,234,275	112.27%	78.21%

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

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 4,241,912	$ 4,241,912	$ -	$ 56,560,535	7.50%
06/30/2016	$ 4,169,871	$ 4,169,871	$ -	$ 55,599,679	7.50%
06/30/2017	$ 4,324,135	$ 4,324,135	$ -	$ 57,658,824	7.50%
06/30/2018	$ 4,426,203	$ 4,426,203	$ -	$ 59,013,621	7.50%
06/30/2019	$ 4,720,962	$ 4,720,962	$ -	$ 61,234,275	7.71%
06/30/2020	$ 5,027,197	$ 5,027,197	$ -	$ 63,346,430	7.94%

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

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	District Fiscal Year-End Date			
	2017	2018	2019	2020
Total pension liability				
Service cost	$ 30,840	$ 22,811	$ 24,596	$ 23,798
Interest	20,359	20,199	21,834	20,912
Assumption changes	–	(418)	1,182	9,739
Differences between expected and actual experience	–	30,125	–	(333,649)
Benefit payments	(56,254)	(39,359)	(13,266)	(15,583)
Net change in total pension liability	(5,055)	33,358	34,346	(294,783)
Total pension liability – beginning of year	595,851	590,796	624,154	658,500
Total pension liability – end of year	$ 590,796	$ 624,154	$ 658,500	$ 363,717
Covered-employee payroll	$ 4,245,066	$ 3,252,385	$ 3,349,956	$ 2,812,756
Total pension liability as a percentage of covered-employee payroll	13.92%	19.19%	19.66%	12.93%

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

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

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	District Fiscal Year-End Date			
	2017	2018	2019	2020
Total OPEB liability				
Service cost	$ 1,418,232	$ 1,386,666	$ 1,513,621	$ 1,725,232
Interest	1,409,951	1,420,441	1,271,446	1,205,112
Assumption changes	–	(616,650)	924,626	297,277
Plan changes	–	–	–	(135,589)
Differences between expected and actual experience	–	(4,078,413)	–	(121,654)
Benefit payments – employer-financed	(2,389,507)	(1,702,027)	(1,665,583)	(1,090,512)
Benefit payments – employee-financed	–	(886,342)	(988,965)	(1,134,151)
Net change in total OPEB liability	438,676	(4,476,325)	1,055,145	745,715
Total OPEB liability – beginning of year	41,235,692	41,674,368	37,198,043	38,253,188
Total OPEB liability – end of year	41,674,368	37,198,043	38,253,188	38,998,903
Plan fiduciary net position				
Contributions – employer	898,918	1,702,027	1,665,583	1,090,512
Contributions – employee	–	886,342	988,965	1,134,151
Investment earnings	149,619	320,268	328,488	386,335
Differences between expected and actual experience	–	(4,115)	(84,807)	(73,445)
Benefit payments – employer-financed	(2,389,507)	(1,702,027)	(1,665,583)	(1,090,512)
Benefit payments – employee-financed	–	(886,342)	(988,965)	(1,134,151)
Net change in plan fiduciary net position	(1,340,970)	316,153	243,681	312,890
Plan fiduciary net position – beginning of year	13,658,976	12,318,006	12,634,159	12,877,840
Plan fiduciary net position – end of year	12,318,006	12,634,159	12,877,840	13,190,730
Net OPEB liability	$29,356,362	$24,563,884	$25,375,348	$25,808,173
Plan fiduciary net position as a percentage of the total OPEB liability	29.56%	33.96%	33.66%	33.82%
Covered-employee payroll	$76,079,920	$72,697,272	$74,878,190	$80,898,370
Net OPEB liability as a percentage of covered-employee payroll	38.59%	33.79%	33.89%	31.90%

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

INDEPENDENT SCHOOL DISTRICT NO. 622

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

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	1.1%
2018	2.6%
2019	1.9%
2020	2.4%

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

INDEPENDENT SCHOOL DISTRICT NO. 622

Notes to Required Supplementary Information
June 30, 2020

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2019 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA)

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

INDEPENDENT SCHOOL DISTRICT NO. 622

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

PENSION BENEFITS PLAN

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.10 percent to 2.40 percent.
- The mortality tables and salary increases were updated.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.40 percent to 3.10 percent.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality table was updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.40 percent.
- Retirement rates now begin at age 55 even if eligibility requirements have not been met.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2020 CHANGES IN PLAN PROVISIONS

- Only custodians hired before July 1, 2018 and not electing to participate in the Matching Retirement Plan are eligible to receive district paid medical and dental benefits.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The expected long-term investment rate was changed from 2.60 percent to 3.00 percent.
- The discount rate was changed from 3.10 percent to 2.40 percent.
- The healthcare trend rates, mortality tables, and salary increase rates were updated.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.40 percent to 3.10 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

2018 CHANGES IN PLAN PROVISIONS

- Principals hired after July 1, 2018 need 10 years of service to be eligible for the subsidized retirement benefit.
- Custodians hired after July 1, 2018 are no longer eligible for subsidized medical and dental benefits. Custodians hired before July 1, 2018 may choose to have the current subsidized medical and dental benefits or make a one-time election to switch to a matching retirement plan.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The healthcare trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality table was updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.50 percent to 3.40 percent.

SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	$ 1,432,584	$ 3,591,773	$ 5,024,357
Receivables			
Current taxes	-	742,750	742,750
Delinquent taxes	-	15,777	15,777
Accounts and interest	-	78,684	78,684
Due from other governmental units	641,518	991,757	1,633,275
Inventory	480,376	-	480,376
Prepaid items	-	553	553
Total assets	$ 2,554,478	$ 5,421,294	$ 7,975,772
Liabilities			
Salaries payable	$ 30,581	$ 72,793	$ 103,374
Accounts and contracts payable	205,499	107,313	312,812
Due to other governmental units	2,111	973,130	975,241
Unearned revenue	149,785	215,854	365,639
Total liabilities	387,976	1,369,090	1,757,066
Deferred inflows of resources			
Unavailable revenue – delinquent taxes	-	13,104	13,104
Property taxes levied for subsequent year	-	1,312,042	1,312,042
Total deferred inflows of resources	-	1,325,146	1,325,146
Fund balances			
Nonspendable for inventory	480,376	-	480,376
Nonspendable for prepaid items	-	553	553
Restricted	1,686,126	2,726,505	4,412,631
Total fund balances	2,166,502	2,727,058	4,893,560
Total liabilities, deferred inflows of resources, and fund balances	$ 2,554,478	$ 5,421,294	$ 7,975,772

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	$ -	$ 1,170,713	$ 1,170,713
Investment earnings	23,850	79,691	103,541
Other	1,433,227	2,417,595	3,850,822
State sources	381,692	5,758,476	6,140,168
Federal sources	5,140,363	336,060	5,476,423
Total revenue	6,979,132	9,762,535	16,741,667
Expenditures			
Current			
Food service	6,477,956	-	6,477,956
Community service	-	10,278,737	10,278,737
Capital outlay	117,882	83,080	200,962
Total expenditures	6,595,838	10,361,817	16,957,655
Excess (deficiency) of revenue over expenditures	383,294	(599,282)	(215,988)
Other financing sources			
Transfers in	74,403	-	74,403
Net change in fund balances	457,697	(599,282)	(141,585)
Fund balances			
Beginning of year, as previously reported	1,683,321	3,294,150	4,977,471
Change in accounting principle	25,484	32,190	57,674
Beginning of year, as restated	1,708,805	3,326,340	5,035,145
End of year	$ 2,166,502	$ 2,727,058	$ 4,893,560

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020	2019
Assets		
Cash and temporary investments	$ 35,827,063	$ 29,003,142
Receivables		
Current taxes	16,864,025	17,563,165
Delinquent taxes	389,897	338,709
Accounts and interest	275,055	89,055
Due from other governmental units	13,999,622	15,949,498
Inventory	20,647	23,396
Prepaid items	181,651	144,719
Total assets	$ 67,557,960	$ 63,111,684
Liabilities		
Salaries payable	$ 504,833	$ 523,144
Accounts and contracts payable	952,057	901,579
Due to other governmental units	1,278,224	1,057,704
Total liabilities	2,735,114	2,482,427
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	323,143	293,138
Property taxes levied for subsequent year	26,087,270	28,055,281
Total deferred inflows of resources	26,410,413	28,348,419
Fund balances		
Nonspendable for inventory	20,647	23,396
Nonspendable for prepaid items	181,651	144,719
Restricted for student activities	151,033	–
Restricted for staff development	458,031	288,472
Restricted for operating capital	9,812,524	9,101,239
Restricted for basic skills	80,538	80,538
Restricted for achievement and integration	568,895	170,994
Restricted for safe schools	1,756,702	1,568,357
Restricted for Medical Assistance	1,390,542	1,463,706
Assigned for subsequent year's budget	1,627,333	–
Unassigned – long-term facilities maintenance restricted account deficit	(37,183)	–
Unassigned	22,401,720	19,439,417
Total fund balances	38,412,433	32,280,838
Total liabilities, deferred inflows of resources, and fund balances	$ 67,557,960	$ 63,111,684

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020			2019
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 31,120,899	$ 31,638,741	$ 517,842	$ 31,745,839
Investment earnings	650,000	649,465	(535)	649,419
Other	2,990,405	4,086,695	1,096,290	2,488,928
State sources	116,081,104	117,877,943	1,796,839	114,812,153
Federal sources	4,643,000	4,567,381	(75,619)	4,701,530
Total revenue	155,485,408	158,820,225	3,334,817	154,397,869
Expenditures				
Current				
Administration				
Salaries	4,428,472	4,556,587	128,115	4,317,172
Employee benefits	1,574,353	1,613,884	39,531	1,510,438
Purchased services	102,693	103,197	504	91,538
Supplies and materials	17,745	23,175	5,430	30,459
Capital expenditures	17,900	26,429	8,529	97,469
Other expenditures	91,200	75,204	(15,996)	76,710
Total administration	6,232,363	6,398,476	166,113	6,123,786
District support services				
Salaries	3,123,514	3,077,996	(45,518)	2,750,081
Employee benefits	1,153,940	1,251,925	97,985	1,135,932
Purchased services	1,159,427	771,678	(387,749)	986,179
Supplies and materials	657,548	1,459,620	802,072	809,004
Capital expenditures	796,848	8,348	(788,500)	1,330,816
Other expenditures	55,800	22,715	(33,085)	21,669
Total district support services	6,947,077	6,592,282	(354,795)	7,033,681
Elementary and secondary regular instruction				
Salaries	40,929,220	40,186,445	(742,775)	39,233,295
Employee benefits	16,095,469	16,369,196	273,727	15,636,383
Purchased services	5,881,449	5,347,686	(533,763)	4,961,587
Supplies and materials	2,312,719	1,646,993	(665,726)	1,478,473
Capital expenditures	240,313	239,231	(1,082)	212,800
Other expenditures	336,450	339,693	3,243	333,077
Total elementary and secondary regular instruction	65,795,620	64,129,244	(1,666,376)	61,855,615

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020 Budget	2020 Actual	2020 Over (Under) Budget	2019 Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	1,507,882	1,777,793	269,911	1,574,740
Employee benefits	662,718	719,167	56,449	649,909
Purchased services	453,809	514,453	60,644	438,991
Supplies and materials	56,695	43,592	(13,103)	57,419
Capital expenditures	2,000	10,522	8,522	-
Other expenditures	140,794	133,534	(7,260)	135,514
Total vocational education instruction	2,823,898	3,199,061	375,163	2,856,573
Special education instruction				
Salaries	19,620,085	19,289,458	(330,627)	18,352,353
Employee benefits	7,362,644	7,491,035	128,391	7,168,817
Purchased services	2,917,538	4,443,625	1,526,087	4,568,853
Supplies and materials	478,204	320,921	(157,283)	418,764
Capital expenditures	50,126	472,473	422,347	38,631
Other expenditures	265,400	279,179	13,779	285,598
Total special education instruction	30,693,997	32,296,691	1,602,694	30,833,016
Instructional support services				
Salaries	5,649,696	5,121,339	(528,357)	5,010,899
Employee benefits	1,434,031	1,334,751	(99,280)	1,316,683
Purchased services	356,096	233,705	(122,391)	354,758
Supplies and materials	203,925	355,378	151,453	553,121
Capital expenditures	14,000	-	(14,000)	-
Other expenditures	82,663	80,115	(2,548)	78,191
Total instructional support services	7,740,411	7,125,288	(615,123)	7,313,652
Pupil support services				
Salaries	6,015,692	5,912,628	(103,064)	5,623,050
Employee benefits	2,032,961	2,089,449	56,488	1,965,298
Purchased services	4,529,638	3,860,976	(668,662)	3,567,304
Supplies and materials	783,200	828,279	45,079	851,570
Capital expenditures	720,700	1,157,080	436,380	1,031,080
Other expenditures	15,500	26,083	10,583	23,784
Total pupil support services	14,097,691	13,874,495	(223,196)	13,062,086

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020 Budget	2020 Actual	2020 Over (Under) Budget	2019 Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	4,451,512	4,233,962	(217,550)	4,075,638
Employee benefits	2,027,234	2,024,127	(3,107)	2,058,850
Purchased services	4,920,624	3,902,844	(1,017,780)	4,565,298
Supplies and materials	521,600	656,872	135,272	637,086
Capital expenditures	5,294,310	6,841,142	1,546,832	5,536,691
Other expenditures	395,010	395,448	438	468,424
Total sites and buildings	17,610,290	18,054,395	444,105	17,341,987
Fiscal and other fixed cost programs				
Purchased services	550,000	608,340	58,340	579,213
Other expenditures	17,500	18,750	1,250	-
Total sites and buildings	567,500	627,090	59,590	579,213
Debt service				
Principal	1,140,818	1,142,002	1,184	1,316,478
Interest and fiscal charges	528,242	526,720	(1,522)	112,783
Total debt service	1,669,060	1,668,722	(338)	1,429,261
Total expenditures	154,177,907	153,965,744	(212,163)	148,428,870
Excess of revenue over expenditures	1,307,501	4,854,481	3,546,980	5,968,999
Other financing sources (uses)				
Capital lease issued	-	-	-	853,607
Sale of assets	-	16,288	16,288	17,962
Transfers (out)	-	(74,403)	(74,403)	-
Total other financing sources (uses)	-	(58,115)	(58,115)	871,569
Net change in fund balances	$ 1,307,501	4,796,366	$ 3,488,865	6,840,568
Fund balances				
Beginning of year, as previously reported		32,280,838		25,440,270
Change in accounting principle		1,335,229		-
Beginning of year, as restated		33,616,067		25,440,270
End of year		$ 38,412,433		$ 32,280,838

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020	2019
Assets		
Cash and temporary investments	$ 1,432,584	$ 1,511,239
Receivables		
Due from other governmental units	641,518	–
Inventory	480,376	413,183
Prepaid items	–	4,820
Total assets	$ 2,554,478	$ 1,929,242
Liabilities		
Salaries payable	$ 30,581	$ 33,104
Accounts and contracts payable	205,499	82,859
Due to other governmental units	2,111	1,049
Unearned revenue	149,785	128,909
Total liabilities	387,976	245,921
Fund balances		
Nonspendable for inventory	480,376	413,183
Nonspendable for prepaid items	–	4,820
Restricted for food service	1,686,126	1,265,318
Total fund balances	2,166,502	1,683,321
Total liabilities and fund balances	$ 2,554,478	$ 1,929,242

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020			2019
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	$ 5,000	$ 23,850	$ 18,850	$ 28,645
Other – primarily meal sales	1,404,000	1,433,227	29,227	1,992,335
State sources	251,000	381,692	130,692	349,009
Federal sources	5,105,500	5,140,363	34,863	4,606,022
Total revenue	6,765,500	6,979,132	213,632	6,976,011
Expenditures				
Current				
Salaries	1,942,450	1,977,726	35,276	1,901,160
Employee benefits	802,782	807,847	5,065	749,233
Purchased services	242,500	165,754	(76,746)	270,081
Supplies and materials	4,098,500	3,521,611	(576,889)	3,660,738
Other expenditures	25,000	5,018	(19,982)	9,301
Capital outlay	150,000	117,882	(32,118)	178,578
Total expenditures	7,261,232	6,595,838	(665,394)	6,769,091
Excess (deficiency) of revenue over expenditures	(495,732)	383,294	879,026	206,920
Other financing sources				
Transfers in	–	74,403	74,403	–
Net change in fund balances	$ (495,732)	457,697	$ 953,429	206,920
Fund balances				
Beginning of year, as previously reported		1,683,321		1,476,401
Change in accounting principle		25,484		–
Beginning of year, as restated		1,708,805		1,476,401
End of year		$ 2,166,502		$ 1,683,321

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020	2019
Assets		
Cash and temporary investments	$ 3,591,773	$ 4,236,501
Receivables		
Current taxes	742,750	662,415
Delinquent taxes	15,777	16,284
Accounts and interest	78,684	90,771
Due from other governmental units	991,757	986,681
Prepaid items	553	1,076
Total assets	$ 5,421,294	$ 5,993,728
Liabilities		
Salaries payable	$ 72,793	$ 107,057
Accounts and contracts payable	107,313	74,255
Due to other governmental units	973,130	1,003,124
Unearned revenue	215,854	324,365
Total liabilities	1,369,090	1,508,801
Deferred inflows of resources		
Unavailable revenue – delinquent taxes	13,104	14,292
Property taxes levied for subsequent year	1,312,042	1,176,485
Total deferred inflows of resources	1,325,146	1,190,777
Fund balances		
Nonspendable for prepaid items	553	1,076
Restricted for community education programs	1,809,016	1,888,819
Restricted for early childhood family education programs	392,480	594,359
Restricted for school readiness	326,907	472,979
Restricted for adult basic education	195,113	336,054
Restricted for community service	2,989	863
Total fund balances	2,727,058	3,294,150
Total liabilities, deferred inflows of resources, and fund balances	$ 5,421,294	$ 5,993,728

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020			2019
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 1,184,064	$ 1,170,713	$ (13,351)	$ 1,224,840
Investment earnings	50,000	79,691	29,691	107,428
Other – primarily tuition and fees	2,280,777	2,417,595	136,818	3,067,090
State sources	5,576,747	5,758,476	181,729	5,475,147
Federal sources	430,635	336,060	(94,575)	291,546
Total revenue	9,522,223	9,762,535	240,312	10,166,051
Expenditures				
Current				
Salaries	4,380,575	4,389,520	8,945	4,425,651
Employee benefits	1,574,197	1,520,699	(53,498)	1,441,544
Purchased services	3,880,726	3,867,372	(13,354)	3,813,429
Supplies and materials	364,173	435,897	71,724	564,494
Other expenditures	75,717	65,249	(10,468)	85,130
Capital outlay	74,050	83,080	9,030	116,894
Total expenditures	10,349,438	10,361,817	12,379	10,447,142
Net change in fund balances	$ (827,215)	(599,282)	$ 227,933	(281,091)
Fund balances				
Beginning of year, as previously reported		3,294,150		3,575,241
Change in accounting principle		32,190		–
Beginning of year, as restated		3,326,340		3,575,241
End of year		$ 2,727,058		$ 3,294,150

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020	2019
Assets		
Cash and temporary investments	$262,433,571	$ 45,407,517
Cash and investments held by trustee	–	7,329,499
Receivables		
Accounts and interest	1,498,080	632,893
Total assets	$263,931,651	$ 53,369,909
Liabilities		
Salaries payable	$ 853	$ –
Accounts and contracts payable	6,517,592	13,180,684
Total liabilities	6,518,445	13,180,684
Fund balances		
Restricted for projects funded by certificates of participation	–	3,917,981
Restricted for long-term facilities maintenance	76,832,054	32,612,005
Restricted for capital projects	180,581,152	3,659,239
Total fund balances	257,413,206	40,189,225
Total liabilities and fund balances	$263,931,651	$ 53,369,909

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020			2019
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ –	$ –	$ –	$ 2,016,746
Investment earnings	2,500,000	3,038,320	538,320	1,166,408
Total revenue	2,500,000	3,038,320	538,320	3,183,154
Expenditures				
Capital outlay				
Salaries	–	205,019	205,019	946
Employee benefits	–	58,113	58,113	152
Purchased services	8,465,000	12,514,305	4,049,305	4,218,347
Supplies and materials	–	3,065	3,065	–
Capital expenditures	33,600,000	33,801,139	201,139	18,302,077
Debt service				
Interest and fiscal charges	2,872,341	2,872,341	–	623,010
Total expenditures	44,937,341	49,453,982	4,516,641	23,144,532
Excess (deficiency) of revenue over expenditures	(42,437,341)	(46,415,662)	(3,978,321)	(19,961,378)
Other financing sources				
Debt issued	255,906,500	255,906,500	–	50,925,000
Certificates of participation issued	–	–	–	9,405,000
Premium on debt issued	7,733,143	7,733,143	–	583,217
Total other financing sources	263,639,643	263,639,643	–	60,913,217
Net change in fund balances	$ 221,202,302	217,223,981	$ (3,978,321)	40,951,839
Fund balances (deficit)				
Beginning of year		40,189,225		(762,614)
End of year		$ 257,413,206		$ 40,189,225

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INDEPENDENT SCHOOL DISTRICT NO. 622

Debt Service Fund
Balance Sheet by Account
as of June 30, 2020
(With Comparative Totals as of June 30, 2019)

	Regular Debt Service Account	OPEB Debt Service Account	Totals 2020	Totals 2019
Assets				
Cash and temporary investments	$ 13,062,107	$ 1,443,692	$ 14,505,799	$ 10,021,563
Receivables				
Current taxes	12,367,949	1,090,337	13,458,286	8,966,270
Delinquent taxes	137,425	30,696	168,121	168,181
Due from other governmental units	75,286	3	75,289	82,693
Total assets	$ 25,642,767	$ 2,564,728	$ 28,207,495	$ 19,238,707
Liabilities				
Accounts and contracts payable	$ 546	$ –	$ 546	$ –
Deferred inflows of resources				
Unavailable revenue – delinquent taxes	107,986	25,680	133,666	148,575
Property taxes levied for subsequent year	21,847,542	1,926,042	23,773,584	15,924,585
Total deferred inflows of resources	21,955,528	1,951,722	23,907,250	16,073,160
Fund balances				
Restricted for debt service	3,686,693	613,006	4,299,699	3,165,547
Total liabilities, deferred inflows of resources, and fund balances	$ 25,642,767	$ 2,564,728	$ 28,207,495	$ 19,238,707

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	2020					2019
		Actual				
	Budget	Regular Debt Service Account	OPEB Debt Service Account	Total	Over (Under) Budget	Actual
Revenue						
Local sources						
Property taxes	$ 15,924,584	$ 13,589,014	$ 2,261,107	$ 15,850,121	$ (74,463)	$ 12,743,296
Investment earnings	17,000	165,371	23,189	188,560	171,560	248,577
State sources (charges)	727,088	766,107	(46)	766,061	38,973	839,488
Federal sources	73,876	73,994	–	73,994	118	80,264
Total revenue	16,742,548	14,594,486	2,284,250	16,878,736	136,188	13,911,625
Expenditures						
Debt service						
Principal	10,875,000	9,190,000	1,685,000	10,875,000	–	10,180,000
Interest	5,291,914	4,733,319	558,595	5,291,914	–	3,569,638
Fiscal charges and other	114,188	106,685	475	107,160	(7,028)	167,181
Total expenditures	16,281,102	14,030,004	2,244,070	16,274,074	(7,028)	13,916,819
Excess (deficiency) of revenue over expenditures	461,446	564,482	40,180	604,662	143,216	(5,194)
Other financing sources (uses)						
Debt issued	468,500	468,500	–	468,500	–	–
Refunding debt issued	7,040,000	7,040,000	–	7,040,000	–	17,515,000
Premium on debt issued	1,170,990	1,170,990	–	1,170,990	–	372,129
Payment on refunded debt	(8,150,000)	(8,150,000)	–	(8,150,000)	–	(17,805,000)
Total other financing sources (uses)	529,490	529,490	–	529,490	–	82,129
Net change in fund balances	$ 990,936	1,093,972	40,180	1,134,152	$ 143,216	76,935
Fund balances						
Beginning of year		2,592,721	572,826	3,165,547		3,088,612
End of year		$ 3,686,693	$ 613,006	$ 4,299,699		$ 3,165,547

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Section III

STATISTICAL

School District 622

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STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 622's (the District) Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Indicators

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

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

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	$ (13,752,261)	$ (10,393,853)	$ (3,627,039)	$ 2,818,638	$ 10,969,313	$ 18,616,494	$ 30,883,474	$ 42,479,174	$ 54,284,456	$ 60,029,619
Restricted	2,976,334	2,896,897	2,169,170	2,153,681	3,437,107	9,894,250	11,882,766	17,937,368	18,041,164	19,124,929
Unrestricted	14,336,990	17,743,374	7,875,488	(1,847,732)	(91,684,692)	(85,069,651)	(157,811,420)	(181,077,725)	(142,463,824)	(144,238,797)
Total governmental activities net position	$ 3,561,063	$ 10,246,418	$ 6,417,619	$ 3,124,587	$ (77,278,272)	$ (56,558,907)	$ (115,045,180)	$ (120,661,183)	$ (70,138,204)	$ (65,084,249)

Note 1: The District implemented GASB Statement No. 68 in fiscal 2015. The District reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position by approximately $88.6 million. Prior years were not restated.

Note 2: The District implemented GASB Statement Nos. 73, 74, and 75 in fiscal 2017. The District reported a change in accounting principle as a result of implementing these standards that decreased net position by approximately $40.7 million. Prior years were not restated.

Note 3: The District implemented GASB Statement No. 84 in fiscal 2020. The District reported a change in accounting principle as a result of implementing this standard that increased net position by approximately $1.4 million. Prior years were not restated.

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Expenses										
Administration	$ 5,390,352	$ 5,309,820	$ 5,696,613	$ 5,870,601	$ 6,245,577	$ 5,771,511	$ 7,466,083	$ 7,433,391	$ 4,423,233	$ 6,668,941
District support services	3,290,211	2,965,928	3,746,860	5,323,307	5,774,518	5,488,991	5,966,624	5,236,940	6,907,285	6,658,582
Elementary and secondary regular instruction	56,608,582	57,322,341	60,757,308	61,107,836	60,183,399	59,768,865	79,932,765	78,793,770	42,145,810	67,588,760
Vocational education instruction	1,529,476	1,907,747	2,720,883	2,363,819	2,515,435	2,516,188	3,397,939	3,610,472	1,993,449	3,332,719
Special education instruction	22,371,541	21,709,308	22,326,972	24,410,545	24,607,274	26,599,484	34,871,665	34,039,463	22,991,502	33,575,951
Instructional support services	9,097,765	8,335,422	7,489,802	7,283,020	6,131,212	5,660,427	8,670,260	9,479,409	4,192,984	7,660,257
Pupil support services	10,011,663	10,896,900	11,547,693	11,787,561	11,916,602	10,920,870	13,068,258	13,398,446	11,520,302	13,469,001
Sites and buildings	8,305,688	8,851,610	9,870,233	11,215,056	10,812,813	11,170,601	11,726,835	13,438,257	12,677,451	18,191,945
Fiscal and other fixed cost programs	287,433	313,049	383,858	463,639	555,882	470,182	474,151	489,040	579,213	627,090
Food service	5,978,174	5,943,051	5,796,121	6,079,470	6,141,087	6,370,475	6,544,722	6,459,417	6,646,397	6,570,489
Community service	8,309,716	8,191,135	7,960,612	8,004,445	7,985,251	7,805,422	9,551,438	9,925,090	9,504,655	10,489,222
Depreciation not included in other functions	3,390,729	3,368,647	3,704,183	3,880,837	3,910,796	4,163,925	4,390,145	4,442,365	4,703,063	5,170,911
Interest and fiscal charges	7,622,134	7,461,262	6,965,589	6,632,460	5,758,210	5,036,685	5,376,641	2,518,357	5,314,873	11,936,234
Total governmental activities expenses	142,193,464	142,576,220	148,966,727	154,422,596	152,538,056	151,743,626	191,437,526	189,264,417	133,600,217	191,940,102
Program revenues										
Charges for services										
Administration	16,716	33,680	20,702	-	-	-	-	-	-	-
District support services	-	-	-	755	650	584	252	-	-	-
Elementary and secondary regular instruction	719,163	681,808	700,148	622,423	628,944	607,666	512,913	476,094	452,147	896,954
Special education instruction	51,508	-	113,680	120,144	497,901	472,197	1,415,409	828,527	636,686	569,089
Instructional support services	15	-	1,775	-	-	-	-	-	-	-
Pupil support services	-	-	-	14,810	6,058	21,400	66,827	372	14,675	-
Sites and buildings	28,391	42,587	28,391	28,391	91,272	32,432	28,391	28,391	28,391	15,000
Food service	2,728,733	2,695,103	2,584,370	2,400,712	2,289,582	2,092,912	1,997,179	1,989,753	1,992,335	1,433,227
Community service	2,865,304	2,956,822	2,449,255	2,587,985	2,517,772	2,589,207	3,020,126	2,984,453	3,067,090	2,417,595
Operating grants and contributions	22,364,002	23,812,733	22,034,721	25,576,890	26,964,610	31,942,343	29,999,231	31,322,826	34,362,400	37,129,318
Capital grants and contributions	717,093	776,859	952,882	-	-	-	-	-	-	-
Total governmental activities program revenues	29,490,925	30,999,592	28,885,924	31,352,110	32,996,789	37,758,741	37,040,328	37,630,416	40,553,724	42,461,183
Net (expense) revenue	(112,702,539)	(111,576,628)	(120,080,803)	(123,070,486)	(119,541,267)	(113,984,885)	(154,397,198)	(151,634,001)	(93,046,493)	(149,478,919)
General revenues and other changes in net position										
Taxes										
Property taxes, levied for general purposes	26,085,727	18,702,539	18,502,147	12,076,889	19,282,605	19,224,086	25,272,032	32,998,727	31,837,809	31,668,746
Property taxes, levied for community service	2,109,875	1,477,016	1,535,454	801,183	1,724,194	1,752,007	1,749,722	1,465,393	1,224,887	1,169,525
Property taxes, levied for capital projects	-	-	-	595,000	3,274,500	5,067,600	-	-	2,016,746	-
Property taxes, levied for debt service	14,270,241	15,144,895	14,786,406	14,708,372	14,744,302	15,225,727	13,677,118	13,188,145	12,758,290	15,835,212
General grants and aids	72,155,166	81,936,669	80,141,530	89,699,343	87,618,485	88,736,879	94,256,869	94,724,709	92,067,945	97,804,719
Other general revenues	1,094,118	969,237	1,199,488	1,804,768	1,078,630	1,446,262	1,512,578	3,069,617	1,360,208	2,600,958
Investment earnings	255,087	31,627	86,979	91,899	64,637	65,189	178,049	571,407	2,303,587	4,060,811
Special item – joint school proceeds	-	-	-	-	-	3,186,500	-	-	-	-
Total general revenues and other changes in net position	115,970,214	118,261,983	116,252,004	119,777,454	127,787,353	134,704,250	136,646,368	146,017,998	143,569,472	153,139,971
Change in net position	$ 3,267,675	$ 6,685,355	$ (3,828,799)	$ (3,293,032)	$ 8,246,086	$ 20,719,365	$ (17,750,830)	$ (5,616,003)	$ 50,522,979	$ 3,661,052

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INDEPENDENT SCHOOL DISTRICT NO. 622

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

Fiscal Year	Property Tax General Purposes	Property Tax Community Service	Property Tax Capital Projects – Building Construction	Property Tax Debt Service	Total
2011	$ 26,085,727	$ 2,109,875	$ –	$ 14,270,241	$ 42,465,843
2012	18,702,539	1,477,016	–	15,144,895	35,324,450
2013	18,502,147	1,535,454	–	14,786,406	34,824,007
2014	12,076,889	801,183	595,000	14,708,372	28,181,444
2015	19,282,605	1,724,194	3,274,500	14,744,302	39,025,601
2016	19,224,086	1,752,007	5,067,600	15,225,727	41,269,420
2017	25,272,032	1,749,722	–	13,677,118	40,698,872
2018	32,998,727	1,465,393	–	13,188,145	47,652,265
2019	31,837,809	1,224,887	2,016,746	12,758,290	47,837,732
2020	31,668,746	1,169,525	–	15,835,212	48,673,483

Note: The change in "tax shift," as approved in legislation, impacted the amount of tax revenue recognized in fiscal years 2011 and 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount.

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	$ 140,074	$ 353,634	$ 300,392	$ 219,027	$ 123,613	$ 110,472	$ 135,441	$ 67,208	$ 168,115	$ 202,298
Restricted	2,606,956	1,042,296	662,931	682,388	686,109	4,965,791	7,083,939	11,167,322	12,673,306	14,218,265
Committed	850,000	719,451	-	-	-	-	-	-	-	-
Assigned	4,717,358	6,945,944	906,131	2,416,709	-	688,388	-	-	-	1,627,333
Unassigned	14,929,483	16,356,881	13,624,343	3,859,715	3,165,529	7,219,267	8,333,657	14,205,740	19,439,417	22,364,537
Total General Fund	$ 23,243,871	$ 25,418,206	$ 15,493,797	$ 7,177,839	$ 3,975,251	$ 12,983,918	$ 15,553,037	$ 25,440,270	$ 32,280,838	$ 38,412,433
All other governmental funds										
Nonspendable	$ 312,933	$ 322,420	$ 410,243	$ 384,206	$ 348,973	$ 387,054	$ 359,746	$ 378,461	$ 419,079	$ 480,929
Restricted	15,403,978	15,970,193	23,966,355	13,089,039	4,352,026	6,305,882	7,039,779	7,761,793	47,913,164	266,125,536
Unassigned	-	-	-	(953,601)	(1,050,458)	(111,117)	-	(762,614)	-	-
Total all other governmental funds	$ 15,716,911	$ 16,292,613	$ 24,376,598	$ 12,519,644	$ 3,650,541	$ 6,581,819	$ 7,399,525	$ 7,377,640	$ 48,332,243	$ 266,606,465
Total all governmental funds	$ 38,960,782	$ 41,710,819	$ 39,870,395	$ 19,697,483	$ 7,625,792	$ 19,565,737	$ 22,952,562	$ 32,817,910	$ 80,613,081	$ 305,018,898

INDEPENDENT SCHOOL DISTRICT NO. 622

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

	Fiscal Year 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Local sources										
Property taxes	$ 42,800,096	$ 35,282,395	$ 34,707,494	$ 28,200,652	$ 39,301,527	$ 41,241,560	$ 40,817,821	$ 47,647,300	$ 47,730,721	$ 48,659,575
Investment earnings	255,087	31,627	86,979	91,899	64,637	60,511	160,556	498,788	2,200,477	3,979,886
Other	7,503,948	7,379,237	7,097,809	7,579,988	7,110,809	7,262,660	8,412,015	9,385,723	7,548,353	7,937,517
State sources	85,657,465	96,565,761	94,808,633	106,725,356	105,986,111	111,966,489	111,781,088	116,623,750	121,475,797	124,784,172
Federal sources	9,578,796	9,960,500	8,320,500	8,550,877	8,423,874	8,712,733	9,230,012	9,458,712	9,679,362	10,117,798
Total revenues	145,795,392	149,219,520	145,021,415	151,148,772	160,886,958	169,243,953	170,401,492	183,614,273	188,634,710	195,478,948
Expenditures										
Current										
Administration	5,305,595	5,155,823	5,611,039	5,641,309	6,204,965	5,654,357	5,783,733	6,021,308	6,123,786	6,398,476
District support services	4,002,664	2,830,572	3,675,221	5,106,056	5,735,305	5,388,840	7,333,244	5,408,214	7,033,681	6,592,282
Elementary and secondary regular instruction	55,465,285	55,575,039	59,133,667	59,860,270	59,933,326	58,694,319	57,954,053	60,768,822	61,855,615	64,129,244
Vocational education instruction	1,529,476	1,907,747	2,720,883	2,363,819	2,588,707	2,548,516	2,614,558	2,881,870	2,856,573	3,199,061
Special education instruction	22,357,187	21,683,444	22,317,638	24,385,026	25,137,862	27,069,630	26,955,254	27,340,010	30,833,016	32,296,691
Instructional support services	9,072,127	8,343,843	8,796,278	7,559,074	6,292,004	5,912,360	6,316,256	7,094,088	7,313,652	7,125,288
Pupil support services	10,097,762	10,630,685	11,242,143	11,512,561	11,819,255	10,501,822	11,924,489	12,438,955	13,062,086	13,874,495
Sites and buildings	12,173,859	8,339,015	11,375,982	11,928,628	11,578,003	10,510,561	17,993,944	19,502,211	17,341,987	18,054,395
Fiscal and other fixed cost programs	287,433	313,049	383,858	463,639	555,882	470,182	474,151	489,040	579,213	627,090
Food service	5,570,270	5,745,350	5,625,832	5,846,417	6,029,586	6,220,243	6,299,829	6,395,767	6,590,513	6,477,956
Community service	8,208,257	8,139,559	7,950,933	7,984,285	8,030,226	7,826,285	8,626,479	9,153,833	10,330,248	10,278,737
Capital outlay	6,753,005	4,771,801	1,232,397	2,993,148	3,575,719	3,781,807	567,162	1,157,139	22,816,994	46,782,603
Debt service										
Principal	8,465,000	9,315,000	9,525,000	9,890,000	10,075,000	10,555,000	11,210,555	10,695,434	11,496,478	12,017,002
Interest and fiscal charges	7,781,161	7,677,399	7,233,800	7,042,452	6,185,195	5,360,627	5,078,944	4,417,107	4,472,612	8,798,135
Total expenditures	157,069,081	150,428,326	156,824,671	162,576,684	163,741,035	160,494,549	169,132,651	173,763,798	202,706,454	236,651,455
Excess of revenues over (under) expenditures	(11,273,689)	(1,208,806)	(11,803,256)	(11,427,912)	(2,854,077)	8,749,404	1,268,841	9,850,475	(14,071,744)	(41,172,507)
Other financing sources (uses)										
Debt issued (bonds, COP, and leases)	13,970,000	12,630,000	9,505,000	-	-	-	1,650,204	-	61,183,607	256,375,000
Refunding debt issued	-	-	-	-	-	-	40,650,000	-	17,515,000	7,040,000
Premium (discount) on debt issued	240,957	233,843	457,832	-	-	-	5,554,794	-	955,346	8,904,133
Payment on refunded debt	(8,110,000)	(8,905,000)	-	(8,745,000)	(9,240,000)	-	(45,878,674)	-	(17,805,000)	(8,150,000)
Sale of capital assets	-	-	-	-	22,386	4,041	141,660	14,873	17,962	16,288
Transfers in	-	-	-	-	-	-	-	-	-	74,403
Transfers out	-	-	-	-	-	-	-	-	-	(74,403)
Total other financing sources (uses)	6,100,957	3,958,843	9,962,832	(8,745,000)	(9,217,614)	4,041	2,117,984	14,873	61,866,915	264,185,421
Net change in fund balances before special item	(5,172,732)	2,750,037	(1,840,424)	(20,172,912)	(12,071,691)	8,753,445	3,386,825	9,865,348	47,795,171	223,012,914
Special item – joint school proceeds	-	-	-	-	-	3,186,500	-	-	-	-
Net change in fund balances	$ (5,172,732)	$ 2,750,037	$ (1,840,424)	$ (20,172,912)	$ (12,071,691)	$ 11,939,945	$ 3,386,825	$ 9,865,348	$ 47,795,171	$ 223,012,914
Debt service as a percentage of noncapital expenditures	11.2%	11.7%	11.0%	10.7%	10.3%	10.2%	10.2%	9.1%	9.2%	11.0%

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INDEPENDENT SCHOOL DISTRICT NO. 622

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

	Property Tax				
Fiscal Year	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Community Service Special Revenue Fund	Total
2011	$ 26,288,166	$ –	$ 14,392,118	$ 2,119,812	$ 42,800,096
2012	18,697,893	–	15,110,919	1,473,583	35,282,395
2013	18,454,543	–	14,724,362	1,528,589	34,707,494
2014	12,083,629	595,000	14,721,038	800,985	28,200,652
2015	19,420,261	3,274,500	14,870,547	1,736,219	39,301,527
2016	19,209,883	5,067,600	15,212,498	1,751,579	41,241,560
2017	25,352,714	–	13,713,233	1,751,874	40,817,821
2018	32,975,199	–	13,203,868	1,468,233	47,647,300
2019	31,745,839	2,016,746	12,743,296	1,224,840	47,730,721
2020	31,638,741	–	15,850,121	1,170,713	48,659,575

Note: The change in "tax shift," as approved in legislation, impacted the amount of tax revenue recognized in fiscal years 2011 and 2014. Changes in the amount of revenue recognized, due to the tax shift, are offset by an adjustment to state aid payments by an equal amount.

INDEPENDENT SCHOOL DISTRICT NO. 622

Tax Capacities and Market Values
Last Ten Fiscal Years

For Taxes Collectible	Tax Capacity Valuation								
			Fiscal Disparities						
	Agricultural	Nonagricultural	Contribution	Distribution	Tax Increment	Total Taxable	Total Direct Tax Rate	Taxable Market Value	Tax Capacity as a Percentage of Market Value
2011	$ 212,756	$ 90,381,843	$ (14,370,959)	$ 12,667,198	$ (1,172,302)	$ 87,718,536	27.79 %	$ 7,100,019,400	1.24 %
2012	201,037	82,534,347	(13,682,390)	12,035,579	(1,171,893)	79,916,680	28.34	6,828,952,000	1.17
2013	165,549	76,691,891	(13,335,710)	11,567,832	(1,088,314)	74,001,248	32.55	6,299,805,800	1.17
2014	223,970	78,001,023	(12,698,773)	11,458,013	(1,457,211)	75,527,022	37.64	6,424,286,100	1.18
2015	430,038	84,043,471	(12,968,373)	11,680,027	(1,334,853)	81,850,310	35.86	6,970,239,000	1.17
2016	483,265	85,701,033	(12,907,022)	12,212,058	(1,978,412)	83,510,922	35.57	7,129,353,400	1.17
2017	285,764	90,107,004	(13,134,465)	13,170,723	(2,421,303)	88,007,723	33.58	7,463,934,900	1.18
2018	318,512	96,865,289	(13,169,645)	14,066,923	(2,780,741)	95,300,338	30.09	7,972,970,100	1.20
2019	325,055	103,830,911	(14,925,918)	14,686,489	(2,999,419)	100,917,118	29.04	8,533,938,800	1.18
2020	259,256	111,278,472	(15,668,595)	15,587,524	(3,155,727)	108,300,930	32.50	9,166,542,200	1.18

Note: The District has presented taxable market value, which is the best information available to represent estimated actual value of property.

Source: State of Minnesota School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 622

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

Rate	Tax Collection Calendar Year	ISD No. 622	Overlapping Rates: Municipalities (1): City of Lake Elmo	City of Landfall	City of Maplewood	City of North St. Paul	City of Oakdale
Tax capacity rate	2011	27.785%	21.832%	40.389%	39.050%	29.022%	35.868%
Market value rate	2011	0.15070%	-	-	0.02050%	0.06035%	-
Tax capacity rate	2012	28.337%	27.272%	39.046%	44.056%	33.380%	39.252%
Market value rate	2012	0.14834%	-	-	0.02045%	0.06254%	-
Tax capacity rate	2013	32.552%	27.818%	37.704%	48.659%	36.719%	44.065%
Market value rate	2013	0.16666%	-	-	0.02230%	0.05985%	-
Tax capacity rate	2014	37.643%	27.761%	47.797%	48.378%	36.185%	41.201%
Market value rate	2014	0.15062%	-	-	0.01965%	0.07060%	-
Tax capacity rate	2015	35.864%	23.798%	48.731%	46.353%	35.169%	39.131%
Market value rate	2015	0.14365%	-	-	0.00870%	0.06663%	-
Tax capacity rate	2016	35.569%	23.121%	55.903%	48.507%	38.707%	39.492%
Market value rate	2016	0.13668%	-	-	0.00913%	0.05610%	-
Tax capacity rate	2017	33.582%	20.018%	56.649%	47.248%	41.866%	39.721%
Market value rate	2017	0.21590%	-	-	0.00767%	0.05321%	-
Tax capacity rate	2018	30.089%	22.442%	80.742%	45.911%	42.465%	38.544%
Market value rate	2018	0.19486%	-	-	0.00725%	0.05024%	-
Tax capacity rate	2019	29.039%	22.927%	50.012%	44.693%	43.363%	39.227%
Market value rate	2019	0.18694%	-	-	0.00657%	0.04713%	-
Tax capacity rate	2020	32.504%	23.477%	51.212%	44.646%	40.689%	37.616%
Market value rate	2020	0.18509%	-	-	0.00633%	0.04704%	-

Rate	Tax Collection Calendar Year	City of Pine Springs	City of White Bear Lake	City of Woodbury	Counties (2): Ramsey County	Washington County	Miscellaneous Other (3)	Total North St. Paul Resident
Tax capacity rate	2011	6.527%	17.705%	34.921%	54.678%	29.771%	20.056%	131.541%
Market value rate	2011	-	-	0.02572%	-	0.00229%	-	0.211%
Tax capacity rate	2012	7.139%	19.942%	35.921%	56.944%	31.939%	22.605%	141.266%
Market value rate	2012	-	-	0.02566%	-	0.00180%	-	0.211%
Tax capacity rate	2013	7.901%	21.496%	39.440%	65.240%	34.225%	26.464%	160.975%
Market value rate	2013	-	-	0.02700%	-	0.00191%	-	0.227%
Tax capacity rate	2014	7.451%	21.102%	38.076%	59.105%	32.811%	25.512%	158.445%
Market value rate	2014	-	-	0.02594%	-	0.00449%	-	0.221%
Tax capacity rate	2015	6.850%	20.368%	34.657%	54.462%	30.186%	24.083%	149.578%
Market value rate	2015	-	-	0.01308%	-	0.00406%	-	0.210%
Tax capacity rate	2016	7.235%	19.690%	35.287%	54.012%	30.564%	24.527%	152.815%
Market value rate	2016	-	-	0.01216%	-	0.00390%	-	0.193%
Tax capacity rate	2017	9.110%	18.969%	35.122%	51.173%	30.448%	23.442%	150.063%
Market value rate	2017	-	-	0.04119%	-	0.00378%	-	0.269%
Tax capacity rate	2018	8.730%	19.058%	33.670%	49.473%	29.983%	23.720%	145.747%
Market value rate	2018	-	-	0.01116%	-	0.00353%	-	0.245%
Tax capacity rate	2019	9.285%	20.190%	33.177%	48.565%	29.682%	26.019%	146.986%
Market value rate	2019	-	-	0.00664%	-	0.00330%	-	0.234%
Tax capacity rate	2020	9.193%	20.629%	32.489%	48.081%	28.944%	24.027%	145.301%
Market value rate	2020	-	-	0.00615%	-	0.00342%	-	0.232%

(1) Municipalities listed include those with district learning sites.

(2) Counties listed include those with district learning sites.

(3) The miscellaneous other levy includes Metro Watershed, Metropolitan Council, Metropolitan Mosquito Control District, Ramsey-Washington Metro Watershed District, Regional Railroad Authority, Regional Rail 519, South Washington Watershed District, Transit District 509, Washington County HRA 187, Woodbury HRA 316, and Valley Branch Watershed District.

Source: Ramsey County and Washington County

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INDEPENDENT SCHOOL DISTRICT NO. 622

Principal Property Taxpayers
Current Year and Nine Years Ago

	2020			2011		
Taxpayer	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
3M	$ 3,687,201	1	3.40 %	$ 4,333,525	1	4.94 %
Tamarack Village Shopping Center	1,865,716	2	1.72	1,345,972	3	1.53
Xcel Energy	1,841,290	3	1.70	1,263,142	4	1.44
Ramco-Gershenson Properties, LP	1,441,424	4	1.33	–	–	–
Maplewood Mall, LLC	1,412,686	5	1.30	1,582,260	2	1.80
IRPF Woodbury City Place, LLC	1,185,984	6	1.10	–	–	–
RCG-Oakdale MN, LLC	608,638	7	0.56	–	–	–
Birch Run Station Shopping Center	532,902	8	0.49	522,420	8	0.60
Tria Orthopedic Center, LLC	465,002	9	0.43	–	–	–
Larson Family Real Estate	431,440	10	0.40	–	–	–
DBRA Red Woodbury LLC	–	–	–	978,690	5	1.12
Imation Corporation	–	–	–	937,684	6	1.07
State Farm Mutual Insurance	–	–	–	561,762	7	0.64
I&G Oakdale, LLC	–	–	–	505,700	9	0.58
Menards Inc.	–	–	–	482,998	10	0.55
Total	$ 13,472,283		12.44 %	$ 12,514,153		14.27 %

Source: Ramsey County and Washington County

INDEPENDENT SCHOOL DISTRICT NO. 622

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

For Taxes Collectible	Original Levy: Local Spread	Original Levy: Fiscal Disparities	Original Levy: Property Tax Credits	Original Levy: Total Spread	Collections – First Year Levy Recognized: Amount	Collections – First Year Levy Recognized: Percentage of Levy	Collections – Received in Subsequent Years	Collections – Total to Date: Amount	Collections – Total to Date: Percentage of Levy	Uncollected Taxes Receivable as of June 30, 2020 – Delinquent: Amount	Delinquent: Percent	Current: Amount	Current: Percent
2011	$ 30,539,758	$ 4,951,226	$ 1,082,317	$ 36,573,301	$ 36,108,053	98.7 %	$ 465,248	$ 36,573,301	100.0 %	$ –	– %	$ –	– %
2012	29,383,091	5,055,103	–	34,438,194	34,107,661	99.0	330,533	34,438,194	100.0	–	–	–	–
2013	30,881,429	5,004,519	–	35,885,948	35,526,707	99.0	359,241	35,885,948	100.0	–	–	–	–
2014	33,892,337	5,656,755	–	39,549,092	39,299,428	99.4	194,930	39,494,358	99.9	54,734	0.1	–	–
2015	35,275,869	6,160,750	–	41,436,619	41,140,417	99.3	273,764	41,414,181	99.9	22,438	0.1	–	–
2016	35,150,119	6,122,239	–	41,272,358	40,994,167	99.3	252,120	41,246,287	99.9	26,071	0.1	–	–
2017	41,335,193	6,484,783	–	47,819,976	47,537,122	99.4	217,829	47,754,951	99.9	65,025	0.1	–	–
2018	40,021,342	7,753,031	–	47,774,373	47,500,513	99.4	168,738	47,669,251	99.8	105,122	0.2	–	–
2019	41,037,488	7,227,934	–	48,265,422	47,965,017	99.4	–	47,965,017	99.4	300,405	0.6	–	–
2020	47,162,174	7,410,363	–	54,572,537	23,507,476	43.1	–	23,507,476	43.1	–	–	31,065,061	56.9
										$ 573,795		$ 31,065,061	

Note 1: A portion of the total spread levy is paid through various property tax credits, which are paid through state aids and have been included in collections. Legislative changes beginning with taxes collectible in 2012 significantly reduced or eliminated the amount of tax credits paid through state aids.

Note 2: 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.

Source: State of Minnesota School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 622

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities						
Fiscal Year	General Obligation Bonds	Premium (Discount) on Bonds	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2011	$155,405,000	$ 1,173,352	$ 8,625,000	$ -	$165,203,352	38.66 %	$ 2,158
2012	151,150,000	1,294,193	7,290,000	-	159,734,193	36.79	2,066
2013	151,900,000	1,620,109	6,520,000	-	160,040,109	36.13	2,073
2014	134,065,000	1,530,035	5,720,000	-	141,315,035	30.32	1,806
2015	115,575,000	1,429,255	4,895,000	-	121,899,255	24.97	1,542
2016	105,860,000	1,277,180	4,055,000	-	111,192,180	32.94	1,331
2017	90,730,000	5,456,546	3,185,000	1,429,649	100,801,195	28.00	1,221
2018	81,155,000	4,874,531	2,290,000	1,204,215	89,523,746	23.36	1,128
2019	121,610,000	5,319,827	10,780,000	1,656,344	139,366,171	N/A	1,755
2020	366,000,000	13,309,293	10,035,000	1,259,342	390,603,635	N/A	4,692

N/A – Not Available

(1) See the Schedule of Demographic and Economic Statistics for personal income and total ISD No. 622 population data.

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

INDEPENDENT SCHOOL DISTRICT NO. 622

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

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Market Value	Percent of Net Debt to Market Value	Estimated Population	Net Bonded Debt per Capita
2011	$ 156,578,352	$ 7,585,204	$ 148,993,148	$7,100,019,400	2.10 %	76,567	$ 1,946
2012	152,444,193	12,430,393	140,013,800	6,828,952,000	2.05	77,297	1,811
2013	153,520,109	21,612,076	131,908,033	6,299,805,800	2.09	77,210	1,708
2014	135,595,035	12,032,786	123,562,249	6,424,286,100	1.92	78,239	1,579
2015	117,004,255	2,729,885	114,274,370	6,970,329,000	1.64	79,060	1,445
2016	107,137,180	3,278,833	103,858,347	7,129,353,400	1.46	83,540	1,243
2017	96,186,546	2,980,193	93,206,353	7,463,934,900	1.25	82,540	1,129
2018	86,029,531	3,088,612	82,940,919	7,972,970,100	1.04	79,342	1,045
2019	126,929,827	3,165,547	123,764,280	8,533,938,800	1.45	79,394	1,559
2020	379,309,293	4,299,699	375,009,594	9,166,542,200	4.09	83,254	4,504

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

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INDEPENDENT SCHOOL DISTRICT NO. 622

Direct and Overlapping Debt
as of June 30, 2020

Governmental Unit	2019–2020 Taxable Net Tax Capacity	Bonded Debt	Percent Allocable to ISD No. 622	Portion Allocable to ISD No. 622
Independent School District No. 622	$ 108,300,930	$ 379,309,293	100.00 %	$ 379,309,293
Overlapping debt				
Ramsey County	663,489,369	160,510,000	8.41	13,498,891
Washington County	344,797,210	125,410,000	13.68	17,156,088
City of Lake Elmo	21,109,191	14,545,000	25.35	3,687,158
City of Maplewood	51,380,474	54,477,165	84.72	46,153,054
City of North St. Paul	12,248,916	13,460,000	100.00	13,460,000
City of Oakdale	33,898,373	19,745,000	98.69	19,486,341
City of White Bear Lake	33,574,636	18,050,000	0.03	5,776
City of Woodbury	113,842,053	52,005,000	11.01	5,725,751
Metropolitan Council	4,576,187,142	230,225,000	2.37	5,456,333
Total overlapping debt				124,629,390
Total direct and overlapping debt				$ 503,938,683

Note 1: The percentage of overlapping debt applicable is estimated using taxable net tax capacity values. Applicable percentages were estimated by determining the portion of the overlapping entity's taxable net tax capacity value that is within the District's boundaries and dividing it by the overlapping government's total taxable net tax capacity value.

Note 2: The Washington County HRA, Metropolitan Council, and Metropolitan Airports Commission are governmental units with overlapping debt applicable to the District. Overlapping debt information for these units of government applicable to the District was not readily available.

Source: Ramsey County and Washington County

INDEPENDENT SCHOOL DISTRICT NO. 622

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	$ 1,065,002,910	$ 1,024,342,800	$ 944,970,870	$ 963,642,915	$ 1,045,549,350	$ 1,069,403,010	$ 1,119,590,235	$ 1,195,945,515	$ 1,280,090,820	$ 1,374,981,330
Total net debt applicable to the limit	147,819,796	138,719,607	130,287,924	122,032,214	112,845,115	102,581,167	87,749,807	78,066,388	118,444,453	361,700,301
Legal debt margin	$ 917,183,114	$ 885,623,193	$ 814,682,946	$ 841,610,701	$ 932,704,235	$ 966,821,843	$ 1,031,840,428	$ 1,117,879,127	$ 1,161,646,367	$ 1,013,281,029
Total net debt applicable to the limit as a percentage of debt limit	13.88%	13.54%	13.79%	12.66%	10.79%	9.59%	7.84%	6.53%	9.25%	26.31%

Legal Debt Margin Calculation for Fiscal Year 2020

Market value	$ 9,166,542,200
Debt limit (15% of market value)	1,374,981,330
Debt applicable to the limit	
General obligation bonds	366,000,000
Less amount set aside for repayment of general obligation debt	(4,299,699)
Total net debt applicable to the limit	361,700,301
Legal debt margin	$ 1,013,281,029

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

Source: State of Minnesota School Tax Report

INDEPENDENT SCHOOL DISTRICT NO. 622

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of North St. Paul Population (1)	City of North St. Paul Personal Income (1)	City of North St. Paul Per Capita Personal Income (2)	Total ISD No. 622 Population (3)	School Enrollment (4)	Ramsey County Unemployment Rate (5)
2011	11,460	$ 427,274,304	$ 37,284	76,567	10,978	6.6 %
2012	11,485	434,178,940	37,804	77,297	10,885	5.7
2013	11,618	442,931,688	38,116	77,210	10,912	4.9
2014	11,951	466,089,000	39,000	78,239	10,727	4.0
2015	12,006	488,211,984	40,664	79,060	10,715	3.5
2016	12,104	337,520,040	27,885	83,540	10,669	3.6
2017	12,069	359,994,132	29,828	82,540	10,480	3.3
2018	12,099	383,223,726	31,674	79,342	10,633	2.7
2019	12,159	N/A	N/A	79,394	10,636	3.3
2020	N/A	N/A	N/A	83,254	10,454	6.9

N/A – Not Available

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

Note 2: Unemployment rate for 2020 is an average through June 2020.

Sources:
(1) City of North St. Paul's CAFR for the year ended December 31, 2019.
(2) The per capita personal income used is for that of Ramsey County, in which the City of North St. Paul resides.
(3) Annual school district census and U.S. Census.
(4) The District.
(5) Minnesota Department of Employment and Economic Development.

INDEPENDENT SCHOOL DISTRICT NO. 622

Principal Employers
Current Year and Nine Years Ago

Employer	2020 Employees	2020 Rank	2011 Employees	2011 Rank
3M Company	11,000	1	10,000	1
Independent School District No. 622	1,589	2	1,671	3
HealthEast Care System/St. John's Hospital	1,500	3	1,750	2
REM Ramsey	600	4	–	–
Target Stores	550	5	267	6
First Student Charter	400	6	–	–
Cub Foods	350	7	265	7
City of Maplewood	345	8	–	–
Canvas Health, Inc.	300	9	–	–
Berwald Roofing and Sheet Metal	300	9	–	–
Imation Corporation	–	–	1,450	4
Maplewood Care Center	–	–	270	5
Sears	–	–	155	8
Macy's	–	–	150	9
MnDOT	–	–	139	10
Total	16,934		16,117	
Total ISD No. 622 population (see the Schedule of Demographic and Economic Statistics)	83,254		76,567	
Percent of principal employers to total ISD No. 622 population	20.3%		21.0%	

Note: Total number of employees working for employers within the District's boundaries is not readily available. The District has provided total population to provide a comparison base to reference between current year and nine years ago.

INDEPENDENT SCHOOL DISTRICT NO. 622

Employees by Classification
Last Ten Fiscal Years

	Fiscal Year									
Employees (1)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District directors/superintendent	7	7	7	7	7	7	7	8	8	8
Supervisors, coordinators, specialists, and technical support	88	88	87	83	92	90	107	107	126	126
Principals and assistant principals	25	27	26	28	23	23	24	22	23	25
Teachers	697	693	727	751	726	715	739	732	746	775
Clerical staff	84	81	85	81	80	74	68	67	64	74
Educational support (paras, EAs, behavior staff, etc.)	378	387	407	416	402	388	440	469	430	406
Engineers, custodians, drivers, and monitors	190	189	207	204	205	201	195	202	177	174
Nutrition services	74	70	70	74	74	75	73	74	72	71
Community education (ABE, building supervisors)	41	44	43	44	41	39	34	39	36	26
Total	1,584	1,586	1,659	1,688	1,650	1,612	1,687	1,720	1,682	1,685

(1) This schedule is a headcount based on contract group; if an employee has multiple contract groups, they are reflected multiple times. Full-time and part-time employees count the same.

Source: The District's Human Resources Department

INDEPENDENT SCHOOL DISTRICT NO. 622

Teacher Data
Year Ended June 30, 2020

	Salary Schedule										
	BA	BA + 15	BA + 30	BA + 45	MA	MA + 15	MA + 30	MA + 45	MA + 60	PHD	Total
Low range	$ 39,820	$ 41,120	$ 42,421	$ 43,723	$ 45,025	$ 46,398	$ 47,771	$ 49,145	$ 50,514	$ 51,886	N/A
High range	$ 58,014	$ 61,044	$ 64,071	$ 67,095	$ 70,123	$ 72,317	$ 74,510	$ 76,698	$ 78,892	$ 81,085	N/A
Number of teachers	195	36	22	51	325	35	36	24	47	4	775
Average salary	$ 63,632										
Average education	MA										
Number of full-time equivalents	775										

N/A – Not Applicable

Source: The District's Human Resources Department

INDEPENDENT SCHOOL DISTRICT NO. 622

Student to Staff Ratios
Last Ten Fiscal Years

Fiscal Year	ISD No. 622 Student to Teacher Ratios (1)	Minnesota Department of Education Student to Staff Ratio (2) ISD No. 622	Washington County Average	Ramsey County Average	State Average
2011	15.75	15.21	14.57	14.20	13.04
2012	15.71	15.12	14.48	14.20	13.04
2013	15.01	14.49	14.17	14.00	12.93
2014	14.28	13.77	13.85	13.60	12.82
2015	14.76	14.31	14.21	13.40	12.56
2016	14.92	14.46	14.42	13.40	12.69
2017	14.18	13.74	13.66	13.40	12.49
2018	14.53	14.10	13.92	13.40	12.45
2019	14.26	13.83	13.72	11.87	12.45
2020	13.49	13.07	N/A	N/A	N/A

N/A – Not Available

(1) This data is computed using only full-time equivalent licensed classroom teaching staff.

(2) This data is computed by dividing total students (Minnesota Department of Education enrollment numbers pre-kindergarten through Grade 12) by total certified staff. Certified staff includes classroom teachers, administrators, special education teachers, and all other licensed professionals measured in full-time equivalents.

Source: Minnesota Department of Education

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INDEPENDENT SCHOOL DISTRICT NO. 622

Operating Indicators by Function
Standardized Testing and Graduation Rates
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Standardized tests										
MCA Reading (1)										
Grade 3	76 %	78 %	54 %	53 %	58 %	55 %	53 %	52 %	46 %	N/A %
Grade 5	77	77	62	64	64	64	64	66	63	N/A
Grade 7	68	62	39	44	46	50	47	46	45	N/A
Grade 10	72	71	57	57	56	53	59	62	58	N/A
MCA Math (1)										
Grade 3	73	79	78	71	75	70	67	65	50	N/A
Grade 5	59	66	68	64	65	61	64	59	55	N/A
Grade 7	46	52	46	51	52	52	53	45	44	N/A
Grade 11	44	39	52	49	49	50	48	49	50	N/A
ACT										
Average composite score	N/A	N/A	N/A	N/A	N/A	19.7	20.1	19.5	19.0	21.3
Graduation data (2)										
ISD No. 622's graduation rate	N/A	N/A	82	81	83	82	82	85	84	N/A
State graduation rate	93	78	80	81	82	82	83	83	84	N/A

N/A – Not Available

(1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test (II). Percentages not available for 2020 due to COVID-19.

(2) Starting in 2012, Minnesota began using the federally-required adjusted cohort graduation rate model. This model follows students in a cohort throughout high school and determines if they graduate within four, five, or six years. The four-year graduation rate shows the number of students graduating from high school within four years after entering Grade 9.

Source: Minnesota Department of Education, the District's Testing Department, and the District's Registrar and ACT Corporation

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INDEPENDENT SCHOOL DISTRICT NO. 622

School Facilities
as of June 30, 2020

Facility	Use	Constructed	Acres	Square Footage	Capacity	Enrollment (1)
Carver Elementary	School	1958–1960–1996–2000	10	61,691	560	551
Castle Elementary	School	1969–1988–2019	10	74,604	650	412
Cowern Elementary	School	1953–1958–1962–2004	9	51,283	400	442
Oakdale Elementary	School	1967–1970–1990–2000	10	63,550	500	501
Richardson Elementary	School	1954–1966–2004–2019	8	80,773	650	472
Skyview Elementary	School	1996	49	206,000	500	603
Eagle Point Elementary	School	1965–1966–2004	20	53,904	375	458
Weaver Elementary	School	1967–1969	12	44,850	425	548
Webster Elementary	School	1964–1966	9	43,775	350	420
District Education Center (DEC)	School/Office	1967–1999	1	91,900	N/A	N/A
Gladstone Community Education Center	Early Child/ Adult Ed	1951–1955–1957–1961	9	43,803	N/A	18
Beaver Lake Education Center	Early Child/ Pre-K	1940–1951–1962–2013	9	41,450	N/A	22
Harmony Learning Center	Special Ed/ Adult Ed/ Care and Treatment	1962–1992–2000	10	40,555	N/A	50
John Glenn Middle	School	1962–1967–1977–1988	21	137,084	1,050	784
Maplewood Middle	School	1961–1967	25	113,400	1,050	715
Skyview Middle	School	1996	49	206,000	1,050	784
North High	School	1997	23	265,000	1,695	1,622
Tartan High	School	1971–1976	46	259,700	1,575	1,645
Polar Arena	Ice Arena	1969–1970–1975	N/A	32,827	N/A	N/A
Tartan Arena	Ice Arena	1996	N/A	64,816	N/A	N/A

N/A – Not Available

(1) Enrollment data from October 19, 2020.

Source: The District's Operations and Maintenance Department and Enrollment Department, and ADM served per Minnesota School District Profiles Report

INDEPENDENT SCHOOL DISTRICT NO. 622

Food Service
School Lunch Program Data
Last Ten Fiscal Years

Fiscal Year	Total Lunches Served	Days	Average Daily Participation	Free Lunch		Reduced-Price Lunch	
				Number Served	Percent of Total	Number Served	Percent of Total
2011	1,290,529	173	7,460	504,551	39.10 %	156,239	12.11 %
2012	1,297,771	173	7,502	547,379	42.18	148,958	11.48
2013	1,292,609	173	7,472	581,380	44.98	146,577	11.34
2014	1,258,602	169	7,447	591,275	46.98	137,725	10.94
2015	1,318,624	173	7,622	624,210	47.34	154,099	11.69
2016	1,320,613	172	7,678	624,498	47.29	173,808	13.16
2017	1,287,654	172	7,486	629,546	48.89	168,921	13.12
2018	1,267,024	170	7,453	602,634	47.56	202,397	15.97
2019	1,232,355	166	7,424	585,728	47.53	202,166	16.40
2020	1,107,654	208	5,325	661,606	59.73	144,542	13.05

Source: The District's Food Service Department

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INDEPENDENT SCHOOL DISTRICT NO. 622

Student Enrollment
Last Ten Fiscal Years

	Average Daily Membership (ADM) (for Students Served or Tuition Paid)					
Year Ended June 30,	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary	Total	Total Pupil Units
2011	166.67	595.86	4,388.31	5,827.65	10,978.49	12,899.49
2012	176.24	671.49	4,334.03	5,702.81	10,884.57	12,733.87
2013	170.78	688.57	4,451.89	5,601.03	10,912.27	12,738.68
2014	189.04	662.05	4,499.22	5,376.75	10,727.06	12,501.65
2015	201.93	641.06	4,497.53	5,374.84	10,715.36	11,790.31
2016	221.12	625.09	4,534.08	5,288.64	10,668.93	11,726.67
2017	273.72	569.58	4,430.34	5,206.78	10,480.42	11,521.79
2018	352.61	594.81	4,474.14	5,211.11	10,632.67	11,674.89
2019	391.38	608.30	4,443.69	5,192.62	10,635.99	11,674.52
2020	378.60	619.99	4,335.95	5,119.72	10,454.26	11,478.20

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

Note 2: ADM is weighted as follows in computing pupil units:

	Pre-Kindergarten	Handicapped Kindergarten	Half-Day Kindergarten	Full-Day Kindergarten	Elementary 1–3	Elementary 4–6	Secondary
Fiscal 2011 through 2014	1.250	1.000	0.612	0.612	1.115	1.060	1.300
Fiscal 2015 through 2020	1.000	1.000	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education student reporting system

INDEPENDENT SCHOOL DISTRICT NO. 622

Expenditures per Student
Last Ten Fiscal Years

	Fiscal Year 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenditures per student (ADM) (1)										
General Fund										
District level administration	$ 341	$ 343	$ 400	$ 522	$ 574	$ 541	$ 601	$ 616	$ 664	N/A
School level administration	441	453	476	505	491	472	491	507	513	N/A
Regular instruction	4,564	4,603	4,829	5,058	5,082	5,009	5,004	5,191	5,329	N/A
Career and technical instruction	132	165	232	209	231	228	238	259	259	N/A
Special education	1,909	1,872	1,905	2,161	2,235	2,408	2,445	2,457	2,789	N/A
Student activities/athletics	191	192	205	218	226	242	247	252	250	N/A
Instructional support services	640	551	515	519	462	443	468	529	548	N/A
Pupil support services	228	292	289	302	296	254	277	305	343	N/A
Operations, maintenance, and other	632	636	735	849	865	826	850	888	920	N/A
Student transportation	578	573	626	667	706	664	751	735	748	N/A
Capital expenditures	783	378	595	533	508	379	1,114	1,165	1,007	N/A
Total General Fund expenditures	$ 10,439	$ 10,058	$ 10,807	$ 11,543	$ 11,676	$ 11,466	$ 12,486	$ 12,904	$ 13,368	N/A
ADM used per profile model format	11,609	11,537	11,690	11,253	11,212	11,140	10,933	11,064	11,004	N/A

N/A – Not Available

(1) Average daily membership (ADM) is a measure of student attendance.

Source: Minnesota Department of Education School District Profiles Report

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

Kennedy & Graven
CHARTERED

Offices in
Minneapolis
Saint Paul
St. Cloud

Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
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kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

$________
INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)
RAMSEY AND WASHINGTON COUNTIES, MINNESOTA
GENERAL OBLIGATION SCHOOL BUILDING AND REFUNDING BONDS
SERIES 2021A

We have acted as bond counsel to Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Ramsey and Washington Counties, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation School Building and Refunding Bonds, Series 2021A (the "Bonds"), originally dated December ___, 2021, and issued in the original aggregate principal amount of $________. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings, and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable in part from tax abatement revenues, and in part from ad valorem taxes levied by the Issuer on all taxable property of the Issuer, but if necessary for the payment thereof, additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

5. The resolution adopted by the School Board of the Issuer on____________, 2021, obligates the Issuer to be bound by the provisions of Minnesota Statutes, Section 126C.55. We express no opinion as to the enforceability of the provisions of that law against the State of Minnesota (the "State") in the absence of appropiated and available funds to pay the obligations of the State thereunder.

We have not been asked and have not undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated December ___, 2021, at Minneapolis, Minnesota.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

$________
INDEPENDENT SCHOOL DISTRICT NO. 622
(NORTH ST. PAUL-MAPLEWOOD-OAKDALE)
RAMSEY AND WASHINGTON COUNTIES, MINNESOTA
GENERAL OBLIGATION SCHOOL BUILDING AND REFUNDING BONDS
SERIES 2021A

CONTINUING DISCLOSURE CERTIFICATE

_____________, 2021

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Ramsey and Washington Counties, Minnesota (the "District"), in connection with the issuance of its General Obligation School Building and Refunding Bonds, Series 2021A (the "Bonds"), in the original aggregate principal amount of $________. The Bonds are being issued pursuant to a Resolution adopted by the School Board of the District (the "Resolution"). The Bonds are being delivered to________________ [, as syndicate manager] (the "Purchaser"), on the date hereof. Pursuant to the Resolution, the District has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolution, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means annual financial statements of the District, prepared in accordance with GAAP as prescribed by GASB.

"Bonds" means the General Obligation School Building and Refunding Bonds, Series 2021A, issued by the District in the original aggregate principal amount of $________.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"District" means Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Ramsey and Washington Counties, Minnesota, which is the obligated person with respect to the Bonds.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally-recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the Final Official Statement, dated___________, 2021, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the District.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

"GASB" means the Governmental Accounting Standards Board.

"Holder" means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Purchaser" means________________ [, as syndicate manager].

"Repository" means EMMA, or any successor thereto designated by the SEC.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The District shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends June 30, 2021, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate, provided that the Audited Financial Statements of the District may be submitted separately from the balance of the Annual Report.

(b) If the District is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a notice of that fact to the Repository and the MSRB.

(c) The District shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. Student Body
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include the most recent Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The District shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The District shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the District shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the District's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally-recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the District shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The District's obligations under the Resolution and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally-recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolution requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the District delivers to the Repository an opinion of nationally-recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolution and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively, or otherwise do not apply to the Bonds. The provisions of the Resolution requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the District to the Repository of the proposed amendment and an opinion of nationally-recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

INDEPENDENT SCHOOL DISTRICT NO. 622 (NORTH ST. PAUL-MAPLEWOOD-OAKDALE), RAMSEY AND WASHINGTON COUNTIES, MINNESOTA

____

Board Chair

____

Clerk

APPENDIX E

TERMS OF PROPOSAL

$88,045,000* GENERAL OBLIGATION SCHOOL BUILDING AND REFUNDING BONDS, SERIES 2021A INDEPENDENT SCHOOL DISTRICT NO. 622 (NORTH ST. PAUL-MAPLEWOOD-OAKDALE), MINNESOTA

Proposals for the purchase of $88,045,000* General Obligation School Building and Refunding Bonds, Series 2021A (the "Bonds") of Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Minnesota (the "District") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the District, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on November 17, 2021, at which time they will be opened, read and tabulated. The proposals will be presented to the School Board for consideration for award by resolution at a meeting to be held at 6:00 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the District will be accepted unless all proposals are rejected.

PURPOSE

The Bonds are authorized pursuant to Minnesota Statutes, Sections 123B.62, 469.1814, and 475.67, subdivision 3, and Chapters 469 and 475, as amended, by District, for the purpose of effecting a current refunding of certain outstanding general obligations of the District and to finance the acquisition and betterment of school sites and facilities in the District The Bonds will be general obligations of the District for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated December 16, 2021, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2023	$3,910,000	2027	$8,100,000	2031	$9,715,000
2024	5,240,000	2028	9,190,000	2032	6,005,000
2025	6,470,000	2029	10,600,000	2033	6,310,000
2026	7,135,000	2030	9,090,000	2034	6,280,000

ADJUSTMENT OPTION

* The District reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The District has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The District will pay the charges for Paying Agent services. The District reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the District, the Bonds maturing on or after February 1, 2030 shall be subject to optional redemption prior to maturity on February 1, 2029 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the District. If only part of the Bonds having a common maturity date are called for redemption, then the District or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about December 16, 2021, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the District will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the District, threatened. Payment for the Bonds must be received by the District at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the District, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the District; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than $88,045,000 plus accrued interest on the principal sum of $88,045,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

1) Electronically to bondsale@ehlers-inc.com; or

2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:30 A.M. Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the District nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of $1,760,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The District reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the District may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the District as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The District and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to $250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the District scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The District's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The District reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the District requested and received a rating on the Bonds from a rating agency, the District will pay that rating fee. Any rating agency fees not requested by the District are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The District will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the District will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the District under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(1) The District shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the District may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the District shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the District agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the District promptly after the close of the fifth (5^{th}) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The District acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the District, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the District to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the School Board

Independent School District No. 622
(North St. Paul-Maplewood-Oakdale), Minnesota

PROPOSAL FORM

The School Board **November 17, 2021**
Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Minnesota (the "District")

RE: $88,045,000* General Obligation School Building and Refunding Bonds, Series 2021A (the "Bonds")
DATED: December 16, 2021

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $__________________ (not less than $88,045,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

________	% due	2023	________	% due	2027	________	% due	2031
________	% due	2024	________	% due	2028	________	% due	2032
________	% due	2025	________	% due	2029	________	% due	2033
________	% due	2026	________	% due	2030	________	% due	2034

* The District reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2023 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of $1,760,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The District reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the District may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the District as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about December 16, 2021.

This proposal is subject to the District's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the District with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: _____10% test, or the _____hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: ______________________ By: ______________________
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 16, 2021 of the above proposal is $_______________and the true interest cost (TIC) is __________%.

The foregoing offer is hereby accepted by and on behalf of the School Board of Independent School District No. 622 (North St. Paul-Maplewood-Oakdale), Minnesota, on November 17, 2021.

By: ______________________ By: ______________________

Title: ______________________ Title: ______________________